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Friday, 19 February 2016

To: The Members of the **EXECUTIVE**
(Councillors: Moira Gibson (Chairman), Richard Brooks, Mrs Vivienne Chapman, Colin Dougan, Craig Fennell, Josephine Hawkins and Charlotte Morley)

Dear Councillor,

A meeting of the **EXECUTIVE** will be held at Surrey Heath House on Tuesday, 1 March 2016 at 6.00 pm. The agenda will be set out as below.

Please note that this meeting will be recorded.

Yours sincerely

Karen Whelan

Chief Executive

AGENDA

Pages

Part 1
(Public)

1. Apologies for Absence

2. Minutes **3 - 10**

To confirm and sign the minutes of the meeting held on 9 February 2016 (copy attached).

3. Declarations of Interest

Members are invited to declare any interests they may have with respect to matters which are to be considered at this meeting. Members who consider they may have an interest are invited to consult the Monitoring Officer or the Democratic Services Officer prior to the meeting.

4. Questions by Members

The Leader and Portfolio Holders to receive and respond to questions from Members on any matter which relates to an Executive function in accordance with Part 4 of the Constitution, Section B Executive Procedure Rules, Paragraph 16.

5.	**Update on the 3SC Devolution proposal to Government**	**11 - 22**
6.	**Response to the Consultation on the New Homes Bonus**	**23 - 32**
7.	**St Georges Industrial Estate**	**33 - 36**
8.	**Write-off of Irrecoverable Revenues Bad Debts**	**37 - 42**
9.	**Collectively Camberley Business Improvement District**	**43 - 48**
10.	**Exclusion of Press and Public**	**49 - 50**

Part 2
(Exempt)

11.	**Exempt Minutes**	**51 - 52**

To confirm and sign the exempt minutes of the meeting held on 9 February 2016 (copy attached).

12. Review of Exempt Items

To review those items or parts thereof which can be released as information available to the public.

Minutes of a Meeting of the Executive held at Surrey Heath House on 9 February 2016

+ Cllr Moira Gibson (Chairman)

+	Cllr Richard Brooks	+	Cllr Craig Fennell
+	Cllr Mrs Vivienne Chapman	+	Cllr Josephine Hawkins
+	Cllr Colin Dougan	+	Cllr Charlotte Morley

+ Present

In Attendance: Cllr Dan Adams, Cllr Rodney Bates, Cllr Paul Deach and Cllr Chris Pitt

58/E Minutes

The minutes of the meeting held on 12 January 2016 were confirmed and signed by the Chairman.

59/E General Fund Estimates 2016/17

The Executive received a detailed report and recommendations on the revenue estimates for 2016/17, which had included a savings target and amounts chargeable to reserves. However Members were advised that since the preparation of the report the Secretary of State for Communities and Local Government had, on 8 February 2016, announced the final local government finance settlement for 2016 to 2017. It was noted that, as the details of the final settlement impacted on contents of the report and the consequent recommendations they would need to be reconfigured to reflect the final settlement. As there was insufficient time to bring the report back to the Executive, it was agreed that authority be delegated to the Executive Head of Finance, after consultation with the Finance Portfolio Holder, to report to Council with revised recommendations.

Resolved that, in the light of the recent announcement by the Secretary of State for Communities and Local Government on the final local government finance settlement for 2016 to 2017, the Executive Head of Finance, after consultation with the Finance Portfolio Holder, be authorised to revise and update the report and to make recommendations to Full Council on 24 February 2016.

60/E Corporate Capital Programme

Members were reminded that Financial Regulations stated that as part of the annual budget process the Council, following recommendation by the Executive, was required to approve formally the Capital Programme and its revenue implications. In addition, the Council had a statutory requirement under the Local Government Act 2003 to adopt the CIPFA Prudential Code and to approve Prudential Indicators on an annual basis.

The Executive received details of the Capital Programme for 2016/17 and noted its effect on the available capital receipts. This indicated that it would not be possible to fund the current Capital Programme from capital receipts and that existing revenue and/or borrowing would have to be used. Additional capital receipts could be realised from the sale of Council assets although there was a risk in the current climate that prices would be depressed or that such sales would not be realised.

The Revenue Capital Fund was estimated to be about £9.0m as at 31 March 2016 and would be used to support the Capital Programme if required. However this reduced the amount of reserve available to support revenue expenditure and hence the General Fund in the future. The Council had undertaken borrowing during 2015/16 to fund significant property acquisitions and would be prepared to do this again should the need arise.

Members noted the estimated loss of investment income as a result of the proposed capital programme.

Recommended to the Council that

(i) the new capital bids for £670k for 2016/17 at Annex A to the agenda report be approved, and be incorporated into the Capital Programme;

(ii) the Prudential Indicators summarised below and explained in Annex D of the agenda report, including the MRP statement, for 2016/17 to 2018/19 in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities 2011 be approved;

Prudential Indicator	**2016/17 Estimated £000**	**2017/18 Estimated £000**	**2018/19 Estimated £000**
Capital Expenditure	1,045	525	525
Capital Financing Requirement	20,357	20,057	19,752
Ratio of financing costs to net revenue stream	4.29%	7.20%	7.24%
Incremental impact of investment decisions on Band D council Tax	£11.46	£6.63	-£0.16
Operational Boundary	24,000	24,000	24,000
Authorised Limit	26,000	26,000	26,000

Resolved to note

(i) **that the Capital Financing Requirement for this Council as at 31 March 2017 is estimated to be £19,982m and as such a Minimum Revenue Payment of £202k is required;**

(ii) **the provisional Capital Programme for 2017/18 and 2018/19; and**

(iii) **the available capital receipts forecast shown in Annex C to the agenda report.**

61/E Treasury Management Strategy Report 2016/17

It was reported that the budget for investment income in 2016/17 was £300,000 based on an average investment portfolio of £20 million at an interest rate of 1.5%. The budget for debt interest paid in 2016/17 was £505,000, based on an average debt portfolio of £18 million at an average interest rate of 2.9%. If actual levels of investments and borrowing, and actual interest rates differed from those forecast, performance against budget would be correspondingly different.

Funding for the proposed corporate capital programme for 2016/17 – 2018/19 would need to be met through borrowing or out of revenue due to the fact that the Council's pool of capital receipts was virtually exhausted.

Recommended to Council the adoption of

(i) **the Treasury Management Strategy for 2016/17 as set out in the agenda report;**

(ii) **the Treasury Management Indicators for 2016/17 at Annex C to the agenda report; and**

(iii) **the Annual Minimum Revenue Provision Policy Statement at Annex D to the agenda report.**

62/E Syrian Vulnerable Persons Relocation Scheme

Members were reminded that in September 2015 the Government had committed to resettling up to 20,000 Syrian refugees in the UK during this Parliament. Success in meeting the offer of 20,000 refugee places depended on the commitment of local authorities throughout the UK to accept refugees and the Government had indicated that they would try and place Syrian refugees equitably across the country.

