

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 4 FEBRUARY 2020

SUBMITTED TO THE COUNCIL MEETING – 18 FEBRUARY 2020

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

Present

Cllr Paul Follows (Vice Chairman)
Cllr David Beaman
Cllr Andy MacLeod
Cllr Mark Merryweather

Cllr John Neale
Cllr Nick Palmer
Cllr Anne-Marie Rosoman
Cllr Steve Williams

Also Present

Councillor Julia Potts, Councillor Kevin Deanus, Councillor Simon Dear, Councillor Jenny Else, Councillor John Gray, Councillor Stephen Mulliner and Councillor Richard Seaborne

EXE 55/19 MINUTES (Agenda item 1)

The Minutes of the Meeting held on 7 January 2020 were confirmed and signed as a correct record.

EXE 56/19 DECLARATIONS OF INTERESTS (Agenda item 3)

There were no declarations of interest raised under this heading.

EXE 57/19 QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4)

There were no questions from members of the public.

EXE 58/19 QUESTIONS FROM MEMBERS OF THE COUNCIL (Agenda item 5)

There were no questions from Members of the Council.

EXE 59/19 LEADER'S AND PORTFOLIO HOLDERS' UPDATES (Agenda item 6)

There were no updates reported.

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 60/19 MEDIUM TERM FINANCIAL PLAN 2020/21 - 2023/24 AND GENERAL FUND BUDGET 2020/21 (Agenda item 7)

- 60.1 Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial, introduced the report setting out the latest Medium Term Financial Plan (MTFP) and the draft General Fund Budget for 2020/21. The headlines in the MTFP were the significant shortfall in annual budget projected over the medium term which was estimated to grow to £5.4million cumulative shortfall over the Plan period; steps to mitigate the shortfall, addressing both costs and revenue; and a proposed increase in Council Tax of 1.9%. The proposed Council Tax increase was below the maximum allowed by the government, and recognised the increased Council Tax base due to increased development in the borough, and almost £700,000 of efficiency savings. Cllr Merryweather commended the MTFP and General Fund budget for 2020/21 to the Executive, for recommendation to Council to approve.
- 60.2 Cllr Stephen Mulliner spoke as Chairman of the Overview & Scrutiny Budget Strategy Working Group (BSWG), and reiterated the financial challenges facing the council and the constraints on raising additional income through fees and charges, and through commercial property investments. The BSWG had concluded that it was unlikely that any significant revenue could be generated from new revenue streams within the next four years, and also had reservations about the level and timing of savings achievable through the Customer Services Project. With regard to the 2020/21 budget proposals, Cllr Mulliner noted that the proposed 1.9% Council Tax increase would cause the Council to forego £83,000 per annum, or over £340,000 compounded over four years. The proposed budget also contained uncertainty around commercial property income, and planning and leisure centre income. Any shortfall in budgeted savings in 2020/21 would worsen the problem to be addressed in 2021/22. The severity of the financial challenge demanded a clear strategic approach, either to impose deep service cuts to bring costs into line with income; or, to maintain services at current levels by raising income and making efficiency savings. It was not clear what was the Executive's strategic approach, and he asked that this be made clear at the forthcoming Council meeting.
- 60.3 Cllr Follows thanked Cllr Mulliner for his summary of the work of the BSWG, and for the hard work of the BSWG members. The recent residents' survey had shown that there was a preference for efficiency savings over raising fees and charges, and the budget included £700,000 of cost savings.
- 60.4 In responding, Cllr Merryweather emphasised the role of central government in cutting income and constraining councils' ability to generate additional income. Waverley's residents' survey showed that there was a preference for efficiency savings and raising commercial investment income ahead of increases to Council Tax and car parking charges. Waverley had a structural advantage in residential development for market rental through its ownership of land, but the lead-in time was long. Car parking charges had not been increased since April 2017, and they would be increased if necessary; however, the strategic review of car parking showed that there was a need

for a smarter approach to car parking charges than a blanket increase. The Council Tax foregone by not increasing to the maximum allowed was more than off-set by the increase in the Council Tax base, and the Executive had listened to the feedback from residents in proposing the level of Council Tax increase.

60.5 After considering comments from the Value for Money Overview & Scrutiny Committee, **the Executive RESOLVED to make the following recommendations to Council, to:**

1. **agree a 1.9% increase in Waverley's element of the Council Tax Charge for 2020/21, equivalent to around 7p a week on a Band D property;**
2. **agree to make no change to the Council's existing Council Tax Support Scheme;**
3. **agree the proposed Fees and Charges as shown at Annexe 4 to the report;**
4. **approve the General Fund Budget for 2020/21 as described in this report, and in Annexes 2 and 3 to the report; and**
5. **approve the General Fund Capital Programme as shown at Annexe 6 to the report.**

Reason: The budget is a major decision for the Council and setting a balanced budget is a statutory requirement.

