

**Minutes of a Meeting of the Executive
held at Surrey Heath House on 6
February 2018**

+ Cllr Moira Gibson (Chairman)

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

+ Present

- Apologies for absence presented

In Attendance: Cllr Rodney Bates, Cllr Bill Chapman, Cllr Jonathan Lytle, Cllr Robin Perry and Cllr Chris Pitt

86/E Minutes

The open and exempt minutes of the meeting held on 9 January 2018 were confirmed and signed by the Chairman.

87/E General Fund Estimates 2018/19

The Executive noted that, whilst it was for the Council to decide upon the level of Council Tax set, the Executive could make a recommendation.

The budget had been prepared on the assumption that Council Tax would be increased by 2.97% being just under the maximum permitted without requiring a referendum.

The Net Cost of Services for 2018/19 had increased compared to last year. This was due in part to one off items such as grounds maintenance funded from commuted sums and the implementation of the Waste Contract funded from reserves. However there had also been increases in payroll and contract costs due to the high level of inflation.

However the Council was still able to achieve a balanced budget due to higher income from Council Tax and Business Rates and an increase in income from the Council's property investments.

Wages and salaries had increased this year due to not only investment in staffing as the Council moved in to new areas, but also due to pressures driven by inflation on wages costs and recruitment. An amount had also been included within the budget for an annual pay increase.

Members received a summary of the budget. It was noted that a number of fees and charges had been increased and approved in accordance with financial regulations. These changes had been reflected within the proposed budget.

The Government had announced that they would approve an increase in planning fees in 2018/19, if not sooner, but this had not been reflected in the budget.

2018/19 marked the 3rd year of the 4 year local Government Settlement announced in 2015. Based on past experience it was likely that the settlement for 2018/19 would be in line with this Settlement and would mean that the Council would receive nothing in 2018/19.

The Council was due to have to pay £933k of "Negative Tariff" back to the Government in 2019/20. However the matter of a "Negative Tariff" had been recognised as an issue by the Minister and would be looked at in the coming year. The Government had also announced a technical consultation "Fair Funding" which might impact future Council funding as it sought to redistribute funding across the country.

The provisional figures announced on 19 December 2017 had been used in this budget. These were expected to be confirmed shortly.

The Government had consulted again during the year on making further changes to the New Homes Bonus (NHB). This had included increasing the "floor", for which no bonus was paid and further restricting payments on houses granted on appeal or without a local plan. The Government announced that, in order to provide certainty, no changes would be made for 2018/19. However the changes already made, such as reducing payments from 6 to 4 years and the 0.4% floor, was making NHB a less attractive incentive for housing delivery.

The Executive was advised that expenses totalling £816k were being charged directly to reserves. The General Fund was estimated to be at least £2m at the end of 2018/19 if the budget was delivered as proposed.

RECOMMENDED to Council that

- (i) the 2018/19 General Fund Revenue Budget of £11,058,933 as set out in Annex A to the agenda 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 2018/19 compared to 2017/18.**

RESOLVED to note that

- (iii) the budget contains £816,390 chargeable to reserves as per paragraph 10 of the agenda report;**
- (iv) a minimum revenue provision of £1.353m was required to repay debt;**
- (v) there was no Revenue Support Grant from Government to support services;**

- (vi) £200,000 for a pay increase had been included within the budget;**
- (vii) the provisional NNDR baseline of £1,508,666 and the final settlement would be reported to Council at its meeting on 21st February 2018;**
- (viii) that the Council is a member of the Surrey Business Rates pilot consisting of Surrey County Council and all Surrey Districts;**
- (ix) that a full report, setting out Council Tax proposals for 2018/19 would be presented to Council on 21st February 2018;**
- (x) that further savings and income generation through investment would be required as a result of anticipated reductions in Government funding and funding the capital programme in the future; and**
- (xi) that the increase in the tax base from new housing delivered an extra £47,000 a year in Council Tax.**

88/E Treasury Strategy 2018/19

The Executive received a report detailing the proposed Treasury Management Strategy and the Treasury Management Indicators for 2018/19, plus the Minimum Revenue Provision policy statement and estimated minimum revenue provision payment table.

The report fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to both the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice, and the Department for Communities and Local Government Guidance on Local Authority Investments.

The Council invested and borrowed large sums of money and was, as a result, exposed to financial risks which included the revenue impact of changing interest rates and the loss of part or all invested funds. The successful identification, monitoring and control of risk were, therefore, central to the Council's Treasury Management Strategy.

In accordance with the CLG Guidance, any changes required to the approved Treasury Management Indicators and Strategy would be reflected in future reports for the Executive and the Council to consider.

