

Runnymede Borough Council

CORPORATE MANAGEMENT COMMITTEE

Thursday 31 March 2005 at 7.30pm

in the Council Chamber, Civic Offices, Addlestone

SUPPLEMENTARY AGENDA

PART I

9. ELM FARM GYPSY SITE WATER MAIN REPAIR (DHCS)

1. **Purpose of Report**

1.1 **To seek approval for a supplementary estimate in 2005/06 to enable emergency water main repairs to be undertaken.**

2. Background Information

- 2.1 The Council manages two official permanent gypsy traveller sites on behalf of Surrey County Council. There is a management agreement between Surrey County Council and the Council whereby the County will reimburse Runnymede for any shortfall of expenditure over income associated with managing the site. This is a standard agreement which the County have with all the Borough Councils and has been developed in the knowledge that most sites operate at a loss.
- 2.2 Uniquely, Runnymede has made a surplus on the two sites in recent years. For 2005/06, this surplus is estimated to be £20,200. The surplus is achieved through low management and supervision costs and the lack of major repair and maintenance work previously needed on these sites.

3. Report

- 3.1 The water main at one of the sites, (Elm Farm), requires replacement. Recent works undertaken by County to refurbish the amenity blocks on the site have revealed the problem. The cost of replacing the main is £31,000 and the County do not have resources to meet this, as well as meeting the cost of the recent refurbishments.
- 3.2 The County are aware of Runnymede's unique position of making a surplus from the management of the sites, and are seeking a contribution towards the cost of the water main replacement.
- 3.3 It is proposed that if Runnymede is to make a contribution to the cost of the work this would be limited to the value of any surplus made on the management of the site during 2005/06. As an additional protection to the Borough, it is also proposed that the contribution be capped at £20,000.
- 3.4 Surrey County Council will facilitate the replacement of the main as part of the current amenity block refurbishment contract. They would then be seeking a contribution from Runnymede at the end of the 2005/06 financial year, subject to the limitations above.

4. Financial Implications

- 4.1 The maximum contribution Runnymede are required to make will be £20,000. If costs increase, or income falls to the point that the operational surplus for 2005/06 falls below £20,000 for the two sites, the Council will only have to contribute a sum equal to the surplus. If, as is expected, management performance is maintained, the Council will be expected to contribute a sum of £20,000. Any additional surplus will be retained by the Council.

4.2 The net budget for the gypsy sites in 2005/06 is £20,200 credit (pages 24 and 25 of the Budget Book). There is no provision in the 2005/06 budget for the proposed expenditure so a supplementary revenue estimate of £20,000 will be required.

5. Conclusion

5.1 For several years, Runnymede's management of the gypsy sites has produced a substantial surplus, which has contributed to other General Fund activities. Major expenditure is now required at one of the sites, and Surrey County Council are looking to Runnymede to use the surpluses from 2005/06 to contribute to the cost of the work.

OFFICERS' RECOMMENDATION that –

a supplementary estimate in the sum of £20,000 be approved as a maximum contribution to the water main replacement scheme at Elm Farm gypsy caravan site.

(TO RESOLVE)

Background Papers

None stated