

11 JANUARY 2024

JOINT EXECUTIVE ADVISORY BOARD

11 January 2024

- * Councillor Katie Steel (Chairperson)
- * Councillor Ruth Brothwell (Vice-Chairperson)

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| Councillor Sallie Barker MBE | * Councillor Stephen Hives |
| Councillor Phil Bellamy | * Councillor Vanessa King |
| * Councillor Dawn Bennett | * Councillor Steven Lee |
| * Councillor David Bilbé | * Councillor Sandy Lowry |
| * Councillor Honor Brooker | * Councillor Richard Mills OBE |
| Councillor James Brooker | Councillor David Shaw |
| * Councillor Yves de Contades | * Councillor Joanne Shaw |
| Councillor Amanda Creese | * Councillor Cait Taylor |
| * Councillor Geoff Davis | * Councillor Jane Tyson |
| Councillor Matt Furniss | * Councillor Catherine Young |
| * Councillor Gillian Harwood | |

* Present

Councillors Angela Goodwin, Catherine Houston, Richard Lucas, Julia McShane, Carla Morson, Howard Smith and Fiona White were also in attendance.

6 ELECTION OF CHAIRPERSON FOR THE MEETING

The Joint Executive Advisory Board (JEAB)

RESOLVED

that Councillor Katie Steel be elected as Chairperson for this meeting.

7 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Sallie Barker, Phil Bellamy, Amanda Creese and Matt Furniss. Councillor Bob Hughes was present as a substitute for Councillor Sallie Barker and Councillor Philip Brooker was present as a substitute for Councillor Matt Furniss.

8 LOCAL CODE OF CONDUCT AND NOTIFICATION OF DISCLOSABLE PECUNIARY INTERESTS

There were no declarations of disclosable pecuniary or non-pecuniary interests.

9 MINUTES

The minutes of the meeting of the Joint Executive Advisory Board (JEAB) held on 4 December 2023 were confirmed as a correct record, and would be signed by the Chairman at the earliest opportunity.

10 BUSINESS PLANNING - GENERAL FUND BUDGET 2024-25

A report regarding the General Fund Revenue Budget 2024-25 and Medium Term Financial Plan (MTFP) 2024-25 to 2026-27 was before the Joint Executive Advisory Board (JEAB) for consideration. The report was introduced by the Lead Councillor for Finance and Property and presented by the Joint Executive Head of Finance and S151 officer, who sought councillors' views thereon.

The JEAB was advised that in July 2023 the Council considered a report which detailed a MTFP with a funding gap of £18.3 million and highlighted that the Council was at significant risk of potentially having to serve a Section 114 Notice. Much work was undertaken during the following six months to reduce this gap. The initial focus had been on short term measures such as ceasing discretionary spend, introducing a vacancy freeze and reviewing all budgets to achieve a balanced in year position. A mixture of permanent changes and one-off reductions had been introduced. Some of the latter would need to be addressed on an ongoing basis for the new financial year.

The next factor to address the funding gap was the preparation of a Financial Recovery Plan. The first iteration of the Plan was submitted to Council in September 2023 and the second edition in October confirmed that the Council would not need to issue a Section 114 Notice as sufficient financial recovery had been achieved to avoid it at that stage. A further update in December focused on changes to the Capital Programme and the Asset Disposal Programme. All these measures had culminated in the MTFP gap being reduced by £15.9 million and the Council being able to achieve a balanced budget for 2024/25, which was before the JEAB for consideration.

The key budget headlines were:

- An assumed Council Tax increase of 2.99% leading to growth in the tax base over the year of 1%.
- The Finance Settlement showed a reduction in the New Homes Bonus of £600,000 and a cut in the Services Grant of approximately £100,000 which

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were off set by a rise in the Funding Guarantee Grant giving an overall position of an increase in grant year on year of approximately £147,000.

