

**Minutes of the Corporate Policy and Resources Committee
9 December 2024**

Present:

Councillor J.R. Sexton (Chair)
Councillor C. Bateson (Vice-Chair)

Councillors:

M. Beecher	R.V. Geach	N. Islam
J.R. Boughtflower	M. Gibson	S.C. Mooney
J. Button	K.M. Grant	L. E. Nichols
S.M. Doran	K. Howkins	H.R.D. Williams

Substitutions: Councillors D.C. Clarke

Apologies: Councillors M.J. Lee and O. Rybinski

135/24 Apologies and Substitutes

Apologies were received from Councillors Lee and Rybinski.

Councillor Clarke attended as substitute for Councillor Rybinski.

136/24 Minutes

The minutes of the meeting held on 15 October 2024 were agreed as a correct record.

137/24 Disclosures of Interest

Councillors Mooney and Sexton declared that they were also Surrey County Council Councillors.

Councillor Nichols declared he was on the board for Knowle Green Estates. Terry Collier, Chief Finance Officer/Section 151 Officer advised that he was also on the board for Knowle Green Estates.

138/24 Questions from members of the Public

There were no questions.

139/24 Knowle Green Estates Ltd, Annual Report 2023/24

The Committee received a presentation from Darren Levy, Anne Fillis and Councillor Nichols who are Board directors for Knowle Green Estates Ltd (KGE).

The Committee were advised that KGE currently had net assets of £5.6m and that it was forecast to be generating a profit within 10 years but due to the recent acquisition of additional properties it was hoped that this should be reduced to 3-4 years.

The Directors advised the Committee that the Council's Section 151 Officer would be relinquishing his position on the KGE Board due to a potential conflict of interest.

The Board Directors were asked how many families were currently being housed in properties owned by KGE. The Committee was advised that KGE currently had 179 properties and that full details of how many tenants and their make-up would be circulated to the committee members.

The Committee were advised that KGE would not be able to achieve the target of 600 affordable housing units that it had been working towards.

It was proposed by Councillor Nichols and seconded by Councillor Bateson that a Task & Finish Group of members would be set up to consider future Council representation on the KGE Board and to look at how best to move the company forward and would report back to this Committee. The Task & Finish Group would consist of 7 members and would be politically proportionate and would be made up of members of this Committee with at least one member that was also on the Community Wellbeing and Housing Committee. The Committee were advised that the Democratic Services Manager would circulate the proportionality calculations to all Group Leaders for them to provide nominations for their seats on the group. The Terms of Reference for this Task & Finish Group would be presented at the next meeting of this Committee for approval.

140/24 Q2 Revenue Monitoring Report as at 30 September 2024

The Committee considered the report that sought to advise the Committee of the forecast overspend of £896,000 for 2024/25 as at 30 September 2024.

The Committee asked that clarification be provided on the overspend and the savings due to vacant posts as outlined in the report. A breakdown of all current vacancies under each salary grade and the total percentage posts that were currently vacant was requested to be provided to all committee members.

Officers were also asked to provide reasons why the agreement to demolish Thameside House was never acted upon.

The Committee **resolved** to note the report.

141/24 Quarter 2 (30 September 2024) Capital Monitoring Report

The Committee considered the report that sought to advise the Committee of the forecast overspend of £1.157m for 2024/25 as at 30 September 2024.

Members asked that future financial reports be provided in an Excel format to enable councillors to expand on information contained within. The Chief Finance Officer advised the Committee that members were able to access the quarterly reports in an Excel format and the Finance Team will ensure that members are aware of how to access both the Capital and Revenue reports in this requested format. The Committee were advised that currently Excel spreadsheets were unable to be attached to the Mod Gov agenda so had to be presented in the agenda in a PDF format.

The Committee members asked that training be provided for councillors in finance to aid a better understanding of financial reports. The Chief Finance Officer advised that the Members Finance Working Group had previously discussed training and also the production of a glossary of financial terms. A draft glossary had been produced and circulated to members of the finance group and feedback had been sought. Once finalised, the glossary would be circulated to all members. The Committee Chair asked that the Members Finance Working Group meet before the end of January 2025 to move these issues forward.

Clarification with regard to virements and the process to deal with them was sought by the Committee. The Chief Finance Officer advised that this would be circulated to all committee members after the meeting.

The Committee **resolved** to note the report.

142/24 Eclipse Leisure Centre Financing

The Committee considered the report that outlined the revenue impacts of the Eclipse Leisure Centre.

The Committee were advised that there was currently an estimated overspend of £2.6m over the entire programme of the new Eclipse Leisure Centre build and the refurbishment of the Sunbury Leisure Centre. The final accounts for the Eclipse Leisure Centre have not yet been settled so this figure may change. The Group Head of Assets advised the Committee that the overspend on the Eclipse Leisure Centre alone was currently in the region of £100k but that this figure may also be subject to change.

