

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 2 FEBRUARY 2016

SUBMITTED TO THE COUNCIL MEETING – 16 FEBRUARY 2016

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

Present

Cllr Robert Knowles (Chairman)
Cllr Julia Potts (Vice Chairman)
Cllr Brian Adams
Cllr Kevin Deanus
Cllr Carole King

Cllr Tom Martin
Cllr Wyatt Ramsdale
Cllr Stefan Reynolds
Cllr Simon Thornton

Also Present

Councillor Maurice Byham and Councillor John Fraser

120. MINUTES (Agenda item 1)

The Minutes of the Meeting held on 5 January 2016 were confirmed and signed as a correct record.

121. DECLARATIONS OF INTERESTS (Agenda item 3)

There were no declarations of interest raised under this heading.

122. QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4)

The Executive received the following questions in accordance with Procedure Rule 10:

i. from Mrs Anne Cooper of Farnham

“Taking into account the recent cold wet weather, it would be good to hear the Portfolio Holder for East Street give a report on the current state of Grade II Listed Brightwell House. The Redgrave Theatre, built by public subscription, is attached to Brightwell House and although this extension is scheduled for demolition, it currently remains part of the principal building under the protection of the Grade II Listing. These buildings have been left in a derelict condition since 1999 and reportedly contain bat roosts. In the intervening 17 years both buildings have been vandalised, subject to thefts of valuable items and to water penetration. There have been plans for the renovation of Brightwell House since 2006 as part of the long delayed Crest Nicholson redevelopment of East Street, but there is still uncertainty about when this might happen. Please could we have the dates of all previous and any expected structural surveys of the fabric of Brightwell House and the Redgrave?”

Mrs Cooper was not present at the meeting to ask her question and the Chairman undertook to send the response to her question in writing.

ii. from Mr Jerry Hyman of Farnham

"My question relates to Farnham's town-centre road system and the Air Quality Action Plan, and asks whether anyone knows what we are doing, as there are conflicting Plans in place.

For instance, the consented plans for the almost-completed development on the old Police Station site indicate that a new pedestrian crossing will soon be installed in Longbridge, whilst the consented Crest Nicholson plans show traffic lights and three new pedestrian crossings at the Longbridge junction; the Council's Farnham Area Conservation Management Plan proposes a shared-space solution, and the Herald recently reported that Surrey are planning a mini-roundabout there.

We appear to have a similarly confused situation regarding the main Royal Deer junction, for which the Council has repeatedly approved CNS's reconfiguration proposals to more-than-double both pedestrian and traffic waiting times - resulting Crest being tasked with finding a different 'solution' - whilst our MP and Surrey Highways have together been pursuing and claiming public approval for entirely contradictory proposals. We now find that the Woolmead planning application proposes yet another different design for the junction. However, Mr Hunt's recent 'update' in his End-of Year Letter informed us that a practical solution is still being sought.

Hence it's difficult to know what the Plan is for our gyratory system, with at least seven different Plans either agreed or being pursued, and it's unclear quite when the interesting process of continually installing, uninstalling and replacing them all will commence.

Our Local Plan, our AQAP and numerous major developments depend upon this, so if anyone knows what we are doing, can you please describe the current Plan for Farnham's gyratory system, and the likely timescales?"

The Portfolio Holder for Planning, Cllr Adams, responded as follows:-

"Waverley's Air Quality Action Plan (AQAP) has regard for traffic management and this has resulted in traffic management modelling being undertaken. We are also of course monitoring air quality in Farnham every day. The modelling work has identified some options that will work in traffic management terms, but has also produced some unexpected results that require further modelling work to assess the impacts and potential outcomes. SCC, the authority for addressing air quality issues, Highways Team are currently conducting modelling in line with previous WBC work to ensure future decisions produce the most appropriate solutions. WBC will continue to work alongside SCC to develop options that will work to improve air quality within the Borough but as yet no definite decisions have been reached in regards to traffic management.

There is an extant planning permission for Brightwells regeneration which includes off site highway changes at the Royal Deer junction and elsewhere in the town centre. We are not currently aware of any other significant plans for changes to the highway network in the town centre which have reached a level of agreement."

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.

123. WAVERLEY FINANCIAL STRATEGY 2016/2017 - 2019/2020

The reports from the Executive in respect of the 2016/17 budget are set out at Agenda Item 8 to the Council agenda, incorporating:-

- 8a. General Fund Revenue Budget 2016/2017
- 8b. General Fund Capital Programme 2016/2017
- 8c. Housing Revenue Account Business Plan, Revenue Budget and Capital Programme 2016/2017
- 8d. Council Tax Setting 2016/2017

These reports have been dealt with at Agenda Item 8 of the Council agenda.