The budget for investment income in 2018/19 was £160,000 calculated as a average return of 1.1% on a £14.5m portfolio. £2.2m had been budgeted for interest payments calculated as average cost of 2% on a debt of £111m. These figures were influenced by changes to interest rates, levels of debt and investment funds.

The proposed Corporate Capital Programme for 2018/19 – 2019/20 would need to be funded by borrowing or out of revenue due as the Council did not hold any capital receipts.

RECOMMENDED to Council the adoption of

- (i) the Treasury Management Strategy for 2018/19 as set out in the agenda report;**
- (ii) the Treasury Management Indicators for 2018/19, as set out at Annex C to the agenda report; and**
- (iii) the Minimum Revenue Provision policy statement and estimated Minimum Revenue Provision payment table, as set out at Annex F to the agenda report.**

89/E Corporate Capital Programme 2018/19 – 2020/21

The Executive received details of the proposed 2018/19 Capital Programme, as shown in Annex A to the agenda report. The Council no longer held any surplus capital receipts. As a result, only in-year receipts could be offset against the proposed spend. Annex C to the agenda report showed 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.

Within the 2018/19 Capital programme there was an amount of £3.2m relating to refuse vehicles which had been transferred from the 2017/18 capital programme as the expenditure would not be incurred until Summer 2018.

Additional capital receipts might be realised from the sale of Council assets and if this was the case they would be applied against capital spend thereby reducing borrowing.

The Revenue Capital Fund was estimated to be about £9.145m at 31 March 2018 and could be used to support the Capital Programme if required. However, this would reduce the amount of reserve available to support revenue expenditure and hence the General Fund in the future. The Council had undertaken borrowing during 2017/18 to fund significant property acquisitions and was prepared to do this again, should the need arise.

Additional capital schemes might be brought during the year for the Executive and Council to consider. These might result in a change to the Prudential Indicators, the Capital Financing Requirement and the Minimum Revenue Payment. If this was the case those changes would be reported to the Executive and Council.

The Finance Portfolio Holder undertook to respond by email to questions relating the London Road Recreation Ground Disabled Access Improvements and the Camberley Theatre Conferencing Facilities Schemes.

RECOMMENDED to Council that

- (i) the new capital bids for £8.584m, as set out at Annex A to the agenda report, for 2018/19, be approved and incorporated into the Capital Programme;
- (ii) the Prudential Indicators, as set out below and explained at Annex D to the agenda report, including the MRP statement, for 2018/19 to 2020/21 in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Finance in Local Authorities 2011, be approved.

Prudential Indicator	2018/19 Estimated £000	2019/20 Estimated £000	2020/21 Estimated £000
Capital Expenditure	8,584	2,270	630
Capital Financing Requirement	150,000	150,000	148,000
Ratio of net financing costs to net revenue stream	5.14%	2.61%	2.65%
Incremental impact of investment decisions on Band D council Tax	1.61	9.40	0.43
Operational Boundary	185,000	185,000	185,000
Authorised Limit	190,000	190,000	190,000

RESOLVED to note

- (iii) that the Capital Financing Requirement for the Council as at 31 March 2019 was estimated to be £150m and as such a Minimum Revenue Payment of £1.369m was required;
- (iv) the provisional Capital Programme for 2019/20 and 2020/21; and
- (v) the available capital receipts forecast shown, as set out at Annex C to the agenda report.

(Note: Subsequent to the meeting it was confirmed that reference to the London Road Recreation Ground Disabled Access Improvements had been included in error as the scheme had been incorporated in the Capital Programme for 2017/18.)

90/E Potential Expansion of the Joint Waste Collection Contract

The Executive considered a recommendation from the Joint Waste Collection Services Committee (JWCSC) to approve the admission of Tandridge District Council into the existing joint waste collection arrangements of Elmbridge Borough Council, Mole Valley District Council, Surrey Heath Borough Council and Woking Borough Council (the Partner Authorities).

Members were reminded that the Joint Contract had been procured so as to enable all other Surrey district and borough councils to have the opportunity to join

during the life of the contract should they so wish. There was a mechanism set out in the Joint Contract which governed how this would happen. The Inter Authority Agreement made it clear that the decision to admit a new authority rested with the existing Partner Authorities and should only occur where it was lawful to do so, there was a positive benefit to the Partner Authorities, and the new joiner contributed towards the costs of the initial procurement, mobilisation and set up of the Joint Contract through a joining fee or other benefit.

The JWCS, at its meeting on 15th January 2018, had resolved to recommend to the Partner Authorities that, on the basis no existing partner was financially disadvantaged, should Tandridge District Council's Stage 3 price demonstrate good value and it requested admission to the Joint Contract, then the request should be approved.

