

COUNCIL – 15th DECEMBER 2016

RECOMMENDATIONS OF THE EXECUTIVE

Minute/ Page No.	HALF YEAR TREASURY MANAGEMENT PERFORMANCE REPORT
Executive 10 th November 2016 46/199	<p>The Executive received a report on treasury management performance for the first half of the financial year. The report covered treasury management performance up to Period 6, which showed that the overall projected outturn was a small underspend against the budget.</p> <p>The report also provided an update on the Investment Strategy, Borrowing Strategy, and Cash Management Strategy. The Executive noted that no changes were proposed to any of these strategies.</p> <p>It was noted that from the Prudential Indicators that the Capital Programme and the Capital Financing requirement had been updated to take account of carry forwards and other proposed changes (the details of which were set out in the report under the Service and Financial Planning 2017/18 item) and the Borrowing Limits were unchanged from when the current Strategy had been adopted earlier in the year.</p> <p>The Executive also received an update on the Economic Conditions and Expected Movements in Interest Rates provided by the Council's advisors, Capita Asset Services.</p> <p>Councillor T. Schofield, Executive Member for Planning Policy and Finance summarised the position by indicating that overall the Council's treasury management activity was, for the first half of the year, on track to meet its projected outcomes.</p> <p>RECOMMENDED that the Treasury Management Performance for the year to date and the prudential indicators be noted.</p> <p>Reasons for decision:</p> <p>To comply with the requirements of the regulatory framework for treasury management and meet the Council's reporting requirements.</p> <p>Alternative options:</p> <p>Accept the report, but ask Officers to provide more detail on some specific issues contained in the report.</p>

**Minute/
Page No.**

Executive
10th November
2016
48/201

LOCAL COUNCIL TAX SUPPORT SCHEME

Councillor Mrs R. Renton, Executive Member for Community Support informed the Executive that local authorities were required to introduce a local reduction scheme each year to replace the national Council Tax Benefit scheme. The scheme affected residents of working age and receiving benefits, or on low levels of income or earnings. The initial scheme established in 2013/14 was continued into 2016/17 and the proposal was to extend it for a fifth year.

The Executive noted that the government funded around 90% of the Council Tax Support cost, with the remainder shared between the Council, Surrey County Council and Surrey Police.

It was noted that the scheme currently provided support to those who need it, but sought a contribution from most residents towards their Council Tax and for using services within the borough. Important elements of the scheme were to ensure that residents did not lose out on support when they entered work and to ensure that disabled residents or those providing care were protected from any reduction in the support they received.

The scheme included a cost of living increase for households in line with those increases applied to the National Housing Benefit scheme. It was noted that currently some allowances were subject to zero increases and that it was proposed that this would be reflected in the local scheme.

It was also recognised that there would be instances where households were genuinely unable to pay their Council Tax, and these households would be able to receive a further discretionary reduction in their Council Tax under the legislation.

RECOMMENDED that the local Council Tax Reduction Scheme for 2017/18, as outlined in the report, be adopted.

RESOLVED that the Council Tax Reduction Scheme, being recommended, be noted as a continuation of the Scheme introduced in 2013/14 with some changes to reflect increases in the cost of living in line with other benefits and allowances.

Reasons for decision:

The initial local scheme was introduced from 2013/14 and had been effective in reducing the level of support awarded whilst ensuring that those residents who were most vulnerable were not penalised unfairly.

Those residents who were disabled or provided care for other disabled people were exempt from any reductions in their support compared to the former national scheme, and would receive maximum support based on the Council Tax Benefit scheme which was abolished in 2013.

Council Tax collection rates from residents receiving support had been positive, and processes were in place to recover arrears from residents who choose not to pay.

Alternative options:

To further reduce the level of support or to adopt the criteria of the former Council Tax Benefit scheme and increase the level of support payable.

**Minute/
Page No.**

Executive

10th November
2016

49/202

**FORMER PARK FARM DEPOT, HOLLY LANE, BANSTEAD:
COSTS TO ASSESS FEASIBILITY OF POTENTIAL RESIDENTIAL
CONVERSION**

Councillor Mrs N.J. Bramhall, Executive Member for Property, introduced a proposed feasibility study to ascertain whether the former depot at Park Farm was suitable for residential conversion (at an anticipated cost of £75,000).

It was noted that Park Farm was a cluster of former farm buildings, last used as a Council depot, located off Holly Lane, Banstead. Originally a farm and mansion constructed in the 1880s, the buildings, two of which were listed, had served a variety of uses including a POW camp in WW2. The buildings were all in poor condition and the historic listed buildings were in need of refurbishment. The majority of the buildings were currently let on a short term basis to a waste management contractor and a vintage car restorer.

The location and nature of the site meant that potential future commercial uses were limited and its rental value was therefore restricted. It was anticipated that capital expenditure on the buildings would not yield a justifiable return and that it was more viable to consider a conversion of these buildings to residential use.

Councillor Mrs Bramhall indicated that capital funding was required to procure the necessary consultants to carry out the feasibility studies. Issues to be considered as part of the studies would be the listed nature of some of the buildings status; the Green Belt location together with it being in an Area of Great Landscape Value and being in close proximity to Banstead Woods (an ancient woodland).

