

EXECUTIVE

- * Councillor Joss Bigmore (Chairman)
- * Councillor Caroline Reeves (Vice-Chairman)

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| * Councillor Tim Anderson | * Councillor John Redpath |
| * Councillor Jan Harwood | * Councillor John Rigg |
| * Councillor Julia McShane | * Councillor James Steel |

*Present

Councillors Richard Billington, Chris Blow, Angela Goodwin, Nigel Manning, Ramsey Nagaty, Maddy Redpath, Deborah Seabrook, Paul Spooner and Catherine Young were also in attendance.

EX69 APOLOGIES FOR ABSENCE

There were no apologies for absence.

EX70 LOCAL CODE OF CONDUCT - DISCLOSABLE PECUNIARY INTEREST

There were no declarations of interest.

EX71 MINUTES

The minutes of the meeting held on 5 January 2021 were confirmed as a correct record. The Chairman signed the minutes.

EX72 LEADER'S ANNOUNCEMENTS

The Leader extended thanks to Guildford residents for their continued observance of the lockdown guidance. Noting there had been some isolated examples of poor behaviour, the vast majority of the Borough had followed the rules and consequently there had been a material drop in infection rates. It was stressed, however, that rates still remained high and it was important to continue to make the sacrifices necessary to protect each other and those in the NHS.

The vaccination programme continued to run at an accelerated pace. This week there would be three days pause at G Live as the NHS team finished vaccinating those in care homes and the housebound. The Leader noted significant progress in vaccination of the most vulnerable groups. Despite this good news, one in three people who had coronavirus had no symptoms, so if residents were in any doubt they should continue to act as if they had the virus.

The Leader highlighted a collaboration between Unigold, Guildford Philanthropy and Kings College. Fifty laptops had been provided to students within the space of one week enabling them to study remotely. The Leader thanked those involved in securing this arrangement.

The 2021 Mayor's Award for Service to the Community had been launched and would honour local residents and groups who had helped the Borough through the unprecedented year. The awards aimed to recognise the contribution of local people who had gone out of their way to improve the lives of others, foster good relationships and encourage a positive community spirit. This year, there was a new 'Community Heroes Award' to celebrate individuals and

groups whose activities had supported residents affected by the pandemic. The Leader was pleased to announce that thirty nominations had already been received. The deadline for nominations was 5 February.

Finally, the Leader mentioned the Council's planning enforcement team and the work undertaken at Wanborough Fields in association with the Article 4 directions. Two appeals had been won and multiple notices issued and served on various plots of land within the article 4 area. The Leader thanked those officers involved and the local ward councillor for their hard work.

EX73 CAPITAL AND INVESTMENT STRATEGY 2021-22 TO 2025-26

The Executive considered a report setting out a high-level overview of capital expenditure, capital financing and treasury management activity contributing to the provision of local public services along with an overview of how associated risk was managed and the implications for future sustainability.

The report set out details of the capital programme including one new bid to be agreed; the requirements of the Prudential Code, the Council's Minimum Revenue Provision policy and the Prudential Indicators; the investment strategy covering treasury management investments, the control and management of the Council's cash, daily cash position, investments and borrowing; commercial investments plus the requirements of the Treasury Management Code and the Ministry of Housing, Communities and Local Government (MHCLG) Statutory Guidance.

The Council had a current underlying need to borrow £400 million for the general fund capital programme. It was possible that capital receipts or revenue streams could arise as a result of investment schemes, but in most cases, this was uncertain and assumptions could not be made at this stage. Where there was more certainty of potential income, this had been included in the capital vision.

It is likely that there would be cash-flow implications for development projects where expenditure would be required early on in the project and income would be delivered after the five-year time horizon. All projects would be funded by general fund capital receipts, grants and contributions, reserves and finally borrowing. There was no detail provided for individual funding for each scheme as this was a high-level report. Subject to detail coming forward there might be scope to fund from Housing Revenue Account (HRA) resources rather than General Fund resources. Detailed funding proposals for each scheme would be considered when the Outline Business Case for each scheme was presented to the Executive for approval at a future date.

