

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE MEETING OF THE EXECUTIVE - 1 JUNE 2011

SUBMITTED TO THE COUNCIL MEETING – 19 JULY 2011

(To be read in conjunction with the Agenda for the Meeting)

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|----------------------------------|--------------------------|
| * Cllr Robert Knowles (Chairman) | * Cllr Stephen O'Grady |
| * Cllr Mike Band (Vice-Chairman) | * Cllr Stefan Reynolds |
| * Cllr Mrs Carole King | * Cllr Roger Steel |
| * Cllr Bryn Morgan | * Cllr Adam Taylor-Smith |
| * Cllr David Munro | * Cllr Keith Webster |
- * Present

1. APPOINTMENT OF CHAIRMAN (Agenda Item 1)

RESOLVED that the Leader of the Council, Cllr Robert Knowles, be appointed Chairman of the Executive for the Council Year 2011/2012.

2. APPOINTMENT OF VICE-CHAIRMAN (Agenda Item 2)

RESOLVED that the Deputy Leader of the Council, Cllr Mike Band, be appointed Vice-Chairman of the Executive for the Council Year 2011/2012.

3. MINUTES (Agenda Item 4)

The Minutes of the Meeting of the Executive held on 29 March 2011 were confirmed and signed.

4. DISCLOSURE OF INTERESTS (Agenda Item 6)

There were no interests raised under this heading.

PART I - RECOMMENDATIONS TO THE COUNCIL

5. HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME - UPDATE
(Agenda Item 12; Appendix E)

5.1 The Council approved Waverley's 2011/12 capital programmes at its meeting on 15th February 2011. Since that time there have been a number of changes which mean that the Council needs to review its capital programme for 2011/12 and beyond. These factors are:

- the award of £8.46 million of additional resources from the Homes and Communities Agency in order to help fund Decent Homes Backlog works;
- asset disposals and agreement to dispose of other property assets in order to generate additional capital receipts to invest in its housing stock; and

- the process of procuring a suite of housing-related maintenance contracts, including capital programme works such as installation of new kitchens; bathrooms; re-roofing; double-glazing; new external doors; disabled adaptations and structural works.

5.2 As a result, it is necessary to revise the capital programme for 2011/12 and in the years following. A draft revised HRA Capital Programme is attached as Annexe 1. The HRA Capital Programme is funded from the following sources:

- Major Repairs Allowance – a contribution made to capital from the HRA revenue account;
- Right to Buy (RTB) Receipts – the Council is allowed to retain 25% of the capital receipts arising from RTB sales with 75% having to be paid to the Government;
- Capital receipts from land/property disposals;
- Revenue contributions to capital outlay; and exceptionally
- Decent Homes resources made available from the Government through the Homes and Communities Agency.

5.3 In November 2010, the Housing Minister advised of the Government's intention to make £1.6 billion of capital available to local authority landlords that could not meet the Decent Homes Standard to help them fund 'backlog works'. These resources would be administered by the Homes and Communities Agency and would be made available over four financial years namely:

2011/12	2012/13	2013/14	2014/15
£260 million	£352 million	£389 million	£594 million

5.4 The key areas where Waverley's homes fail the Decent Homes Standard is in respect of 'modern facilities' and the Council made a bid for resources to cover 'backlog works' particularly in respect of: Kitchens; Bathrooms; Heating Boilers; Heating Distribution; Rewiring; and Roofs. Waverley made a bid for £10.46 million of resources spread over a three-year period.

5.5 The funding is aimed at dealing with 'backlog works'. As Decent Homes Standard is, in part, age related, there will be more elements or homes not meeting the standard decent each year and there needs to be an on-going capital programme made available from the HRA's own resources to meet the newly arising demand.

