

EXECUTIVE

- * Councillor Caroline Reeves (Chairman)
- * Councillor Fiona White (Vice-Chairman)

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| * Councillor Joss Bigmore | * Councillor Julia McShane |
| * Councillor Angela Goodwin | * Councillor John Rigg |
| * Councillor David Goodwin | * Councillor Pauline Searle |
| * Councillor Jan Harwood | * Councillor James Steel |

*Present

Councillors Dennis Booth, Tony Rooth, and Patrick Sheard were also in attendance.

EX81 APOLOGIES FOR ABSENCE

There were no apologies for absence.

EX82 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no disclosures of interest.

EX83 LEADER'S ANNOUNCEMENTS

The Leader announced that she would be circulating details of a number of initiatives regarding the proposed Town Centre Masterplan to all councillors.

EX84 NATIONAL PLANNING POLICY FRAMEWORK (NPPF)

The Executive noted that, on 23 July 2019, the Council, along with many other councils including Surrey County Council, declared a Climate Emergency. As part of this resolution, the Council had also committed to calling on the UK government to provide the powers, resources and funding support to make local, as well as national, action against climate change possible. A further motion was agreed by Full Council on 3 December 2019 that stated:

"The Council recognises that the National Planning Policy Framework (NPPF) has recently undergone a review. However, with the now declared Climate Emergency (subsequent to that review), and the widespread support of the principle of building on brownfield before greenfield sites wherever possible, the Council asks the Executive to request the Secretary of State to hold an immediate further review of the NPPF and its guidance to:

- (1) Recognise the declared Climate Emergency and provide more detailed guidance on creating "sustainable development", which takes into account the required actions on transport and development to meet Carbon Zero, for both brownfield and green field sites.*
- (2) Better assist with brownfield delivery by granting councils simple effective powers to bring forward currently, as well as previously, used sites.*
- (3) Amend Paragraph 145 of the NPPF – to correct the unintended consequences in Greenbelt areas of enabling unrestricted building of inappropriate houses through*

‘infilling’, yet at the same time preventing residents from having a simple extension or garage for their own home.”

The Executive considered a report setting out a draft letter to the secretary of State for formal approval and

RESOLVED: That the draft letter to the Secretary of State requesting a further review of the NPPF and its guidance, attached as Appendix 1 to the report submitted to the Executive, be finalised and sent by the Lead Councillor on behalf of the Executive to the Secretary of State for Housing, Communities and Local Government.

Reason:

To address the motion agreed by full Council on 3 December 2019.

EX85 NEW CORPORATE PRIORITIES AND CORPORATE PLAN

The Executive noted that the Council had approved its current Corporate Plan for the period 2018 to 2023 at its meeting on 15 May 2018. However, since the Borough Council elections in May 2019, members of the Executive had discussed new corporate priorities. A list of draft priorities was developed across the four following strategic themes:

Climate Change and Environment
Housing and Community
Economy and Regeneration
Improved Council

The Executive considered a report which set out new draft corporate priorities for public consultation and proposed a timetable and process for developing a new corporate plan.

The draft priorities had been the subject of a workshop for all councillors held on 13 November 2019. The workshop had focussed on defining the outcomes and impacts that the Council would most wish to deliver under the following draft priorities:

Climate Change and Environment

- Working with residents and businesses towards becoming a carbon neutral borough
- Protecting our environment
- Making travel easier and more sustainable

Housing and Community

- Providing the housing that people need
- Caring for people who need our help
- Keeping the community active and well

Economy and Regeneration

- Encouraging sustainable, clean economic growth
- Supporting businesses to provide the jobs people need
- Regenerating Guildford town centre

Improved Council

- Using new ways of working to improve value for money and customer service
- Improving transparency, consultation and community engagement

The Executive noted that the report had also been considered by the Joint Executive Advisory Board at its meeting held on 9 January 2020, and their comments were taken into consideration by the Executive.

