

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the Town Hall, Reigate on 25 January 2018.

Present: Councillor V.W. Broad (Leader of the Council); Councillor Dr L.R. Hack (Deputy Leader); Councillors Mrs N.J. Bramhall, A. Horwood, G. F. Knight, Mrs R. Mill, Mrs R. Renton and T. Schofield.

Also present: Councillors Mrs R. H. Absalom, D. Allcard, R. W. Coad, J. C. S. Essex, N. D. Harrison, A. M. Lynch, Mrs D. A. Ross-Tomlin, B. A. Stead, C. Stevens, Mrs R. S. Turner and C. T. H. Whinney.

The Leader of the Council, Councillor V. W. Broad, informed all those in attendance at the start of the meeting that the meeting would not be webcast as a result of a technical issue.

The Leader also issued a statement to the Executive that Councillor G. F. Knight had indicated an intention to abstain from the vote on any items relating to the proposed Horley Business Park. Councillor G. F. Knight explained that he sought further information on the socio-economic and environmental impact of the proposals before making a determination on the matter.

51. MINUTES

RESOLVED that the minutes of the meeting held on 9 November 2017 be approved as a correct record and signed.

52. APOLOGIES FOR ABSENCE

Executive Members: Councillors K. Foreman and E. Humphreys.

Non-Executive Members: Councillors M. Blacker, D. Pay and M. J. Selby.

53. DECLARATIONS OF INTEREST

None.

54. OBSERVATIONS OF THE OVERVIEW & SCRUTINY COMMITTEE ON THE DRAFT BUDGET PROPOSALS FOR 2018/19

The Executive Member for Finance, Councillor T. Schofield, submitted a report that set out the outcome of the Overview and Scrutiny Committee's consideration of the draft budget for 2018/19.

The report included the relevant statutory powers, the outcome of the Overview and Scrutiny Committee's considerations, legal, financial and equalities implications, consultation undertaken and policy framework considerations. The Executive received the full report of the Committee and considered its conclusions and recommendations.

In introducing the report to the Executive the Executive Member thanked Councillor N.D. Harrison for his hard work in chairing the Budget Scrutiny Review Panel in its consideration of the budget for 2018/19. He also expressed his gratitude to the Members of the Scrutiny Review Panel and the Overview and Scrutiny Committee for their contribution to a very important process.

It was noted that the Panel conducted a thorough review of the budget proposals, aided as in previous years, by a high number of advance questions. The report and recommendations of the Panel were subsequently considered by the Overview and Scrutiny Committee in December.

Following its deliberations the Committee made four recommendations for the consideration of the Executive. These had been carefully considered by the Portfolio Holder who reflected on the Committee's overall positive conclusions about the provisional budget proposals.

Since the Scrutiny Panel and Overview & Scrutiny Committee met, it was confirmed that seven of the clawback arrangements recommended for consideration by the panel were currently in place, and that the Planning Committee would support their implementation where it judged it appropriate to do so, in line with the Council's policies.

Members sought clarification on whether the impact of funding for a business rates retention pilot would be included as part of the budget considerations in future. The Chief Executive advised Members that the funding was not included in the base budget due to it being a one-off benefit.

RESOLVED that the report of the Overview & Scrutiny Committee on the service and financial plans for 2018/19 be accepted and the comments noted.

Reasons for decision:

To take account of the views of the Overview & Scrutiny Committee on their consideration of the service and financial plans for 2018/19.

Alternative options:

Request that the Overview & Scrutiny Committee undertake additional scrutiny of all or part of the service and financial plans for 2018/19.

55. BUDGET 2018/19

The Executive Member for Finance, Councillor T. Schofield, introduced the proposed Budget for 2018/19 which included an updated capital programme up to 2023 for recommendation to Full Council.

A consultation exercise had been undertaken on the savings and growth proposals that had been considered by the Executive in November 2017. 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.

