

To: All Members of the Council  
(Other Members for Information)

When calling please ask for:

Fiona Cameron, Democratic Services Manager &  
Deputy Monitoring Officer

**Policy and Governance**

E-mail: [fiona.cameron@waverley.gov.uk](mailto:fiona.cameron@waverley.gov.uk)

Direct line: 01483 523226

Calls may be recorded for training or monitoring

Date: 15 March 2019

Dear Councillors

COUNCIL - 19 MARCH 2019

I refer to the agenda for the Council, on Tuesday, 19 March 2019 and now enclose the following item which was marked To Follow in your agenda papers:

8. MINUTES OF THE EXECUTIVE (Pages 5 - 66)

To receive the Minutes of the Executive meeting held on 12 March 2019 (attached – coloured grey), and to consider the recommendations set out within.

There are three PART I recommendations to Council:

EXE 82/18 Place-shaping Waverley (Annexe 1, page 13)

The Corporate Strategy 2018-23 states that we will “explore the nature of ‘Place Shaping’ and the benefits it affords to our varied communities”. The report sets out our proposed approach to ‘place-shaping’ in the borough, drawing on the Council’s agreed strategies, and recommends that a Place-Shaping Reserve be established to fund place-shaping projects.

**The Executive RECOMMENDS to Council that up to £250,000 of the one-off financial gain from Waverley’s participation in the 2018/19 business rate pilot be earmarked to establish a new Place-Shaping Fund.**

EXE 83/18 Capital Strategy (Annexe 2, page 21)

The Capital Strategy brings together the Council’s detailed policies, procedures and plans relating to cash investments and property assets. The report also seeks approval of the Treasury Management Framework for 2019/20 which is an integral part of the Capital Strategy and a statutory requirement.

**Having considered the comments of the Value for Money and Customer Service Overview & Scrutiny Committee, the Executive RECOMMENDS to Council that it approves:**

1. **the Capital Strategy for 2019/20**
2. **the Prudential Indicators, and**
3. **the Treasury Management Framework for 2019/20**

EXE 84/18 CIL Governance Arrangements (Annexe 3, page 57)

On 11 December 2018, Council approved outline governance arrangements for the allocation of Community Infrastructure Levy (CIL) receipts to enable the delivery of specific infrastructure projects that will support and mitigate impact of development in the Borough over the Local Plan period, including establishment of a CIL Advisory Board.

The CIL Advisory Board has met, and put forward proposals for its Terms of Reference and detailed governance arrangements for the allocation of CIL. The proposals have been scrutinised by the Value for Money and Customer Service Overview & Scrutiny Committee.

The Executive has considered the comments of the Overview & Scrutiny Committee and accepted the amendment to recommendation 5, which is reflected in the recommendation from the Executive to Council.

**Having considered the comments of Value for Money & Customer Service Overview & Scrutiny Committee, the Executive RECOMMENDS to Council that:**

1. **The CIL Advisory Board Terms of Reference (attached), are endorsed.**
2. **The draft evaluation and scoring framework for assessment of bids for funding from the Strategic CIL Fund (attached), are agreed.**
3. **The Strategic CIL Fund is 'bottom-sliced' to create a Community CIL Fund of 10% of the Strategic CIL Fund receipts, for funding low-value but desirable community infrastructure projects on application from parish councils, with priority being given to bids from parish councils with relatively low Neighbourhood CIL Fund receipts.**
4. **The delegation to the Executive to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board is subject to an upper limit of £2.5m, above which approval reverts to Council.**
5. **Delegated authority is given to the CIL Advisory Board to propose revisions to the governance arrangements that would be subject to the usual scrutiny process and subject to an annual report to the Executive and Council.**

*Members of the Council wishing to speak on any Part II matters of report must give notice to the Democratic Services Team by midday on Tuesday 19 March 2019.*

11. MINUTES OF THE STANDARDS COMMITTEE (Pages 67 - 128)

To receive the Minutes of the Standards Committee meeting held on 12 March 2019 (attached – coloured cream), and to consider the recommendations set out within.

There are three PART I recommendations to Council:

STD 28/18 Appointment of Independent Persons (Annexe 1, page 73)

Under the Localism Act 2011, the standards arrangements adopted by the Council are required to include provision for the appointment of at least one Independent Person. Waverley currently has three Independent Persons, whose term of office ends in May 2019.

Following a joint recruitment process with Guildford, Epsom & Ewell, Mole Valley, Reigate & Banstead, Spelthorne, and Surrey Heath councils, the Standards Committee has endorsed the recommendation of the Monitoring Officers of the seven councils on the appointment of a panel of seven Independent Persons to serve a 4-year term commencing May 2019, with any of the appointed Independent Persons being able to act for any of the councils.

**The Standards Committee RECOMMENDS to Council that the following persons are appointed as Independent Persons for Waverley, for a 4-year term from May 2019:**

**Recommended for re-appointment:**

Vivienne Cameron  
Roger Pett  
Bernard Quorroll  
John Smith

**Recommended for appointment:**

Paul Eaves  
Bill Donnelly  
Liz Lawrence

STD 29/18 Members' Code of Conduct (Annexe 2, page 77)

Waverley adopted a local *Members' Code of Conduct and Arrangements for dealing with complaints under the Code of Conduct* on 17 July 2012, in accordance with the requirements of the Localism Act 2011. The Code of Conduct, Arrangements for dealing with Complaints, and the Planning Code of Conduct, were reviewed in 2016, and revised versions agreed by Council on 18 October 2016.

This report proposes a number of additions to the Members' Code of Conduct which provide additional clarification on the core principles of the Code, and address some procedural matters on which the Code is currently silent.

**The Standards Committee RECOMMENDS to Council that the revised Waverley Members' Code of Conduct be approved, and that all Waverley Towns and Parish Councils are sent the revised Code of Conduct and encouraged to adopt the changes in their own Code of Conduct in order to maintain consistency with their Principal Authority.**

STD 30/18 Review of the Scheme of Delegation (Annexe 3, page 93)

The Scheme of Delegation to Officers was comprehensively reviewed and revised in 2017. Officers have proposed revisions to the Scheme of Delegation, based on their experience of using the Scheme over the past 12 months.

**The Standards Committee RECOMMENDS to Council that the revised Scheme of Delegation is approved.**

There are no PART II matters of report.

12. ELECTORAL SERVICES ITEM (Pages 129 - 130)

To seek a resolution from Council that the Hindhead ward seat formerly occupied by Councillor Christiaan Hesse be declared vacant.

**Recommendation**

**It is recommended that the Council declares vacant the Hindhead ward seat formerly occupied by Councillor Christiaan Hesse.**

Yours sincerely

Fiona Cameron  
Democratic Services Manager & Deputy Monitoring Officer

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 12 MARCH 2019

SUBMITTED TO THE COUNCIL MEETING – 19 MARCH 2019

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

**Present**

Cllr Julia Potts (Chairman)	Cllr Jim Edwards
Cllr Ged Hall (Vice Chairman)	Cllr Jenny Else
Cllr Andrew Bolton	Cllr Carole King
Cllr Kevin Deanus	Cllr Chris Storey

**Also Present**

Councillor David Beaman, Councillor Wyatt Ramsdale and Councillor Richard Seaborne

EXE 77/18 MINUTES (Agenda item 1)

The Minutes of the Meeting held on 5 February 2019 were confirmed and signed as a correct record.

EXE 78/18 APOLOGIES FOR ABSENCE (Agenda item 2)

There were no apologies for absence.

EXE 79/18 DECLARATIONS OF INTERESTS (Agenda item 3)

Cllrs Julia Potts, Ged Hall, Andrew Bolton, Jim Edwards, Jenny Else, Carole King and Chris Storey all declared a non-pecuniary interest in relation to Agenda Item 14 (Property Matter – Sale of Freehold), as they were acquainted with the leaseholder applying to purchase the freehold of the land.

EXE 80/18 QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4)

There were no questions.

EXE 81/18 QUESTIONS FROM MEMBERS (Agenda item 5)

There were no questions.

**PART I - RECOMMENDATIONS TO THE COUNCIL**

Background Papers

Unless specified under an individual item, there are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to the reports in Part I of these minutes.

EXE 82/18 PLACE-SHAPING WAVERLEY (Agenda item 6)

- 82.1 The Leader introduced the report setting out the Council's proposed approach to 'place-shaping in the borough, drawing on the Council's agreed Corporate Strategy 2018-23, the Local Plan Part 1 2018/32, Economic Development Strategy 2018-32, Housing Strategy 2018-23, and adopted and emerging Neighbourhood Plans.
- 82.2 The approach would bring together all three tiers of local government, and other local stakeholders to build consensus on a strategic vision for local communities. Initial informal conversations with stakeholders in Farnham indicated that there was an appetite to bring together various schemes and ambitions in one strategic project, to address traffic and air quality challenges, the role of education providers, and Farnham's distinctive heritage and cultural assets.
- 82.3 Whilst the initial focus of the place-shaping initiative would be Farnham, Waverley's largest settlement, there was interest from Cranleigh, Godalming and Haslemere in seeing how the approach could address the various development challenges that they face.
- 82.4 The establishment of a Place-Shaping Fund would enable the next stage of the Farnham Masterplanning project to progress, and the Leader commended the initiative to the Executive and Council.
- 82.5 The Executive RESOLVED to RECOMMEND to Council that up to £250,000 of the one-off financial gain from Waverley's participation in the 2018/19 business rate pilot be earmarked to establish a new Place-Shaping Fund.

*[Reason: to support the Council's place-shaping initiative for Waverley, including the next steps for the Farnham Masterplanning project.]*

EXE 83/18 CAPITAL STRATEGY (Agenda item 7)

- 83.1 Cllr Ged Hall, Portfolio Holder for Finance, introduced the Capital Strategy, including the Treasury Management Framework for 2019/20 and statement of Prudential Indicators. The Capital Strategy brought together the Council's detailed policies, procedures and plans relating to cash investments and property assets. The Treasury Management Framework covered all of the council's treasury activity, including the management of the council's monetary investment and cash flows, its banking, money market transactions and borrowing.
- 83.2 There was little change from last year. The Value for Money and Customer Service Overview & Scrutiny had made some helpful suggestions to add clarity to certain parts of the documents, and these had been addressed in the revised versions before the Executive, which he recommended be endorsed to Council for approval.
- 83.3 Having considered the comments of the Overview & Scrutiny Committee, the Executive RESOLVED to RECOMMEND to Council that it approves:

- 1) the Capital Strategy for 2019/20;
- 2) the Prudential Indicators; and
- 3) the Treasury Management Framework for 2019/20.

*[Reason: to approve the over-arching Capital Strategy, which brings together the Council's detailed policies, procedures and plans relating to cash investments and property assets; and the Treasury Management Framework and Prudential Indicators for 2019/20.]*

EXE 84/18 CIL GOVERNANCE ARRANGEMENTS - CRITERIA AND FINANCIAL THRESHOLDS (Agenda item 8)

- 84.1 Cllr Kevin Deanus reminded the Executive that in December 2018, Council had approved outline governance arrangements for the allocation of CIL receipts to enable the delivery of specific infrastructure projects that would support and mitigate the impact of development in the Borough, including the establishment of the CIL Advisory Board.
- 84.2 The CIL Advisory Board had held its first meeting and considered the criteria and scoring framework for evaluating bids for funding from the Strategic CIL fund, allocation of CIL receipts to a Communities CIL Fund, and the threshold for the delegation to the Executive on awards of CIL funds.
- 84.3 The proposals of the CIL Advisory Board had been considered by the Value for Money and Customer Service Overview & Scrutiny Committee which had been broadly supportive, although the Overview & Scrutiny Committee preferred that any changes to the governance arrangements be subject to the usual scrutiny review rather than delegated to the CIL Advisory Board.
- 84.4 Cllr Deanus proposed that recommendation 5 to the Executive be amended to incorporate the wording proposed by the Overview & Scrutiny Committee, as shown at the top of page 57 of the agenda pack. It was duly seconded and agreed to accept the amended recommendation.
- 84.5 Having considered the comments of the Value for Money and Customer Service Overview & Scrutiny Committee, the Executive RESOLVED to RECOMMEND to Council that:
  1. The CIL Advisory Board Terms of Reference as set out at Annexe 1, are approved.
  2. The draft evaluation and scoring framework for assessment of bids for funding from the Strategic CIL Fund as set out at Annexe 2, is agreed.
  3. The Strategic CIL Fund is 'bottom-sliced' to create a Community CIL Fund of 10% of the Strategic CIL Fund receipts, for funding low-value but desirable community infrastructure projects on application from parish councils, with priority being given to bids from parish councils with relatively low Neighbourhood CIL Fund receipts.

4. The delegation to the Executive to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board is subject to an upper limit of £2.5m, above which approval reverts to Council.
5. Delegated authority is given to the CIL Advisory Board to propose revisions to the governance arrangements that would be subject to the usual scrutiny process and an annual report to the Executive and Council.

*[Reason: to approve the governance arrangements for allocation of CIL receipts to specific projects to enable the delivery of infrastructure that will support and mitigate impact of development in the Borough over the Local Plan period.]*

## **PART II - MATTERS OF REPORT**

### **EXE 85/18 REPORT FROM ENVIRONMENT OVERVIEW & SCRUTINY COMMITTEE - REVIEW OF THE STRUCTURE TO DELIVER THE COMMUNITY INFRASTRUCTURE LEVY (Agenda item 9)**

- 85.1 Cllr Wyatt Ramsdale, Vice-Chairman of Environment Overview & Scrutiny Committee, presented the Overview & Scrutiny's report on its review of the structures to deliver the Community Infrastructure Levy (CIL). The review had been initiated before the Council's governance arrangements for (CIL) had been articulated. As Waverley's arrangements for CIL governance had developed, the focus of the Task & Finish Group had been on supporting that work from an end-user perspective and ensuring that there was broad engagement from key elected stakeholders at parish, district and county council level with the review of the Infrastructure Delivery Plan.
- 85.2 There were 18 recommendations, which were directed to the CIL Advisory Board for consideration as that Board continued its work on the implementation of CIL. A key issue for Scrutiny members had been the need for transparency in reporting on CIL monies received and the projects to which CIL receipts were allocated.
- 85.3 Cllr Deanus, Portfolio Holder for Planning Operations, thanked the Environment Overview & Scrutiny Committee for their detailed consideration of the CIL arrangements and their recommendations which would be considered by the CIL Advisory Board. He agreed that transparency about CIL receipts and what CIL was spent on was very important, and the intention was that the IT system for CIL would support on-line reporting that could be interrogated by members of the public. Cllr Deanus recommended that the report of the Environment Overview & Scrutiny Committee be endorsed.
- 85.4 The Executive thanked the Environment Overview & Scrutiny Committee for their report, and RESOLVED that the recommendations from the Environment Overview & Scrutiny Committee on arrangements to support the use of CIL monies be endorsed.



*[Reason: to support the governance arrangements for allocation of CIL receipts to specific projects to enable the delivery of infrastructure that will support and mitigate impact of development in the Borough over the Local Plan period.]*

EXE 86/18 DELIVERY OF NEW AFFORDABLE COUNCIL HOMES THROUGH S106 SITES  
(Agenda item 10)

- 86.1 Cllr Carole King, Portfolio Holder for Housing updated the Executive on the progress made in delivering new affordable Council homes through the acquisition of property under Section 106 Agreements, and the development of shared ownership properties to help to ensure that the tenure mix of housing meets the identified need.
- 86.2 The Council had been invited by CALA Management Ltd to make an offer to acquire five new homes on their development site off Amlets Lane in Cranleigh. The invitation was in relation to two 2-bed houses for affordable rent and three 3-bed houses for shared ownership. The timescale for completion of the build was December 2019, and a specification had been agreed with CALA that reflected the finish of homes developed by Waverley and provision of standard fittings in a shared ownership property.
- 86.3 A budget of £3.5m for delivery of new affordable homes through acquisition of property under S106 Agreements had been approved within the New Affordable Housing Reserve as part of the HRA Business Plan, and the purchase of the five homes from CALA would be met from this reserve, as set out in the Exempt Annexe to the agenda report.
- 86.4 This was an exciting step for Waverley, and would help to meet the urgent need for more affordable housing of different tenure types across Waverley.
- 86.5 The Executive RESOLVED to:
1. note the progress made in delivery of new affordable Council homes through the acquisition of property under Section 106 (S106) Agreements and delivery of shared ownership homes to offer another tenure to further support delivery of new homes which meet the needs of its residents.
  2. agree a budget allocation for acquisition, works and fees associated with delivery of 5 new affordable homes on the CALA Amlets Way development in Cranleigh as set out in Exempt Annexe 2 of the agenda report.
  3. delegate authority to the Strategic Director (Chief Finance Officer), in consultation with Portfolio Holder for Finance and Portfolio Holder for Housing Services, to enter into a contract with CALA Homes.
  4. delegate authority to the Head of Strategic Housing and Delivery, in consultation with Strategic Director (Chief Finance Officer) and Portfolio Holder for Finance and the Portfolio Holder for Housing Services, to allocate the remaining S106 budget when other opportunities to acquire new homes on developer sites.

*[Reason: to progress the delivery of new affordable homes in Waverley through the use of S106 sites.]*

EXE 87/18 REPORT OF THE HOUSING OVERVIEW & SCRUTINY COMMITTEE - COUNCIL HOUSING: PRIDE OR PREJUDICE (Agenda item 11)

- 87.1 Cllr Richard Seaborne presented the report of the Housing Overview & Scrutiny Committee that had explored perceptions of prejudice against social housing within the borough, and how tenants view their homes. The review had been initiated following the publication in 2018 of the Government Green Paper *a New Deal for Social Housing*, which included a chapter on tackling stigma and celebrating thriving communities.
- 87.2 The scrutiny review had benefited from good cross-party working by members and engagement with officers and the Tenants Panel. There had been willingness by all to complete the work swiftly, including collection of a considerable amount of primary evidence through on-line surveys and tenant drop-in sessions. The support and hard work of the Scrutiny Officer, Yasmine Makin, had been crucial to the quality of the research undertaken and its timely completion.
- 87.3 The findings showed that there is a positive perception of social housing in Waverley, but a lack of understanding around eligibility for social housing and the allocation policy, and the economic activity of social housing tenants. There were 18 recommendations set out in the report that addressed issues raised by the research, to ensure that the services delivered to tenants continued to improve and to increase awareness of eligibility for social housing and how it is allocated.
- 87.4 Cllr King, Portfolio for Housing, commended Overview & Scrutiny members and officers for their excellent report, and important recommendations. Some of these supported work that was already underway in Housing but there was also new work to be carried out and more data to be gathered.
- 87.5 Executive members expressed some disappointment in the finding that social housing could be identified by its external appearance. However, it was recognised that it was only comparatively recently that there had been an emphasis on social housing being built to the same design as market housing; and Waverley's installation of solar panels on a significant proportion of its housing stock also made them stand out in the street scene.
- 87.6 The Executive thanked the Housing Overview & Scrutiny Committee for their report, and RESOLVED to agree the recommendations set out in the report relating to 'Housing Services', 'Estate Appearance', 'Types of Tenancies', 'Communication and Promotion', further use of the data and ongoing data gathering.

*[Reason: to improve and develop services for Waverley housing tenants to mitigate the effects of stigma associated with social housing, and to communicate and educate residents about the vital role and value of social housing.]*

EXE 88/18 PEER REVIEW OF PLANNING DECISION-TAKING AND STAKEHOLDER ENGAGEMENT (Agenda item 12)

- 88.1 Cllr Kevin Deanus introduced the Action Plan that had been developed in response to the findings and recommendations of the LGA Peer Review into Planning Decision-taking and Stakeholder Engagement undertaken in 2018. The action plan had been discussed at an all-Member briefing, and again at the Environment Overview & Scrutiny Committee. The Overview & Scrutiny's comments were set out within the agenda report.
- 88.2 The actions set out in the action plan had now been subsumed into the Service Plan for the Planning Service for 2019/20, which was on the Executive agenda for approval.
- 88.3 The Executive thanked the Environment Overview & Scrutiny Committee for their observations and RESOLVED to note the actions arising from the recommendations of the Review of Planning Decision-taking and Stakeholder Engagement, which had been subsumed into the Planning Service Plan for 2019/20.

*[Reason: to agree the actions identified to respond to the recommendations of the Planning Peer Review team.]*

EXE 89/18 SERVICE PLANS 2019 - 2022 (Agenda item 13)

- 89.1 The Leader presented the Service Plans for 1 April 2019 – 31 March 2022, which set out the work of the Council within the service areas and showed how the Council's corporate objectives would be delivered. The Plans formed an important element of the Council's overall performance management framework by linking Corporate Strategy objectives through service plan actions into individual performance targets.
- 89.2 The Service Plans had been reviewed by the relevant Overview & Scrutiny Committees, which had endorsed the proposed plans.
- 89.3 The Executive RESOLVED to approve the Service Plans 2019/20.

*[Reason: to agree the detailed service plans for the delivery of Corporate Strategy objectives.]*

EXE 90/18 PROPERTY MATTER - SALE OF FREEHOLD (Agenda item 14)

- 90.1 The Leader introduced the proposal to sell the freehold of a council-owned property in Farnham. The long leaseholders had served a notice on the Council under the Leasehold Reform Act 1967 to purchase the freehold of the house and premises. Leaseholders had a legal right under the 1967 Act to buy the freehold of their house if they submitted a qualifying application and followed the correct procedure.
- 90.2 The proposal had been reviewed by the Value for Money and Customer Service Overview & Scrutiny Committee, which had endorsed the recommended action.

- 90.3 Having considered the comments of the Value for Money and Customer Service Overview & Scrutiny Committee, the Executive RESOLVED to approve the sale of the freehold of the land, on the terms set out in the Exempt Annexe 1.

*[Reason: to satisfy the requirements of the Notice served on the Council under the Leasehold Reform Act 1967 to purchase the freehold of the house and premises.]*

EXE 91/18 EXCLUSION OF PRESS AND PUBLIC (Agenda item 15)

At 6.30pm, the Executive 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 was 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 the item, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in Paragraphs 2, 3 and 7 of the revised Part I of Schedule 12A to the Local Government Act 1972, namely:

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

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

*7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.*

EXE 92/18 BUDGET MANAGEMENT - REQUEST FOR SUPPLEMENTARY ESTIMATE (Agenda item 16)

- 92.1 The Executive RESOLVED to approve a Supplementary Estimate of £84,000 to meet the unexpected and unavoidable costs, as detailed in the Exempt report.

*[Reason: to meet unexpected and unavoidable costs.]*

**The meeting commenced at 6.00 pm and concluded at 6.35 pm**

**Chairman**

**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**PLACE-SHAPING WAVERLEY**

**[Portfolio Holder: Cllr Julia Potts, Leader]**

**[Wards Affected: All]**

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**Summary and purpose:**

The Corporate Strategy 2018-23 states that we will explore “the nature of ‘Place Shaping’ and the benefits it affords to our varied communities”. This report sets out our proposed approach to ‘place-shaping’ in the borough, drawing on the Council’s agreed strategies, and recommends that a Place-Shaping Reserve be established to fund place-shaping projects.

The Executive recommends to Council that up to £250,000 of the one-off financial gain from Waverley’s participation in the 2018/19 business rate pilot be earmarked to establish a new Place-Shaping Fund.

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**How this report relates to the Council’s Corporate Priorities:**

This report relates to the Council’s strategic priorities as set out in section 2.

**Equality and Diversity Implications:**

Equality and diversity implications have been considered as part of the approval process for the strategies that initiated this work. As any future changes to policy, services or practice is required, further assessments may be undertaken.

**Financial Implications:**

In October 2017, Waverley Borough Council agreed to be part of a bid by all Surrey councils to be in a business rates pilot in 2018/19. It was expected that this would generate a one-off financial gain for each Council from the levy on business rate growth that would otherwise have been paid to the Government. The bid was based on the fact that some of the gain to each council would be spent on projects and services that support the local economy. Officers have made it clear that we will not be certain about the value of any gain until the end of the financial year and, therefore, the Council did not budget for or allocate the potential funding. Quarter 3 monitoring of the pilot has identified that a gain of at least £100,000 is very likely and a higher amount is possible.

