

**MINUTES OF A MEETING OF SURREY
HEATH BOROUGH COUNCIL held at
Surrey Heath House, Camberley on
24 February 2016**

+ Cllr Joanne Potter (Mayor)
+ Cllr John Winterton (Deputy Mayor)

+ Cllr Dan Adams	+ Cllr Oliver Lewis
+ Cllr David Allen	+ Cllr Jonathan Lytle
+ Cllr Rodney Bates	+ Cllr Katia Malcaus Cooper
+ Cllr Richard Brooks	- Cllr Bruce Mansell
- Cllr Nick Chambers	+ Cllr David Mansfield
+ Cllr Bill Chapman	+ Cllr Alan McClafferty
+ Cllr Mrs Vivienne Chapman	+ Cllr Charlotte Morley
+ Cllr Ian Cullen	+ Cllr Max Nelson
+ Cllr Paul Deach	+ Cllr Adrian Page
- Cllr Colin Dougan	+ Cllr Robin Perry
+ Cllr Craig Fennell	+ Cllr Chris Pitt
- Cllr Surinder Gandhum	+ Cllr Nic Price
+ Cllr Moira Gibson	+ Cllr Wynne Price
+ Cllr Edward Hawkins	+ Cllr Darryl Ratiram
+ Cllr Josephine Hawkins	+ Cllr Ian Sams
+ Cllr Ruth Hutchinson	- Cllr Conrad Sturt
+ Cllr Paul Ilnicki	+ Cllr Pat Tedder
+ Cllr Rebecca Jennings-Evans	+ Cllr Victoria Wheeler
+ Cllr David Lewis	+ Cllr Valerie White

+ Present

- Apologies for absence presented

41/C Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Nick Chambers, Colin Dougan, Surinder Gandhum, Bruce Mansell and Conrad Sturt and Honorary Alderman Alan Whittart.

42/C Minutes

It was moved by the Mayor, seconded by the Deputy Mayor, and

**RESOLVED that the minutes of the meeting of the Council held
on 16 December 2015 be approved as a correct record.**

43/C Mayor's Announcements

The Mayor announced that she had had a very busy period over Christmas and the New Year attending events, including the Windlesham Pram Race which she had so enjoyed very much that she intended to attend next year. She also had participated in 3 Burns Night's suppers, attended a number of school award

evenings and an award ceremony at Limbicare. The Mayor reported that some of the most enjoyable aspects of her year so far had been meeting the volunteers in the community and going out on duty with the police and Street Angels.

The Mayor reminded Members of the visit by a delegation from Bietigheim-Bissingen on 10 March and of her Charity Ball on 14 May.

44/C Questions from Councillors

Under Council Procedure Rule 11, the Regulatory Portfolio Holder responded to a question from Councillor Rodney Bates, relating to the potential implications for the Council and residents of the Planning and Housing Bill that was currently being considered by Parliament.

In response to a supplementary question, Councillor Charlotte Morley confirmed that reports would be submitted to the Executive, in due course, on all aspects of this legislation.

45/C Council Tax and Budget 2016/17

The proposed budget for 2016/17 showed a decrease of just under £300k compared with the previous year. This was after taking into account a further £169k increase in deficit pension contributions and a £265k increase in payroll costs of which £153k had been due solely to a change in Government policy on National Insurance.

As a result of the choice for different levels of Council Tax increase, two budget options were presented based on a Council Tax increase of 1.94% and another of £5, although Members could decide to set Council Tax at any level.

The financial forecast indicated that there would be between a £1.4m and £1.6m budget gap by 2020. £1m of this would not arise until 2019/20 and might be impacted by the 100% Localisation of Business Rates which was due to start in the same year. However it was noted that if savings of this magnitude were needed and taking into account the savings already made, it would seriously call into question the future financial sustainability of the Council and its services.

The Executive had considered a proposed budget on 9th February 2016. However the proposals had not taken into account the changes in Government grant which had been announced the previous evening. Nevertheless the service budgets now presented were unchanged from the ones presented to the Executive. The only changes between the two budgets were due to the change in the settlement and had affected the savings required, use of new homes bonus, Government grants and the Council Tax requirement.

The net cost of services for 2016/17 at £11,523,632 represented a decrease of £295,918 on the previous year.

It was noted that not all of the net cost of services would be met by Council Tax and that the council tax requirement would be determined following deductions made to allow for sources of funding.