124. TREASURY MANAGEMENT 2016/17 (Agenda item 9)

124.1 Treasury management is the management of the Council's 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.

124.2 For Waverley Borough Council this means collecting around £130m per annum and managing a similar amount of revenue expenditure, together with an average investment of around £65m each day invested in financial markets and, with the introduction of HRA Self-financing in 2012/13, it now also includes borrowing of £192m.

124.3 The latest revision to the code by CIPFA in November 2011 incorporates the implications of the new HRA Self-Financing framework and tightens up on the requirements for the management of risk. These changes were incorporated in Waverley's Policy and originally approved in February 2012.

124.4 The code requires local authorities to maintain their Treasury Management Policy in accordance with the code, and any of its revisions, and with legislation. It also requires local authorities to determine their Treasury Management strategies and Investment strategies on an annual basis and their Prudential Indicators on an annual basis.

124.5 CIPFA has produced this Code and the accompanying guidance notes to help satisfy nine main purposes:

- i. 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.
- ii. To emphasise the over-riding importance of effective risk management, as the foundation for treasury management in all public service bodies.
- iii. To provide transparency for treasury management decisions including the use of counterparties and financial instruments that individual public service organisations intend to use for the prudent management of their financial affairs.
- iv. 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.
- v. 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"*.
- vi. To help facilitate a standardisation and codification of treasury management policies and practices in the public services.
- vii. 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
- viii. 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.
- ix. 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.

124.6 The key documents in line with the requirements of the Code are approved by Council annually as follows:

- Treasury Management Policy Statement is included at Annexe 1 and sets out the headline objectives of the Treasury Management function.
- Treasury Management Strategy 2016/17 is included at Annexe 2 and sets out the way in which Waverley's policy objectives for Treasury Management will be achieved and the high level approach to borrowing and 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.

- Annual Investment Strategy 2016/17 is included at Annexe 3 and sets out how Waverley's investments will be managed, in accordance with the Treasury Management Strategy, and how this will help achieve Waverley's TM policy objectives. This Strategy is required by local government investment regulations.

124.7 The Local Government Act 2003 requires local authorities to comply with CIPFA's Prudential Borrowing Code. This in turn requires local authorities to agree a specified set of prudential indicators relating to their investment and borrowing activities. Waverley's Prudential Indicators are in line with the requirements of the Code and the current conditions which are included at Annexe 4. The prudential indicators are intended to support decision-making and are ways of targeting and measuring performance.

124.8 The Corporate Overview and Scrutiny Committee considered the report at its meeting on 26 January 2016 and had no additional observations to be circulated to the Executive.

124.9 The Executive now

RECOMMENDS that

- 60. the 2016/17 Treasury Management Policy, the 2016/17 Treasury Management Strategy, the Annual Investment Strategy for 2016/17, and the Prudential Indicators to 2018/19 be approved.**

[Reason: to approve the proposed Treasury Management Framework for 2016/17]

125. FUNDING FOR VOLUNTARY SECTOR ORGANISATIONS 2016/17 (Agenda Item 10)

125.1 The Waverley Community Grant Scheme awards funding towards the running costs of organisations that provide high priority services for the benefit of Waverley residents, in partnership with the Council. The services that the partner organisations deliver across all corporate objectives could fall into any of the 5 priority areas. In addition the Council made a specific commitment in the Corporate Plan to work with voluntary groups to meet the needs of residents. Waverley's contribution to the Waverley Voluntary Partnership also helps support organisations to deliver wellbeing activities. The financial implications are explained in detail below.

125.2 The Council's total grants allocated to Community organisations in 2016/17 are £725,110 showing the Council's continued commitment to its partnerships with voluntary organisations. This overall budget has been maintained over the past four years, despite the Council's significant reductions in its government grant. As a proportion of the Council's overall net budget spend, the level of financial support has increased. A summary of the grant and Service Level Agreement funding proposed in 2016/17:

	Proposed 2016/17	Actual 2015/16
Waverley Community Grant Scheme (grants)	£158,650	£158,650
Waverley Voluntary Partnership (commissioning)	£42,770	£42,770
Service Level Agreements	£523,690	£523,690
Total proposed funding allocated to Voluntary Sector organisations	£725,110	£725,110

