

**Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the
Council Chamber, Epsom Town Hall on 1 February 2024**

PRESENT -

Councillor Steve Bridger (Chair); Councillor Robert Leach (Vice-Chair); Councillors Chris Ames, Rachel King, James Lawrence, Phil Neale and Chris Watson

In Attendance: Councillor Alex Coley (for Minute items 74 - 81 ONLY)

Absent: Councillor Jan Mason

Officers present: Andrew Bircher (Interim Director of Corporate Services), Brendan Bradley (Head of Finance), Rod Brown (Head of Housing and Community) (for Minute items 74-77 ONLY), Sue Emmons (Chief Accountant), Will Mace (Business Assurance Manager), Phoebe Batchelor (Democratic Services Officer), Natalie Jerams (Deputy Head of Partnership) (for Minute items 79 - 85 ONLY) and Neil Pitman (Head of Southern Internal Audit Partnership) (virtually for Minute items 74 - 80 ONLY)

74 QUESTION AND STATEMENTS FROM THE PUBLIC

No questions were received from members of the public. One invalid request to make a statement was received.

75 DECLARATIONS OF INTEREST

No declarations of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting were made by Members.

76 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Minutes of the Meeting of the Committee held on **16 November 2023** and authorised the Chair to sign them.

77 ANNUAL REVIEW OF COMMUNITY SAFETY PARTNERSHIP

The Committee received a report providing an update on the work of the Epsom and Ewell Community Safety Partnership.

The following matters were considered:

- a) **Crime & Disorder Committee.** A Member of the Committee raised that they also sit on the Crime & Disorder Committee and asked for

clarification on whether they could participate in the debate and vote on this item. The Interim Director of Corporate Services and the Chair confirmed to the Member that they were able to take part in the debate and vote without any conflict-of-interest issues.

- b) **New Borough Commander.** A Member of the Committee asked if the new Borough Commander has been announced. The Head of Housing & Community responded to inform the Committee that they have not been told officially who has been appointed but they are aware that the police have appointed a new borough commander for Epsom & Ewell and councillors will no doubt be informed shortly.
- c) **CSP Responsibilities.** A Member of the Committee queried the years stated in paragraph 3.1, on page 12 of the report. The Head of Housing & Community confirmed to the Member that the report should state that the priorities are agreed for a three-year period, covering 2022-2024.

Councillor Alex Coley made a verbal statement to the Committee.

Following consideration, the Committee unanimously resolved to:

- (1) **Note the work of the Epsom and Ewell Community Safety Partnership (CSP).**

78 EQUALITY AND DIVERSITY ANNUAL REPORT 2023-2024

The report summarised the activities undertaken in 2023-2024 by the Council to progress our Diversity, Equity, and Inclusion Framework. The Framework includes three thematic objectives that demonstrate how we are meeting our responsibilities under the public sector equality duty.

The following matters were considered:

- a) **Equality related complaints.** A Member of the Committee raised that in Appendix 1, para 4.2.5, it states that there were no equality related complaints and queried if that was a sign of improvements in that area or if that is typical for the Council. The Business Assurance Manager responded to confirm that the Customer Service Team had reported that no equality related complaints were received this year and that the Council does not typically receive many equality related complaints.
- b) **Borough Profile.** A Member of the Committee asked if the Borough Profile referenced in Appendix 1 is the same as the Borough Profile document, they were aware of, a 20-page document showing a breakdown and comparison of areas throughout the Borough. The Business Assurance Manager confirmed that they are the same document. The Business Assurance Manager explained to the Committee that the document is only being shared internally currently, since being updated with the release of the census data, this is due to it currently being comprised of the raw data and not yet being formatted in an easily

digestible or engaging way for it to be shared more widely. The Business Assurance Manager confirmed that it is currently being looked at as to how to prioritise the data and make it more engaging and applicable to audiences. The Member asked if the updated data could be put into a similar format as previously and shared more widely. The Business Assurance Manager informed the Member that once the relevant information is identified, the next step will be to resource the work needed to format the document before it could be shared for general use. The Member asked for a date as to when the Borough Profile could be published. The Business Assurance Manager informed the Committee that it could be added onto their work schedule for the coming municipal year and a further update could be provided at the March Committee Meeting. Another Member of the Committee expressed their interest in having access to the updated Borough Profile document.

