

Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 14 November 2024

PRESENT -

Councillor Steven McCormick (Chair); Councillor Phil Neale (Vice-Chair); Councillors Chris Ames, James Lawrence, Alex Coley ((for Minute Items 30-34)), Graham Jones and Alan Williamson

Absent: Councillor Jan Mason

Officers present: Andrew Bircher (Interim Director of Corporate Services), Alex Awoyomi (Principal Solicitor), Sue Emmons (Chief Accountant), Kevin Hanlon (Interim Chief Finance Officer), Will Mace (Business Assurance Manager) and Phoebe Batchelor (Democratic Services Officer)

26 QUESTIONS AND STATEMENTS FROM THE PUBLIC

No questions or statements were received from Members of the Public.

27 DECLARATIONS OF INTEREST

No declarations of any Disclosable Pecuniary Interests or other registrable or non-registrable interests were declared by Members with respect to any item to be considered at the meeting.

28 MINUTES OF THE PREVIOUS MEETING

The Committee confirmed as a true record the Public and Restricted Minutes of the Meeting of the Committee held on 26 September 2024 and authorised the Chair to sign them.

29 CAPITAL BUDGET MONITORING QUARTER 2

The Committee received a report presenting the capital monitoring position at Quarter 2 for the current financial year 2024/25.

The following matters were considered:

- a) **Central Government Funding.** A Member of the Committee asked if Central Government funding is likely to be forthcoming in the way it is needed at Epsom and Ewell BC, following the latest Budget. The Interim Chief Finance Officer responded to explain that the Budget has a 3.2% increase in the overall level of funding to Local Government but highlighted that most of the additional funding is skewed towards county,

unitary, and metropolitan councils, and minimal funding is earmarked for district and borough councils. The Interim Chief Finance Officer highlighted that the Local Government Finance Settlement would be looked at by the Finance Team, once it is published in December, and will be summarised and shared with Members, in order to illustrate the impact it will have, along with the Budget, on Epsom and Ewell BC.

- b) **CIL Spending.** A Member of the Committee asked if there is deadline for when CIL funds need to be spent by. The Chief Accountant informed the Committee that there is no deadline for when CIL funds need to be spent. The Chief Accountant explained that there is only a deadline for Parish Council's, as the relevant District or Borough Council can ask for the CIL money back if it has not been spent during a specific time period (5 years). The Chief Accountant explained that as Epsom and Ewell BC do not have parishes, CIL spending deadlines are not relevant.
- c) **Capital Reserves.** A Member of the Committee asked for clarification regarding the diminishing capital reserves. The Member acknowledged that the reserves have money going into them from the Revenue Budget, however asked if it was the case that the money going into the reserves annually, isn't keeping up with the rate that the reserves are diminishing. The Interim Chief Finance Officer confirmed that is correct and highlighted that there is a £500k revenue reserve contribution set out in table 4.1 of the report.
- d) **Town Hall Relocation Project.** A Member of the Committee asked about the cost of the Town Hall Relocation Project and if it was keeping to budget and if the budget has been allocated. The Interim Chief Finance Officer informed the Committee that they have a detailed breakdown of what the funds that have been allocated will be spent on, and the contingency within the £7million. The Interim Chief Finance Officer explained that there will be ongoing monitoring of the spend against the £7million, and they have been assured by the Property Management Company, who have costed the proposal, that it will be delivered within budget, and any overspend warning signs will be flagged up. The Chief Accountant explained that as well as the £7million capital funds, there is also £500k revenue funds, which has seen more spending at this stage, due to the preliminary project management work needed with such a large project. The Chief Accountant informed the Committee, that there will be an increase in spending of the capital funds at the beginning of the 2025/26 financial year as the project progresses.

Following consideration, the Committee unanimously resolved to:

- (1) **Receive the capital monitoring position at quarter 2, as set out in the report:**
- (2) **Note the progress of capital projects as set out in Appendix 1.**

30 REVENUE BUDGET MONITORING - QUARTER 2

The Committee received a report presenting the forecast revenue outturn position for the current financial year 2024/25, as at Quarter 2 (30 September).

The following matters were considered:

- a) **Report Correction.** The Interim Chief Finance Officer informed the Committee that there is an error in paragraph 7.1, the paragraph should state 'income totalling £356,000', instead of £326,000.
- b) **Impounded Vehicle.** A Member of the Committee asked for more information regarding the impounded vehicle mentioned in the report introduction. The Interim Chief Finance Officer informed the Committee that there is an impounded vehicle, due to an issue dating back a number of years, and the £49,000 listed in the report, is the hire cost of the replacement vehicle. The Legal Officer advised that this was not to be discussed further during the public meeting.
- c) **Hiring Cost.** A Member of the Committee raised that £49,000 seems to be high for the hire of one vehicle. The Chair noted the comment and suggested that the issue could be raised with the relevant Chair.
- d) **Point of clarification.** A Member of the Committee asked for clarification regarding if they were able to vote on this item, considering they had joined the Meeting during the Officer introduction, but prior to the Member debate. The Chair and Legal Officer advised the Member not to participate in the vote.

