

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held on
5 April 2016**

PRESENT -

Councillor Neil Dallen (Chairman); Councillor Clive Woodbridge (Vice-Chairman);
Councillors Tony Axelrod, Richard Baker, Rekha Bansil, Kate Chinn, Eber Kington,
Keith Partridge and Mike Teasdale

Absent: Councillor Omer Kokou-Tchri

Officers present: Frances Rutter (Chief Executive), Kathryn Beldon (Director of Finance
and Resources), Simon Young (Head of Legal and Democratic Services), Fiona Cotter
(Democratic Services Manager), Mark Berry (Head of Place Development) (For items
70 to 77), Rod Brown (Head of Housing & Environmental Services) (For items 70 to 76)
and Michael Smith (Chief Accountant)

70 QUESTION TIME

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

71 DECLARATIONS OF INTEREST

No declarations of interest were made by councillors at the start of the meeting
regarding items on the Agenda on the basis that no discussion was anticipated in
relation to Outstanding References (item 13 refers)

72 MINUTES OF PREVIOUS MEETING

The Minutes of the ordinary meetings of the Strategy and Resources Committee
held on 17 November 2015 and 27 January 2016 and the Minutes of the Special
Meeting of the Strategy and Resources Committee held on 8 December 2015
would be presented to the June meeting of the Committee.

73 EXTERNAL AUDIT PLAN

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

Ms. Liz Olive, Associate Director, and Mr. Ade Oyerinde, Audit Manager, Grant
Thornton UK LLP (the Council's external auditors) were in attendance.

Mr. Oyerinde highlighted the challenges and opportunities facing the authority. In
particular he highlighted that the auditors were working with Officers in

anticipation of the deadline set out in the Accounts and Audit Regulations 2015 to bring forward the approval and audit of financial statements to 31 May and 31 July respectively by the 2017/18 financial year. He further highlighted that risks in the revenue cycle was a standard presumption applicable to all audits. A new change for this year in the conduct of the audit was the application of the concept of materiality i.e. that “misstatements including omissions (were) considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements”. Materiality for the statements as a whole had been determined by the auditors as a proportion of the gross revenue expenditure of the Council and had been set at £911K or 2% of gross revenue expenditure. As a result of this approach, valuation of the pension fund net liability had been included as a risk for the first time because of its significant size.

In terms of reaching a conclusion regarding Value for Money, Mr. Oyerinde highlighted that this would include a risk assessment of working with partners and other third parties.

Mr. Oyerinde concluded his brief introduction by highlighting the auditor’s fees and hoped that members would concur that the Council was getting good value for money.

The following points were noted:

- It was confirmed that surplus assets within property, plant and equipment would now be required to be valued at fair value i.e. market value in line with IFRS 13. However, this change was not that significant in relation to this Council and members would not see a fundamental shift in the statements and accounts for 2015/16;
- The significant risk identified by the auditors in relation to fulfilling their audit duties in respect of the 2015/16 VfM conclusion would not impact the way the audit was carried out and was not a risk peculiar to this authority – it was a risk for every local authority;
- Whilst the level of “materiality” was high, it did not mean that matters below that level would not be addressed.

74 CORPORATE PLAN

The Committee received and considered a report which set out the four Key Priorities proposed for the Council’s Plan for 2016 to 2020.

The adoption of the Corporate Plan for the next four years would provide an important focus for the Council’s work to ensure that services to the local community met the areas of greatest importance and need.

The Plan and its four Key Priorities had been developed as a result of consultation carried out with members, the Leadership Team, key stakeholders and Staff. Residents had also been consulted in February 2016 and a total of 450 responses had been received from the online and paper surveys.

It was agreed that the wording of two of the objectives in relation to the Key Priority “Keeping our Borough Clean and Green” should be amended. Firstly, to provide greater reassurance that the Council was committed to the protection of the green belt, the Committee recommended that the objective of “*accommodating sustainable development whilst seeking to preserve the green belt*” should be amended to read: “*accommodating sustainable development whilst protecting the green belt using adopted planning policies*”. Secondly, it was agreed that the wording of the objective regarding the introduction of a premium weekly collection service for recycling and waste should be amended to read “introducing a premium weekly collection service for recycling and waste as *a standard for all residents* and encouraging more household waste to be recycled”.

In regard to the four proposed Core Values it was agreed that the word “Respect” should be changed to “Openness”, this being a more objective concept than the concept of respect.

Accordingly, **it was agreed to recommend** that the Council:

- (1) Approve and adopt the Ambition and four Key Priorities for the Corporate Plan 2016 – 2020 as set out in Annexe 1 to the report subject to the amendments made at this meeting
- (2) Approve and adopt the new Corporate Plan 2016 to 2020

75 PERFORMANCE MANAGEMENT 2015/16: PROGRESS REPORT THREE AND PROVISIONAL TARGETS FOR 2016/17

The Committee received and considered a report which set out performance against the Committee’s actions (Progress Report Three) and Provisional Targets for 2016/17.