A number of schemes were recommended for removal from the capital programme as they were no longer deliverable as previously programmed. There was one new bid of £1.58 million received for 2021-22 which was the Guildford Economic Regeneration Programme, details of which were set out in Appendix 2 to the report.

The report had also been considered by the Joint Executive Advisory Board at its meeting held on 7 January 2021 and the Corporate Governance & Standards Committee on 14 January 2021. Both endorsed the recommendations set out for the Executive.

The Capital and Investment Strategy was an important guide to enable the Council to deliver prioritised schemes that addressed key issues for the Borough such as housing need, congestion, and the future of the town centre.

Having considered the detailed report, the Executive

RESOLVED: Subject to Council approving the budget on 10 February:

(1) That the following schemes be removed from the capital programme because the remit of the schemes, if they were to proceed, would be different to the business case that was originally approved in the programme:

- Museum £18.26 million
- Public realm £1.6 million
- Bike Share £530,000
- Town centre gateway regeneration £3.473 million

(2) That should any of the schemes be moved forward in future, a new business case be presented to councillors.

(3) That the affordability limit for schemes to be funded by borrowing be set as per paragraph 4.32 in Appendix 1 to the report submitted to the Executive.

(4) That the following new capital bid referred to in Appendix 2 to the report:

- Guildford Economic Regeneration Programme

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

The Executive further

RECOMMENDED:

(1) That the General Fund capital estimates, as shown in Appendices 3 and 4 (current approved and provisional schemes), as amended to include the new capital bid in respect of the Guildford Economic Regeneration Programme, 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:

- 1) To enable the Council to approve the Capital and Investment strategy for 2021-22 to 2024-25
- 2) To enable the Council, at its budget meeting on 10 February 2021 to approve the funding required for the new capital investment proposals

EX74 HOUSING REVENUE ACCOUNT BUDGET 2021-22

The Executive considered a report on the proposed Housing Revenue Account (HRA) budget for 2021-22 which had been built on the estimates and assumptions set out in the HRA Business Plan 2019 - 2049. The business plan, which had been approved by Council in February 2019, was scheduled for review during the course of this year in the light of the COVID-19 pandemic and Brexit as those factors had impacted the Council's operating environment.

It was proposed that rents for 2021-22 should increase by (1.8%) being the annual (0.8%) September 2019 to September 2020 Consumer Price Index (CPI) plus 1% prescription. A 3.4% increase in garage rents was also proposed from April 2021.

There was a stock of 5,206 homes at the start of the year. It was noted that during 2020-21 there had been an increase in Right to Buy of 50%. The Government had extended the deadline to repay Right to Buy receipts and there were none to be repaid in the coming financial year. The Council had first refusal on any housing sold under Right to Buy that come on the open market and some properties had been repurchased.

Council continued with a policy not to repay debt to the HRA but to use any surplus to invest to improve its housing stock and build new houses where possible. Repayment of the debt remained at a stable interest rate. There had been an underspend of £2 million on the budget for 2020-21 due to an inability to undertake repairs due to the pandemic. This would be transferred to reserves. There was £122 million in reserves currently and the Council had active plans to utilise those reserves in providing additional housing.

A bad-debt provision had been allowed for £500,000 for the year to come due to the ongoing impact of the pandemic on Council residents.

Having considered the report, the Executive

RESOLVED: Subject to Council approving the budget on 10 February 2021:

- (1) That 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) That the Director of Service Delivery be authorised, in consultation with the Lead Councillor for Housing and Development Control:
 - (a) to reallocate funding between approved schemes to make best use of the available resources; and
 - (b) to set rents for new developments.

The Executive further

RECOMMENDED:

- (1) That the proposed HRA revenue budget for 2021-22, as set out in Appendix 1 to the report, be approved.
- (2) That a rent increase of 1.8%, comprising the September 2020 CPI (0.8%) plus 1%, as required by the Welfare Reform and Work Act 2016, be implemented.
- (3) That the fees and charges for HRA services for 2021-22, as set out in Appendix 2 to the report, be approved.
- (4) That a 3.4% increase in garage rents be approved for 2021-22.
- (5) That the Housing Investment Programme as shown in the amended Appendix 4 as set out in the Supplementary Information Sheet (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, this is consistent with the objectives outlined in the HRA Business Plan.

