

Runnymede Borough CouncilOVERVIEW AND SCRUTINY SELECT COMMITTEE5 July 2018 at 8.26.p.m.

Members of the

Committee present : Councillors M J Maddox (Chairman), P J Taylor (Vice-Chairman),  
S L Dennett, T J F E Gracey and N M King

Member of the

Committee absent: Councillors Mrs L M Gillham, Mrs Y P Lay, S M Mackay and P S Sohi

145 FIRE PRECAUTIONS

The Chairman read out the Fire Precautions.

146 MINUTES

The Minutes of the meeting of the Committee held on 5 April 2018 were confirmed and signed as a correct record.

147 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs L M Gillham.

148 TREASURY MANAGEMENT ANNUAL REPORT 2017/18

Further to the change in membership of the Committee this Municipal Year, further to the invitation of the Chairman, the Head of Financial Services began by advising the Committee that the Treasury Management Annual Report 2017/18 was submitted to the Committee further to its responsibility for scrutinising the Council's Treasury Management activities.

The Committee considered the Annual Report on Treasury Management and Performance for the 2017/18 financial year. The Committee noted a full set of prudential and treasury indicators for 2017/18 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.

Members were advised that the Council's total borrowing activity stood at £356 million at the 31 March 2017, an increase of £119 million on the previous year; with all of the new borrowing assigned to either the purchase of investment properties or funding for ongoing development schemes like Addlestone One and Egham Leisure Centre.

The Council operated two "loans pools", one for the Housing Revenue Account (HRA) 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 2017/18 and that the average outstanding loan rate for the HRA was 3.36% with the General Fund at 2.30%, well under the Council's target rate of 2.5%. The Council's actual investment income interest rate performance during the year was 0.79%, which compared favourably with the Council's benchmark rates; due to the Council's investment in pooled funds and the Funding Circle. Members were advised that this allowed the Council to diversify into asset classes other than cash, without the need to own and manage the underlying investments. This offered enhanced returns over the longer term requiring a medium term view of each to be taken. Members noted the market value of these investments at 31 March 2018 and their returns last year. The Committee was advised that the Council managed risk on a daily basis. Members sought assurances that

an interest rate rise would lead to a revised investment estimate. The Committee was advised that it would as the estimate was under constant review; so should rates rise, this would be reflected in the mid-year report before Members at the scheduled October meeting.

Investment turnover was principally driven by the availability of counterparties that met the criteria set out in the Annual Investment Strategy, and the need to keep money invested in short term low paying accounts to meet large capital payments. The increase in investment rates and the additional money invested saw the Council's investment income increase from a predicted £221,000 during the year to £384,000 by the year end.

Members were advised that the management of counterparty risk remained the Council's priority and the Annual Investment Strategy was continuously reviewed to minimise risk as far as reasonably possible. The Committee was pleased to note despite the continued challenging investment environment, better than expected investment and borrowing rates had been achieved during the year.

**RECOMMEND that –**

**Full Council note the Treasury Management Annual Report 2017/18.**

149 ANNUAL REPORT OF OVERVIEW AND SCRUTINY FUNCTION 2017/18

The Committee considered a draft Annual Report for the Municipal Year 2017/18 (at Appendix 'E' to the Agenda) 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.

**RECOMMEND that –**

**the Annual Report at Appendix 'E' to the Agenda be received and noted.**

150 REVIEW OF THE COUNCIL'S PLANNING SERVICE

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A(4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 1 of Schedule 12A to Part 1 of the Act.

The Committee was updated on the progress of the Review of the Council's Planning Service. The Committee noted that the report on this matter was the item that was referred to at item 8 of the Committee's main agenda for the meeting. The Committee had been advised at its April 2018 meeting of options available in respect of a Planning Advisory Service (PAS) Peer Challenge Review of the Council's Planning Service, having decided at its February 2018 meeting that it would wish to progress this PAS review as well as a scrutiny review of Planning.

In view of the demands upon the time of Members, the Committee agreed to appoint a Planning Service Review Advisory Panel whose remit would be to conduct the core work involved which would include meeting with residents and stakeholders for the scrutiny review following the PAS Peer Challenge Review, meeting with PAS to settle the scope of their instructions, meeting with key Officers within the Council's Planning service and seeking to identify the effectiveness of the Council's Planning service in accordance with particular criteria. The Committee agreed to delegate any necessary powers and functions to the Planning Service Review Advisory Panel as were incidental to the Advisory Panel's remit. The Committee agreed that the membership of the Advisory Panel would be Councillor Taylor (Chairman), Councillor Dennett, Councillor T Gracey and Councillor Mrs

Gillham. In order to ensure full cooperation of all interested parties, the Panel meetings would not be held in public or minuted but a summary of key points following each meeting would be prepared and approved by the Panel and reported back to the Committee at its next scheduled meeting.

The Committee noted PAS' current guidance to Local Planning Authorities regarding PAS reviews. Mindful of the priority given to submitting the emerging Council Local Plan to the Secretary of State, PAS had confirmed that they would undertake their review in the Autumn of 2018. The Committee noted that there were costs involved in instructing PAS to conduct a Peer Challenge Review. The Committee agreed that a request be made to the Corporate Management Committee to approve a supplementary budget in the sum of £20,000 to support the anticipated cost of the review which would cover the costs of a standard review plus any unexpected costs or any unforeseen issues that might require some extra expenditure to overcome.

Members highlighted the need for the Service Review to identify good practice and to specify where there might be any room for improvement in the service; being factual, disciplined and open minded. It was noted that there would be a need for assistance in preparing to interview and meet with both residents and stakeholder groups following the PAS Peer Challenge Review.

**RESOLVED that –**

- i) the establishment of the Planning Service Review Advisory Panel and its membership be endorsed;**
- ii) any necessary powers and functions be delegated to the Planning Service Review Advisory Panel as are incidental to the Advisory Panel's remit; and**
- iii) a request be made to the Corporate Management Committee to approve a supplementary budget in the sum of £20,000 to support the anticipated cost of the Review.**

Chairman

(The meeting ended at 9.09.p.m.)