

EXECUTIVE

- * Councillor Joss Bigmore (Chairman)
- * Councillor Jan Harwood (Vice-Chair)

Councillor Tim Anderson
 * Councillor Tom Hunt
 * Councillor Julia McShane

Councillor John Redpath
 * Councillor John Rigg
 * Councillor James Steel

*Present

Councillors , were also in attendance.

EX8 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Tim Anderson and John Redpath.

Councillors Chris Blow, Ramsey Nagaty, Will Salmon and Paul Spooner were also in attendance.

EX9 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no declarations of interest.

EX10 MINUTES

The minutes of the meeting of the Executive held on 20 July 2021 were agreed as a correct record. The Chairman signed the minutes.

EX11 LEADER'S ANNOUNCEMENTS

The Leader urged residents to get vaccinated and regularly tested as unfortunately, the number of Covid cases were still rising across the borough. It was noted that those who had been 'double-jabbed' no longer had to self-isolate after coming into contact with someone who had received a positive test.

It was announced that the Council was working with the Ministry of Defence and local housing providers to provide housing for refugees from Afghanistan. There had been a great response from private landlords and the work would progress once more guidance was received from Central Government.

The Council's application to the Defence Employer Recognition Scheme for Silver Status award submitted earlier in the year as a part of a commitment to the Armed Forces Covenant had been successful. The Leader expressed gratitude to those officers and councillors involved.

Car-free Day would be held on Sunday 26 September and provide local people with an opportunity to put pedestrians first, consider the climate change emergency and choose sustainable transport options.

There would be a number of Heritage Open days during September and the Farmer's Market would take place on 7 September with over 50 local producers selling a wide range of food and handmade crafts on the High Street.

Council tenants had until 15 September to re-register for the housing list. More details were available on the Council's website.

Finally, the 'Hive' community hub had helped 120 local residents to access food and support last month. Opening hours were Monday to Friday from 10am to 3pm for collection or donations. Items always required were fresh food, dairy and bakery products and other essentials.

EX12 AMENDMENTS TO PRIVACY & DATA PROTECTION POLICY

It had become necessary to update the Council's Privacy & Data Protection Policy so as to promote Payment Card Industry Data Security Standards (PCI-DSS) compliance, to reflect new protocols around ICT usage and security and a number of other minor changes. Should the Council fail to update the Policy and to implement the new changes it would have been open to potential breaches of data protection and possible reputational damage.

Consequently the Executive,

RESOLVED:

That the amendments to the Council's existing Privacy and Data Protection Policy, as set out in Appendix 1 to the report submitted to the Executive, be approved.

Reason:

To ensure compliance with Payment Card Industry Data Security Standards (PCI DSS), thereby reducing risk of financial and/or reputational damage.

EX13 HIGHWAY AND TRANSPORT SCHEMES CRITICAL LOCAL PLAN DELIVERY

The Executive noted that the report had been submitted to the meeting held on 20 July and at that point in time referred to the Strategy and Resource Executive Advisory Board on 9 August at the request of the Lead Councillor for Regeneration. The EAB was in support of the priorities and the recommendations and the comments arising from the meeting were set out in paragraph 12 of the report. The Lead Councillor's response to those comments was set out in the Supplementary Information Sheet. The Vice Chairman of the Board, Councillor Salmon, was in attendance and was invited to address the meeting to provide a run through of the findings of the Board.

The Lead Councillor for Regeneration explained that the schemes listed in the report were of equal importance to the Council but had been prioritised because of a positive impact on housing delivery and in response to a request from Surrey County Council to agree priorities so that limited county funding could be focused. It was acknowledged that infrastructure interventions required a holistic approach to highways and transport. This required a plan to address the existing problems, accommodate any future growth and to recognise changes in society, travel patterns, congestion, pollution and health. It was not considered necessary to include an additional priority to the list with regard to cycling infrastructure improvements as this would be included in any planning consent and there were modal shift commitments within wider transport policy.

The Lead Councillor reflected that even with the Council's best efforts the pace of progress relating to those strategic sites in the Local Plan was ultimately dependent upon the owners of those sites. In addition, funding opportunities from Government sources to deliver infrastructure projects were currently scarce and potentially housing delivery would not be matched with the required infrastructure. A forthcoming review of the Local Plan would provide the opportunity to revisit those issues.

RESOLVED:

That the priority list of highway and transport schemes likely to be critical to Local Plan delivery as described in the report submitted to the Executive, be approved.

