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Democratic Services



STRATEGY AND RESOURCES COMMITTEE

Thursday 13 July 2023 at 7.45 pm

Place: Council Chamber, Epsom Town Hall

Online access to this meeting is available on YouTube: [Link to online broadcast](#)

The members listed below are summoned to attend the Strategy and Resources Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Neil Dallen (Chair)
Councillor Hannah Dalton (Vice-Chair)
Councillor Chris Ames
Councillor Shanice Goldman

Councillor Graham Jones
Councillor Alison Kelly
Councillor Robert Leach
Councillor Alan Williamson

Yours sincerely

Chief Executive

For further information, please contact democraticservices@epsom-ewell.gov.uk or tel: 01372 732000

EMERGENCY EVACUATION PROCEDURE

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- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live using free YouTube software.

A link to the online address for this meeting is provided on the first page of this agenda. A limited number of seats will be available on a first-come first-served basis in the public gallery at the Town Hall. If you wish to observe the meeting from the public gallery, please arrive at the Town Hall reception before the start of the meeting. A member of staff will show you to the seating area. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

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Exclusion of the Press and the Public

There are matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government (Access to Information) Act 1985. The Committee may resolve to exclude the press and public during discussion of these matters by virtue of the private nature of the business to be transacted.

Questions and statements from the Public

Up to 30 minutes will be set aside for questions and statements from members of the public at meetings of this Committee. Any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough may ask a question or make a statement on matters within the Terms of Reference of the Committee.

All questions must consist of one question only and cannot consist of multiple parts. Questions and statements cannot relate to planning or licensing committees matters, the personal affairs of an individual, or a matter which is exempt from disclosure or confidential under the Local Government Act 1972. Questions which in the view of the Chair are defamatory, offensive, vexatious or frivolous will not be accepted. Each question or statement will be limited to 3 minutes in length.

If you wish to ask a question or make a statement at a meeting of this Committee, please contact Democratic Services at: democraticservices@epsom-ewell.gov.uk

Questions must be received in writing by Democratic Services by noon on the third working day before the day of the meeting. For this meeting this is **Noon, Monday 10 July 2023**.

A summary of statements must be received by Democratic Services by noon on the working day before the day of the meeting. For this meeting this is **Noon, Wednesday 12 July 2023**.

For more information on public speaking protocol at Committees, please see [Annex 4.2](#) of the Epsom & Ewell Borough Council Operating Framework.

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Filming or recording must be overt and persons filming should not move around the room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non-handheld devices, including tripods, will not be allowed.

AGENDA

1. QUESTION AND STATEMENTS FROM THE PUBLIC

To take any questions or statements from members of the Public.

2. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

3. MINUTES OF PREVIOUS MEETING (Pages 5 - 10)

The Committee is asked to confirm as a true record the Minutes and Restricted Minutes of the meeting of the Committee held on 28 March 2023 (attached) and to authorise the Chair to sign them.

4. PLANNING DEVELOPMENT MANAGEMENT – RESOURCES (To Follow)

5. 2022-23 PROVISIONAL FINANCIAL OUTTURN (Pages 11 - 24)

This report summarises the Council's provisional financial performance for 2022/23 and details the capital budgets to be carried forward for schemes where costs will be incurred in 2023/24.

6. 2024-25 STRATEGIC FINANCIAL PLANNING (Pages 25 - 38)

This report seeks guidance on the approach to producing the Council's budget for 2024/25 and Medium Term Financial Strategy for 2024-28.

7. LAND AVAILABILITY FOR THE LOCAL PLAN (Pages 39 - 58)

This report considers the land availability of specific Council owned sites which are under further investigation by the Local Planning Authority (LPA).

8. TOWN HALL SITE (Pages 59 - 64)

This report considers the appointment of specialist consultancy support required for the Council to consider all its options.

9. APPOINTMENT OF MEMBERS AND CHAIR OF THE SHAREHOLDER SUB-COMMITTEE (Pages 65 - 68)

To agree the appointment of Members and a Chair to the Shareholder Sub Committee for the 2023-24 Municipal Year.

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Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held at the Council Chamber, Epsom Town Hall on 28 March 2023

PRESENT -

Councillor Neil Dallen (Chair); Councillor Hannah Dalton (Vice-Chair); Councillors Kate Chinn, Monica Coleman, Liz Frost, David Gulland, Graham Jones, Colin Keane, Eber Kington and Alan Williamson

In Attendance: Councillor Steven McCormick

Officers present: Jackie King (Chief Executive), Andrew Bircher (Interim Director of Corporate Services), Victoria Potts (Interim Director of Environment, Housing and Regeneration), Chris Anderson (Head of IT), Brendan Bradley (Head of Finance), Mark Shephard (Head of Property and Regeneration), Sue Emmons (Chief Accountant), Tony Foxwell (Senior Surveyor) and Tim Richardson (Democratic Services Manager)

53 QUESTION TIME

No questions were asked by members of the public.

54 DECLARATIONS OF INTEREST

No declarations of interest were made in relation to items of business to be discussed at the meeting.

55 MINUTES OF PREVIOUS MEETING

The Minutes and Restricted Minutes of the meeting of the Strategy and Resources Committee held on 26 January 2023 were agreed as a true record and signed by the Chair.

56 PLANNED MAINTENANCE PROGRAMME 2023-24

The Committee received a report providing an update on the current financial year's approved 2022-23 planned maintenance programme and requesting approval for the planned maintenance programme for the next financial year 2023-24.

The following matters were considered:

- **External funding.** Following a question from a member, the Senior Surveyor informed the Committee that officers would continue to seek funding from external sources for works to reduce CO₂ emissions.
- **Correction to report, Bourne Hall and Playhouse lighting replacement.** The Committee noted a correction to a typing error on page 13 of the agenda. The proposed works should read: "Replacement lighting with **high** efficiency LED lights to the remaining locations." (correction in bold and underlined).

Following consideration, the Committee unanimously resolved to:

- (1) **Note the progress and anticipated spend at the end of the current year 2022-23 as shown in Appendix 1 to the report.**
- (2) **Note the additional emergency works raised and carried out in the 2022-23 planned maintenance programme.**
- (3) **Approve the 2023-24 planned maintenance programme at an estimated cost of £539,000 as set out in Appendix 2 to the report.**
- (4) **Subject to the Council's financial and contract requirements, to delegate authority to the Head of Property and Regeneration to make changes within the 2023-24 planned maintenance programme to cover unforeseen matters (such as tender price variances) of up to, but not exceeding £20,000.**
- (5) **To agree to transfer the unspent budgets back to the Planned Maintenance Reserve at the end of the financial year.**

57 IT STRATEGY

The Committee received a report providing details of the Epsom & Ewell Borough Council Information Technology Strategy for 2023 and beyond. The report sought the Committee's agreement to a revised and more detailed IT Strategy and IT Roadmap being submitted for approval later in 2023.

The following matters were considered:

- **Blockchain ledger technology.** Following a question from a member, the Head of IT informed the Committee that the adoption of blockchain ledger technology would be considered by officers.
- **Councillor devices.** The Committee was informed that councillors would be provided with the option of either a laptop or tablet device following the elections in May 2023.
- **Website.** In response to a question, the Head of IT informed the committee that resourcing the works contained within the IT strategy would be challenging. The Committee was informed of the staged

approach which would be taken to update the public website, including an increased use of the My Council Services portal.

Following consideration, the Committee resolved with 8 votes for and 2 abstentions to:

- (1) **Agree the draft IT Strategy and the associated plan to invest in a programme of works as set out in the draft IT Roadmap. The works to include; a refresh of end user devices for councillors and officers, a programme of works to update infrastructure, and transformational projects to improve and increase online services to residents.**
- (2) **Approve the indicative funding implications for delivering the defined IT Roadmap in 2023-2024 as set out in table 1 of the report, these being; the carry forward of unspent 2022/23 capital funding of £215k and new capital funding for 2023/24 of £225k (which is inclusive of an additional £15k in order to complete the Member device refresh).**

58 ANNUAL PLAN 2023/24

The Committee received a report asking it to approve the annual plan for the council for 2023-2024.

The following matters were considered:

- **Service delivery plans.** The Committee noted that the Annual Plan contained 22 high level actions and was supported by a set of service delivery plans which provided more specific targets across the council's activities. In response to a query from a member, it was confirmed that work to review the Council's constitution was included in the service delivery plan for the Interim Director of Corporate Services.
- **Identification of business start-up premises.** The Committee noted that this action had been carried forward from 2022-23.
- **TRN definition.** The Committee noted that the abbreviation "TRN" used in the Annual Plan related to Tree Replacement Notices.

Following consideration, the Committee resolved with 7 votes for, 2 abstentions and the Chair not voting to:

- (1) **Approve the annual plan shown at Appendix 1 to the report for the year 2023-24.**

59 ENDING THE WORK OF THE CONSTITUTION WORKING GROUP

The Committee received a report bringing the work of the Constitutional Working group to an end under Strategy and Resources Committee and transferring the responsibility for this work to Standards and Constitution Committee.

The following matter was considered:

- **Thanks to Officers.** The Committee requested that it's thanks to officers for their work to support the Constitutional Working Group be recorded in the Minutes.

Following consideration, the Committee unanimously resolved to:

- (1) Thank the members of the Constitutional Working Group for their work in preparing the amended documents approved at Council on the 14th February; and**
- (2) Transfer responsibility for the continuation of Constitutional updates to the Standards and Constitution committee**

60 EXCLUSION OF PRESS AND PUBLIC

The Committee resolved with 8 votes for, 1 abstention and the Chair not voting 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.

61 COMMERCIAL TENANT UPDATE

The decision on this item is recorded in a separate (not for publication) restricted Minute.

62 COMMERCIAL PROPERTY UPDATE

The decision on this item is recorded in a separate (not for publication) restricted Minute.

The meeting began at 7.30 pm and ended at 8.29 pm

COUNCILLOR NEIL DALLEN (CHAIR)

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2022-23 PROVISIONAL FINANCIAL OUTTURN

Head of Service:	Brendan Bradley, Head of Finance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report summarises the Council's provisional financial performance for 2022/23 and details the capital budgets to be carried forward for schemes where costs will be incurred in 2023/24.

Recommendation (s)

The Committee is asked to:

- (1) Receive the report on provisional financial outturn for 2022/23;**
- (2) Approve the carry forward £2.19m budget for capital schemes to be added to the 2023/24 capital programme.**
- (3) Note that the provisional outturn position is subject to external audit. Should any material changes arise from the audit, these will be reported back to members.**

1 Reason for Recommendation

- 1.1 This Committee has responsibility for the Council's overall budget framework; it is therefore important that members are made aware of the 2022/23 outturn position. The Financial Regulations also require that the budget carry-forward requests be approved by Strategy & Resources Committee.

2 Background

- 2.1 The Council's financial performance is reported quarterly to members of Audit & Scrutiny Committee through the budget monitoring process. At year-end, the outturn position is formally reported to Strategy & Resources via this report, and to Audit & Scrutiny Committee via the Statement of Accounts report in the Autumn.

