

**Minutes of a Meeting of the Executive
held at Surrey Heath House on 15
February 2022**

+ Cllr Alan McClafferty (Chairman)

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| + Cllr Colin Dougan | + Cllr David Mansfield |
| + Cllr Shaun Garrett | + Cllr Adrian Page |
| + Cllr Rebecca Jennings-Evans | + Cllr Robin Perry |

+ Present

In Attendance: Cllr Graham Alleway, Cllr Peter Barnett, Cllr Rodney Bates, Cllr Cliff Betton, Cllr Tim FitzGerald, Cllr Sharon Galliford, Cllr Emma-Jane McGrath, Cllr Charlotte Morley, Cllr Sashi Mylvaganam, Cllr Graham Tapper, Cllr Pat Tedder, Cllr Victoria Wheeler, Cllr Helen Whitcroft and Cllr Valerie White

90/E Minutes

The minutes of the meeting held on 25 January 2022 were confirmed and signed by the Chairman.

It was noted that minute 88/E - Surrey Heath Physical Activity Strategy had omitted reference to concerns raised by Councillor Graham Alleway that resolving issues of blocked footpaths was essential to increasing fitness and, furthermore, to aligning with the national Active England campaign to make pedestrians and cyclists the dominant interested parties for the highways network.

91/E Questions by Members

The Planning & People Portfolio Holder, Councillor Adrian Page, undertook to respond to a query from Councillor Graham Alleway about the pre-application planning application enquiry process.

92/E Revenue Budget and Medium Term Financial Strategy 2022/23 - 2025/26

The Executive considered a report setting out the Medium Term Financial Strategy (MTFS), the revenue budgets estimates for the 2022/23 financial year, and the indicative estimates for the period 2023/24 to 2025/26. The MTFS also incorporated a 4-year capital strategy and programme, plus a Treasury Management Strategy, both of which would be considered separately at that meeting.

Members received a presentation from the Chief Finance Officer detailing the key principles and assumptions underpinning the MTFS. A summary of the budget was presented, identifying items of budgetary growth amounting to nearly £4.8m, as well as service efficiencies totalling approximately £2.4m. The sources of finance to support the budget were noted, the primary source of which was Council Tax. The budget included an increase to Council Tax of £5 per Band D property.

Members were advised that the budget gap in 2022/23 was £2.55m. The proposals for reducing the overall budget from approximately £15m in 2022/23 to £13m in 2025/26, thereby reducing the reliance on reserves from £2.5m to £300k in the period of the MTFs, were noted. Further information was requested from Members prior to the Council meeting in relation to the makeup of the efficiencies that were expected to be achieved from the Zero Based Budget process.

The Leader and Finance Portfolio Holder undertook to ascertain further information in respect of apparent discrepancies between information included in the Draft Financial Statements 2019/20 published on the Council's website and the levels of reserves included in the budget report.

RECOMMENDED to Full Council the approval of the Medium Term Financial Strategy and associated Revenue Budget Estimates covering the period 2022/23 to 2025/26, including that

- (i) the 2022/23 budget estimates giving a net cost of services revenue budget for the Council of £14.788 million as shown in Appendix 1 to the Medium Term Financial Strategy be approved;**
- (ii) the unavoidable and service pressures of £4.791 million shown in Appendix 1 and in more detail in Appendix 1-1 to the Medium Term Financial Strategy be approved;**
- (iii) the revenue efficiencies of £2.413 million shown in Appendix 1 and in more detail in Appendix 1-2 to the Medium Term Financial Strategy be approved;**
- (iv) the recommendation by the Strategic Director Finance and Customer Services (the Council's Section 151 Officer) that a sum of up to £7.500 million of earmarked reserves at this stage be repurposed to the general revenue fund balance to support the revenue budget over the period of the Medium Term Financial Strategy and provide a sustainable budget for the Council be approved;**
- (v) authority be delegated to the Strategic Director in consultation with the Chief Executive and the Portfolio Holder for Finance to identify which reserve(s) the sum at (iv) be drawn from and the eventual amount to be re-purposed;**
- (vi) the increase in the Surrey Heath Borough Council element of the annual precept be increased by £5.00 per Band D property and in the appropriate statutory proportions for other properties; and**
- (i) a total of £0.270 million of earmarked reserves are allocated to support budgets in the services these earmarked reserves were set aside for.**

