

# Overview and Scrutiny Committee

Minutes of the additional meeting held on Wednesday 28 September 2022 in the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillor Milton (Chair); Councillors Barton, Davison, J Dearing, Illingworth, Jacques, Kohler, Leigh-Hunt, Quinney, Redford and Syson.

**Also Present:** Councillor Hales, Portfolio Holder – Resources; Councillor Rhead, Portfolio Holder – Climate Change; and Councillor Bartlett – Portfolio Holder – Economy and Culture.

## 26. **Apologies and Substitutes**

- (a) An apology for absence was received from Councillor King.
- (b) Councillor Quinney substituted for Councillor Cullinan; Councillor Davison substituted for Councillor A Dearing; and Councillor Illingworth substituted for Councillor Noone.

## 27. **Declarations of Interest**

There were no declarations of interest made.

## 28. **Minutes**

The minutes of the Overview and Scrutiny Committee meeting held on 9 August 2022 were taken as read and signed by the Chair as a correct record.

(Councillor Leigh-Hunt joined the meeting.)

## 29. **Cabinet Agenda (Non-Confidential items and reports) – Thursday 29 September 2022**

### Item 9 – Notices of Motion from July Council

The Committee supported the report. In respect of Motion 1, the Committee asked that the legal advice provided by the Council's solicitors should be circulated to Cabinet ahead of its meeting. The Committee asked Cabinet to consider this advice before making its decision on the item.

With regards to Motion 2, the Committee received reassurance from the Head of Development Services that Policy H6 Guidance would be updated in due course, and that an updated Local Development Scheme would be brought to Cabinet in December.

### Item 12 – Hydrogen Strategy

The Committee welcomed the report and recognised the complexity of the topic. The Committee welcomed the reassurance from the Portfolio Holder for Climate Change that this was an evolving situation and that a revised

Hydrogen Strategy document would be brought forward in early 2023, alongside the business case.

(Councillor Rhead left the meeting.)

### 30. **Development Management and Enforcement Performance Update**

The Committee considered a report from Development Services which updated Members on the recovery of the Council's Development Management and Enforcement Services, and the related ongoing actions to maintain and improve efficiency and effectiveness.

During the COVID-19 pandemic, in line with a national trend, the Development Management service experienced a significant increase in the number of planning applications being submitted. This, combined with several other factors which were set out in a report considered by the Committee at its 8 March 2022 meeting, resulted in a backlog of applications which at its greatest, amounted to over 300 cases.

Members were aware that prior to that, the service had performed exceptionally well on a consistent basis with regard to the timescales for determining planning applications.

By way of response to the increased workload, as well as filling vacant posts, a number of additional temporary posts were created within the service. Whilst staff turnover amongst some of those posts continued to be significant, enough staff remained in place to complete the processing of the surge of planning application work.

At its greatest, during early 2021, there were over 500 applications on hand, of which 200 were being actively worked on, whilst 300 were waiting to be allocated to a Planning Officer. The backlog of work waiting to be allocated to a Planning Officer was eliminated in December 2021 and at the time of writing, there were 336 applications on hand, all of which were being processed by a Planning Officer.

The approach to the consideration of planning applications was to work closely with applicants and negotiate revisions to schemes where that was considered necessary to make them acceptable wherever possible. The alternative would be to refuse proposals without so doing, which would increase the speed of decision making and assist with performance in that regard, but reduce the quality of the service being offered, increase the number of appeals being received, and extend the overall timescale from the customers' perspectives.

The period of time over which those cases were waiting to be allocated to an officer in the backlog queue significantly increased the overall application determination timescale, which was reflected in the lower performance figures for the proportion of applications determined within the statutory or extended timescale which were reported for the period October to December 2021 (42%).

Nevertheless, by the time of the Committee meeting on 8 March 2022, performance for the then current partial quarter had improved to 68% of decisions being made within the statutory or extended timescale.

Since that time, the performance figures for the last two full quarters and the current part-quarter were as follows:

- January to March 22 - 72%
- April to June 22 - 87%
- July to August 22 - 91%

The former backlog of planning applications waiting to be allocated to an Officer remained at zero.

Over the last two years, the Planning Enforcement team had experienced significant issues with long term sickness, vacant posts (including the Team Manager role) and poor response levels to recruitment resulting in an under resourced team over much of that period.

At its worst, that situation contributed to an enforcement caseload of 434 cases, of which 275 were awaiting investigation. This, in turn, led to a low level of customer satisfaction and increased numbers of service complaints.

