

Runnymede Borough CouncilOVERVIEW AND SCRUTINY SELECT COMMITTEE4 February 2021 at 8.15.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 J Olorenshaw and N Prescott also attended.

426 MINUTES

The Minutes of the meeting of the Committee held on 26 November 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.

427 2021/22 TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY, PRUDENTIAL AND TREASURY MANAGEMENT INDICATORS AND MINIMUM REVENUE PROVISION STATEMENT

The Committee received a report on the 2021/22 Treasury Management Strategy, Annual Investment Strategy, Prudential and Treasury Management Indicators and Minimum Revenue Provision Statement. The Committee commended officers on the quality of the report.

The Treasury Management Strategy was one of the ways in which the Council managed its financial planning, risk management and governance processes. It placed controls over where, and in what, the Council could invest and borrow to meet the cash flow requirements of the capital and revenue plans agreed by Members. The report was lengthy in order to include all of the items prescribed by CIPFA and the Government and might increase in size in the future as CIPFA had recently issued a consultation document on proposed changes to the Treasury Management and Prudential Codes for the 2022/23 financial year.

The Council had total investments of £73,121,000 at 30 November 2020. The Committee noted that the amount invested at 31 January 2021 was approximately £83 million. This increase was mainly due to the receipt of approximately £9 million of Covid-19 related grants that the Council was distributing to businesses on behalf of the Government.

The Council invested its funds prudently and would continue to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. This approach was inherent in the Council's Treasury Management Strategy which encompassed the Annual Investment Strategy at Appendix 'D' to the agenda for the meeting which complied with Government guidance on the issues to be covered. There were no changes to the Annual Investment Strategy for 2021/22. Officers would keep a close eye on the limits for each counterparty and any required amendments would be submitted to Members for approval.

Most UK banks currently had a negative outlook assigned to them by at least one credit rating agency which implied that rating downgrades were possible this year. The Government was currently offering rates of negative 0.01% on all investments placed with it. Most Money Market funds were offering close to zero rates. However, in making investments going forward, Council officers would not place the priority on yield rather than

security and liquidity. As rates had dropped, so had the margins between the risks. This had resulted in additional risk for only minimal return.

Investment returns were likely to remain low during 2021/22 with little increase predicted in the following few years. The Council's treasury advisor, Link Asset Services, had forecast that the Bank Rate would not change from 0.1% over the next two years and probable earnings on the Council's investments were expected to mirror the Bank Rate at 0.1%. The Committee noted the 2020/21 estimate for investment income and debt interest split between the General Fund and Housing Revenue Account.

The Council's borrowing strategy, which set out the parameters of where the Council could borrow and in what format, was unchanged from last year. The Council was currently maintaining an under borrowed position. This meant that the capital borrowing need had not been fully funded with actual borrowing as cash flows were being used as a temporary measure.

A code of practice had been issued relating to money market investments called the UK Money Markets Code which CIPFA had recommended that all Councils should adopt. As the Council met the relevant criteria, the Committee agreed to recommend that the Code be adopted by the Council. The Council would become only the fourth local authority to adopt the Code.

The Committee agreed to recommend the Prudential and Treasury Management Indicators for 2021/22 as set out in Appendix 'E' to the agenda for the meeting. These indicators were required to ensure that the capital investment plans of the Council were affordable, prudent and sustainable. Included within Appendix 'E' was a total authorised limit for external borrowing by the Council in 2021/22 of £759,704,000. This limit set out the maximum level of borrowing that the Council could undertake. The Committee noted the Capital Financing Requirement (CFR) for 2021/22 which showed the Council's need to borrow.

The Council was required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through Minimum Revenue Provision (MRP) which was a charge to revenue in order to have sufficient monies set aside to meet the future repayment of principal on any borrowing undertaken. The Council was required to approve an MRP statement in advance of each year. The Committee was advised that there was no need to amend the Council's current statement and agreed to recommend the Council's MRP statement for 2021/22 as set out in recommendation v) below.

The Committee noted that Member training on treasury management would be arranged towards the end of 2021 and that the Council's treasury advisors, Link Asset Services, would be involved in that training.

