

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 5 FEBRUARY 2019

SUBMITTED TO THE COUNCIL MEETING – 12 FEBRUARY 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 Mike Band, Councillor David Beaman, Councillor John Gray and  
Councillor Richard Seaborne

EXE 64/18 MINUTES (Agenda item 1)

The Minutes of the Meeting held on 4 December 2018 were confirmed and signed as a correct record.

EXE 65/18 APOLOGIES FOR ABSENCE (Agenda item 2)

There were no apologies for absence.

EXE 66/18 DECLARATIONS OF INTERESTS (Agenda item 3)

Cllr Chris Storey declared a Disclosable Pecuniary Interest in relation to agenda item 8, and left the Council Chamber during consideration of this item.

EXE 67/18 QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4)

There were no questions.

EXE 68/18 QUESTIONS FROM MEMBERS (Agenda item 5)

A question had been received from Cllr David Beaman, Farnham Castle Ward:

*“Are WBC aware that following representations made by Guildford Borough Council that Planning Inspector Jonathan Bore has agreed to reopen the public hearings which had closed in July for 2 days on 12th and 13th February to hear new evidence that Guildford's housing requirement should be significantly reduced based on revised population forecasts released in October by the Office for National Statistics (ONS). If these new hearings result in Guildford's housing allocation, which like Waverley's housing allocation includes meeting some unmet need from Woking, is reduced significantly then should not WBC also insist on an early review of its housing allocation numbers especially given the implications it could have on the proposed cross boundary development at Ockford Ridge and the basis on*

*which the appeal against development of land West of Folly Hill has been allowed. Click on the following link for further details :-*

<https://www.getsurrey.co.uk/news/surrey-news/date-set-new-local-plan-15580184> “

The following response has been provided by the Portfolio Holder for Planning Policy and Customer Services:

“In the Examination of the Waverley Borough Local Plan Part 1, it was the 2014-based household projections, (published in 2016), that were used by the inspector as the demographic starting point for identifying Waverley’s housing need, as these were the most up-to-date household projections available at the time.

Since then the 2016 Household Projections have been released as well as new national planning policy in the form of an update to the NPPF, published in July 2018. The new 2018 NPPF sets out a standard method for calculating the housing requirement. The Government recently consulted on some proposed changes to the NPPF relating to how Councils should calculate their housing requirement. They are proposing in the short term that Councils must use the 2014-based household projections. They are also proposing to make it clear that the 2016 household projections are not a reason to justify lower housing need. This is because the government does not consider that the 2016 household projections will deliver the number of homes that are needed and will not tackle house price affordability.

The Guildford Local Plan Examination is affected by the transitional arrangements regarding the application of the new NPPF. Because it was submitted when it was, it is being examined under the 2012 NPPF rather than the 2018 NPPF. As with the Waverley Plan, the Inspector wanted to have regard to the most up to date demographic projections. Because the 2016-based projections were published during the Examination of the Guildford Local Plan, the Council was, therefore, asked by the Inspector to comment on their implications. The Inspector has since decided to have two further Examination hearings on 12<sup>th</sup> and 13<sup>th</sup> February. The Inspector has set out the matters he wants to discuss at these further hearings. His note covers the appropriateness of using the 2016-based projections for Guildford’s Plan and goes on to pose a number of questions that presumably will form the basis of the discussion at the sessions on 12<sup>th</sup> and 13<sup>th</sup> February.

In his note, the Inspector has commented that the recent Government consultation regarding the continued use of the 2014-based projections has been directed at plans using the standard method for calculating the housing need rather than plans like Guildford’s, that are being examined under the old policies in the 2012 NPPF.

You have asked if the outcome of the Guildford examination is that the housing requirement is reduced, should Waverley Borough Council not also insist on an early review of its housing allocation. If the Council wanted to revisit its housing requirement then this would need to be through a review of the Local Plan. Such a review would be outside the transitional arrangements that affect Guildford and any new plan would, therefore, be assessed against the 2018 NPPF and the application of the Standard Method. The recent consultation on proposed changes to the NPPF, make it clear that pending a more detailed review of the Standard Method, the Government’s intention is for Plans examined under the 2018 NPPF is to use

the 2014-based projections to determine need rather than the 2016-based projections.”

