

## EXECUTIVE

- \* Councillor Julia McShane (Chairman)
- \* Councillor Joss Bigmore (Vice-Chairman)

- |                            |                           |
|----------------------------|---------------------------|
| * Councillor Tim Anderson  | * Councillor John Redpath |
| * Councillor Tom Hunt      | * Councillor John Rigg    |
| * Councillor George Potter | * Councillor James Steel  |

\*Present

Councillor Angela Goodwin was in remote attendance.

### **EX73 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **EX74 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST**

There were no declarations of interest.

### **EX75 MINUTES**

The minutes of the meeting held on 5 January were approved as a correct record. The Chairman signed the minutes.

### **EX76 LEADER'S ANNOUNCEMENTS**

The Leader of the Council made the following announcements:

There would be a fresh round of funding available from Crowdfund Guildford and an upcoming workshop would be held on 23 February to learn how to get involved and how to run a campaign. The deadline to apply was 29 March and residents were encouraged to visit the Spacehive website to find out more. Local businesses were also encouraged to pledge or promote the funding opportunity.

[Crowdfund Guildford - Home \(spacehive.com\)](https://www.spacehive.com)

The Council had recycled 7,670 Christmas trees in two weeks. This was a 12.5% increase on last year and good for sustainability.

The deadline for nominations to The Mayor's Award for Service to the Community was Friday 3 February. The award recognised individuals, groups and organisations who have gone above and beyond to serve their local community. Nominations should be submitted via the website.

[Nominations to open for The Mayor's Award for Service to the Community - Guildford Borough Council](#)

On the evening of Thursday 9 February there would be a 'Becoming a Councillor' briefing session. Those interested in becoming an elected member should email electoral services to find out more.

[electoralservices@guildford.gov.uk](mailto:electoralservices@guildford.gov.uk)

**EX77 TO CONSIDER ANY RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY COMMITTEE**

The Executive was asked to note that, at a meeting held on 17 January 2023, the Overview and Scrutiny (O&S) Committee considered a report on the Stray Dog Service. The draft minutes and recommendations were set out in the Supplementary Information Sheet.

The O&S Committee had suggested there was merit in councillor oversight or involvement in the contract preparation process, including consultation about the specification of the contract when it was next put out to tender and in ensuring councillors had a clear understanding of the contract management process and elements of the procurement process, together with information on the costs paid by the Council for the current service.

The Lead Councillor for Environment and Regulatory Services indicated his support for input from councillors as proposed by the O&S Committee. There were no further comments from the Executive.

**RESOLVED:**

To ensure Councillor involvement in the processes for the procurement, contract preparation, and contract management of the stray dog service.

**Reason(s):**

To provide oversight of the service.

**EX78 CAPITAL AND INVESTMENT STRATEGY (2023-24 TO 2027-28)**

The Chairman advised that this report had also been considered by the Corporate Governance and Standards Committee on 19 January 2023 and the Joint Executive Advisory Board on 24 January 2023. The comments arising from those two meetings were set out in the Supplementary Information Sheet.

The Deputy Leader of the Council and Lead Councillor for Finance and Planning Policy introduced the report.

The Executive heard that the Local Government Finance Act 2003 required all councils to have an approved investment strategy that paid regard to the CIPFA Management Code of Practice and the CIPFA Prudential Code.

The Council had an ambitious capital programme supporting investment into services and standalone projects supporting its corporate objectives of regeneration, delivering homes and the infrastructure to enable the local economy to fulfil its potential. There was currently a high risk to the affordability of the Council's capital programme as borrowing would need to increase significantly and external funding sources utilised

despite the volatility of interest rates. Those projects set out in the provisional capital programme would require further Executive endorsement before they could be progressed. New project proposals were set out in the report including, significantly for the General Fund, upgrades to the Spectrum Leisure Centre and funding to facilitate the operational move of the depot. Both projects would undergo business case scrutiny, including potentially repositioning the depot cost to the Weyside Urban Village Project.

There would be a further £20 million investment in the Council's housing stock during the period 2023-24 adding to the £24.5 million spent during 2022-23 which would be funded from reserves. There would be £145 million remaining in the Housing Revenue Account Business Plan to spend either on further improvements or acquiring additional stock, potentially from Guildford Park Road or Weyside Urban Village.