Selection of refugees coming to the UK would be undertaken by the United Nations High Commissioner for Refugees (UNHCR). UNHCR would refer cases to the Home Office to check eligibility and carry out medical and security checks. The Council would be asked to accept or reject cases and on accepting a case, to arrange housing, school places etc.

The Home Office was keen to see a significantly higher number of South East Authorities coming forward and Surrey County Council had requested local district councils to pledge to make offers to accept Syrian refugees. A Surrey Group had been formed to coordinate the offer under the Relocation Scheme which included representatives from Surrey County Council, health and the participating Boroughs and Districts. A local partnership would be established to develop a resettlement offer to households which drew on the support and services available from local services in all sectors.

The funding available from central Government had been included in the spending review and in two-tier authorities would be shared between County and Borough.

Concern was expressed in relation to the plight of Christian and other persecuted sects in Syria which were not necessarily being addressed by current aid programmes. It was considered that the government should be urged to take urgent action to assist these groups.

Resolved that

(i) a provisional undertaking be given to the Home Office to resettle 2 households in Surrey Heath in the coming year under the Syrian Vulnerable Persons Relocation Scheme for Syrian Nations, subject to the project being deliverable within the funding available;

(ii) a review of the first 2 resettlements be undertaken after the first year and, subject to the results of the review, a further 8 households be resettled over the following four years;

(iii) the details of the best fit, and the acceptance of the specific families be delegated to the Executive Head of Regulatory after consultation with the Leader and the Regulatory Portfolio Holder;

(iv) the Leader be asked to request the government to take action to address the plight of Christian and other persecuted sects in Syria.

63/E Establishment of a Development Company

The Executive was reminded that there was a need to deliver more development in the form of housing in order to secure funding from the Government, such as the New Homes Bonus. The Council, in its Key Priorities, had indicated its intention to promote construction-led development. In order to take some of the housing orientated initiatives forward, the Council would need to deliver housing development and any subsequent management thereof through either a joint venture vehicle or a development company. Any agreed model would have as its stated objective the development of sites within or for the benefit of the borough.

To date the Council had approached its property acquisitions as opportunities had arisen in the market. However it was often very difficult for the Council to secure sites quickly due to the current pace of market conditions plus the ability to buy land for housing development. As a result the Council would need to look at more flexible models of delivery, through streamlined procurement options or a company structure.

In order to ascertain whether there was interest from the construction/development industry in joint venture with the Council to bring forward development, it was proposed to undertake soft market testing.

The options available to the Council would need to be fully explored by the officers after taking appropriate technical and legal advice but could range from a limited liability company limited by shares or a limited liability partnership. There were then variations which could include a wholly owned company, joint ventures with private partners for site specific development, or local asset backed vehicles with one joint venture partner for all potential development sites.

Where the Council was awarding contracts for goods, works or services, the EU procurement regulations would apply. In addition, the Council would need to comply with EU state aid rules and with all local authority finance and decision making requirements.

The funding and tax arrangements for each of these structures would also need to be closely looked at so that the company was structured in the most tax efficient way. It would also be vital to ensure compliance with best value requirements and that Section 123 tests are satisfied in each transaction. The governance arrangements of any company were also important to ensure there was sufficient transparency about future decision-making.

The Council's advisers were working to ensure options were tailored to the strategic interests of the economic area and Surrey Heath's aims and objectives. Once it was clear about the appropriate structures, this would form the basis of a further detailed report to Executive.

Resolved

(i) to create a Land and Property Board to look at the current development opportunities within the borough and progress potential development sites within its ownership;

(ii) that the authorisations set out in the Property Acquisition Strategy be delegated to the Board; and

(iii) to authorise the Chief Executive to further explore, through appropriate soft market testing exercises, the appropriate procurement options and/or delivery vehicles referred to in this report to further the Council's commitment to delivering economic growth opportunities in Surrey Heath and other commercial ventures in support of Key Priority 2.

64/E Surrey Pension Fund

The Executive received a report on the current situation with regard to the membership and performance of the Surrey Pension Fund, which was managed and administered by Surrey County Council on behalf of all Surrey district councils.

Resolved to note the report.

(Note: Cllr Rodney Bates left the meeting for the discussion on this item as he was a member of the Surrey Pension Fund.)

65/E Pay Policy Statement 2016/17

The Executive was advised that in accordance with Section 38(1) of the Localism Act 2011, the Council was required to update the Pay Policy Statement on an annual basis.

Recommended to Council that the Surrey Heath Borough Council Pay Policy Statement 2016/17, as attached at Annex A to the agenda report, be adopted.

(Note 1: Cllr Rodney Bates, as a member of staff of a neighbouring authority, was not present for the discussion on this item

(Note 2: Cllr Richard Brooks, as his wife was employed by the Council, left the meeting for the discussion on this item.)

66/E Exclusion of Press and Public

In accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public were excluded from the meeting for the following items of business on the ground that they involved the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Act as set out below:

Minute	Paragraph(s)
67/E	3
68/E	3

Note: Minute 67/E is a summary of matters considered in Part II of the agenda, the minutes of which it is considered should remain confidential at the present time.

67/E Frimley Cricket Club

The Executive made decisions relating to the lease of Frimley Cricket Club.

68/E Review of Exempt Items

The Executive reviewed the reports which had been considered at the meeting following the exclusion of members of the press and public, as it involved the likely disclosure of exempt information.

RESOLVED the minute 67/E remain exempt until completion of lease negotiations.

Chairman

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Update on the 3SC Devolution proposal to Government

Summary
To update the Executive on the progress made and potential issues for Surrey Heath arising out of the 3SC devolution proposals

Portfolio - Leader
Date Signed Off – 11 February 2016
Wards Affected
All

Recommendation
The Executive is advised to:
(i) note the content of the report;
(ii) comment as appropriate; and
(iii) authorise the Chief Executive in consultation with the Leader to feed these comments back to the 3SC devolution bid team.

1. Resource Implications

1.1 There are no direct resource implications arising out of this paper. However further officer time will be required to work with partners on shaping their proposals.

1.2 Local government has done more than any other part of the public sector over the course of the last parliament to make the public finances more sustainable and managed to do so while protecting front line services. All evidence suggests that this cannot continue over the next five years without more radical reform. Given the continuing need to reduce the national deficit, only a reinvigorated agenda for reform, underpinned by sustainable funding for local services, will deliver the ambition of the new Government for our communities and national economy.

1.3 We are now halfway through a decade of significant public spending reductions while service pressures continue to mount. Local and central government have worked hard over the past five years to manage austerity while protecting front line services. With the squeeze on public spending set to continue and increasing public demand for personal social services, the approach that has so far largely succeeded is no longer sustainable. Instead, there is an alternative to both protect services and use money more efficiently through local public service reform that brings together services at the local level based on local needs and choice.

1.4 If the 3SC devolution bid if successful it could have a major impact on the resources available to support economic growth in Surrey by devolving down funds down from Government to more local control.