5.6 The Council was awarded £8.46 million of spending power from the Homes and Communities Agency (HCA). This is very good news indeed and will enable Waverley to make significant inroads into dealing with the outstanding backlog of Decent Homes work that needs to be addressed. The resources allocated to Waverley are detailed in the Table below:

	2011/12	2012/13	2013/14	2014/15	TOTAL
Allocation	Nil	£2,317,633	£3,238,225	£2,904,390	£8,460,248

- 5.7 Additional resources will become available in the financial year 2012/13. This is the first year of the new 'self-financing' regime for council landlords. In that year, the Government is providing the additional spending power by reducing the opening debt that the Council will need to borrow. The Council will then borrow the £2,317,633 in order to fund the DHS backlog works in 2012/13.
- 5.8 At this stage the allocations for 2013/14 and 2014/15 are provisional and will be confirmed. It is understood that these allocations will be in the form of a cash grant. Whilst these additional resources are very welcome, these are to be invested in dealing with the Decent Homes Backlog works. As the Decent Homes Standard is both time and condition related there is always 'newly arising' Decent Homes work that will need to be dealt with so that the Council's stock does not slip back.
- 5.9 The Homes and Communities Agency will be working closely with the Council to ensure that the allocations are being applied to DHS backlog works and that value for money is being achieved in procuring these works.
- 5.10 In light of the additional DHS capital resources and the procurement exercise being undertaken in respect of the maintenance contracts, officers have been recasting the HRA Capital Programme for 2011/12 and beyond. When undertaking this exercise the following factors have been taken into account:
- i. The additional resources being made available through the DHS funding in 2012/13; 2013/14; and 2014/15.
 - ii. The revised draft capital programme reflects the need to address Decent Homes Backlog works over the period finishing in 2014/15.
 - iii. The Council is currently under-going a major re-procurement exercise in respect of its capital and revenue maintenance programmes. New contractors should be in place in the autumn of 2011. It is expected that the new contracts will offer even better value for money. There is therefore more emphasis on capital spend in the fourth quarter of the financial year 2011/12 and in the following financial years.
 - iv. In 2011/12, there is a reasonable provision made for the upgrade of central heating condensing boilers. This reflects the good value being achieved with the current contractor (Faulkners), which has been benchmarked against other recent tender costs by 'Echelon', our procurement specialists. Staff have also negotiated a 5% discount on current rates for the installation of 250 boiler systems. Faulkners also have an excellent track record in customer service.

Central heating upgrades help:

- reduce fuel consumption and therefore fuel bills to the tenant;
- help improve the SAP rating of the home;
- improve the effectiveness of the heating system within the home and thermal comfort for the occupiers;

- reduce CO₂ and therefore support the Council's corporate commitment to Climate Change issues; and
- meet the Decent Homes Standard as it is a 'key component'.

The boiler replacement programme will continue into future years.

- v. Wherever possible, heating upgrades will be carried out at the same time as kitchen replacement and re-wiring works. This will not only show a cost saving, but also minimise disruption to tenants.
 - vi. The PV panel contract will require a detailed survey of all roofs. This will identify which ones are suitable for panel installation. However, any roofs that require re-roofing will be omitted from the PV panel contract. The detailed survey will also help to update the asset database.
 - vii. Chimneys that require work should be improved at the same time as the roofing work is carried out. However, any homes that only require works to chimneys within the next 5 years will be carried out separately.
 - viii. There are a number of capital items in the programme which are contingent on other major works – for example, because there will be a relatively large kitchen programme from 2012/13, it is necessary to have resources assigned to dealing with any asbestos removal issues that may arise as a consequence of such works.
 - ix. It has been necessary to 'smooth' the investment profile so that contractors are receiving a manageable volume and consistent, regular, predictable workflows. This in turn means that they can resource these elements of the contract with confidence and have certainty over staffing levels required, materials and cashflow. This should help Waverley secure better value for money from the contracts. This will be revisited when contractor(s) have been selected and discussions will be had with them to determine how best to programme work to ensure value for money through further efficiencies.
 - x. In order to smooth the work profile and also to 'future proof' our Decent Homes position, some of the newly arising Decent Homes work in 2015/16 is being brought forward into 2014/15.
 - xi. The capital sums involved reflect estimated costs provided by Echelon and these figures will be further revised once new contracts have been awarded.
- 5.11 The Council has, of necessity, concentrated on the issue of working towards the Decent Homes Standard over the past few years – because of its financial inability to meet the standard. It is good news that there are now enough resources (subject to the HCA confirming resources for 2013/14 and 2014/15) to deal with the Backlog works.