It is proposed that the Council agree to earmark up to £250,000 of the business rates pilot one-off gain to the place-shaping initiative set out in this report. If the pilot gain is insufficient to meet this cost, the shortfall will be met from reprioritising existing budgets. In the event that the overall gain exceeds £250,000, officers will assess the ongoing risks under the business rates funding mechanism and advise the Executive accordingly on whether any additional contributions can be made to the Place-Shaping Fund.

## Legal Implications:

Specific procurement implications are addressed in section 4.3.

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## **1 Place-shaping**

1.1 The term ‘place-shaping’ has gained currency since the 2007 [Lyons Inquiry](#) into Local Government. That inquiry argued that local government’s purpose was about more than service provision; in the 21<sup>st</sup> century, its purpose ought to be promoting “the general well-being of a community and its citizens”. This includes community cohesion, building local identity, encouraging economic prosperity, and using influence as well as statutory power to achieve the best results for communities. Crucially, place-shaping recognises the diversity of local places and responds to the needs and concerns of citizens. Engagement is absolutely essential. Even when there are issues that are contentious, place-shaping has the voices of the community at its heart: the voices of the active and articulate, as well as the voices of the vulnerable or rarely-heard. As well as hearing those voices, a place-shaping approach emphasises the challenging community leadership role of elected councils, particularly when the stakes are high and consensus is difficult.

1.2 A place-shaping approach can:

- Define the specific needs of an area and prioritise them;
- Create a clear local vision for the future of a place;
- Identify the important coalitions (e.g. voluntary organisations and societies, businesses, government tiers, other public authorities) that will resolve local challenges;
- Enhance bids for investment by private companies and public agencies to create new employment and skills opportunities;
- Improve the chances of successfully bidding for the multi-million pound investments that will improve major transport routes;
- Lead to further supplementary planning documents and masterplans to influence the Planning process, if desired.

## **2. Strategic context**

2.1 Place-shaping principles are at the heart of Waverley Borough Council’s new Corporate Strategy, with its priority themes of people, place and prosperity. As well as that document, the Council last year approved three other key strategic policy documents that include many objectives that are specifically place-shaping. In summary, the strategies set out this focus as follows.

2.2 **Corporate Strategy 2018-23**, pp. 2, 6: “Our vision is that Waverley borough will continue to be an attractive and prosperous place to live, work and visit. A place where our residents can take pride in their communities and where there are opportunities for all to thrive and lead healthy lives. A place that is valued by its community and supported by quality public services. ... Throughout the life of this Strategy we will be exploring the nature of ‘Place Shaping’ and the benefits it affords to our varied communities. Through leadership, community engagement and partnership working – particularly with our 21 parish and town councils – we have

an opportunity to enhance our towns and villages by encouraging investment in infrastructure and facilities.”

- 2.3 The **Local Plan 2018-32 Part 1** includes a 14-point spatial vision for 2032 (p. 3-1). It speaks of the following place-shaping ideals: “The high quality environment of Waverley, its distinctive character and its economic prosperity. ... The best available access to jobs, services, housing, community facilities, leisure and recreation so as to minimise the need to travel and maximise the opportunities to travel by means other than the car. ... Improved infrastructure to support the increased population of Waverley, and, where needed, to mitigate the impact of major developments planned outside Waverley. ... The emphasis will be on sustainable economic development, of the right type and in the right place to meet employment needs both within the towns and in the rural areas. ... The unique and diverse character of Waverley’s towns, villages and countryside will be cherished and preserved.”
- 2.4 **Economic Development Strategy 2018-32**, pp. 2, 7: “To address Waverley’s challenges in the longer term, it will be essential to secure future investment in Waverley by nationally-based employers and local businesses. Developing the right business spaces backed by the necessary infrastructure will be a vital component in driving growth in the local economy and providing greater local employment opportunities. ... The Economic Development Vision is for Waverley to be: A successful place where local businesses can grow and flourish. Where all our rural and urban communities have access to sustainable, high quality employment. Where everyone living and working in Waverley can share in its beautiful natural environment and economic prosperity.”
- 2.5 **Housing Strategy 2018-23**, p. 10: “Place-shaping is a way in which we can promote and shape the wellbeing of the borough. It influences how we can provide homes that are affordable for all sections of our community. Our planning functions and role as a landowner make us uniquely positioned to assist with place-shaping on a borough wide and specific area basis.”
- 2.6 **Neighbourhood Plans** should be at the heart of place-shaping, as they articulate a local community’s priorities for sites, both for development and protection. Indeed, the creation of Neighbourhood Plans in the Localism Act 2011 was evidence of the Government’s and the local authority sector’s acknowledgement that place-shaping is a core part of a council’s *raison d’être*.
- 2.7 Neighbourhood Plans contain adopted Planning policies that have to be considered when determining applications for development. The borough has one adopted Neighbourhood Plan so far – Farnham – which is being reviewed in the light of the Local Plan. Other parishes and towns are rapidly developing their Neighbourhood Plans.
- 2.8 Farnham’s adopted 2017 Plan states (p. 16): “Our vision is for Farnham to continue to thrive, meeting the changing needs of the local community by ensuring new development of high quality design fits well with, and does not erode, the character of the distinctive areas of the town and is supported by improved infrastructure.” The Plan includes an important chapter describing the future of Farnham in terms of economic and cultural vibrancy, while preserving the surrounding landscape and countryside.

2.9 **It is essential that all future place-shaping activity in Waverley starts with and supports the Neighbourhood Plans, which will have been carefully prepared, widely consulted and tested in a democratic referendum.**

### **3. Taking forward place-shaping in Waverley**

3.1 A place-shaping approach, led by the local councils and with strong community involvement, could bring significant benefits to some of our settlements, especially those facing current and future economic and infrastructure challenges.

3.2 Initial informal conversations with various stakeholders in Farnham – the borough’s largest settlement and one of Surrey’s largest towns – have indicated that drawing together the various schemes and ambitions in one strategic project would be welcomed. These include the developments already underway, the critical traffic and air quality challenges, the role of the important education providers, and the town’s distinctive heritage and cultural assets.

3.3 An initial scoping workshop was held with officers of Farnham, Waverley and Surrey councils, to look at some of the technical challenges and share information about the various schemes that have been discussed in recent years. The brief for this and a broader master-planning project is at [Annexe 1](#). The workshop was facilitated by ‘RegenCo’, the in-house regeneration department of East Hampshire District Council, which was created as a consequence of the successful regeneration of Whitehill & Bordon and now offers its services to councils and government departments across England; East Hampshire is the only council on Homes England’s [multi-disciplinary procurement framework](#) 2019-23. The team has substantial experience and connections: [www.easthants.gov.uk/regenco](http://www.easthants.gov.uk/regenco). Recent clients have included the Ministry of Defence, the Cabinet Office/Office of Government Property, Rutland County Council, Borough of Poole and Rushmoor Borough Council.

3.4 Given the status of current Farnham schemes and ambitions, and the existence of an adopted Neighbourhood Plan, it is proposed that our work in Farnham continue and serve as a ‘proof of concept’ for place-shaping in Waverley. The experiences we gain in this project may then be applied in other areas.

3.5 Settlements across the borough have challenges that could benefit from a place-shaping approach, particularly as Planning applications are received and implemented and as the Local Plan Part 2 develops in 2019. In Cranleigh, Waverley’s leisure centre project should be at the heart of such a process as the site occupies such an important location in the village. Cranleigh would benefit from a joined-up approach that takes account of rapid recent and upcoming development, significant infrastructure constraints and the Planning permission for Dunsfold Park.

3.6 Godalming and Haslemere Town Councils have recently suggested that they work with Waverley on further ‘visioning’ for their towns, particularly as both have significant sites coming forward for decisions. Current plans in Godalming include improvements to the leisure centre and the ongoing discussion among public service providers about how property and estate can work better to support services. In Haslemere, the discussions on some significant central sites would



benefit from a holistic place-shaping approach. The four larger settlements are also discussing the potential afforded by creating Business Improvement Districts to support businesses and generate new investment.

- 3.7 Godalming and Farncombe's Neighbourhood Plan is likely to be put to a referendum in June or July this year. Ten other parishes are in the process of preparing Neighbourhood Plans, which would provide a good springboard for future discussions on those places.

#### **4. Next steps**

- 4.1 It is proposed that a Place-Shaping Fund be established by Waverley Borough Council. This would be drawn from the expected one-off income from the Business Rates Retention Pilot, as described on the first page of this report. This requires Council approval.

- 4.2 Annexe 1 describes the proposed next steps for the Farnham Masterplanning project, which would be the first to draw from the Place-Shaping Fund. This project is intended to unlock substantial external funding to enable improvements to the local infrastructure and economy of the town and the north-east of the borough. East Hampshire District Council's experienced in-house regeneration team ('RegenCo') has submitted a proposal to undertake the next phase at a cost of £98,000. The outputs from this work would be:

- a) A report describing how a future masterplan will complement and support the key strategic and local spatial documents (especially the Local Plan and the Neighbourhood Plan), and which presents a prioritised list of transport schemes, using the evidence bases described below and previous studies and achieving consensus as far as possible;
- b) A survey of users and service providers within Farnham in the form of a 'Town Centre Healthcheck' report;
- c) Stakeholder and public consultation, with the results summarised within the main report;
- d) Transport Study of the issues and opportunities of Farnham town centre and the wider Farnham area, including opportunities for improving air quality;
- e) A vision for Farnham 2045, which is fully signed up to by FTC, WBC, SCC and EM3 LEP;
- f) Identification of any early-win projects that could be implemented prior to the completion of the masterplan and investment framework, including submission of a stage 1 application to the Future High Streets Fund, opportunities from the One Public Estate project and potential options for early traffic flow adaptations;
- g) A governance structure for the delivery of the future masterplan and investment framework;
- h) Proposals on how existing developers and potential investors/funders can contribute to the masterplan process;
- i) Appointment of a project manager from within the East Hampshire regeneration team to oversee this work and coordinate relationships.

- 4.3 East Hampshire's team has local knowledge and experience of masterplanning in different parts of England and is the only council registered on Homes England's national procurement framework which enables greater transparency and comparability of costs. Waverley officers have studied East Hampshire's proposal

and consider that it represents good value for money and would provide the high quality standards required. On this basis it is proposed to make a direct award under section 9.2.4 of Waverley's Contract Procedure Rules.

- 4.4 The cost would be met from: (a) the Place-Shaping Fund referred to in the finance implications section of this report, and (b) any contributions from Farnham Town Council and Surrey County Council. Both councils have supported the initial discussions for this project and will need to undertake their own decision-making processes to release funds. Farnham Town Council will be discussing this at its Council meeting on 7 March. Surrey County Council has agreed in-principle a financial contribution. An update will be provided in the Waverley Executive meeting. Once the Place-Shaping Fund is established, releasing a sum to support the Farnham project does not require Executive or Council approval. It is intended to report back in September.

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### **Recommendation**

The Executive recommends to Council that up to £250,000 of the one-off financial gain from Waverley's participation in the 2018/19 business rate pilot be earmarked to establish a new Place-Shaping Fund.

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### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

Relevant references to Council strategies and policies are made within the report.

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### **CONTACT OFFICER:**

**Name:** Tom Horwood, Chief Executive  
**Telephone:** 01483 523238  
**Email:** tom.horwood @ waverley.gov.uk

## Annexe 1: TOWARDS A FARNHAM MASTERPLAN

### ***Masterplanning***

1. A Masterplan, in strategic place-shaping, is a document that sets out a vision for a defined place over the long term. It is used to inform Planning (as a Supplementary Planning Document), attract investment and influence a settlement's future. Local examples are at [Whitehill & Bordon](#), [Guildford](#), [Aldershot](#) and the work underway in [Leatherhead](#). Masterplanning, when done well, is an exciting way of creating a shared vision and plan. It is absolutely vital in attracting funding and investment in infrastructure and business development.

### ***Farnham***

2. The development focus in Farnham in recent years has been on specific sites, such as Brightwells Yard, Woolmead and the Memorial Hall. Now that these schemes are essentially agreed and underway or completed, it is the right time to look at Farnham in a more joined-up way, to ensure that these sites work together sympathetically, with each other and with the wider town. In particular, as the local borough council, Waverley BC is in a prime position to facilitate a masterplanning project that recognises Farnham in its wider location and tackles its current infrastructure inadequacies. This must involve community engagement and cross-tier local government leadership.

### ***Objective***

3. A Farnham Masterplan would provide a 25-year vision for Farnham to help public and private stakeholders plan the phases of town development in a sustainable way. The Plan will be the basis of attracting the right investors and promoting the town as an attractive, vibrant, safe and sustainable location. It will unlock funding streams to revitalise the central Farnham space and make it a more attractive and safer place. It will enable infrastructure investors, such as the Government, Surrey County Council and the EM3 Local Enterprise Partnership, to prioritise Farnham's strategic location and replace the current bottlenecks that are barriers to Farnham's economic and social future. The consistent message from potential investors is that economic growth is a condition of funding.

### ***Stage 1: Roadmap***

4. This is an initial piece of work to analyse current projects and developments, take account of the emerging shared vision and the proposals that various interests in community have proposed. It will include:

- a. Appreciating the scale, progress and commitments entailed in projects currently underway: Neighbourhood Plan (FTC); Brightwells Yard (Crest Nicholson, WBC, SCC); Woolmead (Berkeley Homes); Memorial Hall (WBC); Farnham Leisure Centre improvements (WBC). No delay to these committed projects is envisaged as a result of this project.
- b. Adopting the aims of the central Farnham street improvement project, i.e. pedestrianisation or shared space and air quality improvements, and working them into a practical phased plan within the overall Masterplan.
- c. An initial appraisal of the barriers presented by the strategic road network and the current (as yet unapproved) plans for improving the A31 and its junctions.

- d. Appreciating the heritage, arts and cultural offer of the town, including its feature buildings, design quality, notable history and environmental setting.
- e. Taking account of the growth ambitions of the University of the Creative Arts, as a major regional employer and skills-provider.
- f. An initial assessment of the opportunities and threats posed by developments in Guildford, Whitehill & Bordon, Aldershot and Farnborough.
- g. Taking account of the new Strategic Economic Plan of the EM3 LEP, so that funding opportunities are maximised.

5. The Roadmap outputs will be:

- a. A timetable for developing the full Masterplan.
- b. A stakeholder engagement plan that recognises the leading community role to be played by Farnham Town Council, as well as the multitude of interested groups and individuals.
- c. A description of the skill set required to undertake the Masterplan, which can be used by WBC, FTC and SCC to assemble a team, led by a Project Manager, comprising public sector resources and external specialist expertise.
- d. A resource plan for undertaking the exercise, including funding options.
- e. Proposals on how existing developers and potential investors/funders can contribute to the Masterplan process.

6. Stage 1 will need to include engagement with the general public and with the numerous and very passionate stakeholder groups that exist in Farnham. We will need to take account of publicity/consultation restrictions resulting from the election period prior to the local elections (22 March to 3 May 2019).

### ***Stage 2: Masterplan development***

7. This will require WBC, FTC and SCC assembling a core team, recruiting the right Project Manager and implementing the Roadmap.

8. The masterplanning process typically takes 2-3 years, but this can depend on the quality of pre-existing evidence and work.

### ***Next steps***

9. Informal conversations with Surrey County Council, Farnham Town Council, the local MP, the EM3 LEP and some local community organisations have indicated initial support in principle for the concept of Masterplanning Farnham. Progressing with Stage 1 above will require some initial funding and then more open engagement with the community and with groups in the community.

**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**CAPITAL STRATEGY**

**[Portfolio Holder: Cllr Ged Hall]**

**[Wards Affected: All]**

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**Summary and purpose:**

The Capital Strategy brings together the Council's detailed policies, procedures and plans relating to cash investments and property assets. This report also seeks approval of the Treasury Management Framework for 2019/2020 which is an integral part of the Capital Strategy and a statutory requirement.

The Executive recommends to Council that the Capital Strategy 2019/20, Prudential Indicators and Treasury Management Framework 2019/20 be approved.

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**How this report relates to the Council's Corporate Priorities:**

This report relates to the Council's People, Place and Prosperity priorities as it provides a governance framework around capital investment to ensure resources are in the right place to deliver the key priority themes set out in the Corporate Strategy.

**Equality and Diversity Implications:**

The Capital Strategy governs the provision of capital funding when required to support all services including those which promote equality and diversity.

**Financial Implications:**

The Capital Strategy describes how the Council determines its priorities for capital investment and decides how much it can afford to borrow. The Treasury Management Policy, which requires the achievement of an appropriate balance between risk and return, plays a key role in the generation of investment income required to support service provision.

**Legal Implications:**

The Prudential Code (the Code) for Capital Finance in Local Authorities and the Code of Practice on Treasury Management, both produced by CIPFA, supports the provisions of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 and support strategic planning for capital investment at a local level. Compliance with both codes is a statutory requirement for local authorities.

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## **Background**

1. The Code for Capital Finance in Local Authorities issued by CIPFA requires local authorities to determine capital expenditure and investment decisions that are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of capital planning. This requires effective strategic planning and a decision making framework.
2. The Prudential Code establishes a framework that should support:
  - (a) local strategic planning;
  - (b) local asset management planning; and
  - (c) proper option appraisal;

and assist local authorities to ensure that:

- (d) capital expenditure and investment plans are affordable;
- (e) all external borrowing and other long term liabilities are within prudent and sustainable levels; and
- (f) treasury management and other investment decisions are taken in accordance with professional good practice.

and that in taking decisions in relation to (d), (e) and (f) above the local authority can be held accountable by providing a clear and transparent framework.

3. The latest version of the Prudential Code introduced the requirement for local authorities to approve a Capital Strategy from 2018 to provide the framework described above and to ensure good governance. The Council approved an interim Capital Strategy in October 2018 after consideration by the Value for Money Overview and Scrutiny Committee.
4. The purpose of the Capital Strategy is to:
  - (a) place decisions about borrowing in the context of the overall longer term financial position of the local authority.
  - (b) provide improved links between revenue and capital budgets.
  - (c) give a clear and concise view of how the local authority determines its priorities for capital investment, decides how much it can afford to borrow and sets its risk appetite.
  - (d) give a high level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

5. The Capital Strategy sits above the more detailed policies, procedures and plans, such as asset management plans and the Treasury Management Strategy, and gives reference to these for those seeking more detailed information. The diagram at Annexe 1 shows how all the Council's detailed documents fit into the Capital Strategy.

6. This report contains the following Annexes:

Annexe 1 – Capital Strategy infographic  
Annexe 2 – Capital Strategy

- Annexe 3 – Treasury Management Policy
- Annexe 4 – Treasury Management Strategy
- Annexe 5 – Treasury Management Investment Strategy
- Annexe 6 – Prudential Indicators

7. The Capital Strategy is individual to each authority and it details how stewardship, value for money, prudence, sustainability and affordability will be secured for Waverley. Affordability covers all the years in which the capital investment will have a financial impact on the Council. It also ensures the Council meets legislative requirements on reporting.
8. It is a living document that will evolve over time to respond to changing circumstances at the Council. It will be subject to annual review.
9. The updated Capital Strategy is included at Annexe 2.

### **Treasury Management Framework 2019/2020**

10. One of the key documents that underpins the Capital Strategy is the Treasury Management Framework which relates to the management of the Council's monetary investments and cash flows, its banking, money market transactions and borrowing. The effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks is also covered. The framework covers all of the Council's treasury activity and does not distinguish between the General Fund and the Housing Revenue Account funds. The Treasury Management Framework for 2019/20 contains some proposed changes to the existing framework which are highlighted later in this report.
11. This report sets out the proposed Treasury Management Framework for 2019/20, comprising:
  - revised Treasury Management Policy;
  - 2019/20 Treasury Management Strategy; and
  - 2019/20 Treasury Management Investment Strategy.
12. The Council collects around £160 million of income per annum and has, on average, £70m each day invested in money markets. With the introduction of HRA Self-financing in 2012/13 the Treasury Framework also includes borrowing (originally of £192m) and in future this could also include borrowing to support commercial investment.
13. The Treasury Code requires local authorities to maintain their Treasury Management Policy and Strategy in accordance with the Code, and any of its revisions, and with legislation. During 2017 CIPFA revised the Code through a series of consultations. In March 2018 the Government also published a revised Prudential Framework for Capital Finance, which includes the Local Authorities Investment Code and Minimum Revenue Provision (MRP) Guidance. These revisions take effect from April 2019 and are incorporated in the Treasury Management Strategy.
14. CIPFA has produced the Treasury Code and the accompanying guidance notes to help satisfy nine main purposes:

- (a) To assist public service organisations in the development and maintenance of firm foundations and clear objectives for their treasury management activities, and thereby to add to their credibility in the public eye.
- (b) To emphasise the over-riding importance of effective risk management, as the foundation for treasury management in all public service organisation.
- (c) To provide transparency for treasury management decisions including the choice of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
- (d) To encourage the pursuit of value for money in treasury management, and to promote the reasoned use, development and appreciation of appropriate and practical measures of performance.
- (e) To enable CIPFA members to fulfil their professional and contractual responsibilities to the organisations they serve and, in accordance with the members' charter, "to maintain and develop the professional competence of both themselves and those they supervise".
- (f) To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
- (g) To assist those involved in the regulation and review of treasury management in the public services, particularly those charged with the audit of the same.
- (h) To foster a continuing debate on the relevance and currency of the statutory and regulatory regimes under which treasury management in the various parts of the public services operates.
- (i) To further the understanding and confidence of, and to act as a reference work for, financial and other institutions whose businesses bring them into contact with the treasury management activities of public service organisations.

#### Treasury Management Statements

15. The key documents which are produced in accordance with the requirements of the Code and require annual approval by the Council are as follows:

- Treasury Management Policy

This is included at Annexe 3 and sets out the headline objectives of the Treasury Management function.

- Treasury Management Strategy 2019/20

This is included at Annexe 4 and sets out the way in which the Council's policy objectives for Treasury Management will be achieved and the high level approach to borrowing and treasury investment. As required by the



Code, the Strategy includes a statement of Waverley's Treasury Management Practices (TMPs) which set out specific areas of note and how they will be dealt with.

- Treasury Management Investment Strategy 2019/20

This is included at Annexe 5 and sets out how Waverley's treasury investments will be managed, in accordance with the Treasury Management Strategy, and how this will help achieve Waverley's policy objectives.

### Borrowing

16. With the approval of the Property Development Strategy, overseen by the Investment Advisory Board, and the Government's significant reduction in Waverley's New Homes Bonus funding, it is likely that the Council will need to borrow in future years to acquire and/or develop commercial property assets in order to generate revenue for the General Fund budget and to support the local economy.
17. In order to respond quickly to opportunities that arise and ensure flexibility in making capital financing arrangements, the decision to borrow to finance capital expenditure has been delegated to the Executive by the Council, subject to the limits within the Treasury Management Framework and provided that the annual revenue cost of the borrowing is within the Executive's authorised spending limit for each transaction.

### Prudential Indicators to 2021/22

18. The Prudential Code requires local authorities to self-regulate the affordability, prudence and sustainability of capital expenditure and borrowing plans, by setting estimates and limits, and by publishing actuals, for a range of prudential indicators.
  - affordability - a local authority must consider the affordability of its capital investment during all the years in which it will have a financial impact on the authority.
  - Prudence - a local authority must be cautious and ensure that its capital investment decisions can deliver the authority's asset management and Corporate Strategy and link capital investment to service priorities.
  - Sustainability - capital investment must consider the cost of maintaining existing assets.
19. The Prudential Code imposes on local authorities clear governance procedures for setting and revising prudential indicators to deliver accountability in taking capital financing, borrowing and treasury management decisions.
20. The Prudential Code and the Treasury Code contain indicators which are designed to support and record local decision making in a manner that is publicly accountable. Each Local Authority must adopt a set of indicators which reflects its individual circumstances.
21. The Council's indicators are contained at Annexe 6.