Members noted that there was no reduction in special grant to parishes to compensate them for the change to the tax base due to the introduction of the Local Council Tax support scheme.

It was reported that the Section 151 Officer had determined that a surplus of £600,000 could be declared on the Collection Fund for the year. Of this £448,460 would be paid to Surrey County Council, £79,370 to the police and the remaining £72,170 to this Council.

Whilst the level of Revenue Support Grant paid to local authorities had reduced, the amount paid out as New Homes Bonus had risen reflecting the Government's policy to reward those which delivered housing development. However due to constraints this Council had one of the lowest levels of new and affordable housing in Surrey. The Council was due to receive £1,418k in respect of new homes bonus of which £700k had been used to support the revenue budget. The remainder would be placed in the capital reserve.

It had been determined that expenditure of £746,900 should be funded from reserves relating to community grants, costs related to Transformation, community safety, property maintenance, Family Support and SANGS reserves.

It was noted that "Localisation of Business Rates" gave local authorities a direct financial incentive to increase economic growth activity, as measured by an increase in business rates driven by development, in their local area. It had been assumed that Business Rates would increase by 9% over the spending review period. In 2020 Councils would be allowed to retain 100% of business rates. However how this affected the Council would be dependent on the baseline and tariff set. The amount the Council received was very small compared to what it collected and amounted to only 4% of the total.

A national business rates revaluation was due to take place in 2017 and this would result in changes to individual authority's baselines and tariffs. In addition, a rebalancing of business rates between authorities was due to take place in 2020. The implication for this Council would become clear once the proposals for 100% rate retention had been revealed. The cost of any revaluations, irrespective of which year they related, fell on the Council together with any interest due. Given the continued uncertainty over the level of revaluations on appeal only the baseline level of £1.435m had been put in to the budget.

The Council had received notification of an indicative settlement for 2016/17 of its rate support grant of £357k on 17th December, representing a reduction of 67% in cash terms compared with 2015/16 followed by its total removal in 2017/18. This had been confirmed by Parliament in February 2016. However as a result of lobbying a transitional grant of £133k in 2016/17 and £85k in 2017/18 had been given to help manage the loss. It had been originally proposed by the Government that the grant would go negative in 2016/17, by applying a "tariff adjustment" to business rates. However this would now not come in to effect until 2019/20. The funding for the Local Council Tax support scheme was no longer shown separately and Councils were now expected to fund this themselves going forward. A number of other grants had also been removed.

The Minister had offered to guarantee the future settlement figures provided Councils submitted, by October 2016, an efficiency plan indicating how they would deal with the challenges they present. It was not known what was actually being guaranteed and the Government had already said that wider economic considerations might mean the guarantee had to be broken anyway. There were also no details as to what would be required for the efficiency statement or how it would be monitored. As a result the Council was asked to authorise the Executive Head of Finance, after consultation with the Portfolio Holder for Finance, to decide whether the Council signed up for the guarantee or not.

Special Expenses reflected the cost of providing services to non-parished areas which in parished areas were funded by a parish precept. The charge was billed as a separate item to non parished areas in a similar way to a precept in parished areas.

The Government had announced that the trigger for a referendum for Council Tax would be set at 2% or £5 whichever was the higher and that there would be no offer of a grant if Council Tax was frozen. Given the new flexibility over Council Tax increase the budget had been prepared on two bases namely:

- An increase of 1.94% being under the 2% limit;
- An increase of £5.

Given the longer term financial implications the Section 151 Officer had advised that Council tax be increased this year to by the maximum permitted of £5. Only by doing this could income for services be protected for future years.

All reserves and provisions were considered appropriate and supportive of future expenditure requirements. Revenue Reserves (including earmarked reserves) were projected to be around £18m at 31st March 2016. However all capital reserves would have been exhausted.

In respect of the General Fund Working Balance, a risk calculation indicated that a minimum balance of £1m was needed to provide financial cover for day to day cash flow and any financial emergencies which might occur during the financial year. This would be satisfied by both options to increase the Council Tax provided all the savings were achieved.

A number of fees and charges had been increased and had been approved in accordance with Financial Regulations. These changes had been reflected within the budget. However a change in the VAT status for Local Land Charges Searches was currently awaiting HMRC confirmation. As a result it was proposed that the Executive Head of Finance be authorised, after consultation with the Portfolio Holder, to amend the affected fees and charges to reflect the VAT change once it was confirmed by HMRC.