- Cost pressures were resulting from the impact of inflation. Although there was an assumption of a 4% pay award increase, this had not yet been agreed with the Union.
- The Capital Review had resulted in a Capital Programme reduction of £96 million.
- The Asset Disposal Programme was aiming to deliver £50 million of capital receipts targeted at years two and three of the MTFP. This Programme together with the Capital Review would assist with reducing the Council's future borrowing and the debt previously expected to reach £600 million by the end of the decade would be more likely to peak at £450 million.
- A number of policy changes were being made including treatment of interest payable in respect of large capital projects involving capitalising costs and paying them at the completion of the project.
- Adjustments were being made to reduce interest payments relating to the HRA and treatment of SANG.
- Although growth bids were not encouraged, some were unavoidable as they were of a statutory nature such as new Government requirements in relation to dealing with damp and mould.
- A number of potential growth items that had been identified were likely to be unavoidable.
- There were opportunities to achieve contract savings such as with the energy supply contract which would be retendered in September and it was hoped that savings of around £1 million per year could be achieved. There was also contract work being pursued in relation to G Live, the Spectrum and telephony.
- Income was another area being targeted and would include increased parking charges and seeking to recover the full costs of other services such as garden waste collection.
- In terms of fees and charges, a minimum increase of 5% would be levied.
- Project underspend in the current year of approximately £1 million had been realised and the related savings would be directed towards funding a number of items which had been identified.
- Although a balanced budget would be set for 2024/25, a deficit of £740,000 in year two and a further £1.6 million in year 3 were in need of addressing.

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- The Section 25 report appended to the report identified a number of assumptions and key risks.

The following points arose from related discussion, comments and questions for forwarding to the Executive:

1. In terms of the long-term empty dwelling levy, the current number of long-term empty dwellings in the Borough was unknown and the officers would obtain that information from the Revenues and Benefits Lead and circulate it to the JEAB.
2. The JEAB was advised that the Asset Register was publicly available and a link to it would be circulated to councillors to enable them to contact the project lead, the Joint Executive Head of Assets and Property, with any comments, queries or issues.
3. The Asset Disposal Programme was not yet finalised and a valuation expert and another property expert were revaluing the assets on the short list with a view to arriving at a final list. The Programme would be subject to approval through the formal processes in due course.
4. The freezing of councillors' allowances for 2024/25 was supported.
5. Climate Change was a consideration when letting any contract, in particular the Council's energy supply contract, which would fall due for renewal in the next financial year. This exercise would include looking at whether, as part of the Council's Climate Change commitments, green energy could be utilised. This would depend upon price differentials quoted in contract tenders received.
6. With regard to parking charges, although the package in terms of the overall amount of income the Council was seeking to raise had been agreed, further details were to be added to the report prior to its submission to the Executive and Council.
7. It was assumed that the fly tipping fine of £400 was set nationally. However, enquiries would be made to ascertain whether there was any local discretion to increase the amount to deter culprits.
8. In response to a request, the JEAB was advised that the capital cash flow could be added to the report to aid understanding.
9. With regard to the submission of Monitoring Reports to the Corporate Governance and Standards Committee, the Period 8 report would be received next week whilst the Period 6 and 7 reports would be published on the Council's website, together with the Period 8 report following its

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submission to the Committee. The Period 9 report was almost ready for publishing. It was hoped that the availability of this information to councillors and the public would assist with answering some of the budget queries raised.

10. The addition of greater context to the report to assist the public to understand it was welcomed.

The JEAB was invited to comment on seven recommendations which would be considered by the Executive at its meeting on 25 January 2024. The JEAB indicated its support for all seven recommendations and agreed that its above comments be forwarded to the Executive.

11 CAPITAL AND INVESTMENT STRATEGY 2024-25 TO 2027-28

The Joint Executive Advisory Board (JEAB) considered a report concerning the Council's Capital and Investment Strategy 2024-25 to 2028-29. Bids in respect of the 15 proposed capital schemes outlined within the appendices to the report were a particular focus for the JEAB.

