

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, 21 October 2021 at 7.30 pm.

Present: Councillors M. S. Blacker, G. Buttironi, M. Elbourne, J. C. S. Essex, P. Harp, N. D. Harrison (Chair), A. King, S. Parnall, S. Sinden, M. Tary, R. S. Turner and S. T. Walsh

Also in attendance: Councillors T. Archer, V. Lewanski, T. Schofield.

34. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received from Councillor Moses.

Councillor Cooper and Councillor Whinney attended the meeting remotely.

35. MINUTES

The Minutes of the previous meeting on 9 September 2021 were approved.

36. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

37. ORGANISATION PORTFOLIO HOLDER UPDATES

Members received briefings from the three Organisation Executive Members overseeing three areas of the Council's work: Corporate Policy & Resources, Finance & Governance and Investment & Companies.

The [presentations from each of the Executive Members/Portfolio Holders](#) were published on the Council's website as part of the Committee's agenda pack.

Councillor Lewanski, Portfolio Holder for Corporate Policy & Resources, gave an overview of the Council's work. This included: rapid implementation of IT systems to enable staff and Members to work remotely and securely, revision of ICT strategy in line with future ways of working; scoping improvements required for data centre and telephony systems, updates to delivery of online automated transactions, corporate policy development, project management updated framework and reporting, communications to support emergency COVID-19 response and use of data and insight to deliver services more efficiently.

Organisational Development and HR had been reviewing different ways of working to benefit residents post the pandemic, including hybrid working to enable remote working with future physical workspaces, as well as workforce planning and resourcing.

Members made observations and asked questions on the following areas. This included supplementary questions arising from Written Answers to Members' Advance Questions:

- **Customer relations** – approximately 60 plus online transactions with the public were handled through the Customer Relationship Management (CRM) system currently. Work was ongoing to review the work done to date to move processes online which had been facilitated by the CRM platform. The Head of IT confirmed that around 30,000 people had signed up to request Council services in this way. Over 50,000 transactions a year were carried out using the digital platform. Members asked for further information as a follow-up written answer.
- **Cyber-attacks** – Members highlighted the increase in cyber-attacks on IT systems of companies and organisations more generally, following the increase in online working. The Head of IT confirmed on the cyber front that IT monitors all systems and blocks around 2000 attempts a month. There was secure access to systems via Council-issued laptops and the organisation had to meet public sector network accreditation each year set by the Cabinet Office.
- **Fraud and identity fraud** – how did the Council ensure it was protecting residents against fraud with the decrease in face-to-face contact and remote working? This included dealing with potential identity fraud, such as criminals purporting to be calling from the Council. It was confirmed that the Revenues, Benefits and Fraud team dealt with any reported cases of fraud. Members requested more information in a follow-up written answer.
- **Telephony** – it was confirmed that plans to replace the entire telephony and remote access systems in 2022 were underway. There had been some problems with external calls going direct to a staff extension number due to remote access systems. This had not affected the Borough Council's main phone line or internal calls.
- **Hybrid working** – HR was working through the detail on hybrid working with staff and the impact this might have on working conditions before communicating more widely the future planned approach. All staff could book a desk to work in the offices.

Councillor Schofield, Portfolio Holder for Finance & Governance, gave an overview to the Committee. This included supplementary questions arising from Written Answers to Members' Advance Questions.

Regular updates had been given to Executive on COVID-19 budget impacts during 2020/21, an updated Medium-Term Financial Plan and business grants. Service & Financial Planning for 2022/23 was on schedule with reports to 18 November Executive and Budget Scrutiny Panel on 1 December.

The Legal team had been strengthened with the recruitment of an experienced Planning solicitor and Property solicitor with very little work outsourced. A review of land charges services had been undertaken to increase the quality of land charges

information. Further work had been carried out to strengthen the centralised procurement service to seek best value for money when procuring goods and services.

Council Tax collection had increased slightly for the same period in 2020/21 but still not back to pre-Covid level. Counter Fraud cumulative figures had identified savings from counter fraud work of £1.3m including housing fraud, Council Tax, business rates and benefits. The fraud team had received a national award for excellence in partnership work with Oxford City Council. A total of 7,640 payments had been made to local businesses from April 2020 under various criteria totalling £42.391m.

Members made observations and asked questions on the following areas:

- **Counter fraud** – Members asked about the savings relating to counter fraud work which related to savings on the cost of temporary accommodation and social housing tenancies as well as additional council tax over time following Cabinet Office measurements.
- **Parking income** – parking revenues and reduced income from parking season tickets for businesses, for example, was under review following the pandemic and increased remote working.