The capital programme would have revenue implications for up to fifty years with regard to infrastructure projects. The Chief Finance Officer must be assured that the programme was prudent, affordable and sustainable. Therefore, the report was measured against several prudential indicators as set out in the report.

Although the Council was experiencing financial pressure due to the external economic circumstances, there had been benefits such as the increase in value of the asset base in the last year by around £60 million, whilst debt had reduced by £40 million. The net asset position was over three-quarters of £1 billion, whilst peak borrowing was projected to remain under 30%.

The Executive was asked to consider removing the relocation of the bus station budget as, although there was uncertainty over the future redevelopment of North Street, the Council would not undertake such a project independently.

The prudential indicators, minimum revenue provision policy and the Capital and Investment Strategy remained unchanged. The flexible use of capital receipts policy was updated to cover costs associated with the collaboration with Waverley Borough Council.

There was a provisional capital entry in the report of £1.35 million to spend on North Street by 2030 which was queried. There would be a thorough ongoing review of capital expenditure and an answer to the North Street question would be provided either prior to or at full Council on 8 February.

It was noted that Council had recently been through a restructure at management level whilst experiencing unprecedented external financial pressures and officers were commended for their work. The Executive

**RESOLVED:**

Subject to Council approving the budget on 8 February 2023:

- 1) That the £500,000 allocated in respect of the Bus Station relocation scheme (Scheme no. P17 (p)) be removed from the provisional capital programme.
- 2) That the new bids, as shown in paragraph 4.13 of this report be approved for inclusion in the capital programme as indicated.

To recommend to Council on 8 February:

- 1) That the General Fund and HRA capital estimates, as shown in appendices 2 and 3, as amended to include such bids as may be approved by the Executive at its meeting on 26 January 2023, be approved
- 2) That the Minimum Revenue Provision policy, referred to in section 5 of this report, be approved.
- 3) That the capital and investment strategy be approved, specifically the investment strategy and Prudential Indicators contained within the report and in Appendix 1.
- 4) That the updated flexible use of capital receipts policy at Appendix 8 be approved.

Reason(s):

- To enable the Council to approve the capital and investment strategy for 2023-24 to 2027-28
- To enable the Council, at its budget meeting on 8 February 2023, to approve the funding required for the new capital schemes propose

**EX79 HOUSING REVENUE ACCOUNT BUDGET 2023-24**

The Chairman reminded the meeting that the report had been considered by the Joint Executive Advisory Board on 24 January 2023 and the comments arising from that meeting were set out in the Supplementary Information Sheet.

The Chairman, in her capacity as Lead Councillor for Housing and Community, introduced the report.

The Council owned and managed over 5,200 houses that were rented to tenants who qualified for social housing or for which it held the freehold. It was the Council's priority that those properties were well-maintained and safe for tenants.

The Government had set a rent increase cap of up to 7%, but given the cost-of-living crisis, the Council was proposing a lower increase of 5%. The lower increase was due to the Council's careful management of the Housing Revenue Account (HRA). Although those tenants in arrears was low at 1%, the Council was mindful that tenants could find managing finances challenging under the current economic circumstances. Consequently, alongside wider improvements to the properties, the Council would employ two additional officers who would provide benefits and financial advice.

The Council would be providing a programme of improvements to communal areas and landscaping where it held responsibility for the wider estate.

The Council welcomed Government updates and standards with regard to tenants' health and safety. The allocated spending for the forthcoming year would include improvements in fire alarms, new fire doors and smoke detection. In addition, with energy saving in mind, there would be a programme of replacing doors, windows, installing insulation and heating systems.

There were no further comments and the Executive,

**RESOLVED:**

To recommend to Council (8 February 2023):

- (1) That the proposed HRA revenue budget for 2023-24, as set out in Appendix 1 to the report, be approved.
- (2) That a rent increase of 5%, be implemented.
- (3) That the fees and charges for HRA services for 2023-24, as set out in Appendix 2 to the report, be approved.
- (4) That a 3% increase be applied to garage rents, which is in line with the wider Council policy on fees and charges.

