

**Minutes of the Overview and Scrutiny Committee  
29 September 2020**

**Present:**

Councillor V.J. Leighton (Chairman)  
Councillor O. Rybinski (Vice-Chairman)

**Councillors:**

C.L. Barratt	T. Fidler	I.T.E. Harvey
J.H.J. Doerfel	N.J. Gething	N. Islam
J.T.F. Doran	M. Gibson	L. E. Nichols
R.D. Dunn	A.C. Harman	D. Saliagopoulos

**Apologies:** Councillor T. Lagden

**In attendance:** Councillors M.M Attewell, C. Bateson, S. Buttar, S. Dunn, K. Grant, R. Noble, R.W. Sider BEM and R.A. Smith-Ainsley.

**204/20 Minutes**

The minutes of the meeting held on 7 July 2020 and the extraordinary meeting held on 23 September 2020 were agreed as correct records.

**205/20 Disclosures of Interest**

There were none.

**206/20 Call-in of Cabinet decisions**

Councillor M.M. Attewell, portfolio holder for Community Wellbeing and Housing was in attendance for this item.

The Chairman explained that she had received requests following the Cabinet meeting of 23 September 2020, to call-in the item on affordable housing at the former Brooklands College site, Ashford. She requested a late item be included on the agenda to provide an opportunity for all members to be fully briefed about this complex subject and ask questions, to enable them to make a reasoned decision as to whether to call-in the matter, and on the basis that the window of opportunity for a call-in was short.

The Housing Strategy and Policy Manager gave a presentation (attached) covering the background and key issues around the decision to pay a grant to A2Dominion to support the delivery of 26 homes for affordable rent at the former Brooklands College site, Ashford. He responded to questions from members of the Committee about the proposal.

**207/20 Cabinet Forward Plan**

The Committee noted the Cabinet Forward Plan without comment.

## **208/20    Asset Management Plan**

The Group Head for Regeneration and Growth, Mrs Heather Morgan, presented the report on the Asset Management Plan (AMP) which set out how the Council will support delivery of the its Capital Strategy. The AMP covers the Council's three portfolio areas for investment, regeneration including developments, and municipal assets. It explains how those assets will be managed, how the Council will mitigate risks, and actions we will take to make best use of the assets.

Mrs Morgan explained that the Plan had been amended to acknowledge that work to address the implications of COVID-19 was embedded within the work of the Assets team and that reference had been included to addressing the impact of climate change.

She confirmed that Overview and Scrutiny Committee may be involved in the review of the monitoring and resourcing processes contained in Appendices 5-8 of the AMP.

The Capital Strategy looks at the future direction for asset management and this is due to be reviewed early in 2021. The Group Head for Regeneration and Growth responded to questions from members and confirmed that the following issues would be addressed in the review of the Capital Strategy:

- The possibility of a Unitary Authority
- Future plans for green spaces that the Council owns
- O&S will have an opportunity to feed into the review

The Chief Finance Officer agreed to a request that the Committee be provided with an update on options around affordable housing on Knowle Green Estates (KGE) developments and the transfer value/mechanism for transferring completed developments from Spelthorne Borough Council to KGE.

### **Resolved to:**

1. note the Asset Management Plan; and
2. include a future item on the work programme on the performance, development monitoring and resourcing requirements for asset management.

## **209/20    Annual Asset Investment Report**

The Group Head for Regeneration and Growth presented the Annual Investment Report. She explained that the report provided a picture of the Council's investment and regeneration assets as at the end of the financial year March 2020 and set out how well they are performing, how we compare to the rest of the market, how we manage and mitigate risk, the methods we employ to actively manage our assets and what our exit strategies are for each investment asset. Key Performance Indicators had been developed covering issues such as capital growth, income yield, sinking fund income cove and vacancy rates.

A statement from the Portfolio Holder, Deputy Leader Councillor McIlroy, was read to the Committee. He said he recognised the need to continually look at what information needs to be provided and future improvements planned for next year's report included more detailed exit strategies for each of the investment assets.

He referred to the fact the Committee would be discussing the cash flow modelling for the investment portfolio sinking funds, later on its agenda and this demonstrated a willingness to share confidential information to aid the understanding of the committee members and assist their ability to scrutinise.

During the discussion on this item, Committee members asked questions about the outlook for commercial rents and values of retail assets, the responses to which would reveal confidential financial information. These questions were dealt with in a part 2 session at the end of the meeting.

**Resolved** to note the report.

### **210/20 Overview and Scrutiny Statutory Guidance**

The Chief Finance Officer presented the report which had been considered by the Committee at its meeting in January 2020. At that meeting the Committee had noted the policies, practice, and approaches detailed within the statutory guidance. The report was before the Committee again to identify any changes to current practice, as a result of the guidance, that it wished to implement or recommend to Cabinet where matters lay outside the Committee's remit

Members noted that the function and remit of scrutiny would be altered by a change to the committee system, which the Council had agreed to progress at its meeting on 30 July.

The Committee noted the clear message from the Guidance that Overview and Scrutiny should be allowed to flourish within Local Authorities and that Scrutiny members had enhanced powers to access relevant and timely information in order to carry out their duties effectively. Members agreed the Guidance intended this to be the default position, but that where the information must be withheld a written statement with reasons should be provided.

**Resolved** to note the report and that as a default position, information is provided to Scrutiny members on request and that a written statement with reasons is provided where information is withheld.