RESOLVED to note

- (i) that the Capital Strategy, Capital programme and Treasury Management Strategy, as elsewhere at that meeting, form part of the Medium Term Financial Strategy;**
- (ii) the forecast level of reserve balances, as shown at Appendix 4 to the Medium Term Financial Strategy;**
- (iii) the forecast level of reserve balances will be subject to confirmation once the outturn position for the 2021/22 financial year, to be reported in the revenue outturn report early in the new financial year;**
- (iv) the Council Tax base for Surrey Heath Borough Council is 38,976.2, as agreed in December 2021;**
- (v) the Medium Term Financial Strategy contains a savings target of £1.350 million over the period of the strategy, which will be achieved through a combination of further services efficiencies, increases in income and potentially service reductions to be identified through a output-based budget review for all services of the Council and subject to a Star Chamber challenge review that will commence in March 2022; and**
- (vi) the statement of the Chief Financial Officer (Strategic Director Finance and Customer Services) on the robustness of estimates and sustainability of balances.**

93/E Treasury Management Strategy Report 2022/23

The Executive was informed that the Council's Treasury management was conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition, the 'CIPFA Code', which required the Council to approve a Treasury Management Strategy before the start of each financial year.

Members considered a report detailing the proposed Treasury Management Strategy for 2022/23, Treasury Management Indicators, Minimum Revenue Provision policy statement, and Treasury Management Policy Statement. The report fulfilled the Council's legal obligation under the Local Government Act 2003 to have regard to the 'CIPFA Code'.

RECOMMENDED to Full Council that

- (i) the Treasury Management Strategy for 2022/23, as shown at Annexes A and B to the agenda report;**
- (ii) the Treasury Management Indicators for 2022/23, as set out at Annex C to the agenda report;**

(iii) the Minimum Revenue Provision policy statement and estimated minimum revenue provision payment table, as set out at Annex F to the agenda report; and

(iv) the Treasury Management Policy Statement at Annex G to this report

be adopted.

RESOLVED to note

(i) the investments as at 30th November 2021, as set out at Annex D to the agenda report; and

(ii) the existing Investment and Debt Portfolio, as set out at Annex E to the agenda report.

94/E Capital Strategy 2022/23 - 2025/26

The Executive considered a Capital Strategy report, which provided a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services, along with an overview of how any associated risk is managed and the implications for future financial sustainability.

The report summarised the capital programme, treasury strategy and investment strategy. These documents set out how the Council intended to manage its £13.0m of investments, £146m of borrowing and £108m of investment property together with approval for the 2022/23 capital programme of £1.101m.

It was reported that the Capital Programme was much reduced in 2022/23 to 2025/26 and would be funded from receipts reserves, with no borrowing for new schemes. Members considered the Capital Programme and referred to the Local Plan provision for gypsy, traveller and travelling show people sites in the 3 year capital programme. Assurances were provided that, although funding had been scheduled in years 2023/24 and 2024/25 of the programme, if opportunities for acquisitions of sites arose in 2022/23, this funding would be brought forward.

It was advised that a review of projects included in this year's Capital Programme would be considered as part of the Quarter 3 monitoring of the 2021/22 budget.