The Minimum Revenue Provision (MRP) for the internal financing was queried and the Committee were advised that further details would be provided to all Committee members after the meeting.

The Committee **resolved** to note the revenue impacts of the Eclipse Leisure Centre for the outline budget period.

143/24 Corporate Policy and Resources - Budget, Fees and Charges, Capital bids, Revenue Growth and Savings for 2025/26

The Committee considered a report that outlined the draft Budget, Fees & Charges Schedule, Capital Items, Revenue Growth and Savings Items for the Corporate Policy & Resources Committee 2025-26 Budget.

The Chief Finance Officer advised the Committee that this report was for the Committee to provide feedback to officers ahead of further consideration by the Committee. A final budget report will be brought back to the Committee in January 2025 for members to further discuss and to make a recommendation to Council that the budget be approved.

The Committee asked for clarification on the 'Window Replacement (non-competent persons scheme)' and also asked whether the discount for Houses of Multiple Occupation currently granted to Landlords that are members of a professional Landlord Association or with an accreditation from a recognisable scheme be increased to encourage a better calibre of Landlords. The Deputy Chief Executive advised that he would provide a written answer after the meeting that would be circulated to all Committee members.

The Growth Bid submitted for Members and Officers' tablets was queried due to the figure of £51k in 2026-27 dropping to £11k for 2027-28 and 2028-29. Clarification was sought from officers as to the vast drop in figures from Year 1 to Year 2. Members were advised that a written answer would be provided after the meeting that would be sent to all Committee members.

The Committee requested that prior to the report being brought back before the Committee that the Assets Budget be incorporated within it. It was also requested that clarification be given in the new Budget Report with regard to the Internal Audit Service through the Surrey Internal Audit Partnership and whether the proposed Growth Bid would be an ongoing item going forward.

The Committee **resolved** to note the draft initial Budget, Fees & Charges Schedule, Capital Items, Revenue Growth and Savings items for 2025-26 for Corporate Policy & Resources Committee.

144/24 Determination of 2025/26 Council Tax Base for Tax Setting

The Committee **resolved** to approve:

1. The gross Council Tax Base for 2025/26 is determined at 41,875.90 as Band D equivalents after taking into account of the Council's agreed Council Tax Support Scheme; and
2. The net Council Tax Base for 2025/26 calculated as Band D equivalents, is determined at 40,620 after an adjustment by 3% to allow for irrecoverable amounts, appeals and property base changes.

145/24 Outline Budget Report 2025-26 to 2028-29

The Committee were advised that work on a new Sinking Fund model was underway and that it would be presented to both this Committee and the Commercial Assets Sub-Committee before the final budgets were approved to aid members by providing clarification of how some of the figures were compiled.

The Committee requested that any modelling should include stress testing and it should ensure that all parameters and assumptions tested were clear and transparent.

It was suggested by the Committee that the Council develop its Investment Property Portfolio Modelling to bring them in line with expected practice of an institutional investor (as recommended by the Council's External Auditors). This would include stress testing and sensitivity analysis which would incorporate scenarios that covered the highest level of risk for expenditure, revenue, tenant behaviour and external socio-economic factors.

The Committee were advised that a Transformation Board, consisting of 7 councillors supported by officers, would be put in place. This would be subject to proportionality rules and the Democratic Services Manager would circulate the proportionality calculations and request nominations for members to sit on this Board. The Terms of Reference for this Board would be presented at the next meeting of this Committee for approval.

It was proposed by Cllr Sexton, seconded by Cllr Bateson and **resolved** to suspend Standing Order 38.3 to allow the meeting to continue beyond 22:00.

The Committee **resolved** to:

1a. note the proposed Outline Budget parameters for 2025-28 to 2028-29 and the issues and challenges raised in the report,

1b. note the current projected Budget shortfalls over the outlined periods set out in the report,

1c. subject to a recommendation of the Commercial Assets Sub-Committee, agree in principle to the use of £1m per annum in 2026/27 up to £5m per annum in 2030/31 revenue income from investment assets to accelerate the building up of the investment sinking fund reserves, resulting in less income to support annual service provision,

2a. agree the Outline Corporate Transformation Programme covering the year 2025-26 to 2028-29 to ensure the ongoing financial viability of the Council; and

2b. agree to set up a Members Transformation Board, with draft Terms of Reference to be brought back to the next meeting of the Committee.

