

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 18 July 2019 at 7.30 pm.

Present: Councillors M. A. Brunt (Leader), T. Schofield (Deputy Leader), T. Archer, R. H. Ashford, R. Biggs, N. J. Bramhall, A. C. J. Horwood, E. Humphreys, G. J. Knight and V. H. Lewanski.

Also present: Councillors R. Absalom, M. S. Blacker, J. C. S. Essex, S. A. Kulka, S. Sinden and C. T. H. Whinney.

26. MINUTES

RESOLVED that the minutes of the Executive meeting held on 20 June 2019 be approved as a correct record and signed.

27. APOLOGIES FOR ABSENCE

Executive Members: None.

Non-Executive Members: Councillor N. Harrison.

28. DECLARATIONS OF INTEREST

None.

29. CORPORATE PLAN 2020-2025

Councillor G. Knight, Executive Member for Housing and Benefits, introduced the draft Corporate Plan 2020-2025, set out in Annex 1 to the report presented. The report set out relevant statutory powers, background information and options. The report also set out legal, financial equalities and communication implications, risk management considerations, the position on consultation and policy framework factors.

Councillor Knight explained that the Corporate Plan formed part of the Council's Policy Framework. The Executive was informed that the revised draft Corporate Plan had been developed by drawing on contextual information, local evidence, and feedback from councillors and stakeholders.

Councillor Knight highlighted that the draft Plan confirmed the Council's commitment to delivering high quality services and value for money and included updated priorities across the three themes of People, Place and Organisation. The Executive Member also made reference to the following points:

- Reigate and Banstead continued to be an ambitious Council and the Plan reflected this.

- The importance of the Council's statutory responsibilities had been reflected in the Plan, together with opportunities that would help make the borough an even better place to live, work, visit and to do business.
- The draft plan highlighted the importance of environmental responsibilities and provided information on how the Council would secure housing that local people could afford.
- The importance of creating stronger communities and the need to promote vibrant towns and villages to ensure economic prosperity benefited residents across the borough.

It was noted that an addendum to the agenda had been circulated. Councillor Knight explained that this set out some additional text for the Plan, specifically in relation to climate change. It was noted that the purpose of this was to ensure the draft Plan clearly reflected the Council's responsibilities in relation to climate change. It was agreed that this extra information was a beneficial addition to the draft Plan.

In response to questions, it was recognised that the Council would need to generate additional funding to deliver the ambitions set out in the draft Plan. Councillor Knight made clear that the Plan included clear objectives about financial sustainability and understanding commercial activities. It was noted that the recently established Commercial Ventures Executive Sub-Committee would help the Council to achieve these objectives.

During the discussion a range of issues were considered including: resources needed to deliver the Plan; the importance of partnership working and responding to challenges faced by Surrey County Council and other partners; matters concerning environmental sustainability and climate change.

In accordance with the Council's Constitution, it was noted that the draft Corporate Plan was subject to a minimum period of 8 weeks consultation and the Leader of the Council highlighted that all Members had an important role in promoting this.

RESOLVED that, subject to the changes outlined in the Addendum presented, the Draft Corporate Plan 2020-2025 at Annex 1 to the report of the Head of Corporate Policy be approved for consultation in accordance with the Council's Constitution.

Reason for decision: In accordance with the Council's Constitution, the draft Corporate Plan is subject to a minimum of 8 weeks consultation.

Alternative options: To not approve the draft Corporate Plan and request that further work be undertaken before a revised draft is reported back to the Executive.

AMENDMENT TO THE ORDER OF BUSINESS

RESOLVED: That the ISA 260 Report (agenda item 6) be taken before the Statement of Accounts 2018/19 (agenda item 5).

Clerks note – the minutes follow the order of the meeting.

30. REPORT FROM THE EXTERNAL AUDITORS ON THE 2018/19 FINANCIAL ACCOUNTS (ISA 260 REPORT)

Councillor T. Schofield, Deputy Leader and Executive Member for Finance, presented the ISA 260 report from Deloitte following their audit of the Council's 2018/19 accounts. It was noted that the ISA 260 and Management Representation Letter had been published via an addendum to the agenda as soon as possible following completion of the audit.

Councillor Schofield highlighted that Deloitte, in their first year as the Council's external auditors, had undertaken a very thorough audit. The Executive was informed that, in comparison to many other local authorities, the Council was in a relatively strong position. However it was also recognised, as set out in the addendum, that there were a number of areas for development and improvement.

Ben Sheriff and Maltiti Al-Hassan from Deloitte presented key findings from their report on the Council's 2018/19 accounts, including recommendations raised, and reiterated their unqualified opinion on the accounts.

During the discussion a number of matters were highlighted and it was explained that the final version of the ISA 260 would be considered at the September 2019 meeting of the Overview and Scrutiny Committee, along with a copy of the signed Statement of Accounts.

In conclusion, Councillor Schofield referred to the Management Representation Letter which the Executive had been requested to agree for signature by the Leader of the Council. It was confirmed that this letter formed part of the usual audit process that provided assurances on matters required by auditing standards.

The Executive congratulated all involved for a positive report and thanked representatives from Deloitte's Audit Team for attending the meeting, presenting their report and the conclusions of the audit.