The Lead Specialist for Finance introduced the report and sought comments from the JEAB in respect of the capital bids. The treasury management activity function fell to the Corporate Governance and Standards Committee for consideration.

The JEAB was advised that the Capital Programme linked into the Council's treasury management activities which were then fed into the Revenue Account which was the reason for having an Integrated Capital and Treasury Strategy. Decisions made now in respect of the Capital Programme would have a long term impact on the Council's finances. In December 2023, the Council had agreed to delete £96 million from the existing Capital Programme.

The Council was required to satisfy various Codes of Practice, the main one in this case being the CIPFA Prudential Code to ensure the Capital Programme was affordable, sustainable, prudent and proportionate. As the Council's internal reserves and capital receipts were limited, external borrowing was necessary and this equated to £202 million over the period. Officers had put forward bids of £9.8 million which would increase the borrowing total to approximately £212 million. The main areas of existing expenditure were the two largest schemes in the Programme, namely, Weyside Urban Village and Ash Road Bridge. The Table in paragraph 8.14 of the report had been amended to delete an item, pavilion refurbishment at Sutherland Memorial Park, from

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the Capital Vision, which consisted of schemes at an early stage which were not sufficiently developed to progress onto either the provisional or approved Capital Programme.

Although there were no new bids to the Housing Revenue Account (HRA), annual major repairs works needed to be included in the Capital Programme. Whilst an expanded HRA budget had been agreed in respect of the previous two years, the proposed budget for 2024/25 reduced the amount to approximately £5.5 million reflecting the amount of budgets of previous years. The existing Capital Programme also contained substantial new build and redevelopment schemes which were the primary reason for the reduction in the Council's reserves. The report recommended the deletion of the Bright Hill scheme due to changes in its proposed delivery, which was now unlikely to be undertaken by the Council.

Having regard to Treasury Management in the interests of completeness, it was estimated that there was £3 million of investment income and debt interest approaching £15 million. The latter consisted of £5.5 million which related to the HRA whilst approximately £8 million was being capitalised to the General Fund Programme, creating a £1.5 million impact on the General Fund. The Council would be seeking approval of the updated flexible use of the Capital Receipts Policy for 2024/25 to enable expenditure in respect of transformation to be funded from Capital Receipts.

The following points arose from questions, comments and discussion relating to the bids for forwarding to the Executive:

Machinery for Grounds Maintenance at the Crematorium

This bid sought to renew vital grounds maintenance equipment as the machinery in question was nearing the end of its life and required replacing. It was not considered to be an option to not maintain the crematorium gardens of remembrance, where ashes were laid to rest. A total capital sum of £42,000 was sought over the period from 2024/25 to 2026/27. The JEAB indicated its support for the bid.

Wildfield Ballcourt

A capital sum of £30,000 in 2028/29 was bid for Wildfield Ballcourt in Wood Street Village. The Council had entered into a lease to install and maintain a

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ballcourt on land owned by Surrey County Council with the terms that the Council would remove the ballcourt at the end of the lease. The lease had expired and to avoid removing the ballcourt immediately, the Council was entering into a renewal of five years. Although the surface of the ballcourt was starting to show areas of wear, no maintenance costs, beyond the current routine safety checks and litter removal, were anticipated over the next five years. However, the need to incur repair costs after that time was expected. As visitor use of the ballcourt appeared relatively light, it was questioned whether there was sufficient community need to justify the intended work. The JEAB was advised that there would be opportunities to review the matter before the expenditure in 2028/29. This project would be subject to two business cases, the first to be added to the Provisional Capital Programme, and the second to enable the scheme to proceed. It was felt that consultation associated with the project should demonstrate a community need, for the facility to continue.

Playground Refurbishments 2024 to 2029

This mandate sought approval to continue the capital programme for playground refurbishments from 2025 onwards to be used to support and supplement available S106 funds, where appropriate. The programme required a total capital injection of £800,000 split over the next four years. The JEAB supported the bid.