Against an uncertain background, the Council was required to consider a financial forecast which predicted the Council's finances for the next 5 years. The Council noted the assumptions which had been made on the basis of what was known at the moment.

The financial forecast predicted that savings would be relatively modest until 2019/20 when they would rise to £1.6m due to the imposition of the negative tariff. Whether this would be offset in part by the 100% localisation of business rates was not known. Members noted the outcome of the financial forecast, the challenges it contained, the impact on the choice of Council tax increase and the effect this might have on the future financial sustainability of the Council. Members also noted that there were a number of financial risks contained within the budget.

In accordance with the Local Government Act, the Council's Chief Financial Officer confirmed he was satisfied that the preparation of the 2016/17 estimates had been undertaken with rigour and due diligence and provided the appropriate level of resources to meet forecast service requirements whichever budget option was adopted. He also reported that the Council's Reserves, Provisions and the General Fund Working Balance, supplemented by the Revenue Capital Reserves were at such levels to meet all known future expenditure requirements and fund any unforeseen or urgent spending which might arise. The Chief Financial Officer drew attention to the risks within the budget particularly around the Council's ability to continue to deliver savings in the future.

It was by Councillor Moira Gibson and seconded by Councillor Richard Brooks and

Resolved

- (i) to note that under delegated powers the Executive Head of Finance calculated the amount of the Council Tax Base as 36,890.20 (Band D Equivalent properties) for the year 2016/17 calculated in accordance with the Local Government Finance Act 1992, as amended;**
- (ii) to note expenditure totalling £746,900 be charged directly to reserves;**
- (iii) to note that £700,000 of the new homes bonus is being used to support the 2016/17 budget;**
- (iv) to note the implications of an increase in Council Tax above 2% or £5 whichever is the larger is deemed to be "excessive" by Government;**
- (v) to note the level of savings and Minimum Payment Range required;**
- (vi) to note that the Revenue Support Grant has been reduced by 67% compared to the previous year, will disappear by 2017/18 and be negative after that;**
- (vii) to note the there is no reduction in the grant given to Parishes for the Local Council Tax Support Scheme;**

- (viii) to note that a council tax surplus of £600,000 is being declared;
- (ix) to note the comments in respect of the robustness of the 2016/17 budget and the adequacy of the Council's reserves, provisions and the General Fund Working Balance;
- (x) to note the comments in respect of the financial forecast in respect of the budget gap and the potential impact on the future financial sustainability of the Council;
- (xi) to note that of the Council's Budget requirement, £176,000 be a special expense relating to the non-parished area of the Borough;
- (xii) that the Executive Head of Finance, in consultation with the Portfolio Holder be authorised to amend the Local Land Charges fees and charges when the VAT change is confirmed by HMRC;
- (xiii) that the Budget Requirement for 2016/17 be £11,046,231 as set out in paragraph 76 of the Council agenda report;
- (xiv) that the Council Tax Requirement for the Council's own purposes for 2016/17 be £7,425,997 as set out in paragraph 76 of the Council agenda report;
- (xv) that the Council Tax for 2016/17 (excluding special expenses and parish precepts) be set at £201.30 for a Band D property being an increase of £5 compared to 2015/16; and
- (xvi) to authorise the Executive Head of Finance after consultation with the Portfolio Holder for Finance to decide whether the Council signs up to the Government's offer of a settlement guarantee.

Note: In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014, a recorded vote was taken. The following Members voted in favour of the decision: Councillor Dan Adams, David Allen, Richard Brooks, Bill Chapman, Vivienne Chapman, Ian Cullen, Paul Deach, Craig Fennell, Moira Gibson, Edward Hawkins, Josephine Hawkins, Paul Ilnicki, Rebecca Jennings-Evans, David Lewis, Oliver Lewis, Jonathon Lytle, Katia Malcaus Cooper, David Mansfield, Alan McClafferty, Charlotte Morley, Max Nelson, Adrian Page, Robin Perry, Chris Pitt, Joanne Potter, Nic Price, Wynne Price, Darryl Ratiram, Ian Sams, Pat Tedder, Valerie White, John Winterton. The following Members voted against the decision: Councillors Rodney Bates and Ruth Hutchinson. Councillor Victoria Wheeler abstained from voting.

46/C Setting of Council Tax 2016/17

Having determined its Council Tax Requirement for 2016/17, the Council was now required formally to approve the Council Tax for the area taking into account precepts received from Surrey County Council, Surrey Police and Crime Commissioner and the Parishes.