However, since that time, the Enforcement Manager post had been filled, albeit temporarily on an agency basis, and a further key member of staff had returned from long term sickness. As a result, the team was now proactively working to investigate cases in the most effective manner and to move towards a position where an increasing amount of time was spent on addressing the most harmful cases rather than administering the backlog of work.

In that regard, the current position was that the overall enforcement caseload had reduced to 225 cases, of which 114 were awaiting investigation.

As part of that, there were 19 ongoing cases where formal action had either been, or was proposed to be taken, along with two appeals against Enforcement Notices that had been issued, both of which were being handled by way of a Public Inquiry.

It should, however, be noted that a different and full-time officer within the team had now been on sick leave for an extended number of weeks, which appeared likely to continue.

The application backlog and uncharacteristic subsequent downturn in planning application performance had been a consequence of a combination of factors, most particularly the increase in the volume and complexity of the team's workload summarised above; the vacant posts that were being carried at the time; and sickness within the team during the pandemic.

The Council had also been experiencing a significant increase in the timescales for the receipt of some statutory consultee responses, which was significantly delaying the assessment and determination of some planning applications – principally, the more major schemes.

As reported at the Committee meeting in March 2022, since that time, a number of actions had been undertaken to address the workload situation, principally involving the recruitment to existing vacant posts; the ongoing review of processes and protocols to enhance effective working wherever possible; and recruitment to additional temporary posts.

Those actions were considered to have been key to the elimination of the backlog of unallocated work and the subsequent progress that had been made.

Nevertheless, the recruitment and retention of staff within both the Development Management and Enforcement Teams continued to be a concern, as did levels of sickness, the former particularly as there remained a shortage of experienced planners and enforcement professionals available for the public sector.

That position continued to be exacerbated by other Councils within the sub-region offering more attractive remuneration packages, which was evidenced by low levels of external interest in some roles and the continued loss of existing staff to nearby Councils.

In addition, in order to assist with the ongoing imbalance of demand for enforcement investigations relative to resourcing and increase effective working wherever possible, work continued on the review of team priorities.

Following the unsuccessful recruitment to two additional temporary posts last November – Senior Enforcement Officer (two years) and Enforcement Officer (one year), it was intended to repeat those recruitments shortly.

In addition to the above, work was continuing on the formulation of a longer-term Service Improvement Plan covering both development management and enforcement including:

- the review of capacity and resourcing with the teams;
- a recruitment and retention strategy including the increased use of market supplements where appropriate;
- a succession planning strategy;
- the procurement of a new back-office system;
- the digitising of microfiche records;
- the increased use of Planning Performance Agreements to fund increased capacity within the Team; and
- increased collaboration with statutory and other consultees to assist, where possible in enabling their timelier responses.

In terms of alternative options, other than noting the report and endorsing the proposed actions, there were no other alternatives before the Committee at this time.

An addendum providing a breakdown of planning enforcement investigations awaiting allocation to an officer was circulated prior to the meeting. This showed that since March 2022, this number had reduced from 275 such cases awaiting investigation, to 89.

In answer to questions from Members, the Development Manager and the Head of Place, Arts and Economy advised Members that:

- The team had a target of 90% or above in terms of aiming to resolve planning issues within the statutory deadlines, which put Warwick District Council at the top of the charts across the country. A target of 100% was not realistic and had never been hit before.
- With enforcement, there was a wide range of requests and issues, varying from something urgent, such as a demolition of part of a listed building, to more minor requests, where it might be deemed that no action should be taken. The build-up of cases was minor, and clearing these from the system would make space for those issues that did really require officers to intervene.
- The Enforcement Manager position was key, and it was very important that this role was finally appointed to, having been vacant for quite some time, preceded by long-term sickness.
- The lack of planning staff members was an issue across the entire planning profession, where not enough people were coming through. In addition, the Council was competing with the private sector which offered much more appealing remuneration schemes, and so did other neighbouring local authorities.
- Although this was not happening at the moment, the aim was for the Enforcement Manager to review new cases coming through on a daily basis and assign these to officers the same day.
- On occasion, officers would get enquiries about other areas of legislation or about issues which were out of the Council's control, and in those instances, officers would still need to reply to the clients and explain.
- All of the cases which were nine to 21 months' old were at the lower end of the triage scale, and the aim was to clear this backlog by the end of the year.
- A letter notification, a visit or combination of both were issued to residents not building according to the standards. However, the backlog remained an issue, in that not a great deal was done in the meantime.
- Officers were looking at a range of different ways to engage with statutory consultees, including Warwickshire County Council and in particular, the Highways Department, and this was a work in progress.
- The delay in hearing back from statutory consultees did ultimately impact significantly on officers' ability to deal with planning applications and houses being built.
- In spite of the drop in the number of planning applications coming forward when compared to the pre-pandemic levels, Development Services was still on target for hitting its projected income for the year.
- At times, morale within the team had been low, but it was good at the moment, with a number of temporary staff helping get through the backlog of work accumulated during the pandemic.
- It was essential to improve staff retention.
- Officers were very careful not to "lose" any cases, but if Councillors or members of the public wanted to follow up, they could email officers.
- Sometimes, a really old case could still be looked at due to appeals taking place and in some way, this happened as a result of officers taking action rather than not.

