

**Minutes of a Meeting of the Executive
held at Surrey Heath House on 24
February 2015**

+ Cllr Moira Gibson (Chairman)

- | | |
|-----------------------------|-------------------------|
| - Cllr Richard Brooks | + Cllr Colin Dougan |
| + Cllr Keith Bush | + Cllr Craig Fennell |
| - Cllr Mrs Vivienne Chapman | + Cllr Charlotte Morley |

+ Present

- Apologies for absence presented

In Attendance: Cllr Rodney Bates, Cllr Chris Pitt, Cllr Pat Tedder and Cllr Judi Trow

105/E Minutes

The minutes of the meeting held on 27 January 2015 were confirmed and signed by the Chairman.

106/E General Fund Estimates 2015/16

It was reported that the outturn against budget for 2014/15, as forecast in the December financial report, predicted that the Council would be underspent at the end of the year.

As in previous years some items of expenditure, relating to community grants, Transformation costs, community safety, and property maintenance, totalling £557,900, would be funded directly from reserves. Funding for the Family Support team would be provided from the Family Support Funding Reserve created when the service was established.

It was noted that savings of between £257,000 and £326,000 would be needed for 2015/16, depending on the level of Council Tax set, with additional amounts in later years.

The Chancellor had announced in his Autumn Statement that the overall funding for Local Authorities would not be reduced any further, other than the reduction already announced earlier in the year. In the settlement given for 2014/15, it had been made clear that there would be a further cut of 33%, or £476,000, in 2015/16 and this had been reflected in the settlement given. No figures for 2016/17 or beyond were available.

The Council was due to receive £1.270m in New Homes Bonus in 2015/16, compared to £918,000 in the previous year. It was proposed that £600,000 be used to support the budget in this financial year. As this funding was not guaranteed indefinitely there was a risk that savings would have to be found in the future to offset its loss.

In respect of the Surrey Local Government Pension Scheme, as a result of the actuarial review carried out as at 31 March 2013, no increase had been implemented in respect of the future cost of pensions, which remained at 15.7%. However, additional costs were required to address the historic deficit. The £381,000 the Council had paid in 2013/14 towards the deficit had increased to £550,000 in 2014/15 and would further increase to £719,000 in 2015/16 and £888,000 in 2016/17.

The Council had paid a 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. This grant would remain unchanged from the grant paid in 2014/15.

The budget had been prepared on two different bases of either freezing Council tax for 2015/16 and accepting the compensatory special grant or rejecting the grant and increasing the Council Tax by 1.94%. It was a matter for the Council to decide the level of Council Tax. This would depend on the setting of the referendum limit, the conditions attached to the special grant and the effect on the longer term financial implications.

The net cost of services in 2015/16 showed a reduction of £150,000 compared to the previous year. Provided that actual expenditure met the budget achieved the General Fund was estimated to be £1m at the end of 2015/16. This was considered to be a prudent level.

The Executive decided not to make a recommendation to the Council in respect of the level of Council Tax to be set for 2015/16.

RECOMMENDED to Council that:

- (i) the 2015/16 General Fund Revenue Budget of £10,225,700 as set out in Annex A to the report be approved; and**
- (ii) the support grant for parishes to compensate them for the effects of the local council tax support scheme be unchanged for 2015/16 compared to 2014/15.**

The Executive NOTED

- (i) that the budget contains £693,850 , as per paragraph 11 of the agenda report chargeable to reserves;**
- (ii) the savings required depending on the level of Council Tax set;**
- (iii) the provisional Revenue Support Grant & NNDR allocation of £2,518,370 and the final allocation will be reported to Council at its meeting on 25th February 2015;**
- (iv) the use of £600,000 of the New Homes Bonus to support the budget;**

- (v) **the additional pension payment of £338,000 for 2015/16 to contribute to the deficit and;**
- (vi) **that a full report, setting out Council Tax proposals for 2015/16 will be presented to Council on 25th February 2015.**

107/E Corporate Capital Programme 2015/16 - 2017/18

Capital bids for 2015/16 had been examined as part of the Star Chamber process conducted by Management Board. Bids had only been considered if they met a statutory obligation or it could be demonstrated that they would be self-funding.

