

Appendix A

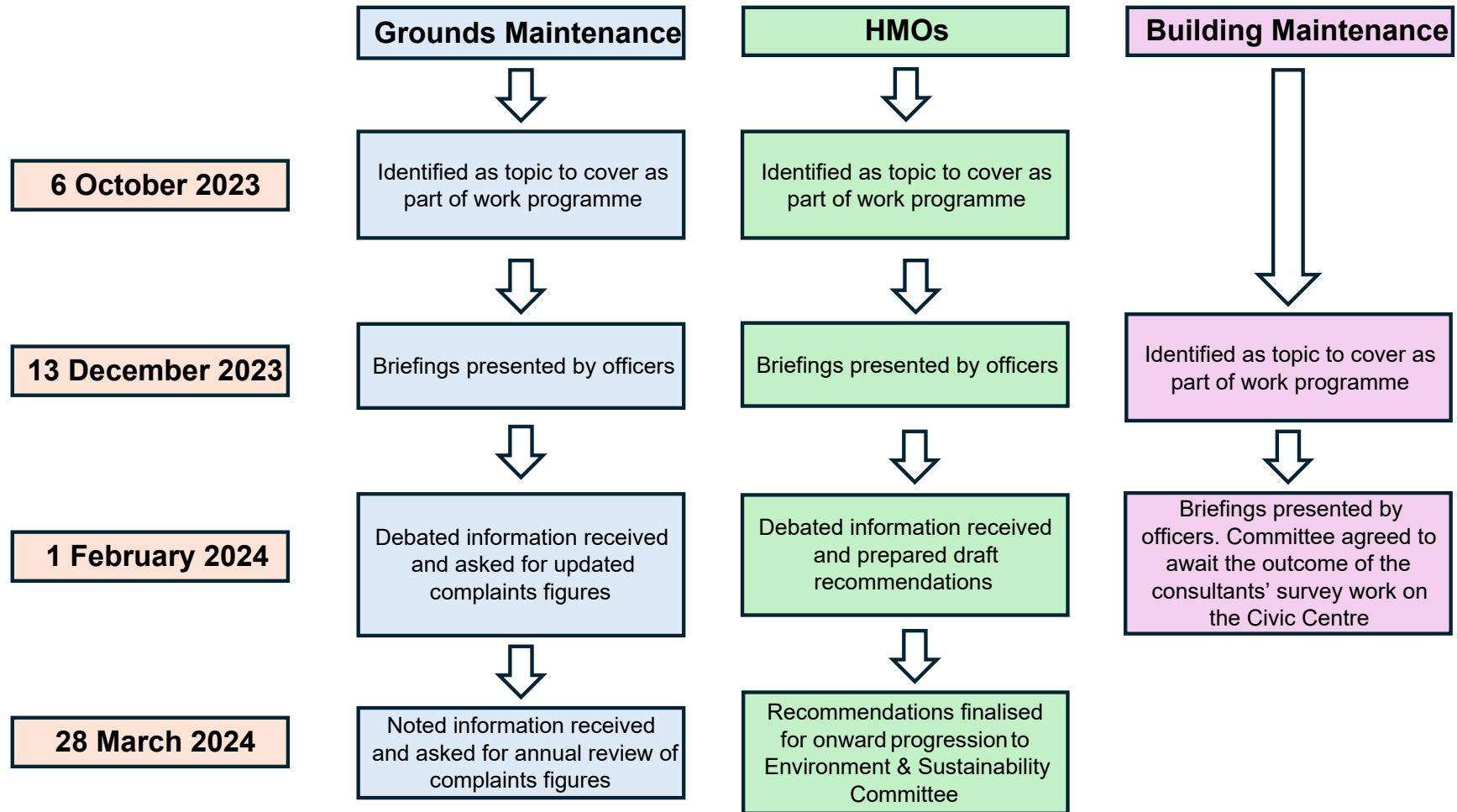
# Runnymede Borough Council Overview and Scrutiny Function – Annual Report – 2023/24