How this will be implemented in detail and the direct impact on Surrey Heath it is not possible to quantify at this time.

2. Key Issues

2.1 The 3SC Devolution Bid has the potential to offer real opportunities for Surrey Heath to support economic development and the Councils key priorities however what it is not clear from the work done so far is what the Governance arrangements for the devolution will be.

2.2 In all of the BIDS approved so far the Government has insisted on there being an elected mayor covering the entire BID area who would take on the devolved responsibilities rather than passing these down to local authorities thereby potentially adding a further tier bureaucracy.

2.3 The BID is proposing that funds for infrastructure be devolved from Government to 3SC in return for housing delivery. The need for this funding to be given prior to any housing delivery rather than after is potentially a key concern for this borough and its residents.

2.4 As part of the BID negotiations the Government may ask for increased housing to be provided within the area over and above that stated in the local plan. How this would be allocated would be a key concern to this borough.

2.5 No work has been done on the impact of "Double Devolution" as yet i.e. from the county to Districts and from Districts to Parishes. This is an area that will need to be explored in more detail whether or not the 3SC bid is successful and could have implications for the borough.

2.6 The impact of Devolution on the whole 3SC region has been well articulated however how this will impact individual Districts and its members and residents less so. This is something that will need to be addressed if the Bid is to gain the support of the 1,000 or so elected members in the 3SC BID area.

3. Options

3.1 The Executive can accept, reject or amend the proposal

4. Proposal

4.1 It is proposed that the Executive
- (i) note the content of the report;
- (ii) comment as appropriate
- (iii) authorise to the Chief Executive in consultation with the LEADER the ability to feed these comments back to the 3SC devolution bid team

5. Supporting Information

Background

5.1 Following the devolution announcements in Cornwall, Sheffield, Liverpool and Manchester, many local authorities have been invited by the Government to come forward with strong, well thought through proposals for devolution of central government powers and funding, to help deliver local growth and better services.

5.2 The proposals require robust governance arrangements to secure any devolved powers and have “buy-in” from all local partners included in the proposal.

5.3 Surrey County Council has been working with other counties and the boroughs and districts in the south east, to establish whether there is sufficient alignment and willingness to work together towards a three counties Devolution bid for East Sussex, West Sussex and Surrey administrative areas.

5.4 The proposals cover all public services for the area, including health authorities, police, fire and rescue, local government and business enterprises.

5.5 This paper looks at some of the current thinking regarding the devolution proposals which will also include a proposal for “double devolution”, whereby powers and funding could be “pooled” or transferred from counties to districts and parished areas.

Current Position

5.6 In the Summer of 2015, following the government announcements around greater decision making at local level and the LGA conference paper on Devolution, Local Solutions for a Successful Nation, local authorities started discussions on whether there was merit in progressing a devolution submission to Government, detailing initial proposals for devolved powers and funding, direct from Government, to more local areas.

5.7 Whilst discussions were commenced with a number of surrounding counties, it was clear that Hampshire would be submitting a bid with Isle of Wight and Southampton and so discussion continued with the Sussex counties, to establish opportunities for combined working in relation to any government devolved powers.

5.8 The case for devolution is to establish whether better solutions can be achieved around some of the fundamental challenges facing public authorities at local level, by devolving what are currently centrally held powers and funding, direct to those areas, in order to unlock the ability to better solve those area challenges more cheaply, quickly and effectively.

5.9 To make a compelling case to Government for new powers and funding, it is naturally incumbent on each bid proposal to set out robust governance arrangements, to ensure that the proposals will deliver benefits to the local areas and deliver successful outcomes in the way the bid proposals envisage. Governance arrangements will always need to follow what devolved powers we are seeking, and so will be developed in more detail as we know more about the finalised proposals of our bid. In essence however, for each of the major areas of the proposal, some form of combined board is being proposed although the makeup and membership is yet to be defined.

5.10 As the case for devolution is growing in momentum and the government's agenda is fast moving on this proposal, it was felt important to keep elected Members up to date with the initial proposals, seek current views and ascertain how the proposals may assist or otherwise, the challenges for Surrey Heath

5.11 Looking at successful devolution bids it is clear that Devolution can present great opportunities. For Surrey Heath it has the potential to unlock additional infrastructure funding and to address a number of the economic issues that the borough has, such as enhancing skills training by retaining more money locally. This fits with the Council's key priorities of keeping Surrey Heath vibrant economically. However how this is actually put in to practice and what Government may demand in return remains to be seen and will be developed as the bid progresses.

5.12 The official summary of the 3SC proposals is set out in Annex A to this report and seeks the following aims;

a. To deliver increased economic productivity across the area, supported by;
    - Appropriate housing to meet the needs of the area
    - Creating and securing new job opportunities in the area
    - Better and integrated infrastructure improvements, including better public transport improvements, some of which may directly benefit Surrey Heath;
b. Improved digital connectivity;
c. Improved skills, apprenticeship opportunities ;and
d. Fiscal devolution of monies which this area provides in current growth from our local economies, subject to robust governance arrangements.

5.13 In essence the 3SC proposals recognise some of these challenges well, particularly those concerning the need for major infrastructure improvements which would support any housing development proposals. It also recognises some of our local concerns regarding the need for improved public transport, particularly rail services with the support of improvements to the North Downs line and better connectivity for Camberley and Frimley areas.

5.14 The more detailed working papers have started to articulate how the aims set out in paragraph 12 above may be delivered and further discussion will be needed with parties on how that detail may be received and delivered both politically and technically by each of the authorities wishing to cooperate. In the following paragraphs however I have highlighted some of the key issues for Surrey Heath to consider.

Housing and Planning

5.15 Housing delivery is a key component of the bid proposal. It is felt that if all of the areas within the bid area were to deliver their current housing targets set out in every local plan or emerging local plan, there would be a potential increase in housing delivery by 26%.

5.16 It further recognises that releasing publicly owned brownfield sites for housing development would provide high density development in areas, thereby relieving tension on smaller sites where the potential for overdeveloped sites without appropriate infrastructure support might occur.

5.17 The measures to achieve this range from robust provision for releasing empty homes back into the market, ensuring protection of valuable employment sites at risk to permitted development applications, streamlining planning process to achieve quicker results and ensuring the right types of affordable housing for the needs of the areas we serve.

5.18 The “ask” from government in return for housing development is more capital funding to provide valuable infrastructure to support new development, better flexibility around the setting of planning fees, allowing building control and planning departments to compete freely in the market, government’s help in releasing publicly owned land for development e.g. MOD land.

5.19 Whilst many of these provisions would serve our own aspirations around housing delivery and indeed Surrey Heath is already working closely with government on housing initiatives through the “One Public Estate” model, the proposals for how this land is to be held if released does need to be explored in more detail. The current proposals envisage a Housing Delivery Board who will prioritise how infrastructure monies would be distributed. District and boroughs, who will need to approve housing development in their areas, will want greater certainty that infrastructure funding will be forthcoming to their local areas if they deliver on these housing initiatives and proposals as to how that forward funding can be assured will need to be definitively set out in future papers.