It was noted that there would be no immediate benefits to the partner authorities from Tandridge District Council joining the partnership other than savings in management costs. However, there were very real medium to long term benefits as the admission of Tandridge would enable a further step to be taken in the creation of a single waste entity to deliver all of Surrey's waste.

Tandridge would reimburse the existing partner authorities to ensure they were no worse off from them joining through a system of direct payment from Tandridge to the original partners.

The Executive was advised that any further requests to join the joint waste collection arrangements would be considered on their merits.

RESOLVED that, on the basis that no existing partner be financially disadvantaged, should Tandridge District Council's Stage 3 price demonstrate good value and it requests admission to the Joint Contract, then the request should be approved.

91/E Air Quality Feasibility Study

The Executive was reminded that, at its meeting on 3 October 2017, it had received a report on the Air Quality Feasibility Study which this Council, Rushmoor and Guildford Borough Councils were required to undertake along the A331 Blackwater Valley Road. The study would explore a range of options to ensure compliance with air quality objectives in the shortest time possible.

The Government had initially allocated £50,000 to each of the authorities. However following submission of a proposal from the partner authorities, a further grant payment of £600,000 would be paid to this Council, which was leading on the procurement for the study. The study would be carried out in conjunction with Guildford and Rushmoor Councils and working with Defra; the Highways Agency and Surrey County Council Highways Authority.

RESOLVED to undertake a feasibility study to explore a range of measures to ensure compliance with the air quality objectives in the shortest time possible, with the cost of the study to be funded

from a grant of £600,000 paid to this Council under Section 31 of the Local Government Act 2003.

(Note: It was noted for the record that Councillor Rodney Bates declared that he was an employee of Guildford Borough Council.)

92/E Home Assistance Policy

The Executive was informed that the Department for Communities and Local Government allocated Local Housing Authorities funding to deliver a capital Disabled Facilities Grant Programme. The funding was placed into the Better Care Fund and the Clinical Commissioning Groups and Adult Social Care then made decisions on how the funding would be allocated.

The allocation for this Council had increased from approximately £300,000 in 2016/17 to £660,000 in 2017/18. A similar sum was expected in 2018/19

In order to protect funding from the Better Care Fund it was essential that the Council could deliver fast and flexible services to residents in a way that met the health and social care agenda, and that services were embedded in the local health and social care offer. The Home Assistance Policy identified the assistance which the Council could offer vulnerable homeowners, owners and tenants of privately and socially rented accommodation, and disabled adults and children to repair, improve or adapt their homes. It outlined the eligibility criteria and the terms on which assistance may be provided.

Priority funding would be offered to applicants of mandatory Disabled Facilities Grants. All other forms of assistance were discretionary and were therefore subject to the availability of funding.

Members referred to the eligibility criteria where under occupancy might exclude applicants from attracting grant funding. Whilst it was accepted that a framework was necessary, Members asked that the criteria be interpreted leniently in order to ensure the best possible outcome for the applicant.

RESOLVED that the Home Assistance Policy, as set out at Annex A to the agenda report, be adopted.

93/E Local Connection Eligibility Testing for the Self-Build and Custom Housebuilding Register

It was reported that, in accordance with the Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016), the Council must maintain and regularly update a Self-Build and Custom Housebuilding Register. The Regulations also allowed the Council to set local eligibility criteria in the form of a Local Connection Test.

Due to the various environmental constraints impacting Surrey Heath, availability of land for development was under significant pressure and provided an ongoing challenge for the Borough. It was therefore important to ensure that any land, which was suitable and available, was utilised efficiently. The number of plots that

the Council must grant for the purposes of self-build was likely to impact the availability of land for achieving the Council's objectively assessed development needs. It was, therefore, considered that the application of a Local Connection Test for eligibility to the Council's Self-Build Register would help to ensure plots were only granted for residents with a strong local connection to Surrey Heath, and that suitable land remained available for other types of residential development in the Borough.

The Executive considered the Local Connection Test, as set out at Appendix 1 of the agenda report. Members were of the opinion that, because of the scarcity of suitable land in the Borough, the qualification for entry to the Register should be residency or employment in the Borough for a period of at least 24 months.

It was proposed that a Local Connection Test for entry onto the Self-Build and Custom Housebuilding Register be released for a 4 week non statutory consultation period. Following the consultation, the Local Connection Test would be incorporated within the existing Self-Build application.

