

Runnymede Borough Council

Corporate Management Committee

Thursday, 18 January 2024 at 7.30 pm

Members of the Committee present: Councillors T Gracey (Chair), C Howorth (Vice-Chair), D Coen, MD Cressey, T Gates (In place of S Jenkins), L Gillham, R King, M Nuti, S Ringham, P Snow, D Whyte and M Willingale.

Members of the Committee absent: Councillors S Jenkins.

In attendance: Councillors .

127 **Notification of Changes to Committee Membership**

Councillor Gates substituted for Councillor Jenkins.

128 **Minutes**

The minutes of the meeting held on 14 December 2023 were confirmed and signed as a correct record.

129 **Apologies for Absence**

There were no apologies for absence.

130 **Declarations of Interest**

There were no declarations of interest.

131 **Operational Properties Condition Surveys**

The report was seeking the release of the previously agreed provision for this project, following a competitive procurement exercise carried out through the Fusion21 framework. The aim of the surveys, which would focus on mechanical and electrical installations, was to identify the maintenance needs of the Council's assets, with a view to developing a structured programme of works.

It was noted that such surveys and works had previously been carried out discretely, and that this was the first time a comprehensive survey had been conducted across the entirety of the Council's estate. The works being carried out as part of a single set of surveys would ensure that there was consistency applied when reviewing each asset's condition. Certain assets, such as Egham Orbit, were the subject of lease provisions that obliged the tenant to maintain mechanical and electrical installations. A final review of the sites to be surveyed would however be conducted by officers prior to the surveys' commencements.

The survey results would be reviewed by the Corporate Leadership Team who would consider a long-term programme of works prior to it being presented to the Corporate Management Committee in due course.

It was **resolved** that the following be agreed:

1. The business case for the Operational Properties Condition Surveys.

2. The release of the £60,000 provision set aside in the General Fund Revenue Budget and Business Plan for this purpose.

132 **RIPA Policy Annual Review**

The use of the Council's RIPA powers now had to be reported on annually. This opportunity had also been taken to refresh the Council's policy to ensure that it was compliant with the most recent guidance.

It was **resolved** that the Council be recommended to:

1. Note that the Council had not used its RIPA powers during the period 1 January 2023 to 31 December 2023 and further note that such powers had not been used since 2011.
2. Adopt the proposed revised policy to govern the use of RIPA powers for the period 9 February 2024 to 7 February 2025.

133 **24/25 Budget**

The draft budget for 2024/25 had been developed, following the agreement of the Medium Term Financial Strategy and Medium Term Financial Forecast at the previous Corporate Management Committee. The proposed budget also acknowledged other factors such as the Capital Strategy (considered as part of another agenda item at this meeting). The budget report sought to convey the scale of the financial challenges facing Runnymede Borough Council over the coming years, which could if left unaddressed, result in the expiration of the Council's balances during the 2028/29 financial year.

The main features of the budget were presented to the Committee. These features included the proposal to increase Council Tax by the maximum amount possible without needing to undertake a referendum, and the maintenance of a minimum level of reserves. Members' attention was drawn to the statutory statement of the Council's Chief Financial (s151) Officer, which provided commentary on the risks associated with the proposed budget.

The Committee discussed the proposals.

Some members felt that the proposed budget was pragmatic and made good progress towards addressing the budget deficit. It also maintained the Council's commitment to responding to climate change.

Some concern was expressed about the level of remuneration for staff, with particular reference to the recruitment and retention challenges being experienced by the Council. It was noted that the upcoming pay award would be subject to negotiations with the staff union.

It was stated that the car parking income discussed by the Environment and Sustainability Committee was not accurately reflected in the budget before the Committee. Officers agreed that the presentation of this element could be reviewed.

The inclusion of two years of growth for tree works was queried. It was noted that the growth covered additional works required while a full condition survey was being carried out, which would then inform the level of budget required in future years.

