

COUNCIL – 11th FEBRUARY 2016

RECOMMENDATIONS OF THE EXECUTIVE

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COMMUNITY INFRASTRUCTURE LEVY: APPROVAL AND IMPLEMENTATION

Councillor T. Schofield, Executive Member for Planning and Development reported to the Executive on the proposals to adopt and implement the Council's Community Infrastructure Levy (or "CIL") Charging Schedule and supporting policies with effect from 1 April 2016.

The Council had received the outcome of the Independent Examiner's Final Report which concluded that, subject to one modification, the proposed Charging Schedule was appropriate. The change proposed was to reduce the charge for housing developments in Redhill and Horley town centres from £20 per square metre to zero. This had been based on evidence that challenged the viability in these important regeneration locations.

The CIL supporting documents included a draft Developer Contributions SPD that would be subject to a period of public consultation to help understand the Council's requirements in relation to future infrastructure needs and contributions. It was estimated that CIL would generate up to £24 million for infrastructure improvements. The Executive recognised that one of the key changes from the S106 Infrastructure programme, that CIL largely replaced, was that the Council would be responsible for deciding how the money was spent. It was noted however that work would continue with key partners such as Surrey County Council to help to shape the infrastructure priorities.

To support this new approach the Executive received proposals for the establishment of a reserve to hold CIL funds within until they were released. Proposals to amend the Officer Scheme of Delegation were also presented to provide the efficient mechanisms to operate the arrangement. Members were reassured that it was normal practice for the Head of Service to consult with the appropriate Executive Member when decisions involving significant sums of money were involved. Equally it was noted that Ward Members would be involved in proposals for their wards through the spending of the neighbourhood element of CIL.

In response to a Member question it was agreed that a simple guidance document would be prepared for Councillors indicating how the new spending arrangements would work.

The Executive welcomed the proposals and the arrangements for implementation which would realise significant benefits in the future and it was:

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RECOMMENDED that:

(i) the Examiner's Report (Annex 1 to the report presented) be noted and the Community Infrastructure Levy Charging Schedule (Annex 2 to the report presented) be approved and brought into effect from 1 April 2016;

(ii) a Community Infrastructure Levy Fund earmarked reserve be established to properly account for the new funding stream; and

(iii) the amendments to the Officer Scheme of Delegation (Annex 5 to the report presented) be approved.

RESOLVED that:

(i) the Regulation 123 List, Instalments Policy and Payment In-Kind Policy (Annex 3 to the report presented) be approved and brought into effect from 1 April 2016;

(ii) the draft Developer Contributions Supplementary Planning Document (Annex 4 to the report presented) be approved for statutory public consultation and the Head of Places and Planning, in consultation with the Executive Member for Planning and Development, be authorised to make any necessary minor amendments to the document prior to public consultation; and

(iii) the approach to the allocation and spending of the Community Infrastructure Levy (set out in paragraphs 22-45 to the report presented) be endorsed and the Head of Places and Planning be authorised to establish detailed arrangements and criteria to support the spending process.

Reasons for decision:

The Examiner's Report concluded that, subject to one modification, the Council's Community Infrastructure Levy Charging Schedule can be approved. Approval would enable the Council to begin charging the levy, following a short transitional period, and thus generate funding towards local infrastructure.

Approval of the Regulation 123 list is a statutory requirement to enable CIL to be implemented.

Approval of the Instalments policy and progression of the Developer Contributions SPD will help ensure that guidance is in place to support the smooth operation of CIL and provide clarity to stakeholders. Approval of the Payment In Kind policy will provide flexibility to enable the Council to accept provision of land or infrastructure in lieu of CIL where this would be beneficial.

To allow for appropriate arrangements and processes to be put in place to ensure CIL is spent in a robust and transparent manner to ensure that CIL helps deliver projects which support growth and offer the greatest benefit to the borough and its residents.

To ensure CIL monies are held and accounted for in accordance with the relevant Code of Practice for Local Authority Accounting.

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To ensure that the Officer Scheme of Delegation reflects the Council's powers and duties under the 2010 CIL Regulations (as amended) and enable day to day administration of the levy to be carried out in an effective, efficient and proportionate way.

Alternative options:

Approve the Charging Schedule with alternative modifications or do not approve the Charging Schedule.

Do not approve or endorse the Regulation 123 List; Instalments Policy; Payment in-Kind Policy; the draft SPD; the proposed approach to allocation and spend; the establishment of an earmarked reserve or the proposed amendments to the Officer Scheme of Delegation.

