

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held on  
26 July 2018**

---

**PRESENT -**

Councillor Eber Kington (Chairman); Councillors Tony Axelrod, Richard Baker, Kate Chinn, Hannah Dalton, Liz Frost, Omer Kokou-Tchri, Barry Nash, David Reeve (as nominated substitute for Councillor Clive Smitheram) and Clive Woodbridge

In Attendance: Ade O Oyerinde (Audit Manager) (Grant Thornton UK LLP) (for items 70-74)

Absent: Councillor Clive Smitheram

Officers present: Kathryn Beldon (Chief Executive), Damian Roberts (Chief Operating Officer), Amardip Healy (Chief Legal Officer), Lee Duffy (Chief Finance Officer), Shona Mason (Head of Human Resources and Organisational Development) (for items 70-76), Mark Shephard (Head of Property and Regeneration), Brendan Bradley (Chief Accountant), Stewart Cocker (Countryside Manager) (for items 70-77) and Fiona Cotter (Democratic Services Manager)

**70 QUESTION TIME**

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

**71 DECLARATIONS OF INTEREST**

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

**72 FUTURE USE OF THE WELLS SITE UPDATE**

Note: This item of business was taken up the Agenda running order with the consent of the meeting, there being a member of the public in attendance for this particular item.

The Committee received a report that provided an update on progress since February 2018 on the future of this site and details of the budget necessary to progress its redevelopment up to and including the submission of planning permission.

The report stated that it was anticipated that the draft development brief would be available by September following which consultation would take place with local residents. However, it was re-iterated that a decision had already been

taken on the size of the community facility to be included in the redevelopment. Officers anticipated a planning application being submitted for a scheme by the end of the year.

An existing sum of £92,000 had already been approved to cover the work of the professional team. The additional sum sought (£68,000) was considered reasonable to cover all the costs associated with the submission of a planning application and could be met from the Corporate Projects Reserve, which stood at £2,574,390 as at 30 June 2018.

The development of the site had the potential to deliver a long-term residential asset with associated income streams. However, the viability of the development and its long-term financial impacts could only be accurately established once the professional advice and full due diligence exercises had been undertaken.

Accordingly, the Committee:

- (1) Approved an additional budget of £68,000 to cover all the costs in connection with the submission of a planning application for the Wells site;
- (2) Agreed that the £68,000 be funded from the Corporate Reserve;
- (3) Agreed to a report being brought back to September 2018 Strategy and Resources Committee with an update on progress.

## **73 2017/18 FINANCIAL OUTTURN REPORT**

A report was presented to Committee that summarised the Council's financial performance for 2017/18 and detailed the capital budgets to be carried forward for schemes where costs would be incurred in 2018/19.

The report highlighted that the Council faced a challenge to deliver future savings that would achieve a balanced budget with further substantial reductions in government grant funding.

The Capital Programme included a number of schemes where provision needed to be carried forward into 2018/19. Funding remained in place to allow completion of those schemes. However, the Capital Member Group ought to examine the reason for slippage on individual schemes as part of the Capital Programme Review.

The Committee:

- (1) Received the report on the financial outturn for 2017/18;
- (2) Noted the carry forward of a £2.114 million budget for capital schemes to be added to the 2018/19 Capital Programme.

**74 2017/18 STATEMENT OF ACCOUNTS AND AUDIT FINDINGS**

The Committee received a report setting out Grant Thornton's audit findings and which presented the Statement of Accounts for 2017/18 following external audit.

Mr. Ade Oyerinde, Senior Manager, Grant Thornton, was in attendance to present the audit findings.

Mr Oyerinde reported that the auditors anticipated providing an unqualified audit opinion in respect of the financial statements. As at the date of the meeting only third party year end confirmation was outstanding from Deutsche Asset Management. In terms of the Value for Money conclusion, it was considered that risks around governance and financing arrangements in relation to the Council's wholly owned property investment company had been mitigated but needed to be kept under review. Regular reporting and monitoring of governance arrangements over investment decisions and the management of EEPIC ought to be a key priority for this Committee.

In response to a query regarding borrowing in relation to investment properties, it was confirmed that independent financial advisers had been engaged to advise on rates and risks.

The Committee wished its thanks recorded to Auditors in the undertaking of the audit and to the Finance Team for its hard work, particularly in the light of the transition to the new deadline for approval of the Statement of accounts and Annual Governance Statement.

