

Audit and Scrutiny – Action Points and Follow up questions – 6 February 2025

- (1) **Town Hall Move** - A&S Member asked for a breakdown of the Town Hall Move budget and contingency and an update on the project progress -

Officer Response:

The agreed budget is included in the original business case agreed by Full Council. Re-provided below for ease.

	CAPITAL						REVENUE			
Workstream	Fit Out (Cat A)	Fit Out (Cat B)	Furniture	Meeting Rm AV	Contingency	Total	Clearance & Removals	Project Management	Contingency	Total
Initial Budget	4,270,000	1,600,000	600,000	190,000	340,000	7,000,000	200,000	200,000	100,000	500,000

Bidder interviews for a design and build contractor took place and there is a clear successful bidder.

Members are continuing to consider the move alongside the TH site options, in the context of LGR.

The move to East Street is linked to the decision on the future of the TH site (as that is how the Council proposes to fund the cost of the move to East Street). Due to this review, the projected completion date has been delayed. If a contract was signed in April/ May, this would result in a two-month delay in the completion date to February/ March 2026.

The tender prices remain secure until the end of April 2025.

- (2) **Homelessness Progress Update** – Committee Members asked for an update on the progress of the Affordable Housing Delivery Improvement Plan and Homelessness and Rough Sleeping Strategy – from Officers and from the Chair of C&W

The Member highlighted two bullet points in paragraph E on page 135, the first being that only one new property has been taken on last April, and the second being a landlord forum set up in September, was well attended to promote the private sector leasing scheme and rent deposit scheme. The Member asked if we are moving quickly enough to develop private sector leasing, and what was the further outcome from the landlord forum in September.

Officer response: *We have taken on two properties so far in 2024/25, including one since the Landlord Forum. We have had to return one property, on the landlord's request, and we*

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bought one former PSL property from the Property Acquisition Fund, which we have retained for use as temporary accommodation. We are currently negotiating on a further two, one of which is likely to be signed this week.

- (3) **Recycling Rates Target** – Performance and Risk Report - A Member of the Committee raised that on page 166, the recycling rate does not have a target and queried why that is.

Officer response: *The Environment Committee Chairs have discussed this, and the Interim Assistant Head of Service & Transport and Waste Manager has looked into this with his team, including how seasonal differences could be accounted for, and requested feedback from the Committee Chairs.*

- (4) **Planning Enforcement.** A Member of the Committee asked why, on page 192, there has been such a severe reduction from the inherent risk to the residual risk on planning enforcement. The Member raised that from their experience there has been no change to the reputation of the Council when it comes to planning enforcement, and they flagged that just because there is a gradual reduction in outstanding enforcement numbers, does not mean that enforcement is happening, it just means there are fewer case numbers.

Officer response: *The residual risk in the most recent reporting quarter is static and does not indicate that there has been a more recent severe reduction from the inherent risk. However, it does reflect the changes made to the Council's enforcement department in the months since adverse findings in an audit in November 2023. The Council has since implemented all the recommendations from the audit report, reviewed the Council's Enforcement Plan (which includes more transparent timeframes) and has been actively managing a backlog of older cases whilst meeting its obligations with more recently received cases. In the 12 months from February 2024, there were 402 closures and a 22% reduction in overall case numbers. Eight enforcement notices have been issued in the 3 months since November 2024, when none were issued in the previous 12 months. This is despite there being 31% more cases received in 2024 than in the previous year and several enforcement cases consuming abnormally high levels of involvement due to sensitivities. This has all been achieved within an enforcement department of one enforcement officer.*

It is believed that the residual risk score of 6 is accurate. Any perception of there being no change to the Council's reputation might be localized or site specific. Interested parties

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are always welcome to discuss cases directly with the enforcement department. It is hoped that this will be reflected in the findings of a review audit which is currently underway. The conclusions of this audit are due in May 2025. If any adverse findings are received, the department will work to implement any further recommendations.

