

OVERVIEW AND SCRUTINY COMMITTEE – RESOURCES

12 November 2024

* Councillor Philip Brooker (Chair)

* Councillor Dominique Williams (Vice-Chair)

* Councillor Phil Bellamy

* Councillor Dawn Bennett

* Councillor Honor Brooker

Councillor Jason Fenwick

* Councillor Stephen Hives

* Councillor Vanessa King

* Councillor Masuk Miah

* Councillor Richard Mills OBE

* Councillor Katie Steel

* Councillor Sue Wyeth-Price

*Present

Councillors Catherine Houston (Lead Councillor for Commercial Services), Richard Lucas (Lead Councillor for Finance and Property), Julia McShane (Leader of the Council and Lead Councillor for Housing), and Howard Smith were also in attendance, with Councillors George Potter (Lead Councillor for Environment and Climate Change) and Fiona White (Lead Councillor for Planning) in remote attendance.

OSR18 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

There were no apologies for absence from Committee members. An apology for absence was submitted on behalf of Councillor Carla Morson, the Lead Councillor for Community and Organisational Development.

OSR19 LOCAL CODE OF CONDUCT AND DECLARATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no disclosures of interests.

OSR20 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 10 September were approved.

OSR21 PERFORMANCE MONITORING REPORT 2024/25 QUARTER 1

The Assistant Director, Strategy and Corporate Services, introduced the item. He acknowledged that Quarter 1 of the current financial year had concluded some time ago and that the report had been scheduled to be considered by

the Committee in September. The Assistant Director, Strategy and Corporate Services, indicated that due to the need to align the report format and performance indicators with the Council's new Corporate Strategy, it had not been possible to complete the report in time for the September meeting.

The Committee was advised that of the thirty-seven key performance indicators (KPIs) reporting on in Quarter 1, three were red rated and four yet to be confirmed. The Assistant Director, Strategy and Corporate Services, indicated that the Committee would be scrutinising the KPIs under two corporate themes: Decent and affordable homes; and a Resilient and well-managed Council.

A number of questions were raised by Councillors:

- With reference to sundry debt collection, a member of the Committee questioned the value of reporting a red-rating in quarter 1 when the KPI was often below target due to number of invoices raised at the end of the financial year. In reply, the Assistant Director, Finance, indicated that there would always be a peak of debt in the quarter 1 period. She advised the Committee of measures taken to improve debt collection and indicated that a council-wide debt policy was to be progressed. The Lead Councillor for Finance and Property advised the meeting of debt discussions at budget challenge sessions held with Council services.
- In response to a further query on sundry debt collection rates in quarter 1 in previous years, the Assistant Director, Finance, indicated that past collection rates showed the same yearly pattern. A member of the Committee suggested the target be amended to reflect this.
- A member of the Committee suggested the value in a breakdown of staff sickness absence by service.
- A member of the Committee asked about the effect on claimants of the delay in processing new housing benefit claims. In response, the Assistant Director, Finance, advised the meeting of improvements in the KPI figure for quarter 2, which was no-longer red-rated.
- In response to a question on air quality, the Committee was informed of an error relating to the reporting of the SUST4 KPI and advised that of

the Council's fifty-five recording sites it was forty-seven, rather than thirty-seven, that had recorded nitrogen dioxide levels lower than 40 micrograms per metre cubed.

- With reference to the HOMES1 KPI, a member of the Committee asked when the target of 100% was to be achieved. Another member of the Committee asked if there was a team dedicated to getting the Council's occupied housing stock up to the Decent Homes Standard. In reply, the meeting was advised that information about a timeline and a possible separate team would be obtained from the Housing Service and provided to Committee members.
- A member of the Committee praised the stability of the staff turnover figures and asked for confirmation of the health and wellbeing resources that staff were able to access. The Assistant Director, Strategy and Corporate Services, stated that staff wellbeing was key to delivering good performance quality across the Council and a core objective was to recruit, retain, and develop staff.
- A member of the Committee praised the performance monitoring report. He suggested the value in adding further information on performance to show trends over time and benchmarking against other local authorities. In reply, the Assistant Director, Strategy and Corporate Services, indicated that historic data could be added if the Committee requested it and stated that he agreed with the importance of providing benchmarking information to the Committee.
- A Councillor questioned whether a 99% Council Tax collection rate target was realistic and whether a slightly lower target would be more appropriate. The Assistant Director, Finance, advised that she would take the suggestion away and report back to Committee members.