5.12 The HRA Capital Programme includes a range of capital-related works which are not covered by the Government's Decent Homes Standard and yet need investment, and in some cases there has been no capital investment in these areas of work for some considerable time. For example:

- Lift replacement
- Missing or failed cavity wall insulation
- Remodelling of poor layouts and poor conversions
- Replacement of failing old double glazed windows
- Sound insulation
- Estate improvements – e.g. car parking

5.13 Asbestos removal work needs to be in line with other capital works such as re-wiring and heating upgrades.

5.14 The Council currently has significantly increased capital resources over the coming few years. This is indeed welcome and will make a significant impact on its ability to deal with the Decent Homes standard. However, there remain significant investment needs within the Council's housing stock and so the pressure on this budget area has not been solved by the spending power allocated by the HCA and recent capital receipts.

5.15 The HRA Capital Programme has been developed on the basis of capital works that need to be undertaken in a timely and appropriate fashion and one that can be afforded within the resources that are known to be likely to be available over the period 2011/12 – 2015/16. The additional resources identified since the Council set its budget in February 2011 to contribute towards funding the HRA Capital Programme are:

	£ ,000
Revenue Contribution 2011/12	780
DHS Backlog Works Allocation from HCA	8,460
Capital receipt from Rowland House	<u>1,945</u>
TOTAL	<u>11,185</u>

5.16 The HRA Capital Projections have been recast so that these resources can be used primarily in pursuit of the DHS programme. The Table below shows the Capital Projections approved in February 2011, with the latest revised draft Capital Programme:

	2011/12 £ ,000	2012/13 £ ,000	2013/14 £ ,000	2014/15 £ ,000	TOTAL
Approved Feb 2011	6,340	5,175	5,170	5,170	21,855
Latest Proposal	<u>5,402</u>	<u>9,284</u>	<u>9,053</u>	<u>9,301</u>	<u>33,040</u>
	<u>-938*</u>	<u>4,109</u>	<u>3,883</u>	<u>4,131</u>	<u>11,185</u>

* NB The capital programme has been reduced in this year because of the Maintenance Contract Re-procurement exercise to get better value for money in future years from the new contractors rates.

- 5.17 The Council will need to keep both the HRA revenue and capital budgets under careful scrutiny to ensure that the landlord business can meet its commitments and to continue to proactively manage its HRA capital assets to generate capital receipts to support the capital programme in the medium term.
- 5.18 Whilst the news about the DHS backlog funding is welcome, there remains some risk about the cash being available in 2013/14 and 2014/15, as the Homes and Communities Agency has only given provisional allocations for these years and they will be confirmed nearer the time.
- 5.19 The draft revised HRA Capital Programme for 2011/12 outlines the Council's intentions in respect of investment in its housing stock. It reflects the known resources likely to be available; takes into account the need to deal with the DHS backlog works by March 2015; takes account of newly arising DHS works; and spreads work consistently over years to give contractors an even flow of work.
- 5.20 The draft revised HRA Capital Programme may well need further revision once the Council has appointed its new maintenance contractor(s) for the capital works currently being tendered; and also in the light of discussions with the Homes and Communities Agency, which is administering the DHS funding.
- 5.21 The resources available for the HRA Capital Programme are reasonably healthy in the early years, but there will be newly arising DHS works each year, as well as normal capital investment. The Council will therefore need to keep the opportunities to maximise capital receipts under review to be able to fund the HRA Capital Programme into the medium and longer term. The Executive therefore

