

Overview and Scrutiny Select Committee

Thursday 5 October 2017 at 7.30pm

**Council Chamber
Runnymede Civic Centre, Addlestone**

Members of the Committee

Councillors M J Maddox (Chairman), D A Cotty (Vice-Chairman), J R Ashmore, Miss E G Bancroft, Mrs L M Gillham, Miss D Khalique, N M King, Mrs C S S Manduca and P S Sohi.

(NB: PLEASE NOTE, THIS MEETING WILL COMMENCE UPON THE CONCLUSION OF THE CRIME AND DISORDER COMMITTEE MEETING)

AGENDA

Notes:

- 1) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Overview and Scrutiny Select Committee so resolves.
- 2) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr J Gurmin, Democratic Services Section, Law and Government Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425624). (Email: john.gurmin@runnymede.gov.uk)**.
- 3) Agendas and Minutes are available on a subscription basis. For details, please ring Mr B A Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on www.runnymede.gov.uk.
- 4) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

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5) **Filming, Audio-Recording, Photography, Tweeting and Blogging of Meetings**

Members of the public are permitted to film, audio record, take photographs or make use of social media (tweet/blog) at Council and Committee meetings provided that this does not disturb the business of the meeting. If you wish to film a particular meeting, please liaise with the Council Officer listed on the front of the Agenda prior to the start of the meeting so that the Chairman is aware and those attending the meeting can be made aware of any filming taking place.

Filming should be limited to the formal meeting area and not extend to those in the public seating area.

The Chairman will make the final decision on all matters of dispute in regard to the use of social media audio-recording, photography and filming in the Committee meeting.

LIST OF MATTERS FOR CONSIDERATION

PART I

Matters in respect of which reports have been made available for public inspection

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PART II

Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.

- a) Exempt Information
(No reports to be considered under this heading)

- b) Confidential Information
(No reports to be considered under this heading)

1. **FIRE PRECAUTIONS**

The Chairman will read the Fire Precautions which set out the procedures to be followed in the event of fire or other emergency.

2. **NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP**

3. **MINUTES**

To confirm and sign, as a correct record, the Minutes of the meeting of the Committee held on 6 July 2017 (at Appendix 'A').

4. **APOLOGIES FOR ABSENCE**

5. **DECLARATIONS OF INTEREST**

If Members have an interest in an item please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Democratic Services Officer at the start of the meeting. A supply of the form will also be available at the meeting.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is a disclosable pecuniary interest or if the interest could reasonably be regarded as so significant as to prejudice the Member's judgement of the public interest.

Members are reminded that a non pecuniary interest includes their appointment by the Council as the Council's representative to an outside body and that this should be declared as should their membership of an outside body in their private capacity as a Director, trustee, committee member or in another position of influence thereon.

6. **IMPACT OF REDUCTION IN SERVICES: SURREY COUNTY COUNCIL (CHIEF EXECUTIVE)**

Synopsis of report:

This report sets out the impact of cost reductions in services supplied and/or funded by Surrey County Council on Runnymede Borough Council budgets.

Recommendations:

1.To note and comment on the cost reductions and the actions taken to mitigate reductions in service to our residents.

2.To refer any matters of concern to the Corporate Management Committee.

1. **Context of report**

1.1 At its meeting on 6 July 2017, when considering when considering its Annual Report for the Municipal Year 2016/17, the Committee considered whether there were any items that it wished to discuss at future meetings. The Committee noted that Surrey County Council was considering reducing its budgets in a number of service areas. This would leave Runnymede with decisions to make on whether or not to increase funding for these areas. Corporate Management Committee on 29 June 2017 had requested that the Chief Executive provide a list of items of this kind for its consideration and it was suggested at the Overview and Scrutiny Select

Committee on 6 July 2017 that the Overview and Scrutiny Select Committee might receive this list before the Corporate Management Committee so that it could then refer any matters of concern to the Corporate Management Committee. This report sets out the latest position on cost reductions being proposed by Surrey County Council for the consideration of the Overview and Scrutiny Select Committee.

- 1.2 At the beginning of this financial year, Runnymede Borough Council was informed that a comprehensive savings plan was to be implemented by Surrey County Council.
- 1.3 Savings necessary in the current financial year amount to in excess of £120m. Rising social care costs for children, adults and people with learning disabilities are at the heart of the cost reductions necessary. In essence however, all services are hit by cuts and some of the reductions impact upon Boroughs and Districts.
- 1.4 This report sets out the financial implications for Runnymede to date, with a summary of the main areas affected.
- 1.5 Members should note that the current prediction is that Surrey County Council may not meet all of its savings targets for this year and is experiencing cost pressures in social care. Therefore there may be further implications for districts and boroughs that are unknown at this stage.