## **Conclusion**

22. All of the Council's Strategies, Policies, Procedures and Plans need to work together to ensure good governance and financial resilience for the Council. The Capital Strategy demonstrates how they fit together to ensure this will be achieved.

## **Comments from the Value for Money & Customer Services Overview and Scrutiny Committee**

23. The Value for Money and Customer Service O&S Committee considered this item at its meeting on 18 February 2019 and made the following observations.
- The Committee thanked officers for their hard work in producing the Capital Strategy and Treasury Management documentation and welcomed the inclusion of an 'infographic' outlining how the processes and documentation underpinning the Strategy fitted together. A suggestion was made to review some of the terminology to make it even more accessible.
  - In relation to the Treasury Management documentation, the Committee suggested adding further narrative and clarification to the sections on HRA borrowing, TMP 4, and Prudential Indicators 2, 4 and 10.
- 

## **Recommendation**

Having considered the comments of the Overview & Scrutiny Committee, the Executive recommends to Council that it approves the:

- 1) Capital Strategy for 2019/20;
  - 2) Prudential Indicators; and
  - 3) Treasury Management Framework for 2019/20.
- 

## **Background Papers**

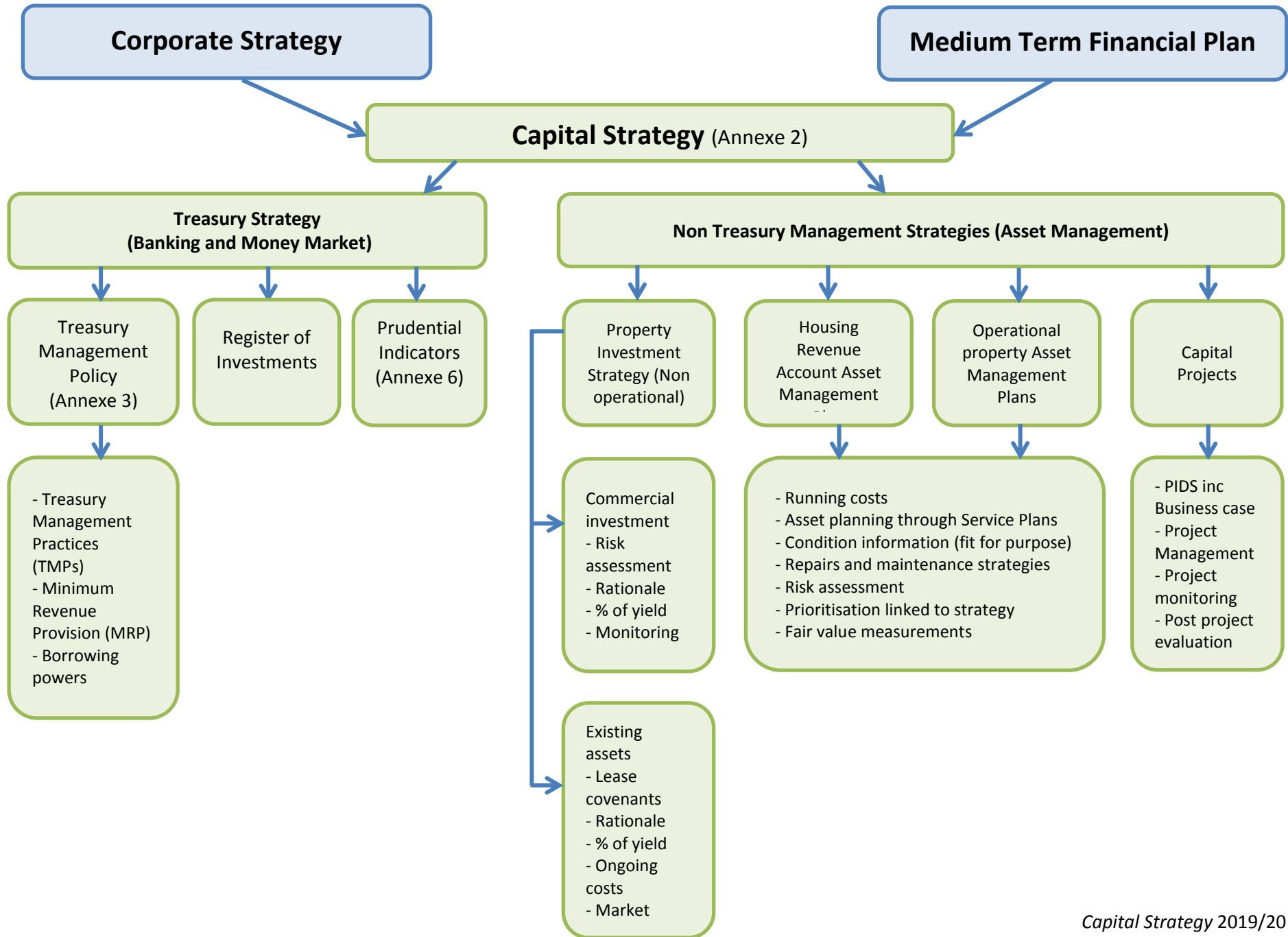
There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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## **CONTACT OFFICER:**

**Name:** Peter Vickers  
Head of Finance and Property

**Telephone:** 01483 523250  
**E-mail:** victoria.basley@waverley.gov.uk



Waverley Borough Council

# Capital Strategy

Version 2.0

Prepared by: Vicki Basley  
1/15/2019

## 1. Introduction

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### 1.1 Description

The Capital Strategy (the Strategy) brings together Waverley Borough Council's (Waverley's) detailed policies, procedures and plans relating to cash investments and property assets.

This three-year Strategy sets out how Waverley will manage the investment of its capital resources and the financing of capital expenditure in order to contribute towards the achievement of its key objectives and priorities.

The Strategy includes the appraisal process for determining capital investment decisions and the process for analysing funding requirements.

The Strategy also provides a framework by which capital expenditure decisions are made as required by the Prudential Code for Capital Finance in Local Authorities to provide good governance.

## 2. Structure of the Capital Strategy

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The Capital Strategy sets out Waverley's processes for the various stages and aspects of considering and carrying out capital projects.

- Scope (section 2.1)
- Project initiation (section 2.2)
- Prioritisation of capital projects (section 2.3)
- Monitoring and evaluating projects (section 2.4)
- Revenue implications (section 2.5)
- Framework for the management and monitoring of the capital programme (section 2.6)

### 1.2 Objectives

The objectives of the Strategy are to:

- prioritise and deploy capital resources in advancement of the Corporate Objectives
- support service plans
- invest in assets that reflect the corporate priorities
- manage Waverley's investments, property and other assets effectively and efficiently

- Funding of capital projects (section 2.7)
- Asset Management (section 2.8)
- Affordable housing (section 2.9)
- Asset reviews (section 2.10)

### 2.1 Scope

The Strategy covers all capital investment and capital expenditure decisions undertaken by Waverley as an individual local authority and also those entered into by Waverley under group or partnership arrangements.

## 2.2 Project Initiation

Capital projects will be subject to a robust justification process which brings together a clear business case with sufficiently detailed costings to ensure that the rationale for the decision can be easily understood.

Proposals must be subject to independent oversight and review in terms of validation arrangements, estimated figures and project milestones.

Business cases must be prepared in accordance with Waverley's Project Management toolkit.

The business case must state where responsibility for project delivery lies and which officers are responsible for each task in the project.

For larger projects where feasibility is less certain, viability assessments will be required before bids are made for capital funding. This includes undertaking all preparatory work to fully understand the requirements of a project before capital funding is sought.

An assessment of officer resource requirements and availability must be included in proposals to ensure that both delivery of projects and day-to-day work is covered. That assessment must include a time based resource plan to highlight significant pressure on resources.

A formal process for supervision and review of the capital project at regular and defined intervals must be annexed to the business case to ensure that the project

will be subject to thorough oversight for its duration.

## 2.3 Deciding on the prioritisation of capital projects

Proposed capital projects will be assessed in relation to alternative potential projects and on impact to financial resilience against the following criteria:

- Strategic fit – corporate objectives that are being met by the expenditure
- Identified need – why the project is required eg vital repairs to or major non-revenue maintenance of existing assets
- Achievability – this may include alternatives to direct expenditure by Waverley such as partnerships with others, rent or buy options and other alternative delivery vehicles
- Affordability and resource use – to ensure that total capital investment and expenditure remains within relevant limits if the project is approved
- Practicality and deliverability
- Revenue generation to be achieved from the proposed capital investment
- Non-monetary impacts such as future economic growth, social well-being or environmental benefit

## **2.4 Monitoring and evaluating projects**

In assessing potential capital projects Waverley will have regard to:

- Governance arrangements
- How each scheme will be reviewed
- The formal approval process

### **2.4.1 Governance process for approval and monitoring of capital expenditure**

For all capital investment the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of risk being considered in accordance with Waverley's Risk Appetite Statement.

Due diligence process and procedures will include:

- Scrutiny of the capital programme by the Value for Money and Customer Service Overview & Scrutiny Committee
- Identification of the risk to both the capital investment and the anticipated revenue generation
- Understanding the potential impact on the financial sustainability of Waverley if the risks are realised
- Identifying assets being held for security against any potential debt or charges on assets
- Seeking independent and expert advice where necessary

The Strategic Director (Section 151 Officer) is responsible for ensuring that Members are adequately informed and understand the risks of capital investment decisions.

### **2.4.2 How each scheme will be reviewed**

The business case put forward for a capital project will be reviewed to ensure it takes account of stewardship, value for money, prudence, sustainability and affordability.

Investment decisions will consider risk and reward and all the criteria set out in section 2.3.

The phasing of projects over more than one financial year will be assessed to ensure timetabling of plans and budgeting is realistic and funding is available over the life of the project.

Contingency budgets will be considered as part of the review process to increase transparency of budgeting and to avoid over-budgeting of funds.

### **2.4.3 The formal approval process**

The Capital Programme will be put to Council for formal approval together with funding requirements and, if successful, will form Waverley's capital programme which is the plan of capital investment for future years.

This ensures Waverley's overall capital strategy, governance procedures and risk appetite are fully understood by all members.

## 2.5 Revenue Implications

The revenue implications of capital investment must always be considered in prioritising projects and making investment decisions. Revenue implications include increases and decreases in both income and costs.

Items with negative revenue implications include:

- cost of borrowing (including Minimum Revenue Provision)
- loss of investment income if reserves or useable capital receipts are used
- running costs associated with an acquired asset such as:
  - salaries of employees or management fees or other outsourcing costs
  - heat and light etc
  - administrative support costs
  - future maintenance

Items with positive revenue implications include:

- additional income
- any positive impact of investment and economic growth on Waverley's council tax base and business rates income
- direct revenue savings
- savings from efficiencies

## 2.6 Framework for the management and monitoring of the Capital Programme

A Project Manager will be assigned to each project to oversee planning, delivery, management, skills assessment and governance of capital projects.

Project management must be used on every project irrespective of funding source.

There is a standard approach to project management that is used across Waverley. It consists of a standardised set of project documentation which allows a thorough and transparent overview of projects and the assessment of project progress against initial plans and milestones. These documents include risk registers and project baselines.

The finance system is used as a tool for budget management and is accessed by both finance staff and project managers to give up to date information on project spend.

Close monitoring and reporting of slippage is undertaken to give more timely reporting which then allows for greater flexibility with capital spend allowing opportunities for alternative projects to be introduced.

Full requirements in regard to management of financial information can be found in Waverley's Financial Regulations.



## 2.7 Funding of capital projects

### 2.7.1 Funding

Proposals for capital projects shall identify the capital funding requirements for the timescale of the project.

Capital funding must be appropriate for the project. Possible sources are:

- Reserves
- Capital receipts – from the sale of assets or finance lease receipts
- Government grants – such as disabled facilities grant funding
- Third party grants and contributions
- Community infrastructure Levy
- Revenue contributions
- Other developer contributions
- National Lottery
- Heritage Lottery Fund
- Matched funding
- External (prudential) borrowing

Any restrictions on borrowing or funding of ongoing capital finance eg HRA requirements must be assessed.

If grant funding is being sought, the project appraisal process must include bidding timeframes and the likely success of being awarded a grant.

### 2.7.2 Flexible use of capital receipts until 2021/22

Local authorities are permitted to use capital receipts to fund projects which are forecast to generate ongoing savings.

If Waverley plans to use this funding option for one or more capital projects a document must be prepared listing the projects, the expected savings or service transformation outcome for each project, and the impact on Waverley's prudential indicators.

### 2.7.3 Borrowing

Waverley's approach to borrowing is set out in the Treasury Management Framework.

Waverley may consider internal or external borrowing.

The following issues will be considered prior to undertaking any external borrowing:

- Affordability
- Maturity profile of existing debt
- Interest rate and refinancing risk
- Borrowing source

Minimum revenue provision (MRP) – local authorities are required to set aside a 'prudent' amount of their revenues each year as a provision for the repayment of debt'. Prudent provision should ensure that debt is repaid over a period that is reasonably similar to the period over which the capital expenditure is expected to provide benefit.

## 2.8 Asset Management

Waverley's arrangements for the corporate review of existing assets are contained in the Property Investment Strategy and the Housing Revenue Account Asset Management Strategy. These provide frameworks for the operational work of asset management and the aims and objectives and the current property portfolio and the plan of asset management including acquisitions, maintenance requirements and planned disposals.

The land and building assets are contained in the Property Terrier. These assets, together with Waverley's other assets, are held in the Asset Register which is maintained and updated on a regular basis.

### 2.8.1 Commercial Investment

These are investments made outside the normal treasury management activity and are taken with the aim of making a financial surplus for Waverley.

The detail is contained in the Property Investment strategy which documents the Waverley's requirements for:

- Ensuring effective due diligence
- Risk appetite
- Proportionality in respect of overall resources.
- Independent and expert advice and scrutiny arrangements
- management

The Executive has authority to bid, negotiate and complete on property acquisitions and investments with a total individual cost of up to £10million, within a total aggregate sum of £30million over

the period 2018/2019 to 2020/2021, subject to the decision fully satisfying all the criteria and process requirements set out in the Property Investment Strategy.

Performance is monitored by the Value for Money Overview and Scrutiny Committee.

## 2.9 Affordable Housing

Waverley recognises the demand for affordable housing.

In addressing this need it will consider a range of options:

- Private developments
- Build new homes from within the Housing Revenue Account within the limitations of the self-financing reforms.
- Seek alternative approaches for financing and supporting house building such as establishing council-owned housing companies and developing new relationships with delivery partners such as housing associations and private developers.
- The acquisition and appropriation of land and the transfer of assets from the HRA to the General Fund.

## 2.10 Asset reviews

As part of service planning asset reviews will be undertaken to consider the use of existing property and whether it can be better used in achieving the strategic objectives. The use of assets needs to be considered as customers' needs and expectations change.

Examples include:

- Consideration of sales of assets not being used to deliver

operational services or those not delivering best value, eg leasehold interest

- A lease on a Waverley owned property may be up for renewal which could create opportunities for change
- The local plan could redesignate a particular area which would allow for the potential redevelopment of Waverley owned land or property.

## 3. Other Considerations

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All capital schemes must comply with Waverley's policies and legislation such as the Financial Regulations and Contract Procurement Rules.

Reference should also be made to other strategies and plans, namely:

- Corporate Strategy 2018-2023
- Property Investment Strategy March 2018
- Treasury Management Framework for 2019-20
- Housing Revenue Account Asset Management Strategy 2015-20
- Financial Regulations 2018-19
- Contract Procurement Rules 2018-19
- Tax Strategy 2018-19
- Risk Appetite Statement (Executive 5 February 2019)
- Medium Term Financial Plan 2019-23

### Glossary

CIPFA – Chartered Institute of Public Finance and Accountancy

HRA – Housing Revenue Account

MRP - Minimum Revenue Provision

Property Terrier – information system for property assets

## **Treasury Management Policy**

Waverley adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), which identifies three key principles which organisations should apply:

- 1) formal and comprehensive strategies, objectives, policies, practices and reporting arrangements for the effective management and control of treasury management activities should be in place.
- 2) effective management and control of risk are the prime objectives of Treasury Management and are the responsibility of the Council. Waverley's Treasury Management Framework must make clear its appetite for risk, the use of which financial instruments are allowed for the prudent management of those risks and that priority be given first to security, then to liquidity and last to yield.
- 3) treasury management policies and practices should reflect that the pursuit of value for money is, nevertheless, important and performance measures are important and valid tools to be used in support of this.

Accordingly, Waverley will create and maintain, as the cornerstones for effective Treasury Management:

- A Treasury Management Policy stating the policies, objectives and approach to risk management of its treasury management activities.
- A Treasury Management Strategy Statement on at least an annual basis, including approved treasury management practices (TMPs), setting out the manner in which Waverley will seek to achieve its policy objectives and prescribing how it will manage and control those activities.

The content of the policy, statement and TMPs will follow the recommendations contained in the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

The Council will receive reports on its treasury management policy and practices and the Executive will receive reports on treasury activities and performance, including, as a minimum, the annual framework in advance of the year.

The Council delegates responsibility for the regular monitoring of its Treasury Management Policy and practices to the Executive, and for the execution and administration of day-to-day treasury management decisions to the Strategic Director (Section 151 Officer) who will act in accordance with Waverley's Policy, Statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

The Council nominates the Value for Money Overview and Scrutiny Committee to be responsible for ensuring effective scrutiny of the treasury management framework.

**Overall policy:**

Waverley defines its Treasury Management Policy objectives as:

The effective management of Waverley's banking and money market investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks in order to ensure that financial resources are available at the right time to deliver Waverley's service priorities.

**Risk:**

Waverley regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation and any financial instruments entered into to manage these risks.

**Value for money:**

Waverley acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives and is therefore committed to the principles of achieving value for money in treasury management and to employing suitable performance monitoring arrangements within the context of effective risk management.

**Borrowing:**

Waverley's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should ensure Waverley is transparent and has flexibility and control over its debt.

**Investment:**

Waverley's primary objective in relation to its cash investments remains the security of capital. The liquidity or accessibility of Waverley's treasury investments followed by the yield earned on investments remain important but are secondary considerations.

**Treasury Management Strategy Statement 2019/20**  
**(incorporating Treasury Management Practice statements)**

**Overall policy:**

The major objective of managing daily cash balances to meet cash flow commitments remains the priority.

**Investments:**

Waverley's policy is to give security of treasury investment a higher priority than rate of return/yield. Waverley's strategy and day-to-day practice, therefore, continue to be refined, within the boundaries set out in the Treasury Investment Strategy (Annexe 6), in response to market conditions.

**Risk:**

Waverley acknowledges that no treasury management activity is without risk. The major area of risk is identified as investment risk. Investment risk will be mitigated in a number of ways as set out in accordance with the specified Treasury Management Practices and Annual Treasury Investment Strategy. The cornerstones of current treasury investment strategy are:

- to lend only to those institutions which fit Waverley's policy in terms of financial standing, credit ratings etc;
- generally to restrict lending to terms of one year or less or to cover precept dates or known expenditure commitments, except where the Strategic Director (S151 Officer) or Head of Finance agree to an investment within Waverley's criteria over a longer period if interest rates are favourable;
- to identify financial limits for each counterparty institution depending on the quality of its financial ratings;
- to make all money market investments in GBP sterling thus avoiding exchange rate risk;
- that Waverley's general preference is for fixed rate investments for budgetary certainty and the avoidance of yield risk and
- to consider other forms of investment that are not part of treasury management activity, such as property acquisitions, on a case by case basis subject to a comprehensive business case being presented to Members including analysis of risk and viability. This is set out in a separate Property Investment Strategy.

Waverley will also use available market intelligence as appropriate to aid investment and borrowing decision making.

**Value for money:**

Waverley is committed to the pursuit of value for money in its Treasury Management function and to use performance methodology in support of that aim. This will be achieved through the formal reporting process set out in the Treasury Management Practices as well as the use of comparative performance indicators (including Prudential Indicators) for its investment returns and costs.

## **Borrowing:**

The HRA self-financing implementation required the HRA to pay the Government £189m in March 2012. Waverley borrowed £184m in March 2012 for this purpose with £5m being met by an internal loan. Waverley adopted a flexible approach to this borrowing in consultation with treasury management advisers.

The following issues will be considered prior to undertaking any external borrowing:

- Affordability
- Maturity profile of existing debt
- Interest rate and refinancing risk
- Borrowing source

It may be advantageous in future, as the HRA Business Plan is developed, to reschedule some of the HRA debt. Waverley's debt portfolio can, potentially, be restructured in order to achieve a reduction in risk, savings in interest costs and/or to meet changing cash demands. The rationale for undertaking any future HRA debt rescheduling would be one or more of the following:

- Changing the maturity profile of the debt portfolio
- Interest rate savings and premiums
- Rebalancing the interest rate structure of the debt portfolio

With the creation of the Investment Advisory Board and the Government's significant reduction in Waverley's New Homes Bonus funding, it is likely that Waverley will need to borrow in 2019/20 and subsequent years to develop and/or acquire property assets in order to develop the local economy and generate revenue for the General Fund budget.

In addition, temporary borrowing for the purposes of financing day-to-day expenditure commitments is allowed for short periods if economic on the day.

Overall, borrowing will be managed within the Authorised Limit for External Debt (See Prudential Indicator 8).

## **Minimum Revenue Provision (MRP) Policy Statement**

One of the underpinning principles of the Local Authority financial system is that all capital expenditure has to be financed either from capital receipts, capital grants (or other contributions) or eventually from revenue income. MRP is a statutory mechanism for allocating funds out of revenue income to repay debt (from borrowing or credit arrangements) for capital spend that is unfinanced.

The scheme of MRP requires Local Authorities to set aside some of their revenues as provision for debt each year of an amount considered to be 'prudent' having regard to the recommendations in the Ministry of Housing and Local Government (MHCLG) guidance. Prudent provision should ensure there is a balance between matching MRP to a period over which the capital expenditure provides benefits.

In advance of each financial year a Local Authority should prepare a statement of its policy on making MRP in respect of that year and submit it to Council for approval.

## **Waverley's MRP**

- Will not be nil or a negative charge except where the Capital Financing Requirement (CFR) is nil or goes into the negative or to offset a previous overpayment of MRP.
- Where the CFR is nil or negative on the last day of the financial year, indicating the provision of debt is equal to or greater than the debt incurred, no MRP will be made in the following financial year.
- The implications of MRP will be assessed at the point of making a decision to incur capital expenditure.
- Waverley will reassess the MRP charge each year.

## **Options for Prudent Provision of MRP**

The methods available to calculate a prudent provision are:

1. Make a provision over the estimated life of the asset for which the borrowing is undertaken, either:
  - Equal instalment method – equal annual amounts over the estimated life of the asset.
  - Annuity method – link MRP to the flow of benefits from an asset where the benefits are expected to increase in later years.

or

2. Match MRP to the depreciation charges that will be generated by the assets that have been acquired
  - MRP continues until the provision made is equal to the original amount of the debt and may then cease.
  - On disposal of the asset the charge will continue but capital receipts or other funding sources can be applied at any time to repay all or part of the outstanding debt.
  - If only part of the expenditure on the asset is financed by debt, the depreciation provision is proportionately reduced.

The MHCLG guidance allows for limited flexibility in the calculation of MRP. However, if Waverley departs significantly from the guidance, or if it is a large, complex, novel scheme, legal and external audit will be consulted with the proposed approach as appropriate.

## **Commencement of MRP**

- MRP will commence in the financial year following the one in which the unfinanced capital expenditure is incurred. In the case of a new asset MRP would begin in the financial year following the one in which the asset becomes operational.
- MRP will not be provided for Assets under Construction. MRP on debt will commence, proportionally, as each stage of the project transfers to Assets in Use.

## **Estimated Useful life of assets for calculating MRP**

The useful life will not normally exceed a maximum of 50 years. Waverley may only exceed this maximum in two scenarios:



- Where Waverley has an opinion from an appropriately qualified professional advisor that the asset will deliver service functionality for more than 50 years. The life suggested by the professional advisor may then be used.
- For a lease, where the length of the lease exceeds 50 years, the length of the lease may be used.

