

# EXECUTIVE

21 May 2019

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

- \* Councillor Joss Bigmore
- Councillor Angela Goodwin
- \* Councillor David Goodwin
- Councillor Jan Harwood

- \* Councillor Julia McShane
- \* Councillor Susan Parker
- \* Councillor Pauline Searle
- \* Councillor James Steel

\*Present

Councillors Steven Lee, John Redpath, John Rigg, Maddy Redpath, Tony Rooth, and Paul Spooner were also in attendance.

## **EX1 APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors Angela Goodwin and Jan Harwood.

## **EX2 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST**

There were no disclosures of interest.

## **EX3 LEADER'S ANNOUNCEMENTS**

There were no announcements from the Leader.

## **EX4 STRUCTURAL REPAIRS TO 48 QUARRY STREET, GUILDFORD**

The Executive noted that 48 Quarry Street, Guildford formed part of Guildford Museum and that a survey of the property had revealed that there was a significant structural defect, which needed to be remedied to allow the property to be used safely as part of the Museum.

The Council had set aside £250,000 on the provisional capital programme to fund the repairs and associated design work. The sum of £30,000 had been transferred to the approved capital programme in July 2018 to fund the necessary investigations and design work.

The Executive now considered a report which sought agreement to transfer the remaining £220,000 from the provisional to the approved capital programme to enable the works to be carried out.

The Executive therefore

**RESOLVED:** That the transfer of capital funds in the sum of £220,000 from the provisional programme to the approved capital programme to enable the structural repairs to 48 Quarry Street, Guildford to be carried out, be approved.

### Reason:

As a Grade II listed building, the Council has a duty to maintain it in good order and these funds will allow this necessary repair works to proceed.

## **EX5 REVIEW OF EXECUTIVE WORKING GROUPS**

The Executive considered a report asking it to review the work carried out by the current councillor working groups over the previous twelve months and the work they were likely to undertake over the next twelve months. The Executive was asked whether the groups for which it was responsible should continue as presently constituted and, if so, to determine their respective composition.

Having considered the report, the Executive

RESOLVED:

- (1) That the Transformation Board be disbanded, as it had been succeeded by the new Future Guildford Board.
- (2) That the working groups listed below continue with their work:
  - Climate Change Task Group
  - The Electric Theatre Monitoring Group
  - The Grants Panel
  - Guildford Community Covenant Panel
  - Innovation Board
  - Major Projects Portfolio Board
  - Museum Working Group
  - Planning Policy and Housing Delivery Board
  - Property Review Group
  - Slyfield Area Regeneration Project Councillor Forum
  - Slyfield Area Regeneration Project Governance Board
  - Town Twinning Working Group
- (3) That political group leaders be requested:
  - (a) to discuss within their respective groups nominees for appointment to the working groups listed in paragraph (2) above, and the Future Guildford Board, for the 2019-20 municipal year;
  - (b) to submit nominations, and the reason for their nomination, to the Democratic Services Manager as soon as possible; and
  - (c) to meet as soon as possible thereafter to discuss nominations received.
- (4) That, following the meeting of political group leaders referred to in paragraph (3) (c) above, the Leader of the Council to determine the appointments to the various working groups for the 2019-20 municipal year.
- (5) That a new health and well-being board, to be called the 'Project Aspire Health and Wellbeing Board' with terms of reference as set out in Appendix 6 to the report submitted to the Executive, be established.

Reason:

To comply with the requirement on the part of the Executive to periodically review the continuation of the various Working Groups, in accordance with Council Procedure Rule 24 (j).

**EX6 SURREY LEADERS' GROUP - NOMINATIONS FOR APPOINTMENT TO OUTSIDE BODIES 2019-20**

The Executive considered a report on the proposed submission of nominations to the Surrey Leaders' Group (SLG) in respect of the appointment of a district representative to the Surrey County Council Health and Wellbeing Scrutiny Board, and the Surrey and Borders Partnership NHS Foundation Trust (Mental Health Foundation Trust).

Having considered the nomination received, the Executive

RESOLVED:

- (1) That the nomination of Councillor Deborah Seabrook be submitted to the Surrey Leaders' Group in respect of the appointment of a district council representative to the Surrey County Council Health and Wellbeing Scrutiny Board.
- (2) That, subject to the agreement of the chairman of the Overview and Scrutiny Committee, the call-in procedure shall not apply in respect of the decision in paragraph (1) above.