2. General Fund Services

Waste and Recycling

- 2.1 Surrey County Council is a waste disposal authority (WDA) and the boroughs/districts are waste collection authorities (WCA's) For almost 20 years, the County Council has incentivised local councils to re-cycle through re-cycling credits, which in turn have reduced or contained landfill costs.
- 2.2 Surrey County Council needs to make savings of £8m in this area from 2018/19 onwards. A new methodology for calculation of recycling credits is proposed. It comprises a fixed element based on population and an incentive which will be paid where a WCA makes a substantial improvement (e.g 2-3%) in the amount of recycling achieved. The second part of the formula is still being worked on by Surrey Waste Partnership but needs to be agreed by the end of the calendar year.
- 2.3 The impact (bearing in mind one element of the formula is not yet known) is as follows for Runnymede:-

	2018/19	2018/19	2019/20	2020/21 £
Current Mechanism £	263,756	New Mechanism (fixed element) £	232,045	159,705
				87,364

- 2.4 It would be prudent for Members not to budget for any additional income from the discretionary element.

3. Verge Maintenance

- 3.1 Surrey County Council indicated that it will only pay for 4 cuts a year on all highway verges. Like most boroughs and districts in Surrey, Runnymede considered this unacceptable and Full Council in July 2017 approved a supplementary revenue

estimate to enable the frequency of highway verge cuts to be maintained and increased in the borough.

4. **On-Street Parking**

4.1 Surrey County Council has set a target of £200,000 additional income and is seeking efficiency savings across the whole of Surrey.

4.2 Authorities have been told to identify savings/income opportunities. It is expected that authorities will form clusters (in the case of Runnymede with Spelthorne and Elmbridge) or Surrey County Council will invite competition from the private sector for a county wide contract.

4.3 At this moment in time, Runnymede is struggling to identify savings. Staff reductions might attract savings of £20-30k but the Chief Executive finds such savings unacceptable, because of the impact on the management of off-street parking.

5. **Supporting People**

5.1 For the past 3-4 years, borough and districts have formed teams with Surrey County Council Officers to offer generic support to families. Some of these families have 'mild' forms of dysfunctionality (e.g a child not attending school regularly) whilst others have more complex needs. The method of working is designed to achieve swift outcomes over a period of 10-12 weeks. More complex needs are often referred on to Surrey County Council Social Services to give longer term support.

5.2 The table below sets out the reductions in grant over the past three years:-

2015/16	2016/17	2017/18	Total
£ actual 1,080,731	£ actual 933,275	Budget / Projection 808,803 735,335	Decrease in income (345,396)

5.3 The reduction in budget is concerning for a number of reasons. This service is difficult to withdraw from families who need support. Secondly, this level of intervention has been successful in terms of preventing families seeking more expensive and complex forms of support. Thirdly, early intervention can save money in terms of time pressures (e.g in the management and control of child truancy).

6. **Potential Reduction in support affecting the Housing Service**

6.1 Housing Related Support – Independent Retirement Living (IRL) Charges

6.1.1 In addition to the rent and usual service charges, IRL residents have a further charge on their rent account from the Supporting People budget which covers the higher level of management and support provided in the schemes. The Government devolved the Supporting People grant to Surrey County Council and since 2003 they have funded this charge for all tenants in receipt of Housing Benefit but the funding is not ring-fenced and they now intend to use it for Adult Social Care.

6.1.2 In the budget year 2016/17 Surrey County Council paid £95,524 in Housing Related Support payments for residents of IRL.

6.2 Housing Related Support – Learning Physical and Sensory Disabilities

- 6.2.1 In addition Housing Related Support is also expected to be withdrawn from people with learning, physical and sensory disabilities. Although Runnymede does not directly receive payments, 13 disabled residents within the borough are provided with housing solutions through this funding and if the current schemes are unsustainable the Housing Department may have a duty to find alternative suitable accommodation for this vulnerable group or source additional funding.
- 6.2.2 Despite a consultation exercise identifying that residents and providers were against the withdrawal of funding which could make all these services unsustainable, a recommendation to proceed will be considered by Surrey County Council's Cabinet on 26 September.