RECOMMEND TO FULL COUNCIL ON 9 FEBRUARY 2021 that -

- i) the proposed Treasury Management Strategy as set out in the report encompassing the Annual Investment Strategy as reported, be approved;**
- ii) the Council adopts the UK Money Markets Code;**
- iii) the Prudential and Treasury Management Indicators for 2021/22, as reported, be approved;**
- iv) the authorised limit for external borrowing by the Council in 2021/22, be set at £759,704,000 (this being the statutory limit determined under Section 3(1) of the Local Government Act 2003); and**

- v) **there be no change to the previously adopted Minimum Revenue Provision (MRP) policy as set out below: -**

The Council will use the asset life method as its main method for calculating MRP.

In normal circumstances, MRP will be set aside from the date of acquisition. However, in relation to capital expenditure on property purchases and/or development, we will start setting aside an MRP provision from the date that the asset becomes operational and/or revenue income is generated. Where schemes require interim financing by loan, pending receipt of an alternative source of finance (for example capital receipts) no MRP charge will be applied.

428 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 the Committee following the scrutiny review of the Council's Planning service should also be adopted by the Planning Committee. These recommendations were in two categories which consisted of recommendations made by the Planning Advisory Service (PAS) in its report published in February 2019 following a visit to the Council and recommendations drafted following representations made by local residents.

At its 6 February 2020 meeting the Committee had also recommended that its comments on those recommendations should be considered by the Planning Committee 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.

Due to the pandemic and other factors, it had not been possible to meet the timescale envisaged originally and 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 Overview and Scrutiny Select 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.

At its meeting on 4 November 2020, the Planning Committee had also noted that a significant amount of time had passed since the PAS review and that matters had significantly progressed in the Planning service since then. A further report would be submitted to the Planning Committee in due course showing completed actions and recommending if any outstanding items should still be progressed or, if they were no longer necessary in the form suggested, or if they should be adapted. The Planning Committee would at that stage note further progress and decide what, if any, further actions were required.

At its meeting on 26 November 2020, the Overview and Scrutiny Select Committee had agreed that it should receive an interim report as soon as possible so that the Council's residents could see what progress had been made in implementing the recommendations.

The Committee had 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.

Accordingly, the Overview and Scrutiny Select Committee noted an interim report providing an update on progress to date against each of the recommendations made by the Planning Advisory Service (PAS) and an update on progress to date against each of the recommendations drafted following representations made by local residents.

PAS had recommended (PAS Recommendation 2) that a strong Councillor champion for the local plan and the delivery agenda be allocated to work within the Council, with external partners and across the region. The Member Advisory Panel that the Committee had set up to undertake tasks to progress the scrutiny review had not made any recommendations in respect of PAS Recommendation 2, further to assurances by officers of the role of the Chairman of the Planning Committee and the role of what was then Chairman of the External Relations and Infrastructure Member Working Group and was now the Chairman of the Infrastructure and Economic Development Member Working Party (IEDMWP). A Councillor champion had not been appointed and it was noted that PAS Recommendation 2 had been made before the current Runnymede local plan had been finalised.

It was noted that the IEDMWP would be considering communications at its March 2021 meeting and that it could consider the question of the potential for a Councillor champion for the local plan at that meeting if deemed required. A Member of the Committee expressed the view that a Councillor champion for the local plan was no longer required. This Member considered that the Planning Committee should not debate whether to appoint a Councillor champion for the local plan as, with the passage of time, Member and officer relationships on Planning issues had developed, good progress had been made on all forms of plan making in the Borough and such a champion was therefore no longer necessary.

The Committee noted that it would be for the Planning Committee to decide whether or not to appoint a Councillor champion for the local plan. A majority of Members of the Committee considered that this matter should be looked at by the Planning Committee and agreed that the Planning Committee be requested to consider whether a Councillor champion should be appointed for the local plan and delivery agenda taking into account the views of the IEDMWP on this matter.

PAS had recommended (PAS Recommendation 14) that a more supportive working relationship between Councillors and Planning officers be developed. Officers had commented that they considered, from feedback received from Members, particularly Members of the Planning Committee, that this had now been achieved. A Member of the Committee who was also on the Planning Committee confirmed that this was a fair reflection of discussions at the Planning Committee. A majority of Members of the Committee considered that Councillors should be asked if there were any issues that they wished to highlight on the relationship and that an email survey be sent to all Members by the Corporate Head of Development Management and Building Control. The purpose of this survey was to confirm that a wide cross-section of Members (not only the Planning Committee) considered that supportive working relationships had developed and improved since the publication of the PAS report in early 2019. It was also agreed that the survey be shared with Councillors Furey, Gillham, T Gracey and Willingale for information prior to circulation.

