

# **Notes of a meeting of the Standing Budget Panel held virtually on 4th January 2022 from 7.00pm to 8.37pm, and on 5<sup>th</sup> January 2022 from 7.00pm to 8.35pm.**

**4<sup>th</sup> January** Present: Councillor James Friend (Chairman), James Chambers (Vice-Chairman), Chris Coghlan, Nancy Goodacre, David Preedy, and Garry Stansfield.

Also present: Councillors Stephen Cooksey, David Draper, Bridget Kendrick, Paul Kennedy, Caroline Salmon, Keira Vyvyan-Robinson.

## **15. Notes of the Last Meeting**

The Draft Minutes of the meeting were noted, to be agreed following the meeting.

## **16. Apologies for Absence**

None.

## **17. Disclosure of Interests**

Councillor David Preedy declared a non-pecuniary interest as Chairman of Headley Parish Council.

Councillor James Friend declared a non-pecuniary interest as an element of the Capital Programme related to the King George V playing fields used by Dorking Wanderers' youth teams, who also used Westcott Sports Club, of which he was a trustee.

## **18. Scrutiny of 2021/22 Budget**

The Chairman of the Standing Budget Panel introduced the meeting.

### **Cabinet Member for Leisure and Tourism – Councillor David Draper**

During the discussion with the Cabinet Member for Leisure and Tourism, the Panel noted the following:

- In relation to savings proposal E03 (Increase the efficiency of the operation of Dorking Halls by maximising the potential for VAT exemptions for certain live events), one Member of the Panel indicated that this new VAT exemption would provide a saving of 20% gross income, so this would be one sixth of net income. The Panel noted that this could not be pursued until Full Council agreed the budget in February 2022. The Dorking Halls General Manager would then apply for this exemption, however it was unclear when the request would be processed by HMRC.
- Savings from proposal E04 (Walk for Health) were due to grant income of £15,000 which would support staffing costs for the Wellbeing service in 2022/23. This would provide the opportunity to undertake a review of the Wellbeing service, with potential savings from evaluating a vacancy in the team.
- With reference to the delivery of Annual Plan objectives and specifically the preparation of options for the future delivery of leisure centres (REF F01), it was queried when the current Leisure Centre management contracts would be reviewed and what the Council's revenue was. The Cabinet Member informed the Panel that a 2 year extension had been sought on these contracts, as re-tendering on the current timetable would likely be met with low interest due to uncertainty for leisure providers.
- The Chairman asked if there was capability to undertake the review of Leisure Centre provision in house. The Cabinet Member advised the Panel that consultants would need to be engaged as this required specialist knowledge

- A feasibility study into the reconfiguration or extension of Dorking Halls (REF F02), would be required in order to assess how to maximise its facilities in light of consumer changes since it was last refurbished 25 years ago. Therefore, it was necessary to explore how to develop its offering to provide what consumers wanted. It was queried whether the £36,000 could be Capitalised should there be investment in Dorking Halls following the study; the Cabinet Member replied that Officers would need to provide guidance on this.

With reference to the capital programme and the provision of a new playground at the Cock Lane Recreation Ground (REF H01), one Member of the Panel queried whether the Council could apply for additional external grant support to provide the new playground. It was noted that this could be explored in alternative areas, however as the playground was at the end of its serviceable life, this would be a positive use of CIL funding. The Panel queried who would own the asset after the refurbishment had been completed and whether it would have a realisable value. The Cabinet Member replied that the asset would still be owned by Mole Valley District Council (MVDC), as was the case with Meadowbank.

In relation to Cemetery fees and charges (as detailed in Annex J), it was queried whether sensitivity analysis had been undertaken to consider whether a larger increase in fees could generate additional income. The Cabinet Member said that he wanted fees to remain affordable, and the new garden of remembrance and memorial wall at Dorking Cemetery would generate additional income.

### **Cabinet Member for Projects – Councillor Keira Vyvyan-Robinson**

During the discussion with the Cabinet Member for Projects, it was queried whether efficiency benefits of the proposed digital initiatives were based upon staff savings (REF E19). The Cabinet Member informed the Panel that savings were from vacancies which had already arisen in the Parking and Customer Service teams, or where a contractor's responsibilities would be assigned to existing teams. Small savings on printing and postage had also arisen from the introduction of digital on-street parking permits.

