

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE - RESOURCES - 14
NOVEMBER 2023

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

Present

Cllr Peter Martin (Chair)	Cllr Jerome Davidson
Cllr Andrew Laughton (Vice Chair)	Cllr Andy MacLeod
Cllr Lauren Atkins	Cllr Peter Nicholson
Cllr Zoe Barker-Lomax	Cllr Terry Weldon
Cllr Janet Crowe	Cllr Michaela Wicks

Apologies

Also Present

45 APOLOGIES FOR ABSENCE AND SUBSTITUTES (Agenda item 1)

None were received.

46 MINUTES (Agenda item 2)

The minutes of the meeting on 19 September 2023 were agreed with a small addition at minute 43.

47 DECLARATIONS OF INTERESTS (Agenda item 3)

There were no declarations received.

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

There were no questions received.

49 QUESTIONS FROM MEMBERS (Agenda item 5)

There were no questions received.

50 COMMITTEE WORK PROGRAMME (Agenda item 6)

50.1 The Chair noted comments from the recent Joint Governance Committee as to the possibility of soon holding a joint scrutiny session on the collaboration with colleagues at Guildford Borough Council.

50.2 The Leader advised that the committee set up a Task and Finish group to scrutinise the decision to purchase 69 High Street.

- 50.3 Cllr Nicholson noted that the Housing scrutiny review of Housing Regulatory Standards should involve input from the Landlord Services Advisory Board. The Chair said he would mention this to the sub-group.

The Committee resolved to agree the work programme.

51 Q2 CORPORATE PERFORMANCE REPORT 2023-24 (Agenda item 7)

- 51.1 Jenny Sturgess introduced the report, noting that the relevant pages were 44-79.
- 51.2 The Chair enquired about the percentage of the total number of Q1 complaints responded to within the target timeframe. Jenny Sturgess clarified that, of the two major contributors to this increase, only Housing Services was under this committee's remit. Robin Taylor stated that the benchmarking data clarified that the figure compared relatively well to the Surrey modal average.
- 51.3 Cllr MacLeod enquired about the percentage variance for the total Joint Management Budget and if this was the best way to display figures. The Financial Services Manager clarified that this was a formula-driven figure and would be reviewed. The Senior Accountant stated that under-achievement in rental income was due to a small increase in certain long-term void levels.
- 51.4 Cllr Davidson noted that several of the projects brought forward are in Haslemere and cautioned against these being progressed before engagement with Haslemere Town Council regarding The Edge. The Leader clarified that the Town Clerk has been briefed, and Cllr Robini will ask questions regarding this at the next Executive Briefing.
- 51.5 The Chair enquired about the plan to let office space in the second floor of The Burys. The Leader noted that tenures would necessarily be short given the potential upcoming co-location with Guildford Borough Council.
- 51.6 Cllr Barker-Lomax queried the cause of a reduction in the percentage of complaints responded to in target time in Communications and Customer Service. The Leader noted that there is a lag in the data from the present quarter and that the measures that have been introduced will likely be positively impact the percentage in the present and future quarters. Jenny Sturgess reiterated that the impacts to many of the indicators was driven by two services with specific issues.
- 51.7 Cllr Atkins enquired whether a performance plan had been implemented within the Complaints team. The Leader stressed the value of addressing the sources of complaints and that this was being actioned by Executive and LSAB for those relating to Housing.
- 51.8 Non-voting member Cllr Hyman queried a summary update on the progress of the implications of the collaboration agreement to Legal Services. The Joint Executive Head of Legal and Democratic Services noted that the lack

of a formal decision from Council at this stage means that Legal Services cannot progress with a shared service, though limited preliminary sharing arrangements have begun.

- 51.9 Cllr Hyman asked when he may receive confirmation that the issue of habitat compliance will be included in the Local Plan and when Members will be briefed. Cllr Liz Townsend noted the importance of reports & evidence regarding habitat compliance being considered in a specific order, as well as of considering the status of development borough-wide.
- 51.10 The Executive Head of Regeneration and Planning Policy clarified details about the UK Shared Prosperity Fund and the launch of the Rural England Prosperity Fund following an enquiry from the Chair. Cllr Townsend noted that Waverley's £400,000 from the latter fund was pooled with the funds of other councils' and that Surrey County Council are now administering the pool.