Reason:

The approval of the five priority schemes would enable officers to set up regular discussions with Surrey County Council (SCC) and Highways England (HE) on transport infrastructure priorities so that progress can be made in terms of the delivery of the schemes as well as modelling the impact of the schemes in any future transport review likely to be undertaken by SCC. If SCC and HE agree to these priorities it will also assist in terms of lobbying central Government for funding towards these schemes as well as assuring that S106 contributions are made, when appropriate, as planning applications come forward, or that the Council can justify imposing a Grampian condition restricting the amount of development that can come forward in the absence of a particular scheme.

EX14 CAPITAL AND INVESTMENT OUTTURN REPORT 2020-21

The Executive considered the annual outturn report included capital expenditure, non-treasury investments and treasury management performance for 2020-21. The Leader introduced the report.

Performance was well in excess of budget expectations. It was noted that expenditure on the General Fund capital programme was £29.4 million against the original budget of £171.5 million, and revised budget of £28.8 million. The budget for Minimum Revenue Provision (MRP) was £1.64 million and the outturn was £1.29 million. There was slippage in the capital programme which resulted in a lower Capital Financing Requirement than estimated. There was a need to ensure accurate profiling whilst it was noted that slippage in the capital programme in 2019-20 was also due to Covid. Three capital items were recommended for removal from the programme as the original proposals were no longer relevant having been either surpassed or merged within other evolving projects. The property portfolio continued to perform well. It was noted that the Council's assets were currently subject to review alongside the collaboration initiative with Waverley Borough Council in order to better serve the needs of the community. The Council's investment property portfolio had increased by £5 million and stood at £155 million at the end of the year. Rental income was £8.1 million, and income return 5.8% against the benchmark of 4.6%. Interest paid on debt was lower than budget, due to less long-term borrowing taken out on the general fund because of slippage in the capital programme providing a more positive budget outlook. The Council had complied with prudential indicators and treasury management policy statement and practices for the period. The report been considered by the Corporate Governance and Standards Committee at its meeting on 29 July 2021 and the comments arising were set out in the report. The Leader considered that investments for the period had been restrained demonstrating caution and prudence during a challenging period and commended officers for careful budgetary management.

RESOLVED:

That the removal of the following schemes from the General Fund Capital Programme be approved:

- (1) Guildford Gyrotory and Approaches
- (2) Stoke Park office accommodation
- (3) Stoke Park – Home Farm redevelopment

Recommendation to Council (5 October 2021):

- (1) That the Treasury Management Annual Report for 2020-21 be noted.
- (2) That the actual prudential indicators reported for 2020-21, as detailed in Appendix 1 to the report submitted to the Executive, be approved.

Reason:

To comply with the Council's treasury management policy statement, the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on treasury management and the CIPFA Prudential Code for Capital Finance in Local Authorities.

EX15 HOUSING REVENUE ACCOUNT FINAL ACCOUNTS 2020-21

The Housing Revenue Account (HRA) recorded all the income and expenditure associated with the provision and management of Council owned residential dwellings in the Borough as required by the Local Government and Housing Act 1989, the requirement to publish final accounts was set out in the Accounts and Audit Regulations 2003. The Executive considered a report setting out the actual level of revenue spending on day-to-day services provided to tenants recorded in the HRA in 2020-21 with a recommendation to transfer a contribution to the reserve. The Lead Councillor for Community introduced the report.

The HRA recorded a healthy operating surplus for 2020-21 of £345,000 less than the budgeted surplus of £10.999 million. The surplus was slightly lower than expected to the level of maintenance and repairs requirements notably in void properties which was being addressed. Rental collection rates had remained high and arrears low for the period despite the challenges of the Covid pandemic. It was noted that support for tenants was in place should there be financial difficulties for individuals facing arrears.

The outturn allowed a contribution of £2.5million to the reserve for future capital and a contribution of £8.15 million to the New Build reserve. The HRA working balance at year-end remained at £2.5 million which was described as healthy balance to invest in new builds and existing stock. Developing the new build sites was a corporate priority for the Council and the lead councillor confirmed that progress on Council-led projects would be brought to the Executive in the coming months.

The Executive noted that lead times on housing delivery were lengthy and the Council was committed to quality and high standards.

The report had been considered by the Corporate Governance and Standards Committee at its meeting on 29 July 2021.

RESOLVED:

That the final outturn position on the Housing Revenue Account be noted and that the decision taken under delegated authority to transfer £2.5 million to the reserve for future capital, and £8.15 million to the new build reserve from the revenue surplus of £10.65 million in 2020-21, be endorsed.

Reason:

To allow the Statutory Statement of Accounts to be finalised and subject to external audit prior to approval by the Council.

EX16 REVENUE OUTTURN REPORT 2020-21

The Executive considered a report that set out the current situation of the General Fund (GF) Revenue Account which reflected the Council's continued efforts to deal with the Covid pandemic. The report set out the major reasons for the variances and requested the Executive noted the report and approve the transfer of relevant reserves. The Leader introduced the report.