Members went on to note that these initiatives would rationalise the use of different software packages across the Council's service teams (REF E20). Furthermore, the Planning team would look to utilise the proposed Document Management System from April 2023, with additional packages to assist with Planning Enforcement case management. It was also noted that not using older systems, and maximising currently licensed systems would provide a net saving for the Council.

The Cabinet Member informed Members that fees and charges (Property and Regeneration) had been increased by 5% as this amounted to between ten and twenty-five pounds paid every couple of years. This was tracked against fees from a commercial letter, although it was noted that there were cheaper rates for charity organisations letting from the Council.

### **Cabinet Member for Community Services – Councillor Caroline Salmon**

During the discussion with the Cabinet Member for Projects, the Panel noted the following:

- It was noted that the proposed food hygiene re-inspection service (REF E13) would enable businesses to commission an earlier re-inspection, which would be of benefit to the business concerned and generate additional income for MVDC. This service would be available where improvements had been made earlier than the 3 month standard re-inspection period for a low rating.
- Panel Members expressed concerns about the proposed savings under proposal E14 (promotion of doorstep recycling of cardboard and paper and elimination of the need for communal paper bring banks), due to decreased demand for spaces in the Council's car parks, and the possibility that this could result in more recycling being put in household waste bins. The Cabinet Member responded that the removal of these bins was unlikely to have this effect, however it would prevent misuse of the paper banks for commercial waste. This would not lead to removal of all bins, such as Tetra Pak recycling points, so not all occupied spaces would be released. The Chairman noted that this was different from information contained in the papers.

- It was noted that savings arising from the proposal to remove the Community Transport service at weekends (REF E16) would flow from staff savings, as it would eliminate the need to have staff on standby.

The Panel went on to discuss the fees and charges for the Portfolio, and noted that most fees for Hackney Carriages (as detailed in Annex J) had increased by around 4% although some higher fees had remained unchanged given the difficulties experienced by drivers during the pandemic. It was queried what sensitivity analysis had been undertaken in order to assess whether a larger increase could provide further income. The Cabinet Member responded that they did not have information on how much additional income would be provided, but they had sought to maintain a 4% increase for all licensing fees.

The Panel went on to note that Licence Fees for Caravan Sites depended upon the size of the site; fees had been increased to cover the cost of administering this scheme, following its implementation, to reflect the actual cost to the Council.

It was queried whether increased cost for bulky waste collections could lead to increase fly tipping; the Cabinet Member responded that there had not been an increase in fly tipping due to limited availability of collections with HGV driver shortages, and the proposed fees were considered reasonable compared to alternative methods for collecting a number of large household items.

With reference to fees for temporary housing, it was noted that the policy was for these to be increased in line with 60% of the Local Housing Allowance, in order to provide a social rent. Consequently, fees could only be increased in the years when the Local Housing Allowance had been increased. Further to a query about whether more income could be generated through these fees, it was noted that the Council endeavoured to ensure that housing was affordable for those relying on emergency accommodation. It was also noted that this rationale was applied to fees and charges from the Mole Valley Life, Telecare, and Dial-a-Ride services.

### **Cabinet Member for Internal Services – Councillor Paul Kennedy**

During the discussion with the Cabinet Member for Projects, the Panel noted the following:

- The Panel noted that a number of the proposed savings relating to the Human Resources, and Democratic Services fell within the Chief Executive's Scheme of Delegation. With reference to E05 (business reply envelopes for electoral services) Members were informed that there had been decreased demand for pre-paid business reply envelopes as residents communicated more via telephone or email. Therefore, it was prudent to decrease the budgeted amount. The Chairman noted that the risk associated with this proposed saving could be measured by a drop in registration rates. It was also noted that the savings proposal to not renew the Council's courier car lease contract (REF E06) had already been implemented.
- Concerns were expressed about the proposal to reduce the use of the occupational health service (REF E07) and any impact it may have on the prevention of long-term staff absences. The Cabinet Member responded that a presumption to always utilise an external occupational health service had been changed, but this would still be utilised where appropriate. The Chairman expressed concern that this may impact staff capacity by not appropriately addressing issues arising from long term absence such as from long-covid; the Cabinet Member responded that any effects or changes in levels of long-term absences would be monitored, and staff absences from Covid had remained low.
- With reference to E08 (provision of emergency planning), the Panel noted that this was already being delivered. The Cabinet Member added that a wider review of the support provided to Members would be undertaken in the next financial year.
- It was noted that officers were confident that the proposal to reduce the budget for MVDC's Learning and Development offer (REF E09) would not negatively impact on the quality of training provided ( through virtual training sessions.)
- With reference to E11 (Members' Training) it was suggested that if there was a large number of new councillors following the all out election scheduled for 2023, then more money may need to be budgeted for Member training.