The Executive

RESOLVED:

- (1) That the new draft corporate priorities for the Council, as set out in paragraph 3.2 of the report submitted to the Executive and referred to above, be approved for public consultation purposes, subject to the amendment of the priority “Providing the housing that people need” to read: *“Residents to have access to a good quality home that meets their needs at a price they can afford”*.
- (2) That the proposed process and indicative timetable for the production of a new corporate plan, as set out in the report, be approved.
- (3) That the Managing Director be authorised, in consultation with Group Leaders, to appoint a councillor working group to support the development of the new corporate plan.

Reason:

To enable the Council to develop new corporate priorities and a corporate plan to provide the strategic framework for managing our business and resources effectively.

EX86 ASSET DISPOSAL FOR LESS THAN BEST CONSIDERATION

The Executive noted that the Council owned a large property portfolio, the majority of which was held either for investment purposes or for operational purposes such as the Millmead offices or the day centres.

The Council owned a small number of operational properties that it retained to enable other organisations to support the general wellbeing of our communities. Examples ranged from local sports clubs to organisations such as Guildford Action supporting our work with homeless people. These organisations were generally either third sector or voluntary in nature and had limited financial means. The Council, by allowing them to rent one of its properties at below market rental levels, enabled the provision of services that might not otherwise be provided.

The decision to dispose of its property assets at less than market value currently rested in all cases with the Executive. For cases where the proposed reduction was relatively small the process was somewhat burdensome. The Executive considered a report which sought approval for a streamlined approach to such cases and involved the delegation such decisions to officers in consultation with the Lead Councillor for Finance and Assets.

The Council would also benefit from introducing a clear process for assessing disposals of land and buildings where the disposal would be below market value.

The report had also sought authority to take immediate action to complete the leasing of ten Council-owned buildings for less than best consideration to generate an income for the Council

and provide accommodation to community-based organisations that supported the general wellbeing of our communities.

Having considered the report, the Executive

RESOLVED:

- (1) That the grant of the nine leases with terms, as set out in Appendices 3 and 4 to the report submitted to the Executive, be approved.
- (2) That a new procedure for the Council to follow when considering and approving the disposal of land and buildings (including leases) for less than best consideration, as set out in Appendix 1 to the report, be adopted.
- (3) That the Head of Asset Management be authorised, in consultation with the Chief Finance Officer, the Lead Councillor for Finance and Assets, Customer Service and the relevant lead councillor, to accept terms for the disposal of assets for less than the best consideration that can reasonably be obtained where the undervalue (the difference between the market value and the proposed transaction) is £30,000 or less and, for lease transactions, the lease term is 15 years or less.

Reasons:

To secure the letting of various Council-owned buildings that will both generate an income for the Council and provide accommodation to community-based organisations that support the general wellbeing of our communities and apply a robust but streamlined approach for future disposal of assets for less than best consideration.

EX87 OFF-STREET PARKING BUSINESS PLAN 2020-21

The Executive considered an update report on progress made in delivering the recommendations contained in the Business Plan approved in January 2019 and sought approval for a number of changes to arrangements for 2020-21.

The report highlighted a number of improvements completed, including contactless payment at Bedford Road MSCP, increases in electric charge points and significant investments to maintain the high standard of our car parks. The report also highlighted work to look into how green initiatives could be supported by creating energy from Solar panels. The Guildford Parking Annual Report appended to the report highlighted an increase in ticket sales of 2% and revenue of 0.3%. It was clear that our car park charges compared well and were better value than most major shopping destinations in the region.

Having considered the proposals, the Executive

RESOLVED:

- (1) That the Monday to Saturday and Sunday 'daytime' charges across off-street car parks be held at the current levels to support the town centre economy, except for those at Farnham Road MSCP, Bedford Road Surface, Commercial Road 2, Mary Road and Old Police Station car parks.
- (2) That a discounted 'early-bird' rate of 90p per hour be introduced at Farnham Road MSCP, instead of the present £1 per hour, for those that enter the car park before 7.00am, and that the maximum daily charge of £7.20 be levied for these users, instead of the standard £8.00.