- 2.2 Provisional outturn has already been circulated to all members via Members' News in July, this report formally presents the position to Strategy & Resources Committee.
- 2.3 The provisional outturn position will be subject to external audit over the summer and autumn. Should any material amendments arise following completion of the external audit, these would be reported back to members.

General Fund Summary Position

- 2.4 In summary the outturn position for 2022/23 is:-

Table 1 - General Fund Summary	Original Budget	Current Approved Budget*	Provisional Outturn	Variance
	£'000	£'000	£'000	£'000
Strategy and Resources	2,319	225	(543)	(768)
Environment & Safe Communities	3,723	5,059	5,255	196
Community & Wellbeing	4,617	5,182	5,210	28
Licensing & Planning Policy	636	829	847	18
Capital charges	(2,669)	(2,669)	(2,669)	0
Total Net Expenditure	8,626	8,626	8,100	(526)
Funded by:				
Collection fund precept	7,090	7,090	7,090	0
Covid-19/Lower Tier Support Grant	64	64	64	0
Share of Business Rates	1,606	1,606	1,606	0
Transfer from Collection Fund	(133)	(133)	(133)	0
Total Funding (Budget Requirement)	8,626	8,626	8,626	0
Subtotal	0	0	(526)	(526)
Reverse planned transfer from Corporate Projects Reserve as not required			262	262
Total General Fund	0	0	(264)	(264)

** includes agreed virements and changes to employee and support services allocations, capital charges and IAS 19 pension adjustments from the original budget to reflect required accounting practice.*

- 2.5 The overall 22/23 budget was supported by a planned £262k drawdown from the Corporate Projects Reserve to balance. Given the overall favourable variance, this £262k will be returned to the Corporate Projects Reserve, with the remaining £264k favourable variance transferred to the General Fund working balance reserve, as shown in the following table:

Table 2 - General Fund Working Balance	£'000
Working Balance at 1 April 2022	2,853
Surplus/(Deficit) on General Fund for 2022/23	526
Less transfer back to Corporate Projects Reserve	(262)
Working Balance at 31 March 2023	3,117

- 2.6 At Quarter 2, an equivalent forecast probable outturn of £243k under budget had been forecast and reported to Senior Management Team and Members.
- 2.7 Information on the main variations to budget were circulated to all members in July. The most significant adverse variances to budget in 2022/23 were as follows:
- Place Development (£0.22m) – The adverse variance is mainly caused by under recovery of planning income of £247k, which is sensitive to the external economic environment. This was partially offset by a favourable variance within the Planning Policy Team as a result of government grant funding. Planning income targets will be reviewed once government completes its review of statutory planning targets.
 - Car parking (£0.19m) – The net £194k adverse variance across car parks is mainly due to £216k underachievement of income at the Ashley Centre, which has been impacted by the temporary loss of its flagship store and a gradual recovery from the pandemic. Hook Road car park has also experienced a slower recovery than anticipated, and the loss of use of the Atkins overspill car park contributed to the adverse variance. These income shortfalls were partially offset by a net favourable variance of £14k at Town Hall and Hope Lodge car parks, as well as additional income of £24k from Ewell car parks following the introduction of charging at Stoneleigh Parade.
- 2.8 The most significant favourable variances to budget in 2022/23 were as follows:
- Treasury Management Income (£0.50m) – the council received additional net treasury management investment income of £498k in 2022/23 to help fund services. This additional income has been achieved following Bank of England base interest rate rises.
 - Licensing (0.20m) – The favourable variance is mainly due to additional income following the acquisition of several new taxi operators that have chosen to licence their drivers and vehicles with EEBC.
- 2.9 Budget plans are being kept under review and will continue to be reported to Members, with the next scheduled quarterly update due at Audit & Scrutiny Committee in September.

3 Reserves

3.1 Transfers have been made to and from revenue and capital reserves in line with Council policy for the reserves and as approved for specific schemes during the year.

3.2 The following table shows the balances of strategic revenue reserves following preparation of the unaudited Statement of Accounts:

Table 3 - General Fund Revenue Reserves	Balance at 31 March 2022	Balance at 31 March 2023	Commitments & Forecast Transfers	Forecast Balance
	£'000	£'000	£'000	£'000
General Fund Working Balance	2,853	3,117	0	3,117
Corporate Projects Reserve (a)	4,130	4,148	(1,567)	2,581
Sub-Total - Reserves available for general use	6,983	7,265	(1,567)	5,698
Repairs and Renewals	456	532	(60)	472
Insurance	434	434	(20)	414
Property Maintenance	689	650	(329)	321
VAT Reserve	206	206	0	206
Collection Fund Equalisation Reserve (b)	5,158	4,001	(2,134)	1,867
Commuted Sums	1,439	1,439	0	1,439
Property Income Equalisation Reserve (c)	8,459	9,881	(5,794)	4,087
Sub-Total - Contingencies unavailable for general use	16,841	17,143	(8,337)	8,806
Residential Property Acquisition Fund	1,017	977	0	977
Community Safety	104	140	(44)	96
Sports & Leisure Development Projects Fund	76	142	(66)	76
Place Development Grants (d)	225	681	(654)	27
Personalisation, Prevention & Partnership	73	111	(42)	69
Housing/Homelessness Support Grants (e)	332	1,033	(223)	810
HIA Hardship Fund	124	124	0	124
Basic Payments Scheme	142	142	0	142
Covid Grants Reserve (f)	163	0	0	0
Other smaller grants	28	28	0	28
Sub-Total - Ringfenced funds/grants for specific use	2,284	3,378	(1,029)	2,349
Total Revenue Reserves	26,108	27,787	(10,933)	16,853

The major movements in reserves during the year were as follows:

- a) Corporate Projects Reserve – New burdens funding from government totalling £107k has been transferred into the reserve to fund ongoing

statutory assurance work by the revenues and benefits team into 2023/24, relating to grant support schemes including Household Support Fund. In addition, £52k has been transferred to the reserve to fund the Arts & Culture Officer and Heritage Digital Tours in 2023/24; initiatives supported by Community & Wellbeing Committee in January 2022. A further £20k unspent training budget was transferred into the reserve, to fund backlog staff training requirements in 2023/24. £117k has been withdrawn from the reserve to fund planning appeals and local plan work streams, as previously agreed by S&R Committee.

- b) Collection Fund Equalisation Reserve – As planned, £0472m was withdrawn from the reserve to fund 2022/23's revenue budget, in addition to £683k withdrawn to adjust for timing differences that arise through the year-end collection fund closedown. The reserve will be required in future years to fund the accumulated collection fund deficit of £1.68m at 31 March 2023, and to offset potential future reductions in business rates income following central government's Fair Funding Review. The reserve may also be used to offset any significant, future successful appeals against business rate bills, and to manage variations in annual council tax income.
- c) Property Income Equalisation Reserve – During 2022/23, the Council received £1.1m in back rent following rent reviews at Longmead and Nonsuch Industrial Estates, and a £2.3m settlement at 64-74 East Street, which have been set-aside in the reserve to fund known future property commitments. £2.1m was drawn down from the reserve mainly to replace reduced net rental income at Parkside House, 64-74 East Street and EEPIC's Arlington Sq, as previously reported to S&R Committee.
- d) Sports & Leisure Development Reserve - Grant funding from the NHS totalling £66k has been transferred to reserves to fund My Community Boxing, C&W centre communications and the Epsom Hub in 2023/24.
- e) Place Development Grants – Ringfenced DLUHC grants totalling net £536k were transferred to the reserve to fund planning software initiatives in 2023/24. Prior year funding of £80k was withdrawn from the reserve to cover agreed Local Plan and Customer & Communities Improvement Fund (CCIF) workstreams.
- f) Housing/Homelessness Grants – Government funding of £626k to support Syrian, Afghan and Ukrainian refugees has been transferred into the reserve to fund anticipated housing and resettlement related costs in 2023/24 and beyond. The Council has also been able to set-aside a £0.1m favourable variance on Private Sector Leasing and Council-owned temporary accommodation properties to mitigate homelessness pressures in 2023/24.

- g) Ringfenced government support grants totalling £143k had been brought forward from 2021/22 and was applied in 2022/23 to fund Covid-related business grant assurance work, and delivery of the Household Support Fund and £150 council tax energy rebate schemes. The remaining balance of £19k on the Contain Outbreak Management Fund was also withdrawn to meet residual installation costs of the audio-visual equipment in the Council chamber, as previously agreed at S&R Committee.

4 2022/23 Additional Income/Savings Delivery

- 4.1 The 2022/23 budget required £342,000 of new additional income and savings to be delivered during the year. The delivery status of these is summarised in the following table:

Table 4 - Summary of Budgeted Savings - 2022/23	Committee	Achieved	In progress	Not Achievable
		£000	£000	£000
Bourne Hall	C&W	30	-	-
Review of Ewell Court House	C&W	-	-	10
Tattenham Corner Conveniences	EWDC/C&W	12	-	-
Income from Commercial Property	S&R	112	-	-
Review of Waste Collection	E&SC	100	-	-
Review of Grounds Maintenance	E&SC	67	-	-
Other Service Efficiencies	All	11	-	-
Total Savings - £342k		332	0	10

- 4.2 The vast majority of budgeted additional income/savings were achieved in 2022/23. An update on the main items is provided as follows:

- 4.2.1 At Bourne Hall, initiatives to develop the café and wider property offering resulted in the targeted saving being achieved. Work continues to further enhance the Bourne Hall offering.
- 4.2.2 The commercial property income target was achieved through Emerald House (on East Street), which was acquired in March 2020, and generated £326k income for the year.

- 4.2.3 For waste collection, the saving was achieved through £171k unbudgeted income received from Surrey County Council, who at year-end pay EEBC a proportion of income earned from the secondary recycling market. It is anticipated that the saving will continue to be delivered through this mechanism in the short-medium term, although there is a risk that should recycling market prices deteriorate in future years, the income may reduce (and vice versa). Once government's much-delayed National Waste Strategy is published, a report will be taken to Environment Committee for members to agree how the Council will deliver the strategy and optimise its waste collection service to achieve the saving in the long term.
- 4.2.4 The grounds maintenance saving was achieved following efficiencies identified through 2021's corporate restructure.
- 4.2.5 At Ewell Court House, on the basis that S&R committee had approved proposed leases to achieve the targeted saving in March 2022 (catering function to Bovingdons) and July 2022 (Tea Rooms to an external provider), this saving was previously reported as achieved. However, it has since been identified that the Tea Rooms lease has been delayed, meaning this saving has not been achieved in 2022/23. The saving remains deliverable in future years provided the Tea Rooms lease can be successfully completed.

5 Provisions

- 5.1 Income from the recovery of past housing benefit overpayments has previously been used to increase the bad debt provision for outstanding housing benefit overpayments debts, due to the planned future transfer of benefits administration to central government. Outstanding debt at the end of 2022/23 totals £1.49m (£1.51m at 31 March 2022). The balance of the provision stands at £1.47, meaning that 99% of the outstanding debt has been provided for at 31 March 2023 (also 99% prior year).
- 5.2 Following an analysis of general debtors, the associated bad debt provision has decreased by £582k, from £955k to £373k at 31 March 2023. The £582k decrease consists £197k write-offs charged against the provision (this relates to the agreed management fee reduction at Rainbow Leisure centre to reflect periods of closure during the pandemic) and a £385k reduction in the provision overall to reflect the current profile and balance of outstanding debtors. Outstanding debtors will be monitored and managed during 2023/24 in accordance with the Council's debtor procedures.