Councillor Archer, Portfolio Holder for Investment & Companies, gave an overview of the Council's work. The focus was on overall strategy, Council owned or part-owned companies and assets. The bulk of the work related to managing existing investments. Work was underway to develop Commercial Strategy Part 2 with Part 1 agreed in December 2020. (An update on existing companies was provided in Minute 39). The income-generating portfolio included properties in Redhill, Reigate, Merstham and Horley. During the pandemic, 94% of rent was collected, with only a 6% shortfall (resulting from two Company Voluntary Arrangements - CVAs) which was a strong performance. Programmes included good progress on Marketfield Way in Redhill and development feasibility work underway for Horley Car Park site. Following planning permission refusal of the Woodhatch Crematorium proposal, next steps were under consideration.

Supplementary questions arising from Written Answers to Members' Advance Questions included questions on Horley Business Park future development plans.

Members commented and asked questions on the following areas:

- **Woodhatch Crematorium** – Following refusal of planning permission at Planning Committee at the end of September, the project and next steps were being considered.
- **Affordability of market rent apartments** owned by Kooky Ltd (part of the Delph Group) – Members asked for more information on the rental apartments being developed on the Council-owned site on Marketfield Way site, Redhill. A written answer was requested on 1) service management charges 2) ground rents and to confirm best practice was being followed with regard to leasehold property management.
- **Horley Car Park scheme** – Members asked about the development feasibility work underway. This was at an early stage to identify if it is a viable scheme to meet housing and commercial objectives for regeneration of

Horley town centre. However, recent steep increases in building costs were an issue.

- **Marketfield Way, Redhill** – it was confirmed that an agreement with a future cinema provider was being finalised and other lease agreements with tenants were being negotiated.
- **55-63 Victoria Road, Horley property** – Members asked about this property asset which had been boarded up for some time. The Property Services Manager reported that plans for a temporary shop front and a new marketing campaign were underway.

RESOLVED – that the Committee:

- 1) Note the Executive Portfolio Holder updates on the activities and work undertaken within the Organisation portfolio service and policy areas;
- 2) Provide observations and comments for consideration by Executive Members as set out in the Minutes.

38. ENVIRONMENTAL SUSTAINABILITY: PROGRESS UPDATE

The Committee received an annual update on the work towards the objectives set out in the Council's Environmental Sustainability Strategy, adopted in July 2020.

Councillor Lewanski, Portfolio Holder for Corporate Policy and Resources, outlined the work that had taken place over the past year. More detail was given in the [environmental sustainability strategy update slide pack](#) published as part of the agenda pack. In addition, the agenda pack included two annexes: Annex 1 which set out the progress, challenges and next steps of the Action Plan in 2020/21. Annex 2 set out additional proposed actions.

During the past year, the new sustainability team had been established at the Borough Council. Despite the challenges faced during the pandemic, good progress had been made and action on more sustainable ways of working was being weaved throughout services across the Council. These activities were based on four key themes: energy and carbon, low impact consumption, biodiversity & the natural environment and implementation cross-cutting areas such as Planning, partnership working and procurement.

The sustainability team had two main areas of focus:

- 1) To work to become a more sustainable Council. Actions to date have included purchasing energy with renewable tariffs and offsetting so our energy supply could become carbon neutral; switching to low carbon vehicles as these were replaced and improving the Borough's green spaces to absorb more carbon dioxide and to support biodiversity. A range of activities to support and train staff and Members to underpin a more sustainable future was underway.
- 2) To support residents and businesses to become a more sustainable Borough such as: joint working with Surrey local authorities and Surrey County Council; bidding for Government funding for decarbonisation of housing stock; supporting schemes such as Solar Together to install solar panels in

the borough; installing new electric vehicle charging points in Horley (with more to come in Banstead); working with community groups to identify areas to plant trees; planned work to engage young people on climate change through local schools.

Councillor Lewanski thanked the Cross Party Member Sustainability Working Group for their detailed questions and feedback on the strategy.

Written answers had been provided to members on the Council's staged approach to working towards the Council's 2030 net zero carbon target and use of carbon offsetting measures and hedge cutting in the borough. A supplementary question from Councillor Essex requested more detail on offsetting schemes and costs as a follow-up written response.

Committee Members highlighted four priorities which would require significant planning, financial spend and delivery to achieve carbon reduction and get the Council to net zero by 2030.