### **PART I - RECOMMENDATIONS TO THE COUNCIL**

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

#### **EXE 69/18 MEDIUM TERM FINANCIAL PLAN 2019/20 - 2021/22 AND GENERAL FUND BUDGET 2019/20 (Agenda item 6)**

- 69.1 Cllr Beaman, Chairman of the Value for Money and Customer Services Overview and Scrutiny Committee, advised the Executive that the Overview and Scrutiny had had a meeting dedicated to scrutiny of the budget papers, to which all councillors had been invited. The Committee welcomed the balanced budget that had been presented, and the proposals to maintain the level of community grant funding and to freeze car parking charges for the forthcoming year.
- 69.2 The Committee had some suggestions in relation to the schedule of fees and charges, to get a better understanding of the relative value of the various fees and charges to the council, and recommended that a comprehensive review of fees and charges be undertaken over the coming year.
- 69.3 Cllr Band echoed the comments of Cllr Beaman, but recognised that the seriousness of the projected budget shortfall for the period 2020-2023, which would require councillors to think carefully about services provided. The target of saving £1.7m over three years through business transformation needed to be an integral part of thinking and planning.
- 69.4 Cllr Hall, Portfolio Holder for Finance and Communications, reassured councillors that the need for more detail in relation to business transformation savings was understood, and was in hand.
- 69.5 Cllr Hall commended officers and councillors for their hard work over a number of months that enabled him to present a balanced budget for the General Fund for 2019/20. It was a prudent budget that protected services and ensured no reduction in funding to the council’s community organisation partners. There were also no increases in car parking charges proposed for next year. It was proposed to increase Waverley’s portion of the council tax, by 2.99%, which was essential to help offset inflation on service costs.
- 69.6 The financial projection for the medium term showed a shortfall of £3.8m over the next 3 years, and there was still some uncertainty in the projections in relation to the national economic position and cost pressures filtering down from Surrey County Council. Addressing the shortfall would be extremely challenging, but work was underway across a number of projects to target key areas of savings.
- 69.7 Cllr Hall concluded that the General Fund budget for 2019/20, was fair, balanced and prudent, and he urged its endorsement to Council. The Leader

echoed the thanks to officers and the Overview and Scrutiny Committee members, and the warning of tough times ahead and the challenge the council faced to continue to deliver services.

69.8 The Executive, having considered the comments of the Value for Money and Customer Services Overview & Scrutiny Committee, RESOLVED to RECOMMEND to Council that it:

1. agrees a 2.99% increase in Waverley's element of Council Tax for 2019/20;
2. agrees to make no change to the Council's existing Council Tax Support Scheme;
3. approves the proposed Fees and Charges as shown at Annexe 4;
4. approves the General Fund Budget for 2019/20, incorporating the pay award; and
5. approves the 2019/20 General Fund Capital Programme as shown at Annexe 6.

*[Reason: to enable the Council to agree its General Fund budget for 2019/20.]*

EXE 70/18 HOUSING REVENUE ACCOUNT BUSINESS PLAN, REVENUE BUDGET AND CAPITAL PROGRAMME 2019/20 (Agenda item 7)

- 70.1 Cllr Hall advised the Executive that the report presented a robust position for the Housing Revenue Account. The Council had undertaken a major review of the HRA finances in light of government changes to HRA financing in 2016 which included a forced 1% rent reduction for four years. These changes had lost the HRA significant resources over the 30-year life of the business plan, but the updated Business Plan was realistic and robust: it provided resources to fund the 30-year stock maintenance forecast, and deliver proposals for building new affordable homes and investment in stock re-modelling.
- 70.2 Cllr Beaman and Cllr Band drew attention to the observations from the Value for Money and Customer Services Overview and Scrutiny Committee, which offered broad support for the HRA Business Plan, Revenue Budget and Capital Programme. They asked that in future it would be helpful to see a more detailed breakdown of the how the growth in the business plan was split between rent increases and the net increase in the number of council homes, in order to see the benefits of investment in housing stock.
- 70.3 Cllr King, Portfolio Holder for Housing, thanked the Overview and Scrutiny Committee for their observations and helpful suggestion that would provide more transparency to the business plan going forward.
- 70.4 Cllr King thanked the Head of Finance and Head of Housing Operations for their work to produce a business plan that was robust and sustainable despite the 1% rent reductions that the council had been forced to implement. She looked forward to the government confirming that councils would be able to introduce rent increases from 2020, and this news would prompt a further review of the business plan in

order to plan how the increased funding to enable further investment in building new council homes.