- 5.3 A £250k provision has also been set-aside as a contingency for the Health & Safety Executive investigation into December 2021's waste collection vehicle incident. Whilst the investigation remains ongoing, this sum has been set aside in case a financial liability arises.

6 Pensions

- 6.1 Pensions have been treated within the accounts in accordance with recommended financial reporting standards for local authorities. The net liability at 31 March 2023 for accounting purposes is £5.4m compared to £36.8m at 31 March 2022. The significant favourable movement is principally due to changes in the assumptions, used by the actuary, particularly an increase from 2.7% to 4.75% in the discount rate used to calculate future liabilities.
- 6.2 Additional information on pension liabilities is included within the Statement of Accounts, which is prepared in accordance with International Accounting Standard 19 (IAS19). The IAS19 accounting valuation does not comprise a full re-valuation of the fund and does not impact the Council's contributions.
- 6.3 Although the IAS19 pension liability has an impact on the Council's balance sheet, the valuation methodology is affected by short-term economic market conditions and is not used to determine the impact on council tax of the cost of paying pensions. There are separate statutory arrangements for meeting the liability, which will be addressed by increased contributions to the scheme over the remaining working lives of the staff.

7 Capital Expenditure 2022/23

Core Capital Programme

- 7.1 A summary report of the 2022/23 capital programme was issued to all Councillors via Members Update in July. The 2022/23 expenditure per Committee for the core capital programme is shown below:-

Table 5 – Core Capital Programme	2022/23 Approved Budget £'000	2022/23 Outturn £'000	Forecast Variance £'000
Strategy & Resources	721	185	(536)
Environment & Safe Communities	1,302	548	(754)
Community & Wellbeing	2,002	815	(1,187)
Licensing & Planning Policy	0	0	0
Total Core Capital Programme	4,025	1,548	(2,477)

- 7.2 On the core capital programme, actual expenditure was £1.548m, which is £2.477m less than the current approved budget. The main projects contributing to the underspend, are the Disabled Facilities Grant (957k); Replacement of EEBC Lamp Columns (£396k); the CRM and Data Warehouse project (£312k); Plan E (£335k); ICT Programme of Works (£221k); Playhouse works (£128k), which had been on hold during the pandemic; and Football Pitch Drainage Systems (£74k) which was completed with a significant favourable variance to budget.
- 7.3 The following 2022/23 projects remain in progress and it is requested that the budgets be carried forward to 2023/24:

Table 6 – 2022/23 Capital Projects still in progress at 01/04/23	Remaining Budget £'000s	Funding Source
Disabled Facilities Grant	957	External Grant
Ashley Centre Car Park Expansion Joints - Phase 2	37	Capital Receipts
Wellbeing Centre - Replacement of Boilers and Controls	21	Capital Receipts
ICT Programme of Works	6	Capital Receipts
Plan E - Marketplace	335	CIL
Replacement of EEBC lamp columns	396	CIL
Playhouse Refurbishment	94 34	Capital Receipts Repairs & Renewals Reserve
Replacement of CRM and Data Warehouse	312	Capital Receipts
Total carry forward for approval	2,192	
Previously agreed – ICT Programme of Works	215	Capital Receipts
Total budget carried forward into 2023/24	2,407	

- 7.4 Budgets totalling £2.192m are requested to be carried forward into 2023/24 for schemes not completed in 2022/23. This is in addition to the £215k being carried forward for the ICT Programme of Works, as agreed by this Committee at its meeting on 28 March 2023. The total underspend on this scheme was £221k, therefore the carry forward of the balance of £6k is being requested at this meeting.
- 7.5 The total balance of budget being carried forward is £2.407m, leaving a balance of £70k which is the budget variance of projects which have now completed.

Property Acquisition Funds – Commercial Property

- 7.6 The Council retains one in-Borough commercial property acquisition fund, which has a remaining balance of £49.6m available for investment. The fund can be financed from prudential borrowing. No commercial properties were acquired during 2021/22, although should opportunities arise in future, these will be explored as appropriate.
- 7.7 The Council formally closed its out-of-Borough commercial property acquisition fund in February 2020, as part of agreeing the Medium Term Financial Strategy 2020-24, in order to comply with government's Statutory Guidance on Investments.

Property Acquisition Funds – Residential Property

- 7.8 In 2016/17, the Council established a £3m fund to purchase residential property, principally to assist the Council to manage homelessness and reduce associated costs. No new purchases were made during 2022/23, but £39k was incurred on completing the works to 24 South Street.
- 7.9 The remaining balances on the Property Acquisition Funds are shown in the following table. Please note that the £49.6m funds are not reserves that the Council holds; they are limits (approved by Full Council) up to which borrowing could be undertaken.

Table 7 - Property Acquisition Funds	Commercial Property (in-Borough)	Residential Property	Total
	£000	£000	£000
Opening fund balance	80,000	3,000	83,000
Purchases during 2016/17	(19,206)	(811)	(20,017)
Purchases during 2017/18	(5,148)	(562)	(5,710)
Purchases during 2018/19	0	(257)	(257)
Purchases during 2019/20	(6,077)	(20)	(6,097)
Purchases during 2020/21	0	(95)	(95)
Purchases during 2021/22	0	(238)	(238)
Purchases during 2022/23	0	(39)	(39)
Fund balances at 31/03/2023	49,569	978	50,547

- 7.10 The financing of capital expenditure in 2022/23 is summarised in the following table:

Table 8 - Financing of Capital	2022/23 Approved Budget £'000
<u>Expenditure</u>	
Core Programme	1,548
Property Acquisition Funds	39
CIL Neighbourhood 15% Schemes	242
Horton Chapel*	144
Vehicle Finance Lease	13
Total Expenditure	1,986
<u>Financing</u>	
Capital Receipts Reserves	270
Capital Grants-DFG	616
Budgeted Revenue Contributions	400
Revenue Reserves	202
S106 receipts	176
Community Infrastructure Levy	309
Total Financing	1,973
Vehicle Finance Lease - to be financed in future years	13
Total	1,986

*This Horton Chapel expenditure represents part-payment of the original £1.45m grant, which as per the grant agreement, is paid in instalments to Horton Chapel Arts & Heritage Society. For clarity, this expenditure is not a new grant, but an instalment of the original grant award.

8 Capital Receipts 2022/23

8.1 The Council received £389k of new capital receipts in 2022/23; £340k relating to properties at South Street transferred to Transform Housing Association; £22k relating to the disposal of a residential property by Rosebery Housing Association; and £27k relating to the early disposal of leased vehicles. Capital receipt balances are summarised in the following table:-

Table 9 - Capital Receipts Reserve	£'000
Balance brought forward at 1 April 2022	3,821
Used to fund the 2022/23 capital programme	(270)
Capital receipts received in 2022/23	389
Closing balance at 31 March 2023	3,940
Earmarked for previous schemes not yet complete (balance rolled forward to be agreed by S&R Committee in July 2023)	(685)
Estimated capital receipts expected in 2023/24	0
Planned use for 2023/24 programme	(348)
Estimated balance at 31 March 2024	2,907

8.2 The level of reserves will be re-assessed during this year's capital programme review.

9 Risk Assessment

Legal or other duties

9.1 Impact Assessment

9.1.1 A risk assessment was included in the 2022/223 budget report. Monitoring arrangements during the year have allowed some corrective action to be taken on a number of budget variances, either during the year or as part of the Council's longer-term service and financial planning.

9.1.2 An updated risk assessment was included in the 2023/24 budget report. Further budget monitoring will be carried out on any specific service where the financial position was materially worse than anticipated.

9.2 Equality Impact Assessment

9.2.1 None arising from the contents of this report.

9.3 Crime & Disorder

9.3.1 None arising from the contents of this report.

9.4 Safeguarding

9.4.1 None arising from the contents of this report.

9.5 Dependencies

9.5.1 None arising from the contents of this report.

9.6 Other

9.6.1 None arising from the contents of this report.

10 Financial Implications

10.1 Financial implications are included in the body of the report.

10.2 **Section 151 Officer's comments:** The reported outturn position is not expected to change, however, should there be any changes following completion of the external audit, these will be reported to members with the external audit report.

10.3 The Council's financial position is continually monitored and future budget plans are presented as a separate agenda item to this Committee - see 2024/25 Strategic Financial Planning report.

11 Legal Implications

11.1 None arising from the contents of this report.

11.2 **Legal Officer's comments:** None arising from the contents of this report.

12 Policies, Plans & Partnerships

12.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective Council

12.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

12.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

12.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

12.5 **Partnerships:** None arising from the contents of this report.

13 Background papers

13.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2022/23 Budget Report to Full Council, February 2022
- Quarterly Budget Monitoring Reports to Audit & Scrutiny Committee

Other papers:

- Provisional outturn reports issued to all councillors via Members News in July 2023

FINANCIAL PLANNING FOR 2024/25 BUDGET AND NEW FOUR YEAR MEDIUM TERM FINANCIAL STRATEGY

Head of Service:	Lee Duffy, Chief Finance Officer
Wards affected:	(All Wards);
Urgent Decision?	No
Appendices (attached):	Appendix 1 – Financial Planning Timetable Appendix 2 – Revenue Reserves Forecast

Summary

This report seeks guidance on the approach to producing the Council's budget for 2024/25 and Medium Term Financial Strategy for 2024-28.

Recommendation(s)

The Committee is asked to agree:

- (1) The proposed approach to be taken to 2024/25 budget setting and the Medium Term Financial Strategy 2024-28, as set out in this report;**
- (2) That officers should work with Policy Committee Chairs, as set out in section 7 of this report, to produce specific income generation and savings options, in addition to savings already targeted, to meet the initial projected deficit of £2.5m per annum by 2027/28;**
- (3) That owing to the Council's projected budget deficit, any additional new revenue growth items (i.e. service enhancements resulting in increased net expenditure) supported by Policy Committees will need to be fully funded from existing budgets;**
- (4) That the emerging annual / business plan and the budget process are aligned to ensure that any commitments are affordable;**
- (5) The budget reporting timetable in Appendix 1.**

1 Reason for Recommendation

- 1.1 Approving the recommendations will provide a clear framework for the Council to develop its new four-year Medium Term Financial Strategy and a balanced budget for 2024/25. Strategy and Resources Committee has agreed one of its key priorities is to achieve financial stability for the Council.

2 Background

- 2.1 It is a requirement of the Council to agree a Medium Term Financial Strategy (MTFS) every four years. The MTFS aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan. This report considers the steps needed to achieve balanced budgets during the term of the financial strategy.
- 2.2 The report proposes revenue and capital budget reporting timetables for preparing the new Medium Term Financial Strategy and the 2024/25 budget.
- 2.3 The Council will review its overall financial position and agree a new MTFS alongside agreeing a budget for 2024/25.
- 2.4 This report proposes:-
 - 2.4.1 A framework for the 2024/25 budget review, and
 - 2.4.2 A programme of medium-term service and financial planning.