### **211/20 Capital Monitoring Q1 (April to June)**

The Interim Chief Accountant presented the report on Capital Monitoring for the period April to July 2020 and responded to members' questions.

In response to a question regarding the Sunbury Leisure Centre he advised that the capital scheme related to the new Spelthorne Leisure Centre and that

the revenue impact from the temporary closure of Sunbury pool was dealt with in the revenue monitoring report.

The Chief Finance Officer advised that future versions of this report will give information on a multi-year capital programme basis.

The Committee noted the report.

### **212/20 Revenue Monitoring Q1 (April to June)**

The Interim Chief Accountant presented the report on Revenue Monitoring for the period April to July 2020 and responded to members' questions.

A member of the Committee suggested that for future Budgets, contingency items were labelled as such and that a process was put in place for use of those funds.

The Committee noted the report.

### **213/20 Updates from Task Groups**

The following updates were provided on the work of Task Groups: -

Climate Change working group – had met on 22 September as a reformed group with new members and formulated an action plan on climate change. The group welcomed suggestions on green issues for its consideration from any councillor. It would work towards bringing a formal strategy to the Council next year.

The Chief Finance Officer advised that the Council was focussed on maximising ethically based medium term investments and would be working with our Treasury Management advisors to improve this further.

Councillor Noble advised the group would be working on two areas: 1. How to influence residents and business to be 'greener', and 2. Looking at all the Council's current policies and the importance each gives to addressing the 'green' agenda.

Clean Streets TG - the Lead member, Cllr Gething advised that the group hoped to meet soon and be able to report to a future meeting of the Committee. Following the launch of the Council's 'no rubbish excuses' campaign, a grant had been provided to distribute pickers, bags and personal protection equipment to the nearly 300 residents engaging in litter picking. Councillors had also been asked to allocate further funds to assist litter pickers from their Neighbourhood Grants.

End of life celebration centre TG – Cllr Noble, a co-opted member of the group advised that it had not met but would do so soon and consider statistical information to assist its consideration of this matter.

**Resolved** to note the updates.

### **214/20 Work Programme**

The Committee discussed the work programme which included a special meeting on 9 February 2021 to consider the budget proposals for 2021-22.

Members were of the opinion that this date was too late in the process of budget setting and that as Overview and Scrutiny Committee should be working with Cabinet on developing the budget, the Committee needed an earlier opportunity to scrutinise the proposals.

The Chief Finance Officer explained the constraints caused by a challenging timetable due to the fact the Local Government funding settlement would be received exceptionally late this year, possibly Christmas eve. This meant that work on producing a first draft detailed budget would be unlikely to be completed until the New Year and draft proposals be reported to Cabinet at its meeting on 27 January.

The Chief Finance Officer noted that the Committee would be discussing Budget Issues at its November meeting and offered a further additional meeting prior to Cabinet in January.

The Chairman agreed to discuss with officers the possibility of an additional scrutiny meeting on the Budget and report back to the Committee before its next meeting.

The Chairman agreed to consider a request for the Committee to look at potential cuts in relation to Surrey fire and rescue service as an item for its work programme.

**Resolved** to note the work programme and the Chairman to discuss the possibility of scheduling an additional meeting on the budget in January 2021.

### **215/20 Change of Meeting date**

The Committee agreed to change the date of its next meeting from 10 November 2020 to 3 November 2020.

### **216/20 Corporate Project Management**

The Group Head for Commissioning and Transformation outlined her report which tracked progress with Council projects. She explained that some had suffered delays due to the impact of COVID-19 and consideration was being given as to how to get these back on track.

Members requested that the confidential information in the asset related reports be provided in the agenda papers, instead of in a presentation at the meeting, so that they had time to review it.

**Resolved** to defer consideration of this item until the next meeting and that the confidential information be provided to members in advance.

**217/20 Exempt Business**

**Resolved** to move the exclusion of the Press and Public for the following item in view of the likely disclosure of exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006.

**218/20 Investment sinking fund scenario planning**

Prior to consideration of this item, the Committee having sat for three hours, it was moved, seconded and agreed, to suspend Standing Order 5 and continue the meeting to conclude the business on the agenda.

*(Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)).*

The Asset Management Contractor, presented his report on the investment portfolio sinking funds scenario planning, explaining the methodology behind the model, output of the model and how it continued to evolve to help the Council mitigate risk.

He explained the purpose of the sinking funds was as a reserve funds created after the Council's first acquisition in 2016, to meet future needs for refurbishment of office accommodation when leases expired and spaces needed to be re-let and to cover future periods when there are drops in rental income due to void or rent free periods.

The model was a live document, updated on a weekly basis and reported at weekly rent review meetings with senior politicians. The Asset Management Contractor offered to arrange a workshop to walk any interested members through the model.

The Portfolio holder for finance, Councillor Buttar commented that the Council was in a fortunate position to have built up a sinking fund in view of the difficult times ahead which would impact our investments. In spite of the situation currently affecting tenants the investment portfolio was performing well. He reassured the Committee that tight control on rental payments was maintained on a weekly basis involving scrutiny of even the smallest tenant and the options available, to ensure the commercial investment portfolio is performing at a top level.

The Chief Finance Officer confirmed that the Council had not yet needed to draw down from the sinking funds.

**Resolved** to note the report.