It would therefore be incorrect to conclude that enforcement is not happening or that the low-risk score “just means that there are fewer case numbers”.

- (5) **Governance and Scrutiny** - A Member of the Committee asked if there is any update from officers, regarding the role of the Committee in conducting scrutiny work and investigating services and performance, that had been raised at the previous meeting. The Member referenced the code of corporate governance, which states the role of scrutiny of performance, to be carried out by A&S Committee.

Officer response: *This is currently under review in light of LGR, a further update will be provided via MemberNews after the May decision on LGR.*

- (6) **Contract Standing Orders** - A Member of the Committee asked SLT why the Contract Standing Orders would not go to A&S Committee as recommended by the external auditor.

Officer response: *Officers are happy to provide, for future committees, the number of waivers granted as recommended by external auditors.*

- (7) **Receiving documents** - A Member of the Committee asked for comments as to why there were instances of slow responses and difficulty getting documents to the external auditors.

Officer response:

- *A number of factors contributed to the delay in providing documentation. Firstly, the auditors would not accept information provided to them in the same format as had been provided in previous audits. This meant that Council finance staff had to rerun report and spend time formatting them to the auditors’ satisfaction. Had this issue been highlighted ahead of the audit we could have approached this differently and saved the valuable officer time and effort.*

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- *Secondly, due to a lack of available resource within Grant Thornton, earlier in the year the timing of the external audit coincided with Council budget setting, an extremely busy period for the finance team. Therefore, conflicting priorities prevented officers responding as quickly as the external auditors requested.*
- *With greater experience within the finance team this year, and clearer requirements from the external auditors, the issues experienced during the 2023/24 audit are expected to be avoided. The timing of the audit fieldwork will be a major factor in the ability to provide timely information, and the finance team will encourage the external auditors to timetable a suitable period for the 2024/25 audit.*

(8) Property Strategy Update - A Member of the Committee asked if we don't have a property strategy, because it is not needed, as it is covered by other existing documents, but then the other documents are out of date or can't be relied upon, when is the work going to be done to produce a property strategy or to update existing documents?

Officer response:

- *Once the intended aims and objectives of a new property strategy became clear it was concluded that these were covered by existing policies and plans the council has already approved.*
- *The overarching framework for a business case includes:*
 - *The homelessness and rough sleeper strategy*
 - *The climate change strategy/action plan*
 - *The asset management plan – this is an agreed plan about how to make decisions about council assets*
- *Combined with the above is the Council decision to move to 70 East Street and how that would be funded. Any business case needs to conform with that decision.*
- *The July 2020 S&R approved Asset Management Plan 2020-30 sets out the Council's approach to the strategic management of its land and property assets. It details how this will support the Council's corporate priorities and the AMP forms part of the Council's policy framework to provide a robust process for governance and decision making. Conversely, the Council should not retain property assets that do not support its wider corporate and specific property policies.*

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Questions provided prior to the Committee Meeting –

Cllr Alex Coley -

Property -

Performance and Risk Report - Feb 2025

AP24/5.8

"This item has been completed. A new property strategy is not required as principles are covered in the Homelessness and Rough Sleeping Strategy. Updated 24-Jan-2025"

1. Why is no property strategy required "to help guide decision making around acquisition, disposal and redevelopment."? This was an Annual Plan objective to be completed by March 2025 and was never dependent on a homelessness strategy or plan.

2. Please provide the decision to remove this from the Council's Annual Plan (as adopted at a meeting of the Strategy & Resources committee in January 2024).

<https://democracy.epsom-ewell.gov.uk/documents/s30282/Annual%20Plan%202024-2025%20Appendix%201.pdf>

Performance and Risk Report - Feb 2025

AP24/5.7

"Develop the scope and terms of reference for a detailed Asset Management Plan review"

3. I had originally requested this work in January 2023. The report states this was presented to the Chair and Vice Chair of S&R in September 2024. When will the Council see the Asset Management Plan review and when will the actual work begin?