3 Financial Position 2022/23

- 3.1 2022/23 represented the first financial year that Council services were not directly impacted by restrictions imposed by Government due to Covid-19.
- 3.2 Strategy & Resources Committee agreed a report on 22 July 2022 that quantified the adverse impact that the pandemic had on the Council's finances, through permanent changes in demand for services and increased expenditure. For 2022/23, it was estimated that the underlying ongoing cost of the pandemic to the Council is £1.1 million per annum.
- 3.3 At the same meeting it was also agreed to fund the required increase in budgets from a mix of reserves, contingencies, increased commercial income from properties and savings.
- 3.4 The Council has subsequently produced unaudited accounts for 2022/23. The draft outturn for 2022/23 showed a surplus position which has resulted in a contribution of £264k to the General Fund working balance; as at the end of 2022/23 the balance on this reserve was £3.1 million.

- 3.5 The Council had an approved capital programme of £4.02 million for 2022/23 and spent £1.55m with the majority of the unspent capital programme expected to be carried forward in to 2023/24. The level of uncommitted capital receipts reserves stood at £2.9m at the end of 2022/23.
- 3.6 More detail on the Council's financial performance for 2022/23 is provided in the separate Provisional Financial Outturn report, also on this meeting agenda.

4 Budgeted Position for 2023/24

- 4.1 The 2023/24 budget provides a good platform for budget planning. The service estimate, agreed by Council in February this year, required c.£2.4m of strategic reserves to fund services and balance the budget.
- 4.2 The approved budget included a £500,000 revenue contribution to assist in the funding of the annual capital programme.
- 4.3 The Council is also expected to benefit from additional retained business rates by £150,000 in 2023/24 due to being invited to participate in the Surrey Business Rate Pool. However, the invitation is only for 2023/24.
- 4.4 The Council also set aside a c.£900,000 provision in 2023/24's budget, which acts as a contingency to mitigate financial risk, enabling the Council to fund elevated utility and operational costs due to inflation (i.e. the 'cost-of-living crisis').

5 Revenue Reserves

- 5.1 The current level of revenue reserves is shown at Appendix 2.
- 5.2 The Council uses its reserves proactively to manage risks, to invest in service transformation for the future, or to respond to unexpected events or emerging needs. Generally, reserves should not be used to fund day-to-day services on an ongoing basis, as reserves would eventually become depleted without a plan for replenishing them.
- 5.3 The 2023/24 budget plans to use c.£2.4m from the Council's reserves to balance, which was considered a reasonable approach in the short term, as this use of reserves has enabled the Council to assess the financial environment post pandemic and cost of living crisis, before taking major decisions around the future of service delivery.
- 5.4 It is important for the Council to maintain reserves at a level that ensures future risks can be mitigated and managed, and provide the capability to fund corporate initiatives. At 31 March 2023, the Council holds £2.2m (subject to audit) of uncommitted un-ringfenced revenue reserves, after deducting agreed minimum balances.

- 5.5 In agreeing to temporarily use reserves to fund 2023/24's budget, members noted the requirement to remove unsustainable reliance on reserves to fund the day-to-day revenue services.
- 5.6 The importance of removing reliance on reserves has been recently reiterated by the Council's external auditors, Grant Thornton, whose 2021/22 Annual Auditor's Report (dated May 2023) recommends:
- 5.7 *"The Council needs to set a timeline for how it will develop longer term saving plans that will ensure reserves are not further depleted"*.

6 Budgeted Forecast 2024/25 and Beyond

- 6.1 The 2023/24 local government finance settlement represented a 'holding position' until the next Parliament. As part of the settlement, Government also ruled out a business rates reset and a 'Fair Funding Review' until at least 2025/26, which should provide the Council with relative external funding stability until then.
- 6.2 An initial four year forecast has been produced for financial planning purposes, as set-out in the following table.

Table 1 - Updated MTFS Projections	2023/24 Agreed Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast
	£'000	£'000	£'000	£'000	£'000
Net Cost of Services	10,673	10,748	11,313	12,164	13,038
Budgeted Use of Reserves	(2,383)	0	0	0	0
Subtotal - Net Budget Requirement	8,290	10,748	11,313	12,164	13,038
External Funding					
Council Tax (3% annual increase)	7,361	7,620	7,888	8,165	8,452
Retained Business Rates	1,653	1,686	1,720	1,754	1,789
Prior Year Collection Fund Deficit	(1,056)	0	0	0	0
Lower Tier Services Grant	333	333	333	333	333
Subtotal - External Funding	8,290	9,639	9,941	10,253	10,575
Projected Budget Shortfall for Financial Planning	0	1,109	1,372	1,911	2,464

- 6.3 It can be seen that the initial forecast anticipates that savings/additional income of c.£2.5 million will be needed by 2027/28 to achieve a balanced budget at the end of this period. Key assumptions within the forecast are as follows:

- 6.3.1 Annual staff pay inflation (i.e. the 'cost of living' uplift) and prices inflation are forecast at 3% per annum. This assumption will be updated when any new pay deal is agreed.

- 6.3.2 Fees and charges income is forecast to increase by 6% in both 2024/25 and 2025/26 (as previously agreed by S&R in July 2022), then by 3% for both 2026/27 and 2027/28.
- 6.3.3 Council tax increases are forecast at 3% per annum for a Band D equivalent.
- 6.3.4 Treasury management investment income earned on reserves is projected to achieve an average 4% annual return and be applied to fund services over the four-year period.
- 6.3.5 Parkside House will return to be fully income generating from 2024/25 (as reported to S&R in January 2023), but no income will be generated from the vacant 64-74 East Street property.
- 6.3.6 Revenue funding towards the financing of a sustainable capital programme is forecast to increase to £750,000 per annum by 2026/27.
- 6.3.7 Existing agreed savings totalling £57,000 in 2024/25 and £38,000 in 2025/26 will be delivered.
- 6.3.8 Retained income from business rates and government grants is forecast to remain broadly stable over the four-year period, however there is a specific risk to this income stream from central government's ongoing Fair Funding Review and the possibility of a significant reduction in retained business as an outcome of the review.
- 6.4 The Fair Funding Review is being undertaken by central government to re-assess the distribution of government and business rates funding between Councils. When complete, it is expected to favour unitary and upper tier councils, ahead of districts such as Epsom & Ewell Borough Council.
- 6.5 In 2016, central government introduced Negative Revenue Support Grant as part of EEBC's four-year settlement. The settlement identified that in 2019/20 the Council would have to make an on-going payment back to central government of £624,000, known as Negative RSG. However, after significant lobbying from affected councils including EEBC, government decided to remove Negative RSG from annual settlements.
- 6.6 The delay of the Fair Funding Review means that Negative RSG continues to be excluded from EEBC's settlement, however, the risk still remains that Negative RSG will feature as part of the future Fair Funding Review calculation when this is eventually introduced.

- 6.7 For Epsom and Ewell Borough Council, if applied, Negative RSG could equate to a potential loss of funding of c£700,000 (taking account of inflation since 2019/20) per annum. However, it is still unclear whether Negative RSG will be re-introduced once Government completes its Fair Funding Review. The current forecast anticipates that Negative RSG will be gradually re-introduced from 2028/29, however this is not certain and the Council holds the Collection Fund Equalisation Reserve to mitigate the risk of it being introduced earlier.
- 6.8 The highest service financial risks are considered to be the impact of increased inflation on the Council's costs and income streams, and the potential for increased demands for housing and homelessness prevention next year. In particular, the cost-of-living crisis is expected to impact on any new Pay Policy. The current forecast includes an estimate of 3% for the staff pay annual cost of living increase, however, recent public sector pay settlements for 2023/24 have been significantly higher than 3%.
- 6.9 With significant cuts in direct Government funding since 2010, the Council has had to innovate by identifying alternative sources of income to provide services. The Council has achieved this through increasing income from commercial activities, however, these sources of income are far more susceptible to fluctuations within the economy and could be at heightened risk in any economic downturn.

7 Achieving a Sustainable Balanced Budget

- 7.1 Officers have drafted a work programme to assist in addressing the £1.1m annual funding shortfall for 2024/25, rising to £2.5m by 2027/28 as set out in Table 1.
- 7.2 The key features of the programme comprise:-
- 7.2.1 Officers to be tasked with identifying further efficiencies, although these are becoming harder to achieve after over a decade of austerity.
- 7.2.2 A base review, which entails reviewing the year end position for 2022/23, identifying any potential savings, additional cost pressures and areas where savings can be developed.
- 7.2.3 Service Reviews focusing primarily on discretionary services to be undertaken over the next four years with the aim of increasing efficiencies and effectiveness whilst reducing cost.

- 7.2.4 Review of existing asset utilisation, to realise cost reductions in Council operational buildings and increased income from investment properties. Should it be agreed to move from the existing Town Hall site to 64-74 East Street, the Council would need to generate a net annual income/cost savings in the region of £600,000 from the remaining Town Hall site if it wishes to replace foregone commercial income associated with moving to 64-74 East Street.
- 7.2.5 Investigate income streams to maximise revenue from new and existing services, such as invest to save opportunities. Ensure any new powers are considered to generate additional income for the Council, such as the pending new charging policy for waste.
- 7.2.6 Undertake a review of reserves, providing a justification for the level of reserves retained.
- 7.2.7 A target to increase fees and charges income by 6% in both 2024/25 and 2025/26 (as previously agreed by S&R in July 2022), then by CPI+1% for both 2026/27 and 2027/28. Heads of Service review fees and charges annually to ensure increases are achievable and report fees and charges to policy committees for approval.
- 7.2.8 To maximise external funding and partnership opportunities.

8 New Corporate Plan and Medium Term Financial Strategy

- 8.1 Available resources will need to be matched to deliverables within any new corporate plan, to ensure that objectives within the plan are prioritised, resourced and deliverable.
- 8.2 It is proposed that owing to the Council's projected budget deficit, any additional new revenue growth items (i.e. service enhancements resulting in increased net expenditure) supported by Policy Committees will need to be fully funded from existing budgets;
- 8.3 It is proposed that officers undertake the work outlined in 7.2 above and present members with a list of proposals that could help deliver balanced budgets from 2024/25 onwards.

9 Timetable for Delivery of 2024/25 Budget and MTFS

- 9.1 A proposed formal committee timetable for the new medium term financial strategy, revenue and capital programme is presented at Appendix 1.
- 9.2 In addition to the formal committee meetings, officers will maintain engagement with Policy Chairs throughout the budgeting process.

- 9.3 The Council needs to agree a timeframe in which it plans to achieve a balanced budget with no reliance on revenue reserves to fund the delivery of services. Based on the latest forecasts, the Council is anticipating a funding shortfall of £2.5m by 2027/28.

10 Risk Assessment

Legal or other duties

10.1 Equality Impact Assessment

10.1.1 The Council has a statutory duty to set a balanced budget each year, demonstrating how planned expenditure on services will be fully funded.

10.1.2 Should the Council not progress the proposed budget strategy and fail to achieve a significant net reduction in its cost of services, there is a clear risk that reserves will continue to diminish with the Council eventually becoming unable to set a balanced budget.