- 125.3 In addition to the above funding, the Council supports these and additional organisations in many other ways including assistance with accessing other sources of funding, one-off capital investment, discretionary rate relief and rent relief.
- 125.4 At its meeting on 6 October 2015, the Executive agreed to open the 2016/17 funding round of the Waverley Community Grant Scheme (previously called the Waverley Community Partnership) to coincide with the budget setting process. In the current year 2015/16, the Council maintained its overall financial package for the voluntary sector and the total funding for the Waverley Community Grants Scheme was £158,650.
- 125.5 The Council will receive a further 52% reduction in its grant from the Government for 2016/17 and will need to identify cost savings to balance its budget. However, Members recognise the vital services delivered in partnership with the voluntary sector and are mindful of the potential impact that any cut would have on our voluntary organisations. Members are also keen to ensure services that support Waverley's growing older population and more vulnerable residents are prioritised in the current economic climate. It is currently proposed in the draft budget 2016/17 that the overall funding budget for voluntary organisations be maintained at the same level as the current year. Within this, the budgets for the Waverley Community Grant Scheme, Voluntary Grants Partnership and Service Level Agreements will vary.
- 125.6 The Council has not decreased its overall funding to the voluntary sector for five years and this clearly demonstrates Waverley's continued commitment to the voluntary sector despite the Council having to make its own budget reductions.
- 125.7 Despite further significant reductions in Government funding, it is proposed that the total amount of money that Waverley contributes to the Waverley Voluntary Partnership (WVP) commissioning pilot scheme should remain at the same level for 2016/17 at £42,770. Given this, Surrey County Council has also agreed to maintain its contribution at the same level as the current year, bringing the total pot to £85,540. It is proposed to continue with this pilot for 2016/17 and its success is reported to Committee after one full year of the pilot to agree whether to continue with the scheme for 2017/18.

- 125.8 The Council financially supports seven other voluntary organisations to deliver high priority services through SLA arrangements. Following a successful nominated pilot project to sign three organisations up to this new way of working in 2012/13, at its meeting on 3 February 2015 the Executive agreed to move four other organisations out of the Waverley Community Grant scheme process on to three year SLAs from April 2015. This meant that their combined funding of £160,250 was transferred out of the Waverley Community Grant Scheme overall pot for 2015/16. In addition, the overall SLA funding to voluntary sector organisations for the next three years, 2015-2018, was increased by 6.7%. A one-off reserve of £19,420 was set up in 2015/16 to invest in any further opportunities to meet community needs and to enable the SLA organisations to deliver even better outcomes where a clear case can be made. No additional funding has been awarded in 2015/16 to date and it is proposed to carry forward the ring-fenced SLA provision to 2016/17.
- 125.9 The Royal Voluntary Service is also funded through an SLA for the Meals on Wheels service in partnership with Surrey County Council. Waverley's contribution of £30,000 is matched by the County Council Adult Social Care directorate to provide a service to residents in the borough.
- 125.10 The SLAs enable key voluntary sector organisations to continue to work in partnership with the Council to deliver and develop vital services for the most vulnerable residents and older people. The Council will be working to increase the number of organisations funded through SLAs in future years.
- 125.11 The principal aim of the Waverley Community Grant Scheme is to provide financial support for not-for-profit organisations that deliver high priority services for the benefit of Waverley residents in partnership with the Council.
- 125.12 A total of 23 applications to the Waverley Community Grant Scheme have been received with 7 new applications. The total level of funding requested by organisations for 2016/17 was £275,050 and Annexe 5 details all the applications received and proposed allocations.
- 125.13 As part of the assessment process, each grant application has been reviewed by the relevant 'link officer' within each service area. In addition, a financial assessment of each organisation's annual accounts has been undertaken to identify any changes/concerns in the financial position of partner organisations. Where appropriate, Member Representatives for organisations were invited to comment in general on their work.
- 125.14 A Grants Panel, chaired by the Portfolio Holder for Grants, made proposals on funding levels. The Chairman was supported by the Portfolio Holder for Operational Services, the Portfolio Holder for Leisure and Environment and the Portfolio Holder for Housing, plus officers from Finance and Communities. The Panel made proposals on levels of funding ahead of the Community Overview and Scrutiny Committee consideration.

- 125.15 Annexe 5 includes notes on the reasons for the proposed grant levels for some organisations where this is considered to be particularly relevant. Information on other discretionary financial support that the Council provides to partner organisations is detailed in Annexe 6.
- 125.16 Requests for funding exceeded the overall budget by £116,400 which meant the Grants Panel had to make very difficult decisions. The Panel's proposed allocations reflect the clear outcomes being delivered by organisations to our most vulnerable residents including both older people and vulnerable families. It was also mindful that in recent years organisations have been advised to continue to identify other sources of income as continued support from the Council cannot be relied upon. As a result, the Panel carefully considered the applications and financial information from organisations that continue to receive smaller grants year-on-year. It felt that some of these organisations would be in a position to absorb a nil grant, which would enable the scheme to award funding to new organisations. It, however, also felt that if some services became affected as a result of not receiving funding, the Council may be able to provide support through its Emergency Funding provision. The Panel proposed to increase funding to one organisation and to award funding to two new applicants.