The report highlighted that, overall, the Committee had 15 actions for the financial year 2015/16. As at February 2016, six had been achieved, three were on target, five had not been met and one (refurbishment of Horton Chapel) had been deleted as it was not feasible that the Council would be able to facilitate this in this financial year.

The following points were noted:

- **EV4:** “*planning application submitted and determined for new retail store and housing on Depot Road and Upper High Street*”: It was not possible to put a timescale on realisation of the Upper High Street/Depot Road Development Brief following termination of negotiations for a new retail store on Upper High Street: much was dependent on partners, particularly Surrey County Council. All major players were well aware of the Brief and Officers were confident that strategic sites would be marketed with that in mind;
- **S2** “*to reduce (electricity gas and water) consumption to 1.9m KWHs, 2.5m KWHs and in line with agreed targets respectively*”: It was

acknowledged that there had been a number of issues around equipment and staff resources (attempts to recruit to the vacant post had proved unsuccessful) to implement these targets. However, it was stressed that considerable reductions and the bulk of savings to be generated had been made.

Regarding provisional targets for 2016/17 under the umbrella of the new Corporate Plan, the Committee was pleased to note that these addressed concerns expressed by Members previously and had been developed in consultation with Committee Chairman. The targets were focussed around the key priorities and were not reliant upon third parties to deliver.

In regard to identifying new sources of revenue and maximising the Council's existing income, it was confirmed that Officers were looking at three main business cases which could generate long term income streams for consideration by the Capital Member Group but were also working on others which might not require capital investment.

It was further noted that the wording in relation to the target regarding developing multi-skilled and motivated staff would be clarified to indicate that the review was to be a review of an existing scheme as the Council already operated a performance pay and appraisal scheme.

Accordingly, the Committee did not identify any issues requiring action over and above that set out within the report and agreed targets for 2016/17 as detailed in Annexe 2 of the report.

76 ACTION SURREY: REQUEST FOR FUNDING

Note: The Committee consented to moving this item up the order of business

The Committee received and considered a report which sought approval to contribute £6,000 to the Action Surrey initiative.

Action Surrey was collaboration between all eleven Surrey Districts and Boroughs to facilitate delivery of the statutory requirement on local authorities to promote home energy conservation in accordance with the Home Energy Conservation Act 1995.

Additional information highlighting the key benefits of this and setting out why it was considered value for money had been requested by the Chairman. It was considered that an annual update via Members Briefing in order that Members could assess its continued value for money would be useful.

Accordingly, the Committee approved the expenditure of £3,000 per annum for 2016/17 and 2017/18 to renew the contract with Action Surrey to be funded from Corporate Project Reserve.

77 ECONOMIC DEVELOPMENT STRATEGY

The Committee received and considered the scope and content of the draft Economic Development Strategy which had been the subject of a comprehensive briefing for Members on 29 March 2016.

The report highlighted that the Strategy focussed on five themes, selected following consultation with Members and the local business community. These themes sought to reflect and develop the Borough Council's priorities already set out in the Corporate and Local Plans.

The Action Plan associated with these themes identified a variety of different interventions that the Borough Council could undertake. For example, the report highlighted that in order to improve accessibility and infrastructure, this Council could contribute to the delivery of transport schemes such as the Kiln Lane Link and Epsom Town Centre Improvements. In regard to the Kiln Lane Link scheme, it was noted that discussions were on-going with partners regarding the development of the business case in order that the scheme could be put forward as a bid to the Coast to Capital Local Enterprise Partnership.

It was agreed to recommend the adoption of the Economic Development Strategy

78 TREASURY MANAGEMENT STRATEGY

The Committee received and considered a report which set out the updated Treasury Management Strategy Statement for 2016/17 – 2018/19.

It was highlighted that the Strategy supported the achievement of the Council's Medium Term Financial Strategy and set out the management of risks associated with the treasury management service. There were very few changes to the Strategy from last year apart from the fact that the new Strategy allowed for a number of options to be explored to generate returns in excess of current levels. This included extending the investment portfolio through longer term investments and the use of property funds. It was noted that there was a slightly higher risk attached to the use of these funds but the Strategy did not commit the Council to anything other than considering such investment.

It was further noted that Capital expenditure was higher in 2015/16 as a result of Plan E but that overall, capital investment was dropping. The "other contribution" of £3m in 2015/16 was from Surrey County Council towards the implementation of Plan E schemes.

Included within the Strategy were the borrowing limits and borrowing investment parameters required by the Prudential Code and approved by Council on 11 February 2016. Should the Council decide to borrow, this would feed into the Capital Prudential Indicators which would need to be amended accordingly.

