

COUNCIL – 11 FEBRUARY 2021

COUNCIL TAX 2021-22 AND RECOMMENDATIONS OF THE EXECUTIVE

PROCEDURE NOTE

The Mayor will adopt the following procedure to deal with the business under Agenda Items 8 (Council Tax 2021-22) and 9 (Recommendations of the Executive).

AGENDA ITEM 8 – COUNCIL TAX 2021-22

AGENDA ITEM 9 – RECOMMENDATIONS OF THE EXECUTIVE

The Mayor will take the report on Council Tax 2021-22 first, together with recommendations of the Executive meeting on 4 February 2021 relating to the following:

- A. General Fund, Service Plans, Budgets and Prudential Indicators 2021-22
- B. Housing Revenue Account Budgets 2021-22
- C. Investment Programme 2020-21 to 2024-25
- D. Capital, Investment and Treasury Management Strategies

The items above will be debated after the Leader of the Council's Budget Statement. For convenience, the relevant extracts from the minutes of the Executive are set out in Appendix A. The recommendations reflect the decisions of the Executive. The draft Council Tax resolution is set out in Appendix B.

The remaining recommendations from the meetings of the Executive on 4 February 2021 and 14 January 2021, will be considered once the Council Tax for 2021-22 has been agreed. The recommendations are:

- E. Housing Management and Maintenance Service.
- F. Notice of Motion – Cllr T Aziz – Viability of Affordable Homes.

The recommendations are set out in Appendix C to this report.

Items 8 (Council Tax 2021-22) and 9 (Recommendations of the Executive)

The recommendations before the Council are set out below.

EXECUTIVE – 4 FEBRUARY 2021

A. GENERAL FUND, SERVICE PLANS, BUDGETS AND PRUDENTIAL INDICATORS 2021-22

Councillor Ashall, Portfolio Holder for Corporate Financial Planning and Policy, introduced the report outlining the proposed General Fund, Service Plans, Budgets and Prudential Indicators 2021-22. It was noted that the report had been considered by the Finance Task Group at its meeting on 28 January 2021. Councillor Ashall advised that the current environment remained uncertain and highlighted the Council's shortfall of income during the current financial year due to the Covid-19 pandemic. The Executive was informed that the Council faced a significant deficit despite government support, and would need to use some £9m of reserves in 2021-22 to maintain services. The Portfolio Holder stressed that the Executive would continue to do all it could to avoid cuts to Council services.

Councillor Ashall reported that the General Fund Budget proposed an increase in Council Tax of 2.04% for 2021-22 which resulted in a Band D Council Tax figure for 2021-22 of £250.46 or an increase of £5.00 per annum at Band D.

The Executive noted that the Medium Term Financial Strategy (MTFS) would be updated and brought to the Executive at its meeting on 25 March 2021.

The Leader of the Council reminded Members that the deadline for submitting questions or requests to speak at Executive meetings was by noon on the working day prior to the Executive. Should such future requests from Members not be received in line with the Executive Protocol, the Leader stated that she was minded to answer late questions outside of the meeting.

The Executive welcomed the proposal in the report that the community grants approved by the Executive in December be confirmed by Council for 2021-22. The Portfolio Holder commented that the Council would need to remain vigilant concerning the situation in 2022/23.

Following a question regarding local office hubs, the Executive was advised of several buildings in the town offering such provision and it was hoped that office workers from London would be attracted to smaller local office spaces in Woking.

Regarding Victoria Square and Victoria Place referred to in the report, it was clarified that Victoria Square was the name of the development project and Victoria Place would be the name of the combined centre when complete. The Executive noted that positive communication of the Victoria Place name would be undertaken when the centre opening date had been confirmed.

Discussion ensued on the Red Town Centre car park which was currently being rebuilt as part of the Victoria Square development. It was explained that the high build cost was due to the complexity of integrating it into the development. The Chief Executive reported that the Council would receive a Victoria Square update report at its meeting on 11 February 2021 which would include the financial implications of the Council acquiring the new car park.

The Executive thanked the Finance Director and her team for their hard work in compiling the finance reports on the agenda.

RECOMMENDED to Council

- That (i) **the Revenue Estimates and Human Resource requirements for 2021/22 be approved;**
- (ii) **a Band D Council Tax for the Borough of Woking for 2021/22 of £250.46 be approved; and**
- (iii) **the Prudential Indicators at Appendix 3 to the report be approved, subject to any changes arising from consideration of the Investment Programme, revenue budgets and Final Government Settlement.**

Reason: To recommend that Council approves the resources necessary to implement its Service Plans and objectives and raises the necessary revenue through the determination of Council Tax for 2021/22.

