

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE  
held on 4 April 2017**

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**PRESENT -**

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

Absent: Councillor Rekha Bansil, Councillor Neil Dallen and Councillor Omer Kokou-Tchri

Officers present: Kathryn Beldon (Chief Executive), Simon Young (Head of Legal and Democratic Services), Gillian McTaggart (Head of Corporate Governance), Lee Duffy (Acting Director of Finance and Resources), Brian Thompson (Interim Head of Financial Services), Grant Miles (Interim Accountant) and Fiona Cotter (Democratic Services Manager)

**144 QUESTION TIME**

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

**145 DECLARATIONS OF INTEREST**

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

**146 EXTERNAL AUDIT PLAN**

(Mr. Ade O Oyerinde, Manager, Grant Thornton, in attendance)

The Committee received and considered a report which set out the approach to be taken by the Council's external auditors, Grant Thornton, to the audit of the accounts for 2016/17.

The Committee noted that the Audit Plan had been prepared for the benefit of the Committee as the body charged with governance. It provided an overview of the planned scope and timing of the audit as required by international audit standards and was designed to help members understand the consequences of the auditors' work, to discuss issues and identify any areas in which more information might be required.

Mr. Oyerinde highlighted the significant risks stated on page 6 of the audit plan. He reassured the Committee that the two risks identified were standard and prevalent across all audits conducted by the external auditor. He further highlighted that Grant Thornton had not identified any significant risks arising from the initial risk assessment in relation to the Value for Money (VfM) conclusion. He also confirmed that Grant Thornton was working together with the finance team to achieve the successful early closure of the accounts required by the 2015 Audit Regulations next year: As a dry run auditors would be on site from the second week in July with a view to producing a draft report by August.

Accordingly, the Committee endorsed the External Audit Plan Year ended 31 March 2017.

#### **147 CODE OF CORPORATE GOVERNANCE**

The Committee received and considered a report which provided an update on the changes made to the Code of Corporate Governance as a result of the changes to the “Delivering Good Governance in Local Government” Framework 2016.

It was confirmed that Officers would be looking at the public accessibility of the Code, particularly in relation to associated documents quoted therein.

Having noted the changes to principles highlighted in the report and that these were reflected in the Council’s Key Service Priorities, the Committee approved the updated Code of Corporate Governance and noted the required amendments to the Annual Governance Statement.

#### **148 TREASURY MANAGEMENT STRATEGY STATEMENT 2017/18 TO 2019/20**

A report was presented to the Committee which set out the updated Treasury Management Strategy Statement 2017/18 to 2019/20.

The following points were noted:

- The Financial Policy Panel would continue to receive presentations from the Council’s Fund Managers but further training could be arranged as required;
- The Council always worked to the best advice available at any given time in relation to interest rates and inflation. Investments were generally short term to take account of the volatility in the market;
- The Council was very unlikely to invest in shares but this option was included in the Strategy to provide maximum flexibility in terms of available options. Officers would seek further approval if considering going down this route;
- The Council was approaching the point at which it would need to consider how it would finance its capital programme in future;
- The Municipal Bond Agency would be a new source of borrowing which the Council intended to make use of as and when appropriate as it was

anticipated that its borrowing rates would be very competitive. Existing loans could not be transferred to this body.

Accordingly, the Committee approved:

- (1) The Capital Prudential Indicators and Limits for 2017/18 to 2019/20 contained within the Treasury Management Strategy Statement (Sections 2 and 5);
- (2) the Treasury Management Statement 2017/18 to 2019/20 and the Treasury Prudential Indicators contained within it (Section 3);
- (3) the Borrowing Strategy contained within the Treasury Management Statement (Section 3);
- (4) the Investment Strategy 2017/18 contained within the Treasury Management Strategy Statement (Section 4), including changes to counterparty limits;
- (5) the Minimum Revenue Provision (MRP) Policy Statement contained within the Treasury Management Strategy Statement (Section 5);
- (6) the treasury management practices as set out in Section 7 of the Treasury Management Statement; and
- (7) Recommended to Council the adoption of the updated Treasury Management Statement 2017/18 to 2019/20.

#### **149 PLANNED MAINTENANCE 2017/18**

A report was presented to the Committee which set out progress on the 2016/17 Planned Maintenance Programme and which sought approval of the 2017/18 programme.

The report highlighted that, as at 1 April 2016, the Property Maintenance Reserve stood at £239,000. A sum of £169,000 had been released from the reserve in year to fund the completion of the 2015/16 programme, resulting in a residual balance of £70,000. A forecast underspend of £133,000 had been identified to be transferred to the reserve at the end of 2016/17 and it was anticipated that the balance on the reserve would be £203,000 as at 31 March 2017.