- c) **Categorisation of Complaints.** A Member of the Committee asked how a complaint is categorised once it has been received. The Business Assurance Manager responded to confirm that they would provide a response after consulting with the Customer Service Team. The Business Assurance Manager informed the Committee that all complaints are reviewed, and the members of the Customer Service Team are members of the internal diversity, equity and inclusion group, to help ensure they are able to confidently and accurately identify and categorise complaints received.
- d) **Equity or Equality.** The Vice Chair queried if equity or equality was the correct term when discussing the complaints. A Member of the Committee stated that equity is the relevant term. The Business Assurance Manager informed the Committee that a definition of equity is set out in the report, and equity is referred to in the framework.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and comment on the activities undertaken in 2023-2024 by the Council to progress our Diversity, Equity, and Inclusion Framework (Appendix 1).**

79 PERFORMANCE AND RISK REPORT - FEBRUARY 2024

The appendix to this report provides an overview of the Council's performance with respect to its 2023-2024 annual plan objectives, key performance indicators, corporate risks, committee risks, and annual governance statement actions.

The following matters were considered:

- a) **Delivering the Local Plan.** A Member of the Committee asked why the risk is still so high for a failure to deliver the Local Plan now the Local Plan process has been unpaused. The Interim Director of Corporate Services responded to confirm that the recommencing of the Local Plan process removed one set of risks, however other risks around the changing of

national legislation, the cost, the strict timeline, and availability of staffing have all contributed to the risk staying high.

- b) **Surrey Transport Assessment.** A Member of the Committee asked if the relevant documentation has been submitted to SCC for the Transport Assessment to be completed in time to continue to hit the Local Plan deadlines and whether this has also been factored in to the risk report. The Interim Director of Corporate Services confirmed that SCC have received the relevant information to carry out the Transport Assessment, however this step has not been reflected in the risk set out in the report, as it was not completed within quarter two, it will be reflected in the next report for quarter three to assess the overall risk level.
- c) **Local Plan Site Selection.** A Member of the Committee asked if there was scope for the Committee to discuss a suggested mitigating factor of the Local Plan Site Selection being approved by Committee before being sent to SCC. The Interim Director of Corporate Services informed the Committee that officers were empowered to take forward the necessary steps in order to progress to the next required step and they have been guided by the Member Briefings held regarding the site selection. The Interim Director of Corporate Services continued to explain that submitting the documentation to SCC is not something that needs formal approval from Members in order to progress.
- d) **Red Categories.** A Member of the Committee asked how many quarters an item will remain as red before it is escalated, with either further resources put in, or an in-depth consideration as to how to progress the item and lower the risk. The Interim Director of Corporate Services informed the Committee that some risks will continue in red, due to the inherent high-risk nature of the activity and there may be little that can be done to mitigate those risks. The Interim Director of Corporate Services highlighted that if it gets to a point where an item is regarded as too risky, it can be a conversation with the relevant Committee Chair to discuss whether continuing down that route is something the Council should do. The Interim Director of Corporate Services informed the Committee that the risk register goes to monthly meetings with Committee Chairs, and is regularly reviewed and managed, through conversations with officers to talk about the risks and to add new risks to mitigate existing risks. The Business Assurance Manager informed the Committee that Strategy and Resources Committee approved the annual review of the risk management strategy in November and as part of that they agreed to run Councillor workshops on risk appetite, where risk targets can be discussed. The Business Assurance Manager confirmed that some of the red category risks are difficult to mitigate further without significant additional resource.
- e) **Climate Change Strategy.** A Member of the Committee asked why the impact of failure to deliver the Climate Change Strategy is the same level as the impact of failure to balance the budget. The Business Assurance Manager informed the Committee that they would need to consult with the

relevant officers to provide a definitive answers. The Business Assurance Manager explained to the Committee that in the risk management strategy, there are various categories of risk impact, if something relates to a key strategic objective and priority of the Council and it looks like it will not be achieved, that is why it is categorised as red.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and comment on the performance and risk information located at Appendix 1.**

80 COMPLAINTS REPORT

The Committee received a report containing information on council complaints, including those from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner's Office (ICO).

The following matters were considered:

- a) **Complaint Report.** Members of the Committee expressed their thanks to the Chair and officers that this report was added to the agenda.
- b) **Complaints Process.** A Member of the Committee asked if the case referenced in paragraph 3.3.6 on page 103, involved a failure of the complaint handling process. The Interim Director of Corporate Services confirmed that there was a failure of the complaint handling process, as the complaint was not acted up in a timely enough manner from when it was received and therefore, it escalated to a stage two complaint. The Interim Director of Corporate Services informed the Committee that the wider learning gained through this case was to make sure that the focus is on dealing with complaints in a timely manner so that they do get a response and don't needlessly escalate to stage two, but also going back to customers to manage expectations and keep them up to date with the status of their complaint if more time is needed to provide a full and helpful response, this emphasis on communication and timeliness is being rolled out in the training.
- c) **Access to Complaint details.** A Member of the Committee asked if Members of the Committee were allowed access to the details of the complaint or complainant. The Interim Director of Corporate Services informed the Committee that there must be care taken when discussing individual cases and highlighted that the Local Government Ombudsman anonymise information when publishing on their website so that cases cannot be identified. The Interim Director of Corporate Services continued to explain that there is no issue sharing the information with the relevant Ward Councillor about the case in question outside of the Committee Meeting.

