

COUNCIL – 13 FEBRUARY 2019

**COUNCIL TAX 2019-20 AND RECOMMENDATIONS OF THE EXECUTIVE**

**PROCEDURE NOTE**

The Mayor will adopt the following procedure to deal with the business under Agenda Items 9 (Council Tax 2019/20) and 10 (Recommendations of the Executive).

**AGENDA ITEM 9 – COUNCIL TAX 2019-20**

**AGENDA ITEM 10 – RECOMMENDATIONS OF THE EXECUTIVE**

The Mayor will take the report on Council Tax 2019-20 (Agenda Item 9) first, together with recommendations of the Executive meeting on 7 February 2019 relating to the following:

- a. General Fund, Service Plans, Budgets and Prudential Indicators 2019-20
- b. Housing Revenue Account Budgets 2019-20
- c. Investment Programme 2018-19 to 2022-23
- 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 meeting of the Executive on 7 February 2019, will be considered once the Council Tax for 2019-20 has been agreed. The recommendations are:

Executive – 7 February 2019

- e. Petition – Ice-Cream Van in Woking Park
- f. Car Park Management System

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



**Items 9 (Council Tax 2019-20) and 10 (Recommendations of the Executive)**

The recommendations before the Council are set out below.

**EXECUTIVE – 7 FEBRUARY 2019****A. GENERAL FUND, SERVICE PLANS, BUDGETS AND PRUDENTIAL INDICATORS 2019-20 EXE19-001**

Councillor Azad, Portfolio Holder for Corporate Financial Planning and Policy, introduced the report outlining the proposed General Fund, Service Plans, Budgets and Prudential Indicators 2019-20. Attention was drawn to a tabled paper which provided information from the Ministry of Housing, Communities and Local Government (MHCLG) on preparations for Brexit, including £35,000 additional funding over two years to all district councils.

The Executive noted that, following the announcement of the final local government settlement on 29 January 2019, the negative Revenue Support Grant (RSG) had been removed which would save the Council £1 million in 2019-20. Councillor Azad highlighted that the levels of government funding from 2020-21 onwards remained uncertain. It was reported that unfortunately the Surrey Business Rate Pilot bid had not been successful.

Councillor Azad reported that the General Fund Budget proposed an increase in Council Tax of 3% for 2019-20 which resulted in a Band D Council Tax figure for 2019-20 of £240.46 or an increase of £7.00 per annum at Band D.

Discussion ensued on new government legislation to encourage empty homes to be brought back into use. The Executive was advised that the Council would be able to charge a long-term empty premium of up to 100% on top of the Council Tax payable for properties empty and substantially unfurnished for two years or more. In addition, it was also proposed that the current Council Tax discount available for vacant properties be reduced from 1 month to 7 days from 1 April 2019. The Portfolio Holder commented that the proposed time reduction would help the flow of properties onto the market. The effect of the proposed change on Housing Revenue Account (HRA) and Thameswey properties was also raised.

Following a question regarding staffing costs for the Woking Market Team, Officers advised that staffing costs had been offset by income from the Market and that there was no net effect on the budget.

Following a question regarding investment in Brookwood Cemetery, the Executive was informed that once the Council was clear on the future plans for the New Homes Bonus it would be in a better position to agree long term financing plans for the Cemetery.

It was commented that an explanation of the acronyms used regarding land charges in recommendation (v) would be helpful.

**RECOMMENDED to Council**

- That (i) **the Revenue Estimates and Human Resource requirements for 2019/20 be approved;**
- (ii) **a Band D Council Tax for the Borough of Woking for 2019/20 of £240.46 be approved;**

- (iii) a long-term empty premium of 100% be added to the Council Tax payable for properties empty and substantially unfurnished for 2 years or more and the exemption available for unfurnished vacant properties be reduced to 7 days;
- (iv) 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;
- (v) the Surrey County Council element of the land charges fee be set at £38 plus VAT for Con29R and £19.20 plus VAT for Con29O from 1 April 2019;
- (vi) the Finance Director, in consultation with the Portfolio Holder, submit responses to the 'Business Rates Retention Reform' and 'Review of; Local Authorities' Relative Needs and Resources' funding consultations;
- (vii) the Service Plans for 2019/20 at Appendix 4 to the report be approved; and
- (viii) the Food Safety Plan and Health and Safety Plan at Appendix 4a and 4b to the report be approved.