Infrastructure (including road and rail networks, digital infrastructure, and better public transport links)

5.20 Aligned to supporting housing delivery, the bid wishes to rationalise the infrastructure delivery within the 3SC area by providing a more strategic delivery of better infrastructure, through improved road and rail networks, Whilst this covers a large area of many important road and rail networks, those relevant to Surrey Heath include:

- A strategy to provide improvements on road and rail networks which improve journey times in the 3SC area commensurate with other areas around London
- Better influence at local level over national road and rail agencies
- Developing an advanced digital infrastructure through investment in superfast broadband and roll out of 5G and establishing smart specialisation hubs

5.21 The request from government to achieve these aims for the area including a long term "devolved" funding package to support the delivery of the strategy, influence over the rail and road networks at local level, a pooling of landholdings needed to deliver the infrastructure through an Infrastructure delivery board, devolution of BDUK funding to the 3SC area for delivery of broadband and fibre development. The current paper on transport initiatives is yet to fully articulate the proposals for the Surrey area in enough detail to establish how this may benefit Surrey Heath and we will keep a watching brief on this proposal. What we do know is that recent studies and the Arup assessment for Surrey seeks improvements to the North Downs Line and better train journey times to Camberley and Frimley and Cross Rail 2 enhancements should impact favourably the journey times and accessibility to Surrey Heath.

5.22 The governance arrangements envisage an infrastructure delivery board, a Land Board and a Transport Board to deliver these proposals, all with connectivity to the Housing Delivery Board. These proposals in their current format have the potential for confused administration with so many interrelated boards and may need streamlining and tailoring through the process. How these Boards then interrelate with LEPS has not been explored at this stage.

<u>Skills</u>

5.23 The 3SC bid seeks to improve the quality and relevance of local skills so as to make them more attractive to local employers and hence increase economic activity in the area.

5.24 Businesses have reported that they find it difficult to recruit people with the right skills in this area and indeed 80% of business in the area had hard to fill vacancies.

5.25 It plans address these issues by ensuring that training providers and employers work more closely together to ensure that the courses offered meet the skills needs of the local employment market. This means focussing on those industries that are particularly strong or in demand in this area such as Health and Social care, construction, digital etc. This will involve also supporting bids for colleges to expand to provide the facilities for new courses.

5.26 It also seeks to improve the opportunities for residents with lower skill levels to enable them to get in to employment through training and apprenticeships.

Fiscal Devolution

5.27 3SC has a long track record of delivering growth. Its Gross Value added (GVA) at £74.2bn is more than Wales (£57.4bn). The South East, of which Surrey is major part, is the only area outside London that is a net contributor to the Exchequer – in fact Surrey alone contributes the 2nd highest level of income tax outside the City of London.

5.28 However despite all this economic growth and tax contributions 3SC has historically suffered a shortfall in infrastructure investment, projected to be £5.9bn in 2030, and this in turn will restrict the ability of the area to continue to deliver as an economic generator for the country.

5.29 The 3SC devolution bid intends to use the existing funds raised and used in the 3SC area more effectively in order to deliver economic growth. This will involve pooling existing budgets across government departments, using other funding sources such as the European investment Bank and the HCA and creating a revolving investment fund.

5.30 It is proposed that the revolving investment fund of £800m will be funded by retaining stamp duty generated within the 3SC area. This fund will be used to fund infrastructure to support economic growth. In addition the devolution bid is asking for further freedoms to borrow, to trade, to vary business rates and council tax and delegated powers to establish local enterprise zones within the 3SC area. They also want to be able to influence national infrastructure projects so that they are aligned with local priorities so as to maximise the impact of investment.

5.31 The 3SC bid believe that if the Government were to accept these proposals then there is the opportunity to increase substantially the economic activity across the area and thus its contributions to the national economy

Public service transformation

5.32 The work stream for public sector transformation is currently being explored and progressed but is likely to capitalise of our best practice models of joint working, for example Surrey Waste and Supporting Families and Blue Light services.

5.33 This will mean sharing best practice from across the area on how Councils and organisations can work together to realise better outcomes for residents as well as financial efficiencies.

5.34 It will also mean Councils changing the way they operate as they take on new responsibilities and pass others on as a result of the “double Devolution” process. This would flow from Government all the way down to individual parishes. Working more closely with partners within a bid is likely to increase the impetus for more strategic local government reform especially in the light of the funding settlement.

6. Corporate Objectives And Key Priorities

6.1 The 3SC Bid will support a number of the Councils Corporate Objectives and Key Priorities especially around areas such as economic growth.

7. Legal Issues

7.1 A BID has to be agreed with Ministers and approved by Parliament

8. Governance Issues

8.1 The Governance of the BID is still to be worked up by the BID team and therefore represents a risk.

9. Sustainability

9.1 Only by working closely with Government and with each other will councils be able to sustain the local economy and maintain services.

10. Risk Management

10.1 There is a risk that the BID could fail through either lack of support of member councils or an inability pot get an agreement. This would mean that the 3SC area could be put at a disadvantage in comparison with successful areas in that money would not be pooled to give the best outcomes.

11. Equalities Impact

11.1 None.

12. PR And Marketing

12.1 None.

13. Officer Comments

13.1 None.

Annexes	**Annex A: Copy of the 3SC Bid Prospectus**
Background Papers	**None**
Author/Contact Details	**Karen Whelan – Chief Executive** **Karen.whelan@surreyheath.gov.uk**
Head of Service	**Not Applicable**

Consultations, Implications And Issues Addressed

Resources	**Required**	**Consulted**
Revenue	✓	
Capital		
Human Resources		
Asset Management		
IT		

Other Issues	**Required**	**Consulted**
Corporate Objectives & Key Priorities	✓	
Policy Framework		
Legal		
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:
Version:

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The 3SC case for devolution

The economy of East Sussex, West Sussex and Surrey (the 3SC area) is exceptionally strong. It has a combined GVA of £74 billion, which is bigger than Wales or Greater Manchester, and it makes a significant contribution to the national exchequer. It is crucial for UK that the 3SC area continues to flourish as an economy in its own right as well as supporting the success of London.

Yet the area's future economic performance, and the quality of life of local residents, is at risk because of creaking infrastructure and demand pressures on public services at a time of severe spending restraints on public services. We face a £5.9 billion infrastructure funding deficit to 2030. Businesses are feeling the pressures too, compounded by difficulties in recruiting and retaining staff. The councils in the 3SC area and our partners, crucially including the Local Enterprise Partnerships (LEPs), are committed to maintaining and enhancing its economic vibrancy, increasing productivity and enhancing residents' quality of life. We are seeking a devolution deal with government to enable us to grow our contribution to the national economy by:

- Agreeing a **long-term infrastructure strategy** to improve capacity on the rail and road networks and further develop the digital infrastructure;
- Taking action to **accelerate housebuilding and improve the range of housing;**
- Ensuring greater engagement with businesses, schools, colleges and other providers to ensure employers have access to the **skills** they need and address barriers to employment;
- Working with partners to deliver **public service transformation**.