The Committee:

- (1) Approved the Statement of Accounts for the year ended 31 March 2018;
- (2) Agreed the Annual Governance Statement included within the Statement of Accounts;
- (3) Received the Audit Findings for 2017/18;
- (4) Agreed the management action in response to audit recommendations;
- (5) Agreed that the Chairman of the Strategy and Resources Committee and the Chief Finance Officer sign the Letter of Representation on behalf of the Council;
- (6) Delegated any further amendments to the 2017/18 Statement of Accounts to the Chief Finance Officer in consultation with the Chairman of the Strategy and Resources Committee.

**75 FUNDING FOR EPSOM & EWELL MASTERPLAN**

Members received a report in relation to the work initiated on a new Borough-wide Masterplan. The Masterplan had been the subject of a report to the Licensing and Planning Policy Committee on 7 June 2018. The Committee had

approved the preparation of this document and had requested that the Strategy and Resources Committee consider the release of funding to undertake this project.

It was intended that the document would function alongside the new Local Plan to provide a supplementary planning policy framework that would facilitate the transformation of Epsom and Ewell into the 2040s. It was intended to play a key role in responding positively to the Council's objectively assessed housing need.

Whilst drawing on existing resource, some of the work would be outside the Council's expertise and experience. The estimated cost of procuring in this resource could be met from the Corporate Projects Reserve.

The Committee agreed:

- (1) the production of the Masterplan, at an estimated cost of up to £85,000;
- (2) the £85,000 budget be funded from the Corporate Projects reserve;
- (3) authority be delegated to the Chief Finance Officer in consultation with the Chairman of the Strategy and Resources Committee to increase the budget up to £100k if necessary, with the increase being funded from the Corporate Projects reserve.

## 76 HR POLICY REVIEW

A report was presented to Committee that requested the release of £30,000 from the Corporate Project Reserve to undertake a full and comprehensive review of all core HR policies during 2018/19.

The Council was committed to supporting its staff and this would be an important aspect of the review, particularly in relation to attendance policy.

The Committee agreed:

- (1) To review and update all core HR Policies and Procedures during 2018/19;
- (2) To the use of £30,000 of the Corporate Projects Reserve to finance the review.

## 77 HIGH PRESSURE FUEL PIPELINE PROTECTION

The Committee considered and approved a report that requested the use of up to £36,000 of S106 funds to add to the existing budget for the protection of the high-pressure fuel pipeline that ran across Epsom Common Local Nature Reserve.

In so doing, it was confirmed that S106 funding was the primary source from which to look to fund the additional expenditure required and that there was minimal risk in utilising funds held for "Open Spaces" for this purpose.

## 78 UTILISATION OF SECTION 106 FUNDS

The Committee received and considered a report that requested additional funding from S106 receipts to carry out the replacement of floodlights at Court Recreation Ground and Poole Road Recreation Ground.

The facilities at these Recreation Grounds supported the Council's key priority of promoting healthy and active lifestyles and were well utilised by the community. The replacement of the floodlights with LED lighting would be beneficial for both the environment in terms of reduced energy consumption and for the Council in terms of reduced maintenance requirements. However, a further sum of £13,335 was required to meet the lowest tender.

The uncommitted S106 balance for Outdoor Sports Facilities was £185,699 and using £13,335 for this project would leave £172,364 for further schemes. The use of these receipts met the legal requirements of the S106 agreement in question (Agreement number 268).

Accordingly, the Committee approved the additional funding from S106 receipts to carry out the replacement of floodlights at Court Recreation Ground and Poole Road Recreation Ground.

## 79 DEVELOPING A LONGER-TERM VISION FOR THE BOROUGH

The Committee approved the approach set out in a detailed report to develop a long-term vision for the Borough and that £20,000 of Housing & Planning Delivery Grant be used to part fund the visioning work, estimated to cost up to £45,000.

The report highlighted that bringing together the views and aspirations of those living and working in Epsom and Ewell would have a valuable role in:

- Further demonstrating this Council's vital community leadership and resident engagement role and that the Council was not just thinking about today but also had a keen eye on the Borough's future;
- Developing a clear evidence base of demographic, economic, social and technological drivers impacting on the future success and wellbeing of the Borough and its residents;
- Positive resident engagement – listening to the views and aspirations of local people about what they enjoyed most about living in Epsom and Ewell and what they wanted to see in the future for their children and their children's children;
- Speaking with key organisations in Epsom and well to understand their emerging plans and aspirations for the future and ensuring that this contributed to and was aligned with the emerging longer-term vision for the Borough.

**80 UPDATE TO CONTRACT STANDING ORDERS**

The Committee received and considered a report that outlined amendments to the Council's rules for letting contracts, known as Contract Standing Orders. These amendments included a change to the lowest level of threshold from £5,000 up to £10,000.