Following consideration, the Committee unanimously resolved to*:

- (1) Receive the revenue budget monitoring report, which sets-out a projected deficit of £95,000 for 2024/25;**
- (2) Note that the forecast includes an adverse variance of £475,000 within Homelessness and that regular reports will continue to be prepared for Community & Wellbeing Committee to update members on progress against the Homelessness Strategy and Action Plan;**
- (3) Agree that the updated Quarter 3 position will be reported back to Audit and Scrutiny Committee in February 2025.**

**Councillor Alex Coley joined the Committee Meeting during the consideration of this item and did not vote on this item.*

31 LGO AND ICO UPDATES

The Committee received a report containing information on recent council complaint decisions from the Local Government and Social Care Ombudsman (LGSCO) and the Information Commissioner's Office (ICO).

Following consideration, the Committee unanimously resolved to:

(1) Note the report.

32 CODE OF CORPORATE GOVERNANCE ANNUAL REVIEW

The Council's Code of Corporate Governance - 'the Code' - was updated and brought to the Committee in November 2023. The Code sets out the principles of good governance, and the arrangements the Council has in place to demonstrate its compliance with them. As part of best practice, the Code is reviewed annually by officers and submitted to the Audit & Scrutiny Committee. Attached at Appendix 1 is an updated Code, representing changes since last year's edition.

The following matters were considered:

- a) **Chair comments.** The Chair highlighted paragraph 1.1, and invited Members to provide feedback on the document, as part of the annual review.
- b) **Approval Process.** A Member of the Committee queried why the document was approved by the Strategic Leadership Team, when it has been approved by Committee decision in the past and asked if this would be the case going forward. The Business Assurance Manager explained that due to the Terms of Reference of the Audit and Scrutiny Committee, it was deemed the most appropriate place to bring the document, however, during the most recent review, it was decided that as the document is purely operational, it is being brought to Committee to note, rather than approve. The Business Assurance Manager informed the Committee that the Annual Governance Statement, is the important document that will be presented to Members for their comments and feedback as normal. The Member expressed their concern that a document regarding governance was being approved by Officers and not Councillors.
- c) **Councillor Involvement.** A Member of the Committee raised that Councillor involvement is not mentioned under the Principle D. The Business Assurance Manager noted the comment and informed the Committee that listed under Principle E is, 'Corporate performance report is taken to Audit and Scrutiny Committee'. The Business Assurance Manager invited Members to raise any thoughts and comments on this and agreed they would be taken away and looked at.
- d) **Recordings.** A Member of the Committee asked why YouTube recordings of Committee Meetings are taken down. The Interim Director of Corporate Services informed the Committee that the YouTube recording is removed, once the minutes of that meeting are agreed as the true record of the meeting. The Business Assurance Manager informed the Member that a further written response would be provided after the meeting.
- e) **Document Type.** A Member of the Committee asked if the Code of Corporate Governance is a descriptive document, that summarises

various procedures that are taking place that have been decided elsewhere by other Committees, rather than a rulebook. The Business Assurance Manager confirmed the Member is correct.

Following consideration, the Committee unanimously resolved to:

- (1) **Note the updated Code of Corporate Governance attached at Appendix 1.**

33 COUNTER-FRAUD AND WHISTLEBLOWING ANNUAL REPORT

The Committee received a report providing the Committee with an overview of the governance the council has in place to prevent, detect and address fraud.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and comment on the contents of the report.**

34 WORK PROGRAMME - NOVEMBER 2024

The Committee received a report presenting the annual Work Programme.

The following matters were considered:

- a) **Planning Enforcement.** The Chair informed the Committee that a scrutiny item on Planning Enforcement has been raised by a Member. The Chair thanked the Member for the document they had provided. The Chair explained that the Council's Planning Enforcement has been the subject of an Internal Audit, which detailed several follow up management actions which are being progressed by the Planning Enforcement Team. The Chair invited the Member to work with the Scrutiny Officer and Legal Officer, to determine exactly what they wish to get out of the scrutiny piece suggested. The Chair highlighted that there are questions that can be answered by the Internal Audit report and Officers, without need for a scrutiny piece to get that clarification. The Chair explained that there are resource constraints, which must be taken into account. The Member who raised the scrutiny item, expressed their frustration and disappointment that it would not be able to be added to the workplan at the Committee Meeting, and asked for a date to be provided as to when further scrutiny can take place on Planning Enforcement.
- b) **Ongoing enforcement cases.** A Member of the Committee raised that they have ongoing enforcement cases which they have not received updated information on. The Member raised their concerns over the length of time it has been since the issue was first raised with Officers, and the lack of resolution reached. The Chair noted the comments and agreed that clarification and answers would be sought following the meeting.
- c) **Solution.** A Member of the Committee raised that it is already known, due to the findings of the Internal Audit report, why there are issues with