- (3) That the hourly Monday to Saturday 'daytime' rate in Bedford Road Surface, Commercial Road 2, Mary Road and Old Police Station car parks for stays up to 3 hours in duration be increased from £1.30 per hour to £1.50 per hour, and that from April 2021 all tariffs across the town centre car parks be increased by 10p per hour, or equivalent thereof, in respect to season tickets and contract parking rates.
- (4) That the Monday to Friday and Monday to Saturday season ticket and pre-payment card charges in York Road MSCP be increased by 5%.
- (5) That approval be given to on-street residents' permit holders for Areas A, B and D to park in all the town centre pay and display car parks until 10am the next day (Monday to Saturday) rather than 8am, if they purchase and display a valid pay and display ticket for the previous evening between 6pm and 10pm,
- (6) That the decking of Leapale Road MSCP car park be coated to improve the service life of the structure, in a similar fashion to that already present in Bedford Road MSCP and Castle MSCP, and that as part of the project, the spaces be increased in size / reduced in number (from 384 to around 300), to improve circulation within the car park and encourage greater use, particularly by users with mobility issues, those with young families, and electric vehicles.
- (7) That the EV charging spaces be enforceable, and that the necessary changes to the traffic regulation order required to achieve this be advertised, objections invited, and that if any representations are received, these be considered and determined by the Parking Manager in consultation with the Lead Councillor.
- (8) That the performance of Parking Services in 2018-19, as detailed in Appendix 1 to the report submitted to the Executive, be noted.

Reasons:

- (i) In recent years, the incremental increases in tariffs have not impacted the overall usage of the car parks. This is in spite of the challenging conditions being experienced by the retail sector within 'the high street'. The relatively modest changes to the pricing structure introduced in York Road MSCP and North Street car parks in April 2019 have continued this trend (see Appendix 1).

As was the case in 2019-20, the plan for 2020-21 is again to hold the price of parking in the vast majority of car parks with a few notable exceptions, namely Farnham Road MSCP, Bedford Road Surface, Commercial Road 2, Mary Road and Old Police Station car parks,

- (ii) Farnham Road MSCP is the primary long-stay car park within the town. To reflect this, the charges in this car park are lower than the short/medium-stay town centre car parks.

Access to this car park, for those travelling from all directions other than the west, involves driving around the Bridge Street gyratory system. At peak times, congestion can be an issue, albeit that this is a wider issue, rather than one specifically caused by the operation of this car park.

To encourage users of Farnham Road MSCP to arrive within the car park before the morning peak of the rush hour, it is proposed that the hourly rate for those arriving before 7am Monday to Saturday, be reduced from the current £1 per hour, to 90 pence per hour, for the duration of their stay. The maximum daily charge for users that arrive earlier will reduce from £8.00 to £7.20. It is hoped these changes will reduce congestion and assist with the town's Air Quality and Climate Change target.

- (iii) Currently, all the main short and medium-stay town centre car parks have a standardised charging structure. Whilst this is the case, it is evident that the surface car parks are often more popular than the multi-storey car parks. Indeed, queues can sometimes form on the approaches to the surface car parks, at times when ample spare capacity is available in nearby multi-storey car parks. This can lead to congestion.

Whilst preliminary findings of a recently undertaken Parking Study suggests car park users are more greatly influenced by convenience, rather than tariff, it is felt appropriate to adopt a pricing differential to encourage greater use of the larger-capacity, multi-storey car parks. A 20p differential in the hourly tariff between the surface and the multi-storey car parks may encourage changes in the behaviour for those users that might be more sensitive to price considerations.

Again, it is hoped these changes will assist with the town's Air Quality and Climate Change targets by reducing queuing on the approaches to the smaller-capacity surface car parks.

Therefore, Option 2 (section 12.2) is recommended to achieve these aims.