In approving the Council Tax for 2016/17, the Council noted that the Executive, at its meeting on 12 January 2016, had approved the draft Council Tax base for 2016/17 but had delegated the final setting of the base to the Executive Head of Finance. The tax base had been set at 36,890.20 Band D equivalent properties.

Resolved

1. **to note that the Council Tax Base for 2016/17 calculated in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:**

- a) **for the whole Council area as 36,890.20 (Item T in the formula in Section 31B of the Local Government finance Act 1992, as amended (the "Act")); and**

- b) **for dwellings in those parts of its area to which a Parish precept relates as in Table B below.**

Bisley	1,513.05
Chobham	1,928.94
Frimley and Camberley	23,382.72
West End	2,013.81
Windlesham	8,051.68

being the amounts calculated by the Council in accordance with regulation 6 of the Regulations, as the amount of its Council Tax base for the year for dwellings in those parts of its area to which special items relate.

2. **that the Council Tax requirement for the Council's own purposes for 2016/17 (excluding parish precepts and special expenses) is £7,425,997**

3. **that the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:**

- a) **52,561,683** **being the aggregate of the amounts which the Council estimates for the items set out in Section 31(A)2 of the Act taking into account all precepts issued to it by Parish Councils.**

- b) **44,422,249** **being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.**

- c) **8,139,434** **being the amount by which the aggregate at 3(a) above**

exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).

- d) **£220.64** being the amount at 3(c) above (Item R), as divided by Item T (1(a) above) calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts)
- e) **713,437** being the aggregate amount of all special items referred to in Section 34(1) of the Act (as per para 1 above)
- f) **£201.30** being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

4. to note that the County Council and the Police Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

Surrey County Council Basic Precept

Precept	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Basic	829.26	967.47	1,105.68	1,243.89	1,520.31	1,796.73	2,073.15	2,487.78
Adult Social Care	16.26	18.97	21.68	24.39	29.81	35.23	40.65	48.78
Total	845.52	986.44	1,127.36	1,268.28	1,550.12	1,831.96	2,113.80	2,536.56

Surrey Police and Crime Commissioner

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
146.79	171.26	195.72	220.19	269.12	318.05	366.98	440.38

5. that the Council, in accordance with sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

Parish precepts and special expenses

Valuation Band								
	A	B	C	D	E	F	G	H
Part of Area	£	£	£	£	£	£	£	£
Bisley	36.14	42.16	48.18	54.20	66.25	78.29	90.34	108.41
Chobham	26.96	31.45	35.94	40.44	49.42	58.41	67.39	80.87
Frimley and Camberley	5.02	5.85	6.69	7.53	9.20	10.87	12.54	15.05
West End	27.72	32.34	36.97	41.59	50.83	60.07	69.31	83.17
Windlesham	24.32	28.37	32.42	36.47	44.58	52.68	60.79	72.95

Surrey Heath Borough Council

Valuation Bands							
A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
134.20	156.57	178.93	201.30	246.03	290.77	335.50	402.60

Aggregate of Parish and Surrey Heath Borough Council

Valuation Band								
	A	B	C	D	E	F	G	H
Part of Area	£	£	£	£	£	£	£	£
Bisley	170.34	198.73	227.11	255.50	312.28	369.06	425.84	511.01
Chobham	161.16	188.02	214.87	241.74	295.45	349.18	402.89	483.47
Frimley and Camberley	139.22	162.42	185.62	208.83	255.23	301.64	348.04	417.65
West End	161.92	188.91	215.90	242.89	296.86	350.84	404.81	486.77
Windlesham	158.52	184.94	211.35	237.77	290.61	343.45	396.29	475.55

Total of all Precepts

Valuation Band								
	A	B	C	D	E	F	G	H
Part of Area	£	£	£	£	£	£	£	£
Bisley	1,162.65	1,356.43	1,550.19	1,743.97	2,131.52	2,519.07	2,906.62	3,487.95
Chobham	1,153.47	1,345.72	1,537.95	1,730.21	2,114.69	2,499.19	2,883.67	3,460.41
Frimley & Camberley	1,131.53	1,320.12	1,508.70	1,697.30	2,074.47	2,451.65	2,828.82	3,394.59
West End	1,154.23	1,346.61	1,538.98	1,731.36	2,116.10	2,500.85	2,885.59	3,462.71
Windlesham	1,150.83	1,342.64	1,534.43	1,726.24	2,109.85	2,493.46	2,877.07	3,452.49

6. to note that the Council's basic amount of Council Tax for 2016/17 is NOT excessive in accordance with the principles approved under Section 52ZB Local Government Finance Act 1992.