The Executive Member also indicated that the proposed Council Tax increase would mean that the average Council Tax charge would increase by 12 pence per week, which equated to a charge of £220.85 for a band D property per year for all the Council's services. The Executive Member highlighted that this equated to less than £19 per month for the average resident.

The Executive noted that the savings proposed, coupled with the modest tax increase, would allow the Council to maintain and to continue to deliver its services at excellent value for money for the taxpayer. The Executive Member stressed that the alternative option of not increasing Council Tax would result in significant challenges to the Council's financial sustainability.

The Executive Member explained that the savings requirements addressed in the report were driven by the removal of the Revenue Support Grant and changes to business rates retention, as part of the wider national context.

The Chief Finance Officer's statement on the proposed budget, was noted, which pointed out the risks and uncertainties associated with the budget proposals. This included economic factors and the implications of further reductions to government funding levels.

The Executive Member reiterated that the Council provided excellent value for money and was on course to deliver its Five Year Plan to the benefit of all those living and working in the borough. Members acknowledged the quality of services and the commissioning of major regeneration schemes in the area.

Members expressed satisfaction that the budget was balanced in light of challenges such as the withdrawal of all government grant funding. A Member referred to the Chief Financial Officer's report with regards to long term asset liability and noted that the cautious investment strategy taken would mitigate a potential risk with accounting for pension funds.

RECOMMENDED that:

- (i) a budget of £15.495m including the savings and growth previously reported, a provision for a pay award and an increase in Band D Council Tax of 2.99% (or £6.41) be approved;**
- (ii) the updated Capital Programme (shown at Annex 1 of the report presented) be approved;**
- (iii) the statement of the Chief Finance Officer (at Annex 2 of the report presented) be noted; and,**

- (iv) **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 was required to set a budget by 11th March each year.

Alternative options:

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

56. COUNCIL TAX SETTING 2018/19

A report was submitted on the level of Council Tax for 2018/19. It set out relevant statutory powers, issues (the proposed Council Tax increase and current 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 T. Schofield, 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 5.99% increase was assumed for the County Council and £12 for the Police Authority. Any changes to these would form part of the update to the February Council meeting.

RECOMMENDED that:

- (i) **It be noted that on 14 December 2017 the Council calculated:**
- (a) **the Council Tax base 2018/19 for the whole Council as 59,781 [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 | 9,522 |
| Salfords & Sidlow Parish Council | 1,386 |
- (ii) **Calculate that the Council Tax requirements for the Council’s own purposes for 2018/19 (excluding Parish precepts) is £13,202,695**
- (iii) **That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:**
- (a) **£70,461,931– being the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils**

- (b) £56,876,638– being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.**
- (c) £13,585,293 – 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 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).**
- (d) £227.25– 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 33(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).**
- (e) £382,598 - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the Appendix attached to the report presented).**
- (f) £220.85 - 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- £257.75
Salfords & Sidlow Parish Council -£243.40**

Being the amounts given by adding to the amount at 3(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.

- (iv) It be noted that the figures in the Appendix attached 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, was applicable to dwellings listed in a particular valuation band divided by the number which in that proportion was 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 2018/19 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 of 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 2018/19 for each of the categories of dwellings shown in Appendix 3 of the report presented.

(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:

There was no Council Tax Freeze Grant available for 2018/19. The budget was based on a recommended Council Tax rise of £6.41 (or 2.99%) in 2018/19.

57. DRAFT TREASURY MANAGEMENT STRATEGY 2018/19 FOR CONSULTATION, INCLUDING PRUDENTIAL INDICATORS & INVESTMENT STRATEGY

The Executive considered a report seeking approval to consult on a draft Treasury Management Strategy. This was appended to the report. The report set out a range of issues for the Executive to consider (objectives, the current treasury position, proposed changes and prudential indicators) together with legal, financial and equalities implications, risk management considerations, consultation undertaken and policy framework factors.