Reason:

To ensure that the nomination submitted by this Council is considered by the Surrey Leaders' Group.

Reason for urgency:

A small working group of the SLG will consider all the nominations received in respect of this appointment and make a recommendation to the SLG at its meeting in June. The deadline for receipt of completed nomination forms was Friday 24 May 2019.

The meeting finished at 7.21 pm

Signed .....

Chairman

Date .....

# EXECUTIVE

18 June 2019

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

- |                             |                             |
|-----------------------------|-----------------------------|
| * Councillor Joss Bigmore   | * Councillor Julia McShane  |
| * Councillor Angela Goodwin | * Councillor Susan Parker   |
| * Councillor David Goodwin  | * Councillor Pauline Searle |
| Councillor Jan Harwood      | * Councillor James Steel    |

\*Present

Councillors Angela Gunning and John Rigg were also in attendance.

## **EX7 APOLOGIES FOR ABSENCE**

An apology for absence was submitted on behalf of Councillor Jan Harwood.

## **EX8 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST**

There were no disclosures of interest.

## **EX9 MINUTES**

The Executive approved, as a correct record, the minutes of the meetings held on 23 and 25 April, and on 21 May 2019. The Chairman signed the minutes.

## **EX10 LEADER'S ANNOUNCEMENTS**

There were no announcements from the Leader.

## **EX11 CAPITAL AND INVESTMENT OUTTURN REPORT 2018-19**

The Executive considered the Capital and Investment Outturn Report for 2018-19, which had included:

- a summary of the economic factors affecting the approved strategy and counterparty update
- a summary of the approved strategy for 2018-19
- a summary of the treasury management activity for 2018-19
- compliance with the treasury and prudential indicators
- non-treasury investments
- capital programme
- risks and performance
- Minimum Revenue Provision (MRP)
- details of external service providers
- details of training

The Executive was informed that total expenditure on the General Fund capital programme in 2018-19 had been £37.7 million, which was less than the revised budget by £99.6 million. Details of the revised estimate and actual expenditure in the year for each scheme were set out in Appendix 3 to the report. Although the budget for Minimum Revenue Provision (MRP) had been £1.2 million, the outturn had been £795,190, due to slippage in the capital programme in 2017-18.

Councillors noted that the Council's investment property portfolio stood at £161 million as at 31 March 2019. Rental income had been £9 million, and income return was 6.3% against the benchmark of 4.8%.

The Council's cash balances had built up over a number of years, and reflected the strong balance sheet, with considerable revenue and capital reserves. Officers carried out the treasury function within the parameters set by the Council each year in the Capital and Investment Strategy. As at 31 March 2019, the Council held £97.3 million in investments.

The Council had borrowed short-term from other local authorities for cash flow purposes, but did not take out any additional long-term borrowing during the year. The Council had £212.9 million borrowing at 31 March 2019, of which £20 million was short-term borrowing for cash purposes.

The report confirmed that the Council had complied with its prudential indicators, treasury management policy statement, and treasury management practices for 2018-19.

The Executive noted that the slippage in the capital programme had resulted in a lower Capital Financing Requirement than estimated. Interest paid on debt had been lower than budget, due to less long-term borrowing taken out on the General Fund because of slippage in the capital programme.

The yield returned on investments had been lower than estimated, but the interest received had been higher due to more cash being available to invest in the year – a direct result of the capital programme slippage.

The report had also been considered by the Corporate Governance and Standards Committee at its meeting on 13 June 2019. The Committee's comments on this matter were included on the Supplementary Information Sheet circulated at the meeting. The Committee had commended the adoption of the recommendation in the report by the Council on 23 July 2019.

Discussion on the report queried whether the Council had a policy on Ethical, Social and Governance (ESG) in relation to investments and, in particular, whether the holding of a petrol station with the Investment property portfolio was appropriate.

Having considered the report, the Executive

**RECOMMEND:**

- (1) That the Treasury Management Annual Report for 2018-19 be noted.
- (2) That the actual prudential indicators reported for 2018-19, as detailed in Appendix 1 to the report submitted to the Executive, be approved.

Reason:

To comply with the Councils' 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.

**EX12 REVENUE OUTTURN REPORT: 2018-19**

The Executive received a report setting out the final position on the General Fund and the Collection Fund revenue accounts, for the 2018-19 financial year.

Overall, the outturn on the General Fund had been £1,851,116 less than originally budgeted, which reflected the Council's continued sound financial management.

