

WAVERLEY BOROUGH COUNCIL

MINUTES OF THE EXECUTIVE - 6 FEBRUARY 2024

SUBMITTED TO THE COUNCIL MEETING – 23 APRIL 2024

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

Present

Cllr Paul Follows (Chair)	Cllr George Murray
Cllr Tony Fairclough (Vice Chair)	Cllr Nick Palmer
Cllr Victoria Kiehl	Cllr Paul Rivers
Cllr Mark Merryweather	Cllr Liz Townsend
Cllr Kika Mirylees	Cllr Steve Williams

Also Present

Cllr Crowe (present in the Chamber) and Cllr Weldon (in remote attendance)

EXE 130/23 MINUTES (Agenda item 2)

The minutes of the Meeting held on 9 January 2024 were confirmed and signed as a correct record.

EXE 131/23 DECLARATIONS OF INTERESTS (Agenda item 3)

There were no declarations of interest.

EXE 132/23 QUESTIONS FROM MEMBERS OF THE PUBLIC (Agenda item 4)

There were no questions from Members of the Public.

EXE 133/23 QUESTIONS FROM MEMBERS OF THE COUNCIL (Agenda item 5)

Councillor Weldon, Haslemere East Ward gave due notice of the following question to the Executive:

- 1. What is the Waverley response to perceptions of bias arising from the Planning Inspector and Head of Planning responses to the social media post by the lead advisor to the Red Court developer?*
- 2. Is it correct that Haslemere Town Council were also not informed of the inquiry dates?*
- 3. Is it correct that the Haslemere Town Clerk did not get a reply to her email about the inquiry failure?*

At the invitation of the Leader Councillor Liz Townsend, Portfolio Holder for Planning and Economic responded as follows:

- 1. 'Both the Executive Head of Planning and the Planning Inspector liked a post that was posted by counsel acting on behalf of the promoter of Red Court.'*

The Post showed a picture of 2 signs within the Waverley Borough Council offices directing to either the Public Inquiry or the Informal Hearing both of which were taking place on the same day. The Planning Inspector, at the first day of the Inquiry, had commented on how unusual it was to have two Hearings running on the same day and commented positively that the Council had been able to make all the arrangements necessary to run these concurrently. I am not able to make comment on behalf of the Inspector and I am aware that he has issued a separate response, but I feel that it is quite reasonable that others who were looking at the pictures and had no awareness of this background might have felt surprised and quite legitimately have expressed this direct to me and to the head of planning, particularly, as what would later become apparent, there had also been an IT issue regarding the neighbour notification letters which had not been issued electronically on the 18 December 2023 to the majority of those who had submitted comments against the application. The Planning Authority refused planning permission for Red Court and this council has put considerable time and commitment into defending the appeal. If residents and members have taken this 'like' as an indication that the Executive Head of Planning Development was positive about the refused planning application the Executive Head sincerely apologises for this.'

2. *'It is not correct that Haslemere Town Council were not informed of the inquiry. The Deputy Clerk was emailed on 18 December 2023 notifying of the Inquiry arrangements, this was a second notification the first having been sent in September. Furthermore, the Council created a webpage displaying a full timetable for the Inquiry this went live on the 15 December 2023. The Council has been made aware that Haslemere Town Council displayed details of the Inquiry on its Website in the period running into the Inquiry though these details were taken down before the Inquiry commenced.'*
3. *'A detailed response has now been sent to the Clerk outlining the chronology of events and again providing a sincere apology.'*

EXE 134/23 LEADER'S AND PORTFOLIO HOLDERS' UPDATES (Agenda item 6)

The Leader of the Council stated that he had attended:

- A meeting of Guildford Borough Council's Overview and Scrutiny Committee, at which Thames Water were present. He noted that concerns about compensation, sewage and a lack of understanding how the water network functioned were raised. He added that together with the Portfolio Holder for Planning and Economic Development a letter had been sent to Thames Water on 7 February 2024 on the matter of sewage; and
- The Surrey County Council Budget Setting meeting, where the budget was passed without unanimity on the morning of 6 February 2024, and expressed concern about pressures on borough services after referrals from under-pressure services provided or enabled by the County Council.

