

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held on
1 February 2018**

PRESENT -

Councillor Eber Kington (Chairman); Councillor Clive Smitheram (Vice-Chairman); Councillors Kate Chinn, Neil Dallen, Hannah Dalton, Omer Kokou-Tchri, Humphrey Reynolds, Mike Teasdale, Clive Woodbridge and Tella Wormington (as nominated substitute for Councillor Tony Axelrod)

Absent: Councillor Tony Axelrod

Officers present: Kathryn Beldon (Chief Executive), Damian Roberts (Chief Operating Officer), Amardip Healy (Chief Legal Officer), Lee Duffy (Chief Finance Officer), Brendan Bradley (Chief Accountant) and Fiona Cotter (Democratic Services Manager)

41 QUESTION TIME

A number of questions were asked at the meeting regarding the future of the Wells to which the Chairman responded verbally.

42 DECLARATIONS OF INTEREST

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

43 FUTURE USE OF THE WELLS SITE

The Committee received and considered a report (marked to follow on the Agenda) which recommended the development of the Wells site for residential accommodation and community use and how best to achieve this objective.

The report highlighted that developing the Wells site had the potential to deliver a long-term residential asset with associated income streams. However, the long-term financial impacts would only be accurately established once professional advice had been received and full due diligence exercises had been undertaken.

It was evident that the residents' lobby group was unhappy with the proposed footprint (1,500 sq. ft.) of the community facility. However, the Head of Property and Regeneration indicated that a facility of around this size was the only viable option. An amendment to remove reference to the footprint of the community facility, proposed by Councillor Hannah Dalton and Seconded by Councillor Kate Chinn, was lost.

The Committee welcomed the report on the basis that the Council would be retaining ownership of the site to ensure the delivery of much needed affordable residential accommodation. Development by the Council also enabled the continuation of a community facility. There appeared to be general consensus that the Committee would not support the inclusion of a facility with a footprint less than 1,500sq ft but would equally not wish to see the inclusion of a facility that was not viable. It was proposed to engage PwC to advise on how best to structure the development, particularly in relation to the implications for the Council's VAT position, and confirmed that the cost of the company's services could be met from the Corporate Projects Reserve.

Accordingly, the Committee agreed that:

- (1) the residential redevelopment of the Wells site, including the provision of a community facility of up to 1,500 sq. ft. (to be operate and managed by the community) be undertaken by the Council or its wholly owned trading company;
- (2) PwC (PricewaterhouseCooper) be engaged to advise on how to achieve the outcome set out in (1) above at a cost of up to £15,000 to be funded from the Corporate Project Reserve;
- (3) The Head of Property and Regeneration, in consultation with the Chief Finance Officer and Chief Legal Officer, be authorised to act on the advice received from PwC.

44 REVENUE BUDGET 2018/19

The Committee received a report that set out estimates for income and expenditure on its services for 2018/19.

The report highlighted that the probable outturn for this Committee in 2017/18 was an under spend of £121,000. The key reasons for the major variances were set out in the report, in particular significant favourable variations in relation to Corporate Financial Management, Tax collection and Land and Property. This had been taken into account in setting the 2018/19 budget.

The report set out a summary of the Committee's revenue estimates for 2018/19, giving an overall base position of £2,669K. This included recommended income from discretionary fees and charges. The report highlighted that charges at the Town Hall for room hire and associated officer time fees had been raised between 3.3% and 4.9%, (resulting in a budgeted income of £497), and that Land Charge tariffs had been increased between 3.2% and 7.8% with one exception. Charges for an LLC1 had been increased by 13.6% to £25 in order to make it more comparable with other local authorities in Surrey. The annual budget for land charges was £120,000.

The Chairman clarified that in order to slow the depletion of reserves, the Financial Policy Panel had supported – not mandated - the possibility of using any surplus revenue funds, arising principally from dividend income received from the Epsom & Ewell Property Investment Company (EPPIC) to fund the

capital programme in 2018/19. The Financial Policy Panel would be further debating this issue at its meeting on 2 February 2018.

It was further noted that, in order to reflect the current management structure, the Committee was being asked to reconfirm a delegation in relation to the variation of fees and charges. This would now be delegated to the Chief Finance Officer.

Accordingly, the Committee:

- (1) Authorised the Chief Finance Officer to vary fees and charges for items generating income under £1,000 per annum and/or for one-off services or items;
- (2) Recommended the 2018/19 service estimates (including the increases to fees and charges set out in the report) for approval at the budget meeting of the Full Council on 20 February 2018.

45 CAPITAL PROGRAMME 2018/19

A report was presented to the Committee that set out its proposed Capital Programme for 2018/19.

The Chairman highlighted that the programme had been through extensive scrutiny prior to its presentation to Committee and again highlighted that the Financial Policy Panel had only supported the possibility of using any surplus revenue funds, arising principally from dividend income received from the Epsom & Ewell Property Investment Company (EPIPIC) to fund the capital programme in 2018/19.

The report highlighted that, in total, Medium Term Financial Strategy projects showed that £540K revenue funds were available to fund the capital programme in 2018/19 subject to the risks associated with Government proposals currently out to consultation in relation to changes to Minimum Revenue Provision (MRP). It was recommended that the entirety of this Committee's capital programme be funded from these reserves, together with £35K towards the Environment Committee's capital programme (upgrade of car park card payment machines), altogether totalling £540K. This would ease the pressure on the use of capital receipts and maintain the reserves at £2.16 million at the end of this period.

The report set out that the Financial Policy Panel had recommended the following schemes for inclusion in the capital programme totalling £505,000 to be funded from revenue subject to the risks associated with Government proposals currently out to consultation in relation to changes to Minimum Revenue Provision (MRP):

- Replacement of CRM Data Warehouse (£250K);
- ICT programme of works (£60K);
- Document Management System replacement (£50K)

- Financial Management System Upgrade (£65K)
- Renewal of Town Hall Lift Controls (£60K).