- d) **Tracking response times.** A Member of the Committee asked if the response times for stage one and two complaints will be tracked and recorded. The Interim Director of Corporate Services confirmed to the Committee that response times for complaints will be tracked and recorded going forwards and explained that the LGO is currently consulting on a new complaint handling code, where there will certainly be an expectation that as Local Authority, we will have the data regarding complaint response times, as well as sharing the learning of our complaints.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and comment on the complaint's information provided in report.**

81 WORK PROGRAMME

The Committee received a report presenting its annual Work Programme.

The following matters were considered:

- a) **Agenda items.** A Member of the Committee queried how to get items added to the agenda and workplan. The Chair informed the Committee that if a written request is received within the correct timeframe and it can be resourced, it can be added to the agenda. The Member raised that in December they requested an item to be added to the agenda which details and clarifies the process for getting a scrutiny action added to the agenda, and asked if this is something that can be added to the Committee's workplan. The Interim Director of Corporate Services informed the Committee that scrutiny work requires resourcing and input from Officers and Members over a period of time and this must all be taken into account before a scrutiny item can be actioned and added to the workplan. The Vice Chair confirmed that producing a scrutiny report can be time intensive but it is important for all Members of the Committee to raise concerns they have to the Chair so they can be dealt with in the most appropriate way possible.
- b) **Scrutiny Items.** A Member of the Committee raised their discontent with the answer that was given regarding getting items added to the agenda. The Member stated that the Council's operating framework sets out how a Councillor can get an item added to an agenda of this Committee and that does not include the Chair, Vice Chair or officers being able to veto items that are raised. The Vice Chair asked the Member to let them know the items which have been raised but not ended up on an agenda of the Committee. The Member wished to emphasise the importance of the Committee operating as set out in the Council's operating framework.
- c) **Process of Scrutiny Operation.** A Member of the Committee informed the Committee that they had requested an item detailing how to get a scrutiny item on the agenda and the process of carrying out a scrutiny operation was brought to the Committee.

- d) **Section 106 Agreement.** A Member of the Committee raised a concern regarding S106 payments not being tracked and requested an item regarding the tracking of key S106 performance indicators is added to the workplan. The Chair asked the Member to put the request into an email so it can be considered and discussed further.
- e) **Scheme of Delegation.** A Member of the Committee expressed their disappointment that the Scheme of Delegation Report has been pushed back on the workplan from the February Committee Meeting to the March Committee Meeting. The Chair noted the Member's comments.
- f) **Roof Repair Audit Item.** A Member of the Committee asked for an update on the audit plan item regarding the roof repair costs approved by Strategy and Resources Committee. The Interim Director of Corporate Services confirmed that the Internal Auditors, SIAP, were currently carrying out a review and the fieldwork is underway, with a report likely to come back to Committee in July of this year.
- g) **Part II Items.** A Member of the Committee asked if a report reviewing the increased use of Part II reports could be added to the workplan. The Chair asked the Member to put their request into an email so it could be considered and discussed further.

Following consideration, the Committee resolved;

(5 for, 1 against and the Chair not voting) to:

- (1) **Note and agree the ongoing Work Programme as presented in Section 2.**

82 EXTERNAL AUDIT UPDATE

The Committee received a report presenting a progress update on the external audit of 2022/23's Statement of Accounts.

The following matters were considered:

- a) **Finance Team.** The Chair expressed their thanks to the Finance Team for all their hard work on the External Audit.

Following consideration, the Committee unanimously resolved to:

- (1) **Note the progress update on the 2022/23 external audit.**

83 CAPITAL BUDGET MONITORING - QUARTER 3

The Committee received a report presenting the capital monitoring position at Quarter 3 for the current financial year 2023/24, covering the period 01/04/2023 to 31/12/2023. The Committee was asked to review the progress of capital projects as set out in Appendix 1.