Rowleys Centre for the Community

- 125.17 The Council is hugely committed to the current and future success of Rowleys Centre for the Community which supports the needs of older people and has almost 300 members. The service is currently delivered through Age UK Waverley. The Council increased its funding for Rowleys by 16% to £55,000 for 2015/16 recognising that it is a popular local venue and much valued by the community and its users. At its meeting on 3 February 2015 the Executive agreed that the funding for Rowleys be ring-fenced to support its running costs and that the full grant be held in restricted funds within the Age UK Waverley financial accounts for Rowleys. In addition the Council requested full and transparent accounts detailing income, expenditure and a balance sheet for Rowleys (excluding other Age UK Waverley activities).
- 125.18 Whilst holding the balance of funding for the Rowleys grant, the Council has been seeking clarity with Age UK Waverley on the required financial information and a number of issues in relation to the 2015/16 Funding Agreement for Rowleys. Progress has recently been made and the Council has now released the full grant of £55,000. The Council continues to work in partnership with the newly formed Rowleys Centre for the Community Management Committee.
- 125.19 The Grants Panel did not wish any funding award for 2016/17 to be affected as a result of Age UK Waverley's actions during 2015/16 and therefore proposed that the funding for Rowleys should be maintained for 2016/17 on the condition that:
- Rowleys makes progress to become an independent registered charity to operate as a separate entity with its own constitution and separate governance procedures;
 - The funds are ring-fenced to support the direct running costs of the Rowleys day centre service;

- The Council continues to receive full and transparent accounts detailing income, expenditure and a balance sheet for Rowleys (excluding other Age UK Waverley activities);

125.20 The Council will work with Rowleys over the coming year to prepare them for a possible move to a Service Level Agreement in 2017/18 including the condition that a new lease arrangement is in place, which will help strengthen their ability to meet the needs of older people in their community and provide additional certainty over future years funding levels.

Age UK Surrey

125.21 The Council has started to build a strong partnership with Age UK Surrey during the year. It is providing information and advice to Waverley residents as well as projects enabling older people to be socially connected such as Farnham Making Connections, Living Well and computer drop-in etc. In the grant round of 2015/16 it was agreed not to award funding to Age UK Waverley towards its information and advice service due to continuing concerns about not operating a borough-wide service and not providing value for money compared to other information and advice providers in Waverley. Age UK Surrey plan to develop, extend and enhance its existing information and advice service to increase provision for Waverley residents in 2016/17. This will be delivered at drop-in accessible venues across the borough, telephone helplines, surgeries on particular issues affecting older people and home visits to ensure it reaches the most vulnerable and isolated older people. The Grants Panel proposed awarding funding of £9,000 towards the enhanced information and advice outreach service across Waverley on the condition that Age UK Surrey funds the balance required to deliver the service. It also proposed to award a further £6,000 to enable Age UK Surrey to build its partnership and wider work supporting older residents, bringing the total funding to £15,000.

125.22 A Grants Sub-Committee was established in November 2011 to review application documentation and scrutinise the Grants Panel's initial allocations. At its meeting on 14 September 2015 the Community O&S agreed to re-appoint the Sub-Committee this year to consider the initial allocations in more detail before bringing observations back to the O&S Committee at its meeting in January 2016. The Sub-Committee met on 9 December 2015 and the minutes of the meeting were considered by the O & S Committee and Executive.

Service Level Agreements

125.23 Following the work of a Member Special Interest Group (SIG) in 2011, the Executive agreed to invite three organisations to negotiate SLAs. In 2012, Farnham Maltings, Citizens Advice Waverley and Waverley Hoppa Community Transport signed three year Service Level Agreements, as a pilot for this new way of working. The Agreements ensure the Council has greater control and influence over the services delivered with its funding. They provide greater accountability for the funding given and the delivery of clear outcomes with robust performance measures.

125.24 Due to the success of the pilot, at its budget setting meeting on 17 February 2015, the Council agreed to fund these organisations and four further organisations under new SLAs for a further three years. The four additional organisations are The Orchard Club, The Clockhouse, Age Concern Farncombe and Cranleigh Arts Centre. These seven organisations are being funded from 1 April 2015 to 31 March 2018.

125.25 The Community Overview and Scrutiny Committee considered the funding report at its meeting on 19 January 2016 and made the following observations to the Executive:-

- The Committee had concerns about ring-fencing the grant funding to Rowleys and wanted confidence that it would receive its whole grant. There was frustration that it was still necessary to look into detail of the accounts and residents were worried about the continuation of the service. The Committee wanted to give residents confidence that there was no reason to close the service and that Waverley would continue to support Rowleys; and
- The Committee was concerned about a reduction in funding for organisations and the effect of this on the morale of volunteers in trying to raise funds.