These were:

- Improving the Council's own assets and buildings.
- A plan to convert the Council's fleet.
- Rolling out electric vehicle (EV) charging infrastructure – including for taxis and private hire vehicles.
- A plan for domestic retrofit programmes.

Members asked questions and made observations on the following areas:

Engagement with young people – Members asked about plans for working with young people on climate change and sustainability issues. Plans were underway for a pilot scheme to work with one primary and one secondary school in the Borough initially before expanding more widely to schools and colleges

Electric vehicle (EV) charging points – plans for EV charging was discussed in the north of the Borough such as Tadworth and Tattenhams where many residents parked on roads and there were limited public car parks to access EV charging points. Officers confirmed that they wanted to ensure a good geographic spread of EV points. Surrey County Council as highways authority was due to roll out trials of EV charging points next year in the Borough. Officers were working with the Energy Saving Trust to review where additional charging points in the Borough's own car parks could be placed.

Members asked about procurement and funding models for future EV charging points. It was noted that there are various different models available. Members highlighted Community Infrastructure Levy (CIL) funding as a way of investing in strategic projects to assist environmental sustainability. It was noted that Council-owned land and facilities (not only Council car parks) could be used to benefit the community in this area such as EV charging points.

Work with Surrey County Council – the Committee noted that Surrey County Council had published its Climate Change Delivery Plan at the end of October and asked how RBBC's Action Plan dovetailed with this to avoid any overlaps and also highlight any gaps. Officers reassured the Committee they were working closely

with the County Council including input into its Climate Change Delivery Plan to make best use of limited resources that were available to local authorities.

Publicising the RBBC action plan – updated web pages giving guidance and funding advice to residents and businesses about climate change and sustainability, articles in the Borough News and social media campaigns had been published as part of the communications plan. Members requested further public-facing messaging to further increase awareness of the work the Council was doing to combat climate change and help residents act sustainably. Further work was planned to gather feedback and views from residents.

Borough-wide emissions – the data graph on p45 of the agenda pack showed Borough-wide emissions in domestic use and transport were higher than in Surrey and England. This was common in more affluent areas where there were a greater number of residents living alone in larger detached houses and using their cars rather than public transport. The Council's total carbon footprint was well under 1% of the Borough's emissions.

Planting new forestry - Members noted the work to improve the natural environment – the Council had planted 181 trees and created or improved 128 square metres of soft landscaping within the borough. Members drew attention to Council-owned fields next to Banstead Common and asked if some of this area could be considered for planting new forestry to extend Banstead woods to assist work on enhancing the Borough's ecology rather than its current use as low-level agriculture land. Officers confirmed this idea would be explored with the Greenspaces team.

Fleet replacement strategy – 13 low-emission vehicles within the Council's fleet (10% of total) had been purchased with moves to use more efficient diesel refuse lorries. An electric refuse vehicle was being trialled.

Insulating Council-own buildings – Members asked for information on plans to improve the insulation of buildings owned and leased by the Council and plans to install alternative heating sources. A written answer would be provided.

Domestic retrofit of homes – the Committee asked about support for residents who may struggle in harder to heat homes. The Council had been working with the Solar Together Surrey project to support solar panel and battery storage discounts and the Green Jump Surrey scheme which helped to fund grants towards home energy efficiency upgrades.

Natural environment – as part of ecological improvements, glyphosate (a type of weedkiller) was only used as a last resort. Member asked how the Council liaised with stakeholders who owned land next to Council land to ensure that they also adopted this approach.

RESOLVED that the Committee:

1. Note the progress on work towards the objectives set out in the Council's Environmental Sustainability Strategy and proposed new actions provided at Annex 1 and Annex 2.

2. Provide observations set out in the Minutes for consideration by the Executive at its meeting on 18 November 2021.

39. COMPANIES PERFORMANCE UPDATE - AUTUMN 2021

The Committee received a six-monthly update on the performance of companies owned or part-owned by the Council from the Portfolio Holder for Commercial and Investments, Councillor Archer. Further information was set out in a report to the Committee – *Companies Performance Update – Autumn 2021* – which was published in the meeting agenda pack. To support good governance of the Council's companies, the Committee, and the Commercial Ventures Executive Sub-Committee (CVESC) received regular updates on the performance of these companies.