A query was raised about the report's commentary around the Council's assets, in particular the undesirability of disposing of them at a loss and the resultant impact on the Council's revenue budget in servicing the outstanding debt. The level of optimism around the performance of the Council in obtaining tenants for its assets was also questioned. It

was noted that the Property and Assets Member Task Force was keeping the performance of the Council's assets under close review.

Clarification was provided around limiting the number of future growth items. Such items would only be considered if they were needed to support the delivery of an essential service or to fulfil the Council's strategic aims. The initial expectation was that internal savings would need to be identified and then transferred via a virement.

A named vote was requested on the proposed resolution, with the voting noted as follows:

For the resolution (7)

Councillors Gracey, Howorth, Coen, Cressey, Nuti, Snow and Willingale.

Against the resolution (2)

Councillors R. King and Ringham.

Abstentions (3)

Councillors Gates, Gillham and D. Whyte.

It was **resolved** that the Council be recommended to agree:

1. The Revised Budget for 2023/24 and Budget Estimates for 2024/25, as set out in the officer's report and at Appendix D.
2. An increase to the Band D Council Tax level of 2.99% (£5.53) from £184.92 to £190.45.
3. The maintenance of the minimum threshold for the General Fund Working Balance at £5m.
4. The transfers to and from reserves as set out in the officer's report.

The following was **noted** by the Committee:

1. The updated Medium-Term Financial Forecast at Appendix A.
2. The statement of the Chief Financial Officer at Appendix E.

134 **Treasury Management Strategy 2024/25**

The proposed Strategy had been prepared with consideration given to a number of recent regulatory changes, as set out in the officer's report. These included the requirements of various codes of practice, and the implications of the Levelling Up and Regeneration Act 2023. Additionally, changes to the Minimum Revenue Provision guidance were anticipated in April 2024, following a lengthy series of consultations. There were also changes to the accounting treatment of lease arrangements arising from the transition to International Financial Reporting Standard 16 (IFRS16).

It was **resolved** that the Council be recommended to agree:

1. The proposed 2024/25 Treasury Management Strategy which also encompassed the Annual Investment Strategy.
2. The Prudential and Treasury Management Indicators for 2024/25.

3. That the Authorised Limit for external borrowing by the Council in 2024/25, be set at £723,443,000 (this being the statutory limit determined under Section 3 (1) of the Local Government Act 2003).
4. The MRP Policy for 2024/25 as set out in paragraph 7.15 of the officer's report.

135 **Capital and Investment Strategy 2024/25 to 2027/28**

The key proposed changes to the policy were presented to the Committee. There was uncertainty around the level of government funding in future years, the recent receipt of a non-statutory Best Value Notice and the associated CIPFA report. These dictated the need for a moratorium on investment in new debt-funded assets.

It was reported that the availability of capital receipts was expected to become an issue in 2027. The Council would therefore need to identify new capital receipts around this time.

The new requirements in relation to leases were described to the committee.

Some members felt that the proposed strategy represented a prudent yet pragmatic approach. It was however hoped that some aspirational schemes would still be possible in the future, where funding permitted this.

Questions were asked about some elements of the strategy – it was reported that the proposed Addlestone One internet upgrade was only ever a provisional scheme in the previous strategy; and the sum allocated for replacement vehicles was for the lifespan of the strategy and not a single block purchase.

Disappointment was expressed over the removal of the borough's contribution to the Surrey traveller scheme.

A named vote was requested on the proposed resolution, with the voting noted as follows:

For the resolution (7)

Councillors Gracey, Howorth, Coen, Cressey, Nuti, Snow and Willingale.

Against the resolution (2)

Councillors R. King and Ringham.

Abstentions (3)

Councillors Gates, Gillham and D. Whyte.

It was **resolved** that the Council be recommended to agree, subject to the typographical error at paragraph 3.6 of the officer's report being corrected:

1. The Capital and Investment Strategy at Appendix 'A' and the Capital Programme at Exempt Appendix 'B'.
2. A moratorium on any new debt-funded asset investment in light of the requirements of the Levelling Up and Regeneration Act 2023.
3. The "low value" limit for IFRS16 reporting purposes be set at £10,000, subject to the agreement of the external auditor.