ICT

The ICT Team had submitted a bid in respect of replacement / purchases of IT user hardware (laptops, monitors etc.) and infrastructure hardware purchases. The annual Microsoft Enterprise Agreement (licensing and cloud usage charges) renewal would be funded from revenue for the near future. The JEAB accepted the bid.

Bedford Road Multi-Storey Car Park

There were structural issues associated with the brick clad wall at a high level on one corner of the car park. Sections of the brick cladding were loose and required immediate repair. Investigations indicated that sections of the brick cladding and surrounding reinforced concrete frame were failing due to water incursion from adjacent raised flower beds forming part of the flat development situated above the car park. Works were required to remove or

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tank these flower beds and ensure a safe access, followed by brick cladding and concrete repairs to the concrete frame. The estimated capital cost of the works was £150,000 in 2024/25. The JEAB supported the bid.

Crematorium Broadwater Cottage

Broadwater Cottage was a Grade II listed property located adjacent to the Council owned Crematorium on New Pond Road, and utilised for staff accommodation for the Council's Bereavement Services Lead. Although the cottage underwent substantial refurbishment works over recent years, including measures to mitigate structural issues with roof, the Council had subsequently been advised by independent structural engineers that larger scale structural repairs were required. There were no listed building or other restrictions to prevent the works which were estimated to cost £195,000 over two years. The JEAB endorsed the works.

Leapale Road Multi-Storey Car Park

There were structural issues associated with the brick clad wall at a high level on one corner of the car park. Sections of the brick cladding were loose and required immediate repair. Investigations indicated that sections of the brick cladding and surrounding reinforced concrete frame were structurally unsound. Works at a cost of £150,000 in 2024/25 were required to provide scaffold access and undertake repairs to the brick cladding. The JEAB was advised that funding remained in the Car Park Maintenance Reserves and therefore this bid did not represent a cost to the General Fund. The JEAB accepted the bid.

Slyfield Enterprise Estate

Whilst the Enterprise Estate remained popular with tenants and was fully occupied and income generating, the property had been built in the 1980s and was now nearing the end of its useful life and failing to meet the needs of modern light industrial occupiers and the minimum energy efficiency standards (MEES) for commercial property. Accordingly, Assets and Property officers were working towards comprehensive refurbishment or redevelopment to meet modern requirements and to enhance future rental income. It was envisaged that this process would commence in 2025/26 with preliminary work and planning and then progress to refurbishment / redevelopment in

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2027/28, requiring total capital expenditure of £5 million over the period. The JEAB supported the bid.

Slyfield Foundation Units

Slyfield Foundation Units comprised a multi-let estate consisting of 12 light industrial letting units. As with Slyfield Enterprise Estate, this property had been built in the 1980s and was experiencing all the same popularity and age related issues as the Enterprise Estate. Therefore, the Assets and Property team were also working towards comprehensive refurbishment or redevelopment to meet modern requirements and to enhance future rental income. It was anticipated that this process would commence in 2025/26 with preliminary work and planning and then progress to refurbishment / redevelopment in 2027/28, requiring total capital expenditure of £2.05 million over the period. The JEAB endorsed the works.

Stoke Park Gardeners Cottage

The Gardeners Cottage was a detached dwelling house located in Stoke Park, Guildford. The Cottage was utilised for staff accommodation and was currently occupied. Whilst the Cottage had undergone a series of planned and reactive roofing repairs in recent years, the roof had come to the end of its useful life expectancy and replacement was required at a capital cost of £100,000 in 2024/25. The JEAB accepted the bid.

Billings Roof Replacement

The Billings was a detached brick built former printing works constructed in 1856 and subsequently converted into office units and one warehouse unit. The property formed part of the Council's investment portfolio and was currently let on various leases. The slate roofs at the Billings had come to the end of their useful life expectancy and therefore required replacement. The roof to Unit 4 had been replaced last year and this bid covered the replacement of roofs to Units 1, 2 and 3 at a capital cost of £400,000 over the 2025/26 and 2026/27 financial years. The JEAB endorsed the bid.