- Concerns were expressed about barriers to accessibility of Council services following the proposed closure of the Leatherhead Help Shop (REF E12). The Cabinet Member responded that its temporary closure since March 2020 had indicated that working with partners, notably Clarion and Surrey County Council had still enabled services to be accessed online or via telephone, as well as through the Council's Customer Services Unit via telephone (and CSU). Although, it was noted that this may impact accessibility for residents with hearing impairments; it was emphasised that the impact of this should be monitored, and some of the net saving could be appropriated to mitigate this impact.

## **Notes of a meeting of the Standing Budget Panel held virtually on 4th January 2022 from 7.00pm to 8.37pm, and on 5<sup>th</sup> January 2022 from 7.00pm to 8.35pm.**

**5<sup>th</sup> January** Present: Councillor James Friend (Chairman), James Chambers (Vice-Chairman), Chris Coghlan, Nancy Goodacre, and David Preedy.

Also present: Councillors Stephen Cooksey, Margaret Cooksey, Bridget Kendrick, Claire Malcomson, and Clayton Wellman.

### **19. Apologies for Absence**

An apology for absence was received from Councillor Garry Stansfield.

### **20. Scrutiny of 2022/23 Budget**

#### **Cabinet Member for Planning – Councillor Margaret Cooksey**

During the discussion with the Cabinet Member for Planning, it was noted that the additional £90,000 budgeted to support the production of the Local Plan, which required where consultants were required for additional expertise from consultants. This would be removed from the budget in the 2023/24 financial year, once the Local Plan was expected to have been approved, therefore was included in the 'Impact of Previous Decisions in Annexe G. Further savings from proposal E01 (reduce the use of consultants in the Planning Policy service by upskilling MVDC employees), would save the Council £20,000 in 2023/24 and in the future. It was queried what the hourly rate for the new pre-application advice service (savings proposal E02) would be, and whether this could be used to generate funds to support the use of consultants by the Planning Policy team. The Cabinet Member informed the Panel that the new service would be introduced in stages, with reallocation of some work to support staff within the team to allow Planning Officers to work on the pre-application service. Once the service was established, the Council would look to recruit an additional staff member in the long term. The Panel noted that the Council had not compared demand for this service with other local authorities, but there was significant demand for this from local residents in Mole Valley.

Members went on to note that Fees and Charges (as detailed in Annex J) for the pre-application advice service had been determined in line with the amount of time required for officers to provide this advice. The Panel noted that consultants' hourly rate was approximately £45; the hourly rate for staff was approximately £25. The Cabinet Member advised that the charges has been set with the best knowledge available at this time and the fees were considered reasonable, fair and comparable. The Cabinet Member added that it was hoped that by introducing the pre application advice service, it would in turn save time spent on the application itself when submitted and enable the Development Management Service to better meet its Key Performance Indicators. The hours that would be spent were difficult to gauge as these would be influenced by the method of communication utilised, e.g. in person or via letter/email.

With specific reference to the fee of £120 for 'Member Attendance', the Panel noted that this had been calculated according to the administrative costs associated with organising Members' attendance at pre application meetings. The Panel recommended that, for the avoidance of

doubt, this be renamed in the final report to make it clear that this was not a sum that was paid to Members.

In relation to Fees and Charges for the Land Charges Team, the Panel noted that fees had been rationalised to a round figure, taking into account that the Council must charge on a cost-recovery basis, and other local authorities that offered lower fees. The Cabinet Member informed Councillors that Tandridge District Council had not yet set fees for the Southern Building Control Partnership, although the Partnership Board would approve these in due course. The Council was not at any risk of exposure if the host authority were to reduce fees drastically, and the outturn for the Partnership was better than previously anticipated.

### **Cabinet Member for Climate Change – Councillor Claire Malcomson**

The Cabinet Member for Environment informed Members that of the £100,000 budgeted to enable grant-funding applications to be submitted for carbon reduction initiatives (REF F03), £50,000 would be utilised to undertake a feasibility study for decarbonisation of those Council owned buildings which had not already been considered. The other £50,000 would be used to undertake further studies on the Electric Vehicle Car Ports to assess the ground situation below proposed sites.