RESOLVED that:

- (i) The report from the external auditors (ISA 260), set out at Annex 1 to the report presented, on the 2018/19 audit be noted.
- (ii) The Management Representation Letter, set out at Annex 2 to the report presented, be agreed and signed by the Leader of the Council.

Reason for decision: The Executive is responsible for corporate governance. How the Council utilises and accounts for resources is intrinsic to good governance.

Alternative options: To amend or reject Deloitte's ISA 260 report.

31. STATEMENT OF ACCOUNTS 2018/19

Councillor T. Schofield, Deputy Leader and Executive Member for Finance, reported on the Statement of Accounts for the financial year 2018/19 that had been prepared and presented to the Executive as part of the Annual Financial Report.

It was highlighted that a revised copy of the core statements had been published via an addendum to the agenda. It was explained that circulation of this information had

been delayed pending confirmation from Deloitte, the Council's external auditors, that these statements reflected adjustments identified during their audit.

It was noted that the Statement of Accounts for 2018/19 provided a summary of the year's activity and explained how the Council had funded this activity. Councillor Schofield emphasised that the balance of the General Fund, and other reserves, remained healthy. It was recognised that this was the result of careful financial management against a backdrop of challenging economic conditions.

Councillor Schofield thanked representatives from the Member Panel who had reviewed the draft statements and Officers for their time and effort in preparing the Accounts.

During the discussion there was a request for further information to be provided to Reigate Ward Councillors (outside of the meeting) on "Balances on Trust Funds", outlined on page 112 of the agenda, in relation to the Reigate Baths Trust and Reigate Priory and Park Hill Trust.

The Deputy Leader and Executive Member for Finance concluded by informing the Executive that the Statement of Accounts needed to be approved by the statutory 31 July deadline. With this in mind, and given the slight delay in the Council's external auditors issuing their final audit opinion, Councillor Schofield moved some adjustments to the recommendations set out in the report. These were agreed and it was therefore;

RESOLVED that:

- (i) The Annual Financial Report, including the Statement of Accounts and Annual Governance Statement, for the year ended 31 March 2019 be noted.
- (ii) Once all final amendments, agreed with the external auditor, had been implemented and when the external auditor had issued their audit opinion, the Leader of the Council and Chief Finance Officer, in consultation with the Deputy Leader and Executive Member for Finance, be authorised to sign the Statement of Accounts for 2018/19 by the 31 July 2019 statutory deadline.

Reason for decision: The Code of Practice of Local Government Accounting recommends that the Statement of Accounts should be endorsed by the body within the Council that is responsible for overall corporate governance. Under the Council's Constitution this function has been delegated to the Executive.

Alternative options: To reject the Annual Financial report, including the Statement of Accounts 2018/19. Failure to approve the Annual Financial report by 31 July 2019 would mean the statutory deadline for publication would not be met.

32. MEDIUM TERM FINANCIAL PLAN UPDATE

Councillor T. Schofield, Deputy Leader and Executive Member for Finance, introduced the Medium Term Financial Plan Update as set out. It was explained that the purpose of this update was to set out the background and context for the budget elements of service and financial planning for 2020/21 onwards.

Councillor Schofield explained that local government continued to face a very challenging financial situation. It was noted that funding from central government

was set to reduce further. As a result the Council needed to find new ways to make more efficient use of existing resources while at the same time seeking out new and sustainable income streams.

In view of these financial challenges, the Deputy Leader and Executive Member for Finance highlighted some changes to the service and financial planning cycle. The Executive was informed that the information set out in the report of the Head of Finance and Assets presented key budget and financial information at a much earlier stage of this cycle.

In response to questions, it was explained that the Medium Term Financial Plan set out key information that would be used for budget setting for 2020/21 onwards. It was also noted that the update report included new draft policies on fees and charges and on the use of reserves. It was highlighted that these updates would help set the direction of travel for these important areas moving forward.

The Overview and Scrutiny Committee had considered the report on 11 July 2019. The Deputy Leader and Executive Member for Finance thanked the Committee for its questions and comments. The input from the Committee on the Medium Term Financial Plan was welcomed by the Executive and it was noted that their observations had been fully captured in the minutes from the meeting.

Councillor Schofield concluded by stating that despite the financial challenges the Council would continue to be ambitious and would continue to deliver excellent services to residents across the borough.

RESOLVED that:

- (i) The Medium Term Financial Plan, set out in the report presented, be adopted as the framework for the budget elements of service and financial planning for 2020/21 onwards.
- (ii) The Draft Reserves Policy be noted for review and development as part of the service and financial planning process with the final version presented for approval with the November 2019 budget report.
- (iii) The Draft Fees & Charges Policy be noted for review and development as part of the service and financial planning process with the final version presented for approval with the November 2019 budget report.

Reason for decision: The Council is required to set a budget by 11 March each year. The report presented, and the associated documents, supports this obligation.

Alternative options: To amend or reject any or all of the MTFP information and request other factors be taken into account when preparing budgets for 2020/21.

33. PROPERTY ACQUISITIONS

There was no business to be considered under this agenda item.

34. STATEMENTS

None.

35. ANY OTHER URGENT BUSINESS

None.

36. EXEMPT BUSINESS

There was no exempt business to be considered.

37. PROPERTY ACQUISITIONS (EXEMPT)

There was no exempt business to be considered under this agenda item.

The Meeting closed at 8.05 pm