EXE 61/19 CAPITAL STRATEGY 2020/2021 INCORPORATING TREASURY MANAGEMENT STRATEGY AND PROPERTY INVESTMENT STRATEGY (Agenda item 8)

- 61.1 Cllr Merryweather presented the Capital Strategy 2020/2021, which incorporated the Treasury Management Strategy, Prudential Indicators and Property Investment Strategy. The Capital Strategy accorded with the CIPFA Prudential Code for Capital Finance in Local Authorities and the Council was required to approve the Capital Strategy annually.
- 61.2 **The Executive RESOLVED to recommend the Capital Strategy for 2020/2021, incorporating the Treasury Management Strategy and Property Investment Strategy, to Council for approval.**

Reason: The Council has to comply with The Prudential Code for Capital Finance in Local Authorities (the Code) issued by CIPFA which 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 that is provided by the Capital Strategy.

EXE 62/19 HOUSING REVENUE ACCOUNT BUSINESS PLAN, REVENUE BUDGET AND CAPITAL PROGRAMME 2020/21 (Agenda item 9)

- 62.1 Cllr Anne-Marie Rosoman, Portfolio Holder for Housing and Community Safety, introduced the proposed Housing Revenue Account (HRA) Business Plan, Revenue Budget and Capital Programme for 2020/21. The proposals had been developed against a background of four years of mandatory rent reductions, with consequences for the Business Plan of the reduced income. The government was now allowing an increase in housing rents, and it was important to agree an increase for 2020/21 to enable the Council to maintain services, invest in its housing stock and continue the new affordable housing development programme.
- 62.2 After considering comments from the Housing Overview and Scrutiny Committee, **the Executive RESOLVED to recommend to Council, that:**
- 1. the rent level of Council dwellings be increased by 2.7% from the 2019/20 level with effect from 1 April 2020 in accordance with The Government's permitted guidelines;**
 - 2. the weekly charge for garages rented by both Council and non-Council tenants be increased by 25 pence per week excluding VAT from 1 April 2020;**
 - 3. the service charge in sheltered accommodation be increased by 50 pence per week from 1 April 2020 to £19.50;**
 - 4. the recharge for energy costs in sheltered accommodation (as appropriate) be increased by 50 pence per week from 1 April 2020;**
 - 5. the revised HRA Business Plan for 2020/21 to 2023/24 as set out at Annexe 1 to the report be approved;**
 - 6. note the approval change for the fees and charges as set out in Annexe 2 to the report;**
 - 7. the Housing Revenue Account Capital Programmes as shown at Annexe 3 to the report be approved;**
 - 8. the proposed use of the Working Balance Reserve and Contingency Reserves to fund Capital Programmes be approved; and,**
 - 9. the financing of the capital programmes be approved in line with the resources shown in Annexe 4 to the report.**

Reason: In order to approve use of reserves and resources to fund Waverley Borough Councils Landlord Services, the 30 year maintenance programme and deliver proposals for building new affordable homes and investment stock remodelling.

EXE 63/19 PAY POLICY STATEMENT 2020/21 (Agenda item 10)

- 63.1 The Leader introduced the draft Pay Policy Statement 2020/21. The Council was required to publish an Annual Pay Policy Statement on an annual basis. There were minimal adjustments compared with the Pay Policy Statement approved in February 2019, and these were shown as tracked changes.
- 63.2 **The Executive RESOLVED to recommend to Council that the Pay Policy Statement for the 2020/21 financial year, attached at Annexe 1 to the report, be approved.**

Reason: To comply with the Localism Act 2011 (Sections 38 and 39).

PART II - MATTERS OF REPORT

The background papers relating to the following items are as set out in the reports included in the original agenda papers.

EXE 64/19 SERVICE PLANS 2020 - 2023 (3 YEAR ROLLING PLANS) (Agenda item 11)

- 64.1 The Leader presented the Service Plans for 2020-2023, which had been prepared by Heads of Service in collaboration with their teams and Portfolio Holders to set out the service objectives for the coming three years in line with the Corporate Strategy 2019-23 and the Medium Term Financial Plan 2020-2023. Each of the Overview and Scrutiny Committees had considered the Service Plans within their remit and their comments had been addressed within the Service Plans where this was appropriate.
- 64.2 Having considered the comments and recommendations of the Overview and Scrutiny Committees, **the Executive RESOLVED to approve the final Service Plans 2020-23 as set out at Annexe 1, for implementation from 1 April 2020.**

Reason: Service Plans form an important part of the Council's performance management framework, setting out the business priorities for each service for the coming three years, and how they will help to deliver the Council's priorities.

EXE 65/19 PROPERTY MATTER - UTILITY EASEMENTS, FARNHAM (Agenda item 12)

- 65.1 Cllr Andy MacLeod, Portfolio Holder for the Brightwells Yard Development project, introduced the report proposing to grant easements to CM Utilities for the gas supply, and to Thames Water for a sewer route into the Brightwells Yard development site. Granting the easements for gas and water connections would enable the Brightwells Yard development to progress on site.
- 65.2 In response to a query raised by Cllr Jerry Hyman earlier in the day, officers reported that Crest Nicholson had confirmed that the gas and water companies were working to the correct plans, and the easement line for the gas connection would go beneath the highway, not the building. As a matter

of course, the easement would include provisions for inspection, maintenance and repair.

- 65.3 **The Executive RESOLVED to approve the easements in order that relevant agreements can be entered into on the terms proposed in (Exempt) Annexe 3 to the report.**

Reason: in order that progress for the Brightwells utilities can continue on site.

The meeting commenced at 6.00 pm and concluded at 6.30 pm

Chairman