The Panel was informed that the return on this investment, from grant income would not be clear until these studies had been undertaken. One member of the Panel queried what preliminary studies had been undertaken to ensure the Council's investment would be returned. The Cabinet Member responded that the Council had worked with a number of experts, including the Carbon Trust, and officers with relevant expertise to ensure the feasibility of projects going forwards.

### **Cabinet Member for Sustainable Economy and Security – Councillor Clayton Wellman**

During the discussion with the Cabinet Member for Sustainable Economy and Security, the Panel noted the following:

- Savings proposal E21, this was not expected to affect demand for car parking spaces as the space occupied by the market had historically not been used. It was noted that to deliver the budgeted income of £7,000 per year, Dorking Market would only require full occupancy of 12 stalls in 40 weeks of the year. A number of stalls had expressed interest in occupying one of 6 new stalls, with 1 new vendor guaranteed.
- Various alternative options had been considered in relation to savings proposals E22 to increase parking charges by 10%, however it would not have been feasible to proceed with alternatives such as charging on Sundays, or making 'Friday Free after Three' universal to all Council-owned car parks. In response to a question about what sensitivity analysis had been undertaken, it was noted that it was expected that 80% of income from the price increase would materialise. This figure was based upon previous data from 2018 when car-parking charges were last increased. The effect on specific car parks would be monitored, so that if income from specific car parks throughout the district were impacted, this would be addressed.
- It was noted that no specific consultation had been undertaken with stakeholders in relation to increased parking charges; however, the Cabinet Member had spoken with individual business leaders who had anticipated this as a likely direction for the Council; inflation alone would have driven an increase in charging since the last increase in 2018.
- Car Parking prices would be frozen for the next 3 years, and this increase would ensure services and proposed capital investment would continue to be delivered. Ringo users could also pay the same prices as those residents using cash car parking machines, provided that they did not utilise the SMS notification system offered by Ringo.
- With reference to Annual Plan Objective F05 (Community Hub in Pippbrook House-vacant possession), the Panel noted that there could be material of historical community value currently stored in the building. The predecessor referred to was Surrey County Council. The Cabinet Member advised that any items of value would be preserved and there would be further discussion with Officers to ensure this was handled in the appropriate manner, and that any potential costs that could arise from this would be taken into account.

- In relation to delivery of Annual Plan Objective F06, to pay overhead costs for the retention of the Employment and Skills Hub in partnership with Surrey Lifelong Learning Partnership, and the DWP, it was noted that funding for the hub would be approved on a yearly basis, as determined by the Department for Work and Pension (DWP). The hub was initially agreed for one year, however it had been extended into 2022/23. The Chairman noted the link between this item and the proposed saving proposal E18 (removal of the contribution towards the specialist Employment, Training and Housing Options Service (ETHOS)).
- £650,000 from the Capital Programme had already been spent on the first phase of the car park refurbishment programme (REF H03), with £350,000 expected to be spent in 2022/23. Within the second phase, £580,000 was allocated to be spent in 2022/23 with the final £420,000 expected to be spent in 2023/24 and onwards.
- £1.2 million had already been spent on refurbishment of Ashted Peace Memorial Hall, St Martin's Walk, and South Side car parks, with £200,000 having been spent from the second phase of the programme. Expenditure in the region of £150,000 was anticipated, with £115,000 matched funding on the Electric Vehicle charging point programme. The remaining £580,000 was expected to be spent on a batch of five of the Council's five smaller car parks.

In relation to Fees and Charges (as detailed in Annex J), it was noted that there was no additional charge for parking in an electric vehicle charging bay in a Council-owned car park, however the cost of the energy used was paid to the operator either by card or via a subscription. The charging bays were reserved for electric cars being charged, and the Council's Joint Enforcement Team would enforce this. The Cabinet Member went on to inform the Panel that Civil Enforcement Fees were set at the maximum of the statutory range for penalties.

### **Cabinet Member for Finance– Councillor Bridget Kendrick**

With reference to savings proposal E23, it was noted that an efficiency saving would be delivered as BACS transfers were much cheaper than printing and posting cheques. This transition would need to occur over time as a number of gradual changes were required in order to transition to BACS on 1st April 2022.

The Panel asked whether the proposed reduction of 14 audit days with the Southern Internal Audit Partnership per year would provide sufficient time to undertake the necessary internal audits identified for MVDC (savings proposal REF E24). The Cabinet Member informed the Panel that this had been agreed in the new contract, with the Head of SIAP confirming that the allotted time for audit days would be sufficient. If any issues or additional audit requirements arose e.g. following a recommendation from the Audit Committee, then there was flexibility to adjust budgeted audit days as necessary. There was sufficient resilience as a number of councils had fewer allotted days than was proposed. It was also noted that this plan would need to be formally approved by Audit Committee in March.