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SCHEDULE OF MEETINGS 2016-17

The Leader of the Council, Councillor V.W. Broad, presented a report with a proposed schedule of meetings for 2016/17. It set out background and factors for consideration. The draft schedule drew upon past experience and had regard to comments from both Members and Officers. It had been considered by the Overview and Scrutiny Committee at its meeting on 10 December 2015 and its comments were reported to the Executive.

The Leader informed the Executive that it was proposed to combine the Licensing Committee and the Regulatory Committee which dealt with licensing matters albeit in different areas. This would improve the governance and efficiency for these Committees. A further report setting out the proposed new arrangements would be reported to the Executive.

The Overview and Scrutiny Committee's comments offered support for the amalgamation of the Licensing and Regulatory Committees; recommended the inclusion of a further Executive meeting on 30 June 2016 and suggested deferring the Planning Committee meeting currently scheduled for 31 August 2016 by a week. Following discussion the Executive

RECOMMENDED that:

(i) the Schedule of Meetings for the 2016-17 Municipal Year be approved, as set out in Annex 1 to the report, including the addition of a further meeting of the Executive on 30 June 2016 as recommended by the Overview and Scrutiny Committee;

(ii) the Monitoring Officer be delegated authority to review the Constitution and to make any necessary changes to facilitate the proposed new committee structure; and

(iii) the Overview and Scrutiny Committee's comments in relation to the proposed new Licensing and Regulatory Committee be supported and that the proposal in relation to the Planning Committee be not supported.

Alternative options: None

Reasons for decision:

To establish a timetable to ensure the efficient and effective conduct of Council business for the forthcoming municipal year.

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Executive The Executive Member for Finance, Councillor G.J. Knight,
28th January introduced the proposed Budget for 2016/17 which included a 1.94%
2016 increase in Council Tax for recommendation to Full Council. The
 report also included an updated Capital Programme.

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A consultation exercise had been undertaken on the savings and growth proposals that had been considered by the Executive in November 2015. These proposals had been the subject of review by the Budget Scrutiny Panel and the Overview and Scrutiny Committee and the Portfolio Holder thanked them for their hard work in ensuring that the proposals were sound.

Councillor G.J. Knight presented two amendments to the growth and savings proposals. Firstly, the near neighbour notification of planning applications would continue unchanged for now, and the Garden Waste membership fee would be increased by £5 per year and not the previously reported £2. The Executive Member also indicated that the proposed Council Tax increase would mean that the average Council Tax charge would increase by £3.99 per year (or less than 8 pence per week), which equated to a charge of £209.44 per year for all the Council's services.

It was noted that the Council's base budget grant had decreased further than was expected when constructing the draft budget in November 2014 and it was noted that this form of Government funding would cease for this Council in the 2017/18 financial year.

However, it was important to note that the savings proposed, coupled with the modest tax increase, would allow the Council to maintain and to continue to deliver its services to a high standard. It was noted that it had been possible to propose a balanced budget for 2016/17 because of good budget management activities in previous financial years in preparation for such eventualities occurring, albeit much sooner than the Executive had planned for. It was noted that the prudent budget planning had provided time to consider the implications for 2017/18 and beyond to ensure that the Council continued to achieve sustainable budgets.

The Executive noted that it was increasingly necessary to manage the business in a way that optimised income from non traditional sources such as property, commercial or partnership related opportunities.

The Executive noted the Chief Finance Officer's statement on the proposed budget which pointed out the risks and uncertainties associated with the budget proposals. This included economic factors, implications of reduced government funding levels and a continuation of the austerity programme.

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The Leader and Executive Members responded to questions in relation to the following:

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- The level of NNDR that could be retained;
- Implications of the removal of the Revenue Support Grant;
- Property development activity being undertaken to introduce new revenue income streams to the Council; and
- Implications on increasing the level of Council Tax further and the associated costs of holding a referendum.

RECOMMENDED that:

(i) a budget of £14.890m including the savings and growth previously reported, a provision for a pay award and an increase in Council Tax of 1.94% be approved;

(ii) the updated Capital Programme (Annex 1 to the report presented) be approved; and

(iii) the statement of the Chief Finance Officer (Annex 2 to the report presented) be noted

RESOLVED that the Chief Finance Officer be authorised to make any necessary technical adjustments to the budget and Council Tax demand proposed to Council arising from final budget refinements or changes to government grant.