<b>Asset class</b>	<b>Estimated useful life</b>
Investment Properties	50 years
Land and Heritage assets	50 years
Buildings	40 years (unless valuer indicates otherwise)
Vehicles and Equipment	7-15 years
IT Equipment	3-10 years
Car Parks	25 years

### **Leases**

For finance leases, or where a right-of-use asset is on the balance sheet, the MRP requirement is met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.

### **Housing Assets**

The duty to make MRP does not extend to cover borrowing or credit arrangements used to finance capital expenditure of the Housing Revenue Account.

## **Treasury Management Practices (TMPs)**

### **TMP1 Risk Management**

#### **General Statement**

The Strategic Director, (Section 151 Officer) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and report as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements*. In respect of each of the following risks, detailed arrangements, which seek to ensure compliance with these objectives, are set out in 'Additional Information' schedules.

#### **Credit and Counterparty Risk Management**

The key risk in Waverley's treasury management activities is the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 Approved instruments methods and techniques.

#### **Liquidity Risk Management**

Waverley will ensure it has adequate cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

Waverley will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current approved capital programme or to finance future debt maturities.

#### **Interest Rate Risk Management**

Waverley will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements, as revised, in accordance with TMP6 *Reporting requirements and management information arrangements*. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications considered by the Executive as appropriate.

## **Exchange Rate Risk Management**

Waverley's current approved policy allows cash investments solely in GBP sterling because other currency deals expose Waverley to an additional level of risk. Accordingly, Waverley does not have an exchange rate risk management strategy at this time. Should market conditions change such that foreign currency deals become appropriate, this Treasury Management Practice will be developed to cover this and approval for such a policy change will be sought from Council.

## **Inflation Risk Management**

Waverley will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole organisation's inflation exposures.

## **Refinancing Risk Management**

Waverley will ensure that its borrowing is structured and documented, and the maturity profile of the debt is managed with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to Waverley as can reasonably be achieved in the light of market conditions prevailing at the time.

## **Legal and Regulatory Risk Management**

Waverley will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its TMP1[1] *credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with Waverley, particularly with regard to duty of care and fees charged.

Waverley recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on Waverley.

## **Fraud, Error and Corruption, and Contingency Management**

Waverley will ensure that it has identified the circumstances, which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

## **Market Risk Management**

Waverley will ensure that its stated treasury management policies and objectives do not expose Waverley to the risk of adverse market fluctuations in the value of the principal cash sums it invests and will accordingly protect itself from the effects of such fluctuations.

## **TMP2 Performance Measurement**

Waverley is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of Waverley's stated business or service objectives. The performance of the treasury management function is included in the budget monitoring process, and periodic reports to the Executive and Corporate O&S Committee.

## **TMP3 Decision-making and Analysis**

Waverley will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

## **TMP4 Approved Instruments, Methods and Techniques**

Waverley will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Strategy and Annual Investment Strategy, and within the limits and parameters defined in TMP1 *Risk management*.

Should Waverley decide in future to use derivative instruments for the management of risks, these will be limited to those set out in its annual treasury management strategy. The organisation will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

## **TMP5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements**

Waverley considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decision and the audit and review of the treasury management function.

If Waverley has to depart from these principles, the Strategic Director (S151 Officer) will ensure that the reasons are properly reported in accordance with TMP6 *Reporting requirements and management information arrangements* and the implications properly considered and evaluated.

The Strategic Director (S151 Officer) will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management and the arrangements

for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out.

### **TMP6 Reporting Requirements and Management Information Arrangements**

Waverley will ensure that regular reports are prepared and considered on:

- the implementation of its treasury management policies
- the effects of decisions taken and transactions executed in pursuit of those policies
- the implications of changes, particularly budgetary, resulting from regulatory economic, market or other factors affecting its treasury management activities
- the performance of the treasury management function.

The Executive will receive:

- An annual report on the strategy to be pursued in the coming year;
- Monitoring reports during the year on treasury management activities and risks as appropriate;
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

The Value for Money Overview and Scrutiny Committee will have responsibility for the scrutiny of treasury management policies and practices and will receive the annual strategy documents for comment and periodic performance reports.

### **TMP7 Budgeting, Accounting and Audit Arrangements**

The Strategic Director (S151 Officer) will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all of the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement* and TMP6 *Approved instruments, methods and techniques*. The Strategic Director (S151 Officer) will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

Waverley will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

### **TMP8 Cash and Cash Flow Management**

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of Waverley will be under the control of the Strategic Director (S151 Officer) and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Strategic Director (S151 Officer) will

ensure that these are adequate for the purposes of monitoring compliance with TMP1[1] liquidity risk management.

### **TMP9 Money Laundering**

Waverley is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, Waverley will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made have been agreed by the Audit Committee.

### **TMP10 Training and Qualifications**

CIPFA's Code of Practice requires the *responsible officer* (for Waverley that is the Strategic Director (S151 Officer)) to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

Waverley recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Strategic Director (S151 Officer) will recommend and implement the necessary arrangements.

The Strategic Director (S151 Officer) will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

### **TMP11 Use of External Service Providers**

Waverley recognises that responsibility for treasury management decisions remains with Waverley at all times. Waverley recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons, which have been submitted to a full evaluation of the costs and benefits. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Strategic Director (S151 Officer).

### **TMP12 Corporate Governance**

Waverley is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

Waverley has adopted and has implemented the key principles of the Code. This action, together with the other arrangements detailed in this document, are considered vital to the achievement of proper corporate governance in treasury management, and the Strategic Director (S151 Officer) will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

**Treasury Management Investment Strategy 2019/20**

The Treasury Investment Strategy is required under the Treasury Management code of Practice and Statutory Investment Guidance issued by the Ministry of Housing, Communities and Local Government. Waverley's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments and the yields earned on investments are important but secondary considerations.

The 2019/20 Strategy is framed against the backdrop of current market conditions. Despite a generally depressed market since 2008, current market conditions are much more stable. Recently the Bank of England released the results of its 2018 UK bank stress tests. All banks passed... "the UK banking system is resilient to deep simultaneous recessions in the UK and global economies...". Other factors are the recent interest rate increases and the increased activity in Local Government peer-to-peer transactions which afford even more security in the market. On a local level, the Strategy also recognises the significant levels of cash accumulated by Waverley, mainly due to the accumulated HRA funds which will be spent on delivering the HRA capital programmes.

The statutory guidance requires Waverley to determine a number of limits and guidelines for its investment activity including 'specified' and 'non-specified' investments. Specified investments are those held in sterling with a maturity of no more than a year and must be with the UK Government, UK local authorities or "high" credit rated institutions. Non-specified investments are any investments that do not meet the above criteria. Given the market conditions described above an increase in the limit of 'non-specified investments' from £10million to £15million is proposed below. Officers would expect that the majority of non specified investments would be with other Local Authorities for added security. Non specified investments will remain non specified only by virtue of being for one year or more.

To meet the requirements of the Regulations it is proposed that the following policy and limits apply to all of Waverley's investment activity in 2019/20:

- Cash investments only (subject to the exception of CCLA (Churches, Charities and Local Authorities) investments) with UK Local Authorities and the UK Government and institutions assessed as having a 'high credit quality'.
- 'High credit quality' means having AAA rating for sterling money market funds or a minimum rating of A- for any banks and building societies, and being considered to have high credit credentials after taking account of the factors listed below.
- Waverley will not make any non-specified cash investments, other than when the investment is non-specified by virtue of it being for a period of more than one year, subject to it being an approved counterparty and an assessment of risk. Generally, longer-term investments over 1 year will be with other Local Authorities in order to reduce counterparty risk.
- £10million is the maximum investment in any single specified organisation at any one time.
- £20m is the total investment with any group - £10m the maximum with any single member of that group.



- Up to date information gathered by officers, together with specialist advice if appropriate, will be used to ensure compliance with the strategy.
- The maximum total investment at any one time that can prudently be committed for more than one year is £20 million.
- If cashflow certainty can be demonstrated over a longer term, Waverley will consider investing in property provided that a business case is presented to Members including a risk and viability assessment.
- The Strategic Director (S151 Officer) can seek the approval of Council to change the above limits during the year if necessary, provided that it is in the best interests of Waverley to do so.

Every investment will have a ratings check on the day of the investment and a list of potential counterparties will be prepared and approved by the S151 Officer before 1st April each year and updated throughout the year. In relation to the Annual Treasury Management Investment Strategy, investments have ongoing ratings checks, beyond just the day of investment, and ratings are continually monitored internally and changes reported to the Executive.

In practice, day-to-day controls are actually tighter, but still within the bounds of the approved policy, in order to create as much security as possible for Waverley's investment portfolio. These measures include:

- The major objective of managing daily cash balances to meet cash flow commitments remains the priority although it is recognised that, to some extent, some stability has been evident so longer term investment decisions are now possible subject to consideration of capital spending plans.
- In addition to the thresholds above, the maximum amount invested in any single specified organisation will generally be restricted to no more than 20% of the overall total external investments at that time.
- Investments are also monitored on a sector basis and judgments made as to the appropriate level within each sector taking into account appropriate treasury management information.
- General Market information is also used to enable some targeting of investment partners and the objective views of the credit agencies still have a value and are monitored more regularly.
- Close monitoring of credit ratings at the point of transaction including consideration of the 'future outlook' assessment.
- Increased frequency of updating the list of preferred organisations for investment with reduced working maximum limits for lower rated counterparties.

A major problem in the recent environment has been finding a sufficient number of investment counterparties providing acceptable levels of counterparty risk. In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty within the limits set out in this Strategy will be set to ensure prudent diversification is achieved. Introductions to new counterparties (within the allowed criteria) will be sought where appropriate.

In order to continually review Waverley's counterparty list and to make a judgement about whether a counterparty has a 'high credit quality', officers will gather and consider information such as:

- Credit rating 'future outlook' assessments
- Published credit ratings for financial institutions
- Economic fundamentals (for example Net Debt as a percentage of GDP)

**Banking** – Waverley banks with HSBC. At the current time, HSBC meets the minimum credit criteria of 'A' long term. Waverley continues to monitor the credit rating of HSBC and would report to Members if any major concerns emerged. If the credit rating falls below the Authority's minimum criteria HSBC would have to be used in the short term for business continuity and liquidity requirements.

However, in practice, it would be impossible to restrict Waverley's own bank, HSBC, to the same £limits as other investment counterparties because there are many instances when cash in excess of £10m is moving through Waverley's HSBC bank accounts. Given also that it is likely that there will often be occasions when Waverley has more cash than the total of its approved counterparty limits, it is therefore necessary to specifically exclude HSBC's banking activities from the £10m limit. It should be noted that existing HSBC bank accounts are all instant access.

**Prudential Indicators**

The Capital Strategy provides a framework by which capital expenditure decisions are made as required by the Prudential Code for Capital Finance in Local Authorities. The Prudential Indicators support the Capital Strategy by providing numerical information to support decision making on borrowing, affordability, prudence and sustainability.

The Prudential Indicators are designed to support and record local decision making and are not designed to be comparative performance indicators with other councils. They can be reviewed at any time by the S151 Officer, subject to Council approval. The S151 Officer must monitor performance against each indicator during the year.

The Code is not prescriptive on the indicators, as they are to support local decision making, but must cover four areas:

- prudential indicators for capital expenditure
- prudential indicators for affordability
- prudential indicators for external debt
- prudential indicators for treasury management.

**Indicator 1 - Estimate of total capital expenditure to be incurred**

The estimates of capital expenditure Waverley plans to incur during the forthcoming financial years are:

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund	10,995	2,032	3,360	2,550	1,950
Housing Revenue Account	11,566	7,782	21,532	18,024	17,135
<b>Total</b>	<b>22,561</b>	<b>9,814</b>	<b>24,892</b>	<b>20,574</b>	<b>19,085</b>

**Indicator 2 - Financing Costs**

Financing costs are made up of interest paid, interest and investment income and amounts required for the statutory provision of debt (including repayments of principal, interest and minimum revenue provision).

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund	-449	-430	-471	-471	-471
Housing Revenue Account	9,064	9,279	9,864	9,740	10,368

The General Fund generates a net interest receipt from treasury management investment on the money markets.

### Indicator 3 - Net Revenue Stream

The net revenue stream is the amount to be met from Government grants and local taxpayers or, in the case of the HRA, the net amount to be met from rent income. Financing costs are the net of any interest on borrowing, interest earned on investments and any amounts made as revenue provision to repay debt.

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund - Taxation and non specific grant income	13,264	13,529	13,211	12,711	13,020
Housing Revenue Account – Rent income	29,931	29,401	30,247	30,546	31,582

### Indicator 4 - Financing Costs to Net Revenue Stream

	2017-18 Actual	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate
General Fund	-3.4%	-3.2%	-3.6%	-3.7%	-3.6%
Housing Revenue Account	30.3%	31.6%	32.0%	31.9%	32.8%

The General Fund generates a net interest receipt from treasury management investment on the money markets.

### Indicator 5 - Capital Financing Requirement (CFR)

The CFR is the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It measures the underlying need to borrow for capital purposes. The borrowing may not necessarily take place externally if the Council judges it prudent to make use of cash that it has invested to adopt an efficient and effective treasury management strategy. This is known as 'internal borrowing'.

The Housing Revenue Account self-financing debt is deemed to be capital expenditure under the regulations and forms part of the calculation of the CFR.

	2017-18 Actual £'000	2018-19 Estimate £'000	2019-20 Estimate £'000	2020-21 Estimate £'000	2021-22 Estimate £'000
General Fund	5,000	4,900	4,800	4,700	4,600
Housing Revenue Account	188,709	188,479	184,256	179,953	174,969
Total	193,709	193,379	189,056	184,653	179,569

### Indicator 6 - Gross debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, external debt should not, except in the short term, exceed the total of the capital financing

requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
Gross debt	176	171	166
Capital Financing Requirement (Indicator 5)	189	185	180

## Treasury Indicators

### Indicator 7 - External Debt

The prudential indicator for the authorised level of external debt is the focus of corporate decision making and managerial control as it is the immediate means by which Waverley complies with the legislative requirement to keep under review the amount it can afford to borrow.

The actual external debt is taken from Waverley's Balance Sheet.

Actual External Debt as at 31/03/2018	£m
Borrowing	184.0
Other Long-term Liabilities	0.0
Total	184.0

### Indicator 8 - Authorised limit for external debt

The Authorised Limit sets the maximum level of external borrowing, excluding investments, for Waverley and represents a limit beyond which Waverley cannot borrow until the indicator is reviewed or amended. It establishes the upper boundary of borrowing based on a realistic assessment of the risks and reflects a level of borrowing which, while not desirable, could be affordable but may not be sustainable.

It must also encompass borrowing for temporary purposes. While cash flows are currently managed using the investment portfolio it is possible that short-term borrowing may be necessary but is not currently expected.

This Prudential Indicator separately identifies borrowing from other long term liabilities.

In approving this limit, the Council is approving the limit as required under section 3(1) of the Local Government Act 2003.

	2017/18 Actual £m	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
General Fund	5	50	50	50	50
Housing Revenue Account	188	188	188	188	188
Total	193	238	238	238	238

## Indicator 9 - Operational Boundary

This indicator is a means by which Waverley manages its external debt to ensure it remains within the self-imposed authorised limit. It is the focus of day-to-day treasury management activity.

It is lower than the authorised limit in order to allow for cash flow variations that may lead to the occasional breach of the operational boundary. A breach is highly unlikely but any breach would then alert the Council to the imminent breach of the authorised limit and corrective action can then be taken.

The operational boundary distinguishes between borrowing and other long-term liabilities.

	2017-18 Actual £m	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
General Fund	5	40	40	40	40
Housing Revenue Account	188	188	188	188	188
Total	193	228	228	228	228

## Indicator 10 - Maturity Structure of Borrowing

The following table shows the amount of borrowing that is maturing in each period expressed as a percentage of total borrowing from 2019-20. This is all HRA borrowing.

	Upper Limit	Lower Limit
0 to 5 years	20%	20%
5 to 10 years	32%	32%
Over 10 years	48%	48%

## Indicator 11 - Total principal sums invested for periods longer than a year

Were Waverley to invest, or plan to invest, for periods longer than a year, it has set the following limits for each forward financial year for the maturing of such investments. This allows Waverley to contain its exposure to the possibility of loss that might arise as a result of having to borrow short term at higher interest rates or see early repayment or redemption of principal sums invested.

This indicator also demonstrates that Waverley is not borrowing more money than it needs, or in advance of need, purely to profit through investment from the extra borrowing.

	2018-19 Estimate £m	2019-20 Estimate £m	2020-21 Estimate £m	2021-22 Estimate £m
The upper limit of principal sums invested for periods of more than 365 days	20	20	20	20



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**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**CIL GOVERNANCE ARRANGEMENTS – CRITERIA AND FINANCIAL THRESHOLDS**

**[Portfolio Holder: Cllr Kevin Deanus]  
[Wards Affected: All]**

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**Summary and purpose:**

On 11 December 2018, Council approved outline governance arrangements for the allocation of Community Infrastructure Levy (CIL) receipts to enable the delivery of specific infrastructure projects that will support and mitigate impact of development in the Borough over the Local Plan period, including establishment of a CIL Advisory Board.

The CIL Advisory Board has met, and put forward proposals for its Terms of Reference and detailed governance arrangements for the allocation of CIL. The proposals have been scrutinised by the Value for Money and Customer Service Overview & Scrutiny Committee.

The Executive has considered the comments of the Overview & Scrutiny Committee and accepted the amendment to recommendation 5, which is reflected in the recommendation from the Executive to Council.

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**How this report relates to the Council's Corporate Priorities:**

The adoption of robust CIL Governance Arrangements will contribute to the Council's Strategic priorities of Place and Prosperity, through the allocation of funding to enable provision of infrastructure that supports communities and economic growth in the Borough.

**Equality and Diversity Implications:**

There are no direct Equality and Diversity implications arising from the CIL Governance Arrangements. There are no specific equality groups that will be directly affected by the proposed arrangements. It is expected that all residents/businesses will benefit from improvements to infrastructure in their local area and the Borough as a whole.

**Financial Implications:**

During the CIL Examination, it was estimated by Waverley's consultant that the CIL could potentially raise up to £94m towards infrastructure development in Waverley in the remainder of the Plan period up to 2032, assuming that the entire housing target is delivered during this time. The CIL Regulations 2010 (as amended) ("the Regulations") allow up to 5% of CIL receipts to be used for the administration costs of operating CIL.

**Legal Implications:**

The governance arrangements will be implemented in accordance with the CIL Regulations 2010 (as amended) ('the Regulations') and will also take account of Planning Practice Guidance.

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## **Background**

1. The Community Infrastructure Levy (CIL) is a charge that local authorities can impose on new development to raise funds to deliver infrastructure that is required to support the development and growth of their area.
2. Following independent examination, the Waverley Borough Council CIL Charging Schedule ('the CIL Charging Schedule') was adopted by Full Council on 31 October 2018 and will be effective from 1 March 2019.
3. Waverley's Regulation 123 List sets out the types of infrastructure that the Council may fund through CIL and those that will continue to be funded through Section 106 agreements. The Regulation 123 List, Instalment Policy, and Phasing and CIL-in-kind Policies were also adopted by Council on 31 October 2018.
4. CIL contributions are intended to fill infrastructure funding gaps and are not expected to provide the full costs associated with delivering and maintaining infrastructure. The Council must use the CIL funds for "the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area". The CIL cannot be used to resolve "historical deficits" of infrastructure provision.

## **Governance Arrangements for CIL at Waverley**

5. On 11 December 2018, Council approved outline governance arrangements for the allocation of Community Infrastructure Levy (CIL) receipts to enable the delivery of specific infrastructure projects that will mitigate the impacts of new development and support economic growth. The council agreed the establishment of a CIL Advisory Board that will consider bids for CIL in the future, but initially it was charged with developing the detailed governance arrangements, specifically:
  - drafting the detailed criteria for the spending of Strategic CIL receipts and any proposals for allocating proportions of the Strategic CIL Fund for specific purposes; and;
  - identifying a threshold for the delegation to the Executive of the approval of Strategic CIL Fund spending after consideration of the recommendations of the CIL Advisory Board.
6. Since Council, the CIL Advisory Board has been convened, with membership comprising:

Portfolio Holder for Planning (Operations)	Cllr Kevin Deanus
Portfolio Holder for Economic Development	Cllr Jim Edwards
Portfolio Holder for Finance	Cllr Ged Hall
Non-Executive Members x 4:	Cllr Brian Adams
	Cllr David Beaman
	Cllr Mary Forszewski
	Cllr Peter Martin

7. The Board has reviewed and agreed in principle draft Terms of Reference and these are attached at Annexe 1 to be endorsed by Council.
8. The Regulations state that the CIL is to be allocated as follows:
  - Administrative CIL: 5% of CIL receipts to be retained by Waverley Borough Council.
  - Neighbourhood CIL: 15%-25% of CIL receipts to be paid to Town and Parish Councils. In line with the Regulations, 15% of CIL receipts (capped at £100 per Council tax dwelling per annum in the parish area) will be transferred to Town and Parish Councils twice a year, where development has occurred in their area. This rises to 25% of CIL receipts (without any cap) for Town and Parish Councils that have made Neighbourhood Plans. The Neighbourhood CIL may be spent by Town or Parish Councils on a range of infrastructure projects, as long as it meets the requirement to support:
    - the development of the area by funding the provision, improvement, replacement, operation or maintenance of infrastructure; or
    - anything else that is concerned with addressing the demands that development places on the area.
  - Strategic CIL: the remaining 70-80% of CIL – the Strategic CIL Fund - is to be allocated to infrastructure projects by Waverley Borough Council. In allocating CIL funds to projects it will be important to maintain the strong link with the infrastructure categories set out on the Regulation 123 List, and projects identified in the Infrastructure Delivery Plan (IDP). The Regulations require that CIL funding must be for the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. CIL is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.

#### Criteria for spending of Strategic CIL Fund receipts

9. The CIL Advisory Board reviewed draft criteria and a scoring framework for evaluating bids for infrastructure from the Strategic CIL Fund. The broad criteria headings proposed are:
  - i. Delivering growth (up to 45 points/120)
  - ii. Community support (up to 25 points/120)
  - iii. Project cost (up to 25 points/120)
  - iv. Deliverability (up to 25 points/120)

The draft project evaluation template is attached at Annexe 2 and is recommended for approval by Council.

10. Whilst the Board felt that a points-based evaluation framework was as helpful evaluation tool, they were reluctant to recommend a points threshold that projects would have to reach before being considered for funding, without the experience of seeing the outcomes of the process during the first year of operation.

## Allocating proportions of the Strategic CIL Fund for specific purposes

11. The Board recognises the frustration that many councillors feel in relation to the significant level of development that has already been permitted prior to the implementation of CIL. The fact that this development has been concentrated in certain parishes, has exacerbated feelings of 'missing out' on funds that could have made a real contribution to infrastructure locally that would mitigate some of the impacts of contentious development.
12. The Board also recognised that it is likely that projects scoring highest for allocation of funds will be those from the County Council, for highways and education. There is a risk that the majority of CIL funds will be allocated to major, high value, projects and lower value – but still desirable – projects will not be funded.
13. In order to provide the opportunity for Town and Parish Councils to bid for lower value, locally desirable projects, the CIL Advisory Board recommends that the Strategic CIL Fund is 'bottom-sliced' to create a 'Communities CIL Fund' amounting to 10% of the Strategic CIL Fund. This will have a separate application process to the main Strategic CIL Fund, and as part of the assessment of bids consideration will be given to the amount of Neighbourhood CIL Funds the parish council has received over the past 2 years.
14. Whilst the projects to which the Communities CIL Fund may be allocated are more restricted than for the Neighbourhood Funds held by Town and Parish Councils, it will provide an opportunity for local communities to access funds for local infrastructure projects that can be completed quickly and deliver direct benefits to local residents.