With reference to saving proposal E25 (Implement a cost recovery approach to the recovery of court costs incurred by the Council in relation to customers who have not paid Council Tax or Business Rates), the Panel noted that the proposal to move to a cost recovery approach was reflective that the Council's court costs had not been increased since 2013. Therefore costs would be brought in line with inflation, which would prevent the Council from absorbing these costs, and could incentivise more residents and business to pay on time. It was also noted that Court cases were pursued for 1.3% of properties and around 10% of businesses.

With reference to saving proposal E26, it was noted that the Mole Valley Community Lottery had already raised £9,500 for 47 registered good causes, which was expected to rise to around £26,000 in its first year of operation. It was queried what impact the reduction of the Small Community Grants fund would have. The Cabinet Member responded that this fund had started at £25,000, and had grown to £48,000; however, in one year only 33% had been granted despite a larger amount having been budgeted for.

The Council still had other methods of providing grant funding such as through the Thomas Flack Fund, the Community Infrastructure Levy, the Community Lottery, larger grants to voluntary organisations, and £35,000 was also available to community groups within the Capital Programme. Therefore, there was an opportunity to reevaluate MVDC's grants offering as a

whole, and consider which funding source would be best for each organisation; current recipients of the fund would be signposted to other funding sources. For example, it may be more appropriate to encourage applications to the Capital Programme rather than successive applications to the Small Community Grants fund.

### **Leader of the Council – Councillor Stephen Cooksey**

During the discussion with the Leader of the Council, it was noted that savings proposal E27 would deliver £129,000 of savings from increased efficiency in service management, based upon a precise outlook of the management structure from the Chief Executive. Although some savings had already arisen, further savings would be delivered by holding vacancies (Savings Proposal REF E28) and interim arrangements pending the outcome of a review of the management structure in March 2022. The Leader was confident that these savings would be delivered without impacting upon service delivery, as the proposed savings were based on the Chief Executive's expertise.

### **Cabinet Member for Finance– Councillor Bridget Kendrick**

The Panel went on to discuss the budget formulation process with the Cabinet Member for Finance. It was noted that specific measures had been introduced following the onset of the pandemic, including further forecasting, and scenario planning which were included in the Cabinet's monthly budget reports. Following the approval of the budget in February 2021, the Strategic Leadership Team had begun identifying potential savings or additional costs, which it had discussed with the Cabinet through five workshops since June 2021. These workshops had also worked to agree principles for fees and charges, including the protection of services and ensuring efficiency and resilience. Thought had also been given to the timings of the proposed savings, the complexity anticipated to implement them and consultation required.

The Chairman suggested that it would be useful to include the details provided by the Cabinet Member on the budget formulation process as an annexe to the paperwork provided to the Standing Budget Panel in the future. It was also agreed that the Panel would receive a brief summary of the process prior to its final meeting on 10<sup>th</sup> January 2022.

It was noted that monitoring would continue on a weekly and monthly basis to ensure the Council's financial situation would deliver the budget. The Cabinet Member emphasised that she would be happy to have further scrutiny if any variations to the budget were required, however, she was confident that this was a solid and deliverable budget.

One Member of the Panel asked how the repayment of money from the Council's reserves, used in 2021/22, had been devised. The Cabinet Member responded that there were currently £8.1 million in reserves, with a previous commitment that this would decrease no lower than £6 million. The budget for 2022/23 included the saving of £200,000, to begin recouping the £1.5 million projected to be spent in the 2021/22 Financial year, with this amount increasing over time to ensure repayment in the next five years.

The Panel asked whether specific areas had been prioritised in the budget formulation process, particularly as the Community and Internal Services portfolios did appear to accommodate a larger proportion of the proposed savings. The Cabinet Member explained that no specific areas had been prioritised, rather, there had been a focus on analysis data to identify viable savings to ensure that savings were easy to implement, and would have minimal impact for staff and residents. It was noted that a significant overspend for the Communications team was an additional cost arising from Covid-19, however central government had funded the total overspend.

The Chairman asked whether savings of £129,000 from savings proposal REF E27 (Increased efficiency in the way services are managed) would be spread out through the net services revenue budget. The Cabinet Member responded that savings from digitalisation, and the savings identified from service management would be spread out amongst the Cabinet portfolios.