47/C Executive, Committees and Other Bodies

(a) Executive – 12 January and 9 February 2016

It was moved by Councillor Moira Gibson, seconded by Councillor Richard Brooks, and

Resolved that the minutes of the meetings of the Executive held on 12 January and 9 February 2016 be received and the recommendations at Minute 55/E, 60/E and 61/E be adopted as set out below:

55/E - The Council Tax Base and the Local Council Tax Support Scheme

Resolved that

- (i) the Local Council Tax Support Scheme for Surrey Heath, approved by Council on 22 January 2013, be amended to remove the award of a Family Premium for any new claims or new births after 31 March 2016;**
- (ii) the Executive Head of Finance make any further minor changes to the Local Council Tax Support scheme so as to ensure that where applicable to income and applicable amount calculation it remains in line with Housing Benefit changes introduced by legislation; and**
- (iii) incomes and applicable amounts and non-dependant deceptions be updated, in line with the percentages and amounts supplied by the Department of Work and Pensions and the Department of Communities and Local Government, and applied to Housing Benefit claims.**

60/E - Corporate Capital Programme

Resolved that

- (i) the new capital bids for £670k for 2016/17 at Annex A to the Executive agenda report be approved, and be incorporated into the Capital Programme;**
- (ii) the Prudential Indicators summarised below and explained in Annex D of the Executive 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

61/E - Treasury Management Strategy Report 2016/17

Resolved to adopt

- (i) the Treasury Management Strategy for 2016/17 as set out in the Executive agenda report;**
- (ii) the Treasury Management Indicators for 2016/17 at Annex C to the Executive agenda report; and**
- (iii) the Annual Minimum Revenue Provision Policy Statement at Annex D to the Executive agenda report.**

- (b) Planning Applications Committee – 13 January and 10 February 2016

It was moved by Councillor Edward Hawkins, seconded by Councillor David Mansfield, and

Resolved that the minutes of the meetings of the Planning Applications Committee held on 13 January and 10 February 2016 be received.

- (c) Audit and Standards Committee – 17 December 2015

It was moved by Councillor Valerie White, seconded by Councillor Paul Ilnicki and

Resolved that the minutes of the meeting of the Audit and Standards Committee held on 17 December 2015 be received.

- (d) Licensing Committee – 14 January and 8 February 2016

It was moved by Councillor Bill Chapman, seconded by Councillor Ian Sams and

Resolved that the minutes of the meetings of the Licensing Committee held on 14 January and 8 February 2016 be received and the recommendation at Minute 17/L be adopted as set out below:

Resolved that the Statement of Licensing Policy 2016-2021, as attached at Annex A to the Licensing Committee minutes, be approved.

- (e) External Partnerships Select Committee – 19 January 2016

It was moved by Councillor Paul Deach, seconded by Councillor Dan Adams and

Resolved that the minutes of the meetings of the External Partnerships Select Committee held on 19 January 2016 be received.

- (f) Joint Staff Consultative Group – 21 January 2016

It was moved by Councillor Josephine Hawkins, seconded by Councillor Robin Perry and

Resolved that the notes of the meeting of the Joint Staff Consultative Group held on 21 January 2016 be received.

48/C Leader's Question Time

The Leader responded to a question requesting information on the progress of discussions on the issue of poverty and deprivation in the Borough, which Councillor Richard Brooks, at the last meeting, had indicated he would address further outside the meeting. The Leader advised that Councillor Brooks had the issue under consideration.

49/C Motions

In accordance with Council Procedure Rule 12, it was proposed by Councillor Rodney Bates and seconded by Councillor Ruth Hutchinson that

"This Council believes that it is in the best interests of our residents and businesses for the UK to remain a member of the European Union."

Following debate the motion was put to the meeting and was lost.

50/C 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 3 of Schedule 12A of the Act as set out below:

<u>Minute</u>	<u>Paragraphs</u>
51/C	3
52/C	3

51/C Council, Executive and Committees - Exempt

The Council received the exempt minutes of the meetings of the Executive held on 9 February 2016.

52/C Review of Exempt Items

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

Resolved that Minute 67/E remain exempt until completion of the lease negotiations.

Mayor