## Threshold on the delegation to the Executive

15. The CIL Advisory Board considered what would be an appropriate upper limit on the delegation to the Executive to approve individual allocations of CIL, and agreed to recommend a threshold of £2.5m. Any individual project with a total cost in excess of £2.5m will need to be referred from Executive to Council for approval.

## Overview and Scrutiny Comments

16. The Value for Money and Customer Service O&S Committee considered this item at its meeting on 18 February 2019 and made the following observations.
  - The Committee agreed that it was important to have robust governance arrangements in place ready for when CIL money started to be received following 1 March 2019.
  - The Committee felt that the scoring matrix was a good starting point, and acknowledged that the ultimate test would be putting it into practice. A suggestion was made that the 'deliverability' section should come first in the matrix as any project would inevitably depend on this.
  - Members acknowledged that some flexibility was necessary, as it was likely that some tweaks would be needed during the first year.
  - The Committee noted that the report proposed that delegated authority be given to the CIL Advisory Board to make revisions to the governance arrangements, and was concerned that this would give the Board too much freedom to alter the financial thresholds.

17. The Committee considered the proposed recommendations from Executive and Council. It endorsed recommendations 1 – 4 as set out in the report and recommended the following amendment to recommendation 5.
5. Delegated authority is given to the CIL Advisory Board to **propose** revisions to the governance arrangements **that would be subject to the usual scrutiny process and** an annual report to the Executive and Council.

## **Conclusions**

18. In making its recommendations on the Terms of Reference of the CIL Advisory Board, the detailed evaluation criteria for assessing bids for funding, the creation of a Communities Fund within the Strategic CIL Fund, and setting a threshold of £2.5m for Executive approval of individual allocations, the Board recognised that there would need to be an annual review of the arrangements and the ability to revise them in the light of experience. The Terms of Reference therefore include responsibility for reviewing the CIL governance arrangements on an annual basis, and delegated authority is sought from Council for the CIL Advisory Board to make changes to the arrangements.

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## **Recommendation**

Having considered the comments of Value for Money & Customer Service Overview & Scrutiny Committee, the Executive recommends to Council that:

1. The CIL Advisory Board Terms of Reference as set out at Annexe 1 are endorsed.
2. The draft evaluation and scoring framework for assessment of bids for funding from the Strategic CIL Fund as set out at Annexe 2, are agreed.
3. The Strategic CIL Fund is 'bottom-sliced' to create a Community CIL Fund of 10% of the Strategic CIL Fund receipts, for funding low-value but desirable community infrastructure projects on application from parish councils, with priority being given to bids from parish councils with relatively low Neighbourhood CIL Fund receipts.
4. The delegation to the Executive to approve bids for allocation of Strategic CIL Funding, on the recommendation of the CIL Advisory Board is subject to an upper limit of £2.5m, above which approval reverts to Council.
5. Delegated authority is given to the CIL Advisory Board to propose revisions to the governance arrangements that would be subject to the usual scrutiny process and subject to an annual report to the Executive and Council.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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## **CONTACT OFFICER:**

**Name:** Graeme Clark  
Strategic Director (S151 Officer) **Telephone:** 01483 523099  
**E-mail:** graeme.clark@waverley.gov.uk

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**CIL ADVISORY BOARD**  
**DRAFT TERMS OF REFERENCE (v1)**

**1. Purpose**

- 1.1 The CIL Advisory Board has been established by Council [11 December 2018] to develop the detailed arrangements for the allocation, spending and reporting of CIL receipts, and oversee the arrangements thereafter; and, to make recommendations to the Executive on spending of CIL Strategic Fund receipts, after consideration of spending applications against agreed criteria.

**2. Functions**

- 2.1 The CIL Advisory Board will:

- i. Develop detailed arrangements for the allocation, spending and reporting of CIL receipts, subject to the agreement of Council.
- ii. Make recommendations to the Executive on the allocation of CIL receipts.
- iii. Make an annual report to the Executive on CIL receipts and spending (in accordance with Regulation ... of the CIL Regulations).
- iv. The CIL Advisory Board will review the arrangements for allocating CIL receipts annually, and report to the Executive and make recommendations to the Executive on any changes to the arrangements.
- v. The CIL Advisory Board will review its terms of reference annually and make recommendations to the Executive, as it deems appropriate.

**3. Membership**

- 3.1 The CIL Advisory Board will be appointed by the Leader of the Council on an annual basis, the Membership to be agreed by Council at the annual meeting of Council.

- 3.2 The CIL Advisory Board membership does not fall within the scope of the political proportionality requirements of the LG&HA1989, but will recognise as far as possible:

- a) the political make-up of the Council
- b) the geographical interests of the Council

- 3.3 The Membership will comprise:

- Portfolio Holder for Finance
- Portfolio Holder for Planning (Operations)
- Portfolio Holder for Economic Development
- Non-Executive Councillor x 4

- 3.4 There will be no substitutions in the event of members being unable to attend a meeting.
- 3.5 CIL spending is an Executive function, and the Chairman of the CIL Advisory Board will be the Portfolio Holder for Planning Operations (or whichever Executive portfolio includes responsibility for CIL).

#### **4. Quorum**

- 4.1 A meeting of the CIL Advisory Board may proceed provided there are at least *[two]* Executive Portfolio Holders and *[three]* Non-Executive Councillors present.

#### **5. Meetings**

- 5.1 The CIL Advisory Board will have scheduled meetings on a quarterly basis, with additional meetings called as required.
- 5.2 Meetings of the CIL Advisory Board are not held in public, and will not be webcast.
- 5.2 The agenda and papers for a meeting must be circulated at least three clear working days prior to the meeting. After each meeting the Chairman will agree the notes and any action points.

#### **6. Reporting**

- 6.1 The CIL Advisory Board will report to the Executive annually with recommendations on the allocation of CIL receipts to support infrastructure projects within the Borough.
- 6.2 The CIL Advisory Board will report to the Executive annually on the amount of CIL received and allocated/spent, in accordance with CIL Regulations (....).



**Strategic Community Infrastructure Levy (CIL) Project Scoring**

Applicant	
Project location	
Project description	
Amount of CIL funding requested	
Total cost of the project	

**Mandatory Requirements (to be completed by the CIL Officer)**

For a project to be assessed against the scoring criteria all of the mandatory requirements must be satisfied:

- The application form is completed satisfactorily.
- The organisation must be capable of carrying out the proposed project.
- The project must meet the terms of the CIL Regulations, as amended:
  - The project must be clearly defined as 'infrastructure'.
  - The CIL Regulations require that CIL funding must be for the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area.
  - The levy is intended to focus on the provision of new infrastructure and should not be used to remedy pre-existing deficiencies in infrastructure provision unless those deficiencies will be made more severe by new development.
- The project is listed as a CIL infrastructure type or project in the Council's Regulation 123 List

**Scoring Criteria**

If a project fulfils the mandatory requirements it will be assessed against the following scoring criteria by Officers.

**Delivering Growth (45)**

Will the project contribute towards the delivery of the adopted/emerging Local Plan?

Strong link to the delivery of the Local Plan (15)	Some link to the delivery of the Local Plan (10)	Very little direct delivery of the Local Plan (5)	No contribution to delivery of the Local Plan (0)
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What is the status of the project in the Infrastructure Delivery Plan (IDP)?

Critical (20)	Essential (15)	Desirable (10)	Other (5)	Not in the IDP (0)
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Does the project fit with the vision and mission of the Waverley Borough Council Corporate Strategy?

Strong link to Council priorities (10)	Some link to Council priorities (5)	No link to Council priorities (0)
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**Community Support (25)**

Is there a public benefit of the project?

Evidence of local and wider public benefit (10)	Evidence of local public benefit (5)	No evidence of public benefit (0)
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Is there evidence that the local community support the project?

Significant evidence of community support (5)	Some evidence of community support (3)	No evidence of community support (0)		
Is there evidence of support for the project from other stakeholder or organisations? (all that apply)				
County Council support (2)	District Council support (2)	Parish Council support (2)	Service provider support (2)	Other stakeholder support (2)
<b>Project Cost (25)</b>				
Is the project value for money (VfM)? (considering: project costs compared to benchmark costs, potential benefits and outcomes for the Borough, alternative funding sources available and the need for CIL, the added value which CIL could bring to the scheme)				
Excellent evidence that all aspects of the project are VfM (10)	Good evidence that most aspects of the project are VfM (7)	Some evidence that aspects of the project are VfM (5)	Limited evidence that the project is VfM (3)	Evidence does not demonstrate project is VfM (0)
Has the project received any previous CIL funding?				
No previous CIL funding sought or received (5)	Some CIL funding sought or received (3)		CIL funds previously sought or received; or unknown (0)	
Does the project have or unlock additional funding from other sources (e.g. grants or match-funding)?				
Over 75% funding from other sources (10)	50-74% funding from other sources (7)	25-49% funding from other sources (5)	Up to 25% funding from other sources (3)	No funding from other sources (0)
<b>Deliverability (25)</b>				
What evidence is there to suggest the project is deliverable? (considering: feasibility; if planning permission would be requirement; what type of bid is the project, e.g. feasibility, preliminary works or project ; is there a project plan which includes timetable and resources; what measures have been explored to minimise the risk of the project not being delivered)				
Strong evidence supporting deliverability of the project (15)	Good evidence supporting deliverability of the project (10)	Some evidence supporting deliverability of the project (5)	No/limited evidence supporting deliverability of the project (0)	
What is the delivery timescale for the project?				
Immediate (5)	Up to 5 years (4)	5-10 years (3)	10-15 years (2)	More than 15 years (1)
Have details been given as to how on-going maintenance will be provided for and the identification of the responsible party for the maintenance?				
Evidence of provider and cost for maintenance (5)	Evidence of provide but no cost for maintenance; or no evidence of provide but cost for maintenance (3)		No evidence of provider or cost for maintenance (0)	

<b>Project Score</b>	<b>/120</b>
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WAVERLEY BOROUGH COUNCIL

MINUTES OF THE STANDARDS COMMITTEE - 12 MARCH 2019

SUBMITTED TO THE COUNCIL MEETING – 19 MARCH 2019

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

**Present**

Cllr Michael Goodridge (Chairman)  
Cllr Kevin Deanus

Cllr John Gray  
Cllr John Ward

**Apologies**

Cllr Mike Band, Cllr Carole Cockburn, Cllr David Else, Cllr David Hunter and Cllr Robert Knowles

STD 23/18MINUTES (Agenda item 1.)

The Minutes of the Meeting held on 21 January 2019 were confirmed as a correct record and signed.

STD 24/18APOLOGIES FOR ABSENCE (Agenda item 2.)

Apologies for absence had been received from Councillors Mike Band, Carole Cockburn, David Else, David Hunter, and Robert Knowles.

The Town & Parish representative, Mrs Joan Holroyd was not required for this meeting.

STD 25/18DISCLOSURES OF INTERESTS (Agenda item 3.)

There were no disclosures of interests.

STD 26/18QUESTIONS BY MEMBERS OF THE PUBLIC (Agenda item 4.)

There were no questions from members of the public.

STD 27/18QUESTIONS FROM MEMBERS (Agenda item 5.)

There were no questions from Members.

**PART I - RECOMMENDATIONS TO THE COUNCIL**

Background Papers

Unless specified under an individual item, there are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to the reports in Part I of these minutes.

STD 28/18 APPOINTMENT OF INDEPENDENT PERSONS - UPDATE (Agenda item 6.)

- 28.1 The Monitoring Officer updated the Committee on recruitment to the panel of Independent Persons with effect from May 2019. As previously reported to the Standards Committee, Waverley was participating in a joint recruitment process with Guildford, Epsom & Ewell, Mole Valley, Reigate & Banstead, Spelthorne, and Surrey Heath to appoint a panel of at least three Independent Persons for a 4-year term commencing May 2019, with any of the appointed Independent Persons being able to act for any of the councils.
- 28.2 Since the meeting of the Standards Committee on 21 January 2019, the positions had been advertised on the websites of the seven councils. Seven applications had been received: four from current Independent Persons to Surrey districts, who had applied to continue in their role; and three new applications.
- 28.3 The respective Monitoring Officers recommended the re-appointment of the four current Independent Persons for a further term. The three new applicants had been interviewed by a panel of Monitoring Officers from the participating councils, and all three were recommended for appointment.
- 28.4 As a result of the joint recruitment exercise, therefore, the Monitoring Officers of the seven Surrey districts recommended that the following be appointed as Independent Persons, with any of the councils able to use any of the Independent Persons:

**Recommended for re-  
appointment:**

Vivienne Cameron  
Roger Pett  
Bernard Quorroll  
John Smith

**Recommended for  
appointment:**

Paul Eaves  
Bill Donnelly  
Liz Lawrence

- 28.5 The Committee was pleased to see that there had been a good response to the advertisement and felt that the number of Independent Persons recommended for appointment was sufficient for the number of councils they would be supporting. The Committee noted that the Independent Persons were not paid an allowance under the Scheme of Allowances, but were able to claim expenses incurred whilst acting for a council.
- 28.6 The Standards Committee RESOLVED to recommend to Council that the above named be appointed as Independent Persons for Waverley, for a 4-year term from May 2019.

STD 29/18 MEMBERS' CODE OF CONDUCT (Agenda item 7.) (Pages 7 - 16)

- 29.1 The Standards Committee reviewed the proposed changes to the Members' Code of Conduct at its meeting on 21 January 2019. The Committee had noted that the proposed amendments aimed to provide additional clarification on the core principles of the Code, and address some procedural matters on

which the Code was currently silent in relation to recording sensitive information on the Register of Interests, removal of entries from the Register, and dispensations.

- 29.2 The Committee had noted that the proposed amendments did not impose any additional burdens on Members, and they had been broadly supportive of the clarifications proposed. However, there had been three parts of the proposed changes that the Committee had felt needed more clarification.
- 29.3 The new text at paragraphs 1(7) and 1(8) had previously been presented as one paragraph. At the request of the Committee, the separate elements had been split across two paragraphs.
- 29.4 The wording of Paragraph 5(6), relating to recording of sensitive interests on the Register of Interests, had been simplified as far as possible. The inclusion of this paragraph was important, as it made clear to councillors that there were circumstances when an interest legitimately might not be included in the published Register of Interests; and it made clear to the public that there were situations when with the agreement of the Monitoring Officer, a councillor might withhold the detail of a specific interest from the published Register. The Minister for Local Government, in his letter to Local Authority Leaders dated 7 March 2019, had encouraged Monitoring Officers to look sympathetically on requests by councillors to treat interests as 'sensitive' where there were legitimate concerns about abuse or intimidation.
- 29.5 At the previous meeting, Committee members had been concerned that the wording of Paragraph 7 would preclude them from taking part in any decisions other than those of the types specified. Officers explained that this paragraph had to be read in the context of previous paragraph 5(1) which stated that councillors should not participate in decisions where they could be reasonably seen as having an interest. For example, a councillor who has registered an interest (ownership) of a property in Waverley might be seen as having an interest in the setting of council tax. For the avoidance of any doubt, Paragraph 7 provided a dispensation to all members to take part in decisions on setting council tax, setting councillor allowances, and setting council house rents.
- 29.6 The Committee was satisfied with the further clarification provided on these parts of the Code of Conduct.
- 29.7 The Committee noted that at the end of January 2019, the Committee on Standards in Public Life published its long-awaited report on Local Government Ethical Standards. Officers would be reviewing the Code of Conduct, the Members' Planning Code of Good Practice, and the Arrangements for dealing with complaints against councillors, in the light of the recommendations in the report and recent experience of applying the Arrangements, and bringing forward a report to a future meeting of the Committee.

- 29.8 The Committee RESOLVED to RECOMMEND to Council that the revised Members' Code of Conduct (attached) be approved, and that all Waverley Town and Parish Councils be sent the revised Code of Conduct and encouraged to adopt the changes in their own Codes in order to maintain consistency with their Principal Authority.

STD 30/18 REVIEW OF SCHEME OF DELEGATION (Agenda item 8.) (Pages 17 - 48)

- 30.1 The Standards Committee reviewed the proposed changes to the Scheme of Delegation to Officers, which officers had requested in the light of experience since the revision of the Scheme in 2017. The Committee had reviewed the proposals at its meeting on 21 January 2019 and had been broadly supportive. However, there were three aspects of the proposed revisions on which the Committee had asked for further information.
- 30.2 New Paragraph 8A (Delegation to the Section 151 Officer) would avoid the need to take new or revise fees and charges to Council mid-year, such as the new Animal Welfare (Licensing of Activities Involving Animals) fee schedule that had been approved by Council in December 2018, and so avoid potential loss of income whilst waiting for Council approval. The delegation to the S151 Officer would be in consultation with the Portfolio Holder for Finance, and Council would still retain responsibility for approving the complete Schedule of Fees and Charges as part of the annual budget-setting. The Committee noted that setting of car parking charges was outside the scope of the Fees and Charges Schedule.
- 30.2 The Committee had asked for Officers to review the wording for the delegation to the Head of Customer and Corporate Service on administration of the Council's estate and property portfolio, at Paragraph 17, as it did not reflect the role of the Investment Advisory Board in making recommendations to the Executive on acquisitions or disposals of land or property.
- 30.3 The Committee noted that a distinction had been made in the new proposals between administration of the Council's ownership of land or property (in Paragraph 17A) and the Council's other interests in land or property, such as easements or leases, that fell outside of the remit of the Investment Advisory Board (in Paragraph 17B).
- 30.4 The Committee suggested some further amendments to the wording, subject to which they were happy to recommend the revisions to Council. The Committee also noted that the Scheme would need to be updated to reflect the changes in responsibilities of the Senior Management Team with effect from 1 March 2019, and the opportunity would be taken to tidy up the numbering of the sections and paragraphs within the Scheme.
- 30.5 Subject to the further clarification of Paragraphs 17A and 17B, the Standards Committee RESOLVED to RECOMMEND to Council that the revised Scheme of Delegation to Officers (attached) be approved.

**PART II - MATTERS OF REPORT**

There were no matters of report.

**The meeting commenced at 4.00 pm and concluded at 4.45 pm.**

**Chairman**

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**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**APPOINTMENT OF INDEPENDENT PERSONS**

**[Wards Affected: All]**

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**Summary and purpose:**

Under the Localism Act 2011, the standards arrangements adopted by the Council are required to include provision for the appointment of at least one Independent Person. Waverley currently has three Independent Persons, whose term of office ends in May 2019.

Following a joint recruitment process with Guildford, Epsom & Ewell, Mole Valley, Reigate & Banstead, Spelthorne, and Surrey Heath councils, the Standards Committee has endorsed the recommendation of the Monitoring Officers of the seven councils on the appointment of a panel of seven Independent Persons to serve a 4-year term commencing May 2019, with any of the appointed Independent Persons being able to act for any of the councils.

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**How this report relates to the Council's Corporate Priorities:**

Good governance and high standards of conduct support the delivery of all of the Council's corporate priorities.

**Equality and Diversity Implications:**

There are no Equality and Diversity implications.

**Financial Implications:**

Each Independent Person is able to claim travel/mileage expenses in connection with performing their duties, which is met from the Members' Allowances budget.

**Legal Implications:**

The legal implications are set out in the body of the report. It is necessary for full Council to approve the appointment of the Independent Person(s).

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**Introduction**

1. Section 28(7) of the Localism Act 2011 requires the standards arrangements adopted by the Council to include provision for the appointment of at least one Independent

Person, whose views must be sought by the Council before it takes a decision on an allegation which it has decided shall be investigated, or at any other stage. The Member against which an allegation has been made can also consult them.

2. In 2012, Waverley worked with Guildford, Spelthorne and Mole Valley borough councils to recruit three Independent Persons, and appointed Tony Allenby, Vivienne Cameron and Bernard Quorroll as Waverley's Independent Persons for an initial term to May 2013, which was subsequently extended to May 2015. On 17 February 2015, Council agreed to re-appoint Tony Allenby, Vivienne Cameron and Bernard Quorroll as Waverley's Independent Persons for a further term, to May 2019.
3. Section 28(8) of the Localism Act 2011 sets out the test of independence in the following terms:
  - (a) *a person is not independent if the person is—*
    - (i) *a member, co-opted member or officer of the authority,*
    - (ii) *a member, co-opted member or officer of a parish council of which the authority is the principal authority, or*
    - (iii) *a relative, or close friend, of a person within sub-paragraph (i) or (ii);*
  - (b) *a person may not be appointed under the provision required by subsection (7) if at any time during the 5 years ending with the appointment the person was—*
    - (i) *a member, co-opted member or officer of the authority, or*
    - (ii) *a member, co-opted member or officer of a parish council of which the authority is the principal authority;*
  - (c) *a person may not be appointed under the provision required by subsection (7) unless—*
    - (i) *the vacancy for an independent person has been advertised in such manner as the authority considers is likely to bring it to the attention of the public,*
    - (ii) *the person has submitted an application to fill the vacancy to the authority,*  
*and*
    - (iii) *the person's appointment has been approved by a majority of the members of the authority;*
  - (d) *a person appointed under the provision required by subsection (7) does not cease to be independent as a result of being paid any amounts by way of allowances or expenses in connection with performing the duties of the appointment.*

### **Recruitment of Independent Persons for 2019-2023**

4. For the latest recruitment, the Monitoring Officers of seven Surrey boroughs and districts agreed to undertake a joint recruitment with the intention of appointing at least three Independent Persons for a 4-year term from May 2019, with any of the appointed Independent Persons being able to act for any of the participating councils: Guildford, Epsom & Ewell, Mole Valley, Reigate & Banstead, Spelthorne, Surrey Heath, and Waverley. Serving Independent Persons were eligible for re-appointment.
5. The positions were advertised on the websites of each of the participating councils at the end of January for three weeks. Seven applications were received: four from current Independent Persons to the participating councils who applied to continue in their role, and three new applications.

6. The respective Monitoring Officers recommended the re-appointment of the four current Independent Persons for a further term. The three new applicants were interviewed by a panel of Monitoring Officers from the participating councils, and all three are recommended for appointment.

### **Conclusion**

- 7 Following the joint recruitment process with Guildford, Epsom & Ewell, Mole Valley, Reigate & Banstead, Spelthorne, and Surrey Heath councils, the Standards Committee has endorsed the recommendation of the Monitoring Officers of the seven councils, and now recommends to Council that the persons named below, are appointed as Independent Persons for a 4-year term commencing May 2019, with any of the appointed Independent Persons being able to act for any of the councils.

**Recommended for re-appointment:**

Vivienne Cameron  
Roger Pett  
Bernard Quorroll  
John Smith

**Recommended for appointment:**

Paul Eaves  
Bill Donnelly  
Liz Lawrence

### **Recommendation**

The Standards Committee RECOMMENDS to Council that the persons named above be appointed as Independent Persons for Waverly, for a 4-year term from May 2019.

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### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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### **CONTACT OFFICER:**

**Name:** Robin Taylor  
Monitoring Officer

**Telephone:** 01483 523108  
**E-mail:** robin.taylor@waverley.gov.uk

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**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**REVIEW OF MEMBER CODE OF CONDUCT**

**[Portfolio Holder: Cllr Julia Potts]  
[Wards Affected: All]**

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**Summary and purpose:**

Waverley adopted a local *Members' Code of Conduct and Arrangements for dealing with complaints under the Code of Conduct* on 17 July 2012, in accordance with the requirements of the Localism Act 2011. The Code of Conduct, Arrangements for dealing with Complaints, and the Planning Code of Conduct, were reviewed in 2016, and revised versions agreed by Council on 18 October 2016.

This report proposes a number of additions to the Members' Code of Conduct which provide additional clarification on the core principles of the Code, and address some procedural matters on which the Code is currently silent.

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**How this report relates to the Council's Corporate Priorities:**

Confidence in high standards of conduct is a key part of understanding and responding to our residents' needs.

**Financial Implications:**

There are no budget implications, and the operation of the new Code has generally been accommodated within existing budgets over the last four financial years.

**Legal Implications:**

The Council is under a range of duties under the Localism Act and operating the Code and arrangements is a key part of discharging these duties. The Council can choose to amend its Code or arrangements when it considers appropriate. Specific legal considerations are explained and addressed within the report.