Reasons for decision:

The Council is required to set a budget by March 11 each year.

Alternative options:

To amend or reject any or all of the budget proposals.

Minute/ **COUNCIL TAX SETTING 2016/17**

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A report was submitted on the level of Council Tax for 2016/17. It set out relevant statutory powers, issues (the proposed Council Tax increase and information relating to precepting authorities), legal, financial and equalities implications, risk management considerations, consultation undertaken and policy framework factors.

The Executive Member for Finance, Councillor G.J. Knight informed the Executive that the proposed Council Tax would be the subject of a recommendation to the February Council meeting. That meeting would receive confirmation of the final precept levels from the County Council and the Police together with any necessary adjustments required.

It was noted that when the report was produced a 4% increase was assumed for the County Council and 2% for the Police Authority.

The Executive Member indicated that he would respond in writing to a question about possible precepts from local authorities with responsibility for Flood Defence.

RECOMMENDED that:

(i) it be noted that on 17 December 2015 the Council calculated:

a. the Council Tax base 2016/17 for the whole Council as 58,301

[Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,

b. for dwellings in those parts of its area to which a Parish precept relates:

| | |
|----------------------------|--------------|
| Horley Town Council | 8,963 |
|----------------------------|--------------|

| | |
|---|--------------|
| Salfords & Sidlow Parish Council | 1,371 |
|---|--------------|

(ii) the Council Tax requirements for the Council's own purposes for 2016/17 (excluding Parish precepts) is calculated at £12,210,561;

(iii) the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

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- (a) £68,323,638 – being the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils;**
- (b) £56,265,929 – being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act;**
- (c) £12,057,709 – being the amount which the aggregate at (iii)(a) above exceeds the aggregate at (iii)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 31A(4) of the Act);**
- (d) £206.82 – being the amount at (iii)(c) above (Item R), all divided by Item T ((i)(a) above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts);**
- (e) £347,147 - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the Appendix to the report presented);**
- (f) £209.44 - being the amount at (iii)(d) above less the result given by dividing the amount at (iii)(e) above by item T ((i)(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates;**
- (g) Horley Town Council- £244.68**
 - Salfords & Sidlow Parish Council - £232.24**
 - Being the amounts given by adding to the amount at (iii)(f) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at (i)(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;**

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- (iv) it be noted that the figures in the Appendix to the report presented being the amounts given by multiplying the amounts at (iii)(f) and (iii)(g) above by the number which, in the proportions set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands;
- (v) it be noted that for the year 2016/17 Surrey County Council and Surrey Police have stated amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown in Appendix 2 to the report presented;
- (vi) having calculated the aggregate in each case of the amounts (i) to (v), above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts of Council Tax for the year 2016/17 for each of the categories of dwellings shown in Appendix 3 to the report presented; and
- (vii) the Chief Finance Officer be authorised to make any amendments to the Council Tax demands as might prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.

Reasons for decision:

To provide the information to fulfil the requirement of the Local Government Finance Act 1992 which sets out the requirement for local authorities to set a budget for the next financial year.

Alternative options:

Unlike previous years, there is no Council Tax Freeze Grant available for 2016/17. Therefore the budget had been based on a recommended Council Tax rise of 1.94% in 2016/17.

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NEW CONTRACT PROCEDURE RULES

The Executive Member for Finance, Councillor G.J. Knight informed the Executive that the Council's Contract Procedure Rules (CPRs) formed an important part of the governance framework, helped to ensure best value and protected the Council from allegations of impropriety.

Since Procedure Rules had last been updated there had been new UK legislation and significant amendments to the EU regulations governing procurement.

The Council had also recently acquired an e-procurement system (In-Tend). This allowed the Council to meet the new regulatory requirements - as well as aligning with the regulations of other Surrey district councils to better support joint-procurement and other shared service arrangements in the future. It would also enable closer working with the County Council who host the system.

As a result of all of these changes it had become necessary to completely re-write the CPRs rather than just amend the existing ones in the Constitution. These were presented in full to the Executive and it was

RECOMMENDED that:

- (i) the new Contract Procedure Rules set out at Annex 1 to the report presented be approved; and**
- (ii) the Monitoring Officer be authorised to amend the Constitution to include the new Contract Procedure Rules.**

Reasons for decision:

To adopt new Contract Procedure Rules as part of the Council's Constitution.

Alternative options:

To reject or request amendments to the proposed new CPRs.