Sydenham Road Car Park

Adjacent to the car park was 12 Trinity Cottage, the owner of which had raised two issues with the Council in relation to the repair and replacement of a party

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wall and damage to the gable wall of number 12 due to the adjacent Council owned car park. The project was required since initial investigation had indicated that the failing brick wall was likely to be a party wall issue and so jointly owned by the Council and the owner of 12 Trinity Cottage. As such, the Council was likely to be responsible for an apportionment of the costs for rebuilding / repairing the wall. Moreover, the raising of levels to form the car park had potentially led to structural and damp issues to the gable wall of 12 Trinity Cottage. The owner of the Cottage had appointed a local firm of surveyors and engineers and had contacted the Council regarding the above matters. The Council's capital bid towards the works was £50,000 in 2024/25. The JEAB supported the bid.

Investigation and Works to Underground Shelter

An area of open space in Guildford, believed to be an underground shelter dug during World War 2, required investigation. The project sought to establish the full extent of the structure and understand its condition with the possibility of filling the structure to avoid the risk of collapse and potential danger to the public, and return the area to good order. The capital bid of £20,000 would provide funds to pay for the works under the Council's Civil Engineering Contract at the direction of the Council's Engineers. The JEAB approved the bid.

Guildford Bus Station

The Council was responsible for the concrete surface deck and drainage at the Bus Station, which was located adjacent to and partly above the Friary Centre. The deck surfacing and drainage had failed and were allowing water ingress through the concrete deck into the basement car park and electrical substation below. During heavy downpours the basement car park and substation flooded, causing a health and safety risk in addition to making the basement unusable. Whilst some previous repairs had assisted to mitigate the flooding, the leaks remained an issue and immediate work was required to diagnose the cause(s) of the water ingress and resolve the matter. Also, a complete resurfacing of the bus station was needed for long term protection of the deck and column structure underneath. These further works were seen as a matter of urgency and the Council was being pursued by the owner of the freehold beneath the deck to progress them as such.

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The North St Development project included an upgrade and refurbishment of the Bus Station in around 2-3 years' time. When these works took place, the Council would have an opportunity to undertake long-term infrastructure repair works to the surface of the bus station. The works proposed now appeared to link in with the proposed redevelopment enabling work to be carried out in tandem.

The capital bid sought £50,000 in 2024/25 and £500,000 in 2026/27. This included £12,000 to be made immediately available to facilitate the appointment of an external consultant(s) to undertake a full survey and provide a report to diagnose the cause(s) of the water ingress and solutions. The appointed consultant would also be asked to provide cost estimates for the proposed works to facilitate a total resurfacing project.

A councillor welcomed the addition of a correlation in the report between the proposed Bus Station redevelopment and the interim works the subject of this capital bid. However, another councillor felt that the report did contain information in respect of the related dependencies and project work in tandem. The Lead Specialist for Finance agreed to review the wording in the bid document and improve its clarity if necessary.

Stoke Cemetery

A section of the Cemetery was waterlogged affecting graves and the main pedestrian footpath. The Council's engineers had developed a draft proposal to divert water to a pre-existing drain, which required the approval of the Environment Agency. The engineers required a topographic survey to inform their proposal for the application to the EA and the application also needed to be accompanied by a tiered site assessment. The project aimed to solve the health and safety issues associated with this leak with capital expenditure of £80,000 in 2024/25. A Councillor queried the accuracy of the name quoted in section 7 of the bid and officers undertook to check this with the bid author and make a correction if necessary.

Generally, councillors acknowledged that the proposed works the subject of the capital bids seemed absolutely necessary. As much of the proposed work was linked to water incursion and roof repairs, it was felt that this situation would be exacerbated in the future due to Climate Change.

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Having been invited to comment on six recommendations which would be considered by the Executive at its meeting on 25 January 2024, the JEAB indicated its support for all six recommendations and agreed that its above comments be forwarded to the Executive.