Finance -

1. Finance officers have offered some reassurance that the £49.6m increased borrowing limit proposed in our Capital Financing Requirement would be subject to a two-stage oversight process where the second stage would include a business case for any proposed property acquisition or redevelopment. The Performance & Risk report from our auditors shows that the anticipated new Property Strategy in our Annual Plan is 'no longer required.' Under what strategy or policy framework will such a business case be developed in EEBC?

AP24/5.8

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<https://democracy.epsom-ewell.gov.uk/documents/s34581/Performance%20and%20Risk%20Report%20February%202025%20Appendix%201.pdf>

2. Our capital programme includes Disabled Facilities Grant funding which can only be spent on home improvements in line with the grant allocation. When these contributions are removed there is a shortfall, increasing year-on-year. What is the plan to fill that shortfall?

Para 3.5.1 and Table 4.1 (also see Draft Budget Book)

<https://democracy.epsom-ewell.gov.uk/documents/s34864/Capital%20Budget%20Monitoring%20-%20Quarter%203.pdf>

Officer responses:

An email provided to Cllr Coley has been provided in response to Q8 and also below. Subsequently, Cllr Coley has had significant discussions with the Section 151 Officer and Chief Monitoring Officer.

It should be noted that this proposal to, in principle, to amend the borrowing limit was in the Treasury Management strategy approved for this current year. Technically, therefore, it is not an increase in the borrowing limit; it is keeping the borrowing limit at the same level as it has been since the date when Full Council agreed to invest in up to £80m in a commercial property portfolio.

Whilst the capital programme includes DFG funding, the proposal for future years also includes an equal sum of DFG expenditure. We only spend what we get in DFG, so it is a net nil impact on the Council's resources.

In terms of the proposed shortfall in the capital programme:

- *Full Council is, at present, only being asked to approve the 2025/26 capital programme, which is fully funded. The 26/27 programme is shown as a forecast (as part of the MTFS) and will need to be re-reviewed in advance of 26/27. (This is true for the revenue budget too, as this is currently forecast as a budget deficit for 26/27 and so will need to be reviewed, with savings proposed, for 26/27.) This could, and most likely will, result in a reduction in the cost/number of proposed schemes to ensure the Council lives within its means.*

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- *The current forecast is, essentially, a worst-case scenario to enable us to plan effectively. It shows the impact on capital resources if we were to fully fund the proposed Five-Year programme and assumes no new grant income or capital receipts.*
- *The Council would seek to fund the capital in a sustainable way. Central to that is the yearly planned revenue contributions to capital of £0.5m, assumed in every year of the MTFS.*
- *A review for 26/27 would include, depending on the capital funding need, the identification of any additional grants that are available. The Council recently got £0.5m of UK Shared Prosperity Fund capital grant funding and other grants may be available for next year. It would also include a review of the proposed programme – to understand the business need and whether the proposed projects can be delayed.*

Any new capital project needs to follow a rigorous process:

- *The Council aims to prioritise only those capital projects which are statutory, have health & safety issues or are essential for continuation of services.*
- *Spend to save scheme safe may also considered where the payback is within 5 years (or 10 in the case of schemes meeting our climate change action plan objectives).*
- *Each year, we challenge project sponsors as to whether schemes can be delayed.*

Cllr Alan Williamson -

> EERN funding update – Cllr Williamson asked what confidence EERN can have that their funding will be secure going forwards and asked for further information on the Council's funding,

Officer Response:

At present, the Council funds EERN to support individuals and families fleeing conflict in Afghanistan and Ukraine. The support for those fleeing conflicts in Afghanistan commenced in 2021 and is on-going. The support for those fleeing support in Ukraine commenced in 2023, and we are about to enter another year of funding EERN. All funds come from a ring-fenced tariff that each local authority receives from central government. All funds must be spent on the administration of each scheme, and the support of refugees.