RECOMMENDS that

- 1. the additional £8.46 million of capital resources that have been secured through the Council's bid for Decent Homes Backlog Funding from the Homes and Communities Agency be wholeheartedly welcomed; and**
- 2. the revised HRA Capital Programme for 2011/12 – 2014/15 be approved.**

Background Papers

'Decent Homes Backlog Funding for Local Authorities 11-15 – Invitation to Bid' issued by the Homes and Communities Agency December 2010.
Correspondence from the Chief Executive of the HCA dated 17th February 2011.

Part II – Matters Reported in Detail for the Information of the Council

There were no matters falling within this category.

Part III – Brief Summaries of Other Matters Dealt With

6. EXECUTIVE FORWARD PROGRAMME (Agenda Item 8; Appendix A)

RESOLVED that the forward programme of key decisions for Waverley Borough Council be adopted, subject to the addition to the Economic Development and Community Portfolio of 'Broadband in the Community' with the date as Ongoing.

7. ANNUAL ACCOUNTS 2010/2011 (Agenda Item 9)

7.1 OVERALL REVENUE OUTTURN (GENERAL FUND AND HOUSING REVENUE ACCOUNT) (Agenda Item 9.1; Appendix B.1)

RESOLVED that

1. the Revenue Outturn position for 2010/2011 be noted;
2. Revenue Carry Forwards of £29,960 on the General Fund from 2010/2011 to 2011/2012 be approved, as detailed in Annexe 3 of the report; and
3. Revenue Carry Forwards of £205,000 on the HRA from 2010/2011 to 2011/2012 be approved, as detailed in Annexe 3 of the report.

7.2 CAPITAL PROGRAMME OUTTURN (GENERAL FUND AND HOUSING REVENUE ACCOUNT) (Agenda Item 9.2; Appendix B.2)

RESOLVED that

1. the Capital Outturn position for 2010/2011 be noted; and
2. the transfer of budgets totalling £465,000 be approved, as detailed in Annexe 1 of the report, from the 2010/2011 to the 2011/2012 General Fund Capital Programme.

8. TREASURY MANAGEMENT PERFORMANCE 2010/2011 (Agenda Item 10; Appendix C)

RESOLVED that the Treasury Management Performance for 2010/2011 be noted and the approach to Treasury Management activity endorsed.

9. THE LIST OF BUILDINGS OF TOWNSCAPE, LANDMARK OR LOCAL HISTORIC MERIT (Agenda Item 11; Appendix D)

RESOLVED that the Towns and Parishes be consulted with on the principle of

1. the Planning Projects Team supporting Parish and Town Councils in the identification, recording and consultation/notification process for the new Buildings of Local Merit (BLM); and
2. all new buildings recommended to be placed on the BLM be presented through the normal Executive process for adoption by the Council.

10. TENANT INVOLVEMENT STRATEGY 2011-2014 (Agenda Item 13; Appendix F)

RESOLVED that the Tenant Involvement Strategy for 2011-2012 be endorsed.

11. ICT – JOINT WORKING BETWEEN WAVERLEY AND GUILDFORD BOROUGH COUNCILS (Agenda Item 14; Appendix G)

This item was withdrawn.

12. RE-APPOINTMENT OF SPECIAL INTEREST GROUPS (SIGS) (Agenda Item 15; Appendix H)

RESOLVED that the following Special Interest Groups be appointed for 2011/2012:-

- i. Landlord Services Partnership SIG
- ii. Human Resources and Restructuring SIG
- iii. Healthcare SIG
- iv. Grants Review SIG
- v. Cultural Provision SIG

13. APPOINTMENT OF EMPLOYERS' NEGOTIATING TEAM 2011/2012 (Agenda Item 16)

RESOLVED that the following members be appointed to the Employers' Negotiating Team for 2011/2012:-

