

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE
held on 7 February 2017**

PRESENT -

Councillor Eber Kington (Chairman); Councillor Clive Woodbridge (Vice-Chairman); Councillors Tony Axelrod (as nominated substitute for Councillor Neil Dallen), Richard Baker, Rekha Bansil, Kate Chinn, Omer Kokou-Tchri, Keith Partridge, Mike Teasdale and Tella Wormington

In Attendance: Elizabeth Jackson (Associate Director) (Grant Thornton UK LLP) (For items 128 - 130)

Absent: Councillor Neil Dallen

Officers present: Frances Rutter (Chief Executive), Kathryn Beldon (Director of Finance and Resources), Simon Young (Head of Legal and Democratic Services), Brian Thompson (Interim Head of Financial Services), Jo-Anne Chang-Rogers (Chief Accountant) (For items 128 - 138), Andrew Lunt (Head of Venues & Facilities), Shona Mason (Head of Human Resources and Organisational Development) (For items 128 - 134), Gillian McTaggart (Head of Corporate Governance) (For items 128 - 134), Mark Shephard (Head of Property) (For items 128 - 134), Kelvin Shooter (Community Safety & Projects Officer) (For items 128 - 138) and Fiona Cotter (Democratic Services Manager)

128 QUESTION TIME

No questions were asked or had been submitted by members of the public.

129 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors regarding items on the Agenda.

130 EXTERNAL AUDIT UPDATE, GRANT CERTIFICATION AND ANNUAL AUDIT LETTER

(Note: Elizabeth Jackson, Associate Director, Grant Thornton was in attendance to present the report and answer any questions).

In accordance with statutory requirements, the Committee received a report which provided an update on the External Auditor's Annual Audit Letter and Grant Certification Letter for the year ended 31 March 2016 together with a general progress report on audit issues.

The Chairman highlighted the following key points:-

- The Audit Letter confirmed this Council's accounts for 2015/16 as "un-qualified" which meant that these were to a high standard with no significant issues/concerns;
- The Council's accounts had been un-qualified for over 15 years which was a credit to the finance team and all Officers who input to this process;
- The Grant Certification report confirmed that the Council's Benefits claim of £20.6m had no amendments at all – very good news and a credit to the Benefits Team given that many Councils' had their claims qualified.

Having noted that plans were in place to deal with the early close down of accounts required as of 2017/18, the Committee:

- (1) Received the Progress and Update Report appended as Annexe 1 to the report;
- (2) Noted the Annual Audit Letter for 2015/16 appended as Annexe 2 to the report;
- (3) Noted the Grant Certification Letter appended as Annexe 3 to the report.

131 ESTABLISHMENT OF A COMPANY

The Committee received and considered a report which outlined a proposal to establish a company or companies to acquire, hold and trade in property. The report also sought the establishment of a working group with member representation and authority for officers to incur such costs relating to necessary advice and assistance to enable proposals to be brought back for subsequent approval.

It was considered that the potential benefits of establishing a company or companies were considerable and it was considered worthwhile investing in exploring the options via an officer/member working group. It was stressed that the issues discussed in this report were quite separate from those previously discussed regarding investment in commercial property within the Borough.

The report also outlined and recommended an increase to the Commercial Property Acquisition Fund with a further addition of £60m to be funded from Prudential Borrowing to take advantage of the current opportunities in the market grow investment property holdings.

The Committee welcomed the proposals and the direction of travel they signalled, particularly in regards to dealing with housing need in the Borough and accordingly:

- (1) Noted and agreed in principle to the establishment of a company or companies to acquire, hold and trade in property;

- (2) Agreed that a working group be established comprising the Chief Executive and other Officers listed at the top of the report (Kathryn Beldon, Rod Brown, Lee Duffy, Mark Shepard and Simon Young) together with the Chairman of Strategy & Resources Committee and the Vice Chairman of the Community & Wellbeing Committee for the purposes set out in the report;
- (3) Agreed that any Member appointed to the working group who was unable to attend a meeting of the working group should be able to nominate another Member of the Council to substitute for them;
- (4) Agreed that an initial budget of £50k be established to meet the costs of procuring specialist legal, financial and other necessary professional advice and set up costs;
- (5) Agreed to recommend that Council increase the Commercial Property Acquisition Fund by a further £60m to be funded by Prudential Borrowing;
- (6) Agreed to recommend to Council a supplementary capital expenditure estimate of £60m in the financial year 2016/17 for (5) above;
- (7) Agreed to recommend to Council that the Council's Prudential Indicators be revised to reflect the additional £60m of Prudential Borrowing;
- (8) Noted that a mid-year appraisal update report would be made to the Committee on the strategy, portfolio performance and status of acquisitions made from the Commercial Property Acquisition Fund;
- (9) Noted that a new regular update report would be made to the Financial Policy Panel on the financial status of the investment property portfolio and rental income profile.