We estimate that this would, for example, generate an additional £0.5bn PAYE income each year.

To take this action we require:

- Longer term funding certainty, while recognising the importance of fiscal neutrality;
- Mechanisms to enable us to share with Government the proceeds of increased economic growth in the area
- An ability to pool resources including some of the proceeds of growth, create revolving investment funds and determine investment priorities locally;
- New delivery vehicles and shared teams, with the powers to act, to enable us to accelerate development in the area.

The 3SC area, covering a population of 2.5m people, enables us to work at the scale needed to address our infrastructure and skills challenges. It also provides enormous scope for an ambitious programme of public service transformation, focussing initially on complex households, with an ability to test different approaches in different areas and quickly scale up where appropriate.

We are committed to working closely with Greater Brighton with its focus on enabling growth in the city region with a more concentrated geography. Joint work on strategic transport, digital and aspects of the skills agenda is underway. We are also working closely with our three LEPs each of which supports our devolution proposals. We are also committed to a parallel programme of double devolution between the county and district councils in each county area.

Core to our proposition is a commitment to greater collaboration across the 3SC area to enable us to make further, faster progress on infrastructure improvements, house building, skills development and public service transformation. Specifically we will:

- Collaborate together, and with national agencies such as Highways England and Network Rail, to develop a comprehensive **long term infrastructure strategy**;

- **Pool relevant resources** (financial and people) to deliver our ambition more effectively by:
    - Creating an investment pot for local infrastructure improvements;
    - Being able to pool public sector land and manage its release to support the right types of development in the area
    - Setting up special delivery vehicles and a high level delivery team with commercial acumen to accelerate development focussing on major and difficult sites;
- Explore **mechanisms for leveraging additional funding** from a range of sources including the private sector, European funding and pension funds;
- Operate a **mechanism for prioritising investment** across the 3SC area to ensure that we generate the best rate of return for devolved and local resources;
- Adopt more impactful forms of collaboration between ourselves, education providers, with businesses and with relevant national agencies to **address our skills gaps;**
- Pursue **public service transformation** at scale learning from previous transformation work and provide a template for other areas to adopt.

Government has an important part to play in enabling us to maintain and grow our contribution to the national economy through a devolution deal. In particular we are seeking:

- The **pooling of relevant national funding streams locally** to enable us to prioritise investment locally and leverage additional investment from other sources.
- An ability for us to **share the financial benefits of growth** including, for example retaining the £800m pa stamp duty generated in the area;
- Active government support to enable us to develop **new relationships with key national agencies** (including DWP, SFA, HCA, HE and NR) to enable joint planning, co-commissioning and aligned investment on the basis of a mutually agreed set of priorities;
- **Speedier release of public land** and **licensed exemptions from a number of regulations** to enable our proposed delivery vehicles and delivery teams to get real traction including a "use it or lose it" mechanism and a revised approach to utility regulation to enable utilities to invest upfront;
- Government involvement in the **co-design of public services.**

We share the Government's insistence that governance arrangements are introduced which are fit for purpose in enabling local prioritisation and collaboration, providing a clear and transparent line of accountability and giving the Government the confidence to deliver powers and resources to us. We will engage residents in our governance review and are committed to: establishing a mechanism for collective binding decision making, including the prioritisation of investment, across the 3SC area; and creating a clear single point of accountability for the local delivery of our devolution deal. We also propose to establish a Sub-national Transport Body for the 3SC and Greater Brighton area to oversee the joint infrastructure plan, bus and rail strategy and identify investment priorities.

We are confident that, if we agree a devolution deal on this basis, in five years' time we will deliver:

- At least 34,000 new homes;
- A firm programme for improving crucial transport corridors including the M23, rail capacity between London and the South Coast, our quadrant of the M25, the A27, the A21 and the A3 and M3;
- A reduction in hard to fill vacancies and skills gaps and an increase in the take-up of business-led training in our key sectors;
- A proven shift to preventative activity with a consequential reduction in costs.

Response to DCLG Consultation on the New Homes Bonus

Summary
To respond to the Government's consultation on the future of the New Homes Bonus.

Portfolio - Finance
Date Signed Off: 12 February 2016

Wards Affected
All

Recommendation
The Executive is advised to resolve that the Executive Head of Finance submits the response attached to this report and be delegated to make any changes required in consultation with the Portfolio Holder for Finance

1. Resource Implications

1.1 New Homes Bonus was introduced in 2011/12 and is paid as a reward for increasing housing delivery. It is calculated by reference to the change in the tax base. Currently the incentive pays Districts 80% and County 20% of the average national Council tax (currently £1,483) for the year after a property comes on to the tax base and for the 5 years after. There is an additional payment of £350 for each affordable home.

1.2 Surrey Heath is due to receive £1,418,185 in 2016/17 being for houses built in 2015/16 and the 5 years before that. Each annual payment is made for 6 years. Hence houses built in 2010/11 generate payments in 2011/12, 2012/13, 2013/14, 2014/15, 2015/16 and 2016/17.

1.3 The New Homes Bonus is not new money provided by Government nor it is given to pay for infrastructure. It is in fact funded by top slicing business rates and reducing grant. Hence it is money due to local government anyway but redistributed to reward those areas that deliver housing growth.

1.4 As the money has effectively been funded this way some of it has been used to support the ongoing revenue budget – in 2016/17 £700k is being used for this purpose. Indeed the Government include the whole New Homes Bonus in their calculations of resources available to Councils to deliver services.

1.5 The changes proposed in the consultation will reduce the level of incentive given for new housing and hence reduce the level of bonus paid. This in turn would impact on the Council's budget and its ability to fund services.

2. Key Issues

2.1 The New Homes Bonus was put in place to encourage councils to deliver new housing. In this respect it has been successful in that new housing has been delivered and those areas that deliver the most housing get the largest incentive. The Government want to “sharpen” the incentive to especially make it more difficult to achieve it with a view to reducing the overall cost so that the money saved cab ne transferred in to the “Better Care Fund” to assist with pressures in Adult Social Care.

2.2 The Government argues that despite the incentive a lot of this housing would have been built anyway since most of the housing was delivered in economically active areas. This means that the incentive has not operated in exactly the way it was intended.

2.3 The reduction of the incentive would appear to go counter to the Government’s stated aim of delivering more housing and economic growth. The use of the NHB to fund Adult Social Care also fails to address the longer term issues of funding these services.

2.4 The consultation paper sets out a number of questions which have been responded to in turn in the attached response.

2.5 The closing date for the consultation is 10th March 2016.

3. Options

3.1 The Executive can accept, reject or amend the response as appropriate.

4. Proposals

4.1 The Executive is advised to resolve that the Executive Head of Finance submits the response per this report and be delegated to make any changes required in consultation with the Portfolio Holder for Finance.