10.1.3 A full budget risk assessment will be presented to Full Council alongside the final 2024/25 budget proposals in February 2024.

10.2 Crime & Disorder

10.2.1 None arising from the contents of this report.

10.3 Safeguarding

10.3.1 None arising from the contents of this report.

10.4 Dependencies

10.4.1 The Council's Annual Plan for 2024/25 should be set to be deliverable within the Council's available financial resources.

10.5 Other

10.5.1 None arising from the contents of this report.

11 Financial Implications

11.1 The provisional financial outlook for 2024/25 and future years is covered in this report.

11.2 In preparing the Council's new Medium Term Financial Strategy the Council will also need to approve a new pay policy, enabling details from the new approved policies to be incorporated into the financial strategy.

11.3 The Council has adequate resources to carry out a budget review supporting the delivery of the cost reduction plan. Should the Council require a more comprehensive review of services, additional resources and expertise may be required.

11.4 **Section 151 Officer's comments:** The Medium Term Financial Strategy 2024-28 must ensure that the Council's finances are sustainable whilst delivering the priorities of the Corporate Plan.

12 Legal Implications

12.1 The Council has a statutory responsibility to set a balanced budget each year.

12.2 The provisions of section 25 of the Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The report will be formally made to the Council's budget setting meeting in February.

12.3 **Monitoring Officer's Comments:** None arising from the contents of this report.

13 Policies, Plans & Partnerships

13.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.

13.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

13.3 **Climate & Environmental Impact of recommendations:** None arising from the contents of this report.

13.4 **Sustainability Policy & Community Safety Implications:** None arising from the contents of this report.

13.5 **Partnerships:** None arising from the contents of this report.

14 Recommendations

14.1 Support the approach for delivery of the 2024/25 revenue and capital budget along with the new Four Year Medium Term Financial Strategy.

14.2 Support the proposed timetable including the level of engagement suggested with councillors.

15 Background papers

15.1 The documents referred to in compiling this report are as follows:

Previous reports:

- 2023/24 Budget Report to Full Council, February 2023

Other papers:

- [Medium Term Financial Plan 2020-2024](#)

REVENUE BUDGET PLANNING 2024/25 - REPORTING TIMETABLE

MONTH	TOPIC	REPORT TO	OBJECTIVE
JULY 2023	Provisional Financial Outturn for 2022/23	Strategy & Resources Committee	Report unaudited outturn figures for last year Agree year end transfers for 2022/23 to/from strategic reserves
	Financial Planning for 2024/25	Strategy & Resources Committee	Update Four Year Budget Forecast Set Budget Targets for 2024/25 Agree financial planning strategy Confirm budget reporting timetable
SEPT & OCT 2023	Budget Targets 2024/25	Policy Committees	Communicate Budget Targets for 2024/25 and guidance on the preparation of service budget reports
	2022/23 Audited Financial Statements & Audit Findings	Audit & Scrutiny Committee	Report audited financial position for the year ended 2022/23
	First Quarter Budget Monitoring for 2023/24	Audit & Scrutiny Committee	Report revenue and capital quarter 1 forecast outturn for 2023/24
NOV 2023	Second Quarter Budget Monitoring	Audit & Scrutiny Committee	Report revenue and capital quarter 2 forecast outturn
	Budget Update	Strategy & Resources Committee	Update on budget preparation and local government funding (if required)
JAN 2024	Service Estimates	Policy Committees	Recommend service budgets to Council
FEB 2024	Third Quarter Budget Monitoring	Audit & Scrutiny Committee	Report revenue and capital quarter 3 forecast outturn for 2023/24
	Local Govt. Finance Settlement 2024/25	Financial Policy Panel / Financial Strategy Advisory Group (subject to Full Council approval)	Guidance on Council Tax Options following announcement of grant settlement / business rates
	Treasury Management Strategy	Financial Policy Panel / Financial Strategy Advisory Group	Update of Financial Plan Recommend the Treasury Management Strategy to Full Council for approval
	Budget Meeting	Full Council	Council Tax and Budget decisions

CAPITAL PROGRAMME REVIEW 2024/25 - REPORTING TIMETABLE

MONTH	TOPIC	REPORT TO	OBJECTIVE
JULY 2023	Financial Policy Panel Review	Full Council	To agree the process for reviewing capital proposals
SEPT to NOV 2023	2024/25 Capital Proposals	Capital Member Group or Financial Strategy Advisory Group (subject to Full Council approval)	To assess 2024/25 capital proposals and an indicative programme for 2024/25 to 2027/28
JAN 2024	Capital Project Appraisals	Policy Committees	Recommend capital schemes to Council
FEB 2024	Budget 2024/25: Capital Programme	Full Council	Approve capital programme for 2024/25 and updated provisional programme 2025/26 to 2028/29
MARCH 2024	Publish Capital Programme		

GENERAL FUND REVENUE RESERVES

General Fund Revenue Reserves	Balance at 31 March 2022	Balance at 31 March 2023	Commitments & Forecast Transfers	Forecast Balance
	£'000	£'000	£'000	£'000
General Fund Working Balance	2,853	3,117	0	3,117
Corporate Projects Reserve (a)	4,130	4,148	(1,567)	2,581
Sub-Total - Reserves available for general use	6,983	7,265	(1,567)	5,698
Repairs and Renewals	456	532	(60)	472
Insurance	434	434	(20)	414
Property Maintenance	689	650	(329)	321
VAT Reserve	206	206	0	206
Collection Fund Equalisation Reserve (b)	5,158	4,001	(2,134)	1,867
Commuted Sums	1,439	1,439	0	1,439
Property Income Equalisation Reserve (c)	8,459	9,881	(5,794)	4,087
Sub-Total - Contingencies unavailable for general use	16,841	17,143	(8,337)	8,806
Residential Property Acquisition Fund	1,017	977	0	977
Community Safety	104	140	(44)	96
Sports & Leisure Development Projects Fund	76	142	(66)	76
Place Development Grants (d)	225	681	(654)	27
Personalisation, Prevention & Partnership	73	111	(42)	69
Housing/Homelessness Support Grants (e)	332	1,033	(223)	810
HIA Hardship Fund	124	124	0	124
Basic Payments Scheme	142	142	0	142
Covid Grants Reserve (f)	163	0	0	0
Other smaller grants	28	28	0	28
Sub-Total - Ringfenced funds/grants for specific use	2,284	3,378	(1,029)	2,349
Total Revenue Reserves	26,108	27,787	(10,933)	16,853

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COUNCIL OWNED SITES: LAND AVAILABILITY ENQUIRY FOR THE LOCAL PLAN

Head of Service:	Mark Shephard, Head of Property and Regeneration
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1: Scotts Farm Road Appendix 2: Richard's Field Car Park Appendix 3: Cox Lane Community Centre Appendix 4: Longmead Industrial Estate Appendix 5: Kiln Lane Industrial Estate

Summary

This report considers the land availability of specific Council owned sites which are under further investigation by the Local Planning Authority (LPA).

Recommendation (s)

The Committee is asked to:

- (1) Authorise the Head of Property & Regeneration to submit the following Council owned sites to the LPA for consideration as part of the Local Plan process:**
 - a) Scotts Farm Road**
 - b) Richard's Field Car Park**

1 Reason for Recommendation

- 1.1 To enable the Council (as landowner) to respond to the LPA's recent land availability enquiry.

2 Background

2.1 Acting in its capacity as the Local Planning Authority (LPA), the Council is developing a new Local Plan to cover the period to 2040. The Local Plan is informed by a structured process of consultation and full details of the process can be found at:

<https://www.epsom-ewell.gov.uk/local-plan>

2.2 To assist the LPA identify the future supply of developable land for use as housing or other economic development purposes, landowners are encouraged to come forward with potential sites.

2.3 At its meeting on 16 November 2021, Committee approved a list of Council owned sites to be considered as part of this process, known as the "Call for Sites".

2.4 In submitting sites, the Council (as landowner) was treated no differently to any other responding landowner, that is, it was for the LPA to undertake a technical assessment to determine if landowner submitted sites were included or not within the Local Plan Regulation 18 consultation.

2.5 Following the closing of the Regulation 18 consultation on 19 March 2023, the Council (as landowner) has recently received correspondence from the LPA enquiring if there is land availability at the following sites:

- Scotts Farm Road
- Richards Field Car Park
- Cox Lane Community Centre
- Longmead and Kiln Lane (Nonsuch) Industrial Estates

2.6 The Council's Kiln Lane (Nonsuch) Industrial Estate freehold sites were included in the previous Call for Sites (pursuant to the 16 November 2021 Committee report).

2.7 Scotts Farm Road was not previously included as the Council (in its capacity as landowner) was formerly advised by the LPA that the site offered too few potential units to be considered.

2.8 Richards Field Car Park was not previously included as the relatively small car park is used by local residents and users of local shops.

2.9 Cox Lane Community Centre and Longmead Industrial Estate were not included in the previous Call for Sites for the same reasons as outlined in paragraphs 6 and 7 of this report.

2.10 If land is identified as available, the LPA has requested the completion of the corresponding Call for Sites form to enable it to be considered as part of the Local Plan process.

3 Land availability

- 3.1 The LPA has confirmed that for a site to be considered available for submission through the Call for Sites process, it must be capable of development within the proposed Local Plan timescale i.e. up to 2040.
- 3.2 For example, if a Council owned site is subject to a commercial lease of 5 or 10 years, then the Council (as landowner) can submit the site for consideration to cover the period post lease expiry. This is because it is within the control of the Council as freeholder to determine if it will grant a new lease (or not) of the site in 5 years' time.
- 3.3 However, if the same Council owned site was subject to a commercial lease that expired beyond 2040 (and assuming there were no provisions within the lease for the Council to terminate it early i.e. inclusion of a break clause), then it is not within the control of the Council (as landowner) to offer up the site as available to the LPA.
- 3.4 The correct identification of land availability is an important part of the Local Plan process. The LPA has confirmed that when the Local Plan is eventually submitted to the Planning Inspectorate for examination, it will need to demonstrate that the Local Plan, including the site allocations contained within it, are deliverable i.e. available and suitable for development.
- 3.5 This report will now consider each site's availability and whether it is within the control of the Council (as landowner) to facilitate redevelopment.

4 Scotts Farm Road

- 4.1 This is a small 0.08 ha site (a former Scout's Hut) and was originally advised by the LPA as too small to be included in the previous Call for Sites.
- 4.2 A location plan is attached at Appendix 1.
- 4.3 It is recommended a Call for Sites form is submitted and this will also support the ongoing discussions that the Council (as landowner) is conducting for potential housing options.

5 Richard's Field Car Park

- 5.1 A Council owned car park accessed off Chessington Road offering approximately 35 parking spaces of which c14 are reserved as resident permit spaces. The unallocated parking spaces are free of charge for public use.
- 5.2 The site is adjacent to existing residential properties and a location plan is attached at Appendix 2.

- 5.3 Richards Field Car Park was not previously included as the relatively small car park is used by local residents and users of local shops.
- 5.4 Whilst there are no proposals to close the car park, the site is within the control of the Council. To allow the site to be separately assessed by the Local Plan consultation process, it is recommended a Call for Sites form is submitted to protect the Council's long term property interests.