The Deputy Leader of the Council and Portfolio Holder for Enforcement and Regulatory Services acknowledged the multiple difficult projects currently being undertaken by the Enforcement Team, and thanked them for their work.

The Portfolio Holder for Community Services, Leisure and EDI stated that facilities at The Edge Leisure Centre, including two artificial training pitches, one of which was 3G, had opened for community use. Woolmer Hill Sports Association were facilitating bookings on behalf of Waverley Borough Council. There has been broad uptake among girls', pan-disability, and veterans' football groups.

The Co-Portfolio Holder for Housing (Operations and Services) reminded the Executive that the Housing Ombudsman's new Spotlight Report on attitude, respect and rights in social housing has just been published, addressing the meaning of vulnerability for social housing tenants and how landlords should respond.

The Portfolio Holder for Planning and Economic Development spoke to:

- Thank outgoing Chief Executive Tom Horwood for his guidance and service during his tenure;
- Inform the Executive of the 'Good' rating achieved by Waverley Training Services in their recent Ofsted assessment, thanking her fellow governors for their support and guidance;
- Thank the Overview and Scrutiny Committee – Services for their scrutiny and praise of the draft Economic Development Strategy and Action Plan, which was now out for consultation with stakeholders before returning for progression through Executive and Council meetings; and
- Give thanks to the Executive Head of Planning Development for her hard work maintaining the performance of the service in the face of some difficult challenges.

The Portfolio Holder for Environment and Sustainability gave his update, noting that:

- He had recently attended a meeting with the local charity Water Rangers following the recent water outage and discussions over performance with Thames Water; and
- Work continued to identify the top ten key contributors to the council's carbon footprint and actions to reduce them, enabling the journey towards net zero carbon. These include decarbonisation of the waste fleet, leisure centres, council offices and housing & green spaces contractors.

EXE 135/23 RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEES (Agenda item 7)

The Leader reported that there were no formal recommendations on the matters for decision at the meeting from the January meetings of the Overview and Scrutiny Committees. The Leader again urged that the Committees produced recommendations for the Executive to consider.

EXE 136/23 GENERAL FUND BUDGET 2024/25 (Agenda item 8)

Cllr Merryweather, Portfolio Holder for Finance and Assets, introduced the General Fund Budget 2024/25 and summarised:

- That the report addressed the significant budget shortfall that would accumulate over the MTFP period and beyond
- Government funding support had fallen further behind cost inflation and represented only a small fraction of the business rates collected
- A structural deficit existed where costs were inflating faster than the Council's ability to increase funding, and would remain once inflation had decelerated
- Additional gross service cost pressures had been identified totalling £2.8m per year from 2024 rising to £5.3m per year by 2028
- Inflation would add £1.6m per annum to costs from 2025, rising to £4.3m per annum over the medium-term financial plan period
- The Council tax hardship fund which had been funded from central government had now reverted back to the Council
- Whilst some of the cost measures were close to exhaustion others like the collaboration with Guilford were on target to deliver their expected recurring annual savings
- Fees, charges and other income excluding council tax fees and charges had been reviewed as part of the budget process and general inflationary increases had been proposed where appropriate, with some exceptions such as in the new contract for Leisure centres
- In 2021, the council had approved a new car park pricing strategy which was based on the individual characteristics of and demands on the Council's car parks. This allowed specific site rates to be increased or decreased to respond to the market as appropriate as car park usage rebounded. The Council had approved revised car park tariffs which took effect from November 2021 but further increases had been resisted, which was now unsustainable
- An inflationary rate increase together with a limited pilot of evening charges in specific central car parks were proposed but the implementation of Sunday car park charging had been resisted, unlike many of the authorities in surrounding areas
- Inflation would fall over the plan period, government funding support would decrease, and reductions in the new homes bonus and business rates were anticipated
- Overall, a balanced budget was proposed with a below inflation increase of 2.99% in Waverley's band D council tax charge for 2024/25; and
- Officers were commended for their work in preparing the budget.