Reason:

To enable the Council to set the rent charges for HRA property and associated fees and charges, along with authorising the necessary expenditure to implement a budget, this is consistent with the objectives outlined in the HRA Business Plan.

**EX80 GENERAL FUND BUDGET 2023-24 AND MEDIUM TERM FINANCIAL PLAN 2024-25 TO 2026-27**

The Chairman advised that this report had also been considered by the Joint Executive Advisory Board on 24 January 2023. The comments arising from that meeting were set out in the Supplementary Information Sheet.

The Deputy Leader of the Council and Lead Councillor for Finance and Planning Policy introduced the report.

The report proposed to raise the Council Tax levy for the forthcoming year to the maximum, which was 2.99%. This would produce a net income increase for the Council of just over £330,000. Due to real cuts in the Council's spending power and inflationary pressures, although regrettable, this option was necessary. It was noted that the Borough Council retained just 9% of the Council Tax collected which translated to just over £250 on a Band E property for which the average resident received around £500 of services.

The Council Tax Support Scheme would be retained to support residents who found themselves in financial difficulty. Given the Scheme had been previously unsubscribed it was felt existing budget levels should be sufficient, but this would be kept under review.

It was noted that the current economic climate provided a challenging backdrop to setting the General Fund budget. Global and domestic financial pressures sat alongside diminishing Government funding resulted in significant reductions to the Council's spending power. There was also uncertainty on how the cost-of-living crisis would impact on revenue streams. However, the Council had taken financial decisions in previous years resulting in healthy reserves.

There was an increased budgeted spend of £7.7 million in comparison to last years' spending. The major increases were caused by the inflationary pressures on utilities and wages. The increased interest rates meant the Council would gain from its treasury activity; however, this advantage might be short term as the Council developed its capital programme.

Below inflation interest rate increases had been applied to fees and charges, albeit this would see an increase in income of £1 million. There would be no automatic transfer to reserves this year as it was calculated that the reserves were sufficiently funded.

The Council had received £1.3 million in New Homes Bonus (NHB) from the Government, and it was proposed that this income be used to fund wage increases that were currently being discussed with the union. The NHB was scheduled to be withdrawn by Government and could not be written into future budgets.

The General Fund budget was £3.3 million in deficit. This might be funded from the Council's reserves or from additional savings. There was £32 million in reserves able to support the Medium-Term Financial Plan to underwrite the deficit if necessary. This was described as unusual, but due to the economic climate and with no desire to unnecessarily cut essential services, the lead councillor was content.

There needed to be a clear understanding of the structural deficit and the impact of the cyclical effects before more work could be undertaken to reduce the shortfall. The Joint Management Team were tasked with undertaking extensive service reviews and a full assessment of the capital programme with a view to reporting back to full Council in July.

There was criticism of the persistent delays to the Government's Fair Funding Review for Councils and lack of long-term budget information from central sources. Officers were commended for their work on the budget papers.

The Executive agreed there was no appetite to see any reduction in the Council's services and given energy prices were already falling and so greater optimism about inflationary pressures going forward the proposals set out in the report were acceptable. In addition, the structural benefits of the collaboration with Waverley Borough Council were yet to be realised. Consequently, the Executive,

#### RESOLVED:

To recommend to Council (8 February 2023):

- (1) To approve a 2.99% increase in Guildford's Band D Council Tax Charge for 2023/24 with resultant increases to the other council tax bands.
- (2) To approve the General Fund Budget for 2023/24, as summarised in Appendix 2.
- (3) To continue the Council's existing Council Tax Support Scheme at the current levels.
- (4) To approve the General Fund Fees and Charges for 2023/24 proposed in Appendix 4.
- (5) To utilise the full amount of the New Homes Bonus received for 2023/24 for the purpose of contributing to identified one-off General Fund revenue cost pressures.
- (6) To agree that the Joint Management Team undertakes a comprehensive service challenge and present a revised budget and Medium-Term Financial Plan to Full Council in July 2023 as described in this report.

#### Reason(s):

To enable the Council to set the Budget and Council Tax for the 2023-24 financial year. The General Fund Budget was a major decision for the Council and setting a balanced budget is a statutory requirement.

The meeting finished at 7.35 pm

Signed .....

Chairman

Date .....