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**Introduction**

1. The Localism Act 2011 gave Councils an explicit duty to promote and maintain high standards of Member conduct. It obliged the Council to adopt a Code dealing with the high standard of conduct that is expected of Members when acting in their official capacity.
2. The Members' Code of Conduct, Planning Code of Good Practice, and Arrangements for dealing with complaint about Members were adopted in July 2012 and

subsequently revised in October 2016, the revisions reflecting and providing clarification on issues that had arisen through complaints submitted to the Monitoring Officer.

3. The Monitoring Officer team has considered the Code of Conduct in the light of recent complaints, and requests for advice; information from other local authorities; and also as part of the preparations for induction and training of councillors after the May 2019 elections. As a result of these considerations, it is suggested that there are a number of matters where more clarification could be provided to councillors in relation to the code of conduct.

### Recommended changes

4. Annexe 1 sets out the text of the existing Code of Conduct with all suggested amendments highlighted in red. The Standards Committee has reviewed the proposed changes at its meeting in January 2019, and again in March 2019 after seeking further clarification on certain matters.
5. The following table summarises the key changes that have been put forward and why, with the revisions requested shown in bold.

#### 5.1 Suggested Amendments to Waverley Code of Conduct

Where	What	Why
<i>Paragraph 1 (1)</i>	<i>Includes explicit reference to Members being bound by the Code when using email and social media platforms.</i>	<i>For the avoidance of any doubt, and recognising the increased use of email and social media such as Facebook or Twitter to engage with residents.</i>
<i>Paragraph 1 (3)</i>	<i>Clarifies the detail of the Nolan principles.</i>	<i>For the avoidance of doubt.</i>
<i>Paragraph 1 (5)</i>	<i>Clarification of definition of terms used in the Code.</i>	<i>For the avoidance of doubt.</i>
<i>Paragraph 1 (7)</i>	<i>New! Clarification that allegations of a breach of the Code will be dealt with in accordance of the agreed Arrangements.</i>	<i>In the interests of transparency. To make explicit what is already referred to by cross-references between this code and the Arrangements for dealing with complaints against a councillor or co-opted Member.</i>
<i>Paragraph 1 (8)</i>	<i>New! Clarification of the legal sanctions that may arise from failure to register a Disclosable Pecuniary Interest in accordance with the Localism Act.</i>	<i>In the interests of transparency. To make explicit the ramifications of failing to register a Disclosable Pecuniary Interest.</i>

<i>Paragraph 2 (2)</i>	<i>Specifically addresses the need to observe protected characteristics under the equality enactments.</i>	<i>For the avoidance of doubt.</i>
<i>Paragraph 2 (8)</i>	<i>Specific cross reference to the Planning Code of Best Practice and Member/Officer Protocol</i>	<i>For the avoidance of doubt.</i>
<i>Paragraph 5 (1)</i>	<i>Clarification that Members must not participate in any decision where they may be seen as having a conflict of interests.</i>	<i>To promote public transparency. To support the Monitoring Officer in providing advice to members on the implications of their interests.</i>
<i>Paragraph 5 (6)</i>	<i>Clarification of the arrangements in relation to public disclosure of sensitive information as part of a Member's register of interests.</i>	<i>For the avoidance of doubt that this facility is available in circumstances where a councillor is concerned that public disclosure of sensitive information may lead to abuse or intimidation.</i>
<i>Paragraph 5 (7)</i>	<i>Clarification that entries on the register of interests will be removed once the Monitoring Officer is advised that the Member no longer has the interest, or they cease to be an elected councillor or co-opted Member.</i>	<i>For the avoidance of doubt.</i>
<i>Paragraph 7</i>	<i>Clarification that notwithstanding paragraph 5(1), elected councillors may participate in Council business in respect of housing (even if they are a Council tenant), agreeing the Members Allowances Scheme, and setting the council tax precept.</i>	<i>For the avoidance of doubt.  See the background set out in paragraphs 5.2-5.9, below for the explanation of the purpose of this paragraph.</i>
<i>Paragraph 9</i>	<i>New! The Code is currently silent on the arrangements for considering and granting requests for dispensations. This paragraph confirms that the Monitoring Officer will consider requests and may grant dispensations that fall within the specified criteria.</i>	<i>For the avoidance of doubt (this was part of the agreement of the new Standards Arrangements by Council on 17 July 2012, but not explicitly referred to in the Code of Conduct).</i>

- 5.2 The Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 introduced “Disclosable Pecuniary Interests” and new rules on the grant of dispensations to allow Council Members to take part in decisions or vote on matters in which they have a Disclosable Pecuniary interest (“DPI”). Where a Member has a DPI, they cannot speak and/or vote on a matter in which they have such an interest, unless they have obtained a dispensation in accordance with the requirements of section 33 of the Localism Act.
- 5.3 Previously, the national model Code of Conduct for Members specifically stated that Members would not have a prejudicial interest in certain circumstances that potentially affected the majority or a large number of Members. These general exemptions included an interest in any business of the Council which related to:
- (i) housing, where the Member was a tenant of the council (provided that, those functions did not relate particularly to the Member’s own tenancy or lease)
  - (ii) an allowance, payment or indemnity given to members and
  - (iii) setting the council tax or a precept under the Local Government Finance Act 1992
- 5.4 The arrangements on DPIs introduced by the Localism Act did not reproduce any of the “general exemptions” set out above. The matters listed above are likely to constitute a DPI, which would prevent Members having such an interest from participating in the decision-making process if they do not have a dispensation.
- 5.5 In February 2012, the Parliamentary Under Secretary of State wrote to all Local Authority Leaders in relation to this issue and stated:
- “some council monitoring officers are informing their councillors that being a council tax payer is a disclosable interest in any budget debate. Councillors are then informed that they would be committing a criminal offence if they speak or vote in that debate unless they obtain a formal dispensation.*
- .....in our opinion, such dispensations are unnecessary”*
- 5.6 Whilst this is not statutory guidance and has not been tested in court, .Waverley’s approach has been to rely on guidance issued. However, for the avoidance of any doubt, it is proposed to include in the Member Code of Conduct a blanket dispensation to all Members to enable them to make decisions on the matters specified, notwithstanding them having registered a DPI that would otherwise exclude them from participating.
- 5.7 All Members explicitly sign up to the Code of Conduct as part of their Declaration of Acceptance of Office, therefore the dispensation is granted for the 4-year period of their term of office.

### **Committee on Standards in Public Life**

6. In January 2019, the Committee on Standards in Public Life published its report on Local Government Ethical Standards. The report looks at the current framework governing the behaviour of local government councillors and executives in England and makes a number of recommendations to promote and maintain the standards expected by the public.



7. The Monitoring Officer will review the report and compare recommended best practice against Waverley's arrangements, and bring a report with recommendations where appropriate to the June meeting of the Standards Committee.

## **Conclusion**

8. The proposed amendments to the Members' Code of Conduct do not add any additional burdens on Waverley Members, but provide clarification on a number of areas, which may be helpful to newly elected members in particular.
9. A further review of Waverley's Standards framework will be undertaken against the recommendations of the report of the Committee on Standards in Public Life on Local Government Ethical Standards.
10. Given the number of twin- and triple-hatted councillors in Waverley, Committee felt that it would be helpful to share the updated Code of Conduct with Waverley Towns and Parishes, and encourage them to consider adopting the latest revisions to avoid any confusion that might arise from a councillor having to abide by two or three different Codes of Conduct.

## **Recommendation**

The Standards Committee RECOMMENDS to Council that the revised Waverley Members' Code of Conduct be approved, and that all Waverley Towns and Parish Councils are sent the revised Code of Conduct and encouraged to adopt the changes in their own Code of Conduct in order to maintain consistency with their Principal Authority.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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## **CONTACT OFFICER:**

**Name:** Robin Taylor  
Monitoring Officer

**Telephone:** 01483 523108  
**E-mail:** [robin.taylor@waverley.gov.uk](mailto:robin.taylor@waverley.gov.uk)

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# The Waverley Members' Code of Conduct

The Waverley Members' Code of Conduct was adopted by Council on 17 July 2012, and amended by Council on 18 October 2016.

## Introduction and Interpretation

1. (1) This Code applies to you as a Member of Waverley Borough Council ("the Council") when you act in your role as a Member, **including the use of email or social media platforms.**
- (2) You are a representative of the Council and the public will view you as such. Your actions can impact on how the Council as a whole is viewed.
- (3) **Waverley is under a duty to promote and maintain high standards of conduct by Members.** This Code is based on and is consistent with the seven "Nolan principles" of public life set out in Section 28 Localism Act 2011 which Waverley endorses:
  - (a) **Selflessness.** Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
  - (b) **Integrity.** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
  - (c) **Objectivity.** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
  - (d) **Accountability.** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
  - (e) **Openness.** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
  - (f) **Honesty.** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
  - (g) **Leadership** Holders of public office should promote and support these principles by leadership and example.

~~Waverley is under a duty to promote and maintain high standards of conduct by members.~~

(4) It is your responsibility to comply with the provisions of this Code when acting in your capacity as a Member.

(5) In this Code:

(i) “Member” includes **elected councillors**, and co-opted or appointed members ~~and an appointed member~~.

(ii) A “Disclosable Pecuniary Interest” is an interest within the prescribed descriptions set out in Annexe 1 that you have personally, or that is an interest of your spouse or civil partner, a person with whom you are living as husband and wife, or a person with whom you are living as if you were civil partners, and you are aware that that person has the interest.

(ii) “meeting” means any meeting of

- (a) the Council
- (b) the Executive
- (c) any of the Council’s committees, sub-committees, joint committees, joint sub-committees, area committees, ~~Special—~~  
~~interest Groups~~, working groups, panels or Boards.

~~“Member” includes a co-opted member and an appointed member.~~

(6) If you are unsure about whether or not the code of conduct applies to a particular situation, you should consult the Monitoring Officer or Deputy Monitoring Officer.

(7) A failure of a Member to comply with this Code of Conduct will be dealt with in accordance with the Arrangements approved by the Council under which allegations of such failure can be investigated and decisions on such allegations be made.

(8) Failure to take appropriate action in respect of a Disclosable Pecuniary Interest may also result in a criminal conviction and a fine of up to £5,000 and/or disqualification from office for a period of up to five years.

## General Obligations

2. (1) **You must** always treat **others** (including member colleagues, officers, other organisations and members of the public) with respect.

(2) **You must not do** anything which may cause the Council to breach any of the equality enactments (as defined in section 33 of the Equality Act 2010).

- (3) **You must not** conduct yourself in a manner which is contrary to the Council's duty to promote and maintain high standards of conduct by Members.
- (4) **You must not** disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:
  - (i) you have the consent of a person authorised to give it;
  - (ii) you are required by law to do so;
  - (iii) the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
  - (iv) the disclosure is:
    - (aa) reasonable and in the public interest;
    - (bb) made in good faith and in compliance with the reasonable requirements of the Council; and
    - (cc) you have consulted the Monitoring Officer or taken other independent legal advice prior to its release.

This particularly includes Waverley Borough Council reports which are exempt, which remain confidential until released by a resolution of the Executive or Committee of the Council.

- (5) **You must not** prevent another person from gaining access to information to which that person is entitled by law.
- (6) **You must not** use or attempt to use your position as a Member improperly to confer on or secure for yourself or any other person an advantage or disadvantage.
- (7) **You must not** undertake any action that could be regarded as harassment, intimidation and/or bullying of member colleagues, officers, or members of the public.
- (8) **In addition to compliance with this Member Code of Conduct, you are expected to comply with the following codes:**
  - (i) **Planning Code of Best Practice**
  - (ii) **Member/Officer Protocol**

3. When using or authorising the use by others of the resources of the Council:
  - (1) **Do** act in accordance with the Council's reasonable requirements and policies;
  - (2) **Do** ensure that such resources are not used improperly for political purposes (including party political purposes); and
  - (3) **Do** have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

### **Gifts and Hospitality**

4. (1) **Do** exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a Member.
  - (2) **Do not** accept significant gifts or hospitality from persons seeking to acquire, develop or do business with the Council or from persons who may apply to the Council for any permission, licence or other significant advantage.
  - (3) **Do** register with the Monitoring Officer any gift with an estimated value of at least £50 or hospitality with an estimated value of at least £100 within 28 days of its receipt.

### **Registration of Interests**

5. (1) **As a Member of the Council you must avoid participating in any decision where you could reasonably be seen as having an interest which compromises your honesty or objectivity. Equally, you should avoid any action which might reasonably lead others to conclude that you were not acting selflessly or with integrity. In order to assist with this and promote openness and accountability, the Monitoring Officer must, by law, establish and maintain a register of interests, open for inspection by the public at the Council's offices and publicly accessible on the Council's website.**
  - (2) **You must** notify the Monitoring Officer of your Disclosable Pecuniary Interests, or other interests which the Council has decided are appropriate for registration (those listed in paragraph 5(4)). On election, you must do this within 28 days of being elected or appointed to office. Details of disclosable pecuniary interests are set out in the Annexe to this Code. You should give sufficient detail of the interests for a member of the public to understand where there might be a conflict of interest.
  - (3) **Do** similarly notify the Monitoring Officer of any Disclosable Pecuniary Interest or other interests not already registered within 28 days of your re-election or re-appointment to office. If any of these change you should update your Register of Interests entry promptly.

- (4) **Do** be aware that Disclosable Pecuniary Interests include not only your interests but also the interests of your spouse or civil partner, a person with whom you are living as husband or wife or a person with whom you are living as if they were a civil partner, so far as you are aware of the interests of that person. They also apply to any past and reasonably expected future occupational pension, office, trade, profession or vocation as well as present ones.
- (5) **Do** be aware that the Council has decided that it is appropriate for you to register and disclose non-pecuniary interests that arise from your membership of or your occupation of a position of general control or management in the following bodies –
- (i) bodies to which you have been appointed or nominated by the Council;
  - (ii) bodies exercising functions of a public nature;
  - (iii) bodies directed to charitable purposes;
  - (iv) bodies one of whose principal purposes include the influence of public opinion or policy.
- (6) **Sensitive Information** Where a Member of the council has an interest (whether or not a Disclosable Pecuniary Interest) and the nature of the interest is such that they, and the Monitoring Officer, consider that disclosure of the details of the interest could lead to the Member (or a person connected to them) being subject to violence or intimidation, then;
- (a) if the interest is entered in the Register of Interests, copies of the register that are made available for inspection or published on the Council's website, must not include details of the interest (but may state that the Member has an interest the details of which are withheld under this provision of the Code).
  - (b) where a disclosable pecuniary interest is not entered on the Register of Interests and would otherwise require disclosure at a meeting, the Member shall be entitled to merely disclose at the meeting the fact that they have such an interest in the matter concerned.
- (7) **Removal of entries in the register** An entry in the register of interests will be removed once the person concerned no longer has the interest or is neither a councillor nor a co-opted Member of the council (other than transitorily on re-election or re-appointment).

## Disclosure of Interests and Participation

6. (1) **Do** disclose to a meeting at which you are present any disclosable pecuniary interest, or other interest which the Council has decided is appropriate for disclosure (see paragraph 5(4) above) as soon as you become aware of it.
- (2) **Do** notify the Monitoring Officer of any interest not already registered that is disclosed to a meeting under paragraph 6(1) above within 28 days of the disclosure.
- (3) **Do not** participate in any discussion, or vote, where you have a disclosable pecuniary interest in a matter. **Do** withdraw from the meeting during the consideration of the matter.
- (4) **Do** declare any other non-pecuniary interest(s) that you consider to have sufficient weight so as to undermine your ability to make an open-minded and objective decision. Where this is the case, **do** exclude yourself from consideration of the item by withdrawing from the chamber for the duration of it being discussed.

In making a judgement about whether a non-pecuniary interest is of sufficient weight as to undermine your objectivity, you should consider what an ordinary member of the public, with knowledge of the relevant facts, would think.

7. Notwithstanding the provisions of Paragraph 5 (1), **you may** participate in any business of the Council where that business relates to the Council's functions in respect of:
  - (a) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
  - (b) agreeing an allowance, payment or indemnity given to councillors or co-opted members; and
  - (c) setting council tax or a precept under the Local Government Finance Act 1992.

## Decision-making and Predetermination

8. (1) Where you have been involved in campaigning in your political role on an issue which does not impact on your personal and/or professional life, you should not be prohibited from participating in a decision in your political role as a Member.
- (2) However, **do not** place yourself under any financial or other obligation to outside individuals or organizations that might seek to influence you in the performance of your official duties.
- (3) When making a decision, **do** consider the matter with an open mind and on the facts before the meeting at which the decision is to be made, listening to the



advice of relevant parties, including advice from officers, and taking all relevant information into consideration, remaining objective and making decisions on merit. Whilst this is particularly relevant for Planning and Licensing Committees, it also applies to other decision-making.

## **Dispensations**

9. (1) A councillor or co-opted member with a disclosable pecuniary interest in a matter may submit a written request to the Monitoring Officer for the grant to a dispensation allowing that councillor or co-opted member to participate in any discussion and/or vote on that matter at a meeting.
- (2) The Monitoring Officer may, after having had regard to all relevant circumstances, grant a dispensation allowing that councillor or co-opted member only if they consider that without the dispensation:
  - (a) the number of persons prohibited from participating in any particular business in relation to the matter would be so great a proportion of the body transacting the business as to impede the transaction of that business, or
  - (b) each member of the Executive would be prohibited from participating in any particular business to be transacted by the Executive in relation to the matter.
  - (c) the representation of different political groups on the body transacting the particular business would be so upset as to alter the likely outcome of any vote relating to that business, or
  - (d) granting the dispensation is in the interests of persons living in the borough, or
  - (e) it is otherwise appropriate to grant the dispensation.
- (3) Any dispensation granted must specify the period for which it has effect, and the period specified may not exceed four years.

## **ANNEXE 1 – DISCLOSABLE PECUNIARY INTERESTS**

### **1. Employment, office, trade, profession or vocation**

Any employment, occupational pension, office, trade, profession or vocation carried on for profit or gain. If your employment relates to any Waverley service or function you should give full details, including any details of past, present or future contracts with an organisation seeking any permission or licence for Waverley.

### **2. Sponsorship**

Any payment or provision of any other financial benefit (other than from the Council) made or provided within the period of 12 months ending with the day on which you give a notification for the purposes of section 30(1) or section 31(7) of the Localism Act 2011 in respect of any expenses incurred in carrying out your duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

### **3. Contracts**

Any contract which is made between you (or a body in which you have a beneficial interest) and the Council-

- (a) under which goods or services are to be provided or works are to be executed; and
- (b) which has not been fully discharged.

### **4. Land and property**

Any beneficial interest in land or property which is within the area of the Council. This includes your own home if you own it.

### **5. Licences or Tenancies**

Any licence (alone or jointly with others) to occupy land in the area of the Council for a month or longer.

### **6. Corporate Tenancies**

Any tenancy where (to your knowledge)-

- (a) the landlord is the Council; and
- (b) the tenant is a body in which you have a beneficial interest.

### **7. Securities and Shares**

Any beneficial interest in securities of a body where-

- (a) that body (to your knowledge) has a place of business or land in the area of the Council; and
- (b) either-
  - (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

- (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you have a beneficial interest exceeds one hundredth of the total issued share capital of that class.

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**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**SCHEME OF DELEGATION – REVIEW**

**[Portfolio Holder: Cllr Julia Potts]**

**[Wards Affected: All]**

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**Summary and purpose:**

The Scheme of Delegation to Officers was comprehensively reviewed and revised in 2017. Officers have proposed revisions to the Scheme of Delegation, based on their experience of using the Scheme over the past 12 months.

The Standards Committee recommends to Council that the revised Scheme of Delegation is approved.

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**How this report relates to the Council's Corporate Priorities:**

The Council's ability to make day-to-day decisions through its Scheme of Delegation is key to operating efficiently and effectively for Waverley customers.

**Equality and Diversity Implications:**

There are no equality and diversity implications.

**Financial Implications:**

There are no direct finance implications arising from the report.

**Legal Implications:**

In order to function effectively, the Council (as a 'creature of statute') must ensure that its statutory powers and functions are effectively delegated down through its Executive and Committee structure and to officers, with functions and responsibilities lying at the appropriate level of delegation. It is unlawful for officers to act without correctly delegated powers. Therefore any failure to have in place an appropriate and accurate scheme of delegation means that any actions relating to undelegated or improperly delegated matters must be approved by the full Council. Such a situation is entirely impractical. Further, where action is taken and appropriate delegations are not in place, the Council could incur substantial legal costs.

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**Background**

1. The Scheme of Delegation to Officers of Council and Executive responsibilities enables the Council to operate on a day to day basis, without recourse to Council and its committees for routine decision-making.

2. Waverley adopted a new Scheme of Delegation to Officers on 4 April 2017, based on the principles that the scheme should:
  - Be shorter
  - Be simpler
  - Be easier to understand
  - Facilitate quicker decision-making
  - More easily accommodate future national legislative and local policy changes without necessarily requiring additional specific delegations
  - Increase the quality, integrity, accountability, and transparency of the Council's democratic processes
  - Be endorsed by both Officers and Councillors
  
3. Since its adoption, there have only been relatively minor revisions to the Scheme, which demonstrates that it is meeting day to day operational requirements.

### **Review**

4. As part of an annual review, Officers have put forward a number of revisions to the Scheme that they have identified which would assist operational decision-making. The changes proposed are shown as tracked changes in the Draft Version 5 of the Scheme attached at Annexe 1, and are explained below:

<b>General Principles</b>	
2.2, 2.3, 3.5, and 4.3	Explicit confirmation that any Strategic Director may exercise the powers granted to the Chief Executive, either at the request of, or in the absence of, the Chief Executive.
<b>Schedule of Authorisations</b>	
5.1	The Chief Executive <b>or any Strategic Director</b> is authorised to issue Instruments of Appointment to the Head of Environmental Services ...
<b>The Monitoring Officer</b>	
4A (New!)	To consider and determine requests for dispensations under Section 33 of the Localism Act 2011, to clarify that the Monitoring Officer is the proper officer of the authority for this purpose.
<b>The Section 151 Officer</b>	
8A (New!)	To approve the adoption of <b>new or increased fees and charges</b> , after consultation with the Portfolio Holder for Finance, to enable the Council to adopt new fees and charges during the year without delay caused by submission to a Full Council meeting for approval. Full Council will continue to approve the complete schedule of fees and charges as part of the Annual Budget approval.
8B (New!)	Regulation 73 of the CIL Regulations allows the Council to accept the payment of part of a CIL liability in the form of one or more land transfers, representing 'payment in-kind'. The criteria

	<p>against which Waverley would assess an offer of such an in-kind payment have been agreed by Council and are set out in the <i>Phasing and CIL-in-kind policies</i>.</p> <p>The delegation to the S151 Officer in consultation with the Portfolio Holder for Finance, enables any application to pay CIL 'in-kind' rather than in cash to be considered and determined.</p>
<b>Head of Customer and Corporate Services</b>	
17A & 17B (New!)	The delegation to the Head of Customer and Corporate Services has been split to include the role of the Investment Advisory Board in making recommendations to the Executive on certain property transactions.
<b>Head of Environmental Services</b>	
18.3	Updating of relevant licensing legislation.
<b>Head of Policy &amp; Governance</b>	
52D (New!)	In cases of prolonged illness or other unavoidable absence, the Head of Policy & Governance would be able to grant a continuing leave of absence to a councillor, to avoid a councillor being disqualified under s.85 of the Local Government Act 1972.
<b>The Borough Solicitor</b>	
77. Revised wording	Under the Data Protection Act 2018, there is no longer an automatic fee for Subject Access Requests, and we are only able to charge where a request is manifestly unfounded or excessive. The revised wording reflects the requirements of the new Act.

## **Conclusion**

The Standards Committee has considered the proposed revisions carefully, and concluded that they do not remove any significant authority from Councillors and will facilitate efficient operation of council services.

## **Recommendation**

The Standards Committee RECOMMENDS to Council that the revised Scheme of Delegation is approved.

## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

## **CONTACT OFFICER:**

Name: Robin Taylor  
Head of Policy & Governance

Telephone: 01483 523108  
Email: robin.taylor@wav@waverley.gov.uk

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# **WAVERLEY BOROUGH COUNCIL**

## **SCHEME OF DELEGATION OF FUNCTIONS TO OFFICERS**

- 1. General Principles**
- 2. Statutory Officers**
  - 2.1 Head of Paid Service
  - 2.2 Returning Officer and Electoral Registration Officer
  - 2.3 Monitoring Officer
  - 2.4 Chief Finance Officer – ‘Section 151 Officer’
- 3. Chief Executive**
- 4. Head of Community Services and Major Projects**
- 5. Head of Customer and Corporate Services**
- 6. Head of Environmental Services**
- 7. Head of Finance**
- 8. Head of Housing Operations**
- 9. Head of Planning Services**
- 10. Head of Policy and Governance**
- 11. Head of Strategic Housing and Delivery**
- 12. Borough Solicitor**

# SCHEME OF DELEGATION OF FUNCTIONS TO OFFICERS

## General Principles

### 1. Powers

- 1.1 This Scheme of Delegation is made pursuant to the Local Government Act 1972 Section 101 (and by reference to Section 100G) and the Local Government Act 2000 Section 15 and The Local Authorities (Functions and Responsibilities) (England) Regulations 2000/2853 (as amended) and all other enabling powers.
- 1.2 The powers in this Scheme of Delegation are only exercisable within the limitations in this Scheme and are subject to the provisions of the Council's Constitution, including the Financial Regulations and the Contract Procedure Rules.
- 1.3 Where the Council, a Committee, Sub-Committee, the Leader, the Executive, a Portfolio Holder or this Scheme of Delegation gives authority for any action, the officer designated shall be entitled to take all necessary steps to do so.
- 1.4 In the event that a Strategic Director or a Head of Service's post ceases to exist or his or her responsibilities are transferred to another officer (as the case may be), temporarily or permanently, then the powers given by this Scheme of Delegation shall be exercisable by the officer in whose area of responsibility the power falls to be exercised.
- 1.5 It is in the nature of any scheme of delegation that those to whom responsibility has been delegated for a particular function, action or decision may require the delegating authority to resume responsibility for that function, action or decision.
- 1.6 Any Head of Service may seek permission to submit a planning application for development to be carried out by the Council (Regulation 3) and for development to be carried out by other parties on land vested in the Council (Regulation 4).

### 2. Exercise of Functions

- 2.1 All decisions by officers made under this Scheme of Delegation, may only be exercised provided they are within budgetary provision and in accordance with proper authorities, in particular the Financial Regulations.
- 2.2 Any Strategic Director may exercise the powers granted to The Chief Executive (including in his capacity as Head of Paid Service, Returning Officer, Electoral Registration Officer) by this scheme. This can be at the Chief Executive's request or at the Strategic Director's discretion in cases where the Chief Executive is absent or unavailable. ~~may appoint one or more deputies to exercise his or her functions owing to his or her absence or illness.~~
- 2.3 The Chief Executive or any Strategic Director reporting to the Chief Executive may exercise the ANY of the delegated powers contained within this scheme ~~delegated to any Strategic Director, Head of Service or the Borough Solicitor~~ except in relation to those functions allocated to the Chief Finance Officer (within the meaning of Section 151 of the Local Government Act 1972 and Section 112-114A of the Local

Government Finance Act 1988) and to the Monitoring Officer (within the meaning of Sections 5, 5A of the Local Government and Housing Act 1989).

### **3. Sub-Delegation Scheme**

3.1 Where the Chief Executive, Strategic Directors, Heads of Service or the Borough Solicitor are authorised to take decisions, action to implement such decisions will be taken.

3.1.1 in the name of (but not necessarily personally by) the Chief Executive, Strategic Director, Head of Service or Borough Solicitor; or

3.1.2 by any other officer authorised by the Chief Executive, a Strategic Director, any Head of Service or the Borough Solicitor to take such action in their name or the sub-delegate's own name.

3.2 The Chief Executive, Strategic Directors, each Head of Service and the Borough Solicitor must prepare and maintain a Sub-Delegation Scheme setting out which officers have been authorised to make decisions under their delegated powers and subject to which terms and conditions. Sub-delegation Schemes must be lodged with the Democratic Services Manager.

3.3 Where delegations are to be exercised after consultation with the Leader, Portfolio Holder or nominated officers, the authorised officer will carry out the consultation and ensure that a record is made.

3.4 Where delegations are to be exercised after consultation with a Portfolio Holder and that Portfolio Holder is unavailable, consultation shall take place with the Leader.

3.5 Where delegations are to be exercised after consultation with other officers, if agreement between officers cannot be reached, the matter must be referred to the Chief Executive [or relevant Strategic Director](#) for consideration.

### **4. Chief Executive's Urgent Action**

4.1 The Chief Executive is authorised to determine matters of an urgent nature within the remit of the Executive and which cannot wait for the next meeting of the Executive, which are not key decisions and which do not contravene established policies or budgets, after consultation with the Leader and relevant Portfolio Holder.

4.2 Any matters determined by the Chief Executive under 4.1 above will be reported to the next meeting of the Executive.

[4.3 As per paragraph 2.2, any Strategic Director may act on the Chief Executive's behalf in respect of authorising urgent actions either at the Chief Executive's request or if the Chief Executive is absent or unavailable.](#)

### **5. Schedule of Authorisations**

5.1 A Schedule of Authorisations is attached at [Appendix 1](#).

## **6. Amendments**

6.1 Amendments to this Scheme will be approved by the Council with the following exceptions:

6.1.1 in respect of the officers designated to exercise delegated authorities where changes in the management structure and post titles have resulted from organisational restructures – by the Monitoring Officer.

6.1.2 updates to reflect new legislation where there is no extension to the limit of the existing delegation – by the Monitoring Officer.

## **7. Interpretation**

7.1 Any reference to a statute or statutory instrument should be taken to include any subsequent statute or statutory instrument that replaces, amends or extends it, or contains related provisions.

7.2 The terms “officer”, “staff” or “employee” include any person employed by the Council irrespective of the particular terms and conditions under which they are employed.

7.3 Where a delegation is shown as being both an Executive and Non-Executive Function, advice should be sought from the Monitoring Officer regarding the individual circumstances.

## Schedule of Authorisations

### 1. Legal Proceedings

- 1.1 In accordance with Article 14 of the Constitution the Borough Solicitor is authorised to institute, defend or participate in legal proceedings in respect of all functions of the Council.

### 2. Representing the Council in Legal Proceedings

- 2.1 The Borough Solicitor is authorised to appoint any appropriate officer to appear on behalf of the Council and to conduct legal proceedings or complete formal proof in court or tribunal. A record of those officers so appointed will be kept by the Borough Solicitor in accordance with the Sub-Delegation Scheme.

### 3. Land, premises, samples, records, articles, equipment or information

- 3.1 The Chief Executive, Strategic Directors, Heads of Service, and any other officer authorised by those officers, are authorised to
- 3.1.1 enter, visit or inspect premises,
  - 3.1.2 procure samples,
  - 3.1.3 inspect, seize, detain or destroy any goods, articles or equipment;
  - 3.1.4 inspect, seize and detain any records, including records held in electronic form;
  - 3.1.5 demand or require information in accordance with and as provided for by any legislation covering any Council function.
- 3.2 The Chief Executive, Strategic Directors, Heads of Service, Borough Solicitor and any other officer authorised by those officers, may apply to the Justices of the Peace to obtain warrants to enter premises as provided for by any legislation covering any Council function.
- 3.3 A record of any other officers authorised as set out above will be kept by the Chief Executive, Strategic Directors, Heads of Service or Borough Solicitor (as appropriate) in accordance with the Sub-Delegation Scheme referred to in the General Principles.

### 4. Sealing of Documents

- 4.1 The Chief Executive, Strategic Directors, Borough Solicitor, Head of Policy and Governance and any lawyer employed by the Council are authorised to witness the sealing of Council documents.

### 5. Instruments of Appointment

5.1 The Chief Executive [or any Strategic Director](#) is authorised to issue Instruments of Appointment to the Head of Environmental Services as an inspector under the Health & Safety at Work Act 1974 and associated Acts together with all related Regulations and Orders specifying the powers exercisable, having regard to that inspector's qualifications and duties.

5.2 The Head of Environmental Services is authorised to issue Instruments of Appointment to an inspector under the Health & Safety at Work etc. Act 1974 and associated Acts together with all related Regulations and Orders specifying the powers exercisable having regard to that inspector's qualifications and duties.

## **6. Serving of Notices**

6.1 The Chief Executive, Strategic Directors, Heads of Service, Borough Solicitor and any other authorised officer employed by the Council are authorised to serve any statutory notices as provided for by any legislation covering any Council function. A record of any other officers so authorised will be kept by the Chief Executive, Strategic Directors, Heads of Service or Borough Solicitor (as appropriate) in accordance with the Sub-Delegation Scheme referred to in the General Principles.

## **7. Cautions**

7.1 The Chief Executive, Strategic Directors, Heads of Service and any other officer authorised by those officers, are authorised to act as Cautioning Officer in order to issue cautions to persons making a clear and reliable admission of an offence, where it is considered that the use of a formal caution is appropriate. A record of any other officers so authorised will be kept by the Chief Executive, Strategic Director or Head of Service (as appropriate) in accordance with the Sub-Delegation Scheme referred to in the General Principles.

## **8. Appeals**

8.1 Unless otherwise reserved to the Council, the Executive, a Committee or Sub-Committee, as set out in their Terms of Reference, the Chief Executive, Strategic Directors, Heads of Service and any other officer authorised by those officers, are authorised to hear appeals as provided for by any legislation covering any Council function and in accordance with Council Policies. A record of any other officers so authorised will be kept by the Chief Executive, Strategic Directors or Heads of Service (as appropriate) in accordance with the Sub-Delegation Scheme referred to in the General Principles.

## **9. Consultant in Communicable Diseases Control**

9.1 The Consultant in Communicable Diseases Control is authorised by the Council to carry out the following actions:

9.1.1 To apply to Justices for orders and certificates with a view to preventing spread of disease.

9.1.2 To apply to Justices for orders and certificates for the removal of aged or infirm persons to hospital, after consultation with the patient's General Practitioner and the Head of Environmental Services.

9.1.3 To serve notices relating to infected food and control of notifiable diseases.

The Council operates an 'Executive and Leader' model. Therefore the majority of the Council's functions (decision-making) lie with the Executive. However, a range of the Council's functions are 'non-Executive' meaning that those matters are determined either by full Council or by another Committee of the Council in accordance with the Council's Constitution. Where a Function is referred to below as 'Non-Executive', that function cannot be determined by the Executive and would, in the absence of delegation to an officer(s), be decided by full Council or the relevant Committee.

This Scheme of Delegation to Officers must therefore be read in conjunction with the Council's Constitution.

## STATUTORY OFFICERS

### HEAD OF PAID SERVICE

	<b>Authority</b>	<b>Function</b>
1.	To make all decisions in relation to Human Resources functions in accordance with the Council's Policies and within budgetary provision, except (a), (b), (c), and (d), below which are reserved to Full Council:  (a) the appointment of the Chief Executive or Strategic Directors and the statutory posts;  (b) the adoption of the annual Pay Policy Statement;  (c) the approval of and amendments to the Pension Policy Statement;  (d) the settlement of any staff pay award.	Non-executive

### THE RETURNING OFFICER AND ELECTORAL REGISTRATION OFFICER

	<b>Authority</b>	<b>After Consultation with</b>	<b>Function</b>
2.	Within the approved budget, to approve scales of remuneration of persons employed on Borough and Parish Council elections.	Other local authorities in Surrey.	Non-executive
3.	To amend the designation of a Polling Place, where within six months of an election,	Ward councillors, local party agents and, if	Non-executive

(a) a designated polling place unexpectedly becomes unavailable; and (b) it is impractical to report to Council.	applicable, official candidates	
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### THE MONITORING OFFICER

	<b>Authority</b>	<b>Function</b>
4.	The general delegations and authorisations for the Monitoring Officer are as set out in the Constitution at Article 12, the Members' Code of Conduct Part 5 Section A, and the Monitoring Officer Protocol at Part 5, Section J.	Non-executive
<u>4A</u>	<u>To consider and determine requests for dispensations under Section 33 of the Localism Act 2011.</u>	<u>Non-executive</u>
5.	To appoint members to the Hearing <del>Panel Sub-Committee</del> from the membership of the Standards <del>Panel</del> Committee.	Non-executive
6.	To amend any names and job titles within the Constitution and other constitutional documents resulting from reorganisation or changes in structure/position.	Non-executive

### THE SECTION 151 OFFICER

	<b>Authority</b>	<b>Function</b>
7.	The delegations and authorisations for the Section 151 Officer are as set out in the Constitution at Article 12, and the Financial Regulations	Executive
8.	To include properties in the List of Assets of Community Value, and make decisions in relation to claims for compensation.	Executive
<u>8A</u>	<u>To approve the adoption of new or increased fees and charges within the Schedule of Fees and Charges, after consultation with the Portfolio Holder for Finance, and subject to the annual approval by Council of the complete Schedule of Fees and Charges as part of the Budget-setting.</u>	<u>Non-executive</u>
<u>8B</u>	<u>To determine, after consultation with the Portfolio Holder for Finance, applications from developers to</u>	<u>Executive</u>



meet some or all of their obligations to pay Community Infrastructure Levy (CIL) charges through 'payment in kind' (as defined in Waverley's Phasing and CIL-in-kind policies).

## CHIEF EXECUTIVE

### Meetings, Members and the Constitution

	Authority	After Consultation with	Function
9.	LEFT BLANK <sup>[c1]</sup> (UNUSED)		

	Authority	Function
10.	To hear and determine appeals relating to applications to include properties in the List of Assets of Community Value.	Executive

## HEAD OF COMMUNITY SERVICES AND MAJOR PROJECTS

11.	To make all day-to-day management decisions relating to the Council's Leisure and Green Space functions.	Executive
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### Community Safety

	Authority	Function
12.	To carry out the Council's functions and any actions authorised by the Community Incident Action Group, relating to anti-social behaviour, in accordance with the Anti-Social Behaviour Crime and Policing Act or subsequent legislation	Executive

### Voluntary Organisations and Community Grants

	Authority	After Consultation with	Function
13.	To agree Service Level Agreements with voluntary organisations	The relevant Portfolio Holder	Executive

## HEAD OF CUSTOMER AND CORPORATE SERVICES

	Authority	Function
14.	To make all day-to-day management decisions relating to the Council's functions as they relate to customer services.	Executive

### Estate Management

	Authority	After Consultation with	Function
15.	To agree, with any supplier agreed by the Council, changes to the cost of supplying gas and electricity services at different times within the contract period in accordance with the terms of the contract	The relevant Portfolio Holder	Executive
16.	To approve expenditure from the Repairs and Maintenance Fund on individual or related items up to £20,000.	The Leader or the appropriate Portfolio Holder	Non-executive or Executive as appropriate to the function being exercised

	Authority	Function
17A.	<p>To undertake all actions in relation to the administration of the Council's estate and property portfolio, and its <u>ownership of interests in</u> land or property,</p> <p><b>except <u>acquisitions or disposals of land or property in excess of £250,000 the following matters</u></b> which are reserved to the <u>full Council and -Executive (on the recommendation of the Investment Advisory Board).</u>:-</p> <p><del>(a) Acquisitions or disposal of land or property, and interests in land or property, with a value in excess of £250,000;</del></p> <p><del>(b) the grant or renewal of all leases in excess of 25 years.</del></p>	Executive
17B	<p><u>To undertake all actions in relation to the administration of the Council's estate and property portfolio, and its <b>interests</b> in land or property</u></p> <p><b><u>Except the following matters which are reserved to</u></b></p>	Executive

	<p><u>the Executive:</u></p> <p><u>(i) acquisitions or disposals of <b>interests</b> in land or property with a value in excess of £250,000; and</u></p> <p><u>(ii) the grant or renewal of all leases in excess of 25 years, other than qualifying applications made under the Leasehold Reform Act 1967 to extend the lease or acquire the freehold where the price reflects the independent valuation and all costs are met by the applicant.</u></p>	
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## HEAD OF ENVIRONMENTAL SERVICES

18.1	The determination of applications for street collections to provide funding to meet a major local, national, or international disaster.	The Chairman of the Licensing and Regulatory Committee.	Non-executive
18.2	On behalf of the Council, to submit objections, and pursue such objections at a public inquiry if needed, to: (a) applications for operators licences (including variations) made under the Goods Vehicles (Licensing of Operators) Act 1995; and (b) reviews undertaken of existing licences.	The appropriate ward councillors.	Non-executive

### Licensing

	Authority	Function
18.3	<p>To make all decisions, take all actions and exercise all powers in respect of the Council's licensing functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's licensing functions:</p> <p>(i) the Regulatory Reform Act 2001                      (ii) Licensing Act 2003                      (iii) Gambling Act 2005                      (iv) the Public Health Acts 1875, 1936 and 1961 (as amended)  <del>(v) the Pet Animals Act 1951 (as amended)</del>                      (vi) Public Health (Control of Disease) Act 1984  <del>(vii) Animal Boarding Establishments Act 1963</del>                      (viii) Riding Establishments Acts 1964 and 1970                      (vix) Dangerous Wild Animals Act 1976                      (viii) the Local Government (Miscellaneous Provisions) Acts 1976 and 1982 (as amended),  <del>(xi) Breeding and Sale of Dogs (Welfare) Act 1990, Breeding of Dogs Act 1991 and Breeding of Dogs Act 1973</del>                      (ix) Prevention of Damage by Pests Act 1949                      (xiii) the Scrap Metal Dealers Act 2013                      (xiv) Sunday Trading Act 1994                      (xii) Town Police Clauses Act 1847 and 1889</p>	Non-executive

- (xiii~~v~~) Guard Dogs Act 1975
- (xiv~~ii~~) Animal Health Act 1981
- (xv~~iii~~) Animal Health and Welfare Act 1984
- (xvi~~x~~) Control of Dogs Order 1992
- (xvii) Animal Welfare Act 2006
- (xviii) The Animal Welfare (Licensing of Activities involving Animals) (England) Regulations 2018
- (xix) Zoo Licensing Act 1981

including but not limited to the following:

- A. Personal, premises, club premises licences and Temporary Event Notices*
- B. Hackney carriage drivers and vehicles, and private hire drivers, vehicles and operators (except any applications that reveal convictions for offences that might affect the suitability of a person to hold a licence)*
- C. House to house and street collections*
- D. Club gaming/club machine permits and small society lotteries*
- E. Sexual Entertainment Venues*
- F. Street trading*
- G. Scrap metal dealers*
- H. Animal boarding establishments, riding establishments, dog breeders, pet shops and dangerous wild animals*
- I. Game dealers*
- J. Tattooing, acupuncture, ear piercing, cosmetic piercing and electrolysis*
- K. Sunday trading*

**except for**

- (a) approval of and amendments to the Statement of Licensing Policy and the Gambling Policy which are reserved to Council;
- (b) approval and amendments to policies relating to functions under the Acts set out above which is reserved to the Licensing and Regulatory Committee;
- (c) approval of increases in the hackney carriage fare scale and amendments to the scale of charges for hackney carriage and private hire licence fees, which is reserved to the Licensing and Regulatory Committee;
- (d) the designation of and amendments to hackney carriage vehicle ranks which is reserved to the Licensing and Regulatory Committee;

	<p>(e) the power to make an Order identifying a place as a designated public place for the purposes of police powers in relation to alcohol consumption which is reserved to the Licensing and Regulatory Committee;</p> <p>(f) all applications and appeals reserved to the Licensing Sub Committee as set out in its Terms of Reference at Part 3, Section E of the Constitution.</p>	
19.	<p>On behalf of the Council as the Responsible Authority for Environmental Health and/or the Responsible Authority for Health and Safety, under the Licensing Act 2003, subsequent amendments and all relevant legislation and regulations:</p> <p>(a) to make a relevant representation</p> <p>(b) to apply for a review of a premises licence</p> <p>(c) to apply for a review of a club premises certificate</p>	Non-executive
20.	<p>On behalf of the Council as the Responsible Authority for Licensing under the Licensing Act 2003, subsequent amendments and all relevant legislation and regulations:</p> <p>(a) to make a relevant representation</p> <p>(b) to apply for a review of a premises licence</p> <p>(c) to apply for a review of a club premises certificate</p>	Non-executive

### Environmental Protection

	Authority	Function
21.	<p>To make all decisions, take all actions and exercise all powers in respect of the Council's environmental protection functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's environmental protection functions:</p> <p>(i) the Control of Pollution Act 1974 (as amended)</p> <p>(ii) the Environmental Protection Act 1990</p> <p>(iii) Dangerous Dogs Act 1991</p> <p>(iv) Noise &amp; Statutory Nuisance Act 1993</p> <p>(v) the Environment Act 1995</p> <p>(vi) the Noise Act 1996</p> <p>(vii) the Dog (Fouling of Land) Act 1996</p> <p>(viii) The Anti-Social Behaviour Crime and Policing Act 2014 and Anti-Social Behaviour Act 2003</p> <p>(ix) Clean Neighbourhoods and Environment Act</p>	Executive

	<p>2005</p> <p>(x) the Health Act 2006</p> <p>(xi) the Refuse Disposal (Amenity) Act 1978</p> <p>(xii) Zoo Licensing Act 1981</p> <p>(xiii) Water Industry Act 1991</p> <p>(xiv) Environment Act 1995</p> <p>(xv) Health Act 2006</p> <p>(xvi) Sunday Trading Act 1994</p> <p>(xvii) Clean Air Act 1993</p> <p>(xviii) Pollution Prevention and Control (England &amp; Wales) Regulations 2000 (as amended)</p> <p>(xix) Pollution Prevention and Control Act 1999</p> <p>(xx) Criminal Justice and Public Order Act 1994</p> <p>(xxi) Criminal Justice and Police Act 2001</p> <p>including but not limited to the following:</p> <p><i>A. Pollution control</i></p> <p><i>B. Air pollution control and clean air;</i></p> <p><i>C. smoke free premises</i></p> <p><i>D. Waste collection</i></p> <p><i>E. Recycling</i></p> <p><i>F. Controlled waste</i></p> <p><i>G. Contaminated land</i></p> <p><i>H. Statutory nuisance</i></p> <p><i>I. Litter</i></p> <p><i>J. Dangerous and Out of Control dogs</i></p> <p><i>K. Dog fouling</i></p> <p><i>L. Authorisations in relation to controlled processes</i></p> <p><i>M. High Hedges complaint</i></p> <p><i>N. Graffiti removal</i></p> <p><i>O. Noise nuisance</i></p> <p><i>P. Abandoned vehicles and other refuse</i></p> <p><i>Q. Prevention of crime and disorder</i></p> <p><i>R. Drug and alcohol abuse/misuse of substances</i></p> <p><b>except for</b></p> <p>the award of the Waste Collection and Recycling Contract which is reserved to the Executive.</p>	
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## Environmental Health

	Authority	Function
22.	To make all decisions, take all actions and exercise all powers in respect of the Council's environmental health functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other	Executive

	<p>subsequent new or replacing legislation relating to the Council’s environmental health functions:</p> <ul style="list-style-type: none"> <li>(i) the Local Government Act 1972</li> <li>(ii) the Local Government (Miscellaneous Provisions) Act 1976</li> <li>(iii) the Public Health Act 1961</li> <li>(iv) the Clean Neighbourhoods and Environment Act 2005</li> <li>(v) the Prevention of Damage by Pests Act 1961</li> <li>(vi) National Assistance Acts 1948 and 1951</li> <li>(vii) Water Act 1989</li> <li>(viii) Disability Discrimination Act 1995</li> </ul> <p>including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) <i>drains, private sewers, water closets or soil pipes</i></li> <li>(b) <i>a satisfactory supply of wholesome water</i></li> <li>(c) <i>the control rats and mice</i></li> <li>(d) <i>filthy or verminous premises, articles or persons</i></li> <li>(e) <i>the prevention and suppression of nuisances</i></li> <li>(f) <i>emergency situations arising outside normal working hours.</i></li> </ul>	
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### Food and Health & Safety