It was noted that the Strategy was broken down into the following sections:

- Investment Strategy
- Borrowing Strategy
- Cash Management Strategy

The Executive Member for Finance, Councillor T. Schofield, indicated that the Borrowing Strategy was unchanged and continued to focus on delivering projects that were already approved, including the activities of the property company. The investment strategy was unchanged and was focussed on generating income within the Council's risk profile.

The Cash Management Strategy was also unchanged and continued to focus on optimising cash flow through operational improvements.

The Executive was informed that the associated strategies would be reviewed in due course by a Member Panel with the assistance of external Treasury Advisors, to ensure that the proposals within the Treasury Management Strategy best supported the Council's expected activity in 2018/19 and beyond.

Members were advised that changes to the Prudential Code, the Treasury Management Code of Practice and other regulations were published in late 2017/18. Those changes were intended to properly reflect the increasingly complex business models adopted by Local Authorities in response to reductions in other funding streams and were expected to impact the Council's Treasury Management Strategy in the future.

The Executive Member noted that the draft Treasury Management Strategy was based on the 2011 guidelines and that the strategy would be comprehensively reassessed in 2018 in accordance with the updates contained within the Prudential Code and the Treasury Management Code produced by CIPFA.

A Member sought clarification on whether a new capital strategy could be drafted in advance to consider the new CIPFA rules at an earlier stage. The Leader of the Council informed the Executive that this was already being investigated.

RESOLVED that that the contents of the Treasury Management Strategy report and Annexes to the report presented be approved for formal consultation in accordance with the Council's Constitution.

Reasons for decision:

To support the adoption of a Treasury Management Strategy for the 2018/19 financial period.

Alternative options:

To not support the report or to defer the report and ask Officers to provide more information and/or clarification on any specific points.

58. UNIT 1 RUSSELL SQUARE (55-57 VICTORIA ROAD)

The Executive Member for Property and Acquisitions, Councillor Mrs N. J. Bramhall, introduced a report outlining proposals for the grant of a long lease of Unit 1, Russell Square in Horley to Surrey County Council for the provision of a new library in the town.

The Executive Member highlighted the merits of the proposals, including that the letting was at a premium in the form of a substantial capital payment in lieu of rent and represented an opportunity to meet several objectives for both Councils.

Members acknowledged that the regeneration of Horley town centre was a key priority for the Borough Council and that both Borough and County Councils were committed to improving services for residents as part of the Horley Master Plan.

The Executive was informed that the Council's Local Plan identified a number of key new facilities for the town, one of which was a new library. The Executive Member for Property and Acquisitions supported the proposals on the basis that granting the lease would help realise this ambition.

The Executive Member noted that Surrey County Council would provide a new fit for purpose library that was better located and equipped to serve the growing population of the town. It was planned that the proposed library would facilitate a range of functions, including children's services, leisure, business, creative, cultural activities and for the provision of guidance and information

services to the community.

Members were informed that the proposed library would increase footfall in the immediate area, to the benefit of other local retail occupiers, and increase the likelihood of letting other vacant units nearby.

Members expressed their support for the proposals and noted that the library would provide the community with an important hub for a variety of activities and services.

RESOLVED that:

- (i) the Head of Property be authorised to dispose of Unit 1 Russell Square (55-57 Victoria Road) Horley to Surrey County Council by way of a 999 year ground lease at a peppercorn rent and subject to a premium as set out in the Exempt report in Part 2 of the agenda; and,
- (ii) the Head of Property, in consultation with the Executive Member for Property & Acquisitions, be authorised to agree the final terms of the lease.

Reasons for decision: To provide a new library that will improve services for Horley's growing population and assist in the town centre's regeneration.

Alternative options: To continue to market the unit to secure a commercial letting at a market rent, or; to not support the report.

59. HORLEY BUSINESS PARK: LOCAL ENTERPRISE PARTNERSHIP GRANT FUNDING FOR HIGHWAYS IMPROVEMENTS AND ALTERATIONS

The Executive Member for Property and Acquisitions, Councillor Mrs N. J. Bramhall, presented a report to Members which proposed that the development site at Junction 9a off the spur road to the M23 be allocated for a business park and public park.