The three operational companies owned or part-owned by the Council currently consisted of:

- Greensands Holdings Ltd (a property development and investment company wholly owned by the Council which owns an office building and a plot of development land). This was currently considered to be performing overall in line with the Council's objectives and expectations. Members noted that the current directors of the company were William Pallett, Derek Beck and Councillor Michalowski.
- Horley Business Park Development LLP (which is a joint venture to bring forward planning and development of the proposed Horley Business Park with Millhill Properties (Horley) Ltd and Berwick Hill Properties Ltd). The Council is a partner in this proposed development. This was not currently performing in line with objectives due to activity being limited by matters currently being resolved with the joint venture partners.
- Pathway for Care Ltd, a supported living provider, where the Council is a minority shareholder. The majority shareholding was held by Transforming Healthcare Group Ltd. Additional information was being sought from the majority shareholders on current performance.

It was reported to Members that Camelia Close (Tadworth) Residents Management Company was set up in May 2021 as a short-term arrangement. This was not a Council-owned company but related to a RBBC development site and would be in place until all units were sold, when leasehold management would be transferred to a specialist resident management company.

The Council was currently developing Part 2 of its Commercial Strategy to set out its approach to future commercial activity. The O&S Commercial Strategy Scrutiny Panel was due to meet on 2 November 2021 to receive an overview of current work to date.

Members asked questions and made the following observations:

- **Business rates collection** – long-standing proposals to reform business rates were still under consideration by the Government. The Council received around £50m through business rates and retained approximately £2m.

- **Gatwick Airport ‘strategic gap’** – this was Surrey County Council-owned land between the proposed Horley Business Park development site and the M23 spur road. The emerging plans for Gatwick Airport proposed that some of this land be used as a site compound temporarily to aid with other proposed construction work at Gatwick Airport.
- **Greensand Holdings Ltd rental income** – Members asked for clarification on rental income and loan interest. It was confirmed that modest rental income was received on Council owned land at Fishers Farm (part of the Horley Business Park development land). A loan to purchase the land via Greensands Holdings accrued loan interest of £1.152m as of 31 March 2021. The office building provided rental income sufficient for the company to pay interest on the loan for that purchase to the Council.
- **Replanting trees** – as set out in the Companies Performance update report to the Committee on 18 March 2021, a number of trees on land owned by Millhill Properties were felled in November 2020 without the knowledge or approval of the Council. Members asked about replanting oak woodland and Tree Preservation Orders. It was confirmed that this was land not owned by the Council and was subject to an ongoing investigation by the Forestry Commission.
- **Pathway to Care Ltd** – Members asked about income from this company. It was confirmed that majority shareholder, Transforming Healthcare Group, had not yet declared a dividend income to the Council.

RESOLVED – that:

1. The Committee notes the Companies Performance Update, Autumn 2021, as set out in the report to the Committee
2. The observations of the Committee, set out in the Minutes, be considered by the Commercial Ventures Executive Sub-Committee at its meeting on 18 November 2021.

40. CONSTITUTION OF BUDGET SCRUTINY PANEL

Members noted the timetable and scope of the Budget Scrutiny Panel due to take place on 1 December 2021 to consider and respond to the draft Budget proposals for 2022/23 due to come to Executive on 18 November 2021.

The Committee agreed membership of the Budget Scrutiny Panel as Councillors Baker, Blacker, Buttironi, Elbourne, Essex, Harrison and Tary.

RESOLVED – that the Committee:

1. Agreed the membership and timetable of the Budget Scrutiny Panel set out in the report and due to take place on 1 December 2021.
2. Agreed the scope of the Budget Scrutiny Panel’s work.

41. OVERVIEW AND SCRUTINY COMMITTEE FORWARD WORK PROGRAMME 2021/22

Members considered the Forward Work Programme 2021/22 for the Committee set out in Annex 1 of the report.

It was agreed that the membership of the Commercial Strategy Scrutiny Panel (constituted at Overview and Scrutiny Committee on 21 January 2021) was Councillors Blacker, Elbourne, Essex, Harrison, King, Parnall and Walsh. The Panel was due to meet on 2 November 2021.

Members asked for a note from the Head of Legal to give a further update on progress with the Charitable Trusts legal work (set out in Annex 2 - Action Tracker).

RESOLVED that the Committee noted its proposed Forward Work Programme 2021/22.

42. 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.

43. ANY OTHER URGENT BUSINESS

There were no items of urgent business.

44. EXEMPT BUSINESS

RESOLVED – that members of the Press and public be excluded from the meeting for the consideration of Item 12 of the agenda (Companies Performance Update, Autumn 2021) (Exempt) under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- (i) It involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act at the information in the report relates to the financial or business affairs of the authority; and
- (ii) The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

45. COMPANIES PERFORMANCE UPDATE, AUTUMN 2021 (EXEMPT)

The Meeting closed at 10.01 pm