The following matters were considered:

- a) **Financing of Core Capital Programme.** A Member of the Committee asked for the row headings, set out in the table at 4.1 on page 118, to be explained. The Chief Accountant provided an explanation to each row heading for the Committee.
- b) **Fairview Road.** A Member of the Committee asked for an update on the Temporary Housing Accommodation project on Fairview Road. The Chief Accountant confirmed that a Committee Report agreed to earmark the funds for the scheme. The Head of Finance informed the Committee that there has been an issue around accessing the site and a resolution is needed before progress can be made. The Interim Director of Corporate Services confirmed that the access issue has not been resolved but the work on a resolution is ongoing.
- c) **CIL Funds.** A Member of the Committee asked why the CIL funds have built up for an extended period of time whilst no one has been able to apply for them. The Head of Finance informed the Committee that a CIL Spending Protocol has been agreed by the Licensing and Planning Policy Committee in January 2024, which sets up how the funds can be spent going forward. The Member asked why the old framework was not employed whilst the new spending protocol was written. The Chair responded to explain that there were some issues with the old protocol that had to be resolved and have since been by the new approved spending protocol. The Chair informed the Committee that Councillors are able to bid on the Community Neighbourhood Fund. The Chief Accountant confirmed that the strategic infrastructure fund is for major infrastructure schemes and there is a lot of legislation around how CIL fund can be spent.
- d) **CIL Working Group.** A Member of the Committee asked who is involved in selecting and approving CIL bids. The Chief Accountant encouraged the Committee to consult the recently approved CIL spending protocol, which sets out how the funds will be agreed for use. The Democratic Services Officer informed the Committee that the Membership of the CIL Working Group is set out in CIL spending protocol document.

Following consideration, the Committee unanimously resolved to:

- (1) **Receive the capital monitoring position at Quarter 3, as set out in the report.**

84 REVENUE BUDGET MONITORING - QUARTER 3

The Committee received a report presenting the forecast revenue outturn position for the current financial year 2023/24, as at Quarter 3, covering the period 01/04/2023 to 31/12/2023.

The following matters were considered:

- a) **Council Reserves.** A Member of the Committee asked how many years it would be sustainable for the Council to transfer from reserves to manage the budget deficit. The Head of Finance responded to explain that there's a lot of uncertainty ahead, in terms of central government and demand pressures on Council services, and at the moment around £500,000 a year is being used from our reserves. The Head of Finance continued to explain that the Council's General fund reserve balance is around £3million and £1.5million uncommitted in our Corporate Projects reserve. The Head of Finance explained that the Council cannot continue until those reserves are exhausted and needs to address its budget deficit as soon as possible, so it retains financial resilience to deal with the unforeseen.
- b) **Property Dividend reduction.** A Member of the Committee asked if the property mentioned in paragraph 6.1 on page 135, is the property the Council is planning to move to with the Town Hall Relocation and highlighted the large reduction in dividend income from £1.3million to £700,000. The Head of Finance responded to inform the Committee that it is a different property mentioned in paragraph 3.6, and the 23/24 and budget would have been set in in February 2023, with the work going into that happening in late 2022 based on the existing leases that were in place at the properties. The Head of Finance continued to explain that in the spring of 2023, a rent-free period had to be agreed with one of the property tenants in order to retain them in the property and that reduced the dividend income temporarily for a period of two years, the lease is due to revert back to full rent in April 2025 and that was agreed by the Strategy and Resources Committee in in March 2023, therefore, the lease adjustment happened after the budget was set.

Following consideration, the Committee unanimously resolved to:

- (1) **Receive the revenue budget monitoring report, which sets-out a projected deficit of £146,000 for 2023/24;**
- (2) **Note that specific reports have been taken to Licensing & Planning Policy Committee (November 2023) and Community & Wellbeing Committee (October 2023) to address the most significant adverse budget variances;**
- (3) **Note that the final outturn position will be reported to Strategy & Resources in July 2024, then to this committee alongside the Statement of Accounts in autumn.**

85 INTERNAL AUDIT PROGRESS REPORT - FEBRUARY 2024

The Committee received a report summarising the progress against the Internal Audit Plan 2023-2024.

The following matters were considered:

- a) **Biodiversity Net Gain.** A Member of the Committee asked for an explanation of the Biodiversity Net Gain Grant listed on page 155. The Council's Internal Auditor responded to explain there was a very short, restricted piece of work that was required, and it was set by central government. The Internal Auditor explained that it was required to have Chief Executive and chief internal auditor sign off and the review would have purely looked at the spend of that grant and whether the spent was in line with the grant conditions set, which they were comfortable with therefore able to sign that off. The Member asked if outside expertise has been required to audit this grant. The Internal Auditor responded to state that any additional expertise was not necessary to review and audit the Biodiversity Net Gain grant.

Following consideration, the Committee unanimously resolved to:

- (1) Note the internal audit progress report 2023-2024 from Southern Internal Audit Partnership (SIAP) attached at Appendix 1.**

The meeting began at 7.30 pm and ended at 9.04 pm

COUNCILLOR STEVE BRIDGER (CHAIR)