## Overview and Scrutiny Function – Annual Report – 2023/24

### 1. Introduction

- 1.1 The Overview and Scrutiny function in Runnymede is undertaken by the Overview and Scrutiny Select Committee. The Committee's Terms of Reference and procedure rules are set out in the Council's [Constitution](#). This report summarises the areas of the Overview and Scrutiny Select Committee's activities for the Municipal Year 2023/24.
- 1.2 The Overview & Scrutiny Select Committee met on the following dates in 2023/24:
  - [6 July 2023](#)
  - [5 October 2023](#)
  - [13 December 2023](#)
  - [1 February 2024](#)
  - [28 March 2024](#)
- 1.3 Call-in of a decision, other than a recommendation to the Council or parent Committee, is a procedure available to the Overview and Scrutiny Select Committee which will prevent implementation of the decision until it has been considered further. There were no call-ins during 2023/24.
- 1.4 The Committee decided at its meeting in July 2023 to adopt a work programme for the coming year and deep dive into three topics in order to make recommendations to service committees or other bodies of the Council, build on good performance or identify lessons learned.
- 1.5 Following discussion on a number of possible items to be the subject of its work programme, Committee members were encouraged to attend the subsequent meeting with ideas for topics they would wish to cover.
- 1.6 The three topics the committee decided to cover were:
  1. The regulatory regime on Houses in Multiple Occupation (HMOs), and the policies which Runnymede currently operate.
  2. The implementation and operation of the new inhouse grounds maintenance service
  3. building maintenance of the Civic Offices with a particular focus on funding set aside at the point of construction, how much of that funding had been utilised and future sustainability of the building.
- 1.7 Flowchart 1 provides an overview of the process adopted by the committee.

Flowchart 1



## **2. Houses in Multiple Occupation (HMOs)**

- 2.1 Reviewing the regulatory regime on HMOs and the policies that the Council currently operate was initially discussed at the July 2023 meeting and the committee confirmed its intention to pursue the item at the October 2023 meeting.
- 2.2 The Committee acknowledged that the scope of the HMO review would not involve questioning the national licensing situation, but to get the most value out of their meetings the attendance of officers from both a licensing and planning background was requested, whilst there was also a request to have representation from Royal Holloway University, and ideally a landlord of HMOs.
- 2.3 At the December 2023 meeting the committee received a briefing in advance on Article 4 Direction and the position from a planning perspective, as well as a briefing on the licensing arrangements.
- 2.4 Planning Officers advised that a report had been taken to Planning Committee in [March 2023](#) to inform Members about the work that had been undertaken to date to consider introducing Article 4 Direction(s) for HMOs in Runnymede. Members of the Planning Committee had agreed that work would remain ongoing to gather evidence on the distribution and impact of HMOs in conjunction with the Local Plan review and that this, in the view of the Planning Committee, was the appropriate way forward.
- 2.5 The timetable for implementing an Article 4 Direction for HMOs in Runnymede would need to be closely aligned with the timetable for the review of the Local Plan. Work on the Local Plan Review will not commence until at least Autumn 2024. Once commenced, plan making is expected to take 30 months. The HMO Article 4 work would be timetabled once the Council has a confirmed start date for plan making.
- 2.6 There was a 12-month lead in time for an Article 4 Direction to be put in place otherwise substantial compensation could be payable. There could however be a degree of twin tracking between a possible Article 4 Direction being drafted and local plan policy being formulated, as the preparation of an Article 4 Direction did not necessarily have to wait until the Local Plan had been adopted, provided the evidence was there to support progressing the direction. However if the direction were to be adopted prior to the adoption of a policy it was unlikely to be effective, until policies were in place.
- 2.7 From an Environment and Housing services element, to address some of the concerns raised by their residents, members enquired about the feasibility of extending licensing arrangements to include small HMOs, as well as more stringent controls around maintenance of gardens, management of waste and antisocial behaviour. Officers advised that the only way of compiling a complete database of HMOs would be to go door-to-door, and in addition to this being an enormous task, the volume of HMOs would be ever-changing and the database would be virtually impossible to keep accurate.
- 2.8 It was also confirmed that it was not possible to charge for enforcement as part of the licensing fees, which was only permitted to cover the cost of administration, and the overwhelming majority of compliant and licensed landlords already met the requirements of them.

- 2.9 The role of a Joint Enforcement Team (JET), similar to what operates in Spelthorne, was explained, and officers advised that the presence of a JET in Runnymede would have a very limited impact on dealing with HMOs, due to their inability to deal with issues within a residential property.
- 2.10 The Committee extended an invitation to a representative of Royal Holloway, University of London, to attend the meeting on 1 February 2024 to understand the university's position on student numbers, car parking, accommodation and community engagement. There was no one available from the university to attend, however a written response was provided on the questions that the committee sought guidance on, which was noted on the night.
- 2.11 The Committee were keen to arrive at an end product from the programme of work for the consideration of another body of the Council. Whilst recommendations would be finalised at the final committee meeting of the municipal year, a member expressed a desire to consider options around HMO licensing similar to other local authorities, in particular recommending the consideration of licensing all HMOs rather than those with 5+ occupants, as well as additional conditions to licenses around noise nuisance antisocial behaviour, garden maintenance, and refuse and rubbish.
- 2.12 It was agreed at this stage that the Article 4 Direction was already under consideration as part of the local plan process, and did not therefore warrant further scrutiny by the committee.
- 2.13 The Committee again extended an invitation to a representative of Royal Holloway, University of London at the final meeting of the municipal year in March 2024 around student numbers and engagement. Again there was no one available from the university to attend, however a written response was provided on the questions that the Committee sought guidance on, which was noted on the night.
- 2.14 Following the conclusion of its work programme, Overview and Scrutiny Committee recommended that the following points be included as part of Environment and Sustainability's review of licensing options for HMOs:
- 1) To consider the introduction of an Additional Licencing Scheme to include non-licensable HMOs.
  - 2) To explore the introduction of new HMO Licence conditions on the following themes which would apply to existing and additionally licensed HMOs:
    - a. Bins and waste management
    - b. Garden Maintenance
    - c. ASB and nuisance behaviour
  - 3) To review HMO licensing fees.
- 2.15 The recommendations were considered at the Environment and Sustainability Committee in June 2024, who endorsed the committee's suggestion for officers to return to a future meeting with a paper considering the options HMO licensing.
- 3. Grounds Maintenance**
- 3.1 The Committee decided at its October 2023 meeting to include a review of the implementation and operation of the new inhouse grounds maintenance service.

