

OVERVIEW AND SCRUTINY COMMITTEE

Date and Time: Tuesday 17 January 2023 at 7.00 pm

Place: Council Chamber

Present:

Dorn (Chairman), Smith (Vice-Chairman), Axam, Butcher, Butler, Coburn, Engström and Farmer

In attendance: Radley

Officers: Lord, Committee and Members Services Officer
Clark, Executive Director, Corporate Services & S151 Officer
Rayne, Finance & Property Manager
Bennett, Digital, Customer & Change Manager
Grist, Contracts & Procurement Manager
Black, Committee Services Manager

67 MINUTES OF PREVIOUS MEETING

The minutes of 6th December 2022 were confirmed and signed as a correct record.

Proposed by Cllr Dorn:Seconded Cllr Farmer

The meeting was reminded that the minutes being signed were version 2. The Chairman and officers were thanked for revising the minutes and altering the tone of the discussions with in them.

68 APOLOGIES FOR ABSENCE

Apologies had been received from Councillors Davies, Wildsmith and Woods.

69 DECLARATIONS OF INTEREST

Councillor Farmer declared an interest in item 9 as the Chairman of the Fleet Swimming Club.

Councillor Butcher declared an interest in item 9 as a Director of Fleet Market

70 CHAIRMAN'S ANNOUNCEMENTS

No announcements.

71 PUBLIC PARTICIPATION (ITEMS PERTAINING TO THE AGENDA)

None.

72 QUARTERLY COMPLAINTS ANALYSIS

The report on Q3 complaints was introduced and an outline was given, highlighting that response time had been reduced from Q2 to Q3.

Discussion took place around increase in complaints in Q3, it was explained that although this was not desirable it was an anomaly as there did not seem to be a trend. It was commented that as this was a new report, it may be that the increase is a season trend that could be confirmed in future years and adjustments could be made.

The meeting was informed that comparisons had been made at Ombudsman level with neighbouring councils and it had been discovered that Hart had lower numbers of complaints at this level.

It was agreed that the report showed good stable figures and its contents were noted with thanks.

73 CORPORATE PLAN

The meeting was paused during this item at 19.23 for 8 minutes as there was a sound issue. The issue could not be resolved and so the live recording was ended at 19.31.

It was explained to the meeting that the Committee's views on the proposed plan were being sought as part of the consultation process.

It was requested that the Corporate Plan should give more clarity on the climate change targets and use the phrase "Carbon Neutral" and not "Net Zero" as these are 2 different things.

It was commented that the committee would have been able to make a more valuable input if the report had contained the comments from the public consultation, therefore enabling the Committee to give a more meaningful recommendation to Cabinet.

74 REVIEW OF FINANCIAL REGULATIONS AND CONTRACT STANDING ORDERS

It was explained to the meeting that the Financial Regulations and Contracts Standing Orders had last been reviewed in 2020, and in 2013 prior to that. Although the Regulations were good and robust, the review had taken place and the changes made mainly to reflect the changes in the Senior Leadership structure. The Lead Officer on the review of Contract and Standing Orders was Ashley Grist and he was thanked for carrying out a comprehensive review.

It was highlighted to the meeting that one of the main change to the Financial Regulations was with in the Scheme of Virement, the budget limit for this has not changed since 2013 and it was proposed to increase the virement limit from £10,000 to £15,000. Members asked about control over virements and it was agreed that an additional control step would be added to the process to ensure that they are all reported to Cabinet.

Discussion took place around Climate Change Risks in procurement and the Management of Electronic Authorisation. Mr Clark stated that he would seek clarification on how environmental factors are considered in procurement decisions and inform the committee at a later date by circulating the procurement guidance for information.

A question was asked about section 10 of the Contract Procedural Rules which covers exemptions. It was queried as to who was responsible for spending under section 10 and how the spending under it was 'policed'. Mr Clark stated as the Section 151 Officer any applications for spending under section 10 had to be approved by him and that the audit and financial teams monitored spending and would be able to highlight any anomalies.

75 DRAFT BUDGET 2023/24 AND MEDIUM-TERM FINANCIAL STRATEGY

Thanks was expressed to Joanne Rayne and her team for their work in preparing the draft budget.

It was explained to the meeting that the comments they made would be put to Cabinet for consideration and the budget itself would then be taken to Full Council for approval. It was explained that Appendix 3 and 4 shows a detailed summary of the draft budget, however, the full detailed budget book will be available for any councillors wishing to review this level of detail before the Council budget-setting meeting in February.