Note: Councillor Kate Chinn wished her disagreement to recommendations (5) and (6) be recorded.

132 EPSOM & EWELL BOROUGH COUNCIL PAY AWARD 2017/18

The Committee received a report which provided background information on the budget implications of, and sought a decision on, the Council's proposed pay award for 2017/18.

Having had regard to the budget targets previously agreed by this Committee in September 2016 as well as the management recommendation and the claim for a 2% pay rise made by staff representatives, the Committee:

- (1) Received and considered the recommendation of a 1.5% pay award for 2017/18 by the Joint Staff Committee; and
- (2) Determined a pay award of 1.5% as appropriate and approved the inclusion in the budget for 2017/18 of the additional cost required to fund the higher pay award.

In so doing, the Committee noted that the Joint Staff Committee wanted to recognise the views of staff on pay which had been collated during the consultation and the request from staff to better the 1% offer. Members of both the Joint Staff and Strategy and Resources Committees were keen to acknowledge the commitment, hard work and dedication of the staff as well as the significant contribution staff made to the Council in achieving its key priorities.

133 REPLACEMENT OF BOURNE HALL AUDIO EQUIPMENT

A report was presented to the Committee which summarised the significant issues and failing of the current audio visual provision at Bourne Hall and which outlined a proposal for improvement.

It was noted that the estimated cost of the work was £16,900. The report highlighted that there was currently a balance of £16,687 on the Repairs and Renewals Reserve that could be used to fund this work so the shortfall would need to be funded from revenue budgets.

The Committee supported the improvement work to the audio visual equipment at the venue on the basis of cost/benefit analysis. The report highlighted a potential loss of income (circa £85,000 per annum) from hirers who currently relied on this failing equipment. Accordingly the Committee authorised the release of £16,687 from the Repairs and Renewals Fund.

134 CORPORATE PLAN: PERFORMANCE REPORT TWO 2016 TO 2017

A report was presented to Committee which provided an update against its Key Performance Targets for 2016/17 under the Corporate Plan.

It was noted that 12 targets were “on track”, 3 were “slightly off track” but this was “not a major concern or slippage” and 6 were “off track or unlikely to be achieved for projected year”.

In relation to managing resources, the third business case in development was in relation to a feasibility study for a crematorium and it was hoped that additional information necessary to progress the capital bid for the Business Hub would be available in the next couple of months.

Whilst the average time taken to process new Housing Benefit claims was continuing to improve, the target of 22 days would not be met. It was extremely difficult to recruit in this area and other ways of supporting the team were being looked at such as additional offsite support.

It was noted that a realistic approach was being taken to the launch of the revenues and benefits self-serve functionality in the light of several factors, in particular the key staff vacancy which had arisen (the Head of ICT). The expected completion date was now the end of this year.

In terms of developing multi- skilled and motivated staff, following a meeting on 5 January, it had been agreed that a further 20 job roles would be benchmarked and it was hoped that this would be completed by the end of February.

In terms of supporting local businesses, following the departure of the Town Centres Manager, a revised timetable for the possible creation of a BID was being drawn up. A specialist BID consultant had been engaged to take this forward. There was a lot of work to do but the signs were encouraging and work on this was seen as a priority.

Accordingly, having considered the performance reported in Annexe 1 to the report, the Committee:

- (1) Noted the actions that had been proposed or taken where performance was currently a concern as set out in paragraph 3.1 of the report; and
- (2) Did not identify any areas of concern;

135 FEES AND CHARGES 2017/18

The Committee received a report which recommended fees and charges for 2017/18 for which this Committee was responsible, the new charges to be effective from the 1 April 2017.

Subject to the approval of Council, the Committee agreed the fees and charges for 2017/18 as set out in Annexe 1 to the report.