The Chair praised the format of the report submitted to the Committee and thanked officers for attending.

OSR22 CAPITAL, TREASURY AND INVESTMENT STRATEGY – OCTOBER REFRESH

The Lead Councillor for Finance and Property introduced the item. The Assistant Director, Finance, outlined the purpose and requirement for the strategy document presented to the Committee. She indicated to the

Committee that the subject matter of the report was complicated and that the Council employed experts in this area and advised that it might be necessary to respond to questions in writing after the meeting.

With reference to the table at section 3.16 of the report, a member of the Committee questioned why the approved capital programme showed no approved capital expenditure for s106 projects. In reply, the Assistant Director, Finance, advised that there was approximately £1m of section 106 contributions not yet allocated to specific programmes and if there was a capital aspect to any project then this would be included in the December update to the Committee.

A member of the Committee praised the report and indicated he had no questions.

In response to a question asking for the identification of the areas of greatest risk or concern, the Lead Councillor for Finance and Property referred to the debt of the Council, forecast to peak at £450m, and the cost of servicing that debt.

With reference to the table at section 2.18 of the report, a member of the Committee questioned the presentation of gearing at 23% and suggested that if property assets were excluded from the calculation then the debt ratio would be much higher and a consequent cause for concern. In reply, the Assistant Director, Finance, informed the meeting that the Council had sufficient liquidity to call on if needed. The Lead Councillor for Finance and Property stated that the overall financial viability of the Council was of more concern to him than short-term financial liquidity issues.

In response to a question, the Assistant Director, Finance, explained the different borrowing shown in tables 3.16 and 4.10 within the report; namely, that table 3.16 concerned only new borrowing based on the revised capital programme and table 4.10 showed total borrowing. She indicated that the difference would be made clearer in future.

A Councillor asked if the Council's planned disposal of assets was on track. The Lead Councillor for Finance and Property advised that there would be regular reports with specific proposals coming through to meetings of the Executive and outlined the criteria informing the decision process for identifying suitable

assets for sale. He undertook to provide the questioner with the current amount realised through the Council's sale of assets.

The Chair noted that the report submitted to the Committee contained no recommendations. The Committee agreed that the comments made at the meeting be noted by the Lead Councillor for Finance and Property and by officers and be taken into consideration for the preparation of future reports.

OSR23 WORK PROGRAMME

The Chair referred to the Overview and Scrutiny work programme, attached as Appendix 1 to the report submitted to the Committee. He noted that five of six items scheduled for the meeting had not been provided and indicated the need for reports to be provided in accordance with the Committee's work programme.

The Senior Democratic Services Officer (Scrutiny) updated the draft work programme. He advised that the Financial Monitoring 2024-25, Period 6 report had been re-scheduled for the Committee's meeting on 2 December. The Assistant Director, Finance, indicated that the Period 7 financial monitoring information could be available for 2 December and the Chair agreed the proposed change. The Committee was informed that the Medium Term Financial Plan (MTFP) Update had been re-scheduled for the Committee's meeting on 2 December. The Assistant Director, Finance, indicated that the MTFP report had been delayed but was unchanged by the Autumn Statement and could be brought to the next Committee meeting.

The Senior Democratic Services Officer (Scrutiny) advised that the Treasury Management Annual Report for 2023-24 and the Treasury Management half yearly report for 2024-25 were to be prepared in a new format for consideration at Committee in the New Year. The Assistant Director, Finance, undertook to confirm whether the new Treasury Management report would go to the Committee before consideration by the Executive and when it might be scheduled on the Committee's work programme.

In response to a query, the Assistant Director, Strategy and Corporate Services, undertook to advise when the independent analysis of the collaboration with Waverley Borough Council could be scheduled on the Committee's work programme. A member of the Committee expressed concern at the delay to the report on the collaboration.

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The Assistant Director, Finance, suggested that a discussion session on the MTFP could be arranged for Committee members immediately ahead of the 2 December meeting. The Chair welcomed the offer.

RESOLVED: That subject to the amendments and updates referred to above, the work programme attached as Appendix 1 to the report submitted to the Committee be approved.

The meeting finished at 8.03 pm

Signed

Date

Chair