The Leader advised of an alteration to the recommendations to include recommendation viii, duly supported by the Executive.

Executive Members' statements in support of the recommendations included:

- Expressing disappointment in the Governments' approach to the funding of local government which meant that Councils were having to be creative in

- finding options, including potential exploration of a voluntary Council Tax contribution scheme, to balance their budgets due to continued uncertainty
- That the Business Rates and Council Tax funding mechanisms created systemic inequality; and
 - The Budget was aligned to Council's priorities including street cleaning, recycling and support for the maintenance of assets and green spaces.

The Executive resolved unanimously to **RECOMMEND** that Council:

- i. **Agree a 2.99% increase in Waverley's Band D Council Tax Charge for 2024/25 with resultant increases to the other council tax bands;**
- ii. **Agree to continue the Council's existing Council Tax Support Scheme at the current levels;**
- iii. **Agree (a) to a general inflationary increase to Fees and Charges for 2024/25 except for car parking charges and some limited other exceptions as proposed in Annexe 4.1, (b) agree the increase to car parking charges as proposed in Annexe 4.2, and (c) agree the specific other increases to the fees and charges as proposed in Annexe 4.3;**
- iv. **Approve a general inflationary increase of 4.5% to the weekly charge for all garages from 1 April 2024;**
- v. **Approve the General Fund Budget for 2024/25 as summarised in Annexe 2, incorporating the baseline net service cost variations detailed at Annexe 1 and Annexe 3;**
- vi. **Approve the General Fund Capital Programme as detailed in Annexe 5;**
- vii. **Approve the reserve movements as set out in Annexe 6 and to agree a delegation to the S151 officer to agree draw down from the reserves if the use is in line with the approved purpose; and**
- viii. **Approve an increase in inflation provision proposed within the General Fund budget of £111,252 to be funded by the £159,459 increase in funding guarantee grant as confirmed by the Department of Levelling Up, Housing and Communities on 5 February 2024.**

Reasons:

The General Fund Budget is a major decision for the Council and setting a balanced budget is a statutory requirement. Scrutiny of these MTFP and Budget proposals demonstrate transparency and good governance. The impacts of macroeconomic conditions and government policies are reflected in this budget proposal:

- on the demand side, the cost-of-living crisis is increasing residents' demands for our services while affecting their ability to pay for them;
- supply side cost inflation is driving up the costs of maintaining our existing services "as is". The higher costs for supplies, labour and capital also affect the delivery of new investment projects, including those that have revenue benefits;
- structural conditions in the skilled labour market affect our ability to retain and recruit permanent staff at any price, and
- government control and regulation over our funding streams – be they direct or indirect – continue to limit our ability to take measures to address our core structural deficit.

While the council has managed to respond to these challenges in recent years, the latest MTFP for the years ending 2027/28 continues to project future financial pressures. The council is taking action to ensure sufficient funding is in place to deliver and maintain services for 2024/25 but this report explains the conditions and uncertainties that threaten its ability to continue to do so for the following years.

EXE 137/23 HRA BUDGET 2024/25 (Agenda item 9)

Cllr Merryweather, Portfolio Holder for Finance and Assets, advised that a replacement Annex 5 had been circulated, and introduced the HRA Budget 2024/25 by summarising:

- That the HRA operated in highly a regulated environment which governed how resources could be used
- Inflationary cost pressures were apparent together with growth pressures including the need to invest in maintaining an adequate housing management IT system specific to the HRA
- Funding for the entire service came from the rents and service charges paid by tenants
- In 2019 the Government announced that providers of social housing would be permitted to increase average weekly rents by the previous September Consumer Price Index (CPI) plus an additional 1% for five years from April 2020.
- For 2023/24 a CPI+1% rise would have been 11.1% which the government capped at 7%, and the Council contained to 4% in recognition of the economic situation to help protect tenants.
- CPI in September 2023 was 6.7% plus the additional 1% which resulted in a maximum allowable rent increase of 7.7% for 2024/25 as proposed
- Alternative scenarios of 1%, 4% and 6% increases had been tested
- 2024/25 would be a 53 week rent year, for tenants not in receipt of Universal Credit (UC) there would be no adverse impact. However, those receiving Universal Credit would be impacted

Councillor Paul Rivers, Co-Portfolio Holder for Housing, spoke to thank the Tenants Panel and Landlord Services Advisory Board for their engagement with the Budget setting process. Cllr Rivers said that the Tenants Panel was right to have highlighted the decline in tenant satisfaction from 83% in 2017 to 68% in 2023; and concurred that tenants were not responsible for macro-economic conditions. Cllr Rivers endorsed the recommendations with a heavy-heart and emphasised that the Council was committed to providing an improved housing service.

The Leader advised of an alteration to the recommendations to include recommendation X, duly supported by the Executive.

Executive Members' statements in support of the recommendations included:

- That the 4% rise in the previous year was to shield residents during an inflationary peak
- The Council was committed to improving the service, particularly repairs and maintenance

- Communications to tenants would be improved to encourage awareness and take-up of available support, including discretionary relief; and
- Acknowledgment of pressure on the supply of social housing stock, and that the Council was building high quality energy efficient homes for the future.

The Executive resolved unanimously to **RECOMMEND** that the Council approves:

- I. The weekly rent for Council dwellings to be increased by up to 7.7% from the 2023/24 weekly rent charges, effective from 1 April 2024, within the permitted guidelines contained within the Government's rent setting policy**
- II. That service charges and utility charges at non senior living accommodation be increased by 7.7% per week**
- III. That the heating charges in senior living accommodation be increased by 20% per week from 1 April 2024 to £31.20**
- IV. The Service Charge in senior living accommodation be increased by 15% per week from 1 April 2024 to £24.04**
- V. The revised HRA Business Plan for 2024/25 to 2053/54 as set out in Annexe 1**
- VI. The approved change to the fees and charges as set out in Annexe 4 is noted;**
- VII. The HRA capital programmes as show in Annexe 5 and 6;**
- VIII. The financing of the capital programmes in line with the resources as shown in Annexe 7**
- IX. To deliver the works identified in the maintenance budgets it is recommended that authority is delegated to the Executive Head of Housing, in consultation with the s151 Officer, to procure and enter contracts valued over £100,000 show in Annexe 8**
- X. An increase in inflation provision proposed within the Housing Revenue Account budget of £48,207 to be funded by the £159,459 increase in funding guarantee grant as confirmed by the Department of Levelling Up, Housing and Communities on 5 February 2024.**

Reasons:

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

EXE 138/23 CAPITAL STRATEGY 2024/25 (Agenda item 10)

Cllr Merryweather, Portfolio Holder for Finance and Assets, introduced the Capital Strategy 2024/25 and summarised:

- That the strategy was a statutory requirement for local authorities
- A contextual map had been developed to illustrate the linkages between treasury and non-treasury matters
- Two enhancements on previous years had been made a) Annexe 2 covered the charging of interest on internal borrowing and repayment of HRA internal borrowing; and b) Annexe A3 appended to the Asset Investment Strategy

outlined the principles of appraisals and viability assessments that the Council would follow.