136 CAPITAL PROGRAMME 2017/18

A report was presented to the Committee which set out its proposed Capital Programme for 2017/18 and the provisional programme for 2018-20.

The report set out that the Financial Policy Panel had recommended the following schemes, thoroughly vetted by the Capital Member Group, for inclusion in the capital programme to be funded from capital reserves at a total estimated cost of £291,000:

- Installation of LED Lighting at Bourne Hall (£21,000);
- ICT Programme of Work (£25,000);
- ICT Legal Case Management System (£20,000)

The proposed provisional programme for 2018-20, all currently proposed for inclusion in the 2018/19 capital programme with no proposed schemes in 2019/20, was as follows:

- ICT Financial Management System Upgrade (£67,000 to be funded from capital reserves)
- Epsom Business Hub (£30,000 to be funded from capital reserves)

Accordingly, the Committee:

- (1) Submitted the Capital Programme for 2017/18 as identified in section 4 of the report to the Council for approval on 14 February 2017;
- (2) Confirmed that it supported all of the schemes included in the provisional programme for 2018-20 as identified in section 6 of the report;
- (3) Noted that schemes for 2018-20 were provisional pending an annual review of funds available for capital investment.

137 REVENUE BUDGET 2017/18

The Committee received a report which set out estimates for income and expenditure on its services for 2017/18.

The report highlighted that the probable outturn for this Committee in 2016/17 was an under spend of £167,000. This contributed to the Council's overall probable outturn of a favourable £96,000 under spend and the Chairman thanked staff for their contribution to this achievement through prudent budget management.

The report set out a summary of the Committee's revenue estimates for 2017/18, giving an overall base position of £2,403K. However, the report highlighted that there were now no changes proposed to the discretionary rate relief scheme for 2017/18 – the timing of so doing being considered inappropriate at the current time - and this resulted in a variation of £22,000.

Accordingly, the Committee:

- (1) Recommended the 2017/18 service estimates for approval at the budget meeting of the Full Council on 14 February 2017;
- (2) Agreed not to revise the current Discretionary Rate Relief Scheme which the budget proposals in this report reflect.

138 STREET SCENE CCTV

The Committee received and considered a report which set out proposals in respect of arrangements for monitoring and maintaining the Street Scene CCTV cameras/system in the Borough.

Action was required as a result of the existing streetscene CCTV arrangements coming to an end in March 2017 and the removal of Police funding which necessitated some change being made. This meant that either the budgeted expenditure needed to be increased or changes to arrangements were required – for example, a change to the level of service under a contract with the existing monitoring contractor.

The arrangements proposed in the report in terms of the monitoring streetscene CCTV at Reigate Police Station would hopefully allow the service to be

continued at its current levels within the financial resources allocated to the provision of CCTV. The budgetary implications of the proposals had been included in the Council's revenue estimates and Medium Term Financial Strategy and Efficiency Plan. However, it was noted that following the results of a county wide review of CCTV by Surrey Police the Council might need to re-evaluate the position.

In the meantime, the Committee authorised the Chief Executive to concluded arrangements for monitoring and maintaining the Street Scene CCTV cameras in the Borough in such a way as she thought fit but with a view to implementing the proposals in section 3 of the report.

139 MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting of the Strategy and Resources Committee held on 22 November 2016 were agreed as a true record and signed by the Chairman subject to the correction of a typographical error on page 86 to read "to procure at least two..." instead of "to procure at least to..."

140 EXCLUSION OF PRESS AND PUBLIC

The Committee resolved to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

141 WRITE OFF OVER £20,000: NATIONAL NON DOMESTIC RATES

The Committee agreed to write off debts totalling £34,181.59 for Business Rates.

142 WRITE OFF OVER £20,000: UNILATERAL UNDERTAKING UNDER S106

The Committee agreed to write of a debt totalling £22,262.28

143 MINUTES OF PREVIOUS MEETING - BOURNE HALL KITCHEN; TRANSPORT FLEET CONTRACT

The Minutes of the Meeting of the Strategy and Resources Committee held on 22 November 2016 (considered exempt from publication at this time) were agreed as a true record and signed by the Chairman.

The meeting began at 7.33 pm and ended at 8.52 pm

COUNCILLOR EBER KINGTON (CHAIRMAN)