Originally, the costs of Covid had been assessed by the Council would be between £10 and £15 million, whilst the actual overspend had been £6.3 million. However, although lower than anticipated the overspend on the GF Revenue account illustrated the severity of the impact that the Covid pandemic had on the Council's finances. The underspend on the capital account and extension of Government support packages had provided a buffer, but it was expected that the effects of the pandemic would continue to be observed on the Council's finances into next year.

The effect on a variety of service areas was noted including a parking income severely impacted by the Covid restrictions with a reduction in income of £2.2 million across on-street and off-street provision. Refuse collection costs had increased as it had become necessary to employ agency staff to cover, alongside an increase in the amounts collected over the period. Heritage, leisure and tourism were highlighted as areas that had seen a significant income loss and consequently supported financially by the Council's reserves. The gross financial impact for the Council was £18 million compensated to some extent by Government and County Council support arriving at a net impact of £6.3 million. Aside from earmarked funds, there was just £3.5 million remaining in the Council's reserves that could be used to support future budgets.

There was an overall deficit on the Collection fund of £62.394 million. This was because the Council had granted a significant amount of rate relief to business rate payers during the year under the various Covid rate relief schemes from government. The Government had compensated the Council for the loss of income to the collection fund through a Section 31 grant which would be transferred to offset the deficit and would appear in the GF report for 2021-22.

This report was considered by the Corporate Governance and Standards Committee at its meeting on 29 July 2021. The Committee commended the report to the Executive and stressed financial prudence going forward.

The Leader once again commended the work of officers across what was described as a turbulent year financially for the Council.

RESOLVED:

That the Council's final revenue outturn position for 2020-21 be noted and that the decisions taken under delegated authority to transfer the amounts set out in Section 5 of the report to or from the relevant reserves be endorsed.

Reasons:

- 1) To note the final outturn position and delegated decisions taken by the Chief Financial Officer which will be included within the statutory accounts.
- 2) To facilitate the ongoing financial management of the Council.

EX17 G LIVE CONTRACT EXTENSION

The Executive considered a report submitted under special urgency arrangements. The Leader thanked the Chairman of the Overview and Scrutiny Committee for agreeing the report could be

presented under urgency provisions. The Lead Councillor for Environment introduced the report.

The Council had entered into a 10-year G Live Operator Agreement with HQ Theatres Guildford Limited and QDOS Entertainment PLC (HQT) which dealt with the operation and management of G Live on 12 August 2011. The arrangement included an annual management fee to be paid by the Council whilst receiving 20% of operational surplus. There had been an operational surplus in favour of the Council for the two years prior to the pandemic. The contract was due to expire on 30 September 2021.

The Covid pandemic had caused the open procurement process for a new agreement to be suspended in March 2020. The ongoing pandemic and its effect had made it impossible to operate a procurement process which would have secured a suitable replacement offer for the ongoing operation of the venue. There was no automatic provision within the existing contract to extend the agreement unless there were special circumstances. HQT had successfully operated the venue since it opened with a steady increase in business attracting well-known performers to the venue. Income and attendances had improved each year. It was possible to extend the existing contract on the same terms and conditions under Regulation 72(1)(c) of the Public Contracts Regulations 2015, which allowed for a proportional extension of the current contract subject to meeting specific criteria. There is not a practical alternative to extending the existing contract.

HQT had offered an improved management fee which was permissible under the regulations in exchange for a three-year extension to the existing contract. The share of the operational surplus would be retained. There would be a reduction in the management fee of 15% to decrease the base cost by £53,595 per annum.

The Executive agreed that the contract was favourable to the Council under the current market circumstances, and

RESOLVED:

- (1) To extend the G Live Contract with HQ Theatres from 1 October 2021 for 3 years until 30 September 2024
- (2) To grant a Lease to HQ Theatres for a term of 3 years from 1 October 2021 until 30 September 2024
- (3) To make provision for the Lease and Contract to be co-terminus.

Reason:

A contract extension was the only viable option at this point due to the impact of the pandemic. A three-year extension offered the best extension period for the Council to meet its medium-term objectives in relation to the financial savings strategy.

Note: By reason of the special circumstances described below, the Chairman considered that this item should be dealt with at this meeting as a matter of urgency pursuant to Section 100B 4 (b) of the Local Government Act 1972.

Special Circumstances: The current G Live management contract would expire on 30 September 2021 and the Council would need to publish an OJEU notice in advance of entering into the extension, which meant that the decision to extend the contract needed to be taken before 31 August 2021.

The meeting finished at 8.02 pm

Signed

Chairman

Date