This followed a raft of complaints received by councillors from residents relating to the grounds maintenance service.

- 3.2 The Committee submitted a number of questions in advance of the December 2023 meeting around the setup, handover and documentation, and a response was provided as part of the agenda papers.
- 3.3 During the Committee meeting in December 2023 the Committee were keen to understand the key issues the service faced, including the availability of equipment and what lessons had been learned.
- 3.4 The Committee learned that the challenges from November 2022 until July 2023 were largely due to three factors.
  - 1) Firstly, the former contractor had significantly reduced the resources allocated to Runnymede when they lost the Elmbridge contract in September 2022. They ran both contracts from the same yard. Some autumn activities were not completed including the autumn grass cuts.
  - 2) Secondly, delays in acquiring the requisite machinery, in particular the wide angled mower (WAM) which arrived two months late meant the Council didn't have the necessary machinery to get through all the rounds.
  - 3) Thirdly, the wettest spring in 40 years made some locations which are sited on flood plains very difficult to access as the larger mowers and tractor sank into the ground. The rain also supported very rapid growth of grass this spring.
- 3.5 At its meeting in February 2024 the Committee was content that the issues experienced were now largely under control, but asked for the most recent complaints statistics for the service to be comfortable that the matter was now under control.
- 3.6 The complaints statistics were provided to the Committee meeting in March 2024, which demonstrated that since summer 2023 complaint numbers had decreased significantly. The Committee concluded the workstream by noting the information provided and recommended that grounds maintenance figures were reviewed at the first Overview & Scrutiny committee meeting at each municipal year when any complaints were likely to be at their highest.

#### **4. Building Maintenance**

- 4.1 At the meeting in December 2023 the Committee identified Building Maintenance associated with the Civic Offices as an additional part of their work programme, with a particular focus on funding set aside at the point of construction, how much of that funding had been utilised and future sustainability of the building.
- 4.2 Concern was noted about the possibility of leakage from the roof due to the likelihood of the incorrect volume of felt being applied and the lack of specification around the lifetime of the fire doors meaning that the warranty reverted to the manufacturer's warranty. The Committee were keen to know more about the funding set aside for ongoing maintenance and improvements to the building at the point of construction, how much of this funding had been utilised and reassurance around ensuring the building was sustainable for the future.

- 4.3 The Corporate Head of Assets and Regeneration attended the meeting in February 2024. It was noted that a recent Corporate Management Committee report was approved for a consultant to undertake a survey of the Civic Centre's fabric and components to establish what works would be required to ensure that the building was both fit for purpose and statutorily compliant.
- 4.4 It was noted that no capital items had been spent on the Civic Centre since the building's completion in 2009, and it was further noted that planned and reactive budgets remain in place. The Committee agreed to monitor the outcome of this project and would exercise their call-in powers at a later date should it be deemed necessary. This therefore concluded this particular workstream in the meantime.

## **5. Treasury Management**

- 5.1 At the October 2023 committee meeting the Treasury Management outturn report was presented to the Committee on the Council's treasury management activity and performance for the 2022/23 financial year covering financing and liquidity, cash management and risk management associated with these activities.
- 5.2 Additionally a report on Council's treasury management activity and performance in the first quarter of the 2023/24 financial year focusing on financing and liquidity, cash management and risk management was presented.
- 5.3 An update on the breach of counterparty limits which had been reported during 2022/23 in accordance with treasury procedures in the year was given and officers had established new preventive controls and procedures to ensure that this did not happen again. Making changes to the software to provide additional controls was discounted as this would create the need for additional manual workarounds in other areas of the system which would create more scope for human error.
- 5.4 The Council's borrowing activity had increased substantially over the period, however no new loans were taken out to replace the £10m of maturing debt, instead investment balances and cash flows were utilised as a temporary measure whilst interest rates remained high. This was known as internal borrowing and the total such borrowing amounted to c£63m at the year end.
- 5.5 A requirement of the new treasury and prudential codes also required the reporting of non treasury investments, which in the Council's case means reporting on investments in companies and investment properties. As part of the property metrics approved by Members earlier in the year the reporting formed part of the capital investment strategy and asset management strategy.
- 5.6 A report on Council's treasury management activity and performance in the first half of the 2023/24 financial year was presented to the December 2023 committee, which focussed on financing and liquidity, cash management and risk management. The report also reflects on the mid-year review of Council's treasury and investment strategies, along with prudential indicators, and compliance with the limits set for 2023/24.
- 5.7 The treasury management strategy for 2024/25 was presented to the February 2024 committee, which set out the Treasury Management Strategy, Prudential and Treasury Management Indicators, and Minimum Revenue Provision Statement for 2024/25, and highlighted what changes had been or would be made following the