125.26 The Executive, having considered the applications for Waverley Community Partnership funding in 2016/17 and the comments of the Community Overview and Scrutiny Committee and Grants Sub-Committee now

RECOMMENDS that

- 61. the overall funding to the voluntary sector be confirmed at £725,110 for 2016/17; and**
- 62. the grant levels for each organisation, as detailed in Annexe 5, be approved.**

[Reason: to consider applications for revenue funding to the voluntary sector in 2016/17]

126. ANNUAL PAY POLICY STATEMENT 2016/17 (Agenda item 11)

126.1 The Localism Act 2011 requires all public authorities to publish Annual Pay Policy Statements. The Council is required to adopt the Annual Pay Policy Statement each year and the Council is not legally permitted to depart from the policies set out in that statement when it considers actual decisions in relation to individuals' remuneration, including redundancy and/or severance.

126.2 The Annual Pay Policy Statement for 2016-17 has been updated in line with the requirements of the Localism Act 2011, resulting in minimal adjustment from last year and the amendments are shown in Annexe 7 as tracked changes.

126.3 The Executive

RECOMMENDS that

- 63. the Annual Pay Policy Statement for 2016-17 at Annexe 7 be approved and adopted.**

[Reason: to seek approval of the Annual Pay Policy Statement for 2016/17].

127. CORPORATE PLAN 2016-2019 (Agenda item 12)

127.1 The Council's last Corporate Plan expired in 2015 and there is a need for a new Plan to set out and deliver the Council's objectives during the life of the current administration 2016-19.

127.2 The Corporate Plan, attached at Annexe 8, provides the strategic direction of the Council by setting out its priorities for the next four years. The Plan also forms a vital part of the Performance Management Framework for the Council. The objectives contained in the Plan are delivered through annual Service Plans which in turn are delivered through individual staff targets and these are monitored through the appraisal process.

127.3 The objectives set out in the Corporate Plan have been arrived at through discussion, research and consultation over the last year taking into consideration the needs of customers and partner organisations. It is proposed that the overall design of the Corporate Plan will follow the existing design concept adopted for Waverley's recruitment material.

127.4. The Joint Overview and Scrutiny Committee considered the Corporate Plan at its meeting on 18 January 2016 and its observations were as follows:-

- Consideration to be given to the inclusion of youth and young people in the document
- Inclusion of air quality
- Suggestion that the achievements should be grouped under the same headings as the priorities
- Make reference in the document to Waverley working as part of an integrated hierarchy of local government (with County/Towns/Parishes).

127.5 The Executive considered each comment but agreed that no changes were required to the document. The Executive accordingly

RECOMMENDS that

- 64. the Corporate Plan 2016-2019, at Annexe 8, be approved and adopted.**

[Reason: to approve the proposed contents of the new Corporate Plan for 2016-19]

128. STARTER HOMES LOCAL AUTHORITY FUNDING PROGRAMME (Agenda item 16)

128.1 The Council has a long-standing commitment to delivering affordable housing in Waverley. One of the Government's objectives for housing is to enable more young people in home ownership by offering access to lower cost newly built market housing by building 200,000 Starter Homes, to be offered at a minimum 20% discount on open market value, in the next four years. The maximum open market value for a Starter Home is £250,000.

128.2 In October 2015, the Homes and Communities Agency invited bids from local authorities to bring forward sites for the development of Starter Homes. The grant is available for undertaking investigative works by March 2016 to make the site ready for development. Land eligible for funding through this programme was expected to be:

- commercial, industrial, leisure or other non-residential institutional land which is either vacant, under-used or unviable in its current or former use, and
- not currently identified for housing in a local or neighbourhood plan or within the authority's 5 year housing land supply, and
- in local authority ownership.

128.3 During 2016/17, the Council would need to enter into an unconditional contract with a developer for the sale of the site and secure planning permission to deliver six Starter Homes.

128.4 Bids were submitted to fund pre-development costs on two small sites in Waverley at the former garage site in Aarons Hill, Godalming and land to the rear of 13 Ryle Road, Farnham to enable them to be brought forward for the delivery a total of six Starter Homes. A breakdown of the bids is set out below:

Scheme	No of Starter Homes	Site investigation costs £	Remediation costs £	Ecological works £	Planning permission £	Total £
Aarons Hill	4	20,000	50,000	8,000	8,000	86,000
Ryle Road	2	10,000	20,000	4,000	4,000	38,000
						124,000

128.5 As the maximum open market value for a Starter Home is £250,000, the proposed schemes provide one and two bedroom homes. Based on initial pre-planning advice, the site at Aarons Hill has capacity for 4 x 1bed flats to the front of the site and the land at Ryle Road has potential for 2 x 2 bed houses. The delivery timetable is set out below:

Milestone	Date
Funding incurred on allowable costs for pre-development works	31 March 2016
Site remediated and ready for the development of Starter Homes	31 March 2017
Planning permission achieved for Starter Homes development	31 March 2017
Unconditional contract entered into by the Council with a developer or build contractor for Starter Homes development	31 March 2017
Commencement of start on site works related to Starter Homes	31 March 2018
Starter Homes practically completed	31 March 2019

128.6 The grant funding enables the Council to carry out pre-development works to bring the sites forward for development. When each site is ready for development, the Council will dispose of it to a developer or build contractor, for the construction and sale of Starter Homes.