- The Development Manager was keeping under review the option of potentially using apprentices.
- There was currently one vacancy across Development Services.
- There were only two appeals due to non-determination, and therefore, the appeals in planning decisions were not significantly impacted.

Members welcomed the report and thanked officers for their work in improving performance given the challenges.

**Resolved** that the report be noted, and a further report be brought forward to the Committee in six months' time.

The Chair reminded Members that a training session on Finance was scheduled for the Tuesday after the meeting and informed those present that no formal training on finance scrutiny had been provided to the Committee at that time.

(Councillor Bartlett joined the meeting.)

**31. Treasury Management Activity Report for period 1 October 2021 to 31 March 2022**

The Committee considered a report from Finance which detailed the Council's Treasury Management performance for the period 1 October 2021 to 31 March 2022.

The Council's 2021/22 Treasury Management Strategy and Treasury Management Practices (TMPs) required the performance of the Treasury Management Function to be reported to Members on a half-yearly basis in accordance with the Treasury Management Code of Practice.

LIBOR and LIBID rates ceased from the end of 2021. For benchmarking purposes, they had been replaced with SONIA (Sterling Overnight Index Average) and Warwick District Council Treasury Team had decided to use 'backward' looking rates.

In terms of alternatives, the report retrospectively looked at what had happened during the last six months and was, therefore, a statement of fact.

The Principal Accountant advised Members of a correction to the recommendation, which should have stated "That the Overview & Scrutiny Committee notes the contents of the report", and not the Finance & Audit Scrutiny Committee.

Councillor Illingworth thanked officers for the good results shown in Appendix D to the report.

In answer to questions from Members, the Principal Accountant and the Portfolio Holder for Resources advised that:

- Historically, investing in other Councils had been very common practice, but it was less so more recently. However, local authorities were still coming to the market offering very good rates sometimes.

- Warwick District Council was not a borrower in that way, and other authorities were not invested in this Council.
- In theory, all local authorities were sovereign bodies and as such, there was no risk in investing in struggling local authorities because, in theory, the Government would bail them out. However, Warwick District Council would not want to invest in another local authority if there was a liquidity risk.
- Most of the counterparties the Council invested in had money market ratings by various agencies. The Council had a rule not to invest unless it had at least an A-rating. However, local authorities did not have a rating.
- The Council was likely to go back into corporate equity funds and officers were looking at green equity funds for divesting.

**Resolved** that the report be noted.

### 32. **Annual Treasury Management Report 2021/2022**

The Committee considered a report from Finance which covered Warwick District Council's Treasury Management performance for the whole of 2021/22, as attached at Appendix A to the report.

The Council was required by regulations issued under the Local Government Act 2003 to produce an Annual Treasury Management review of activities and the actual prudential and treasury indicators for 2021/22. The report met the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

The Treasury Management Strategy for 2021/22 and the Council's Treasury Management Practices, in accordance with the Code of Practice for Treasury Management, required that the Treasury Management function reported on its activities during the year by no later than 30 September in the year after that being reported on.

During 2021/22, the minimum reporting requirements were that the Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 24/2/2021);
- a mid-year (minimum) treasury update report (Finance & Audit Scrutiny 03/11/2021); and
- an annual review following the end of the year describing the activity compared to the strategy (the current report).

In addition, the Council received a half-yearly Treasury Management update report for the second half of 2021/22, which was also on the agenda for the meeting.

The regulatory environment placed responsibility on Members for the review and scrutiny of Treasury Management policy and activities. The report was, therefore, important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by Members.

The Council was required to confirm that it had complied with the requirement under the Code to give prior scrutiny to all the above Treasury Management reports. In previous years, this had been undertaken within the scrutiny function of Finance & Audit Scrutiny Committee. As that Committee had ceased to exist and the Council only had a Scrutiny Committee, it was considered by officers that the report for now should come to the Overview & Scrutiny Committee before they were reported to the Council.