5. Supporting Information

5.1 Consultation Paper as attached.

6. Corporate Objectives And Key Priorities

6.1 The delivery of housing supports Key Priority 2. Loss of significant levels of finance would affect the Council’s ability to deliver against all its key priorities.

7. Risk Management

7.1 There is a risk that the council could lose funding under a new NHB scheme. There is also a risk that if the council is unable to continue to deliver new housing that this will have a detrimental effect on the Council’s finances and hence its ability to deliver services.

8. Officer Comments

8.1 The Executive is urged to reasons as set out in the letter.

Annexes	**Proposed consultation response**
Background Papers	**Copy of DCLG Technical Consultation: New Homes Bonus – Sharpening the incentive**
Author/Contact Details	**Kelvin Menon** **Kelvin.menon@surreyheath.gov.uk**
Head of Service	**Kelvin Menon – Executive Head of Finance**

Consultations, Implications And Issues Addressed

Resources	**Required**	**Consulted**
Revenue	✓	
Capital		
Human Resources		
Asset Management		
IT		

Other Issues	**Required**	**Consulted**
Corporate Objectives & Key Priorities	✓	
Policy Framework		
Legal		
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:
Version:

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Dear Sir

NEW HOMES BONUS – SHARPENING THE INCENTIVE
RESPONSE TO CONSULATION

As requested please find the responses of Surrey Heath Borough Council to the questions posed.

Question 1 *What are you views on moving from 6 years of payments under the Bonus to 4 years, with an interim period for 5 year payments?*

The New Homes Bonus is given as an incentive to encourage councils to deliver housing. This fulfils a key part of the Government's economic strategy in that delivering housing creates jobs and drives the economy. Reducing the payments to 4 years will not only make the incentive less attractive, especially on more difficult sites, but also takes no account of the length of time it can take for housing to be actually delivered. Councils can be working for several years to bring housing schemes forward.

You state in the consultation that 6 years was originally chose because increases in tax base lead to a reduction in settlement allocations although since 2011 this was not the case. The settlement issued last month has cleared showed a direct link between the level of grant given and an authority's tax base. Hence since the link has been reinstated the 6 years should remain

Question 2 *Should the number of years of payments under the Bonus be reduced further to 3 or 2 years?*

There is a distinct risk that by reducing the incentive to 2 or 3 years it would not be attractive enough for Councils to deliver housing – especially in areas where there is local opposition. This would the reduce the number of houses built and hence have a negative impact on the economy.

***Question 3** Should the Government continue to use this approach? If not, what alternatives would work better?*

The use of Council Tax Base returns ensures that the basis for calculation of the NHB is simple and transparent. It ensures that houses only qualify for the NHB when they are available for occupation. Furthermore using data already supplied by Councils ensures that there are no additional collection burdens.

For Council Tax band purposes properties are valued at what they would have been in 1992 so this should iron out a lot of this issues around recent housing growth.

***Question 4** Do you agree that local authorities should lose their Bonus allocation in the years during which their Local Plan has not been submitted? If not, what alternative arrangement should be in place?*

Restricting New Homes Bonus because it has not been submitted for examination takes no account of the variation in issues which have to addressed in different local authorities nor the length of time it takes for a plan which complies with the NPPF to actually be put together and submitted. It would be fairer to restrict the bonus for those areas which cannot demonstrate that they have at least commenced on the plan making process.

***Question 5** Is there merit in a mechanism for abatement which reflects the date of the adopted plan?*

This does not make any sense since a plan need only be reviewed if it no longer applies to a particular area. By putting a reduction in NHB due to the age of a plan will only encourage Council's to review their plans when not actually needed and subject local ratepayers to unnecessary expense

***Question 6** Do you agree to this mechanism for reflecting homes only allowed on appeal in Bonus payments?*

At the moment local members are accountable to their electorate for local planning decisions. This is an important part of the democratic process. It is therefore perverse that having made a local decision based on local circumstances councils would be penalised for having that decision over turned by an inspector. Will the reverse apply in that bonus would be paid if approved by members even if it is later turned down on appeal? By this token should not councils receive bonus for all permissions granted – after all it is not their fault that a landowner decides not to actually build out a permission.

At the moment the payment of the New Homes Bonus is not to be a factor in determining whether planning permission is granted – this would need to be changed. The whole purpose of the bonus is to incentivise housing delivery and so delivery should be the determining factor rather than how it was approved.

The way the mechanism is proposed implies that a deduction would be made for all permissions granted on appeal irrespective of whether they were built or not. This is clearly not fair

Question 7 *Do you agree that New Homes Bonus payments should be reduced by 50%, or 100%, where homes are allowed on appeal? If not, what other adjustment would you propose, and why?*

They should not be reduced in these circumstances unless the bonus is paid on the grant of a permission rather than completion. The current system incentivises the delivery of housing and should be retained. The mechanism as proposed whereby deductions made for permissions granted on appeal makes not account of whether those houses were actually built

Question 8 *Do you agree that reductions should be based on the national average Band D council tax? If this were to change (see question 3) should the new model also be adopted for this purpose?*

If a deduction is to be made it makes sense to use the national average Band D value. However this should be the Band D value that apples when the property is placed on to the council tax list and therefore qualifies for NHB.

Question 9 *Do you agree that setting a national baseline offers the best incentive effect for the Bonus?*

The setting of a baseline makes no allowance for local circumstances relating to the delivery of housing. In effect those areas that are most developed and probably have the greatest housing need, would be the ones which would have the largest baseline to achieve before getting any incentive. Having a baseline will also encourage bunching of development in particular years in order to maximise the incentive

Question 10 *Do you agree that the right level for the baseline is 0.25%?*

There should not be a blanket baseline adjustment to the number of houses delivered. Such an adjustment does not take account of the different challenges faced in each area. For example in Surrey Heath we have a lack of land available for development due to constraints imposed by the Habitats Directive. This is a policy over which we have no influence. In addition due to high land values even when permissions are granted developers sometimes do not deliver housing as they cannot make an adequate return.

Question 11 *Do you agree that adjustments to the baseline should be used to reflect significant and unexpected housing growth? If not, what other mechanism could be used to ensure that the costs of the Bonus stay within the funding envelope and ensure that we have the necessary resources for adult social care?*

It is a stated objective of the Government that they wish for more housing to be built more quickly. This recommendation appears to go counter to this in that Council's will effectively be penalised for delivery substantially more houses than anticipated. The Government will still collect a substantial amount of "unexpected" stamp duty and other taxes that could be used to contribute to the shortfall in New Homes Bonus. The real issue that needs to be addressed it not how delivery of housing should be delivered but rather the putting in place of a sustainable way of funding the increasing costs of adult social care.