The Executive noted that the Banstead & District Scouts Association had a lease over the adjacent site and would surrender the small section of one building occupied in order to facilitate the proposed conversion. At the same time they would be granted a new lease over the two sheds in the car park and a field which did not form part of the proposed conversion.

If the initial studies were positive and, subject to planning permission being obtained, it was suggested that the site could be disposed to obtain a capital receipt for the Council.

RECOMMENDED THAT THE CAPITAL PROGRAMME BE REVISED TO PROVIDE £75,000 FUNDING FOR THE FEASIBILITY SURVEYS DETAILED IN THE REPORT TO THE EXECUTIVE.

RESOLVED that:

(i) the Head of Property Services be authorised, in consultation with the Executive Member for Property, to make the necessary consultant appointments to carry out feasibility studies to assess the possibility of residential conversion of the former depot buildings, not exceeding the budget of £75,000;

(ii) subject to the results of the feasibility studies, the Head of Property be authorised, in consultation with the Executive Member for Property and the Head of Finance, to prepare and submit a planning application; and

(iii) the Head of Property be authorised, in consultation with the Executive Member for Property, to agree terms for, and complete, the disposal of the site in accordance with the minimum value set out in the exempt information at Part 2 of the agenda or, in the event that the feasibility study identified that there was potential value in the Council building out the development itself, that a further report be brought to the Executive to consider the details of that option.

Reasons for decision:

One of the Council's stated objectives in the 5-Year Plan was to maximise the value of our assets; this included disposing of surplus assets. This former depot site had ceased to be used for operational purposes and the buildings were let on a short term basis. Pending the results of the feasibility studies (to determine the possibility of conversion to residential use) it would provide the highest and best return for the asset. If the study results were positive detailed planning approval for residential conversion would be sought as part of the sale to generate a capital receipt.

Alternative options:

Take no action and continue to lease out the buildings; explore refurbishment for continued commercial uses or, assuming that the results of the studies were positive, the Council consider carrying out the conversion.

**Minute/
Page No.**

Executive
1st December
2016

60/219

STRATEGIC PARTNERSHIP WITH RAVEN HOUSING TRUST

Councillor Mrs R. Renton, Executive Member for Community Support reported on proposed arrangements for a Strategic Partnership with Raven Housing Trust.

Councillor Mrs Renton reminded the Executive that the Council sold its housing stock to Raven Housing Trust (originally Reigate & Banstead Housing Trust) via a Large Scale Voluntary Transfer arrangement in 2002. The transfer had been agreed in an effort to ensure investment in the housing stock so that it would continue to be fit for letting.

The proposed Strategic Partnership Agreement, presented to the Executive, covered the period 1st January 2017 to 2022 and included a framework for how the Council and Raven would meet respective corporate priorities.

As part of the Partnership proposals the Council would relinquish its right to be a member of the Trust and to nominate Councillors to the Board of the Trust. The Executive noted that this was consistent with the emerging proposals from the Housing & Planning Act 2016. The Executive also noted that mechanisms would be retained to involve residents in Board related matters.

The Executive noted that the Partnership Agreement included for:

- the Council to retain right to buy receipts until 2032, and clawback of receipts until 2022
- the Council to retain nomination rights
- Raven aiming to build 100 new affordable homes in the borough over the 5 year period
- Raven continuing to invest in a money and welfare advice service, a digital inclusion service and an eviction prevention service supporting their residents

Councillor Mrs Renton confirmed that, as the Portfolio Holder with responsibility for Housing, she would act as the key link between the Council and Raven in order to ensure that the relationship continued to work well and delivered on its commitments.

Following clarification at the meeting it was requested that the reference to 'defined legal timescales' in the Reigate and Banstead commitments section be adjusted to reflect that this referred to the S106 process as part of the Service Level Agreement.

RECOMMENDED that the Head of Legal Services be delegated authority to enter into a deed of variation of the 2002 Transfer Agreement (and the subsequent variations and covenants arising from the Agreement) in order to give effect to the changes described in the report (namely that the Council would cease its formal membership on the Raven Board).

RESOLVED that:

(i) the Partnership Agreement between Reigate & Banstead Borough Council and Raven Housing Trust, attached at Annex 1 to the report presented, be adopted with effect from 1 January 2017; and

(ii) the Executive Member with responsibility for Housing be given responsibility for ensuring the success of the Council's ongoing relationship with Raven Housing Trust.

Reasons for decision:

The Council relied on Registered Providers, and in particular Raven Housing Trust, to meet the accommodation needs of people requiring affordable housing within the Borough. Raven also provided a range of additional support services which, amongst other outcomes, helped to prevent individuals and families from becoming homeless. This provided a significant benefit to the Council by reducing the costs associated with providing emergency accommodation to homeless residents.

The proposed Agreement provided a strong framework for the Council and Raven to work together for the five year period 2017-2022.

Alternative options:

Undertake further work on the Partnership Agreement with Raven Housing Trust or to take no action on the proposed Agreement.