6.3 Housing Related Support – Socially Excluded Groups

- 6.3.1 Surrey County Council currently funds a number of support services for people in socially excluded groups who would not currently manage in general needs accommodation. This incorporates supported housing schemes for people with mental health problems and homeless due to alcohol/addiction issues.
- 6.3.2 There are 58 Supported Housing placements in the borough that Runnymede Borough Council nominates to and currently there is a proposed 10% cut in payments to Transform, Riverside and Welmede. It is not clear if the providers will be able to sustain services.

6.4 Floating Support Services/ Gypsy and Traveller Support/Learning Disability Support

- 6.4.1 The Floating Support Service is a service for tenants within any sector who are struggling to sustain their tenancy. Runnymede makes referrals to the provider and the tenant is allocated a support worker for a period of time to assist in resolving their issues. Used by both Tenancy Management and Housing Options, this was a useful Tenancy Sustainable tool. However, we now have in-house specialists. The current proposal is to reduce funding for this service by 50% and review its provision. The estimated apportioned financial loss to this Borough is around £25,000. There are proposals to end the service and devolve the reduced budgets to the districts and boroughs. This would mean no Look Ahead referrals but a receipt as long as the funding exists.
- 6.4.2 Surrey County Council also propose to make the following reductions:-

Gypsy and Traveller Support – loss of service (3 placements)
Dimensions – support for Learning Disability groups (3 placements)

6.5 Alarm Charges

- 6.5.1 All residents of Runnymede have access to a telecare alarm system if they need it, many of whom will be homeowners and self-fund the service. IRL tenants benefit from the alarm as part of their package and Runnymede Council tenants living in General Needs properties who have the alarm will be subsidised by the HRA if they are in receipt of Housing Benefit. Supporting People currently pay £33,785 per year to the HRA for these alarm charges and this is then part of the £99,000 that is paid to Safer Runnymede for monitoring the alarm service. As stated above in paragraph 6.1.1, it is understood that Surrey County Council is considering reallocating the Supporting People grant.

7. **Conclusions**

- 7.1 Any further updates on these matters will be reported to the Committee.

- 7.2 The Committee is recommended to note and comment on the cost reductions and the actions taken to mitigate reductions in service to our residents and to refer any matters of concern to the Corporate Management Committee.

(To resolve)

Background papers

None stated

7. EXCLUSION OF PRESS AND PUBLIC

OFFICERS' RECOMMENDATION that –

where appropriate, the press and public be excluded from the meeting during discussion of the following report(s) under Section 100A(4) of the Local Government Act 1972 on the grounds that the report(s) in question would be likely to involve disclosure of exempt information of the description specified in appropriate paragraphs of Part 1 of Schedule 12A of the Act.

(To resolve)

PART II

Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection

a) Exempt Information

(No reports to be considered under this heading)

b) Confidential Information

(No reports to be considered under this heading)

OVERVIEW AND SCRUTINY SELECT COMMITTEE

5 OCTOBER 2017

APPENDIX

<u>APPENDIX</u>	<u>REPORT</u>	<u>PAGE NOS</u>
A	MINUTES OF OVERVIEW AND SCRUTINY SELECT COMMITTEE MEETING HELD ON 6 JULY 2017	1

Runnymede Borough CouncilOVERVIEW AND SCRUTINY SELECT COMMITTEE6 July 2017 at 8.32.p.m.

Members of the Committee present : Councillors M J Maddox (Chairman), D A Cotty (Vice-Chairman), J R Ashmore, Miss E G Bancroft, Mrs L M Gillham, N M King, B W Pitt, P S Sohi and N J Wase-Rogers.

Members of the Committee absent: None

134 FIRE PRECAUTIONS

The Chairman read out the Fire Precautions.

135 NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of their wish that the changes listed below be made to the membership of the Committee. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Conservative	Councillor Miss D Khalique	Councillor B W Pitt
Conservative	Councillor Mrs C S S Manduca	Councillor N J Wase-Rogers

The Chief Executive had given effect to this request in accordance with Section 16(2) of the Local Government and Housing Act 1989.

136 MINUTES

The Minutes of the meeting of the Committee held on 6 April 2017 were confirmed and signed as a correct record.

137 TREASURY MANAGEMENT ANNUAL REPORT 2016/17

The Committee considered the annual report on treasury management and performance for the 2016/17 financial year. The Committee noted a full set of prudential and treasury indicators for 2016/17 and the economic background to treasury management. During the year the Council had complied with legislative and regulatory requirements and its Treasury Management Statement and Treasury Management Practices. The Council placed security and liquidity of investments ahead of yield. As always, the management of counterparty risk remained the priority and the Annual Investment Strategy was continuously reviewed to minimise risk as far as reasonably possible.