There was provision of £210,000 for Planned Maintenance within the approved 2017/18 Revenue Estimates. The proposed allocation of funding to individual schemes for 2017/18 collectively exceeded the approved budget by £24,000. If the Committee was minded to approve additional funding of £24,000 from the Property Maintenance Reserve, in addition to any 2016/17 slippage carried forward, this could be met from the balance on this reserve. The schemes included for 2017/18 were all classified as 1A essential works in the updated 10 year property plan. These schemes were as follows:

- Alexandra Recreation Ground: damp proofing works
- Auriol Pavilion: new boiler and associated works
- Cox Lane Centre; external decoration and window replacement
- Ashley Centre car park: health and safety works to staircases & replacement of height restriction sign
- Town Hall: upgrade of controllers to the BMS management system
- Bourne Hall: provision of air conditioning in first floor office
- Cemetery Chapel: external decoration of soffits and fascia
- Harriers Centre: internal and external redecoration
- Bourne Hall Lodge: additional works required to roof insulation by Building Control
- Various emergency repairs to walls and fences throughout Borough
- Various emergency repairs to hard surface pathways, roads and car parks owned by the Borough Council
- Various regulatory works: remedial electrical works/5 yearly inspections; remedial works following fire risk assessments, minor energy efficiency works, water efficiency works and asbestos re-inspections.

It was further noted that in year changes to the 2016/17 programme had been necessitated. This resulted from higher than anticipated costs following tender via the new procurement system of external decoration works at the Harriers Centre, (an additional £12,000), and additional essential health and safety concrete repairs at the Ashley Centre car park (an additional £11,000).

Accordingly, the Committee:

- (1) Noted the position and progress upon the 2016/17 planned maintenance programme;
- (2) Noted the changes made to the 2016/17 planned maintenance programme approved under officer delegated authority;
- (3) Approved the transfer of slippage in the 2016/17 planned maintenance programme at year end to the Property Maintenance Reserve in order to fund completion of the Programme;
- (4) Approved the proposed 2017/18 planned maintenance programme;
- (5) Approved the release of £24,000 from the Property Maintenance Reserve to fund the shortfall in the 2017/18 planned maintenance programme.

**150 REGULATION OF INVESTIGATORY POWERS ACT 2000 - POLICY**

The Committee received a report which summarised the current position in relation to the Regulation of Investigatory Powers Act 2000 and considered how the Act had been used in recent years by the Council. The report sought approval to the Council's policy in relation to the use of investigatory powers and reconfirmation of authority for the Head of Legal and Democratic Services to make such changes to the policy as he thought fit.

The changes to the policy included some minor corrections and administrative changes as well as the addition of a specific section in relation to social media and "Non RIPA" surveillance. It was conceivable that the Council might consider it appropriate to undertake surveillance in circumstances where a RIPA authorisation would not be appropriate, such in the case of fly-tipping (which was raised at the meeting), and the changes to the policy sought to ensure that the same test was applied to decide whether such activity was necessary and proportionate.

Most investigations conducted by the Council were overt and did not require RIPA approval. No authorisations to conduct covert surveillance had been sought for at least 6 years. Most cases which involved regulated investigatory techniques involved benefit fraud and had been conducted in partnership with the Department of Work and Pensions and/or the Police and all necessary authorisations had therefore been processed by those other organisations.

It was noted that the Council was due to be inspected on 13 July 2017. Previous inspections had been undertaken by a judge but it appeared that, with the limited use of RIPA, a different level of scrutiny was being undertaken.

Accordingly, the Committee:

- (1) Noted the Council's use of RIPA;
- (2) Approved the draft RIPA Policy set out in Annexe 2 to the report;
- (3) Authorised the Head of Legal and Democratic Services to make such changes to the policy as he thought fit from time to time.

**151 LOCAL STRATEGIC PARTNERSHIP**

The Committee received a report which sought approval to formally disband the Local Strategic Partnership.

The report highlighted that there was no longer a statutory duty or Government imperative for a LSP to be maintained. However, it was important that, in winding up the LSP, the Council sought to ensure that all partners were agreed, particularly in respect to the allocation of the remaining funds held by the Council for this purpose. There was a balance of £20,718.29 in the Council's accounts for the LSP partnership.

It was considered the right time to wind up the LSP as the legislative and national policy environment had changed and it was no longer functioning in the way it was originally intended. That was not to say that a number of beneficial work streams had been abandoned – they were being dealt with in a different way. By way of example, the Chief Executive indicated that Officers were currently looking at joining up some of the work around health.

Accordingly, the Committee authorised the Chief Executive in consultation with the Chairman of the Strategy and Resources Committee:

- (1) to take such steps as she considered necessary to formally disband the Epsom and Ewell Local Strategic Partnership and
- (2) to continue to engage with partners, in discussion with them, in such ways as she considered appropriate;
- (3) to deal with the redistribution, spending or transfer into the Council's general fund of the balance of the outstanding funds held in the Council's accounts for the LSP partnership.

## **152 MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of the Strategy and Resources Committee held on 7 February 2017 were agreed as a true record and signed by the Chairman.

*The meeting began at 7.30 pm and ended at 8.15 pm*

COUNCILLOR EBER KINGTON (CHAIRMAN)