

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE -
VALUE FOR MONEY & CUSTOMER SERVICE - 13 JULY 2020

(To be read in conjunction with the Agenda for the Meeting)

Present

Cllr Peter Martin (Chairman)
Cllr Joan Heagin (Vice Chairman)
Cllr Roger Blishen
Cllr Jerome Davidson

Cllr Jerry Hyman
Cllr Stephen Mulliner
Cllr Peter Nicholson
Cllr Julia Potts

Also Present

Councillor John Gray, Councillor David Beaman, Councillor Paul Follows, Councillor Mark Merryweather, Councillor Anne-Marie Rosoman, Councillor Liz Townsend and Councillor John Ward

1. MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 20th January 2020 were confirmed as a correct record.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTES (Agenda item 2.)

The Chairman advised that Cllr George Hesse had resigned from the committee but that at this stage a replacement had not been allocated and no substitute was available to attend.

3. DECLARATIONS OF INTERESTS (Agenda item 3.)

There were no declarations of interests in connection with items on the agenda.

4. QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4.)

There were none.

5. QUESTIONS FROM MEMBERS (Agenda item 5.)

Cllr Stephen Mulliner had submitted questions regarding the revised Budget. These had been responded to by Peter Vickers, Head of Finance and Property and both the Questions and answers were circulated to members of the committee prior to the meeting.

The Chairman suggested that as these questions related to the next item that they be discussed as part of that item.

6. CONTINGENCY REVISED BUDGET 2020/21 (Agenda item 6.)

Prior to discussing this item the Chairman highlighted that Annexe 5 – Leisure Centre operator impact and proposals, would need to be discussed in an closed

session at the end of the meeting due to the confidential nature of the content relating to the financial position of Waverley and Places Leisure.

Graeme Clarke introduced the report which outlined the latest projections of income and expenditure against budget in 2020/21 and highlighted the significant projected net adverse variances from budget which had arisen as a result of the known impacts of the COVID-19 pandemic on the Council's services and finances. He advised that the Council was still awaiting confirmation of further funding from the Government.

Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial Services then gave a presentation highlighting issues the council faces. This presentation had been given to all Members earlier in the week at an All Member Briefing.

Cllr Stephen Mulliner had submitted a number of questions in advance of the meeting, which had been circulated to Committee Members along with officers' responses. Questions related to the impact of the actual 2020/21 deficit on General Fund reserves, the timeframe for rebuilding reserves, the timetable for the 2021/22 budget, and the impact on headcount and Transformation team costs.

The Committee had some concerns about reducing the levels of discretionary reserves, and would like a better understanding of the risk assessment of these reserves when the MTFP is reviewed in the autumn. The Committee agreed that the Government should be lobbied to get as much funding as possible to cover Covid expenses and loss of income, and that the first call on any additional funding received should be to reinstate reserves that had been drawn upon to mitigate the impact of Covid.

The Committee was disappointed that there were not more options outlined in Annexe 3 but discussed the pro's and con's of the options outlined. Officers advised that the extent of the shortfall meant that urgent action was needed to mitigate the impact, but some of the options required more time to establish whether they could be realised, and it would be premature to 'bank' the savings at this point.

The Committee observed that out of the alternative options presented the most serious and worth consideration were widening the definition of the Council's criteria for Better Care Fund, raising the cost of a green waste subscription for a year by £5 and cutting grass verges to the standard allowed by the funding from SCC as opposed to topping up the funding with funding from Waverley. The Committee also recommended reconsideration of the SANG reserve in order to contribute to meeting the short term financial shortfall.

The Committee noted that the cost savings of £699k included in the base budget for 2020/21 had largely been secured, and suggested that this could be made clearer in the report, to provide reassurance that the revenue cost savings proposed as mitigation were not double-counting.

The Committee agreed to forward the comments above to the Executive for consideration prior to making recommendations to Council on approval of the contingency revised budget for 2020/21.

7. RECOVERY, CHANGE AND TRANSFORMATION PROGRAMME (Agenda item 7.)

Kelvin Mills, Head of Commercial Services, presented the report and outlined the structure and purpose of the Recovery, Change and Transformation Programme.

There were ten separate projects within the Programme, and the Overview & Scrutiny Co-ordinating Board would be looking at which of the projects each of the four O&S Committees would be responsible for scrutinising.

The Committee appreciated that the programme was in its infancy, but was disappointed at lack of detail on the projects and identified the need for a clearer statement of the goals, deliverables and timetable for each project, along with SMART targets, in order for the Programme to inform the Medium Term Financial Plan. They looked forward to seeing the next iteration of the projects at Overview & Scrutiny when there would be more detail to scrutinise.

The Committee noted the Recovery, Change and Transformation Programme and the medium and longer term Project Objectives of the 10 projects that form the RCT Programme and recommended the Executive note the comments made.

8. CORPORATE PERFORMANCE REPORT Q4 (2019-20) (Agenda item 8.)

The Committee **noted** the Corporate Performance Report for Q4 (2019-2020) but felt that as it was now six months out of date that any comments were redundant.

9. EXCLUSION OF PRESS AND PUBLIC (Agenda item 9.)

On the recommendation of the Chairman, the Committee RESOLVED that pursuant to Procedure Rule 20 and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it was likely, in view of the nature of the matters to be discussed that if members of the public were present during the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, namely:

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The live streaming was then switched off for the Committee to go into Exempt session.

10. ANY ISSUES TO BE CONSIDERED IN EXEMPT SESSION (Agenda item 10.)

Annexe 5 of Item 57 - Leisure Centre operator impact and proposals.

Graeme Clark advised that the details set out in the Exempt Annexe were confidential due to financial and contractual issues relating to Waverley and Places Leisure, the council's leisure centre operator.

All leisure centres had had to close with effect from 23 March 2020 under emergency Covid regulations. The change in the law meant that the leisure centre

operator had been unable to meet the expectations of the contract. Normally Waverley would receive a positive management fee in the region of £400k pa. In addition to this Places Leisure had submitted a claim for loss of income for the first quarter. Negotiations were ongoing to reach agreement on this cost claim.

It was announced by the Government last week that leisure centres could look to open from 25 July 2020 but the legally imposed restrictions imposed would still have an impact on income generation for them and the council at least until the end of the financial year.

The Committees noted the local competition for some leisure centres from private sector providers, and the community need for leisure centres, accepting the Council's legal position and the costs involved, the Committee was keen to see the leisure centres open up as soon as possible but with the least exposure possible to risk for the Council.

The meeting commenced at 6.17 pm and concluded at 8.28 pm

Chairman