The Executive agreed on 15 March 2015 to create a Joint Venture Special Purpose Vehicle to bring forward the plan to create a high class Business Park to support this Council's ambition to create a leading business park in the south east.

In parallel with the work being undertaken by the Joint Venture, the Council made a separate application for Local Enterprise Funding towards the significant costs of the planned highways improvements to Junction 9a of the spur road to the M23. The planned improvements to Junction 9a were intended to provide the main access to the business park.

The Executive was advised that the Council had agreed in principle with the Coast to Capital Local Enterprise Partnership (CCLEP), for the CCLEP to provide grant funding towards the delivery of this project.

The Executive Member clarified that officers of the Council would finalise and conclude the terms of the grant, subject to the approval of the Executive. The Executive Member referred the Executive to the details of the terms set out in the exempt report.

RESOLVED that the Head of Property be authorised, in consultation with the Head of Finance and the Leader of the Council, Deputy Leader of the Council, Executive Member for Finance and the Executive Member for Property and

Acquisitions, to enter into the funding agreement with the Coast to Capital Local Enterprise Partnership to contribute towards the anticipated improvements to Junction 9a on the M23 spur road into Gatwick Airport. The terms of the funding to be as set out in the Part 2 (Exempt information) report to the Executive.

Reasons for decision:

To contribute towards the anticipated improvements to Junction 9a on the M23 spur road into Gatwick Airport.

Alternative options:

To not enter into the agreement, or; to do nothing.

NOTE: The Executive Member for Community Services, Councillor G. Knight, abstained from the vote on the basis that he sought further information on the socio-economic and environmental impact of the proposals before making a determination on the matter.

60. HORLEY BUSINESS PARK UPDATE AND REQUEST FOR ADDITIONAL WORKING CAPITAL

The Executive agreed on the 15th March 2015 to create a Joint Venture Special Purpose Vehicle to bring forward the plan to create a high class Business Park to support this Council's ambition to create a leading business park in the south east. The Joint Venture was established after that Executive meeting and had been progressing with the project since.

The Executive Member for Property and Acquisitions, Councillor Mrs. N.J. Bramhall referred the Executive to an update from officers on progress of the work of the Joint Venture in both the public and exempt sections of the associated reports on the agenda.

The Executive Member informed the Executive that progress was being made in a number of areas, including Planning, Land Assembly, and Highways design. Executive Members noted that the site was included in the draft version of the Development Management Plan, which was out for public consultation at Regulation 19.

Members were advised that the Horley Business Park Development LLP, which oversees the work of the Joint Venture, may require additional working capital to continue to progress the work currently being undertaken. The Executive Member requested that the Executive increase the loan facility to the Special Purpose Vehicle, if required.

The Executive Member referred the Executive to a potential increase to the loan facility detailed in the associated exempt report. Members noted that there was ongoing work to finalise an agreement which would not require this additional funding. The Executive Member highlighted that any additional funding would be matched by the Council's Joint Venture partners.

A Member sought clarification on a number of aspects, including the amount of working capital associated with the Horley Business Park project, the role played by Taylor Wimpy, and the ownership and governance of Mill Hill Properties.

The Chief Executive advised Members that the resources invested in the company would be disclosed under exempt business in view of maintaining

commercial confidentiality. It was also noted that it was proper practice for the Council to have discussions with businesses in the immediate vicinity of the proposed development, including Taylor Wimpy. Members were informed that information on Mill Hill Properties was publicly available online.

RECOMMENDED that the Head of Finance be authorised, in consultation with the Head of Property and the Leader of the Council, Deputy Leader of the Council, Executive Member for Finance and the Executive Member for Property and Acquisitions, to make arrangements to extend the loan facility to increase the working capital to the Joint Venture Limited Liability Partnership to facilitate the making of a Planning Application, noting that costs were recoverable as set out in the report at Part 2 (in the exempt part of the Agenda).

