

**Minutes of the Overview and Scrutiny Committee
9 February 2021**

Present:

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

Councillors:

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

Apologies: Apologies were received from the Leader, Councillor J.R. Boughtflower. The Deputy Leader, Councillor M.M. Attewell attended on his behalf.

In attendance:

Councillors M.M. Attewell, C. Bateson, S. Buttar and K.M. Grant.

35/21 Disclosures of Interest

There were none.

36/21 Draft Capital Strategy

The Group Head of Regeneration and Growth introduced the report and explained that the Council are required to have a Capital Strategy in place, that it runs for five years and acts as an overarching document that compliments and informs the Capital Programme.

The Committee heard that there had been a fundamental change in approach, that the Council had not undertaken commercial investments for nearly three years and the details of the investments were subsequently included in the historical background appendices. The focus of this Strategy was on delivering affordable housing, the regeneration programme and green initiatives.

The Deputy Leader and Portfolio Holder for Community Wellbeing and Housing, Councillor Attewell, was invited to address the Committee. Councillor Attewell advised the Committee that she had asked officers to update the strategy to provide additional detailed information on the affordable housing breakdown for all Council schemes.

Members queried where the Programme Board (to be set up as a sub-committee of Policy and Resources Committee), which had been agreed at Full Council, was within the strategy and acknowledged that the board had been included in the governance section of the draft Strategy

One member stated that he was unsure of the process for awarding Community Infrastructure Levy (CIL) payments. The Group Head of Regeneration and Growth explained that the work of the CIL Task Group had moved forward in recent weeks and that there was a substantial sum of money available to be apportioned out, and that the Task Group would be looking at bids carefully in order to make informed recommendations as to where the money would be spent. The Committee were also advised that there would be a report with recommendations from the Task Group coming to the March Joint Committee on the matter.

A member queried the housing units and hotel figures stated in paragraph 6.9. The Group Head of Regeneration and Growth explained that the wording used may have resulted in some confusion and clarified which schemes were referred to and that figures stated came from the Strategic Land Availability Assessment. The Group Head advised that the figures would not necessarily be replicated in a future planning application.

In response to members questions the Deputy Chief Executive explained that prior to transferring properties to Knowle Green Estates (KGE) an independent valuation would take place which would assume the maximum number of affordable housing units which would then drive the purchase price that KGE would pay and this would determine the repayments and interest payments payable by KGE to the Council. The Deputy Chief Executive acknowledged that the strategy contained a statement that required amendment to make it clear that there was not expected to be a surplus on Capital return.

A member expressed concern that by providing affordable housing the Council may inadvertently be encouraging private developers to avoid delivering affordable housing but acknowledged that developers were still required to go through a viability process and independent assessments and that any provision made by the Council would not change these requirements.

In response to a member's question the Deputy Chief Executive explained that the higher the proportion of affordable housing delivered would result in Council receiving a lower interest margin but that for affordable housing units, as there is not a state aid issue the Council could lend at equivalent rates rather than market rates to KGE, which makes affordable housing units more affordable for KGE.

In response to members questions the Deputy Chief Executive advised the Committee that funding for Leisure Centre is linked to the other Council schemes and their contribution to the Council's revenue budget.

Members expressed the view that the Strategy did not provide sufficient detail on the Council's green projects and that the £100k provision was not enough. Members agreed that they would like the strategy to be more innovative in combating climate change and needed to look at Spelthorne as a whole and not just the improvements to the Council building and fleets carbon footprint.

In response the Deputy Chief Executive informed the Committee that the Council is making a significant investment (£4million) to ensure the Leisure Centre would be fully Passivhaus compliant and was seeking additional funding for other initiatives such as installing more Electric Vehicle charging points across the borough..

A member queried if provision could be made for improving entertainment, cultural and historical facilities to encourage people to visit the borough. In response the Group Head of Regeneration and Growth explained that the strategy is updated annually and if the Staines Development Framework revealed a need to make improvements it would be possible to incorporate this.

Members expressed concern about parking re-provision and acknowledged that officers were aware of this issue and some re-provision had already been budgeted for in the draft Capital Programme being put to February Council.

Members expressed the view that although it was a live document the strategy was too long, some of the information was irrelevant, that there were instances of duplication and that it needed to be stripped back and re-written.

The Group Head of Regeneration and Growth advised the Committee that the strategy needed to be approved at the same time as the Capital Programme which did not leave time for a complete rewrite, but the historical appendices could be removed and put on the website with a link within the report and some tweaks made.

The Committee acknowledged that there was a balance that needed to be struck between brevity and providing a sufficient level of detail and transparency.

The Committee resolved to make the following recommendations to Cabinet:

Recommendation 1: The Committee recognises the live nature of this Strategy and accepts that due to time constraints it is not possible to re-write the Strategy this year but the Committee requests that in future the Strategy is more forward focused, and a tracked changes version is available for members to review to see how the Strategy has evolved.