- 70.5 In conclusion, the Leader reminded the Executive that Waverley is a significant social landlord in the borough, and the Housing Revenue Account was an important part of the business of the Council.
- 70.6 The Executive, having considered the comments of the Value for Money and Customer Services Overview & Scrutiny Committee, RESOLVED to RECOMMEND to Council that:
1. the annual rent level of Council dwellings is reduced by 1% from the 2018/19 level with effect from April 2019, in compliance with the Welfare Reform and Work Act;
  2. the revised HRA Business Plan for 2019/20 to 2022/23 as set out at Annexe 1 is approved;
  3. the fees and charges are agreed as set out in Annexe 2;
  4. the 2019/20 Housing Revenue Account Capital Programmes as shown at Annexes 3 and 4 be approved; and
  5. the financing of the capital programmes be approved in line with the resources shown in Annexe 5.

*[Reason: to enable the Council to set the budget for the Housing Revenue Account for 2019/20.]*

**EXE 71/18 COUNCIL TAX EMPTY HOMES DISCOUNT AND EMPTY HOMES PREMIUM**  
(Agenda item 8)

- 71.1 Cllr Beaman advised the Executive that the Committee endorsed the overall approach of using council tax flexibilities to encourage homeowners and landlords to bring empty properties back into occupation. However, the Overview and Scrutiny Committee suggested that the 50% discount be retained for 1-month, rather than being abolished altogether: this would allow time for landlords, including the Council, to carry out safety checks to properties between tenants. This was also more in-line with the approach of other Surrey districts.
- 71.2 Cllr Hall thanked the Overview and Scrutiny Committee for their consideration of the report and comments, and support of the principle of the Council doing what it can to bring empty homes into use. The current empty homes Council Tax discount of 50% for 6 months was the most generous scheme in the south-east.
- 71.3 Whilst the recommendation in the report was to abolish the discount entirely, having listened to the reasoning of the Overview and Scrutiny Committee, Cllr Hall proposed an amendment to the first of the two recommendations, so that the discretionary 50% discount for 'empty and substantially unfurnished properties' would be *reduced to 1 month* from 1 April 2019. The amendment

was seconded by Cllr King, and unanimously agreed by the Executive to become the substantive recommendation.

71.4 The Executive, having considered the comments of the Value for Money and Customer Services Overview & Scrutiny Committee, then RESOLVED to RECOMMEND to Council that:

- i. the discretionary 50% 6-month Council Tax discount for “empty and substantially unfurnished properties” is reduced to a 50% 1-month discount from 1 April 2019; and,
- ii. the maximum additional council tax premiums on long term “empty and unfurnished properties” are applied according to the following commencement dates:
  - 200% extra (for properties empty for 5-10 years) (commencing in April 2020), and
  - 300% extra (for properties empty for 10+ years) (commencing in April 2021)

*[Reason: to encourage landlords and homeowners to bring empty properties back into occupation.]*

#### EXE 72/18 ANNUAL PAY POLICY STATEMENT 2019/20 (Agenda item 9)

72.1 The Leader reported that the Localism Act 2011 required all public authorities to adopt and publish an Annual Pay Policy Statement. There were minimal changes from 2018/19 and these were shown in tracked-changes.

72.2 The Executive RESOLVED to RECOMMEND to Council that the Annual Pay Policy Statement for 2019/20 be adopted.

*[Reason: in accordance with the Localism Act 2011 which requires all public authorities to publish an Annual Pay Policy Statement.]*

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

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

#### EXE 73/18 RESCHEDULE OF BUDGET - ELECTRICAL WORKS AT MOAT LODGE, CRANLEIGH (Agenda item 10)

73.1 Cllr King introduced the report requesting that the remaining budget of £48,000 for non-urgent electrical upgrade and improvement works to communal areas in the Senior Living Scheme at Moat Lodge, Cranleigh be rescheduled from 2018/19 to 2019/20. Resourcing and delays in procuring consultants to complete a technical specification for the works meant that the necessary steps to complete the works with minimal disruption for residents could not be completed within the current financial year.