Planning Enforcement, and it is due to resource constraints. The Member continued to ask what the solution is to see an improvement in performance in Planning Enforcement, if it isn't further scrutiny. The Chair responded to explain that the Committee receives performance and Internal Audit update reports, which provide regular updates and further answers for no assurance items. The Chair stated that one solution could be to allocate extra resource to Planning Enforcement. The Chair continued to explain that a scrutiny piece may not be necessary for answers to be provided, and progress to be made. The Chair committed to continuing conversations regarding Planning Enforcement and potential scrutiny with Members, outside of the Committee Meeting. The Chair informed the Committee that if all questions regarding Planning Enforcement could not be answered by Internal Audit or Officers, then the work programme will be looked at, to find an appropriate place, for a scrutiny piece to be added.

- d) **Policy Committee.** A Member of the Committee asked which Policy Committee could concerns and questions regarding the allocation of resources to Planning Enforcement be raised with. The Chair informed the Committee that it is the Licensing and Planning Policy Committee who will be responsible for the agreeing the Budget regarding Planning Enforcement at their January Meeting, and any changes to that will likely be referred to Strategy and Resources Committee. The Member who raised the scrutiny item on Planning Enforcement, highlighted that it is not just money which will fix or help the current performance problems. The Member continued to explain that the right questions must be asked first, so that the right areas can be targeted, if additional resource and funds needs to be requested.
- e) **CPC Action Plan.** The Chair informed the Committee that the Strategy and Resources Committee received an update on progress against the Corporate Peer Challenge Action Plan, which contained several actions regarding scrutiny, and how it operates at the Council. The Chair highlighted that one of the actions, includes potentially bringing in an external trainer, to help Members understand more clearly what scrutiny is. The Chair proposed that any additional scrutiny items are paused until Members have had a training session on effective scrutiny. A Member of the Committee expressed their concern regarding the CPC recommendation to decouple scrutiny from the Audit and Scrutiny Committee and put it with the relevant policy committees. The Member cautioned the Committee from getting hung up on how scrutiny may change going forwards and delaying scrutiny items as a result. The Chair expressed that it is important for there to be consensus and understanding on what scrutiny is within the Council.
- f) **Scrutiny Function.** A Member of the Committee raised that as a Committee System, scrutiny should already be taking place at all Committee Meetings, and if scrutiny was also to happen as part of a separate committee, the Council could be seen to be employing a hybrid executive-committee style system. The Member explained that this

difficulty was highlighted by the CPC review. The Chair noted the comments and informed the Committee that one of the first steps will be to explore how scrutiny is carried out in other Councils with a Committee system. Another Member of the Committee pointed out that Sutton Council is a Committee System and has a dedicated Scrutiny Committee.

- g) **Online Resources.** A Member of the Committee asked if there are any online resources on scrutiny which can be shared with Audit and Scrutiny Members. The Chair directed Members to look at the Centre for Governance and Scrutiny, which has several useful documents regarding scrutiny. The Vice Chair raised that the Local Government Association are holding an online event, which is an introduction to effective scrutiny, on the 12th of December, and encouraged Members to attend.
- h) **Planning Decisions.** A Member of the Committee raised that scrutinising Planning decisions is a different process, that is set out in the Council's Constitution. The Chair informed the Committee that there is not a process set out in the Council's Constitution for scrutinising Planning decisions, as the call-in process does not apply to decisions made by quasi-judicial or regulatory committees. The Member stated that a previous iteration of the Council's Constitution set out a process for scrutinising Planning decisions. The Legal Officer agreed to look into this and provide a written response following the meeting.
- i) **Performance.** A Member of the Committee raised that the terms of reference for the Audit and Scrutiny Committee state, 'to seek assurance of the existing and application of key policies and strategies, as well as undertaking scrutiny of performance monitoring to evaluate whether expected outcomes are being achieved in accordance with the Council's Corporate Plan,' which justifies doing scrutiny on the performance of Planning Enforcement. The Chair noted the comments.

Following consideration, the Committee unanimously resolved to:

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

The meeting began at 7.30 pm and ended at 8.52 pm

COUNCILLOR STEVEN MCCORMICK (CHAIR)