The meeting was told that the Government had

- halved the New Homes Bonus for Hart, but given the Council a 'one off grant' to cover the deficit.
- agreed that council tax could be raised by up to 3% in each of the next 2 years.

Discussion took place around the uncertainty of forward planning and the availability of Government grants over the next 4 years.

It was stated that SANGS spending was going to be reviewed as there was concern about ensuring sufficient funds exist to manage the SANG sites for the next 80 years. This would be included in a wider review of reserves at the end of the 2022/23 year.

The meeting was told that there has been a growth in Investment Property Income because of the commercialisation strategy, however the change in legislation regarding council borrowing means that further significant increases are unlikely.

A query was raised about the emerging budget pressures position presented to O&S in November which showed a forecast £200,000 budget deficit. With the increase in council tax and the Central Government funding in the draft 23/24 budget, it was felt that there should be a £700,000 surplus. It was explained that the previous deficit figure had to be adjusted for debt interest, a reduction in the annual Leisure Centre management fee and a review of the budget rebase items; these accounted for the variance

A query was raised regarding the Tier 1 and 2 savings. It was confirmed that the Tier 1 savings had all been delivered and that the Tier 2 saving had been 93% achieved and would be fully achieved by the end of the current year. The full Tier 2 savings have been included in the 2023/24 draft budget, rising in subsequent years as per the original estimate.

Discussion took place around the Capital Receipts and their use. It was confirmed that there was £485,000 available at 01.04.22. It was stated that currently there were no new bids to use this money, however some of it may have already been earmarked for use. The meeting was informed that any new bids for the Capital Receipts would require the approval of Full council. Mr Clark will confirm whether there are any commitments from capital receipts in 2022/23.

A comment was made that, given the risk and uncertainty stated in the budget report and the forecast budget shortfalls showing in the financial strategy over the medium term, there needs to be a plan to address this.

76 DRAFT TREASURY MANAGEMENT STRATEGY, ANNUAL INVESTMENT STRATEGY AND CAPITAL STRATEGY

The meeting was informed following on from discussions last year and changes in Government requirements that the finance team had, in conjunction with external treasury advisors, made changes to the Investment Strategy. These changes include

- reducing the Council's ability to borrow for commercial ventures,
- a revised Minimum Revenue Provision Policy,
- a suggested approach to reflect ESG factors into investment criteria
- revisions to counterparty limits.

These changes are all highlighted in the report.

The meeting was told that the finance team has been trialling the use of the ESG Portal to help evaluate potential investments. It was explained that the portal gave a numeric weighting to investment organisations under the heading of environment, employees, governance and community. It was felt that using the information from the Portal would help the Council to make acceptable financial investments, combining ESG with the other core investment priorities of security, liquidity and yield. This will be reported in the quarterly updates to O&S committee in 2023/24.

Discussion took place around the use of the portal and it was agreed to give the members of the Committee access to the portal, in order for them to have a more informed opinion of its use.

77 CABINET WORK PROGRAMME

A query was raised as to whether the Butterwood Homes Scrutiny Committee needed to make a report to Cabinet in March, it was felt that this would depend on the outcome of the Scrutiny meeting next week.

It was requested that the review of reserves, including SANGS financing was included in the Cabinet work programme in August, which would mean including it in the O&S programme in July.

78 OVERVIEW AND SCRUTINY WORK PROGRAMME

It was commented that in the previous meeting Councillor Bailey had offered to attend an O&S meeting and deliver an update on the operation of the CCTV cameras. It was requested that Councillor Bailey should be invited to the March O&S meeting. It was agreed that this request would be made.

Discussion took place around the value of arranging a visit to the CCTV office in Rushmoor and or the office in Runnymede. It was stated that in the past requests to visit the CCTV had not been possible due to a GDPR data security assessment. However, the meeting felt that a visit should be arranged if possible.

Decision

It was proposed “To add an item to the work programme which involved a visit to the CCTV room at the Rushmoor Council Offices to understand it’s operation and issues”.

Proposed by Cllr Dorn: Seconded by Cllr Butcher

A recorded vote was taken.

For:- Cllrs Axam, Butcher, Coburn, Dorn, Farmer, Smith

Abstain:- Cllrs Butler, Engström

Following on from the Sustrans presentation at the previous meeting it was felt that it would be of benefit to review the LCWIP report again before it went back to Cabinet.

The meeting closed at 8.57 pm