B. HOUSING REVENUE ACCOUNT BUDGETS 2021-22

The Executive received the Housing Revenue Account (HRA) Budgets 2021-22 for recommendation to Council. It was noted that, following the end of the rent reduction period in April 2020, rents would be increased by 1.5% from 5 April 2021. Attention was drawn to the impact of the Covid pandemic on HRA rent collection as well as the impact of the Sheerwater Regeneration Scheme on the HRA.

RECOMMENDED to Council

- That (i) **the Housing Revenue Account budget for 2021/22 as set out in Appendix 1 to the report be approved; and**
- (ii) **with effect from 5 April 2021, rents be increased by 1.5%.**

Reason: To recommend that the Council approves the resources necessary to implement its objectives and to enable the Council to determine charges to tenants for 2021/22.

C. INVESTMENT PROGRAMME 2020-21 TO 2024-25

The Executive received the Investment Programme 2020-21 to 2024-25 which set out the capital and one off investments required to deliver the Council's key strategies and objectives. The Portfolio Holder, Councillor Ashall, stressed the high degree of uncertainty around Council finances and advised that it had been necessary to temporarily suspend projects which had not yet been committed. The Portfolio Holder made clear that the Investment Programme had not stopped and that the Council continued to progress projects across service areas. However, due to the level of uncertainty as a result of the Covid-19 pandemic, it was not possible to guarantee current projects would remain capable of being progressed in the future. The Executive noted that it was hoped that greater certainty in the form of government support or the end of the pandemic would make it possible to re-instate projects.

RECOMMENDED to Council

- That (i) **the Investment Programme 2020/21 to 2024/25 be approved subject to reports on projects where appropriate;**
- (ii) **the proposed financing arrangements be approved;**

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- (iii) Thameswey Developments Ltd be authorised to take long term annuity funding, up to 50 years, for the Sheerwater project through its £115m facility with loans permitted to transfer to Thameswey Housing Ltd as the project progresses. The total long term loans drawn by the Thameswey Group for the Sheerwater project should not exceed the long term facility of £290m previously agreed (excluding THL revolving facility and TEL facility); and
- (iv) a capital grant of £300,000 and revenue grant of £150,000 for 2021/22 be approved for Brookwood Cemetery.

Reason: To recommend to the Council that it approves the capital resources for 2020/21 onwards considered necessary to support its service plans and objectives.

D. CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES

The Executive received a report which set out the Council's Capital, Investment and Treasury Management Strategies for 2021-22 and recommended to Council that the Treasury Management Prudential Indicators and Minimum Revenue Provision (MRP) Strategy be adopted. Discussion ensued on debt profile and risk, an area highlighted in the Local Government Association (LGA) Peer Report. It was noted that the issue had been addressed in the report and the MRP Strategy. The Finance Director added that, as part of the final accounts process and audit of the Council's Statement of Accounts, the Council was required to risk assess every loan in order to demonstrate recoverability. Repayment of loans to Freedom Leisure and Peacocks, and changes to Public Works Loan Board (PWLB) guidance, were also discussed.

RESOLVED

That (i) the Treasury Management Strategy set out in the report be approved;
and

RECOMMENDED to Council

That (ii) the Capital and Investment Strategies for 2021/22 be approved;
and

- (iii) the Treasury Management Prudential Indicators set out in table 1 of Section 4 of the Treasury Management Strategy and the MRP policy set out in Appendix A be approved, subject to any changes arising from consideration of the Investment Programme, revenue budgets and Revenue Support Grant Settlement.

Reason: To determine the Council's Treasury Management Strategy for 2021/22 and to recommend to Council the Capital and Investment Strategies, Treasury Management Prudential Indicators and MRP Strategy to be adopted.

