

**Minutes of the Special Meeting of the STRATEGY AND RESOURCES COMMITTEE  
held on 2 July 2020**

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**PRESENT -**

Councillor Eber Kington (Chairman); Councillor Clive Smitheram (Vice-Chairman); Councillors Arthur Abdulin (Items 3-7 only), Steve Bridger (Items 3-7 only), Kate Chinn, Nigel Collin, Hannah Dalton, David Gulland, Colin Keane and Barry Nash

In Attendance: Sarah Ironmonger (Director, Audit) (Grant Thornton UK LLP) (Items 1-3 only) and Sheena Phillips (Manager, Audit) (Grant Thornton) (Items 1-3 only)

Absent:

Officers present: Kathryn Beldon (Chief Executive), Damian Roberts (Chief Operating Officer), Lee Duffy (Chief Finance Officer), Amardip Healy (Chief Legal Officer), Gillian McTaggart (Head of Policy, Performance & Governance), Shona Mason (Head of Human Resources and Organisational Development), Brendan Bradley (Chief Accountant), Sarah Keeble (Democratic Services Officer) and Tim Richardson (Committee Administrator)

**1 QUESTION TIME**

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

**2 DECLARATIONS OF INTEREST**

The following declarations of interest were made in relation to the business to be considered at the meeting:

**Declarations of Interest**

Councillor Kate Chinn, Other Interest: In the interests of openness and transparency Councillor Kate Chinn declared that she knows the Chief Executive of Age Concern, through their work on Dementia Friendly Communities.

**3 EXTERNAL AUDIT UPDATE**

The Committee received a report setting out the External Auditor's plan for the external audit of the Council's 2019/20 accounts. The External Auditor had also provided the Housing Benefit Grant Certification Letter for the year ended 31 March 2019.

The Committee received a verbal introduction to the External Audit Plan and Grant Certification Letter from Sarah Ironmonger on behalf of Grant Thornton (the External Auditor).

The following matters were considered:

- a) **Increase in Audit fee.** The Committee noted that Grant Thornton's revised planned fee for 2019/20 was £44,175, a 26% increase to the original planned fee. The External Auditor informed the Committee that this was the proposed fee, which had not yet been accepted by Council Officers. The proposed fee had been referred to Public Sector Audit Appointments Limited for decision.
- b) **Audit fieldwork.** The External Auditor informed the Committee that due to the current Covid-19 situation, all audit work was being undertaken remotely, and that technology enabled this to be successfully undertaken.
- c) **Materiality for senior officer remuneration.** The External Auditor informed the Committee that a slightly lower level of materiality had been applied for senior council officer remuneration, as it was the Auditors' assessment this was an item of interest to the public, which might otherwise not be considered in detail.
- d) **Journal testing.** The Committee noted that the Auditor's findings on Journal testing would be included in the External Audit Findings report to be presented to the Committee later in the year.
- e) **Recoverability of debt.** The External Auditor informed the Committee that the impact of the current Covid-19 situation was uncertain. The Auditor would review officers' assessment of recoverability of debts in light of indicators from the current financial year, and challenge as appropriate.

Following consideration, it was resolved that the Committee:

- (1) **Received the External Audit Plan (Appendix 1 to the report);**
- (2) **Received the Grant Certification Letter (Appendix 2 to the report)**

#### 4 THE COUNCIL'S RESPONSE TO THE COVID-19 PANDEMIC

The Committee received a report setting out the Council's response to the Covid-19 pandemic following a major incident being formally declared across Surrey on 19 March 2020.

The Chief Executive introduced the report to the Committee and expressed her thanks to the voluntary organisations, councillors and officer team for their work to ensure the Council could support those in need.

The following matters were considered:

- a) **Thanks and congratulations to officers.** The Committee expressed its thanks and congratulations to the Council's Officers for all their work in response to the Covid-19 pandemic.
- b) **Access to local data.** The Committee was informed that work was underway at a strategic level to ensure that the Council could access the local data necessary to manage the impact of Covid-19. The Council was engaging with the Surrey Local Resilience Forum and had contributed to the Local Outbreak Plan
- c) **Audit Committee review.** Officers were congratulated on having an existing Pandemic Emergency Plan and other emergency planning documentation in advance of the current pandemic. In response to a request from a member of the Committee regarding the Council's other emergency plans, the Committee noted that the Audit, Crime and Disorder and Scrutiny Committee would be likely to consider a review of the Council's response to the Covid-19 pandemic at a future date, and that the Council's other plans could be encompassed within this as part of its evidence base.
- d) **High Street Task Force.** The Committee was informed that the Council had reacted very quickly to set up a task force in conjunction with Surrey Police, Surrey County Council and major retailers to make sure that the Town and high streets across the Borough were both safe and welcoming. A member expressed a concern about current arrangements within a part of the Ashley Centre Mall and it was noted that officers would work with the Mall to address these.
- e) **ICT provision and remote working.** In response to a question from a member regarding ICT provision for councillors and officers, the Chief Operating Officer informed the Committee that given the Council's small size and limited resources, its ICT facilities were good. The Council's Citrix system had enabled it to respond promptly to the pandemic emergency and ensure that essential frontline services could continue to operate. The Council's officer leadership team were keen to make sure that the benefits of flexible remote working were retained in future where possible.