The funding of EERN ensure those from both Ukraine and Afghanistan to:

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- *Be welcomed to the borough.*
- *Receive integration support – this includes support to register at GP's, DWP, schools etc.*
- *Gain access to English courses.*
- *Gain access to employment.*
- *Gain access to benefits where applicable.*
- *Resettlement support private rented accommodation; this includes the setting up on utilities, Council Tax, TV licensing etc.*
- *1-2-1 support work and attending appointments (if required) and referring into and liaising with other agencies where required.*
- *Community integration*
- *Establish transport links etc.*

This list is by no means exhaustive, and it is noted that EERN offer other initiatives and activities that benefit the refugee community. In addition to this, under the Homes for Ukraine scheme, EERN also conduct

- *Welfare visits (no less than every 3-months) to the home of hosts and guests. This is to ensure the welfare of both, address any issues/concerns, and to discuss plans for move-on where appropriate.*
- *Provision of 2x weekly drop-in support sessions.*

Over the coming year, EERN will also be helping find & secure private sector accommodation and explore private sector options for those guests on the Homes for Ukraine scheme; this is in recognition that some hosting arrangement may come to an end in 2025/2026, and an effort to reduce the pressures of homelessness.

Question from the November 2024 meeting

Cllr James Lawrence –

From the Meeting's minutes: 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.

Officer response:

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Updates have been made in the forthcoming Code of Corporate Governance 2025 to reflect the feedback received, e.g. the following sentence has been updated within Principle D: Governance and scrutiny of decision making and determining interventions, is undertaken by councillors and officers in forums such as: policy committees, Audit & Scrutiny Committee, Strategic Leadership Team, Corporate Leadership Team, divisional team meetings, and project boards.

The Code has not been republished since the November meeting, as officers believed members' were largely content with the current wording, such as the reference to: corporate performance reports being taken to A&S Committee and policy chairs; councillors' role in discussing service developments in Principle B "openness", scrutiny of the budget in Principle D "Optimise achievement of intended outcomes", councillors and the chairs of committees being champions and role models for good governance in the "Responsibilities" section; the description of Audit & Scrutiny Committee in the "Governance Structure" section; and that no feedback was received on this topic following the committee.

However, if the committee would like to see the additions made to the statement draft 2025 code related to this feedback, and/or wish to republish the 2024 version accordingly (and before the next report in November 2025), then officers can look at arranging this.

Committee Risks Register

The two committee risks raised for consideration at the February A&S Committee by Cllr Lawrence were reviewed by policy chairs and the updates are visible in the Q3 report going to March A&S.

The risks suggested were -

- *LPP - Risk of the inspector rejecting the local plan which would lead to delays in adopting it.*
 - ***Risk PD14 has been updated to reflect that the Plan is at the inspection stage.***
- *S&R - Risks pertaining to a Section 24 directive*
 - ***Risk EO3 - Section 24 notice is explicitly referenced alongside the potential effects.***

Cllr Coley questions received 26/03/25

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1. What will be EEBC's core arrangements for principles A-G in the local code as described in the addendum (p6)?

2. How will EEBC incorporate the four key areas plus executive summary (p12)?

(i) Assessment of effectiveness

(ii) Where our governance needs to improve

(iii) Governance improvements in the last year

(iv) Forward look on governance

3. What approach will EEBC take with the presentation and communication of the AGS to promote its use, as per the addendum's requirements (p14)?

4. Our AGS is typically published in July each year, four months from now. Given that the applicability and status of the addendum affirms (p2):

"Authorities should ensure that the AGS for 2025/6 onwards comply with this guidance and they are encouraged to consider it for 2024/5".

Will you please confirm that EEBC's Annual Governance Statement will attempt compliance for 2024/25 rather than waiting for next year?

Officer Response: *We are planning to incorporate the amendments to the CIPFA guidance into the 2024/25 AGS, even though it's not required until the following year's AGS.*

Regarding the detailed questions on how we will implement this, it has not been fully explored yet, as we're currently considering it. However, we will be able to respond to these points by the end of April.