6 Cox Lane Community Centre

- 6.1 Cox Lane Community Centre is located within the Watersedge Estate, West Ewell, at the end of Cox Lane, off Ruxley Lane. The single storey building is served by an adjacent car park.
- 6.2 A location plan is attached at Appendix 3.
- 6.3 The Cox Lane GP Surgery occupies one half of the building and is served by its own reception. The other half was formerly a children's soft play centre and has recently been let to a children's nursery.
- 6.4 Both the existing GP Surgery and the new children's nursery require operational certainty in the medium term to support ongoing capital investment. Consequently, the earliest lease expiry is 2038 which is at the end of the proposed draft Local Plan period.
- 6.5 It is recommended that the site is not put forward as land available for development.

7 Longmead Industrial Estate

- 7.1 The Council's freehold ownership is shown at Appendix 4 and comprises approximately 37% of the Longmead Industrial Estate. It includes:
- **Land at Kings Church (also known as Gibraltar Crescent)**
Submitted to the LPA in the earlier Call for Sites and excludes the privately owned Kings Church.
 - **Stephen Woods Centre**
A constrained site backing onto Thames Water surface water overflow tanks. The property is leased (and expires during the Local Plan period) to a charity providing community services.
 - **Plots 21A, B, C, E & F - Unavailable**
Each plot is held by the same long leaseholder on 99 year leases which expire March 2073.
 - **Plot 21 D (5 Roy Richmond Way) - Unavailable**
99 year lease expiring October 2079 operating as the SGN Depot.
 - **2 Roy Richmond Way & 19A Blenheim Road**

15 year lease expiring 2032.

- **Longmead Depot - unavailable**
EEBC operational depot – critical to delivering operational services and would require identity of similar size relocation site before availability could be considered.
- **1-3 Blenheim Road - unavailable**
Housing Association temporary accommodation operated on behalf of EEBC.
- **Epsom Trade Park (incorporating Plots 3A & 3B) - Unavailable**
150 year lease expiring August 2138.
- **9 Blenheim Road - Unavailable**
99 year lease expiring October 2060.
- **10 Blenheim Road – Unavailable**
99 year lease expiring August 2075.

8 Kiln Lane (Nonsuch) Industrial Estate

8.1 The Council's freehold ownership is shown at Appendix 5 and comprises approximately 35% of the Kiln Lane Industrial Estate. It includes:

- **Regent House, Plots 1 & 2 - Unavailable**
99 year leases expiring January 2079.
- **Plots 3-6 - Unavailable**
150 year lease expiring December 2139.
- **Plots 7a & 7b - Unavailable**
99 year lease expiring April 2083.
- **Plot 8 & land adjoining Kiln Lane Industrial Estate**
Plot 8 is held by the same long leaseholder as Regent House, Plots 1 & 2 and Plots 7a & 7b. It is held on a 10 year commercial lease conditional on the requirement to maintain a tree buffer between the industrial estate and adjacent residential.
The land adjoining Kiln Lane Industrial Estate is not subject to a commercial lease but provides a tree buffer to protect the adjacent residential from the Industrial Estate. It is understood this was an original planning condition for the Industrial Estate.

9 Longmead and Kiln Lane (Nonsuch) Industrial Estates site value

- 9.1 The industrial estates are held within the Council's commercial property portfolio and contribute approximately £1.3m per annum to the Council's service budgets.
- 9.2 The rental income is generated from the leases described above and is forecast to increase over the next 5 years as current / future rent reviews take effect.
- 9.3 During October 2022, the Council's external asset valuers undertook a Market Valuation of the Council's combined freehold interests in the Longmead and Kiln Lane Industrial Estates. The combined market value was £26.57m. This represents the market value of the right to receive the future rental income generated by the various leases.
- 9.4 The external valuers were also commissioned to undertake a market valuation of the long leasehold interests. Whilst the long leaseholders have an obligation to pay the Council the rent reserved under their leases, they in turn can either self-occupy for their own business needs or alternatively, become landlords (sub-lease to occupying tenants) or sell their long leases on the market.
- 9.5 Commercial long leaseholds are valuable financial interests and are as freely traded in the property market as freeholds. This is because it is the long leaseholders who control / have access to the sites on a day-to-day basis and not the freeholder (in this case, the Council). The market value of the leasehold interests held independently by the Council's tenants is £47.5m.
- 9.6 For hypothetical development purposes, if it is assumed that the Council and each of its commercial tenants were willing and able to sell to a developer, the developer would need to buy out the Council's freehold interests at c£26.5m and the commercial tenants' long leasehold interests at c£47.5m.
- 9.7 The developer's site acquisition costs for the Council's leased industrial sites would therefore be approximately £75m. The Council's leased industrial sites occupy approximately 20 acres which equates to approximately £3.75m per acre.

10 Land acquisition using compulsory purchase powers

- 10.1 Developers of large scale redevelopment projects will frequently partner with the local authority to deliver schemes that are challenging to site assemble. For example, the regeneration of a rundown town centre shopping centre which cannot close for demolition due to a small proportion of shops remaining open.

- 10.2 In determining whether we can assemble land to be used for the Local Plan available sites, we have considered the use of compulsory purchase orders. However, this process is far from straightforward.
- 10.3 In the example given above, there may be an agreement between the local authority and the developer for the local authority to exercise its compulsory purchase powers to acquire the remaining shop interests. The agreement would typically indemnify the local authority for the significant costs associated with a Compulsory Purchase Order (CPO).
- 10.4 The use of a CPO is one of last resort and there must be a compelling case in the public interest for the Council to use the powers.
- 10.5 In promoting a CPO, the Council should be in no doubt that the purposes for the CPO justify interfering with the human rights of those with an interest in the land affected. The Council must also take into account its public sector equality duty contained in the Equality Act 2010.
- 10.6 To exercise its compulsory purchase powers under section 226 of the Town and Country Planning Act 1990 (typically used to acquire land compulsorily for development and other planning purposes), the Council would need to consider (in the case of making the industrial estates available for the Local Plan) whether there is a public interest in acquiring the long leasehold interests. Under section 226(1A), the acquisition would need to satisfy the following:
- “(1A) But a local authority must not exercise the power under paragraph (a) of subsection (1) unless they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects—*
- *the promotion or improvement of the economic well-being of their area;*
 - *the promotion or improvement of the social well-being of their area;*
 - *the promotion or improvement of the environmental well-being of their area.”*
- 10.7 Crucially, Secretary of State approval (Department for Levelling Up, Housing and Communities) is required before any CPO can be exercised. It is very process driven and would almost certainly include a public inquiry. Specialist external legal and CPO property advice would be required by the Council.
- 10.8 DLUHC guidance is clear that the Secretary of State is unlikely to consider that a compelling case for compulsory acquisition exists unless the scheme underlying the CPO is going to be funded so as to make it deliverable.

- 10.9 The CPO justification threshold is high as demonstrated by DLUHC's recent refusal (October 2022) to confirm a CPO made by the London Borough of Barking and Dagenham. The London Borough (together with its development partner) had proposed the compulsory acquisition of the Vicarage Field Shopping Centre to be redeveloped for a scheme including 855 new homes and a 150 bedroom hotel.
- 10.10 As the example shows, there is no guarantee that a CPO will be confirmed by DLUHC. If it is not confirmed, the reasonable costs of remaining objectors will need to be met by the Council.
- 10.11 It is the Secretary of State who will decide if the CPO should be authorised and not the local authority. Further information and government guidance is available at:

<https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-1-procedure>

11 Next steps

- 11.1 In view of the above, Committee is recommended to authorise officers to submit Call for Sites forms to the LPA for the following:
- Scotts Farm Road
 - Richard's Field Car Park

12 Risk Assessment

Legal or other duties

12.1 Equality Impact Assessment

12.1.1 Not applicable.

12.2 Crime & Disorder

12.2.1 Not applicable.

12.3 Safeguarding

12.3.1 Not applicable.

12.4 Dependencies

12.4.1 All submitted sites are subject to the Local Planning Authority's technical assessment, full public consultation, a Local Plan Examination in Public, formal adoption of the Local Plan by the Council and release of the sites formally by the Council.

12.5 Other

12.5.1 The Asset Management Plan's key property strategies ensure the Council maximises its land and property assets.

13 Financial Implications

13.1 There are no direct financial implications arising from the contents of this report.

13.2 **Section 151 Officer's comments:** None arising from the contents of this report.

14 Legal Implications

14.1 **Legal Officer's comments:** None arising directly from the contents of this report, though naturally the development viability of any particular site, whether freehold or leasehold title, and its associated infrastructure requirements will need to be diligently examined.

15 Policies, Plans & Partnerships

15.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council.

15.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

15.3 **Climate & Environmental Impact of recommendations:** In trying to meet the national requirements for development, the Council has a duty to make effective use of land. The submission of Council owned sites through the Local Plan process will enable the Council to determine how best it can balance the climate change objectives with accommodating sustainable growth to meet national development requirements.

15.4 **Sustainability Policy & Community Safety Implications:** The submission of sites through the Local Plan process will enable the Council to demonstrate that it has considered all available options for future development.

15.5 **Partnerships:** The submission of Council owned sites through the Local Plan process does not imply that these sites will be identified or released for development which will require approval under separate processes.