- (iv) In April 2019, the Monday to Saturday 'daytime' charge in York Road MSCP was increased by 30 pence per hour, from £1.00 per hour to £1.30 per hour. However, the decision was taken to increase season ticket and pre-payment cards at a lower rate over a number of years until equity was reached with other similar town centre car parks.

The 5% season ticket increase proposed for 2020-21 is in keeping with this plan to achieve equity over time.

- (v) There tends to be significant spare capacity within the town centre car parks in the evenings and overnight. Meanwhile, permit-holding residents within certain parts of Areas A, B and D have raised concerns about the availability of on-street space in the vicinity of their homes, at these times.

Whilst possible changes to the operational hours of the town centre CPZ, being considered by the Guildford Joint Committee as part of the current on-street parking review, may go some way towards addressing these issues, there is scope to offer local permit-holding residents greater flexibility to use the pay and display car parks overnight.

Although Area D permit holders can already do so for free, they have to pay the normal daytime charges if they remain within the car park after 8am.

The proposal modifies this dispensation, by extending it to permit-holding residents of Areas A and B. Although all permit holders will be expected to purchase and display a valid 'overnight' ticket, costing £1, it will allow them to park until 10am the next day (Monday to Saturday), rather than 8am, when the normal 'day-time' charges start. Therefore, they effectively get £3.60-£3.80 worth of parking for £1.

EX88 CAPITAL AND INVESTMENT STRATEGY 2020-21 TO 2024-2025

The Executive considered a report on the Council's capital and investment strategy, which gave a high-level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of local public services along with an overview of how associated risk was managed and the implications for future financial sustainability.

The Executive noted that in order to achieve the ambitious targets within the Corporate Plan, the Council needed to invest in its assets, via capital expenditure.

The Council had a current underlying need to borrow for the general fund capital programme of £290 million. Officers had put forward bids, with a net cost to the Council of £47.8 million, increasing the underlying need to borrow to £338 million should these proposals be approved for inclusion in the programme.

Some capital receipts or revenue streams could arise as a result of investment in particular schemes, but in most cases were currently uncertain and it was too early to make assumptions. Some information had been included in the capital vision highlighting the potential income. It was likely that there were cash-flow implications of the development schemes, where income would come in after the five-year time horizon and the expenditure would be incurred earlier in the programme.

All projects would be funded by general fund capital receipts, grants and contributions, reserves and, finally, borrowing. It was not currently known how each scheme would be funded and, in the case of development projects, what the delivery model would be. To ensure the Council demonstrated that its capital expenditure plans were affordable, sustainable and prudent, Prudential Indicators were set that must be monitored each year.

The capital programme included a number of significant regeneration schemes, which it was assumed would be financed from General Fund resources. However, subject to detailed design of the schemes, there might be scope to fund them from HRA resources rather than General Fund resources in due course. Detailed funding proposals for each scheme would be considered when the Outline Business Case for each scheme was presented to the Executive for approval.

Main areas of expenditure in the capital programme were:

- £5 million – vehicle replacement programme
- £18 million – museum development
- £32.5 million – town centre transport schemes
- £25.4 million – Ash road bridge
- £40.2 million – North Downs Housing
- £26.6 million – Guildford Park CP
- £9 million – Midleton redevelopment
- £59 million – Weyside Urban Village

The report included a summary of the new bids submitted, the position and profiling of the current capital programme (2019-20 to 2023-24) and the capital vision schemes.

The Corporate Management Team, the Lead Councillor for Finance and Assets, Customer Service, and the Joint Executive Advisory Board Budget Task Group, and the Joint EAB had all reviewed the bids presented in the report.

The report had also included the Council's Minimum Revenue Provision policy and the Prudential Indicators.

In relation to Treasury management, the Executive noted that officers carried out the treasury management function within the parameters set by the Council each year and in accordance with the approved treasury management practices.

The Council was in a good financial position, with a strong asset base and a good level of reserves.

The budget for investment income in 2020-21 was £1.684 million, based on an average investment portfolio of £79.8 million, at an average rate of 2.18%. The budget for debt interest paid was £5.656 million, of which £5.06 million related to the HRA.