EX75 GENERAL FUND BUDGET 2021-22

The Executive considered a report which outlined the proposed budget for 2021-22, which included a Council Tax requirement of £10,392,720 and a Council Tax increase of £5 per year (2.83%) that resulted in a Band D charge of £181.82. As set out in the report, the Council was required to achieve a balanced budget for 2021-22.

The General Fund Summary showed a balanced budget for 2021-22 but forecast a budget gap of £1.6 million in 2022-23 rising to £5.9 million by 2025-26.

The Council received the provisional Local Government Finance Settlement (LGFS) for 2021-22 on 17 December 2020. The figures included in the budget presented 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 £2.929 million of business rates in 2021-22, the same amount as retained in 2020-21. Core Spending Power had also stayed the same as 2020-21 at £14.090m; however, within the core spending power calculation, the Government had assumed that Council Tax would be raised by the maximum amount (£5 or 3% whichever was the higher).

Overall, the LGFS had been positive for the Council as it included additional funding of:

- £153,000 grant to compensate the Council for the Business Rates Multiplier not increasing in line with inflation
- £237,000 lower tier services grant (this was a one-off new grant to support services)
- £623,000 additional COVID 19 funding to help fund the impact of COVID 19 into the new year
- £100,000 Section 31 grant for local council tax support
- £192,000 New Homes Bonus grant for 2021-22 only
- The ability to raise council tax by a maximum of £5 (2.83%) rather than maximum of 2.0%, this additional increase would generate a further £90,000 in council tax income

The Joint Executive Advisory Board (JEAB) had considered the outline budget at its meeting held on 11 November 2020 and the Executive had approved the outline budget on 24 November 2020.

The Chief Finance Officer's statutory report, which was 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 2020-21 had been reported to the Corporate Governance and Standards Committee on 14 January 2021. The projected net expenditure on the General Fund for the current financial year was estimated to be £8.1million more than the original estimate due mainly to the COVID-19 pandemic. Any ongoing variances between actual expenditure and budget identified in 2020-21 had been taken into account when preparing the budget for 2021-22. The deficit on the Collection Fund due to the pandemic would be spread over three years.

Following the Executive approval of the outline budget in November 2020, the Council had undertaken a public consultation exercise on its priorities for spending. The results of the consultation were set out in section 11 of the report with the detailed findings from the consultation set out in Appendix 5 thereto.

This would be the final year the Council received the New Homes Bonus from the Government as the scheme was now closed. The balance of this fund by the end of the financial year would be £600,000. Part of this fund would be transferred to the Guildford Regeneration Project during 2021-22 and another transfer towards the cost of rebuilding Ripley Village Hall as agreed by the Executive in January 2020.

Having considered the report and having noted that it was proposed to freeze the fees and charges for General Fund services for 2021-22, the Executive

RESOLVED:

- (1) That the transfers to/from reserves as set out in Section 8 and Appendix 2 to the report submitted to the Executive be approved.
- (2) That the growth and savings items included in the General Fund Summary at Appendix 2 and set out in detail in Appendix 3, be approved.
- (3) That the financial risk register set out in Appendix 4 be approved and that it be noted that the level of reserves is currently sufficient to meet the Council's risks.
- (4) That the findings of the consultation response set out in Appendix 5 be noted.

The Executive further

RECOMMENDED:

- (1) That no changes be made to the Fees and Charges for General Fund services for 2021-22.
- (2) That the budget, as set out in the General Fund Summary in Appendix 2 be approved, and specifically that the Council Tax requirement for 2021-22 be set at £10,392,720.
- (3) That the Band D Council Tax for 2021-22 be set at £181.82, an increase of £5 (2.83%).

Reason:

To enable the Council to set the Council Tax requirement and council tax for the 2021-22 financial year.

The meeting finished at 7.56 pm

Signed

Chairman

Date