128.7 The Council will market the site to achieve best consideration, subject to planning consent. Planning permission will be sought in partnership with the successful bidder. The provision of Starter Homes will be secured through a planning obligation, under section 106 of the Town and Country Planning Act 1990. This will bind the developer to offer the homes to a first time buyer under the age of 40, for a discount of at least 20% up to a maximum of £250,000. Restrictions will exist to preventing the homes being resold or let at their open market value for 5 years, following the initial sale.

128.8 The capital receipt generated from sale of the land will be re-invested in the New Affordable Homes Programme. The Executive

RECOMMENDS that:

- 65. the funding agreement with the Homes and Communities Agency be signed to enable the grant allocated through the Starter Homes Programme to be received;**
- 66. approval be given for a planning application to be submitted in due course; and**
- 67. approval be given for the disposal of the site for Starter Homes at best consideration to a private developer or build contractor, subject to final agreement on price with the Portfolio Holder for Housing and the Director of Finance and Resources.**

[Reason: to inform members of the outcome of the bid for funding and seek approval for actions to progress the starter homes]

129. LEGISLATION CHANGES AFFECTING THE PRIVATE RENTED SECTOR
(Agenda item 17)

129.1 There have been a number of new pieces of legislation which affect the private rented sector. Some of the changes do not affect the Council directly but do impact on advice provided to landlords and tenants. However, some changes introduce new legal duties on the Council or have the potential to significantly affect the way that enforcement action is taken. The new pieces of legislation are as follows:

Redress Scheme for Lettings and Property Management Work

129.2 The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc.) Order 2014 came into force on 1 October 2014. This Order requires persons who engage in lettings agency or property management work to belong to a redress scheme for dealing with complaints in connection with that work. The Order imposes a duty on local authorities to enforce the provisions.

129.3 Where the enforcement authority is satisfied that a person has failed to comply with the requirement it may, by notice, require that person to pay a monetary penalty of such amount as the authority determine, which must not exceed £5,000. The authority may recover the monetary penalty on the order of a court by providing a certificate, signed by the authority's Chief Finance Officer, stating that the amount due has not been received by the date specified.

129.4 The Council needs to update the Scheme of Delegation to include the new enforcement provisions under the Order and decide on the level of the monetary penalty.

Retaliatory Evictions

129.5 The Deregulation Act 2015 contains provisions to prevent landlords from responding to a legitimate complaint from their tenants about the condition of the property by serving a Section 21 eviction notice. It applies to all new assured shorthold tenancies that start on or after 1 October 2015.

129.6 To gain protection against this kind of retaliatory eviction a relevant tenant must report any disrepair or poor conditions to the landlord in writing. If the landlord does not respond within 14 days, or responds by issuing a Section 21 Notice, the tenant should ask the local authority to carry out an inspection to determine whether the property contains any serious health or safety hazards. If the local authority then serves an Improvement Notice or Notice of Emergency Remedial Action, the landlord cannot evict the tenant for 6 months using the no-fault eviction procedure. This protection does not apply to Section 8 Notices i.e. eviction where the tenant has failed to pay rent for 2 months.

129.7 There are two main areas of impact on the Private Sector Housing team arising from this:

- a. There will be a need to carry out an inspection and take enforcement action quickly in response to a tenant's complaint. Failure to do so may

result in the tenant being evicted in spite of these new provisions, which potentially will cause an increase in unintentional homeless cases. With a small Private Sector Housing Team there are times when it will only be possible to tenants to acknowledge their complaint in order to respond more fully when there is capacity.

- b. Under Waverley's current enforcement approach, the action that is taken proportionate to the seriousness of the risk. The majority of tenant complaints have been dealt with successfully by taking informal action. However, if one of the above Notices are not served, the landlord will be able to evict the tenant rather than carrying out the repair. This may affect Waverley's relations with private landlords, most of whom comply with requirements under the informal approach, and this may lead to an increase in appeals and enforcement.

129.8 The Council needs to consider the capacity of the private Sector Housing Team to carry out full inspections and serve Notices to meet the requirements of these provisions.