Councillor Gillham asked for it to be recorded that she disagreed with the email survey of all Members being undertaken as she considered that the relationship between Councillors and Planning officers had improved and that such a survey was not necessary, particularly in view of the progress that had been made on plan making throughout the borough and the positive comments made by the Planning Committee in recent times.

The Committee noted that the layout of the Planning Committee for meetings which were not conducted remotely had been changed in response to PAS Recommendation 12.

Regarding PAS Recommendation 13 which related to Planning matters reserved to Committee and concerns from both PAS and local residents that more Committee focus should be on larger more complex matters rather than very minor cases, it was noted that a report would be submitted to the Constitution Member Working Party in March 2021 on this subject to aim to address the goals of these recommendations. This matter would initially be considered by that Working Party as if there to be changes, paragraph 23 on page 64 of the Council's July 2020 Constitution on Planning matters reserved to Committee would have to be amended.

A Member reported that local residents had informed him that a travellers site in Blittams Lane appeared to be increasing in size. He was advised that Planning officers were looking into the enforcement of travellers sites and were aware of the concerns raised by local residents about this site.

429 TRANSPORT FOR THE SOUTH EAST

The Chairman had agreed that this item be admitted to the Agenda as an item of urgent business for the special circumstances and urgency as set out below:-

Special Circumstances

The report was not able to be completed by the time of the despatch of the main agenda for this meeting.

Urgency

To enable the Committee to be informed of the work of Transport For The South East.

The Committee noted a report for information on Transport for the South East (TfSE) which was the sub-national transport body for the South East of England including Surrey which determined what transport infrastructure was needed to boost the region's economy.

TfSE's purpose was to determine what investment was needed to transform the region's transport system and drive economic growth, to increase influence with Government and key stakeholders, to secure investment in pan-regional strategic transport corridors, to deliver sustainable economic growth while protecting and enhancing the environment, to reduce emissions, to promote social inclusion and to enable genuine long-term planning.

TfSE was run by a Board comprising 18 representatives and a Forum which was an independently chaired advisory group. There was also a senior officers' group. A presentation on TfSE had been given to Runnymede's Infrastructure and Economic Development Working Party (IEDMWP) in December 2020.

TfSE had published an Economic Connectivity Review in July 2018, followed by a Transport Strategy in July 2020. Work on a Future Mobility Strategy was almost complete and was just commencing on a Freight, Logistics and International Gateways Strategy. Five Area Studies were also being undertaken, two of which affected Runnymede – the Inner Orbital Area Study (just starting) and the South West Radial Area Study.

Runnymede's Corporate Head of Planning Policy and Economic Development had attended recently the newly formed Inner Orbital Area Study Forum (IO Forum). The IO Forum was a sub-group of the TfSE Transport Forum, plus selected other stakeholders, including representatives from the Councils within the study area. The role of the Forum was to provide stakeholder expertise, intelligence and advice to the inner orbital working group (IOWG) and project team.

At the Forum's most recent meeting on 12 January 2021, a number of issues had been considered including the outcome of rural mobility workshops, work undertaken on carbon assessment including the development of a carbon calculator, challenges and opportunities with the future energy supply in relation to transport, and the content of the Future Mobility Strategy which would focus on packages of interventions that could be introduced in different community types. These interventions would feed into the area studies and the strategic investment plan. Presentations had also been provided on zero emissions opportunities and challenges for buses and electric vehicle charging. TfSE's work would have various implications for Runnymede including in respect of Planning Policy and the Runnymede Transport Strategy (RTS).

The Chairman advised that he had asked for this report to be put on the Committee's agenda in order to raise awareness amongst Members of TfSE's work. It was agreed that the slides which had been submitted to the IEDMWP in December 2020 be circulated to all Members of the Committee and the IEDMWP and the Chairman and Vice-Chairman of the Planning Committee.

(The meeting ended at 9.03.p.m.)

Chairman