RESOLVED that:

- (i) the progress on the land assembly to facilitate the development of the Horley Business Park set out in this report and in the report contained in the Executive's Part 2 (Exempt information) report be noted; and,
- (ii) the Horley Business Park Development LLP (LLP) would be endeavouring to finalise and agree Heads of Terms with Surrey County Council to allow them to enter the Joint Venture and Special Purpose Vehicle (Horley Business Park Development LLP) on terms outlined in the Executive Part 2 (Exempt information) report be noted. Executive further noted that the LLP would exchange and complete contracts on the finalised terms agreed which would require the approval Surrey County Council.

Reasons for decision:

To enable the Joint Venture to bring forward a Planning Application for the Horley Business Park development.

Alternative options:

To not authorise the Head of Finance to extend the current loan facility.

NOTE: The Executive Member for Community Services, Councillor G. Knight, abstained from the vote on the basis that he sought further information on the socio-economic and environmental impact of the proposals before making a determination on the matter.

61. HORLEY BUSINESS PARK: ACQUISITION OF LAND IN HORLEY

The Executive Member for Property and Acquisitions, Councillor Mrs N.J. Bramhall introduced a report regarding the conditional acquisition of one of the key pieces of land required to bring forward the Horley Business Park.

Members were advised that, if the Council was successful in acquiring the land, the Council and the Joint Venture would have secured two of the three pieces of land forming the Business Park.

The Executive Member referred the Executive to the details of the acquisition set out in the associated exempt report.

Members raised a number of concerns regarding the public perception of the proposed Horley Business Park and sought clarification on the timeline for the release of future communications to alleviate residents' concerns.

The Leader of the Council reassured Members that residents would be appropriately informed when the details of the project were established. The

Executive Member for Property and Acquisitions noted that the Council was working closely with Members representing residents in Horley to produce a communications plan in February.

RECOMMENDED that:

- (i) **the Head of Finance be authorised in consultation with the Head of Property and Head of Legal together with the Executive Members for Property and Acquisitions and Finance to fund the acquisition in line with the prevailing Treasury Management Strategy once the conditions have been satisfactorily cleared; and,**
- (ii) **the Head of Property be authorised in consultation with the Head of Finance and Head of Legal together with the Executive Members for Property and Acquisitions and Finance to agree to make available an additional loan facility to Horley Business Park Development LLP or another Special Purpose Vehicle to acquire the freehold land which was the subject of the officer's report, and to agree a conditional contract with Horley Business Park Development LLP to acquire the Freehold interest in the land, subject to conditions, referred to in the Executive's Part 2 (Exempt information) report.**

RESOLVED that:

- (i) the Head of Property be authorised in consultation with the Head of Finance and Head of Legal together with the Executive Members for Property and Acquisitions and Finance to agree a conditional contract to acquire the Freehold interest of the land, subject to conditions, and valuation referred to in the Executive's Part 2 (Exempt information) report and subsequently to exchange and complete on the acquisition; and,
- (ii) the Head of Property be authorised in consultation with the Head of Legal and the Executive Member for Property and Acquisitions to bring forward a further report to appropriate the land for Planning purposes once acquired.

Reasons for decision:

To acquire the freehold interest, subject to conditions, of land in Horley as part of the proposed business park and new park for residents use.

Alternative options:

To find an alternative funder, or; to do nothing.

NOTE: The Executive Member for Community Services, Councillor G. Knight, abstained from the vote on the basis that he sought further information on the socio-economic and environmental impact of the proposals before making a determination on the matter.

62. SCHEDULE OF MEETINGS 2018/19

The Leader of the Council, Councillor V.W. Broad, presented a report with a proposed schedule of meetings for 2018/19. 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 7 December 2017 and its comments were reported to the Executive.

The Executive noted that a meeting of the Executive was scheduled for 19 July, to coincide with the submission of an audit report on the annual Statement of Accounts.

Members were advised that, if required, meetings could be added or cancelled in the course of the year, subject to the usual protocols and statutory requirements.