The Council's Contract Standing Orders ensured that the Council was compliant with statutory requirements and achieved value for money through effective procurement. The proposed revised thresholds would improve the efficiency of the procurement process

The Committee approved the amendments to the Contract Standing Orders and recommended to the Council that the Constitution be updated accordingly.

**81 CORPORATE PLAN: KEY PRIORITY TARGETS FOR 2018 TO 2019**

A report was presented to Members that provided a list of Priority Targets relevant to the Strategy and Resources Committee in relation to the corporate priorities of "Keeping our Borough clean and green", "Supporting our community", "Managing our Resources" and "Supporting businesses and the local economy".

The report highlighted that delivery of the Corporate Plan would be captured in performance reports, which would detail what the Key Priority Targets were, what would be done and how these would be measured. Progress would be reported directly to members via Members' Update but all targets would continue to be reported for scrutiny to the Audit, Crime & Disorder and Scrutiny Committee.

In relation to Horton Chapel, it was noted that the target for delivery of the project was March next year. The transfer of this undertaking was not straightforward – there was a need to ensure that the release of funds to the Horton Chapel Arts & Heritage Society mirrored the release of Heritage Lottery funds.

It was also confirmed that the target achievement date of April 2018 was correct in respect of the delivery of the Income Generation Plan.

Accordingly, the Committee agreed its Key Priority Targets for 2018 to 2019 as detailed in Annexe 1 of the report and outlined in paragraph 2.1.

**82 EASEMENT ACROSS EPSOM COMMON**

The Committee received a report that recommended that the Council grant an easement across Epsom Common to UK Power Networks (UKPN) to facilitate the maintenance of the power lines under the Common. This was in the interests of the Council as the Deed of Easement would contain the necessary provisions to ensure that any risk associated with the maintenance of these power lines affecting the management of the Common would be mitigated.

Accordingly, the Committee agreed to grant authority to the Chief Legal Officer and Head of Property and Regeneration to engage with UKPN, agree heads of terms and final form of the easement and progress the matter to completion.

### 83 CAPITAL MEMBER GROUP

The Committee received a report regarding appointments to the Capital Member Group that also sought agreement to the capital bidding process for 2019/20 and an increase in the budget for the Disabled Facilities programme and to 2021/22.

To facilitate the scrutiny and selection of capital projects to be included in the 2019/20 capital programme, the appointment of a Capital Member Group was recommended. The Group would need to be mindful of the finite nature of the Council's capital resources and it was therefore proposed that the Group should only consider bids for inclusion that were a prioritised service area, were essential to keep services running or which met health and safety requirements. Any other schemes would need to be self-financing, via external contributions or revenue savings within a set timescale. It was hoped that these criteria could be revisited at some point in the future but given the current state of public sector funding and the limited capital resources available, it was considered advisable not to relax this approach at this time.

The 2018/19 budget for the Disabled Facilities programme had been agreed by Council in February 2018 in line with the 2017/18 allocation as the 2018/19 grant allocation had not been determined at that time. The allocation for 2018/19 had subsequently been announced and was some £50,000 more than anticipated. Accordingly, the Committee was asked to approve additional budget for the Disabled Facilities Grant funded scheme in the 2018/19 capital programme to match the grant allocation. Additional staff resources had been made available to assist in the delivery of this scheme. The grant was ring-fenced for this purpose and funds not allocated to this purpose would have to be returned to central government.

The Committee:

- (1) Appointed Councillors Eber Kington, Clive Smitheram, Barry Nash, Omer KoKou-Tchri and Richard Baker to the Capital Member Group;
- (2) Approved the increase in budget of £53,382 for the Disabled Facilities programme, in line with the allocation of central government funding;
- (3) Confirmed the criteria for considering capital bids, as set out in paragraph 9.1 of the report;
- (4) Confirmed the criteria for assessing "spend to save" capital bids as set out in paragraph 9.2.

### 84 FORWARD PLAN FOR COMMITTEE ITEMS

The Committee noted the forward plan for items.

**85 MINUTES OF PREVIOUS MEETING**

The Minutes of the Meeting of the Strategy and Resources Committee held on 17 April 2018 were agreed as a true record and signed by the Chairman.

**86 EXCLUSION OF PRESS AND PUBLIC**

The Committee resolved to exclude the Press and Public from the meeting. This was 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.

**87 POTENTIAL REDEVELOPMENT OPPORTUNITIES**

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

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

**88 EPSOM CEMETERY EXTENSION - LAND ACQUISITION**

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

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

*The meeting began at 7.30 pm and ended at 8.58 pm*

COUNCILLOR EBER KINGTON (CHAIRMAN)