RESOLVED that

- (i) the Local Connection Test, as set out at Appendix 1 of the agenda report, be amended to require applicants to the Surrey Heath Self-build and Custom Housebuilding Register to have been resident or employed in the Borough for a period of at least 24 months;**
- (ii) a 4 week non-statutory public consultation be undertaken on the introduction of a Local Connection Test, as set out in Appendix 1, as amended;**
- (iii) the Local Connection Test be incorporated within the Self-Build application form.**

94/E Response to the Mayor of London's Draft New London Plan

The Mayor of London was consulting on the Draft New London Plan which would provide the spatial development strategy for Greater London from 2019-2041. The Plan included Strategic Infrastructure Priorities for the Wider South East including the North Downs Line and the South West Main Line, both of which were in close proximity to Surrey Heath. Although the Draft New London Plan aimed to accommodate all of London's projected growth within its boundaries, the Mayor of London was seeking willing partners beyond London to explore if there was potential to accommodate further growth in sustainable locations outside of the Capital.

RESOLVED to agree the response to the Mayor of London's Draft New London Plan, as set out at Appendix 1 of the agenda report.

95/E Response to Runnymede Borough Council's Draft Local Plan (Regulation 19) consultation

Runnymede Borough Council had published its Draft Local Plan document for consultation. The document was the last stage in the production of the Runnymede Local Plan and as such the consultation was the final opportunity to comment on the Plan before it was submitted to the Planning Inspectorate.

It set out the approach to be taken to development in Runnymede Borough up to 2030, including the DERA north and south sites in Longcross, now known as 'Longcross Garden Village'.

RESOLVED that the letter at Annex 1 to the agenda report be agreed as the Council's formal representation to the Runnymede Draft Local Plan (Regulation 19) document.

96/E Reference from Performance and Finance Scrutiny Committee – Review of the Impact of Benefits Reforms on Surrey Heath Borough Council and Borough Residents

At its meeting on 12 July 2017, the Performance and Finance Scrutiny had considered a report from a Task and Finish Group looking at the impact of welfare/benefits reforms on the Council and the Borough's residents. A further report, revising a number of the recommendations, had been considered by the Committee at its meeting on 6 December 2017.

The Committee had agreed to advise the Executive to take a number of actions which could potentially mitigate the impact of these changes.

The Executive considered the actions proposed and noted that the Task Group Members had identified the following key local needs:

- (i) An increase in the number PCs available to welfare benefit applicants, and the number of local locations where access would be possible;
- (ii) An increase in the number of PC and benefit competent advisors who could help applicants complete claim forms;
- (iii) An increase in the number of advisors (must be qualified) who could help with debt counselling;
- (iv) Better local access to short term loans to those left without support between date of claim and date of approval and receipt of grant; and
- (v) An increase in the number of one bedroom properties available for social rent.

The Scrutiny Committee had supported the Task and Finish Group proposal that the best way to meet the identified needs and address was to facilitate a stronger working relationship with and provide an increased level of financial support to specialist local charities, particularly given the expertise which existed in the community, which could assist in this complex area of work.

RESOLVED that

- (i) the Department of Works and Pension (DWP) be urged to work more closely with the Council**

- (a) to mitigate the impact of the benefit reforms on the residents of the Borough;
 - (b) to ensure that there is adequate provision of computer facilities internet access and advisors across the Borough to support the wider introduction of Universal Credit and other changes to the welfare system;
- (ii) in relation to computer facilities, internet access, and advisor support, that
 - (a) the list of sites will be refreshed, and widely publicised to the relevant audience;
 - (b) this exercise be repeated on a six monthly basis;
 - (c) in the event that this exercise indicates a shortage of available sites and/or personnel, alternative options, including the involvement and closer collaboration with local charities in the relevant sectors to be considered.
- (iii) the work done by the Surrey Credit Union in supporting residents in the Borough be noted and supported;
- (iv) the closer working relationship and joint working initiatives between the Camberley Job Centre and the Council be noted and supported; and
- (v) the Local Plan Working Group be asked to take full account of the indicated increased need for one bedroom properties, when developing the Plan;

The Executive NOTED that the External Partnership Select Committee be requested to include Boom and DWP on its future work programme.

97/E Pay Policy Statement 2018/19

Members were reminded that Section 38(1) of the Localism Act 2011 required the Council to update its Pay Policy Statement on an annual basis.

RECOMMENDED to Full Council that the Surrey Heath Borough Council Pay Policy Statement 2018/19, as attached at Annex A to the agenda report, be approved.

98/E Exclusion of Press and Public

In accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, 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)
86/E (part)	3
99/E	3
100/E	3

Note: Minute 99/E is a summary of a matter considered in Part II of the agenda, the minute of which it is considered should remain confidential at the present time.

99/E Lease of the Camberley Lawn Tennis Club, Southcote Park, Camberley

The Executive made decisions relating to the grant of a Lease to Camberley Lawn Tennis Club, Southcote Park, Portsmouth Road, Camberley.

100/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 that Minute 99/E and the associated agenda report remain exempt until completion of lease negotiations.

Chairman