

Runnymede Borough CouncilOVERVIEW AND SCRUTINY SELECT COMMITTEE26 November 2020 at 7.30.p.m. via MS Teams

Members of the Committee present: Councillors J Furey (Chairman), T Gracey (Vice-Chairman), A Alderson, J Broadhead, S Dennett, R Edis and L Gillham.

Members of the Committee absent: Councillors M Brierley and S Mackay.

Councillors R King, J Olorenshaw, N Prescott, J Sohi, M Willingale and J Wilson also attended.

339 MINUTES

The Minutes of the meeting of the Committee held on 1 October 2020 were confirmed as a correct record. As the meeting was being held remotely using MS Teams, the Chairman would sign these minutes when this was physically possible.

At this meeting the Committee had been advised that it was now expected that investment income for 2020/21 would be £87,000 which was down nearly £300,000 on that estimated at the start of the year. A Member of the Committee asked whether the estimate for investment income for 2020/21 had changed since the Committee's meeting on 1 October 2020. (The Committee was advised by email after the meeting of the latest position regarding the estimate for investment income for 2020/21).

340 TREASURY MANAGEMENT MID YEAR REPORT 2020/2021

The Committee noted the Treasury Management Mid Year Report 2020/21 which summarised the Council's treasury management activity for the first six months of the 2020/21 financial year. It was noted that this report had been considered by the Corporate Management Committee at its meeting on 19 November 2020. The Committee noted an economic update and outlook for interest rates that had been provided by the Council's Treasury Management Consultants, Link Asset Services. No Increase in the Bank Rate was expected within the forecast horizon ending on 31 March 2023 as economic recovery was expected to be gradual and prolonged.

The Council's Treasury Management operation ensured that cash flow was adequately planned with cash being available when required. Surplus monies were invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return. The Council was making investments at a time of economic and fiscal uncertainty created by Covid, with various support packages being made available by the Government to businesses who had been and continued to be either unable to operate at all or unable to operate at full capacity as a result of the coronavirus.

The Council held £70m of investments as at 30 September 2020 and the investment activity during the first six months of the year was noted by the Committee. Approximately £109m of new investments had been made in this period. The Runnymede average rate of interest was 0.61% which compared favourably with the Council's benchmark rates. The Committee congratulated treasury management officers on this excellent result. The drop in rates that were available was illustrated by a chart taken from the Council's ICD Money Market Fund Portal.

As a result of slippage in the Capital Programme there had been no need to borrow so far in 2020/21. Due to the increase in Public Works Loan Board (PWL) margins over gilt yields

in October 2019, and the subsequent consultation on these margins by HM Treasury- which ended on 31 July 2020 – officers had not undertaken new long term PWLB borrowing. However, the Committee was advised that there had been an announcement on 26 November 2020 that PWLB rates had been lowered but with strict conditions. Officers would be reviewing whether or not the PWLB should be used for further borrowing for regeneration schemes in the light of this announcement.

The CIPFA Code on Treasury Management required the Council to approve a set of treasury management indicators by which the Council could measure its exposure to risk. During the financial year to date, the Council had operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

There had been no loss of principal in any of the investments that the Council had made. The Committee noted that there had been a reduction in interest received on loans to RBC companies. It was explained that this was because a loan had not been made in respect of some of the flats in the Addlestone One development. The Committee also noted that an advance loan deal refinancing an existing loan at a rate of 2.88% with Phoenix Life Limited was not included within the list of borrowings as at 30 September 2020. It was explained that the advance loan would commence in the new financial year when the existing PWLB loan would drop off. It was noted that the rate of 2.88% was fixed and that this loan deal had been entered into when rates were in the region of 2.9% in order to provide certainty for the Council's Egham Gateway regeneration scheme.

The Committee noted that recent changes made by the Government in response to the Covid pandemic, including the imposition of a second lockdown in England that would finish on 2 December 2020 and be replaced by a tier system, had not caused officers to change their estimates for investment income set out in the mid-year report. Going forward it was clear that the Council would be receiving less investment income but the extent of the reduction from 2021/22 onwards could not be forecast with any accuracy at this stage as it depended on the speed of the recovery from Covid and on future decisions to be taken by the Government, neither of which could be predicted yet with any certainty. It was noted that a report would be submitted to the next meeting of the Corporate Management Committee which provided a Medium Term Financial Strategy update which would set out the Council's latest financial position.

341 REVIEW OF THE PLANNING SERVICE UPDATE

The Committee received a report updating them on action being taken following the scrutiny review of the Council's Planning service.

At its meeting on 6 February 2020 the Committee had recommended to the Planning Committee that recommendations adopted by it should also be adopted by the Planning Committee, that its comments on those recommendations should be considered and that a report from the Planning Committee should be submitted to the 1 October 2020 meeting of the Overview and Scrutiny Select Committee which would provide an update on progress in implementing the action agreed by the Planning Committee arising from the recommendations.

The Committee noted that its recommendations had been intended to be presented to the Planning Committee on 25 March 2020, but that meeting had been cancelled due to the national Covid lockdown that had started on 23 March 2020. The recommendation to report back to the Committee at its meeting on 1 October 2020 had been set prior to the Covid pandemic and, because of the need to support the Council's Covid response efforts, work towards this deadline had been paused. Further to discussion between the Chairmen of both the Planning Committee and the Overview and Scrutiny Select Committee, a report on the Committee's recommendations had been considered by the Planning Committee at its meeting on 4 November 2020.

At its meeting on 4 November 2020, the Planning Committee had noted the recommendations and the Committee's comments on the recommendations. It had also noted the guidance of Officers within the Development Management and Policy and Economic Development Teams as to how best to progress the recommendations. This guidance was noted by the Overview and Scrutiny Select Committee. Due to the work of officers and the passage of time, a number of the recommendations had been in place for some time and some were currently progressing. Other recommendations might need adapting as a result of coronavirus or were affected by loss of budgetary growth.

In the light of the officer guidance provided, the Planning Committee had agreed that the Corporate Head of Development Management and Building Control and the Corporate Head of Planning Policy and Economic Development would return to the Planning Committee at a future date to be confirmed with a report detailing how each of the recommendations had been implemented so far and setting out progress on recommendations which were not completed (including a revised potential timeline for delivery) and detailing ones that potentially could not be progressed fully in the recommended form. The Chairman and the Vice-Chairman of the Planning Committee were discussing with these two Corporate Heads a suitable date for the submission of this report to the Planning Committee. It was noted that this further report to the Planning Committee would be submitted in tabular form which would show the position on each recommendation.

The Overview and Scrutiny Select Committee noted the reasons for the delay in the recommendations being considered by the Planning Committee but was of the view that it had still taken too long for the Planning Committee to receive a report on the recommendations. The Committee was also concerned that there was no agreed deadline for the Planning Committee to receive the further report referred to above. It agreed that it should receive an interim report as soon as possible so that the Council's residents, some of whom had called for a review of the Council's Planning Service a long while ago, could see what progress had been made in implementing the recommendations. The Committee agreed that the interim report should be in tabular form showing for each recommendation what action had been completed, what action was planned to be done and what action was outstanding. It was agreed that it was not necessary for timelines for the various actions to be included within the interim report.

(The meeting ended at 8.06.p.m.)

Chairman