Question 12 *Do you agree that the same adjustments as elsewhere should apply in areas covered by National Parks, the Broads Authority and development corporations?*

There should be consistency

Question 13 *Do you agree that county councils should not be exempted from adjustments to the Bonus payments?*

There should be consistency in treatment between authorities although we disagree with the adjustments proposed

Question 14 *What are your views on whether there is merit in considering protection for those who may face an adverse impact from these proposals?*

The Government has recognised that New Homes Bonus is provided for councils to deliver day to day services. This can be demonstrated by its inclusion in the calculation of "Revenue Spending Power" in past years and "Core Spending Power" in the latest 2015 settlement. Our own authority has indeed used a substantial part of its NHB to enable services to be protected that would otherwise have to be cut due to very steep reductions in Rate Support Grant. Given it can take time to re-engineer or indeed terminate services when a funding reduction is known there needs to be some protection for councils to enable them to plan ahead for these reductions. If this is not in place then councils will have no choice than to terminate services funded by the NHB in expectation that due to vagaries of policy and the housing market it could be removed at any time

Other Matters

The Council notes that the question of whether the split between Districts and Counties, currently 80:20, should be revised has not been included in this consultation. It is Surrey Heath's view that the current split should be retained since it is Districts that have to work with residents to accept development and it is Districts which in the end deliver housing through planning policy and permissions.

Conclusion

The Government as stated its clear policy that it wishes to deliver prosperity across the country though increased economic growth. One of the ways of doing this is through increased house building and indeed the Government has recognised that there is a shortage of housing nationally and is putting in steps to make housing delivery simpler and faster – indeed this is a theme in many of the Devolution deals which have been agreed between local authorities and the Treasury.

The New Homes Bonus has acted as a real incentive to councils to deliver housing and in the main has been funded by Council's own money top sliced from Business Rates. It has functioned well as a way of rewarding those councils that grasp the economic growth agenda and seek to deliver on the Government's objectives. It is also vital funding for the maintenance of key services in many areas

The reduction or removal of the incentive surely goes against these aims and will make the delivery of housing that much harder. More effort needs to be placed on ensuring that developers do actually deliver housing when permissions area granted, that the cost of planning does not fall on local residents and that barriers to development, such as EU directives are addressed.

More importantly more consideration needs to be given to how the funding of Adult Social Care can be made sustainable in the longer term rather than reducing an incentive which delivers economic growth, housing and prosperity for all.

Yours faithfully

Kelvin Menon
Executive Head of Finance

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St Georges Industrial Estate

Summary
St Georges Industrial Estate has recently been purchased by Surrey Heath Borough Council. There are 23 Light Industrial Units let out to business on varying terms. The Council needs to be able to make commercial decisions within commercial tenant timescales and it is therefore proposed that the Scheme of Delegation be amended to delegate all estate management matters to the Head of Legal Services.

Portfolio - Transformation **Date signed off: 8 February 2016**	
Wards Affected	Watchetts
Recommendation The Executive is advised to resolve to amend the Scheme of Delegation that the Head of Legal Services be authorised to deal with all estate management matters relating to St Georges Industrial Estate including the granting of leases not subject to the provisions of the Landlord and Tenant Act 1954 and for a term up to 25 years.	

1. Resource Implications

1.1 St Georges Industrial Estate is a commercial business park owned by Surrey Heath Borough Council. To maximise the efficiency of its use, it needs asset management decisions on leases, rent reviews and estate management to be taken within short timescales.

Without having delegated authority to make these decisions, this could lead to losing existing tenants as it takes too long to arrange a new Lease for them, as well as missing out on new tenants as other landlords have a faster process to agree to new leases.
The same lack of delegated authority can lead to delays on rent review agreements and could mean an increased use of the 3rd party rent review process due to delays in decisions because of the Executive authority process. Each of which has a cost/income implication to the Council.

2. Key Issues

2.1 Tenants either moving into a unit or deciding whether to remain in a unit, need to get fast responses so they can make decisions about their future. Currently leases that are longer than 5 years in term, must be authorised by a decision of the Executive. This can create delays in the negotiations of commercial leases as the tenant has an added level of risk, as even if the parties in principle agree to the new lease terms or rent review, there is a further delay and a risk that the Executive report may not be authorised.

2.2 St Georges Industrial Estate is held as an income generating investment asset and should be managed accordingly.

3. Options

Option1

3.1 The Scheme of Delegation be amended to provide for delegation to the Head of Legal Services

(1) authority to enter into leases with tenants of the units at St Georges Industrial Estate up to a term of 25 years with standard industry terms, that are in line with good estate management and at a market rent; and
(2) authority to agree all rent reviews in line with market value and take the necessary steps on legal process and commercial management for St Georges Industrial Estate.

Option 2

Retain the existing delegated authority.

4. Proposals

4.1 It is proposed that option 1 be recommended as this will speed up the process for entering into new leases, renewing leases, agreeing rent reviews and making estate management decisions.

5. Supporting Information

5.1 The premises include at present 23 Light industrial units. They are in reasonable condition and provide a rental income of circa £500K per annum. It is important to create a fast and robust process to enable prospective tenants to be able to move in quickly and existing tenants to renew in a timely manner. Other private landlords do not have as long an authority process and therefore this gives them an advantage. Accordingly, delegated authority being given to the Head of Legal Services should enable the Council to react quickly to tenant demands helping keep and find tenants and therefore protecting rental income.

6. Corporate Objectives And Key Priorities

6.1 Key Priority Two: to assist with the improvement of economic growth and Key Priority Three securing the future of local public services.

7. Policy Framework

7.1 N/A

8. Legal Issues

8.1 None.

9. Governance Issues

9.1 The market rental Value for the units at both Lease renewal and rent review must be both recommended for acceptance by the Chartered Surveyor acting as property agent as well as recommended for acceptance by the Estates and Assets Manager.

10. Sustainability

10.1 All things being equal, a faster authorisation process should mean greater occupancy, therefore greater income providing greater financial sustainability.

11. Risk Management

11.1 To keep a long authority process increases the risk of the tenant looking elsewhere for a property that they can take occupation faster.

12. Equalities Impact

12.1 No issues identified

13. Human Rights

13.1 No issues identified

14. Community Safety

14.1 A faster authorisation process should assist with the continued occupancy of the units. Keeping the units full limits the risk of damage, vandalism and unsociable behaviour.

15. Consultation

15.1 The matter has been discussed with the managing agents Hurst Warne and they have requested that we streamline our authorisation process as much as possible, as delays can lead to problems either retaining or getting new tenants. In the market other private landlords do not have the same restrictions and the length of time it could take the Council to make a decision gives them an advantage.

16. PR And Marketing

16.1 None specific

17. Officer Comments

17.1 None Specific

Annexes	**None**
Background Papers	
Author/Contact Details	**Jonathan Gregory 01276 707217**
Head of Service	**Karen Limmer** **Karen.Limmer@surreyheath.gov.uk**

Consultations, Implications and Issues Addressed

Resources	**Required**	**Consulted**
Revenue	✓	
Capital		
Human Resources		
Asset Management		
IT		

Other Issues	**Required**	**Consulted**
Corporate Objectives & Key Priorities	✓	
Policy Framework		
Legal	✓	
Governance	✓	
Sustainability	✓	
Risk Management	✓	
Equalities Impact Assessment	✓	
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:
Version:

Write Off of Irrecoverable Revenues Bad Debts

Summary

To approve the write-off of irrecoverable revenues bad debts over £1,500

Portfolio - Finance
Date signed off: 18 February 2016

Wards Affected	All

Recommendation

The Executive is asked to RESOLVE that bad debts totalling £47,722.84 in respect of Council Tax and £156,215.47 in respect of Non-Domestic Rates to be written-off in 2015-16.