The Committee resolved to note the report and recommendations.

52 GENERAL FUND MID-YEAR MTFP REVIEW 2023/24 (Agenda item 8)

- 52.1 The Financial Services Manager introduced the report. The Vice-chair asked if car usage and car parking income was expected to change. It was clarified that no further recovery is anticipated. It was also noted that 2022/23 car parking income is displayed as variance from the previous year and is incorporated into the 2023/24 base budget.
- 52.2 The Chair requested that annual budgets are displayed as gross figures with variances against them in future - Cllr Davidson agreed. Cllr Merryweather noted that car parks are priced individually according to demand and that there may be scope for change to accommodate the night time economy.
- 52.3 Cllr Davidson enquired about maximum parking fines. Cllr Merryweather stated that this is a complex issue and that the key constraint is the cost of administering enforcement. The Leader clarified that this is set by statute.
- 52.4 The Chair queried the inflation position statement. The Financial Services Manager clarified that the updated position at Table 2 on page 117 includes house number increases and that these are contributing to Council Tax. It was noted that there could be no comment on the pay increase actuals at this time but the same assumptions were applied here as all contracts.
- 52.5 Cllr MacLeod asked if impact assessments are carried out into the impact of cuts on the most vulnerable residents. The Financial Services Manager clarified that it is standard practice to undertake these when any service change is proposed.
- 52.6 The Chair requested an update on the progress of EV charging roll-out and any impact on car parking revenue. The Senior Accountant informed the Committee that car parking fees are still charged for EV charging spaces and

that this revenue will soon be seen in the 2023/24 budget. It was also noted that there are a number of these projects currently underway this year and the Climate Change team have this under constant review.

- 52.7 Abi Lewis confirmed to Cllr Atkins that the lease agreement for 69 High Street, Godalming was not yet signed.

The Committee resolved to note the report and recommendations.

53 HOUSING REVENUE ACCOUNT MID-YEAR REVIEW 2023/24 (Agenda item 9)

- 53.1 The Senior Accountant introduced the report. The Leader noted the debt Waverley had taken on to reacquire housing stock, the increased repair costs and the possibility of a cap imposed by the 2024 Autumn Statement, as well as the impact these have on officers' ability to plan work. The Chair stated that these had been continuing trends for long periods across different political administrations.
- 53.2 Cllr Barker-Lomax requested that more benchmarking be included measures in these reports.
- 53.3 Cllr Atkins advised investigation of the causes of overspends in the Housing Revenue Account and noted the distinction between open market valuations and affordable values in the Gross Development Value calculation. Cllr Atkins asked if open market valuations were used. The Senior Accountant clarified that affordable value is employed in the asset register, and the open market valuation is used for the Gross Development Value as this is the standard across the sector, noting that steps are taken to ensure there is no impact on accounts. She stated that she would return to Cllr Atkins with more information on this topic.
- 53.4 The Chair asked about the outturn from the 2024/25 Business Plan compared to the expenditure in the approved budget. Officers stated that they would provide the Chair with a thorough breakdown, and that this year's £100k variance is largely due to council tax and voids.
- 53.5 The Chair asked for comment on the Energy Efficiency Budget saving. It was noted this was largely due to an unfilled post, though filling it was necessary to deliver energy efficiency, and that the void rate of £113k is the forecast for 2023/24.

The Committee resolved to note the report and recommendations.

54 HOUSING REVENUE ACCOUNT - NEW BUILD HOUSING DELIVERY - ELSTEAD & OCKFORD RIDGE (Agenda item 10)

- 54.1 The Housing Development Manager introduced the item. Cllr Atkins requested the build costs by square-foot or square-metre for each project. Louisa Blundell stated that these are £5212 per square-metre for Springfield and £5434 per square-metre for Elstead.