Smoke and Carbon Monoxide Alarm Regulations 2015

129.9 From 1 October private landlords (with certain exemptions – Registered providers of social housing and Licensed Houses in Multiple Occupation (HMO) are exempt, but unlicensed HMOs are not) must ensure that a smoke alarm is provided on each floor of the property and a carbon monoxide alarm is provided in any room which contains a solid fuel combustion appliance. In addition, the landlord is required to ensure that such alarms are in proper working order on the day each tenancy begins. The government has provided funding to Fire & Rescue authorities to provide free smoke and CO alarms and the Surrey Fire Service has made 7,000 alarms available.

129.10 These Regulations place enforcement duties on local housing authorities. Where the landlord is in breach of these requirements, the local authority has a duty to serve a remedial notice within 21 days to specify the action that needs to be taken. If the landlord does not comply with the notice within 28 days, the local authority must (if the occupier of the premises consents) arrange for an authorised person to carry out the remedial action within 28 days of the breach of notice. The local authority may also require the landlord to pay a penalty charge, which must not exceed £5,000. There is a right of appeal to the First Tier Tribunal for the penalty charge but not for the remedial notice. The impact to the Council arising from this is that the Scheme of Delegation will need to be updated to include the new provisions and Waverley will have to prepare and publish a statement of principles to be followed in determining the amount of a penalty charge.

Energy Act 2011

129.11 In addition to the immediate provisions outlined above, the Energy Act 2011 includes more provisions which will affect the private rented sector:

- a. From 1 April 2016 private landlords will be unable to refuse a tenant's reasonable request for consent to energy efficiency improvements to a property. Now that the Green Deal funding has come to an end, Waverley

will need to consider whether to provide grant funding to vulnerable tenants for these improvements. Enforcement of this requirement is through the First Tier Tribunal and not through the Council. However, the tenant may also request the service of a housing improvement notice to support the claim.

- b. From 1 April 2018 it will be against the law to rent out a property where a minimum EPC rating of E has not been achieved. This may affect several rural properties in Waverley. This is to be enforced by the local authority and will require service of compliance and penalty notices.

129.12 The new legislation is intended to improve the rights of private tenants against bad management practices and retaliatory evictions and to reduce the risk of injury or death from fire or carbon monoxide poisoning. Despite the promotion of alarms through a non-regulatory approach, private sector tenants remain significantly more at risk from fire or carbon monoxide poisoning than owner occupiers or public sector tenants. The new Regulations are therefore to be welcomed and the Private Sector Housing Team need to be empowered to use them.

129.13 The Corporate Overview and Scrutiny Committee considered the report at its meeting on 26 January 2016 and had no additional observations to be presented to the Executive. The Executive has noted the impact on the Council of the new legislation and now

RECOMMENDS that

- 68. the Scheme of Delegation be amended, as set out in Annexe 9, to include the enforcement provisions under a) the Redress Schemes for Lettings Agency Work and Property Management Work Order 2014; and, b) the Smoke and Carbon Monoxide Alarm Regulations 2015; and**
- 69. the statement of principles at Annexe 10 be adopted, which the Council will follow in determining the amount of penalty charge payable by a landlord who has failed to comply with a remedial notice under the Smoke and Carbon Monoxide Regulations 2015.**

[Reason: to outline the changes in legislation and prepare for the additional duties imposed on the Council]

130. DISPOSAL OF COUNCIL DWELLINGS AND CARRYING OUT MAJOR WORKS
(Agenda item 18)

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

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

- 130.1 The Council owns a number of properties across the Borough that require extensive refurbishment works to bring them up to Decent Homes standard, estimated to cost in excess of £1 million. The major works required to these properties include repairing structural defects, treating damp floors and walls, replacing ceilings, re-plastering walls, replacing kitchens and bathrooms, upgrading central heating and electrical re-wiring and drainage remedial works to make them suitable for letting.
- 130.2 The major works to each property have been highlighted in the attached decision-making model at (Exempt) Annexe 11. The model considers whether the refurbishment work is appropriate and cost effective and uses the following criteria:
- i. Financial
 - ii. Other risk factors – e.g. listed building status, high level of day-to-day repairs (predominantly properties built before pre-1945), not on mains drainage
 - iii. Demand (Housing Need)
 - iv. Redevelopment potential
- 130.3 The options considered in conjunction with the Housing Development Team were:
- i. Refurbish
 - ii. Refurbish and consider letting at a higher affordable rent level
 - iii. Renovate and configure to create an improved layout
 - iv. Redevelop
 - v. Extend to increase the number of affordable homes
 - vi. Offer to a Housing Association for continued use as affordable housing
 - vii. Sell on the open market.
- 130.4 The properties listed in (Exempt) Annexe 11 require major works in excess of the Asset Management Strategy viability threshold. Column L shows the estimated long term cost over thirty years (including the immediate repairs, as shown in column S). These costs were considered in relation to the total income potential from each property, over 30 years. Column M indicates if the reinvestment would be financially feasible. Where costs equate to between 33% and 66%, other factors are taken into consideration. Where costs equate to more than 66% of income, disposal is recommended. Column M shows that this applies to eight properties.
- 130.5 The 2015-2020 Asset Management Strategy sets out the other risk factors to take into account when considering disposals. These include properties where the Council spends most on day-to-day repairs, listed buildings, properties not on mains drainage and those located outside the borough.
- 130.6 The Housing Options Team has assessed the demand for each property, using data from the Housing Register. Column N shows that all the properties were assessed as being in high demand and meet a housing