The report had set out the major reasons for the variance. At service level after adjustment for movements to and from reserve, the projected outturn was £168,000 higher than the latest estimate.

Net income from interest receipts had been £1,641,694 more than estimated and the minimum revenue provision (MRP) for debt repayment had been £405,453 lower than estimated.

In accordance with the authority delegated to the Chief Finance Officer, in consultation with the Leader of the Council and the Lead Councillor for Finance and Asset Management, the underspent balance had been used to make a transfer to the Invest to Save Reserve to support the transformation agenda.

Details of the closing balance on all the Council reserves were set out in the report, together with the ongoing policy for each.

The Executive noted that 2018-19 had been the fourth year of the Business Rates Retention Scheme (BRRS) and it had continued to cause volatility in the Council's accounts. The Business Rates balance on the Collection Fund was particularly susceptible to movements in the number and value of appeals that businesses had made against their rateable values. The Council had no control over these appeals, and had limited information from the Valuation Office to help assess the potential impact.

The Executive was advised that there was an overall deficit on the Collection Fund of £4.9 million, as detailed in the report.

The outturn position had been included in the Statement of Accounts signed by the Chief Finance Officer on 31 May 2019, which would be subsequently audited by the Council's external auditor, Grant Thornton. The Executive noted that the draft Statement of Accounts had been posted on the Council's website, and that the audited accounts would be reviewed by the Corporate Governance and Standards Committee at its next meeting on 25 July 2019.

The report had also been considered by the Corporate Governance and Standards Committee at its meeting on 13 June 2019. The Committee's comments on this matter were included on the Supplementary Information Sheet circulated at the meeting.

Having noted that the Corporate Governance and Standards Committee had supported the adoption of the recommendation in the report, the Executive

**RESOLVED:** That the Council's final revenue outturn position on the General Fund for 2018-19 be noted, and that the decision, taken under delegated authority, to transfer £1.85 million to the Invest to Save reserve to support the delivery of the Future Guildford Transformation Programme, be endorsed.

Reasons:

- To note the final outturn position and delegated decisions taken by the Chief Finance Officer, which have been included within the statutory accounts the Chief Finance Officer signed at the end of May.
- To facilitate the on-going financial management of the Council.

**EX13 HOUSING REVENUE ACCOUNT: FINAL ACCOUNTS 2018-19**

The Executive received a report setting out the final position on the Housing Revenue Account (HRA) for the 2018-19 financial year. The HRA recorded all the income and expenditure associated with the provision and management of Council owned residential dwellings in the Borough.

The report had set out the actual level of revenue spending on day-to-day services provided to tenants recorded in the HRA in 2018-19.

Rental income from dwellings had been £80,070 below the estimate. The actual net cost of revenue services in 2018-19 had been £369,394 lower than the budget of £14,406,490. This variation represented 1.15% of the total turnover of £31.991 million. The final outturn (subject to audit) had shown a surplus for the year of £10.35 million, compared to a budgeted surplus of £9.746 million, after taking into account various accounting adjustments. The HRA working balance at year-end remained at £2.5 million.

In accordance with the authority delegated to the Chief Finance Officer, in consultation with the Lead Councillors with responsibility for Housing and Finance, the surplus had been used to make a transfer of £2.5 million to the reserve for future capital programmes, with the balance of £7.85 million being transferred to the new build reserve.

During consideration of this matter, Mr Alex Stuart asked the following question:

*“The Government has recently announced changes to Section 21 of the Housing Act which currently allows landlords to evict tenants without any just cause just simply give two months’ notice to evict them. Will the Council commit to not using this procedure against its own tenants and will they commit to enforcing this against private landlords ensuring they don’t use this measure in the future?”*

The Chairman indicated that a written response to Mr Stuart’s question would be sent to him in due course.

Having noted that the report had also been considered by the Corporate Governance and Standards Committee at its meeting on 13 June 2019, and that Committee had supported the adoption of the recommendation in the report, the Executive

RESOLVED: That the final outturn position on the Housing Revenue Account for 2018-19 be noted and that the decision, taken under delegated authority, to transfer £2.5 million to the reserve for future capital programmes, and £7.85 million to the new build reserve from the revenue surplus of £10.35 million in 2018-19, be endorsed.

Reason:

To allow the Statutory Statement of Accounts to be finalised and subject to external audit, prior to approval by the Corporate Governance and Standards Committee, on behalf of the Council.

The meeting finished at 7.30 pm

Signed .....

Chairman

Date .....