Officers had considered this and, on reflection, in future felt that this work was more closely aligned with the Audit & Standards Committee and therefore it was recommended that this should fall under the remit of the Audit & Standards Committee. Officers had undertaken comparison work with other Councils and found that there was no unified approach across the sector. Grant Thornton tended to see treasury management reports being considered by an Audit Committee, with anything required then also going to Cabinet on the proposed approach (with referral to Council for certain decisions). This would not remove the ability for the Overview & Scrutiny Committee to consider any report regarding treasury management that was on the Cabinet agenda.

The report commented, where appropriate, on the Council's actual performance against what was forecast in the 2021/22 Treasury Management Strategy as well as, in certain instances, latest forecasts. The Council was also required to comment on its performance against its Annual Investment Strategy for the year.

In terms of alternative options, as explained above, the Code of Practice mandated that Annual Treasury Management Performance had to be reported by 30 September after that financial year had closed, demonstrating compliance with the Prudential Code, or explaining any divergence for the approved Treasury Management Strategy and Prudential Indicators.

The Council had announced that it would divest from fossil fuels at the earliest opportunity; no later than the end of 2025, and ideally by the end of 2022. The Council was able to take advantage of market movements to divest in September 2021, as outlined in the report.

The Council might consider varying its investment vehicles or counterparty limits; however, this would alter the potential credit and liquidity risks.

The 2021/22 Annual Treasury Management Report was contained at Appendix A to the report and demonstrated that the Council's Treasury Management activity was compliant with Prudential Indicators and the requirements of the Prudential Code.

Councillor Syson congratulated Councillor Hales, the Portfolio Holder for Resources, for presenting the Committee with such a good use of the Council's resources.

**Resolved** that the contents of the report in respect of the Council's Treasury Management activities during 2021/22, be noted; and



**Recommended** to Council that in future, updates on Treasury Management should be considered by the Audit & Standards Committee and the Constitution and relevant Policies be updated to reflect this.

33. **Cabinet Agenda (Non-Confidential items and reports) – Thursday 29 September 2022**

Item 4 – Quarter 1 Budget Report

The Committee noted the report and thanked officers for their time in producing it. The Committee noted the positive impact the new financial system was having already and wished to thank officers and Members for the collaborative work on that.

Members highlighted their concerns on the impact of the energy crisis on Council finances and looked forward to receiving an action plan on that in the near future.

Members had also asked that where emergency powers were used, full details should be made available in the Cabinet report to enable scrutiny to take place efficiently.

(Councillor Quinney left the room.)

Item 5 – Final Accounts 2021/22

The Committee noted the report and congratulated officers on their efforts.

(At 8.05pm the meeting was adjourned for a comfort break. The meeting resumed at 8.15pm.)

(Councillor Quinney re-joined the meeting.)

Item 6 – Relocation of Kenilworth Wardens

The Committee was concerned about the level of financial risk inherent in the project.

The Committee recommended that the Cabinet should fully understand all different scenarios including project overspend, and that the Resources PAB should review the business case prior to disbursement.

Item 13 – Covent Garden Car Park

The Committee welcomed the report and thanked officers for their efforts in bringing it forward.

The Committee recommended to Cabinet that the feasibility study should look at the potential for generating electricity for future, in line with the Council's ambitions.

#### 34. **Work Programme, Forward Plan and comments from the Cabinet**

The Committee considered its work programme for 2022 as detailed at Appendix 1 to the report. Appendix 2 to the report gave responses from the Cabinet to the comments and recommendations the Committee had made to Cabinet reports it had scrutinised.

The Deputy Chief Executive & Monitoring Officer informed Members that the Service Area Plans (SAPs) were now available online to all Members, and were updated by each Service Area. A link had been circulated to all Councillors, but Members were advised to contact Committee Services if they needed any assistance.

The Chair asked that an update should be given at the next meeting of the Committee from the Task & Finish Group – Equality & Diversity. The Chair emphasised that an update would be beneficial, even if there might not be a lot to report.

The Deputy Chief Executive & Monitoring Officer informed the Committee that unfortunately the ARCUS project, which was supposed to improve the delivery of community protection, was not successful. He asked Members to consider adding a report to scrutinise this, focusing on lessons learnt, to its work programme.

#### **Resolved** that

- (1) appendices 1 and 2 to the Work Programme report be noted;
- (2) the following items be added to the Work Programme:
  - a. November 2022 – ARCUS – termination of contract written report;
  - b. December 2022 – Climate Emergency Action Plan update, deferred from November 2022; and
  - c. March 2023 - Development Management and Enforcement Performance Update subsequent to reports made to O&S in March 2022 and September 2022.

(The meeting ended at 9.30pm)

CHAIR  
1 November 2022