Having noted that the Treasury Management and Investment Strategies were compliant with the CIPFA Code of Practice on Treasury Management, the Committee approved:

- (1) the Capital Prudential Indicators and Limits for 2016/17 to 2018/19 contained within the Treasury Management Strategy Statement (Section 2)
- (2) the Treasury Management Strategy 2016/17 to 2018/19 and the Treasury Prudential Indicators contained within it (Section 3)
- (3) the Investment Strategy 2016/17 contained with the Treasury Management Strategy Statement (Section 4)
- (4) the treasury management practices as set out in Appendix 2 to the Treasury Management Strategy Statement

and accordingly, it was **agreed to recommend** the adoption of the updated Treasury Management Strategy Statement 2016/17 to 2018/19

79 BACKLOG MAINTENANCE: YEAR END UPDATE AND PROPOSALS FOR 2016/17

The Committee received and considered a report which indicated the current position at year end 2015-16 in relation to the backlog maintenance programme.

The report highlighted that Officers had delegated authority to make adjustments to schemes of up to £20,000 subject to the programme being completed within the approved budget. A mid-year progress report had been presented to the Financial Policy Panel in October 2015 which included changes to proposed schemes. These changes had been ratified by this Committee. As a result, four additional schemes had been included in the programme:

- Minor improvements to reduce water consumption – leaks at the Town Hall (£5,439)
- Upgrade to intruder alarms at the Town Hall, The Wells, Alexandra Recreation Ground, Poole Road, Gibraltar Recreation Ground, Auriol Pavilion and Horton Country Park (£12,506)
- Path repairs – Alexandra Recreation Ground (£4,409)
- Relaying of uneven paving in front of the Playhouse (£7,166)

The report highlighted that a number of uncommitted schemes had been put “on hold” during the year in response to the requirement to limit non-essential spend across all services. It was proposed that these schemes, totalling £127,000 would be carried over into 2016/17 and funded from drawdown from the property maintenance reserve (assuming there were sufficient funds available within the General Fund at year end). These related to:

- Bourne Hall Lodge: Roof replacement and render
- Ewell High Street: car park resurfacing

- Longmead Depot: repairs to concrete and repainting
- Longmead estate: path repairs (these needed approval before funding could be committed from Rosebery Housing Association)
- Resurfacing works at various locations
- Alexander Recreation Ground: damp proofing work to the main pavilion
- Alexander Recreation Ground: refurbishment of the top pavilion

Accordingly, the Committee:

- (1) Noted changes made to the programme under delegated authority;
- (2) Approved the carry forward of all unspent monies and schemes as indicated in Annexe 1 to the report (assuming there were sufficient funds within the General Fund at year end); and
- (3) Authorised Officers to make adjustments to the recommended programme, within the overall budget, as a result of improved estimates becoming available where the adjustment was less than £20K.

80 UPDATE OF CONTRACT STANDING ORDERS

Item marked to follow – to be reported to future meeting.

81 COMMITTEE RESTRUCTURING

The Committee received and considered a report which set out proposed changes to the Committee structure. The main changes comprised the replacement of the Social and Leisure Committees with a single Community and Wellbeing Committee and modification of the terms of reference of certain committees.

It was noted that the number of seats on each committee was a matter for Council but it had previously been agreed that policy committees would consist of ten members. However, in the opinion of Officers, the reduction in 10 seats on ordinary committees ought not to lead to any disenfranchisement as there remained a sufficient number of seats to fill on committees and panels sufficient to involve all members.

Accordingly, it was **agreed to recommend**

- (1) the Social Committee and Leisure Committee be disestablished with effect from the next Municipal Year
- (2) A new Community and Wellbeing Committee be established with effect from the next Municipal Year, comprising ten members

- (3) the Terms of Reference of Committees and Panels be amended as set out in the Annexe to the report

82 OUTSTANDING REFERENCES

The Committee noted references outstanding to Officers as at 5 April 2016, in particular that a report on Horton Chapel would be brought to the June meeting of the Committee

Note: Councillor Eber Kington indicated that he had a Disclosable Pecuniary Interest in relation to this matter but was advised that in the context of this item, it was not necessary to leave the Chamber.

83 EXCLUSION OF PRESS AND PUBLIC

The Committee resolved to exclude the Press and Public from the meeting in accordance with Section 100 (A) 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 12 A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12 A the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

84 MINUTES OF PREVIOUS MEETINGS

The Minutes of the meetings of the Strategy and Resources Committee held on 17 November 2015 and 27 January 2016 (considered exempt from publication) would be presented to the June meeting of the Committee.

85 ACQUISITION OF LAND

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.

86 ACQUISITION OF PROPERTY

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.

87 HOUSING PROPERTY MATTERS

Item marked to follow and would be presented to a future meeting.

88 VOTE OF THANKS

The Committee gave a vote of thanks to Councillor Neil Dallen for his Chairmanship over the past year.

The meeting began at 7.30 pm and ended at 9.14 pm

COUNCILLOR NEIL DALLEN (CHAIRMAN)