The Council operated two "loans pools", one for the Housing Revenue Account and one for the General Fund. All of the General Fund loans related to either the purchase of investment properties or funding for ongoing development schemes. The Committee noted

the borrowing activity for 2016/17. The opening balance was £140.792m and the closing balance was £237.792m, an increase of £97m over the year. Some of the new borrowing had been taken out in advance of need, to lock into advantageous rates. The Council had been able to lock into a particularly favourable rate for a loan of 1.88% taken out on 1 September 2016 which was only available for a limited period and had saved the Council approximately £64,000 in interest costs against the rate available when the money was required. The Committee noted a schedule of outstanding loans at the end of the year. Most of the loans were with the Government's Public Works Loan Board (PWLB) and all of the Council's loans were at a fixed rate which the Committee noted could not be changed.

When borrowing, Officers monitored interest rates available including looking at the PWLB website twice a day and received regular updates from the Council's treasury advisers, Capita. In order for the Council to borrow money from the PWLB, it was necessary to satisfy the PWLB that the Council was borrowing money within the Council's remit. It was noted that, given the current low interest rates, the Council would be penalised if it returned the loaned money early. Long term and short term rates varied – sometimes 50 year rates were lower than 25 year rates and sometimes they were higher.

The bank base rate had been cut from 0.5% to 0.25% on 4 August 2016 and had remained at that level for the rest of the year. While this had reduced the investment income received by the Council, it had had the beneficial effect of reducing the Council's borrowing costs. The Committee noted a summary of investment activity during the year, split between the sectors of the counterparties with which the funds were invested. The Council's actual investment rate performance during the year was 0.72% which compared favourably with the Council's benchmark rates and the original estimate of 0.6%. This was mainly due to locking in to some long term rates before the base rate dropped. However, the Council had benefitted from average rates of 4.8% for the investment in the CCLA Property Fund and 6.8% for the investment in the Funding Circle although only relatively small amounts of money were invested in these Funds. A full list of investments held by the Council at 31 March 2017 was noted.

In connection with the economic background to treasury management, it was noted that the election of President Trump in the USA had led to market uncertainty. The Committee was pleased to note that better than expected investment income results had been achieved in 2016/17 despite challenging market conditions.

RECOMMEND that –

the Treasury Management Annual Report 2016/17 be noted.

138 ANNUAL REPORT OF OVERVIEW AND SCRUTINY FUNCTION

The Committee considered a draft Annual Report for the Municipal Year 2016/17 (Appendix 'A') in accordance with sub-paragraph 6.03 (d) of the Council's Constitution which stated that the Overview and Scrutiny Select Committee must report annually to Full Council on its workings and make recommendations for future work programmes and amended working methods if appropriate. In connection with section 5 of the Annual Report, it was agreed that Surrey County Council Planning and Development Group Officers be asked to advise on the latest position on the determination of Surrey County Council Planning Application RU.09/0299 (Mineral Extraction In Respect Of Land At Milton Park Farm, Egham) and that the Committee be advised of the response. The Committee recommended that the Annual Report be received and noted by full Council. The Chairman wished to agree a work programme for the forthcoming year and the Committee considered whether there were any issues it wished to discuss at future meetings. Two issues were suggested by Members of the Committee.

1. Reduced Surrey County Council Budgets

At its meeting on 29 June 2017, the Corporate Management Committee had noted that it was understood that Surrey County Council (SCC) was considering reducing its budgets in a number of service areas which would therefore leave Runnymede with decisions to make on whether or not to increase funding for those areas. However, full details were not available at present. That Committee had considered that, rather than assessing a series of individual proposals for increased funding for services where SCC would be reducing its budgets, it would be helpful, if possible, to have a list of items of this kind for consideration. It was agreed therefore, when practicable, that the Chief Executive provide Corporate Management Committee Members with a list of functions where SCC was proposing to reduce its budgets. It was suggested that the Overview and Scrutiny Select Committee might receive this list before the Corporate Management Committee and then make recommendations on the matter to the Corporate Management Committee.

2. Review Of The Council's Procurement Process

It was suggested that the Overview and Scrutiny Select Committee should review the Council's procurement process in view of the high value of many of the tenders that the Council invited for various goods, works and services.

It was noted that a training session was being held for Overview and Scrutiny Select Committee Members on Wednesday 19 July 2017 and that Members might wish to discuss other possible items for the Committee on that occasion.

RECOMMEND that –

the Annual Report at Appendix 'A' be received and noted.

Chairman

(The meeting ended at 9.00.p.m.)