12 HOUSING REVENUE ACCOUNT BUDGET 2024-25

The Joint Executive Advisory Board (JEAB) was invited to consider a report which provided a position statement in respect of the 2024/25 draft budget and made recommendations to the Council regarding the Housing Revenue Account (HRA) revenue budget.

The report was introduced and presented by the Lead Specialist for Finance who advised that the revenue budget covered the day to day management and maintenance of the Council's housing stock which consisted of approximately 5,200 homes. The HRA was a ring-fenced account as its income was derived from its tenants and it was completely separate from the Council Tax element which supported the General Fund. The budget had been prepared based on the latest Business Plan. The report highlighted the key components of the Business Plan together with forthcoming risks and pressures and also set out the aims of the budget in terms of providing value for money. The debt during the year was estimated to be £157 million with an interest charge of £5.4 million. The Council was continuing with the theme that providing housing was more important than repaying the debt. The report also outlined how the budget would be spent with 51% being the direct costs of managing and maintaining the housing stock with a further 21% being put aside to cover depreciation for paying for major works. Thus the majority of expenditure was invested into the stock.

The Government set a direction for Council's to increase rents by the Consumer Price Index (CPI) plus 1% based on the rate as at the previous September CPI level. For 2024/25, this equated to a rent increase of 7.7% which was the maximum amount by which rents could be increased and the figure recommended. It was also proposed to increase garage rents by 5% which was in line with the remainder of the Council's fees and charges.

A £7.8 million surplus was being budgeted against the HRA as a whole which would be transferred to reserves. It was budgeted to have reserves at the end of the financial year of £97 million which were decreasing in line with the new developments in which the Council was investing. The Section 151 Chief

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Finance Officer's statement in respect of the robustness and adequacy of the reserves was included in the report.

The Leader of the Council and Lead Councillor for Housing sought to reassure the JEAB that the recommended rent increase of 7.7% for 2024/2025 was in line with the rent standard for social housing set by the Regulator of Social Housing. 92% of the Council's tenants paid a social rent, with approximately 60% of those being in receipt of Housing Benefit or Universal Credit. The level of rent arrears was low, indicating that for most families, their rent remained affordable.

The following points arose from the related discussion, comments and questions for forwarding to the Executive:

1. With regard to the proposed rent increase, it was noted that the Council's costs associated with the operation of the Housing service were also increasing and that a minimal rent increase would have an ongoing impact upon the delivery of the HRA Business Plan. The Council was confident that it was in a position to support people on low incomes and those in need of extra support as a priority via the Community Services team.
2. Although expanding the shared ownership stock was not currently a priority for the Business Plan, this would be revisited when the opportunity arose to develop larger sites. The Council had purchased some shared ownership properties during the past year, however, these represented a small proportion of the housing portfolio. The inclusion of some further context in the report to explain the priorities in this area would add clarity.
3. Approximately 2% of the housing stock was currently in a void position owing to the need for repairs and refurbishment. Some of these properties were suffering from structural issues, such as subsidence, and thought was being given to formulating a plan to maximise the opportunities for regenerating some of them to create new homes. A portfolio of smaller development sites was also being progressed. It was unknown whether asylum seekers were eligible to join the Council's Housing Register.
4. Issues associated with damp and mould were raised as several Council tenants had experienced this problem recently, including one housed in a Housing Association (HA) property, although they paid their rent to the

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Council. As there was thought to be some confusion around the differences between HRA and HA rentals and the responsibilities of HAs housing Council tenants, some wider communication in this regard would be beneficial. The Council's Private Housing Team was able to assist private sector and HA tenants experiencing damp and mould issues in their homes. The Council had appointed a Damp and Mould Surveyor to whom such issues relating to HRA homes could be referred for attention. It was suggested that the budget should be expanded to include an entry in respect of damp and mould to raise its profile and show that the Council was taking related action.

The JEAB agreed that its comments be forwarded to the Executive.

The meeting finished at 8.30 pm

Signed Date
Chairman