73.2 The Executive RESOLVED that the remaining budget scheduled for year 2018/19 of £48,000 to complete communal electrical upgrade and

improvement works in the Senior Living Scheme at Moat Lodge, Cranleigh is rescheduled into the financial year 2019/20.

*[Reason: to enable the completion of planned electrical works.]*

EXE 74/18 RISK APPETITE STATEMENT (Agenda item 11)

- 74.1 Cllr John Gray, Chairman of the Audit Committee, advised the Executive that the Audit Committee members would be reviewing the Risk Appetite Statement at an informal briefing later in the week. He asked whether the matrix at Annexe 1 showed the risk appetite after mitigation, and the Leader confirmed that that was correct. Cllr Gray also queried whether the financial risk appetite of a loss of £50k-100k might inhibit the work of the Investment Advisory Board. The Leader advised that the Risk Appetite Statement provided guidance, but there may be occasions when exceptions could be made.
- 74.2 Cllr Hall emphasised that the Risk Appetite Statement would support day to day decision-making within the framework of the Risk Management Policy overseen by the Audit Committee, and aimed to provide consistency in judgements about balancing risk in decision-making. The document was the outcome of a considerable amount of work by councillors and officers who had examined the Council's appetite for taking managed risk in its activities.
- 74.3 Cllr Hall proposed an amendment to the recommendation, that the Risk Appetite Statement be *approved subject to comments from the Audit Committee, with any minor changes being delegated to the Strategic Director in consultation with the Portfolio Holder for Finance*. Cllr Edwards seconded the amendment, which was agreed unanimously by the Executive.
- 74.5 The Executive then RESOLVED that the Risk Appetite Statement be approved subject to comments from the Audit Committee, with any minor changes being delegated to the Strategic Director in consultation with the Portfolio Holder for Finance.

*[Reason: to enable a consistent and efficient approach to considering risk in meeting the objectives set out in the Corporate Strategy.]*

EXE 75/18 PROPERTY MATTER - LEASE OF GRAFHAM AND SMITHBROOK CRICKET GROUND (Agenda item 12)

- 75.1 Cllr Seaborne advised the Executive that as ward councillor he endorsed the proposed grant of a lease of Grafham and Smithbrook cricket ground to Blackheath Cricket Club. It was sad that the Grafham and Smithbrook cricket club had declined, but the Blackheath Cricket Club was thriving and had a very active youth section.
- 75.2 Cllr Hall reminded Executive members that this was another in a succession of long leases of sports grounds and facilities granted to local sports club, which would enable the club to secure grant funding to make improvements to the grounds and pavilion. This was an important form of support to the

sports club, and the local community, and he wished them much success in the future.

- 75.3 The Executive RESOLVED that a lease of up to 50 years of the Grafham and Smithbrook cricket ground and pavilion be granted to Blackheath Cricket Club, on terms and conditions set out in the Exempt Annexe to the report, other terms and conditions to be negotiated by the Estates and Valuations Manager.

*[Reason: to provide assurance of occupancy to Blackheath Cricket Club, enabling them to seek grant funding for improvements to the ground and pavilion.]*

EXE 76/18 PROPERTY MATTER - LEASE OF LAND FOR SUB-STATION AND CABLING, FARNHAM (Agenda item 13)

- 76.1 Cllr Hall reported that the Brightwells development planning permission included the requirement to establish a new electricity sub-station outside of the boundary of the development site, to serve the scheme and adjacent properties. The site identified for the sub-station was in an unobtrusive location; all work would be subject to landlord's consent, and any disruption and/or damage to the landscape or footpath to lay cables would be subject to reinstatement by Scottish & Southern.

- 76.2 The Executive RESOLVED that a new lease be granted to Scottish & Southern Networks for siting an electricity sub-station and cabling, on terms set out in the Exempt Annexe to the report.

*[Reason: to enable establishment of a new electricity sub-station to serve the Brightwells development and adjacent properties, as per the original planning permission.]*

**The meeting commenced at 6.00 pm and concluded at 6.37 pm**

**Chairman**