

**Runnymede Borough Council****Overview and Scrutiny Select Committee****Thursday, 5 October 2023 at 8.03 pm**

Members of the Committee present: Councillors N Prescott (Vice-Chair, in the Chair), A Balkan, T Burton, T Gates, L Gillham, E Kettle, A King, S Lewis and J Wilson (In place of J Furey).

Members of the Committee absent: Councillors J Furey (Chairman).

In attendance: Councillors S Jenkins.

**5 Minutes**

The Minutes of the meeting held on 6 July 2023 were confirmed and signed as a correct record.

**6 Apologies for Absence**

No apologies for absence were received.

**7 Declarations of Interest**

No declarations of interest were made.

**8 Treasury Management Outturn Report 2022/23**

The Council's Corporate Head of Finance advised that the report set out the Council's treasury performance during the past financial year against the regulations and economic background.

An update on the breach of counterparty limits which had been reported 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.

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.

However, for the investment activity advantage had been taken of the high interest rates, which when combined with less actual borrowing had led to an end year betterment over the original estimates of £1.8m.

A Member asked about the impact of the mini budget on the council's treasury performance, and was advised that it had had little impact other than a small betterment in the council's investment income due to the impact on interest rates.

## 9 Treasury Management Q1 Report 2023/24

The Corporate Head of Finance advised that the report set out the treasury activity for the first three months of the financial year.

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.

On the Council's investment activity, the actual interest rate performance during Q1 2023/24 was 4.31%, which compared favourably with the average SONIA rates for the period, whilst a small portion of the annuity loan had been repaid against a backdrop of climbing PWLB rates.

In response to a member query on the terms of working capital loans, the Corporate Head of Finance advised these were either across ten or fifteen years, and the most recent had been in the first quarter, which had been drawn down from the working capital pot previously approved by Council for a loan to one of the Council's own companies.

## 10 Work programme

The potential topics discussed at the previous committee to form part of the work programme for 2023/24 had been refined, and the committee agreed to proceed with two topics and earmarked a third.

The prospect of inclusion of Integrated Care Partnership was discounted on the basis that the Council had minimal involvement in its operation, a review of the role of SAG was decided to be put on hold until the implementation of Martyn's Law, whilst the statistics to reveal more details on the reporting side of the website would be taken through the relevant member working party in the first instance.

The committee opted to proceed with the regulatory regime on Houses in Multiple Occupation (HMOs), and the policies which Runnymede currently operate, as well as the implementation and operation of the new inhouse grounds maintenance service.

Whilst the committee acknowledged that the scope of the HMO review would not involve questioning the national licensing situation, 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.

The committee were advised that there would likely be capacity for an additional topic for the municipal year, and a desire was expressed to cover the maintenance of the civic centre. This would be confirmed to officers in advance of the next scheduled meeting.

**Resolved that –**

**The Committee confirmed its initial topics to cover for the 2023/24 year as part of its work programme.**

(The meeting ended at 8.37 pm.)

Chairman