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 2019/20.

## **B. HOUSING REVENUE ACCOUNT BUDGETS 2019-20 EXE19-002**

The Executive received the Housing Revenue Account (HRA) Budgets 2019-20 for recommendation to Council. It was noted that 2019-20 would be a 53 week rent year and would cause an issue with Universal Credit which was paid monthly. The Executive noted that a potential solution was set out in paragraph 4.6 of the report and that further government guidance was expected to clarify the legal position.

Regarding the HRA Borrowing Cap, it was reported that the Leader and Portfolio Holder had recently met with the Housing Minister, Kit Malthouse MP, and they had asked the Minister to consider reducing the Right to Buy on Council housing stock, in return for which the Council would build more Council houses and offer those tenants the Earn Your Deposit Scheme. Members looked forward to hearing the outcome of the meeting in due course.

Following a question regarding Southern Housing Group, it was confirmed that the HRA would be buying Southern Housing Group properties on secured tenancies.

### **RECOMMENDED to Council**

- That (i) the Housing Revenue Account budget for 2019/20 as set out in Appendix 1 to the report be approved; and
- (ii) with effect from 1 April 2019, rents be increased by 3.4% for Shared Ownership properties and be reduced by 1% for all other tenancies.

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 2019/20.

**C. INVESTMENT PROGRAMME 2018-19 TO 2022-23 EXE19-003**

The Executive received the Investment Programme 2018-19 to 2022-23 which set out the capital and one off investments required to deliver the Council's key strategies and objectives.

**RECOMMENDED to Council**

That (i) **the Investment Programme 2018/19 to 2022/23 be approved subject to reports on projects where appropriate;**

**(ii) the proposed financing arrangements be approved; and**

**(iii) capital and revenue grants for Brookwood Cemetery for 2019/20 and 2020/21 be approved.**

Reason: To recommend to the Council that it approves the capital resources for 2018/19 onwards considered necessary to support its service plans and objectives.

**D. CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGIES EXE19-005**

The Executive received a report which set out the Council's Treasury Management Strategy for 2019-20 and recommended to Council that the Treasury Management Prudential Indicators and Minimum Revenue Provision (MRP) Strategy be adopted. It was noted that under new requirements for 2019-20 the Council was required to also approve a Capital Strategy and Investment Strategy. Councillor Azad, Portfolio Holder for Corporate Financial Planning and Policy, explained that the new strategies provided detail on how and why the Council undertook investment decisions and provided a more comprehensive and transparent picture of the Council's position and the link with the Council's overall corporate plans and objectives.

The Executive noted that the Council had a principle of investing for better outcomes for Working citizens and that investment decisions were not solely taken based on rates of return. It was further noted that acquisitions had a strategic purpose with a direct link to Council objectives or services.

Following a question regarding reference to the YPod in the Capital Strategy Report 2019-20, Officers advised that it concerned a change of use within the building and was not a redevelopment of the site.

**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 2019/20 be approved;**

**(iii) from 2018/19 the funding of Thamesway Housing Ltd to be amended from the existing combination of loan and shares with an equivalent margin of 1.5% to loan only at 1.5% margin over the Council's borrowing costs; 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 2019/20 and to recommend to Council the Capital and Investment Strategies, Treasury Management Prudential Indicators and MRP Strategy to be adopted.

**DRAFT COUNCIL TAX RESOLUTION – 2019/20**

1. That the revenue estimates for 2019/20, 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 2019/20 in accordance with regulations made under Section 31B (3) of the Local Government Finance Act 1992 as amended (the Act) as:-
  - a) 41,323 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 2019/20 is £9,936,686.
4. That the following amounts be now calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Act:-
  - a) £150,037,666 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the Act;
  - b) £140,100,980 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act;
  - c) £9,936,686 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) £240.46 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 2019/20 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.
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 2019/20 for its area and for each of the categories of dwellings :-