RECOMMENDED to Full Council that the Capital Strategy and associated Capital Programme covering the period 2022/23 to 2025/26 be approved, including

(i) the new capital bids for £1.139 million, as set out in Appendix 1 to Annex A to the agenda report, for 2022/23 be approved, and that they be incorporated into the Capital Programme; and

- (ii) **The Prudential Indicators summarised below and explained in Annex A to the agenda report for 2022/23 to 2025/26 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; and**

| Prudential Indicator | 2022/23 Proposed £m | 2023/24 Estimated £m | 2024/25 Estimated £m | 2025/26 Estimated £m |
|--|---------------------------|----------------------------|----------------------------|----------------------------|
| Capital Expenditure | 1.139 | 1.428 | 1.428 | 0.928 |
| Capital Financing Requirement | 174 | 171 | 167 | 164 |
| Ratio of net financing costs to net revenue stream | 28.22% | 27.54% | 26.89% | 26.30% |
| Financing Costs | 3 | 3 | 3 | 3 |
| Operational Boundary | 230 | 230 | 230 | 230 |
| Authorised Limit | 235 | 235 | 235 | 235 |

RESOLVED to note that

- (i) **the Capital Financing Requirement (CFR) for this Council as at 31 March 2023 be estimated to be £174 million and as such a Minimum Revenue Provision of £2.32m is required;**
- (ii) **the provisional financing for Capital Programme for 2022/23 to 2025/26 (Table 2 in Appendix 1 to Annex A of the agenda report);**
- (iii) **Potential reprofiling from 2021/22 of £8.499 million (Table 3 in Appendix 1 to Annex A of the agenda report); and**
- (iv) **the available capital receipts forecast shown in Appendix 2 to Annex A to the agenda report.**

95/E Review of the Local Council Tax Support Scheme

The Executive was reminded that, at its meeting on 16 November 2021, it had reviewed a revised Local Council Tax Support Scheme which had been recommended by the Community Support Working Group. At this meeting, the Executive had agreed to conduct a consultation on the proposed new scheme.

The consultation had been undertaken between 1 December and 31 December 2021, which had received 14 public responses. A summary of the responses and comments made were noted.

RECOMMENDED to Full Council that

- (i) **the revised Local Council Tax Support Scheme, as set out at Annex A to the agenda report, replace the existing Local Council Tax Support Scheme from 1 April 2022;**
- (ii) **Transitional protection for those impacted by more than a £5 per week reduction in support in payments of council tax due to the introduction of the revised scheme from 1 April 2022; and**
- (iii) **Transitional protection from the new capital limit for those current vulnerable group claimants with over £6000 but less than £16,001 capital for the period 1 April 2022 to 30 September 2022.**

96/E Building Control Proposed Shared Working Arrangement

The Executive was informed that the Council had been in discussion with Runnymede Borough Council (RBC) to establish a shared working arrangement for the Building Control functions. The Building Control manager role in RBC was due to become vacant; the first stage of the process would involve creating an overall Building Control Manager who would manage the proposed shared service across the two councils. It was proposed that this Council's Building Control manager would take up this role on a full-time basis. RBC would contribute 50% of the costs of the Building Control Manager.

The intended start date for this arrangement was 1 April 2022. The arrangement would be reviewed over the next 12 months, which would establish the shared service between Surrey Heath and Runnymede Borough Councils. A further update would be reported to the Executive in due course regarding the long-term operations of the joint service.

Members noted the changes to the team's structure that would be undertaken to support the shared working arrangements. The anticipated benefits of the partnership were also recognised.

RESOLVED that the shared Building Control management service with Runnymede Borough Council be implemented and the new structure for Surrey Heath Borough Council be agreed.

97/E Council Response to Surrey Minerals & Waste Local Plan Regulation 18 Consultation

The Executive considered a draft response to the Minerals and Waste Local Plan (MWLP) for Surrey, which had been prepared by Surrey County Council as the Minerals and Waste Planning Authority. Once adopted, the MWLP would replace the existing Surrey Minerals Plan 2011 and the associated development plan documents and guidance, and the Surrey Waste Local Plan 2019. The plan would also be a material consideration for this Council in the preparation of the local development plan and making planning decisions.

RESOLVED that the response set out in Annex 1 to the agenda report be agreed as the Council's formal response to the

Regulation 18 'Issues and Options' consultation on the Surrey Minerals & Waste Local Plan.

Chairman