- 54.2 Non-voting member Cllr Hyman asked if it was necessary to enter exempt session, which no member of the Committee intimated they would like to do. The Chair noted that any matters that concerned Cllr Hyman could be taken forward outside of this meeting.
- 54.3 Cllr Hyman and Cllr Atkins voiced concerns around asset valuation and fears this could have potential negative impacts. The Senior Accountant stated that they would work with Cllrs Hyman and Atkins on this and the Gross Domestic Value to clarify procedures.
- 54.4 The Executive Head of Regeneration and Planning Policy reminded the Committee that the external review by Haverly Consulting LTD evaluated the MPV and value for money attainment of the scheme.
- 54.5 Cllr Davidson voiced caution about advancing the schemes before reconsidering this project's financial contingency in case there is an overspend due to rising costs. Cllr Merryweather clarified his support of the project due to the need for greater social housing provision.
- 54.6 The Chair summarised the comments of the committee as expressing concern about the market valuation process, cost overruns and the potential need for a greater contingency, while Cllr Atkins noted Cllr Hyman's comment that current land values and buildings presently on-site are excluded from valuation.
- 54.7 Cllr Liz Townsend clarified that the Senior Accountant has stated that there is a calculation that values down affordable housing in the proper way. The Chair was happy to note this but still reflected the statements of the committee.

The Committee resolved to note the recommendations in the report.

The Committee also resolved to:

- **express concern about the market valuation process;**
- **the potential for cost overruns; and**
- **to request that the option of a greater contingency be investigated to mitigate any impacts of inflated build costs.**

The vote was carried with:

Votes For: 6 Votes Against: 1 Abstentions: 2

55 HOUSING DELIVERY - 12 NEW HOMES AT WOODSIDE PARK, CATTESHALL LANE (Agenda item 11)

- 55.1 The Housing Services Manager introduced the report, noting that it was updated after approval at December 2022 Council, and that planning

approval is still awaited. It was clarified that the uplift request is counter to build cost inflation that occurred after the expression of interest.

55.2 The Chair stated that he felt that a 9.7% increase in one year is very high. The Housing Services Manager noted that the expression of interest was over 12 months ago. The report to Council on 13 December 2022 included some financial contingency, though since then inflation has equalled 10.6% when checked against government build cost inflation figures, so this benchmarked to ensure that it is appropriate.

55.3 Cllr Hyman expressed concern about agreeing a project in principle without assessment of mitigation to potential environmental harm from development. He reiterated that the authority must demonstrate how mitigation will be effective for development to be lawful.

The Committee resolved to note the report and recommendations.

56 NEW BUILD HOUSING DELIVERY - WITLEY (Agenda item 12)

56.1 The Housing Services Manager introduced the report, noting that the proposal is an opportunity for the Council to acquire three further properties in Witley beyond the three already acquired in the initial phase, following outreach from the developer. This report seeks approval for the budget, as well as the delegations necessary to acquire these and rent them as affordable housing.

56.2 Cllr Atkins voiced concerns about the valuation procedure. The Senior Accountant agreed to clarify this and reply to Cllr Atkins.

56.3 Non-voting member Cllr Hyman raised concern that planning issues and constraints are duly followed, though was happy to support the recommendations if this is considered. The Housing Services Manager noted that planning permission had already been obtained, subject to meeting the planning conditions.

The Committee resolved to note the report and recommendations.

57 EXCLUSION OF PRESS AND PUBLIC (Agenda item 13)

The Committee considered the following recommendation of the motion of the Chairman:

Recommendation:

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 items on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, 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 Paragraphs 2 and 3 of the revised Part 1 of Schedule 12A to the Act.

The vote was carried unanimously.

58 RESOURCING OF WAVERLEY BOROUGH COUNCIL IN-HOUSE LEGAL SERVICES FUNCTION (EXEMPT) (Agenda item 14)

The Committee **RESOLVED** to recommend the report and its recommendations to the Executive.

Reasons:

As set out in the exempt report.

The Committee also **RESOLVED** to recommend that one element of the papers appear before the meeting of Council on 12 December 2023.

Reasons:

As set out in the exempt minute.

59 PROPERTY INVESTMENT QUARTERLY REPORT & PERFORMANCE UPDATE (EXEMPT) (Agenda item 15)

The Committee scrutinised the performance of the Council's property portfolio.

60 CRANLEIGH LEISURE CENTRE - FINANCIAL ASPECTS REVIEW (EXEMPT) (Agenda item 16)

The Committee reviewed the financial analysis of the Cranleigh Leisure Centre New Build project, for which funding was approved by Full Council on 17th October 2023.

The meeting commenced at 7.00pm Time Not Specified and concluded at 9.47pm.

Chairman