

Minutes of a meeting of the Scrutiny Committee held on 26th January 2016 at Pippbrook, Dorking from 7.00pm to 7.55pm

Present: Councillors David Draper (Vice-Chairman), Tim Ashton, Stephen Cooksey, Claire Curran, Paula Hancock, Mary Huggins, Duncan Irvine, Jatin Patel and Paul Potter

Also present: Councillors Lynne Brooks, Simon Ling, Vivienne Michael and Sarah Seed

60. Minutes

The minutes of the Scrutiny Committee meeting held on 5th January 2016 were agreed as a correct record and signed by the Chairman.

61. Apologies for Absence

Apologies for absence were received from Councillors Malcolm Ladell and Chris Townsend.

62. Disclosure of Interest

Councillor Clare Curran declared a non pecuniary interest in item 4 as a member of the Task Force that had prepared the plan and also declared a non-pecuniary interest in item 6 as a member of the Bookham Residents Association.

Councillor Duncan Irvine declared a non pecuniary interest in item 6 as a trustee of the Mickleham village playground.

63. Draft Bookham Neighbourhood Development Plan

The Committee received an Executive report setting out the draft Neighbourhood Development Plan for Bookham. Members were asked for their observations or recommendations which would be reported to the Executive during its consideration of the item on 9th February 2016.

The Committee had no objections to the Executive accepting the recommendations set out in the report.

Resolved: That the report be noted.

64. Framework Agreement for Bed and Breakfast Accommodation

The Committee received an Executive report setting out a framework agreement for the Council to procure bed and breakfast accommodation to use as emergency accommodation for homeless households. Members were asked for their observations or recommendations which would be reported to the Executive during its consideration of the item on 9th February 2016.

It was highlighted that the Council had previously agreed the principle that bed and breakfast accommodation was not appropriate for housing families. As this report was setting out a framework for procuring bed and breakfast accommodation, a member of the Committee questioned what was the Council's long term strategy for emergency accommodation? The Executive Member, Councillor Vivienne Michael, confirmed that it was the Council's aim to ensure that there was a sufficient supply of emergency accommodation and significant investment had been made to acquire new properties for this use.

The lack of affordable housing in the District meant that it was difficult to find permanent housing for homeless households and it was sometimes that case that families wished to remain in bed and breakfast accommodation until a permanent solution could be found. The Executive had made a commitment to improving the supply of affordable housing in Mole Valley, but this was a long term issue that would not be easily rectified in the near future.

In response to a question about what local providers the Council worked with to provide bed and breakfast accommodation, it was confirmed that commercial hotels near Gatwick airport were used along with other providers who solely worked with local authorities.

It was highlighted that the Council's Housing Options team had managed to prevent 80 cases of homelessness in the past year through the advice provided to households at risk of being made

homeless.

Overall the Committee had no objections to the Executive accepting the recommendations set out in the report.

Resolved: That the report be noted.

65. Mole Valley District Council Grant Aid Applications

The Committee received an Executive report setting out the Grant Aid applications made to the Council for funding in the forthcoming year. Members were asked for their observations or recommendations which would be reported to the Executive during its consideration of the item on 9th February 2016.

Although it was confirmed that the Council had not declined any grant applications made for 2016/2017, it was questioned how many potential applicants had decided not to apply for a grant following a discussion with Council Officers. It was confirmed that only one potential applicant for revenue grant had decided not to proceed with an application following a discussion with Council Officers.

A concern was noted that grants had only been awarded to existing recipients and that it was possible some groups such as arts or sports organisation felt that they were unable to apply. It was confirmed that any group or organisation could apply for a grant, but in line with the Council's Grants Policy the application would have to reflect the Council's priorities.

Apart from the aforementioned concern, the Committee had no other objections to the Executive accepting the recommendations set out in the report.

Resolved: That the report be noted.

66. 2016/2017 Budget and Council Tax Resolution

The Committee received an Executive report setting out the Administration's Budget proposals and the Council Tax resolution for the forthcoming year. Members were asked for their observations or recommendations which would be reported to the Executive during its consideration of the item on 9th February 2016.

The Chairman of the Standing Budget Panel presented the Panel's report on the Administration's budget to the Scrutiny Committee. A copy of this report can be found at Appendix A.

It was noted that the Revenue Support Grant awarded to the Council from central Government would drastically reduce over the next four years, to the point that rather than receiving a grant, the Council would be returning money to the Government. There was a concern that the Council had only responded to the outcome of the settlement through an existing officer led consultation process, with one view being that the Administration should provide its own robust response.