DLUHC Consultation on Local Government capital risk metrics and from the introduction of the new International Financial Reporting Standard on leases.

- 5.8 There were no proposed changes to either the borrowing or investment strategies from the previous year, instead changes to treasury management stemmed from The Levelling Up and Regeneration Act 2023 and proposed changes to MRP regulations.
- 5.9 During the debate the Committee noted the level of uncertainty around much of the strategy that was down to external factors such as the impact of the non-statutory Best Value Notice, and it was asked that the Committee was regularly updated as further information came to light. Councillors also asked for more context to be given to large-scale international incidents that had a knock-on effect on borrowing and interest rates in future forward looking strategy reports to enable them to explain the potential impact to residents.
- 5.10 The Treasury Management Strategy for 2024/25 had recently been approved by Corporate Management Committee and was subject to approval by Overview & Scrutiny Committee.

It was resolved that –

The Committee noted the content of the report and recommended that the Council approve the following:

i) The proposed 2024/25 Treasury Management Strategy encompassing the Annual Investment Strategy.

ii) The Prudential and Treasury Management Indicators for 2024/25.

iii) The Authorised Limit for external borrowing by the Council in 2024/25, be set at £723,443,000 (this being the statutory limit determined under Section 3 (1) of the Local Government Act 2003).

iv) The MRP Policy for 2024/25 as set out in paragraph 7.15.

- 5.11 The Treasury Management Report for Q3 2023/24 was presented to the March 2024 committee, which focussed on financing and liquidity, cash management and risk management, as well as a review of the Council's treasury and investment strategies, along with prudential indicators, and compliance with the limits set for 2023/24.
- 5.12 It was noted that investment in local authorities had significantly reduced across the market during the time period, and officers advised that was largely down to several authorities either issuing a section 114 Local Government Finance Act 1988 notice or encountering financial difficulty. Investments in that area had therefore been modest.
- 5.13 It was confirmed that the investment property management data had been largely consistent, however the data would be available more dynamically in future based on MSCI data and broken down into quarters to provide a better insight into performance.

## **6. Approach to Financial Sustainability – Progress Report**

- 6.1 The Assistant Chief Executive & s151 officer provided a report to the March 2024 committee that provided an update on progress against the measures set out in the



report “Approach to Financial Sustainability - Savings, income generation and efficiency process” which was considered by Corporate Management Committee in [July 2023](#) and [September 2023](#) and approved for implementation by Full Council in [October 2023](#) and set out a process for the identification and delivery of savings, income generation opportunities and efficiencies alongside proposals to increase the level of transfers to existing earmarked reserves and to create two new reserves, designed to underpin the Council’s financial sustainability.

- 6.2 Modest use had so far been made of the Service Transformation reserve, with £125,000 allocated to support the response to the non-statutory best value notice.
- 6.3 One of the key proposals was for the creation of a Service Transformation Reserve of £1m, to be ring-fenced to pump-prime invest-to-save initiatives. Use of the fund is to be scrutinised by the Overview and Scrutiny Select Committee alongside delivery of the savings programme, which amounted to service reviews, savings, income generation and efficiencies and the associated costs. The report provided the first progress update for the Committee.
- 6.4 The service review programme had been progressing well and regularly reported into the Service Review, Communications and Transformation Member Working Party. The four areas covered were Safer Runnymede, Community Transport, Corporate Complaints and Trade Waste, and a brief update was provided on each item.
- 6.5 The focus of the next set of service reviews was likely to focus on resident access to direct services and understanding how people approached the Council in order to streamline the process, and looking at public buildings, community halls and spaces to generate income and understand the future use of buildings and which needs to be retained, particularly in the context of the decarbonisation plan as part of the climate change strategy.
- 6.6 The Committee welcomed the updated and agreed that the next update would focus on savings initiatives and how they would be delivered. The committee agreed for updates on the approach to Financial Sustainability to be a quarterly occurrence.