Following consideration, it was resolved that the Committee:

- (1) **Noted the significant action taken by the Council and its staff in response to the Covid-19 pandemic, including providing essential support to the most vulnerable in the local community and to local businesses and action to keep essential services running.**
- (2) **Referred an updated version of the report to the next full Council meeting for consideration by all Members.**

## 5 FINANCIAL IMPACT OF COVID-19

The Committee received a report setting out the financial impact of Covid-19 on the Council in the first quarter of 2020/21, and proposing funding sources to mitigate the impact.

The Chief Finance Officer introduced the report to the Committee. The Committee was informed that the Secretary of State had announced additional funding support for Councils on the morning of the meeting. This had been announced as:

- Unringfenced grant of £500 million to respond to spending pressures that Councils were currently facing;
- An income protection scheme for all relevant losses over and above the first 5% of planned income from sales and fees and charges. It had been announced that this would be compensated at a rate of 75p in the pound.
- A proposal on the phasing of Business Rate deficits and Council Tax deficits over a 3 year period.

The Chief Finance Officer informed the Committee that the Council had not yet received the detail of these schemes, and that they were not accounted for in the report in front of the Committee. A Quarter 2 update report would be presented to the Committee's meeting in September 2020, and it was hoped to provide further information at that time.

The following matters were considered:

- a) **Commercial property income.** Following a question from a Committee member, the Chief Finance Officer informed the meeting that the Council had adopted a prudent approach to commercial property income and had set reserves which enabled it to take a managed response to the current challenges. The Chief Finance Officer also provided the Committee with an update on the figures detailed in paragraph 3.15 of the report, as £1m in rent due for the first quarter had now been collected (rather than £0.5 as detailed in the report).
- b) **Timeframe for capitalisation of losses.** The Chief Finance Officer informed the Committee that no response had yet been received from the Government with regard to proposals that Councils would be able to capitalise Covid-19 related losses, and as such no timeframe for such capitalisation could be set. The report included a recommendation that Officers should continue to pursue this possibility. If the Government permitted such capitalisation, and Officers felt that it would be of benefit to the Council, the Council's support to do so would be sought.
- c) **Corporate project reserve.** The Chief Finance Officer informed the Committee that it was not anticipated to defer any projects at present, but that future schemes might be restricted if funding was utilised for the Covid-19 response.

Following consideration, it was resolved:

**That the Committee:**

- (1) Noted the projected £2.5m deficit caused by Covid-19 in the first quarter of 2020/21;**
- (2) Agreed that the recommended funding, as set-out in paragraph 6.8, be deployed to address the deficit;**
- (3) Agreed that should the Government permit the capitalisation of Covid-19 related losses, then officers should examine this option for EEBC;**
- (4) Supported the continued lobbying of Central Government for further financial support;**
- (5) Noted that a further financial update will be brought back to this Committee in Quarter 2.**

## **6 ELECTORAL REVIEW**

The Local Government Boundary Commission for England had recently notified the Council of its intention to carry out an electoral review of the Council. The review would consider the total number of councillors on the Council, and then review the numbers and boundaries of electoral divisions within the Council.

The Committee received a report setting out proposals for the creation of an Electoral Review Task & Finish Group.

The following matters were considered:

- a) **Electoral Review Task and Finish Group.** The Committee noted that it was recommended not to permit substitutes on the Task and Finish Group, to enable consistency across its meetings. Meetings of the Task and Finish Group would be arranged in a manner to enable all of its Members to attend.

Following consideration, it was resolved that the Committee:

- (1) Noted the current position regarding the proposed Electoral Review to be carried out by the Local Government Boundary Commission;**
- (2) Established an Electoral Review Task & Finish Group, to progress the proposed Review and to formulate recommendations to Strategy & Resources Committee on any submissions to the Commission during the Review process;**
- (3) Agreed the governance structure and the terms of reference for the Electoral Review Task & Finish Group as set out in Appendix 2 to this report;**
- (4) Sought member nominations from all Party Leaders to the Electoral Review Task & Finish Group with five from the Residents Association Group, one**

**from Labour, one from the Liberal Democrats and one from the Conservative party;**

- (5) Delegated to the Chairman of Strategy & Resources to confirm the member appointments to the Electoral Review Task & Finish Group.**

*The meeting began at 7.00 pm and ended at 8.15 pm*

COUNCILLOR EBER KINGTON (CHAIRMAN)