It was further proposed that the following scheme be included in the provisional capital programme for 2019/20 to 2020/21:

- Replacement of CRM and Data Warehouse (£250K)

Accordingly, the Committee:

- (1) Submitted the Capital Programme for 2018/19 as identified in section 4 of the report to Council for approval on 20 February 2018;
- (2) Confirmed its support for all the schemes included in the provisional programme for 2019-21 as identified in section 5 of the report;
- (3) Agreed that £540K revenue funds, as set out in paragraph 2.4 to 2.5 of the report be used to fund the 2018/19 capital programme, subject to:
 - a) Approval of the 2018/19 revenue budget estimated by this same Committee;
 - b) Should the Department for Communities and Local Government (DCLG) implement changes that reduced the level of revenue funds available to support the Capital Programme, any affected scheme should proceed but revert to funding from capital receipts as set out in section 10 of the report.

46 S106 UPDATE REPORT

The Committee received a report that provided an update on the funds held under Section 106 planning agreements and sought agreement for S106 funding to be applied to energy improvement initiatives in Court and Poole Road Recreation Grounds.

The report highlighted that as at 30 November 2017, the balance of uncommitted S106 funds stood at £1,508K, £311k of which had been earmarked against future expenditure, leaving available funds of £1,197K.

Certain S106 funds were required to be spent within a certain period or were liable to return to the developer. Three S106 contributions in relation to The Lintons Centre, Lintons Lane totalling £141,742 fell into this category. The expiry date on these funds was December 2024.

The report also highlighted currently uncommitted S106 contributions held over £10,000. Eleven contributions totalling £1,122,362 fell into this category. A Capital Member Group meeting would be convened in the coming months to discuss the potential uses of S106 funds.

The report sought the use of:

- £18,000 of S106 funds from the Lintons Lane agreement (£124,364) the use of which was conditioned to be for open space outdoor sports facilities to replace the existing lighting to the tennis courts and 3G football pitch with LED high level, low energy floodlights.
- £18,000 of S106 funds from the following agreements for open space outdoor sports facilities to replace the existing lighting with low energy LED lighting:

S106 Ref	S106 Agreement	Contribution Required £
167	42 Meadow Walk	1,054
250	1A Corner House Parade, Ewell	1,315
273	379 - 393 Kingston Road, Ewell	3,832
275	The Lane House, 33 Epsom Rd, Ewell	873
297	413A Kingston Road, Ewell	1,573
285	Public Convenience High St Ewell	2,630
283	178A Kingston Road, Ewell	1,383
270	31 High Street, Epsom	3,146
271	31 High Street, Epsom	2,160
Total		17,967

It was noted that the revenue savings as a direct result of these projects were estimated at £2,000 per annum and £1,000 per annum respectively and investment in certain areas was not necessarily all about pay back but about enhancement of facilities for the benefit of residents.

Accordingly, the Committee:

- (1) Noted the current position on S106 funds;
- (2) Approved the use of S106 funds as set out in paragraph 5 of the report for floodlight LED replacement on the tennis courts and 3 G football pitch at Court Recreation Ground;
- (3) Approved the use of S106 funds as set out in paragraph 6 of the report for floodlight LED replacement on the running track and sports areas at Poole Road Recreation Ground;
- (4) Noted that a Capital Member Group meeting will be convened to discuss potential uses of uncommitted S106 funds.

47 MINUTES OF PREVIOUS MEETING

The Minutes of the Meeting of the Strategy and Resources Committee held on 28 November were agreed as a true record and signed by the Chairman.

48 ROSEBERY PARK POND - SILT REMOVAL

The Committee received and considered an item not included in the original Agenda pack but which required consideration as a matter of urgency. The report highlighted issues with the renovation of Rosebery Park Pond and sought authority to use additional funds to remove accumulated silt. An urgent decision was required as the contractor was now on site.

An urgent decision had already been taken in consultation with the Chairman to spend additional funds on the perimeter detail of the pond. The cost of these unforeseen but necessary works had increased the cost of the project by £33,000.

Draining the pond had subsequently also revealed the extent of the silt build up and the Committee was asked to consider whether to proceed with its removal, the recommended option costing up to £82,000, or whether to delay the works for possible inclusion in a future capital programme.

The report proposed that, should the Committee be minded to agree to the silt removal, the works could be funded from S106 monies. The report highlighted that the Council held a balance of uncommitted S106 funds for "Environmental Improvements" of £131,000 and identified 14 agreements from which the funds could be sourced. The report further highlighted that this would deplete the resources available for other environmental improvement priorities within the Borough.

An amendment was proposed and seconded but not carried (there being 2 members in favour and a majority against) to delay the works.

Having balanced the risks, in particular public perception that works were not carried out properly if further works proved necessary in a very short period of time and the possibility- that to delay the silt removal would cost more in the long run, the Committee:

- (1) Noted the urgent decision taken under delegated authority in consultation with the Chairman to allocate additional funds to the project for the perimeter detail of the pond;
- (2) Agreed to proceed with the silt removal at an extra cost of up to £82,000;
- (3) Approved the use of S106 from the agreements listed in paragraph 5.3 of the report to fund the works.

49 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). 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.

50 PROPERTY DISPOSAL

The Committee agreed a way forward as set out in the Minutes.

Note: The details were considered officially sensitive at this time and the Minute for this item will be exempt from publication.

The meeting began at 7.33 pm and ended at 8.56 pm

COUNCILLOR EBER KINGTON (CHAIRMAN)