1. Resource Implications and Key Issues

1.1 Attached at Annex A is a schedule of bad debts for Council Tax and Business Rates, the individual amounts of which are greater than £1,500. Financial Regulation 26.1 requires that any bad debt in excess of £1,500 shall only be written-off with the approval of the Executive.

1.2 All of the debts have been subject to the relevant recovery action and tracing enquiries have been undertaken.

1.3 The Council's enforcement agents (bailiffs) have also been unable to recover the debts from any forwarding address obtained from the tracing undertaken and the debt is now considered irrecoverable.

1.4 In respect of the Council Tax write offs, the Council bears 13% of the total, namely £6,203.97. The precepting authorities bear the remainder of the costs. In respect of the business rate write offs, the Council bears 40% of the total, namely £62,486.19.

1.5 To put into context the value of the debts that are being submitted for write off, this needs to be compared to the net collectable debits for 2015/16, which are:

Council Tax	£ 63.8m therefore write off is 0.075% of the net collectable debit for 2015/16
Business Rates	£ 37.6m therefore write off is 0.164% of the net collectable debit for 2015/16

1.6 The Council Tax arrears as at 31 March 2015 for all years from 1993 were £1.78m. During 2015/16 we have collected over £580k to reduce the previous all year arrears to £1.2m.

1.7 The reduction in the Council Tax arrears has been achieved by the judicious use of all the recovery options made available to the Council by the Council Tax (Administration and Enforcement) Regulations. The recovery options available include making special payment arrangements, direct deduction from a debtor's wages or benefits and in cases where all other options are not available or have failed the use of Enforcement Agents.

1.8 Business Rates had arrears of £707k as at 31 March 2015. Monitoring arrears on Business Rates is affected by the addition to the list of new properties on a retrospective basis. Two recent developments added £330k to the collectable amount. Whilst this is excellent for our income it does distort the monitoring.

1.9 Previous year arrears, excluding fluctuations due to rateable value changes, have reduced by £172k. Again, we use all the legal methods available to us carefully to ensure that we maximise collection but allow viable businesses to continue trading.

2. Options

2.1 The debts are now deemed to be irrecoverable and therefore should be written off. The only other option would be to leave them in the accounts which would show a false situation.

3. Proposals

3.1 It is proposed that the debts as set out in Annexe A, having been deemed irrecoverable, be written off.

4. Supporting Information

4.1 Attached in Annex A is a listing of the individual debts for write-off showing the name of the debtor, year the debt arose, the reason for the write-off and the amount of the debt.

5. Legal Issues

5.1 In accordance with advice from the Information Commissioner's office personal details of debtors subject to write-off can only be made public if a full risk analysis as regards possible vulnerability has been undertaken. In all cases being recommended for write-off the authority holds insufficient information as to the debtor's circumstances e.g. age group or possible disability, to perform a proper risk assessment and therefore all cases should remain on the confidential part of the agenda.

6. Risk Management

6.1 As some of these debtors may be vulnerable, if any of their personal details were placed in the public domain the Council could be subject to legal action.

7. Human Rights

7.1 See Paragraph 6.1

8. Officer Comments

8.1 None in addition to the matters raised above.

ANNEXES	**Annex A Council Tax Write-offs and NDR Write-offs**
BACKGROUND PAPERS	**None**
AUTHOR/CONTACT DETAILS	**Robert Fox – Revenues and Benefits Manager** **robert.fox@surreyheath.gov.uk**
HEAD OF SERVICE	**Kelvin Menon – Executive Head of Finance** **Kelvin.menon@surreyheath.gov.uk**

CONSULTATIONS, IMPLICATIONS AND ISSUES ADDRESSED

	Required	**Consulted**	**Date**
Resources			
Revenue	N/A		
Capital	N/A		
Human Resources	N/A		
Asset Management	N/A		
IT	N/A		
Other Issues			
Portfolio Holder	Yes		
Corporate Objectives & Key Priorities	N/A		
Policy Framework	N/A		
Legal	Yes		
Governance	N/A		
Sustainability	N/A		
Risk Management	N/A		
Equalities Impact Assessment	N/A		
Community Safety	N/A		
Human Rights	N/A		
Consultation	N/A		
P R & Marketing	N/A		

Review Date:
Version:

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of the Local Government Act 1972.

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Collectively Camberley Business Improvement District

Summary

To update the Executive on the progress made by the Camberley Town Centre Future Management Working Group.

Portfolio: Finance
Date Portfolio Holder signed off report: 17 February 2016

Wards Affected: All

Recommendation

The Executive is advised to note the progress made by the Camberley Town Centre Future Management Working Group and comment accordingly.

1. Resource Implications

1.1 Any resource implications relate whether the Council, as a contributor to the BID levy, wishes to vote in favour of the renewal of the BID. This will be the subject of a further report later in 2016.

2. Key Issues

2.1 The Business Improvement District (BID) was established in October 2011 and will be seeking renewal in October 2016.

2.2 The Camberley Town Centre Future Management Working Group has considered and made recommendations to the BID in relation to matters which it considers should be included in the prospectus for the BID renewal. The minutes of the Working Group's meetings are included at Annex A.

2.3 The Executive will be required to make a decision later in 2016 as to whether the Council should vote for a renewed BID.

3. Options

3.1 The Executive can comment on the progress made by the Working Group so far and suggest any other matters it wishes it to consider.

4. Proposals

4.1 It is proposed that the Executive notes and comments upon the notes of the Camberley Town Centre Future Management Working Group meetings.

Annexes	Annex A (exempt) – notes of the Camberley Town Centre Working Group meetings on 8 December 2015 and 12 January 2016.
Background Papers	None
Author/Contact Details	Rachel Whillis Rachel.whillis@surreyheath.gov.uk
Head of Service	Richard Payne – Executive Head of Corporate

Consultations, Implications and Issues Addressed

Resources	**Required**	**Consulted**
Revenue	✓	
Capital		
Human Resources		
Asset Management		
IT		
Other Issues	**Required**	**Consulted**
Corporate Objectives & Key Priorities	✓	
Policy Framework		
Legal	✓	
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing	✓	

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EXCLUSION OF PRESS AND PUBLIC

RECOMMENDATION

The Executive is advised to RESOLVE that, under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the ground that they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Act, as set out below:

Item	Paragraph(s)
8 (part)	1
9 (part)	3
12	3
13	1&3

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of the Local Government Act 1972.

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