DRAFT COUNCIL TAX RESOLUTION – 2021/22

1. That the revenue estimates for 2021/22, as submitted, be approved.
2. That it be noted that the Chief Financial Officer, in accordance with the terms of his delegated authority, has calculated the following amount for the year 2021/22 in accordance with regulations made under Section 31B (3) of the Local Government Finance Act 1992 as amended (the Act) as:-
 - a) 40,343.00 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax base for the year;
3. The Council calculates that the Council Tax requirement for the Council's own purposes for 2021/22 is £10,104,461.
4. That the following amounts be now calculated by the Council for the year 2021/22 in accordance with Sections 31 to 36 of the Act:-
 - a) £159,616,895 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act;
 - b) £149,512,434 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;
 - c) £10,104,461 being the amount by which the aggregate at 4 a) above exceeds the aggregate at 4 b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its council tax requirement for the year;
 - d) £250.46 being the amount at 4 c) above divided by the amount at 2 a) above, calculated by the Council, in accordance with section 31 B of the Act, as the basic amount of its Council Tax for the year;
5. That it be noted for the year 2021/22 Surrey County Council and Surrey Police and Crime Commissioner have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings in the Council's area as shown in the table below.

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6. That the Council, in accordance with Section 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of council tax for the year 2021/22 for its area and for each of the categories of dwellings :-

Valuation Band	Surrey County Council Basic £	Adult Social Care £	Total Surrey County Council £	Surrey Police and Crime Commissioner £	Woking Borough Council £	Aggregate of Council Tax Requirements £
A	940.05	92.67	1,032.72	190.38	166.97	1,390.07
B	1,096.72	108.12	1,204.84	222.11	194.80	1,621.75
C	1,253.40	123.56	1,376.96	253.84	222.63	1,853.43
D	1,410.07	139.01	1,549.08	285.57	250.46	2,085.11
E	1,723.42	169.90	1,893.32	349.03	306.12	2,548.47
F	2,036.77	200.79	2,237.56	412.49	361.78	3,011.83
G	2,350.12	231.68	2,581.80	475.95	417.43	3,475.18
H	2,820.14	278.02	3,098.16	571.14	500.92	4,170.22

7. That the Council's basic amount of Council Tax for 2021/22 is not excessive in accordance with the principles approved under Section 52 ZB of the Local Government Finance Act 1992 as amended.

Agenda Item 8 (Recommendations of the Executive)

The remaining recommendations before the Council are set out below.

EXECUTIVE – 4 FEBRUARY 2021

E. HOUSING MANAGEMENT AND MAINTENANCE SERVICE

Following Council approval of the preferred approach of Housing Management and Asset Management Services being brought back in-house and housing repairs and maintenance works and services being procured through third party contractors from 1 April 2022 subject to tenant and leaseholder consultation, Councillor Harlow, Portfolio Holder for Housing, introduced the report which recommended to Council approval to proceed. Councillor Harlow reported that the statutory tenant and leaseholder consultation had been undertaken during November and December and there had been strong overall support from residents. The Executive heard that, although the consultation response rate had been low, the Council had received some useful feedback from residents. Discussion ensued on the level of detail set out in consultation letter sent to residents. The Director of Housing commented that Officers would be open to improving such letters in the future to improve accessibility.

RECOMMENDED to Council

That the proposal to bring Housing Management and Asset Management services back in-house and procure Housing Repairs and Maintenance works and services through third party contractors from 1 April 2022 be approved.

Reason: To determine and agree the future delivery model for the Council's Housing and Maintenance service after the end of the current contract with New Vision Homes on 31 March 2022.

EXECUTIVE – 14 JANUARY 2021

F. NOTICE OF MOTION - CLLR T AZIZ - VIABILITY OF AFFORDABLE HOMES

At its meeting on 3 December 2020, the Council referred the following Notice of Motion to the Executive.

Councillor T Aziz

“Motion on viability of affordable homes

Since 2012 WBC has been relying on the opinion of a sole company to determine viability of affordable homes on site for developments. This has resulted in almost all cases being declared unviable by that company.

It's good practise to seek multiple opinions and not limit to sole opinion.

This motion calls that WBC to employ services of more than one company to determine the viability of affordable homes in future developments before being presented to planning committee.”

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Councillor Aziz attended the meeting and spoke in support of the Motion. It was noted that a Member Briefing on Viability Assessments in Planning Applications had been arranged on 1 February 2021. Regarding on site delivery of affordable homes, Officers advised that the Council's policy had express provisions to set out the circumstances whereby developers could proceed without the full amount of affordable housing. The Executive was broadly supportive of the Motion and its purpose to maintain a panel of consultants, rather than to rely on a single consultant to determine viability. It was agreed that the Motion would be re-drafted outside of the meeting, including removal of criticism. The amended Motion would be agreed with the Leader of the Council and Councillor Aziz ahead of Council on 11 February 2021.

RECOMMENDED to Council

That the Motion, as amended and agreed outside of the meeting by the Leader of the Council and Councillor Aziz, be supported.