136 **Exclusion of Press and Public**

By resolution of the Committee, the press and public were excluded from the remainder of the meeting during the consideration of the remaining matters under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information as set out in Schedule 12A to Part 1 of the Act.

137 **Recommendations from Committees**

138 **Recommendation from the Community Services Committee - Core Judo Update**

There was a complicated history surrounding the site, arising from the protections afforded to Thorpe Green. Meetings had been held between Runnymede Borough and Surrey County Councils, and Core Judo, with a view to addressing issues with the car park's surface. Quotes for this work had been obtained, the budget gap for which could be funded from a one-off underspend. The quote for the work was dictated by the extensive level of work required to make good the car park's surface.

The Committee praised Core Judo, noting it as a much loved facility within the borough, and supported the work to make the space surrounding it as attractive as possible.

It was **resolved** that the virement of a sum of up to that reported to the Community Services Committee, be approved, to be transferred from the 2023/2024 Family Support revenue budget to Assets and Regeneration, to complete the resurfacing of the existing car park facility at Thorpe Green, located opposite Core Judo.

139 **Q3 2023/24 Projects Portfolio Updates**

[The following corrections to the report, made verbally at the meeting, were noted:

1. The Independent Retirement Living Improvement project (Grade B project) shown in section 2.5 was reported in Q2 as a new project entering the portfolio. Therefore this should have been moved to be included in section 2.4 (projects on track) as a project now underway to support delivery of the Older Persons Strategy Programme. This element of the programme commenced in July 2023 and not September 2021 as stated.]
2. The start dates for housing development programme schemes at Guildford Road, Ruxbury Road and Holly Close to state 2023 and not 2022.]

The Committee was pleased to note the completion of the Surrey Towers fire doors project.

The Committee **noted**:

1. The project updates for the twelve Grade A and thirteen Grade B projects ranging through the initiation to execution stages and two programme updates.
2. The key project achievements over the third quarter of 2023/24 for the months of October, November, and December 2023.
3. The project execution delays or issues highlighted and corrective actions in place to address them.

140 **Commercial Lettings**

[Paragraph 2.2 of the officer's report was amended to reference "animal movement exercises".]

The Committee considered the proposal to let a long-term vacant unit in the Addlestone One Development. The unit in question was a first-floor space, which had proven difficult to identify a tenant for. Measures had been agreed with the prospective leaseholder to ensure that the proposed activities for the unit did not disrupt patrons of the restaurant below. Officers were confident that value for money had been achieved and that the proposed heads of terms offered appropriate financial safeguards for the Council.

It was **resolved** that:

1. A lease be granted on the terms set out in the officer's report.
2. Authority be delegated to the Assistant Chief Executive (Section 151) – in consultation with the Corporate Head of Assets and Regeneration, the Chairman, and Vice Chairman of Corporate Management Committee – to make necessary amendments to the proposed terms in order to ensure that they progress to completion, provided the deals continue to fulfil the Council's statutory obligation of best consideration reasonably obtainable.

141 **Urgent business - notification of receipt of non-statutory Best Value Notice**

[This report was considered after agenda item 6 (RIPA Policy Annual Review).]

This item was added to the agenda in accordance with Section 100B(4)(b) of the Local Government Act 1972. The requirement for the item was not confirmed until after the publication of the agenda.

Reasons for urgency – in order to comply with the requirements of the non-statutory best value notice.

It was a requirement of the non-statutory Best Value Notice to formally report its receipt to members. It was therefore being presented to the Corporate Management Committee, Standards and Audit Committee and the Council. This was in addition to its publication on the Council's website and the issuing of a press release.

The receipt of the non-statutory best value notice was **noted**.

(The meeting ended at 8.38 pm.)

Chairman