16 Background papers

16.1 The documents referred to in compiling this report are as follows:

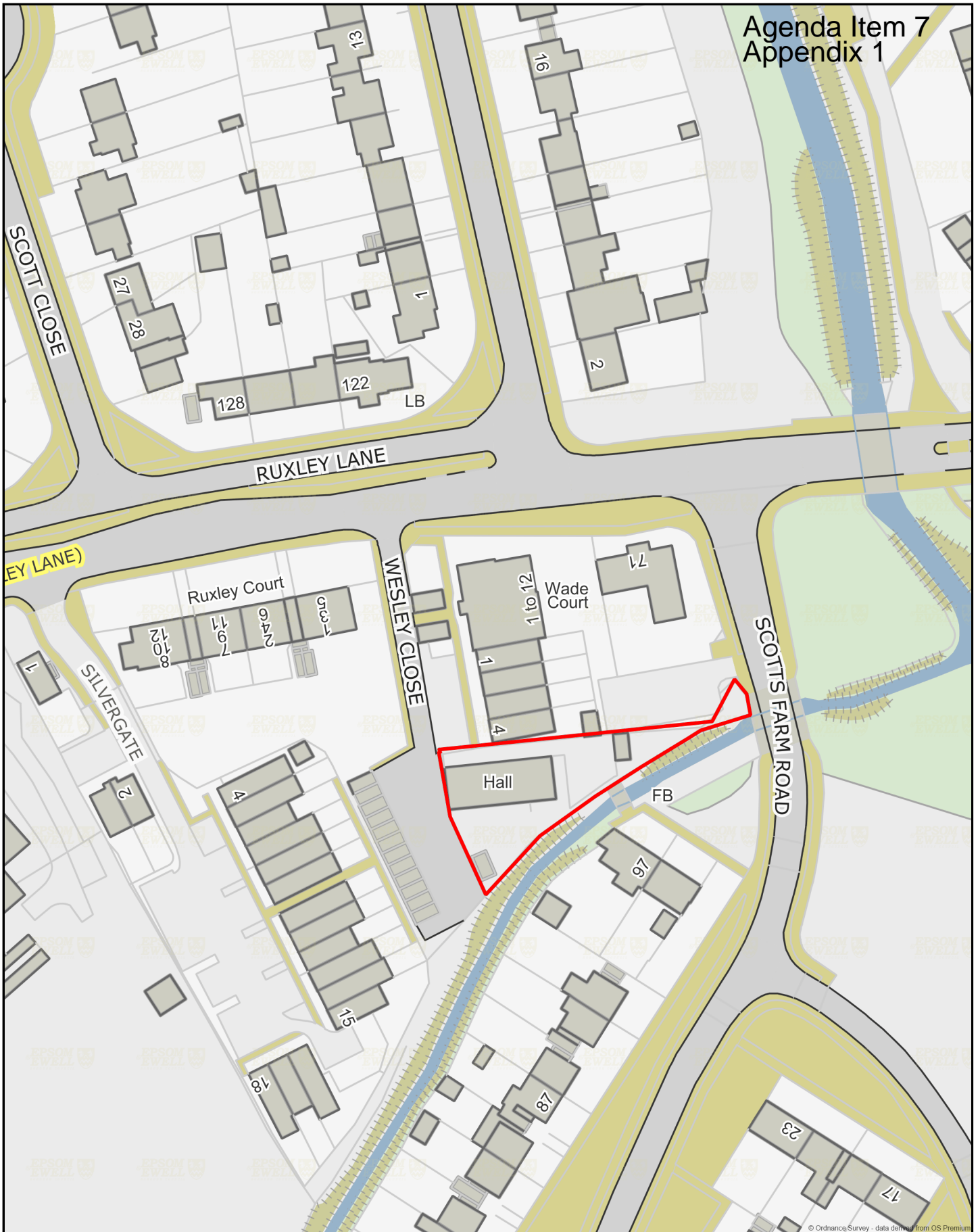
Previous reports:

- Council Owned Sites for Development as part of the Local Plan, Strategy & Resources Committee 16 November 2021

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&Mid=1097>

Other papers:

- None



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Former Scout Hall, Scotts Farm Road

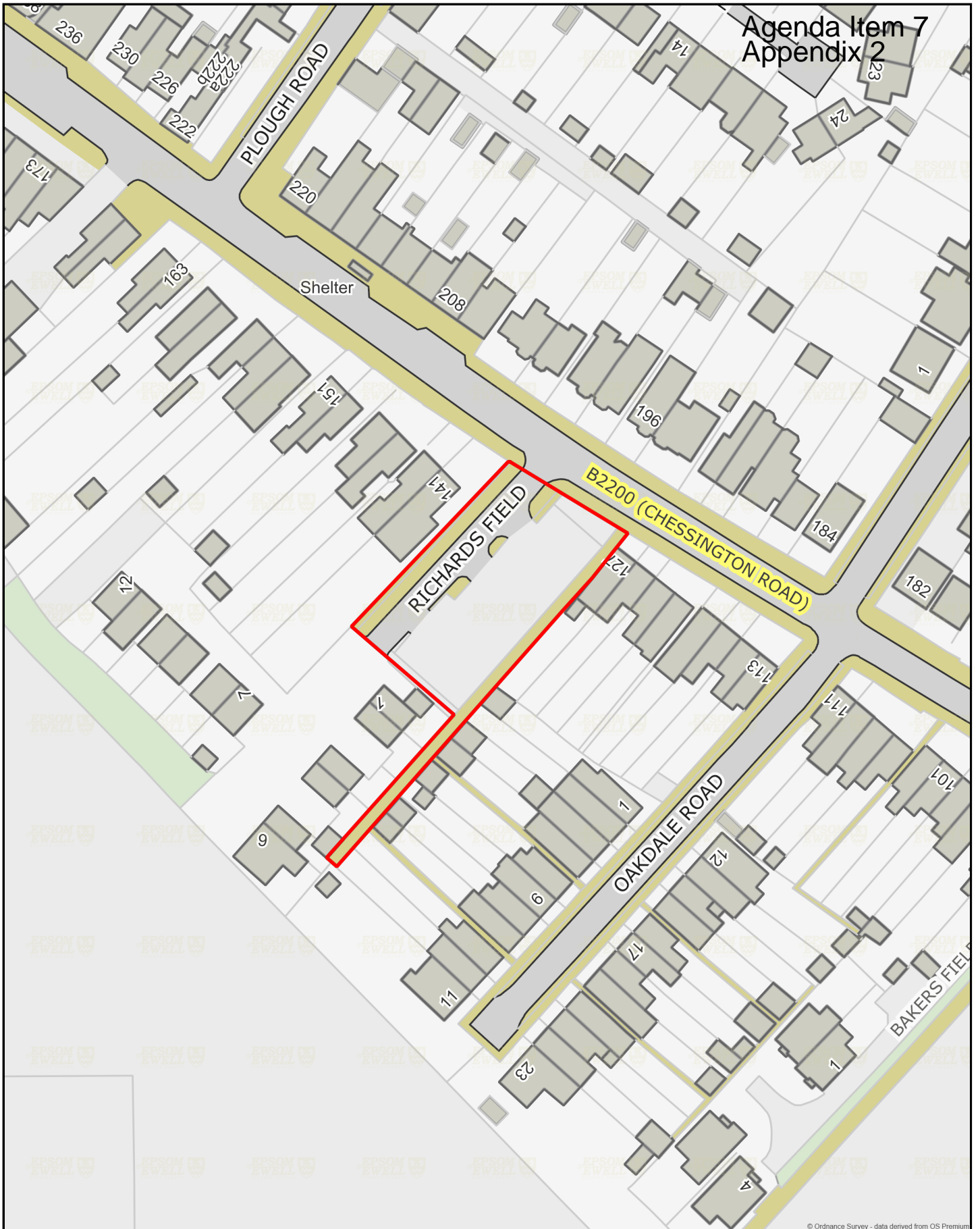


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Richards Field Car Park

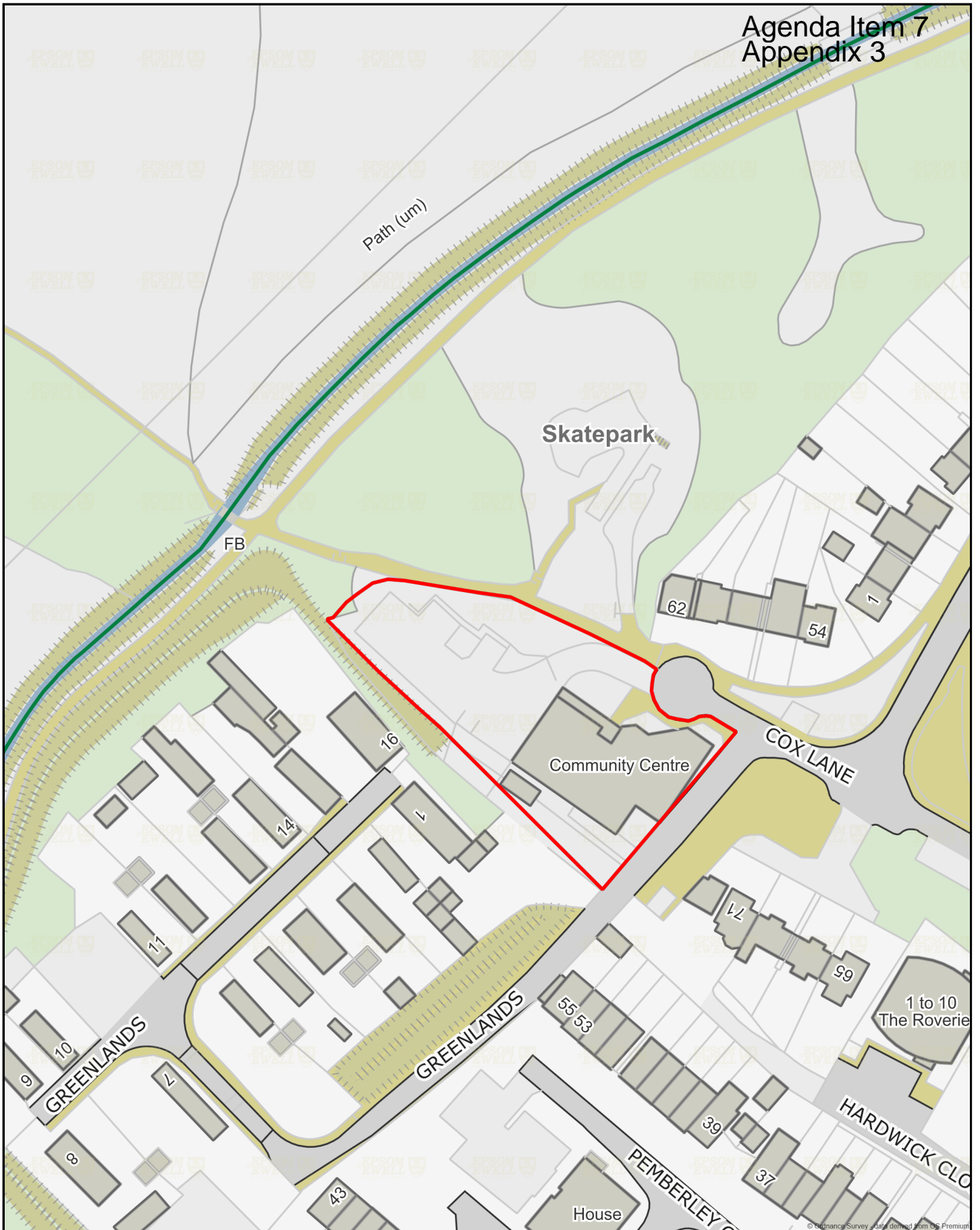


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Cox Lane Community Centre, KT19 9PS