In relation to non-financial investments and investment strategy, the Executive was informed that councils could invest to support public services by lending to or buying shares in other organisations (service investments) or to earn investment income (commercial investments where this was the main purpose).

The Council had £161.244 million of investment property on its balance sheet, generating a return of £9 million and a current yield of 6.3%.

The criteria for purchasing investment property, when originally approved were to achieve a minimum qualitative score and yield an internal rate of return (IRR) of at least 8%. It was now recommended that the IRR be changed to 5.5% due to the change in the market forces and recognition of the move to investing for strategic purposes, for example economic growth and housing and regeneration.

The Council had invested £12.251 million in its housing company – North Downs Housing (NDH), via 40% equity to Guildford Holdings Limited (£4.903 million) (who in turn passed the equity to NDH) and 60% loan direct to NDH (£7.348 million) at a rate of base plus 5% (currently 5.75%). The loan was a repayment loan in line with the NDH business plan.

The Executive, having noted the comments of both the Joint Executive Advisory Board and the Corporate Governance and Standards Committee in respect of the Capital and Investment Strategy, which were set out in full on the Supplementary Information Sheet circulated at the meeting,

RESOLVED: That, subject to Council approving the budget on 5 February 2020,

(1) the following new capital proposals referred to in Appendix 2 to the report submitted to the Executive:

- Sutherland Memorial Park ph 1 Calorifier replacement
- Sutherland Memorial Park main pavilion amenity club
- Sutherland Memorial Park cricket pavilion

be added to the General Fund Capital programme approved list and that the relevant officer be authorised to implement the schemes.

(2) the following new capital proposals referred to in Appendix 2 to the report:

- Investment property acquisition
- New house
- Energy & CO2 reduction in non-HRA properties
- Capital contingency fund

be added to the General Fund Capital programme provisional list and that these schemes, subject to the limits in the Financial Procedure Rules, be subject to a further report to the Executive, before being progressed.

(3) the following new capital proposals referred to in Appendix 2 to the report:

- LED lighting
- Car Parks Maintenance Reserve
- Air Source heat pump at Citizens Advice Bureau

be added to the General Fund Capital Programme approved list, to be funded by reserves, and that the relevant officer be authorised to implement the schemes.

- (4) the revenue implications of the new capital schemes referred to in paragraphs (1), (2) and (3) above be implemented in the relevant years stated in the bid.
- (5) the affordability limit for schemes to be funded by borrowing be set as per paragraph 4.32 in Appendix 1 to the report.
- (6) scheme ref ED38(p) relating to the North Street Development on the provisional capital programme be reduced to £2 million and any further scheme shall be subject to a new business case.

The Executive further

RECOMMEND:

- (1) That the General Fund capital estimates, as shown in Appendices 3 and 4 to the report submitted to the Executive (current approved and provisional schemes), as amended to include the bids approved by the Executive above, Appendix 5 (schemes funded from reserves) and Appendix 6 (s106 schemes), be approved.
- (2) That the Minimum Revenue Provision policy, referred to in section 5 of the 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.

Reasons:

- To enable the Council to approve the Capital and Investment strategy for 2020-21 to 2024-25
- To enable the Council, at its budget meeting, to approve the funding required for the new capital investment proposals

EX89 HOUSING REVENUE ACCOUNT BUDGET 2020-21

The Executive considered a report setting out the 2020-21 draft budget for the Housing Revenue Account (HRA). The 2020-21 estimates had been predicated on the assumptions, ambitions and priorities contained in the HRA business plan.

It was proposed to increase Council house rents by 2.7% in line with the Rent Standard 2020 (issued by the Regulator of Social Housing) and the Policy Statement for Rents on Social Housing (Issued by The Ministry of Housing, Communities and Local Government).

A 2.7% increase in garage rents was also proposed from April 2020, based on the September 2019 Consumer Price Index (CPI) plus 1%.

The report had also set out progress with the new build programme, together with the proposed investment programme in tenants' homes.