<b>Valuation Band</b>	<b>Surrey County Council Basic £</b>	<b>Adult Social Care £</b>	<b>Total Surrey County Council £</b>	<b>Surrey Police and Crime Commissioner £</b>	<b>Woking Borough Council £</b>	<b>Aggregate of Council Tax Requirements £</b>
A	900.74	68.26	969.00	173.71	160.31	1,303.02
B	1,050.86	79.64	1,130.50	202.67	187.02	1,520.19
C	1,200.99	91.01	1,292.00	231.62	213.74	1,737.36
D	1,351.11	102.39	1,453.50	260.57	240.46	1,954.53
E	1,651.36	125.14	1,776.50	318.47	293.90	2,388.87
F	1,951.60	147.90	2,099.50	376.38	347.33	2,823.21
G	2,251.85	170.65	2,422.50	434.28	400.77	3,257.55
H	2,702.22	204.78	2,907.00	521.14	480.92	3,909.06

7. That the Council's basic amount of Council Tax for 2019/20 is not excessive in accordance with the principles approved under Section 52 ZB of the Local Government Finance Act 1992 as amended.



**Agenda Item 10 (Recommendations of the Executive)**

The remaining recommendations before the Council are set out below.

**EXECUTIVE – 7 FEBRUARY 2019****E. PETITION – ICE-CREAM VAN IN WOKING PARK**

Following consideration by the Council on 6 December 2018 of the petition to reinstate Mr Carlos Ice Cream at Woking Park, the Executive received a report which recommended to Council a response to the petition and formalised arrangements for the future. The Portfolio Holder for Leisure and Cultural Services, Councillor Kemp, explained that Officers had been asked to clarify whether the licence to operate with Freedom Leisure provided them with exclusive rights to trade in Woking Park, and also to clarify Freedom Leisure's position on permitting another ice cream vendor to trade in the Park. Councillor Kemp confirmed that the licence with Freedom Leisure did not grant any exclusive rights to trade in the Park that would prevent the Council from granting licences to other food vendors. Councillor Kemp apologised if his comments at the Council meeting regarding Freedom Leisure being sole trader in the Park had misled Members and the public. The Executive was advised that Freedom Leisure had kindly suggested that it would not oppose a suitable position in the Park provided it was not directly in front of the kiosk operated by Freedom Leisure. The Leader thanked Freedom Leisure for their reasonableness in the matter.

Discussion ensued on the length of licence to trade in Woking Park to be offered to Mr Bellanca. The Executive agreed that Mr Bellanca be offered a licence to trade in Woking Park and at Goldworth Park Recreation Ground for 2019 only. In order to provide a fair and equal opportunity for all, it was proposed that a formal process be put in place for interested parties to express an interest in operating mobile food vans at Council owned venues from 2020 onwards.

**RECOMMENDED to Council**

- That (i) **Mr Bellanca be offered a licence to trade in Woking Park at the location identified near to the bandstand from 1 March – 31 October 2019 under the same terms as in previous years;**
- (ii) **Mr Bellanca be also offered a licence to trade in Goldsworth Park Recreation Ground from 1 April – 30 September 2019 under the same terms as in previous years; and**
- (iii) **Officers be authorised to review these licence terms and put in place a process for interested parties to express an interest in operating mobile food vans at suitable venues owned by the Council from 2020 onwards.**

Reason: To agree a response to the petition and to formalise arrangements for the future.

## **F. CAR PARK MANAGEMENT SYSTEM**

Councillor Kemp, Portfolio Holder for Parking Services, introduced the report which sought approval of the Executive to recommend to Council the proposal to procure new car park management systems. Councillor Kemp spoke in support of the investment and commented that the works to Town Centre car parks would provide an opportunity to introduce the latest technology and make the car parks more flexible. Discussion ensued on Brewery Road and Quadrant Court car parks and it was noted that Officers would consider the new systems which would be of benefit to those sites. The Executive welcomed the proposed investment in the Town Centre.

### **RECOMMENDED to Council**

- That (i) the proposal for new car park management systems be agreed with funding from the Council's Investment Programme; and**
- (ii) the Assistant Director (Place) be delegated authority, in consultation with the Portfolio Holder, to procure car park management systems through competitive dialogue.**

Reason: A decision is sought to invest in the Council's car parking operations and to formally commence the procurement process.