need. The Housing Development Team has rated the development potential of each property. Column O shows that four properties had some limited development potential. Further work was undertaken to develop proposals for these properties, but the alternative options failed to deliver value for money. The remaining properties were not considered to have development potential.

130.7 The sale of the eight properties is expected to generate a capital receipt in excess of £1,400,000 for investment in new affordable homes and stock improvement works. The cost of the refurbishment works will be funded by the 2016/17 Stock Remodelling Reserve. Refurbished properties that are currently vacant will be re-let at Affordable Rents of up to 80% of open market value to reduce the pay back period.

130.8 Taking into account these criteria, the conclusion is that the identified reinvestment for the first eight properties is not cost-effective and recommend they are disposed of. With regard to the remaining properties, where the required investment either falls below the Asset Management Strategy threshold or there are no additional risk factors, and demand for the properties is high, refurbishment is recommended at a budgeted cost of £163,000.

130.9 The Executive therefore

RECOMMENDS that

70. the disposal by open market sale of eight properties be approved, as shown in (Exempt) Annexe 11, in accordance with the Asset Management Strategy, thus generating a capital receipt;

71. the funding of the major works to three properties as shown in (Exempt) Annexe 11 be agreed, from the 2016/17 Stock Remodelling Reserve and/or the capital receipt from the disposal programme and the re-letting of the vacant properties for an Affordable Rent of up to 80% of open market value; and

72. the tendering of the refurbishment works for the three properties and the appointment of contractors be approved.

[Reason: to seek approval to dispose of properties requiring major works in excess of the Asset Management Strategy viability threshold]

131. EXCLUSION OF PRESS AND PUBLIC (Agenda item 21)

At 7.48 pm it was

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

them of exempt information (as defined by Section 100I of the Act) of the description specified at the meeting in the revised Part 1 of Schedule 12A to the Local Government Act 1972:-

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

132. PROPERTY MATTER - CRANLEIGH (Agenda item 23)

The Executive has considered a report on this matter, attached as (Exempt) Annexe 12 and

RECOMMENDS that

73. the recommendations set out in (Exempt) Annexe 12 be approved.

[Reason: to deal with property matters in the Borough]

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.

133. FORWARD PROGRAMME (Agenda item 5)

RESOLVED that the forward programme of decisions for Waverley Borough Council be adopted.

134. SERVICE PLANS 2016/17 (Agenda item 13)

RESOLVED that the Joint Overview and Scrutiny Committee be thanked for its observations and, having noted the observations, the Service Plan objectives for 2016-17 be endorsed.

[Reason: to set out the strategic objectives for each service, delivering the Council's corporate priorities]

135. UPDATE ON 3 SOUTHERN COUNTIES DEVOLUTION PROPOSALS (Agenda item 14)

RESOLVED that

1. the submission of the 3SCs Devolution Proposal be noted; and
2. '3SC devolution proposals' be included on the Executive's Forward Programme as a potential key decision.

[Reason: to advise the Executive on the 3SCs (3 Southern Counties) proposals for devolution and how these might affect the Council]

136. HEALTH AND WELLBEING STRATEGY 2016-2021 (Agenda item 15)

RESOLVED that, having taken into account the observations of the Community Overview and Scrutiny Committee, the Health and Wellbeing Strategy for 2016-2021 be approved.

[Reason: to set out and agree the first Health and Wellbeing Strategy for Waverley]

137. APPOINTMENT OF OVERVIEW AND SCRUTINY SUB-COMMITTEE (Agenda item 19)

RESOLVED that a Meals on Wheels Review Sub-Committee be established, with the membership consisting of Cllrs Carole Cockburn, Jim Edwards, Jenny Else, Kika Mirylees and Nabeel Nasir.

138. PROPERTY MATTER - BRAMLEY (Agenda item 22)

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

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

RESOLVED that the recommendation set out in the (Exempt) Annexe to these minutes be approved.

[Reason: to deal with property matters in the Borough]

The meeting commenced at 6.45 pm and concluded at 7.56 pm

Chairman