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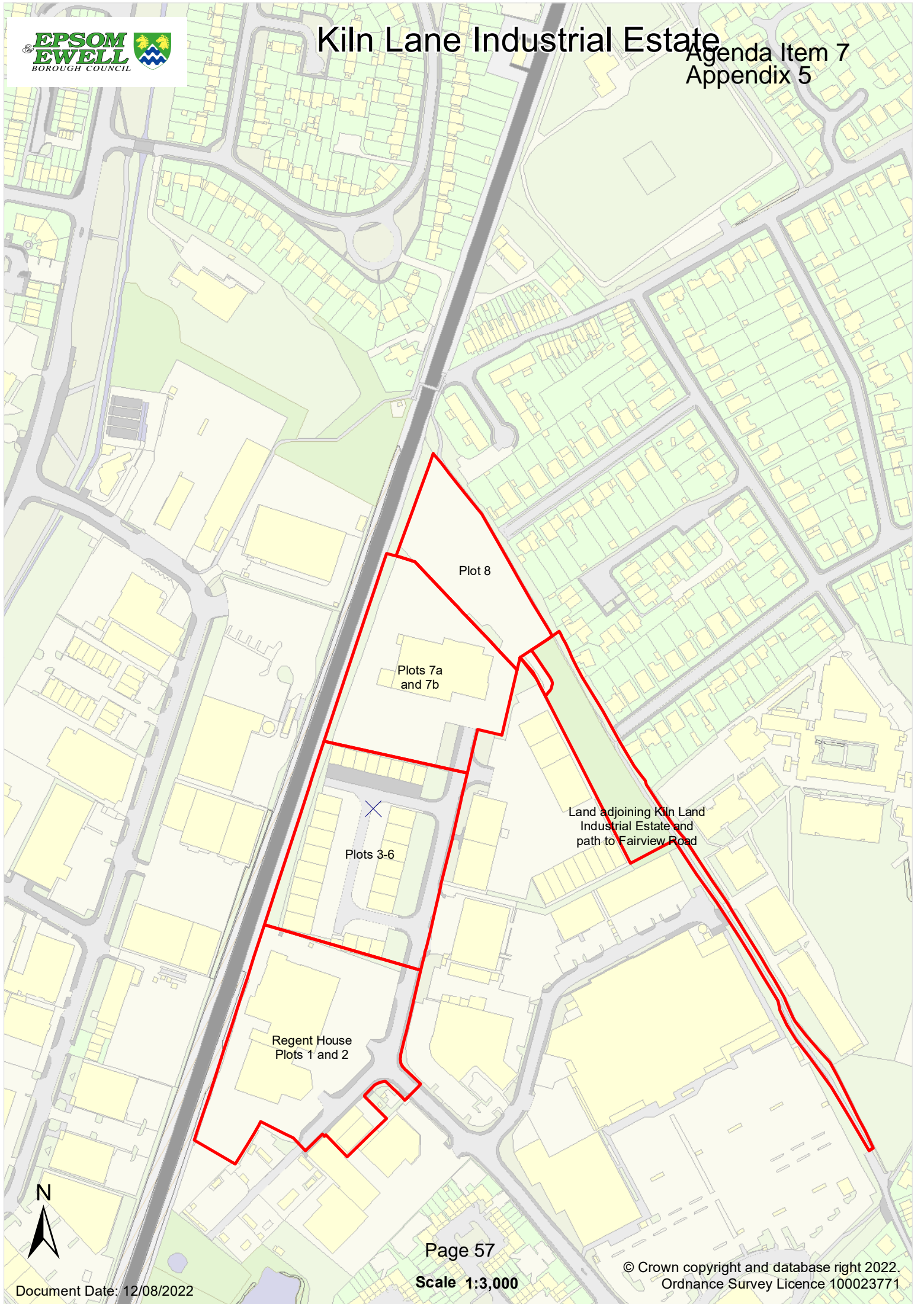
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NOTE: Epsom Trade Park and Plots 3a/3b are under one leasehold ownership

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TOWN HALL SITE

Head of Service:	Mark Shephard, Head of Property and Regeneration
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	None

Summary

This report considers the appointment of specialist consultancy support required for the Council to consider all its options.

Recommendation (s)

The Committee is asked to:

- (1) Agree the procurement of specialist regeneration and development consultancy support as detailed in this report.**
- (2) Agree a budget of up to £150,000 to be funded from the Corporate Projects Reserve.**
- (3) Delegate to the Acting Director of Environment, Housing & Regeneration and the Head of Property & Regeneration in consultation with the Chief Finance Officer, to commission the work.**
- (4) Note a report will be brought back to Committee at the earliest opportunity following completion of the work.**

1 Reason for Recommendation

- 1.1 The recommendations set out above will allow a strategic review of all Town Hall site options.
- 1.2 This is fundamental to the Council's approved Strategic Asset Management Plan 2020-30.

2 Background

- 2.1 At its meeting on 14th February 2023, Council approved delegated authority to the Chief Executive in consultation with the Chair and Vice Chair of Strategy and Resources, the review of 70 East Street and progress feasibility of the relocation.
- 2.2 The review work is underway and once complete, a full relocation business case will be brought back to Council at the earliest opportunity.
- 2.3 If approved, a relocation to 70 East Street will release the Town Hall site for potential redevelopment, thus requiring a separate consideration of the potential opportunities.
- 2.4 The Town Hall site potentially offers many options - both in terms of alternative uses and how redevelopment might be delivered. For example, the Town Hall site could be redeveloped on its own or potentially developed alongside other Council owned town centre sites to realise wider benefits.
- 2.5 For the Council to consider all the options for such an important, centrally located site, specialist external regeneration and development consultancy advice is required.

3 Specialist consultancy support

- 3.1 The work will consist of a two-stage business case and feasibility study for the potential redevelopment of the Town Hall site.
- 3.2 **Stage 1 - Strategic Business Case**
 - All options will be considered for the optimal land use of the site and how development is delivered.
 - Each option will be assessed to determine relative risk, financial return and contribution to the Council's strategic objectives.
 - Member / officer workshops will be held for members to determine a shortlist of options which will then support a Strategic Business Case for the Town Hall site's redevelopment.
- 3.3 **Stage 2 - Feasibility Study**
 - The purpose of this stage is to undertake a detailed assessment of the member determined shortlist identified above for the Strategic Business Case.
 - It will include full analysis of the different options for delivery (incorporating procurement advice, an estimate of likely costs and timescale required).

- Each option will be fully worked up with corresponding development appraisals and indicative scheme illustrations.

4 Consultancy procurement and budget requirement

- 4.1 To ensure the Council has access to the best consultants in the industry at competitive rates, it is proposed to use The Homes England Property and Financial Professional Services Framework.
- 4.2 The Framework is available free of charge to local authorities with all suppliers having provided a set of competitively tendered rates which are the highest rates that can be charged by the suppliers on work procured through the Framework.
- 4.3 During the last few years, it has proven extremely challenging to estimate consultant and contractor pricing levels. This is in response to organisations increasing salary levels (to retain high calibre staff) in an already inflationary economic environment.
- 4.4 For this reason, we are unable to offer an accurate fee estimate but would anticipate the tender exercise returning bids within a budget envelope of up to £150,000 (for the two stages combined).
- 4.5 Once complete, the Feasibility Study will be brought back to Committee at the earliest opportunity.

5 Risk Assessment

Legal or other duties

5.1 Equality Impact Assessment

- 5.1.1 Implications will be assessed in the Feasibility Study undertaken in Stage 2.

5.2 Crime & Disorder

- 5.2.1 Not applicable

5.3 Safeguarding

- 5.3.1 Not applicable

5.4 Dependencies

- 5.4.1 The release of the Town Hall site for development is dependent on the Council's relocation.

5.5 Other

5.5.1 The Council's Asset Management Plan's key property strategies will ensure value for money, maximise asset performance and minimise exposure to avoidable loss of income.

6 Financial Implications

6.1 Allocating £150,000 from the corporate projects reserve would reduce the reserve's balance available for other projects to £2.43m.

6.2 Council has agreed to retain a minimum uncommitted balance of at least £1m in this reserve.

6.3 **Section 151 Officer's comments:** It is important that options be explored to optimise the potential alternative uses of the Town Hall site, which is evidently a valuable strategic asset.

7 Legal Implications

7.1 **Legal Officer's comments:** The Council must comply with Public Contracts regulations and its own Standing Orders in relation to this procurement. It will also need to adhere to the Framework conditions of use.

8 Policies, Plans & Partnerships

8.1 **Council's Key Priorities:** The following Key Priorities are engaged: Opportunity and Prosperity, Effective Council.

8.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

8.3 **Climate & Environmental Impact of recommendations:** Will be considered in the Strategic Business Case (Stage 1) and explored in further detail in the Feasibility Study (Stage 2).

8.1 **Sustainability Policy & Community Safety Implications:** As for 8.3 above, these will be considered in both Stage 1 and 2.

8.2 **Partnerships:** Potential partners will be considered as part of the Feasibility Study (Stage 2).

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Property Review to Council 14 February 2023

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1248>

Other papers:

- Strategic Asset Management Plan to S&R Committee 28 July 2020

<https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=770>

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APPOINTMENT OF MEMBERS AND CHAIR OF THE SHAREHOLDER SUB COMMITTEE

Head of Service:	Jackie King, Chief Executive
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	Not applicable
Appendices (attached):	None

Summary

To agree the appointment of Members and a Chair to the Shareholder Sub Committee for the 2023-24 Municipal Year.

Recommendation (s)

The Committee is asked to:

- (1) Appoint Members and a Chair for the Shareholder Sub Committee as required by its Terms of Reference, and set out in paragraph 3.3 of this report.**

1 Reason for Recommendation

- 1.1 This report requests the Committee to appoint Members and a Chair of the Shareholder Sub Committee for the 2023-24 Municipal Year, in accordance with the Sub Committee's Terms of Reference.

2 Background

- 2.1 The Council established a Local Authority Property Investment Company (EEPIC) at an Extraordinary Meeting on 19 September 2017.
- 2.2 At that meeting, Council ratified Strategy and Resources Committee's decision to establish a Shareholder Sub Committee to discharge the functions of the Council as the Shareholder in the Company.

3 Proposals

- 3.1 The Terms of Reference of the Sub Committee are attached included in [Appendix 3 of the Council's constitution](#).

- 3.2 The Sub Committee comprises five members and is required to comply with the Political Balance Rules in Section 15 of the Local Government and Housing Act 1989. Accordingly, four members of the Sub Committee are to be appointed by the Residents' Association Group and one member appointed by one of the Minority Groups. The proportionality calculation allocates the seat to the Liberal Democrat Group.
- 3.3 The Committee is asked to appoint the Membership of the Sub Committee. In accordance with the wishes of the relevant Groups, it is proposed that the following nominated Members are appointed:
- 3.3.1 Councillor Neil Dallen (Chair) (Residents' Association)
- 3.3.2 Councillor Hannah Dalton (Residents' Association)
- 3.3.3 Councillor Graham Jones (Residents' Association)
- 3.3.4 Councillor Alison Kelly (Liberal Democrat)
- 3.3.5 Councillor Alan Williamson (Residents' Association)
- 3.4 The Committee is asked to appoint the Chair of the Sub Committee from amongst the Sub Committee's Membership, in accordance with the Terms of Reference of the Sub Committee.

4 Risk Assessment

Legal or other duties

- 4.1 Equality Impact Assessment
- 4.1.1 None.
- 4.2 Crime & Disorder
- 4.2.1 None.
- 4.3 Safeguarding
- 4.3.1 None.
- 4.4 Dependencies
- 4.4.1 None.
- 4.5 Other
- 4.5.1 None.

5 Financial Implications

- 5.1 There are no specific financial implications for the purposes of this report.

5.2 **Section 151 Officer's comments:** None arising from the contents of this report.

6 Legal Implications

6.1 There are no legal implications arising from the contents of this report.

6.2 Legal Officer's comments: None arising from the contents of this report.

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The following Key Priorities are engaged:
Effective Council

7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None.

7.4 **Sustainability Policy & Community Safety Implications:** None.

7.5 **Partnerships:** None.

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Restricted report and Minutes of meeting of Council, 19 September 2017.

Other papers:

- [Terms of reference of the Shareholder Sub Committee, Constitution of Epsom and Ewell Borough Council, Appendix 3](#)

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