Leader, Cllr Robert Knowles
Deputy Leader, Cllr Mike Band
Cllr Peter Isherwood
Cllr David Munro
Cllr Simon Thornton
1 x Vacancy

14. APPOINTMENTS TO OUTSIDE BODIES 2011-2013 (Agenda Item 17)

RESOLVED that the following appointments to Outside Bodies for 2011 - 2013 be made:-

		Representative for 2011-2013
A5	Joint Waste Strategy Consultative Board	Cllr Bryn Morgan
A5a	SLGA Surrey Waste Partnership	Cllr Bryn Morgan
A5b	SLGA Surrey Climate Change Partnership Member Group	Cllr Bryn Morgan
A6	Local Government Association Rural Commission	Cllr Bryn Morgan
A7	Local Government Association Urban Commission	Cllr Bryn Morgan
A9	South East England Councils	Cllr Robert Knowles [Reserve: Cllr Mike Band]
A10	South East Employers	Cllr Mike Band
A17	Surrey Local Government Association	Cllr Robert Knowles [Reserve: Cllr Mike Band]
A19	Surrey Rural Partnership	Cllr David Munro
A21	Royal Surrey County Hospital Foundation Trust	Cllr Mike Band
A22	District Councils Network	Cllr Robert Knowles [Reserve: Cllr Mike Band]
A23	Surrey First Joint Committee	Cllr Robert Knowles
C19	Godalming and Environs PCT Project Team	Deferred until the next meeting of the Executive

15. SURREY LOCAL GOVERNMENT ASSOCIATION OUTSIDE BODIES
(Agenda Item 17.2)

RESOLVED that the nominations for consideration by the Surrey Local Government Association to external bodies are as follows:-

- i. Surrey Historic Buildings Trust – Cllr Brett Vorley
- ii. SCC Health Scrutiny Select Committee – Cllr Nicky Lee.

16. APPOINTMENTS TO SURREY COUNTY COUNCIL LOCAL COMMITTEE TASK GROUPS 2011/2012 (Agenda Item 18)

RESOLVED that the appointments to the Waverley Local Committee Task Groups for 2011/2012 be as follows:-

Farnham Transportation Task Group

Cllrs Julia Potts, Roger Steel and John Ward

Godalming, Milford and Witley Transportation Task Group

Cllrs Elizabeth Cable and Simon Thornton

Haslemere and Western Villages Transportation Task Group

Cllrs Robert Knowles and Bryn Morgan

Cranleigh and Eastern Villages Transportation Task Group

Cllrs Brian Ellis and Brett Vorley

17. SALE OF GARDEN LAND – 4 LINKS CLOSE, EWHURST (Agenda Item 19; Appendix I)

[This item contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part 1 of Schedule 12A to the Local Government Act 1972, namely;-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).]

RESOLVED that the land shown outlined on the plan should be sold to the owner of 4 Links Close, Ewhurst for garden use only, subject to other terms and conditions to be agreed by the Estates and Valuation Manager.

18. EXCLUSION OF PRESS AND PUBLIC (Agenda Item 21)

At 7.12 p.m. it was

RESOLVED that, pursuant to Procedure Rule 20, and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt

information (as defined by Section 100I of the Act) of the description specified in Paragraph 3 of the revised Part I of Schedule 12A to the Act, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

19. PROPOSED EXTENSION TO A COUNCIL HOUSE (Agenda Item 22; (Exempt) Appendix J)

RESOLVED that

1. the proposal that the property in Godalming be extended, subject to planning permission, be approved;
2. a first resolution in accordance with Regulation 3 of the Town and Country Planning (General) Regulations 1992 be approved to allow a planning application to be submitted for the extension to the property in Godalming; and
3. provision be made within the Council's HRA Capital Programme for 2011/12 to fund this work, subject to planning consent.

The meeting commenced at 6.45 p.m. and concluded at 7.14 p.m.

Chairman