Having considered the draft HRA budget for 2020-21 and noted that the Joint EAB had also considered the report and had supported the recommendations, the Executive

RESOLVED: That, subject to Council approving the budget on 5 February 2020,

- (1) The projects forming the HRA major repairs and improvement programme, as set out in Appendix 3 to the report submitted to the Executive, be approved.

- (2) The Director of Service Delivery be authorised, in consultation with the Lead Councillor for Housing/Access and Disability, to reallocate funding between approved schemes to make best use of the available resources.
- (3) The Director of Service Delivery be authorised, in consultation with the Lead Councillor for Housing/Access and Disability to set rents for new developments.

The Executive further

RECOMMEND:

- (1) That the HRA revenue budget, as set out in Appendix 1 to the report submitted to the Executive, be approved.
- (2) That the 2.7% rent increase in line with the Rent Standard 2020 and Policy Statement 2019 be approved.
- (3) That the fees and charges for HRA services, as set out in Appendix 2 to the report, be approved.
- (4) That a 2.7% increase in garage rents be approved.
- (5) That the Housing Investment Programme as shown in Appendix 4 (current approved and provisional schemes), be approved.

Reasons:

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

EX90 BUSINESS PLANNING - GENERAL FUND OUTLINE BUDGET 2020-21

The Executive considered a report which outlined the proposed budget for 2019-20, which included a Council Tax requirement of £10,192,858 and a Council Tax increase of £5 per year (3.00%), resulting in a Band D charge of £176.82. As set out in the report, the Council expected to achieve a balanced budget for 2020-21.

The Council received the provisional Local Government Finance Settlement (LGFS) for 2020-21 on 20 December 2019. The figures included in the outline budget presented to the Executive on 26 November 2019 reflected the information contained in the settlement.

The Settlement Funding Assessment (SFA) consisted of the local share of business rates, and revenue support grant and was set out in the provisional LGFS. The settlement was in line with the Council's expectation which enabled it to retain £2.929m of business rates in 2020-21 an increase of 1.6% on 2019-20.

In determining that the Council's Core Spending Power had increased by 0.4%, the Government had assumed that Council Tax would be increased by the maximum amount permissible, namely, £5 or 3% whichever was the higher.

The Joint Executive Advisory Board Budget Task Group and Joint EAB had considered the outline budget at their meetings on 8 November and 20 November 2019 respectively.

The Chief Finance Officer's statutory report, which was also appended to the main report, provided information about the strategic context within which the budget had been prepared,

the medium-term financial plan, the robustness of the estimates, adequacy of reserves and budget risks.

The financial monitoring report for the first eight months of 2019-20 would be reported to the Corporate Governance and Standards Committee on 15 January 2020. The Executive noted that projected net expenditure on the General Fund for the current financial year was estimated to be £96,766 less than the original estimate.

The Chief Finance Officer, in consultation with the Lead Councillor for Finance and Assets, Customer Service and the Leader of the Council would decide upon the appropriation of the final balance in June 2020. Any ongoing variances between actual expenditure and budget identified in 2019-20 had been taken into account when preparing the budget for 2020-21.

Having considered the draft budget, the Executive

RESOLVED:

- (1) That the transfer to reserves of the sums included in the proposed budget at Appendix 2 to the report submitted to the Executive, be approved.
- (2) That the growth bids, as set out in paragraph 10 of the report, be approved.

The Executive further

RECOMMEND:

- (1) That the proposed fees and charges for 2020-21 relating to General Fund services and attached at Appendix 3 to the report submitted to the Executive, be adopted with effect from 1 April 2020.
- (2) That the budget be approved, and specifically that the Council Tax requirement for 2020-21 be set at £10,192,858.
- (3) That the Band D Council Tax for 2020-21 be set at £176.82, an increase of £5 (3.00%).

Reason:

To enable the Council to set the Council Tax requirement and council tax for the 2020-21 financial year.

The meeting finished at 7.41 pm

Signed

Chairman

Date