The Executive considered the proposed Capital Programme for 2015/16 and its effect on the Council's capital receipts reserves, which indicated that it would not be possible to fully fund the current Capital Programme from capital receipts and existing revenue reserves.

The Revenue Capital Fund was estimated to be about £9.5m at 31 March 2014 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. It was recognised that the Council would need to undertake borrowing to fund the capital programme.

The estimated loss of investment income as a result of the proposed capital programme, based on the estimated average rate of 1% for 2014/15, was noted.

It was reported the Capital Financing Requirement for this Council, at 31 March 2016, was estimated to be £10.152 million and as such a Minimum Revenue Payment of £33,000 was required.

RECOMMENDED that:

- (i) **the new capital bids for £625k for 2015/16, as set out at Annex A to the report, be approved and that they be incorporated into the Capital Programme; and**
- (ii) **the Prudential Indicators for 2015/16 to 2017/18, summarised below and explained in Annex D to the agenda report 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	2015/16 Estimated £000	2016/17 Estimated £000	2017/18 Estimated £000
Capital Expenditure	12.108	525	525
Capital Financing Requirement	10,152	9,934	9,741
Ratio of financing costs to net revenue stream	-3.46%	2.37%	2.26%
Incremental impact of investment	£1.48	£4.47	£0.14

decisions on Band D council Tax			
Operational Boundary	16,000	15,000	15,000
Authorised Limit	18,500	17,400	17,400

The Executive NOTED:

- (i) **the Capital Financing Requirement for this Council as at 31 March 2016 is estimated to be £10.152m and as such a Minimum Revenue Payment of £33k is required;**
- (ii) **the provisional Capital Programme for 2016/17 and 2017/18; and**
- (iii) **the available capital receipts forecast shown in Annex C.**

108/E Finance Report to 31 December 2014

The Executive noted the Council's financial position at 31 December 2014.

RESOLVED to note the Revenue, Treasury and Capital Position at 31st December 2014.

109/E Section 106 Applications

A small amount of funding had been collected by the Council through Section 106 Agreements towards play area and community facility improvements. West End Parish Council and Chobham Parish Council had requested that these payments be released to them. The funds available for Community Facilities & Equipped Play Space were £1,825.23 for Chobham Parish Council and £2,451.05 for West End Parish Council.

The scheme in Chobham related to the improvement of the Chobham Recreation Ground Play Facilities for 3-16 year olds. The total cost of the project was £40,500; the Parish Council was funding the scheme using a grant from Surrey County Council of £25,000, £7,000 from public donations and the remainder from reserves saved for this purpose.

The scheme in West End related to the replacement of the Benner Lane Play Area and installation of outdoor gym equipment. The total cost of the project was £45,000 for play equipment and £6,255 for gym equipment. The Parish Council was funding the scheme using a grant from Surrey County Council of £30,000 and £15,000 from Parish Council reserves, leaving the Parish Council £6,255 to secure.

It was noted that the responsibility for the projects, including the on-going maintenance and replacement costs relating to the projects, would rest with the Parish Councils.

RESOLVED that Section 106 contributions towards new play area projects be made as follows:

(i) £1,825.23 be paid to Chobham Parish Council; and

(ii) £2,451.05 be paid to West End Parish Council.

110/E Pay Policy Statement 2015/16

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 that the Pay Policy Statement 2015/16, as attached at Annex A to the agenda report, be adopted.

111/E Family Friendly Policies

The Executive was informed that there were various statutes which employers needed to comply with which were relevant to the Council's Family Friendly Policies. The Children and Families Act 2014 had introduced new statutory obligations, following which the Council's Family Friendly Policies required updating.

The policies had been considered by the Joint Staff Consultative Group at its meeting on 27 November 2014.

RECOMMENDED that the Council's Family Friendly Policies, as attached at Annex A to the agenda report, be adopted.

Chairman