It was questioned whether the Government would be offering local authorities the opportunity to accept the Revenue Support Grant on a four year basis for forward planning purposes. In response it was confirmed that although it was rumoured that this opportunity may be offered to local authorities, the Council had yet to receive official confirmation that this option would be available and details of any conditions attached.

A Member of the Committee voiced concern that the staff pay award was being set at a 1% increase, which given that National Insurance contributions for employees was set to increase by 1.4% meant that take home salaries for staff would actually be lower than in 2015/2016. It was also suggested that the salaries offered by Mole Valley District Council in comparison to other local authorities and the private sector may be a contributing factor to the staff turnover rate being 15%. The Executive Member, Councillor Lynne Brooks, highlighted that the rate of staff turnover tended to reflect the national economy with a higher rate of turnover when the economy was performing well. Staff turnover should also be viewed as a positive as it provided new opportunities for other staff and helped to ensure the Council was run as efficiently as possible.

In response to a concern that the charge for a Community Centre had increased by 8% which was above the Council's targeted average of a 5% increase for fees and charges, the Executive Member

agreed to investigate.

It was confirmed that a report was being prepared that would set out a new Investment Policy for the Council. This would include the possibility of the Council borrowing to fund future investments.

Resolved: That the comments of the Scrutiny Committee be relayed to the Executive during its consideration of the report.

67. Scrutiny Committee Work Programme 2015/2016

The Committee received a copy of its work programme and the Executive Forward Plan for it information.

Resolved: That the Scrutiny Committee work programme and the Executive Forward Plan are noted.

Standing Budget Panel Report

Scrutiny Committee – 26th January 2016

Item 7: 2016/17 Budget and Council Tax Resolution

Introduction

Over the past three months, the Standing Budget Panel has met on three occasions. Our first meeting was held in October and was used as an opportunity to bring us up to date on the Council's current financial situation and to provide general scene setting for this year's budget.

Our other two meetings were held earlier this month and were the Panel's annual opportunity to meet with the Executive to discuss in detail their budget proposals. We had also planned to hold an additional meeting in December to consider the Administration's fees and charges proposals, but as these were not available at that stage, so they were also considered at our January meetings.

The Committee will find attached with this briefing note a copy of the Panel's meeting notes from the past year. From these notes there are a number of items I would like to draw to your attention:

1. Staff Turnover

We considered the current staff turnover rate of 15% to be of concern and should continue to be monitored by the Executive, as the rate of turnover was above average.

We agreed that further work needed to be undertaken by the Council to understand the reasons for this and to establish whether there were any common trends in the reasons for staff leaving the organisation.

We were concerned that the proposed 1% pay award may exacerbate the issue, as it could make it difficult for the Council to compete with salaries offered by other local authorities. However, we were reassured by the Executive Member that staff salaries had been benchmarked against other organisations to confirm they were competitive.

2. Removal of Underspend

In the past two years savings had been achieved through targeting the removal of historic underspending in Service Budgets.

Although the Panel welcomed this approach, as it would lead to more accurate budgeting, we felt that it needed to be highlighted that it would be more likely that overspends would occur in next years budget.

However we were reassured by the Executive that robust budget monitoring processes were in place to spot any issues at an early stage.

3. Borrowing to Invest

Part of our discussion focussed on the Council borrowing to fund future investments.

We shared the view of the Executive Members that any borrowing should be considered on a case by case basis, with a strong business case being needed before any loan agreements were entered into.

4. Transform Leatherhead

On Transform Leatherhead, we felt that the costs and funding related to this initiative should be incorporated in the mainstream budget in the normal way, rather than be separately treated as a contribution from reserves.

5. Car Parking Charges

Although we recognised that the 1p per minute parking charge was popular with local residents, we also felt that continuing to maintain charges at this level was having a negative impact on the Council's budget.

Therefore we agreed that alternative options, such as differential charging, should be considered for the future.

6. Environment

We noted that work towards procuring the Joint Waste Contract was progressing and a report would be forthcoming in the next year.

Although it was hoped that procuring a joint waste contract with other authorities would achieve a significant saving, we felt that it should be highlighted as a potential risk given the size of the contract and that the outcome was still unknown at this stage.

We also felt that given that Surrey County Council was in the process of making changes to the operation of its Recycling Centres, this should be considered a potential risk given that any changes may cause a knock-on effect to Council's own services, such as increasing incidents of fly tipping.

Surrey County Council had confirmed that they would work with Mole Valley District Council should there be any significant impact, but we felt that it was an area that need to be closely monitored as the changes progressed.

Despite the concerns I have brought to the attention of the Committee I would like to confirm that overall, the Panel came away from the meetings with the Executive reassured that the proposed budget for the forthcoming year was achievable.