Recommendation 2: That officers update the Strategy to make it more concise, replacing appendices with links where possible, prior to being presented to Cabinet on 24 February 2021.

Recommendation 3: That the information provided in paragraph 6.9 is updated to make it clear that the figures quoted are from the Strategic Land Availability Assessment and not any future planning application or any previous development scenarios members may have seen.

37/21 Detailed Revenue Budget

The Chief Accountant introduced the report and drew the Committee's attention to the key aspects and explained that the details of how officers had arrived at the figures stated was set out in section three. The Chief Accountant informed members that the Chief Financial Officer is satisfied that the Council have complied with the CIPFA code and legislation as set stated in section eight.

The Portfolio Holder for Finance, Councillor Buttar, was invited to address the Committee. Councillor Buttar informed the Committee the Council had listened to members views and tried to incorporate them.

In response to members questions the Deputy Chief Executive informed the Committee that a detailed breakdown of the figures by Portfolio Holder would be going to Council along with appendices containing additional information including the comparison of Council Tax with Surrey County Council and the Police and Crime Commissioner and a year-on-year breakdown.

Members expressed the view that it was not clear what would be covered by the £1 million for contingency issues relating to COVID-19 and expressed concern that as a result of COVID-19 there had been an increase in domestic violence and financial hardship and sought assurance that there would be provision for supporting these areas whilst noting that, as a borough council, the Council was not the lead authority for addressing domestic abuse.

The Deputy Chief Executive informed members that the Family Support team, which had expanded, did encounter domestic abuse issues with some of the families they work with and it was anticipated that other frontline staff would encounter some domestic abuse issues, but that staff did receive training and support. Members were advised that the Grants Panel had considered the range of issues generated by COVID-19 and that these issues were taken into account in the recommendations on grant allocations to Cabinet and that the report to Cabinet would be published on 16 February. The Deputy Chief Executive confirmed that the report did include the details of a grant towards the Citizens Advice Bureau and that the Council makes contributions to Surrey domestic violence support.

The Deputy Leader and portfolio holder for Community Wellbeing and Housing, Councillor Attewell, was invited to comment and confirmed that there were concerns that Housing Associations would take action against those in rent arrears when they were able to do so and that a COVID-19 Recovery Plan was being worked on.

In response to further questions the Deputy Chief Executive explained that the residents may be eligible for Council Tax Support if their income is negatively impacted which would result in the Council receiving less council tax income. He advised that the government had provided some grant funding to cover this but if pressures were higher than anticipated this would need to be covered by the COVID-19 contingency fund.

Members queried provision for external audit and if the risk had been legally assessed. The Deputy Chief Executive informed the Committee that the risk had not been legally assessed but that was a prudent precaution to ensure funds were available if the issue could not be resolved.

In response to members questions the Chief Accountant explained that it was generally accepted that unused contingencies could go back into the general fund once it was identified that the contingency was no longer required, and Councillors would be asked to agree any proposed spend.

A member asked the Deputy Chief Executive if he could explain the increase in staffing levels and noted that the starting point for the increase in 2016 was following a decade of funding cuts which had resulted in year-on-year salami slicing cuts resulting in a need for resilience of services to be rebuilt. Members noted that the largest element of the increase in staffing during this period related to bringing the grounds maintenance staff in house which produced an annual saving of £250,000 per annum.

One member expressed concern that by freezing the Council Tax base for one year the Council would not catch up in future years as increases would always be from a lower base and under the council tax referenda regulations the forgone increases cannot be caught up. The Deputy Chief Executive explained that had the Council imposed the maximum increase it would have equated to approximately an additional £200k towards the budget in the short term and that the impacts had been modelled as one of the seven scenarios presented with the Outline Budget at the previous month's Committee.

In response to members concerns about the Council's investments the Chairman advised the Committee that the issue had been raised in the past and that the Council were working with Arlingclose to review the investment portfolio but it would take time to identify appropriate investments and move away from the current investment programme.

Members discussed the Council's provision for Green projects and climate change and agreed that they felt there was inadequate provision and that the Council's aspirations in this area were not sufficient.

The Deputy Chief Executive highlighted that the timetable for the Budget process this year had been particularly tight due to the lateness of the Government funding announcements as a result of COVID-19, and the Chairman highlighted that as an improvement to the Budget process the timetable had been adjusted to accommodate this Extraordinary meeting of the Committee. The Deputy Chief Executive explained that the Chief Accountant was working on bringing forward elements of the budget process next year.

The Committee resolved to recommend to Cabinet:

Recommendation 1: The Committee was concerned over the adequacy of the monies set aside for green issues and climate change, which undermines

the pledge in the draft Capital Strategy that climate change is a priority and asks Cabinet to review this.

Recommendation 2: That next year the Overview and Scrutiny Committee (or Service Committees if the Council agrees to adopt the Committee System governance model at the Annual Council meeting in May) will have sight of the budget earlier in the process to enable them to be fully involved in the shaping of the final budget before it is presented to Council for approval.