Councillor Geach left the Chamber at 22.10

146/24 Reserves Strategy for Capital & Revenue for 2025-26 to 2028-29

The Committee **resolved** to:

1. Note the forecast Council Reserves balances for the four years ending 31 March 2029,
2. Note a further report will come to the Committee in February once the final budget has been finalised,
3. Agree to repurpose £8.71m of earmarked Revenue Reserves to offset abortive project management costs on Council housing regeneration site, that must be re-charged from Capital to the Revenue Budget,
4. Repurpose the Green Belt fighting fund reserve (£900k) to become a Local Plan Resources Funding Reserve to be applied in 2025-26 and 2026-27 to help fund Strategic Planning; and
5. To apply a further £700k of Social Housing Initiatives Reserve in 2025-26 to offset revenue pressures arising from homelessness.

147/24 Replacement of Mechanical & Electrical Plant at Sunbury Leisure Centre

The Committee were advised that the mechanical and electrical plant at the Sunbury Leisure Centre was over 25 years old and was now considered obsolete. A procurement exercise had been undertaken to appoint a

contractor to undertake works to replace the plant and 4 contractors had been invited to tender; only 1 contractor had submitted a tender.

The Committee asked that this project be put on the Project Dashboard so that members would be able to see the progress made.

The Committee requested that an update on each current outstanding project be presented to the Corporate Policy & Resources Committee.

The Committee **resolved** to recommend to Council that it:

1. Approve a net budget of up to £739,000 to undertake improvement mechanical and electrical plant replacement works at Sunbury Leisure Centre,
2. Approve a contingency budget in the amount that equals 10% of the total project cost,
3. Delegate authority to the Group Head of Assets in consultation with the Chair and Vice Chair of the Corporate Policy & Resources Committee to agree requests for expenditure from the contingency budget,
4. Delegate authority to the Group Head of Assets in consultation with the Chair and Vice Chair of Corporate Policy & Resources Committee to appoint the preferred bidder as set out in this report to undertake the mechanical and electrical plant works; and
5. Delegate authority to the Group Head of Corporate Governance to enter into necessary legal documentation to formalise the appointment of the Contractor.

148/24 Council Land and Property Disposals

The Committee were advised by the Group Head of Assets that this report was seeking approval to progress the Assets Disposal Programme. The Committee were advised that the majority of Local Authorities do have a disposal programme to ensure that they are achieving best value on all council owned sites.

Members were advised that the list of potential sites as outlined in Appendix 1 was only an indicative list and not final. Due diligence would be undertaken on each site and that a report would be brought before this committee with all the available options including detailed information on what part of the site could be sold if not all of the site and the positives and negatives for each option for individual sites. The Committee would then make a recommendation to Council if any site was identified as one that would be best disposed of.

The Committee **resolved** to recommend to Council that it approves the progression of an Assets Disposal Programme of Council owned land and property in order to generate capital receipts.

149/24 Appointment of an Independent Member of the Commercial Assets Sub-Committee

The Committee **resolved** to recommend to Council that it approves the appointment of Mark Bunney as the Independent Member of the Commercial Assets Sub-Committee.

150/24 Safeguarding Children and Adults at Risk Policy 2024-2028

The Committee **resolved** to:

1. Approve the Safeguarding Children and Adults at Risk Policy 2024-28; and
2. Approve to delegate authority to the Strategic Safeguarding Lead in consultation with the chair of the Community Wellbeing & Housing Committee to approve minor amendments and updates to the Policy

151/24 Appointment of Charity Trustees - Staines Parochial Charity

The Committee **resolved** to approve the appointment of June Stillwell as a Charity Trustee for Staines Parochial Charity.

152/24 Appointment of Charity Trustees - Laleham Charities - Hodgson & Reeve

The Committee **resolved** to approve the appointments of Barry Morgan and Jo Smith as Charity Trustees for Laleham Charities, Hodgson & Reeve.

153/24 Forward Plan

Committee **resolved** to note the contents of the Forward Plan.

154/24 Urgent Actions

There were none.

155/24 Exclusion of Public & Press (Exempt Business)

The Committee **resolved** to move the exclusion of the Press/Public for the following item as the report contains exempt information within the meaning of Part 1 of Schedule 12A to the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006 Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information) and in all the circumstances

of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because, disclosure to the public would prejudice the financial position of the authority in any lease, contract or other type of negotiation with the tenant or developer, who could then know the position of the Council

156/24 Solar Canopies Over 'Eclipse' Leisure Centre Car Park

The Committee asked what social value this project would have for the residents of the Borough. The Sustainability & Flood Risk Officer advised the Committee that he would liaise with Bidder A and email all Committee members after the meeting with the response.

The Environment and Sustainability Committee and the Climate Change Working Group would receive regular updates on the project once it commenced and also once completed to ensure that it is monitored.

The Committee **resolved** to:

1. Approve the recommended tender option,
2. Approve the Council entering into a contract (subject to the required standstill period) with the recommended bidder,
3. Authorise the Group Head of Corporate Governance to be delegated to enter into the contract and any other associated documentation in connection with the solar car park project; and
4. Agree a supplementary capital estimate for the current year.