	Authority	Function
23.	<p>To make all decisions, take all actions and exercise all powers in respect of the Council’s food safety and health &amp; safety functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation and any associated regulations relating to the Council’s food safety and health &amp; safety and pesticides functions:</p> <ul style="list-style-type: none"> <li>(i) the European Communities Act 1972</li> <li>(ii) the Food and Environment Protection Act 1985,</li> <li>(iii) the Food Safety Act 1990,</li> <li>(iv) the Health &amp; Safety at Work etc. Act 1974,</li> <li>(v) Sunday Trading Act 1994,</li> <li>(v) Public health (Control of Diseases) Act 1984 (and regulations made thereunder (with the exception of those dealt with under the health protection regulations))</li> <li>(vi) Game Act 1831</li> <li>(vii) Sea Fisheries (Shellfish) Act 1967</li> <li>(viii) Offices Shops and Railway Premises act 1963</li> </ul>	Non-executive/Executive



	(ix) Food and Environment Protection Act 1985	
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### Land Drainage

	Authority	Function
24.	To take all actions to alleviate flooding under the Water Management Acts, Water Act 1989 and Land Drainage Act 1991 relating to the Council's land drainage functions, except the following which are reserved to the Executive: (i) approval of the annual Drainage Works Programme; (ii) authority to submit funding bids for projects requiring external funding for drainage works on third party land where this would require the Council to part-fund from the Drainage Reserve	Executive

### Car Parks

	Authority	Function
25.	To make all day to day management decisions relating to the management and use of the Council's car parks, except for the following which are reserved to the Council: (a) The adoption of and amendments to the Council's Car Parking Strategy; (b) The setting of off-street car parking charges.	Non-executive
26.	To make all decisions, take all actions and exercise all powers in respect of the Council's parking functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's parking functions:  (i) Highways Act 1980 (ii) Road Traffic Regulation Act 1984 (iii) Road Traffic Regulation Act 1991 (iv) Traffic Management Act 2004	Executive

### Emergency Planning

	Authority	Function
27.	To make all decisions, take all actions and exercise all powers in respect of the Council's functions as a Category 1 Responder in	Non-executive

	accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's emergency planning functions as a Category 1 Responder:  (i) Civil Contingencies Act 2004.	
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### Closure of Streets

	Authority	Function
27.1	To make and issue temporary street closures orders in connection with special events in accordance with Section 21 of the Town Police Clauses Act 1847.	Executive

### HEAD OF FINANCE

#### Financial Management

	Authority	After Consultation with	Function
28.	To set the Council Tax Base.	The relevant Portfolio Holder	Executive
29.	To monitor and manage the revenue reserves and provisions of the Council, including the release of such funds within agreed policy guidelines.	Chief Executive and the relevant Portfolio Holder.	Executive

	Authority	Function
30.	To determine areas and levels of cover for insurance.	Executive
31.	To approve spending from the Insurance Fund in individual projects or a group of related projects or a group of related items up to a maximum of £20,000.	Executive
32.	To determine rates of interest payable under: (a) Public Health Acts and Housing Acts (rechargeable works executed by the Council) (b) Local Government (Miscellaneous Provisions) Act 1976 (dangerous trees and restoration of supplies).	Non-executive

## Council Tax and NNDR

	<b>Authority</b>	<b>Function</b>
33.	To apportion rates under Section 44A of the Local Government Finance Act 1988, and any subsequent legislation, on premises partially unoccupied for short periods.	Executive
34.	To determine applications for Discretionary Rate Relief and Discretionary Council Tax Reduction in accordance with the adopted policy criteria and with discretion to grant applications which can be funded from within the approved budget.	Executive
35.	To execute warrants of arrest for Council Tax and Non-Domestic Rate debts	Executive

## HEAD OF HOUSING OPERATIONS

### Housing and Homelessness

	<b>Authority</b>	<b>Function</b>
36.	<p>To make all decisions, take all actions and exercise all powers in respect of the Council's housing and homelessness functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's housing and homelessness functions:</p> <ul style="list-style-type: none"> <li>(i) Housing Act 1985</li> <li>(ii) Local Government and Housing Act 1985</li> <li>(iii) Local Government (Miscellaneous Provisions) Acts 1976 and 1982</li> <li>(iv) Housing Act 1996</li> <li>(v) Children Act 1989</li> <li>(vi) Regulation 3 of the Town and Country Planning (General) Regulations 1992 – except for the determination of planning applications which is reserved to the relevant Area or Joint Planning Committee</li> <li>(vii) Housing Act 2004</li> <li>(viii) Anti-Social Behaviour, Crime and Policing Act 2014</li> <li>(ix) Clean Neighbourhoods and Environment Act 2005</li> </ul>	Non-Executive/Executive

	<ul style="list-style-type: none"> <li>(x) Leasehold Reform, Housing and Urban Development Act 1993</li> <li>(xi) Leasehold Reform Act 1967</li> <li>(xii) Housing and Planning Act 2016</li> <li>(xiii) Homelessness Act 2002</li> <li>(xiv) Housing, Grants, Construction and Regeneration Act 1996</li> <li>(xv) Prevention of Damage by Pests Act 1949</li> <li>(xvi) Public Health Acts 1936 and 1961</li> <li>(xvii) Caravan Sites and Control of Development Act 1960</li> <li>(xviii) Environmental Protection Act 1990</li> <li>(xix) Caravan Sites Act 1968 and Mobile Homes Act 2013</li> <li>(xx) Protection from Eviction Act 1977</li> <li>(xxi) Criminal Law Act 1977</li> <li>(xxii) Building Act 1984</li> <li>(xxiii) Energy Act 2013</li> <li>(xxiv) Energy Act 2011</li> </ul>	
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	Authority	After Consultation with	Function
37.	To review decisions taken under the Personal Files (Housing) Regulations Act 1989 concerning access to, or correction or erasure of information held in housing records of which a tenant (or member of his family) is aggrieved.	The relevant Portfolio Holder	Executive

	Authority	Function
38.	To make decisions under Access to Personal Files (Housing) Regulations 1989.	Executive
39.	To make decisions under the Rent Deposit Guarantee Scheme.	Executive

## HEAD OF PLANNING

### Development Control and Planning Policy

	<b>Authority</b>	<b>After Consultation with</b>	<b>Function</b>
40.	To determine major planning applications where these are resubmitted applications previously refused only for SPA reasons which are now resolved and where: (a) the application is not materially different from the original application; (b) the material considerations affecting the decision have not changed; (c) there is no request from a councillor to call in the application for determination by the Committee as set out in 3(b) below.	The Chairman of the Joint Planning Committee and Ward Councillors	Non-executive
41.	To agree variations to Section 106 legal agreements under the Town and Country Planning Act 1990 which relate to planning applications determined by the Area Planning Committees and Joint Planning Committee	The Chairman of the Joint Planning Committee and Ward Councillors	Non-executive

	<b>Authority</b>	<b>Function</b>
42.	To make all decisions, take all actions and exercise all powers in respect of the Council's Development Management, Planning Policy and Planning Enforcement functions in accordance with any one or number of the following legislation (and any regulations and/or statutory instruments made thereunder) and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's Development Management, Planning Policy and Planning Enforcement and Building Control functions:  (i) Caravan Sites and Control of Development Act 1960 (ii) Countryside and Rights of Way Act 2000 (iii) Enterprise and Regulatory Reform Act 2013 (iv) Environment Act 1995 (v) Environmental Protection Act 1990	Non-Executive/Executive

	<ul style="list-style-type: none"> <li>(vi) Growth and Infrastructure Act 2013</li> <li>(vii) Housing Act 1996</li> <li>(viii) Housing Act 2004</li> <li>(ix) Human Rights Act 1998</li> <li>(x) Infrastructure Act 2015</li> <li>(xi) Local Democracy, Economic Development and Construction Act 2009</li> <li>(xii) Local Government Act 2003</li> <li>(xiii) Localism Act 2011</li> <li>(xiv) Planning (Hazardous Substances) Act 1990</li> <li>(xv) Planning (Listed Buildings and Conservation Areas) Act 1990</li> <li>(xvi) Planning Act 2008</li> <li>(xvii) Planning and Compensation Act 1991</li> <li>(xviii) Planning and Compulsory Purchase Act 2004</li> <li>(xix) Pollution Prevention and Control Act 1999</li> <li>(xx) Town and Country Planning Act 1990</li> <li>(xxi) Building Act 1984</li> <li>(xxii) Self-build and Custom Housebuilding Act 2015</li> <li>(xxiii) Neighbourhood Planning Act 2017</li> <li>(xxiv) Anti-Social Behaviour Act 2003</li> </ul>	
43.	<p>(A) to determine planning applications, applications for advertisement consent, non-material and minor material amendments applications, details to comply with conditions, variation/removal of condition applications, prior notifications/prior approval notices and certificates of lawfulness <u>(after consultation with the Borough Solicitor for applications of certificates of lawfulness)</u>;</p> <p>(B) to determine applications for listed building consent and to take action in relation to listed buildings and Conservation Areas;</p> <p>(C) to respond to consultations and notifications from other local authorities, public bodies, etc.;</p> <p>(D) to determine the need for an Environmental Impact Assessment and/or a Strategic Environmental Assessment;</p> <p>(E) to take direct action/seek injunctions in relation to breaches of planning control, remove unauthorised signage/advertisements and remedying the condition of land;</p> <p>(F) to serve, amend, vary, withdraw, revoke any notices, permissions, certificates (as appropriate)</p>	Non-executive

(including but not limited to: enforcement notices, breaches of condition notices, temporary stop notices, stop notices, amenity notices, planning contravention notices, community infrastructure stop notices, certificates of lawfulness);

(G) the making and/or adoption of any plan for the purposes of neighbourhood planning

**except:**

(a) planning applications that must be referred to the Joint Planning Committee in accordance with Part 3 of the Constitution and as set out below:-

(a.1) To review all housing schemes which propose a net increase of more than 25 dwellings, where the recommendation is for permission to be granted

(a.2) To consider applications defined as major, as defined by the Government (10 or more units of residential accommodation, more than 1,000 sqm commercial floorspace and site area of more than 1 hectare)

and which, in the judgement of the Chief Executive, after consultation with the Head of Planning and the appropriate Area Planning Committee Chairman, meet the following criteria

- i. have a significant planning impact beyond the Area in which they are situated, and/or
- ii. are of strategic importance, and/or
- iii. involve new planning issues for the Borough; or

(a.3) where within three weeks of the application appearing on the Waverley weekly list of planning applications, the Chairman and Vice-Chairman of the relevant Area Planning Committee and the ward member request that it be referred to the Joint Planning Committee and put forward relevant grounds as set out in c (i) to (iii) above, the Chief Executive and Head of Planning will normally submit the application to the Joint Planning Committee;

(b) any planning application where, within three

	<p>weeks of the publication of the weekly list of planning applications, any councillor from the relevant Area Committee (for the Committee including all or part of the planning application site concerned) makes a request to the Head of Planning (or any officer(s) nominated by them), which may or may not be supported in writing by the relevant Town or Parish Council, putting forward matters that are relevant planning grounds, to refer an application to the next appropriate meeting of the Area or Joint Planning Committee for determination;</p> <p><i>(For (b) above)</i> Where the three-week call-in period has expired, but the Head of Planning is satisfied that there is sufficient justification on planning grounds and the application has not been determined, they may, after consultation with the Chairman of the relevant Committee, arrange for that application to be referred to the Committee;</p> <p>( c) any planning application submitted by or on behalf of a serving Councillor or employee of the Council, or the spouse or partner of any of the above persons;</p> <p>( d) any planning application where an objection from a statutory consultee remains unresolved and the officer’s recommendation is to approve the application;</p> <p>( e) any planning application where the Council is the applicant;</p> <p>( f) any planning application which is required to be referred to the Secretary of State;</p> <p>(g) planning applications, where by the time of the expiry of the 21 day consultation period, have received 5 or more letters of objection or 5 or more letters of support (but not a combination of both) shall only be determined under delegated powers after the Head of Planning (or any officer nominated by them) has received written confirmation from the relevant ward members(s) that they do not wish the matter to be determined by the relevant Planning Committee.</p>	
44.	To take action, make decisions (including determining applications for works to protected trees and prior notifications of the intention to carry	Non-executive



	<p>out works to trees in conservation areas), serve notices and carry out works relating to trees pursuant to the Town and Country Planning Act 1990, the Hedgerow Regulations 1997 and Section 23 of the Local Government (Miscellaneous Provisions) Act 1976, and any Regulations made in relation to this legislation or any amendments,</p> <p><b>except</b></p> <p>the confirmation or revocation of a tree preservation order where objections have been received which is reserved for decision by the Area Planning Committee.</p>	
45.	To agree the terms of, and variations to, Section 106 Legal Agreements under the Town and Country Planning Act 1990 in connection with the grant of planning permission under delegated powers and Section 106 agreements following a refusal on appeal.	Non-executive

## Licensing

	Authority	Function
46.	Under the Licensing Act 2003: (a) to respond to the Licensing Authority in connection with consultations on applications on behalf of the local planning authority; (b) to apply for a review of a premises licence or a club premises certificate.	Non-executive

## Street Naming and Numbering

	Authority	After Consultation with	Function
47.	To determine the names of highways under the Public Health Act 1925 (including subsequently amending and replacement legislation).	The appropriate Portfolio Holder and appropriate ward councillors	Executive

	Authority	Function
48.	To exercise the street numbering function under the Public Health Act 1925 (including subsequent amending and replacement legislation).	Executive

## Building Control

	<b>Authority</b>	<b>After Consultation with</b>	<b>Function</b>
49.	To adjust Building Control charges appropriately to ensure income will cover the cost of the chargeable service	The relevant Portfolio Holder	Executive

	<b>Authority</b>	<b>Function</b>
50.	To exercise the Council's powers in relation to Building Control legislation, including, but without prejudice to the generality of the foregoing, the determination of applications for the approval of plans and specifications, applications for relaxations, the issue and service of all Notices, the making of requirements and the decision to carry out works in default.	Executive
51.	To exercise the powers and duties of the Council, including the recovery of costs, relating to dangerous, dilapidated or defective buildings or structures, hoardings, scaffolding and the demolition of buildings	Executive

## HEAD OF POLICY AND GOVERNANCE

### Members Meetings and the Constitution

	<b>Authority</b>	<b>After Consultation with</b>	<b>Function</b>
52.	To approve the annual timetable of meetings of the Council and Standing Committees.	The Leader	Non-executive
52A.	To appoint members to the Independent Remuneration Panel.	Party Group Leaders.  All decisions to be reported to all Members by email.	Non-executive
52B.	In respect of ad hoc appointments during the year, to appoint or nominate members and representatives on outside bodies; to appoint trustees; and to identify the meetings of outside bodies which are an approved duty for paying allowances.	The party group leaders.  All decisions to be reported to all Members by email.	Non-executive
52C.	To make changes to the membership of any of the Council's Committees as necessary during the Council year, in accordance with the wishes of the respective group leaders. Any changes made to be reported to the next meeting of the Council.	The party group leaders	Non-executive
<u>52 D</u>	<u>To grant a continuing leave of absence to a councillor in relation to the Local Government Act 1972 s 85, in consultation with the group leaders. All decisions to be reported to all Members.</u>	<u>The party group leaders</u>	<u>Non-executive</u>

### Communications and PR

	<b>Authority</b>	<b>Function</b>
55.	To make all day to day management decisions relating to the Council's functions as they relate to communications and public relations.	Executive

## HEAD OF STRATEGIC HOUSING AND DELIVERY

	<b>Authority</b>	<b>Function</b>
58.	<p>To make all decisions, take all actions and exercise all powers in respect of the Council's housing and homelessness functions in accordance with any one or number of the following legislation and/or any adopted policy(ies) of the Council and/or any other subsequent new or replacing legislation relating to the Council's housing and homelessness functions:</p> <ul style="list-style-type: none"> <li>(i) Housing Act 1985</li> <li>(ii) Local Government (Miscellaneous Provisions) Acts 1976 and 1982</li> <li>(iii) Local Government and Housing Act 1985</li> <li>(iv) Housing Act 1996</li> <li>(v) Children Act 1989</li> <li>(vi) Regulation 3 of the Town and Country Planning (General) Regulations 1992 – except for the determination of planning applications which is reserved to the relevant Area or Joint Planning Committee</li> <li>(vii) Housing Act 2004</li> <li>(viii) Anti-Social Behaviour, Crime and Policing Act 2014</li> <li>(ix) Clean Neighbourhoods and Environment Act 2005</li> <li>(x) Leasehold Reform, Housing and Urban Development Act 1993</li> <li>(xi) Leasehold Reform Act 1967</li> <li>(xii) Housing and Planning Act 2016</li> <li>(xiii) Homelessness Act 2002</li> <li>(xiv) Housing, Grants, Construction and Regeneration Act 1996</li> <li>(xv) Prevention of Damage by Pests Act 1949</li> <li>(xvi) Public Health Acts 1936 and 1961</li> <li>(xvii) Caravan Sites and Control of Development Act 1960</li> <li>(xviii) Environmental Protection Act 1990</li> <li>(xix) Public Health (Control of Disease) Act 1984</li> <li>(xx) Caravan Sites Act 1968 and Mobile Homes Act 2013</li> <li>(xxi) Protection from Eviction Act 1977</li> <li>(xxii) Criminal Law Act 1977</li> <li>(xxiii) Building Act 1984</li> <li>(xxiv) Energy Act 2013</li> <li>(xxv) Energy Act 2011</li> </ul>	Non-Executive/Executive

59.	To evaluate opportunities to buy back all or part of a former Council property (to include determining right of first refusal and percentage of ownership).	Executive
60.	To proceed to initial assessment of buy back or open market purchase if the opportunity meets the Council's criteria/policy.	Executive
61.	To proceed to initial assessment for a land purchase if the opportunity meets the Council's criteria/policy	Executive

	<b>Authority</b>	<b>After Consultation with</b>	<b>Function</b>
62.	To proceed to initial assessment of buy back or open market purchase if the opportunity does not meet the Council's criteria/policy	Portfolio Holders on the Housing Delivery Board	Executive
63.	To proceed to initial assessment for a land purchase if the opportunity does not meet the Council's criteria/policy	Portfolio Holders on the Housing Delivery Board	Executive
64.	To proceed to negotiation stage of buy back or open market purchase if the purchase price falls within overall budget	Portfolio Holders on the Housing Delivery Board	Executive
65.	To negotiate on price of buy back or open market purchase	Strategic Director and Estates and Valuation Manager	Executive
66.	To proceed with buy back or open market purchase if within budget or purchase price and works are needed	Portfolio Holders on the Housing Delivery Board	Executive
67.	To negotiate on land purchases	Strategic Director and Estates and Valuation Manager	Executive
68.	To proceed with land purchase if within agreed financial limits	Portfolio Holders on the Housing Delivery Board	Executive

## Private Sector Housing

	<b>Authority</b>	<b>After Consultation with</b>	<b>Function</b>
69.	To determine the charges for default works undertaken pursuant to the Public Health and Housing Acts and the clearance of private drains and private sewers, all in respect of Environmental Protection legislation.	The relevant Portfolio Holder	Executive

	<b>Authority</b>	<b>Function</b>
70.	To undertake all actions relating to the Council's functions under the Housing Grants, Regeneration and Construction Act 1996 and any subsequent legislation, including but not limited to the following: (a) Disabled facilities grants (b) Renovation grants (c) common parts grants, (d) house in multiple occupation grants (e) major repair grants	Executive
71.	To undertake all actions relating to the Council's functions under the Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 for the securing of loans given for the improvement or repair of dwellings as a formal Land Charge.	Executive
72.	To undertake all actions relating to the Council's functions under the Housing Acts and any subsequent legislation regard to unfit housing and houses in multiple occupation.	Executive
73.	To administer and approve loans under the Flexible Improvement Loans Scheme.	Executive

## Housing and Homelessness

	<b>Authority</b>	<b>Function</b>
74.	To make decisions to depart from the Council's Allocations Policy in special needs circumstances.	Executive
75.	To review decisions under the Allocation of Housing and Homelessness (Review Procedures) Regulations 1999.	Executive

## Burial or Cremation

	Authority	Function
76.	To arrange the burial or cremation of persons for whom no other suitable arrangements for the disposal of their remains have been made (under Section 46 of the Public Health (Control of Disease) Act 1984) and any necessary administration of the deceased's estate in liaison with the Treasury Solicitor.	Executive

## BOROUGH SOLICITOR

### Data Protection Act 1998

	Authority	Function
77.	<del>To waive in cases of hardship the subject access fee allowed for under the Data Protection Act 1998.</del> <u>To authorise the charging of a fee in respect of any manifestly unfounded or excessive Subject Access Request under the Data Protection Act 2018/General Data Protection Regulation</u>	Executive
78.	To evaluate opportunities to buy back all or part of a former Council property (to include determining right of first refusal and percentage of ownership).	Executive

### Regulation of Investigatory Powers Act 2000

	Authority	After Consultation with	Function
79.	To amend the Council's Regulation of Investigatory Powers Act 2000 Policy and Procedure, to reflect changes to the legislation or for better performance of the Policy.	The relevant Portfolio Holder and the Leader	Executive
80.	To add to, or delete from, the list of authorised officers in the Council's Policy and Procedure pursuant to the Regulation of Investigatory Powers Act 2000.	The relevant Portfolio Holder and the Leader	Executive

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**WAVERLEY BOROUGH COUNCIL**

**COUNCIL**

**19 MARCH 2019**

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**Title:**

**NON-ATTENDANCE BY A COUNCILLOR FOR SIX MONTHS**

**[Portfolio Holder: Cllr Julia Potts]  
[Wards Affected: Hindhead]**

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**Summary and purpose:**

To seek a resolution from Council that the Hindhead ward seat formerly occupied by Councillor Christiaan Hesse be declared vacant.

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**How this report relates to the Council's Corporate Priorities:**

This report concerns Councillors' statutory duties to attend meetings in order to support the Council's ongoing business.

**Equality and Diversity Implications:**

There are no Equality and Diversity implications associated with this report.

**Financial Implications:**

There are no financial implications associated with this report.

**Legal Implications:**

The relevant legal implications are set out in the body of the report.

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**Background**

1. Councillor Christiaan Hesse has not attended any meeting relating to the discharge of Council functions since attending the Value for Money and Customer Service Overview and Scrutiny Committee meeting on 10 September 2018.
2. Section 85(1) of the Local Government Act 1972 states that a Councillor will automatically cease to be a member of the authority if he or she fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the authority.
3. However, that is subject to the caveat in section 85(1) – "unless the failure was due to some reason approved by the authority before the expiry of that period". The Act states that, should the Council deem any reason insufficient, or should no reason be provided, a Councillor will be automatically cease to be a member of the authority.

4. Therefore any Councillor in such a position must be given the opportunity to provide a reason for that absence, and to have that reason considered by the Council.
5. Officers have attempted to contact Councillor Hesse in order to establish his reason(s) for not attending. That has proven unsuccessful and Councillor Hesse has not provided a reason for not having attended.
6. Councillor Hesse therefore ceased to be a member of the Council on 10 March 2019.
7. Under section 86 of the Act, the Council now needs to declare the ward seat vacant.
8. Section 87 states that the casual vacancy must be publicised via a public notice as soon as possible following the meeting. Officers would put that into effect forthwith following any resolution. The seat would then remain vacant until the borough elections on 2 May 2019.

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### **Recommendation**

It is recommended that the Council declares vacant the Hindhead ward seat formerly occupied by Councillor Christiaan Hesse.

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### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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### **CONTACT OFFICER:**

**Name:** Daniel Bainbridge,  
Borough Solicitor &  
Deputy Monitoring Officer

**Telephone:** 01483 523235  
**E-mail:** [daniel.bainbridge@waverley.gov.uk](mailto:daniel.bainbridge@waverley.gov.uk)