There being no further discussion, the Executive resolved unanimously to **RECOMMEND** that the Council approves:

- I. **The five-year Capital Strategy for 2024/2029, incorporating the Treasury Management Strategy, Prudential Indicators and Asset Investment Strategy, for approval.**
- II. **That Full Council delegate authority to the Executive for the financial year 2024/25, subject to a positive recommendation from the Asset Investment Advisory Board and agreement from the Chief Executive and Strategic Director:**
 - a) **to bid, negotiate and complete on property acquisitions and investments in land and buildings with a total individual cost of up to £10m, subject to the decision fully satisfying all criteria and process requirements set out in this Strategy; and**
 - b) **to determine a funding strategy for the acquisition or investment in line with the Treasury Management Strategy; and**
 - c) **to appoint advisors and undertake appropriate due diligence for each property acquisition and investment proposal as necessary; and**
 - d) **to complete the legal matters and signing of contracts to execute the transactions referred to above.**

Reasons:

The Capital Strategy is a whole organisation approach to capital investments (expenditure) and overall strategic planning. It has historically been seen as a finance responsibility but should be steered by the leadership of the Council and is a responsibility of all.

EXE 139/23 LEASEHOLDER BUILDINGS INSURANCE COVER 2024/25 (Agenda item 11)

Councillor Paul Rivers introduced the report, and explained that it was the Council's responsibility to provide building insurance to its 480 Right to Buy leaseholders. The council's current policy, held with Proctor Insurance, would expire in April 2024, and Officers had been advised by the Council's insurance broker of the difficulty in sourcing alternatives. The Leader concurred and was of the view that the proposal was reasonable.

There being no further discussion, the Executive **RESOLVED** unanimously to:

- I. **Approve the renewal of the right to buy leasehold insurance policy with Proctor Insurance for one year (April 2024 – March 2025) at the estimated value of £105K.**

Reasons:

The Council is responsible for providing building insurance for the 480 Right to Buy leaseholders who are recharged for the service.

EXE 140/23 SOCIAL HOUSING DECARBONISATION FUND (Agenda item 12)

Councillor Paul Rivers introduced the report, noting that Officers had made a bid for funding from the Social Housing Decarbonisation Fund; and explained that a competent partner was required to aid in delivery of energy efficiency works. E.ON had been selected as the partner.

Cllr Rivers stated that the report sought the necessary delegations to the Executive Head of Housing Services, in consultation with the Borough Solicitor, to award directly a works contract to E.ON for the value of £560k if the Council was successful in its bid. It was noted that officers would know if the bid had been successful by the end of March 2024.

Executive members' statements in support of the proposal included:

- Constraints on the Council's ability to fund social housing decarbonisation made the proposal attractive;
- There was a lack of clarity from central government regarding other funding mechanisms; and
- The Council had learned from the bidding process, and that learning would be beneficial to residents in the long term.

Subject to there being a successful application by the Council in obtaining grant from the Social Housing Decarbonisation Fund, The Executive **RESOLVED** unanimously to:

- I. **Approve, in consultation with the Borough Solicitor, delegation of authority to the Executive Head of Housing Services to:**
 - a. **Award directly a contract to E.ON to deliver energy efficiency works to council homes through a public sector framework (Fusion 21) for the value of £560K.**
 - b. **enter into a Grant Funding Agreement (GFA), Grant Offer Letter (GOL), Data Sharing Agreement (DSA) and associated documents with the Department of Energy, Security and Net Zero (DESNZ).**
- II. **Approve expenditure of £280,000 as allocated by the Council as part of the match funding.**

Reasons:

To help progress decarbonisation of the borough's social housing, as one means of progressing towards the Council's objective of achieving Net Zero by 2030.

EXE 141/23 PAY POLICY STATEMENT 2024-25 (Agenda item 13)

The Leader briefing introduced the report which recommended the discharge of the Council's duty to publish a Pay Policy Statement.

There being no further discussion, the Executive resolved unanimously to **RECOMMEND** to Council **that the Pay Policy Statement for the 2024/25 financial year, attached at Appendix 1, be approved.**

Executive 10
06.02.24

Reason:

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

The meeting commenced at 6.00 pm and concluded at 7.36 pm

Chairman