RECOMMENDED that the Schedule of Meetings for the 2018-19 Municipal Year be approved as set out at Annex 1 to the report presented.

Reasons for decision:

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

Alternative options:

None.

63. QUARTERLY PERFORMANCE REPORT (Q2- JULY TO SEPTEMBER 2017)

The Executive Member for Finance, Councillor T. Schofield submitted a report with financial and performance monitoring information for the second quarter of 2017/18. The report provided the headline issues on major variances in relation to the Council's overall performance for the period. Members of the Overview and Scrutiny Committee had considered the performance and had raised no issues to refer to the Executive.

The Executive Member confirmed that 11 of the Council's 12 key performance indicators were on target or within agreed tolerances.

With regards to the financial aspects within the report, there was a healthy underspend on the revenue budget. This was driven by higher than budgeted recycling prices. The Executive also noted that good progress was being made on the capital programme.

The report was presented to the Overview and Scrutiny Committee on 7 December 2017. The Committee did not make any observations on the report for consideration by the Executive.

The Executive Member for Community Safety, Councillor G. Knight, clarified that there was no operational risk to the delivery Parking Services as there was ongoing work to finalise partnership agreements in respect of this.

The Executive Member for Leisure and Wellbeing, Councillor Mrs R. Mill, sought a briefing for Members on the General Data Protection Regulation to raise awareness of their obligations as Members of the Council.

In respect of this, the Chief Executive undertook to circulate a note to Members and assured the Executive that the Council was performing well nationally. Members noted that a robust audit programme was underway to ensure compliance with the new regulations.

RESOLVED that the performance outlined in the report presented be noted.

Reasons for decision:

To consider the performance for the second quarter of the financial year 2017/18.

Alternative options:

None.

64. DEBT WRITE OFF & RECOVERY PERFORMANCE

The Executive Member for Finance, Councillor T. Schofield, proposed that the Executive write off 11 debts. This proposal followed all possible action to recover these amounts.

Councillor Schofield stated that the Council took debt recovery very seriously, that it would work with individuals and companies in difficulty to bring things to a satisfactory conclusion, but that all legal tools would be used to recover the debt until it became impossible or uneconomic to do so.

Members were informed that the impact of debt write-off on the Council was a fraction of the total amount incurred. The Executive Member noted that the Borough Council retained one-eighth of a Council Tax bill and approximately £2.3m of the £54.5m of Business Rates collected each year.

It was also emphasised that write off was essentially an accounting process to protect the Council against mis-statement of the accounts and that in all cases it was only recommended when all possible avenues had been exhausted. If further information was received or if the circumstances surrounding the debts changed then they would be pursued again.

The Executive noted that despite the proposed write offs; Reigate and Banstead remained a high performing Council in terms of debt recovery. In support of this point, Members were advised that the written-off debt represented approximately one half of a percent of the Council's annual turnover.

A Member sought clarification on the actions taken by officers to recover debts owed and raised concerns over the timeline in a number of cases. Members were assured that the Council performed above average nationally to pursue debts as a priority, as far as possible.

In eight of eleven cases, the Council was legally prohibited from pursuing a debt. In some cases, debts were owed by companies that had been dissolved. In respect of debts owed for social and housing benefits, those cases were usually referred to the courts by the Council's fraud team in collaboration with the Department for Work and Pensions.

RESOLVED that:

- (i) eleven debts totalling £126,860.91 (as detailed in Annex 1 of the report to the Executive) be approved for writing out of the Council's accounts.
- (ii) the performance on debt recovery for the 2017/18 financial year to date be noted.

Reasons for decision:

Eight of the debts related to National Non Domestic Rates (NNDR or Business Rates), and three debts related to Council Tax.

All possible action was taken to recover the amounts concerned and the report sought approval to technically write them out of the accounts.

Alternative options:

To not approve the proposed write offs.

65. PROPERTY ACQUISITIONS

There was no business to be considered under this agenda item.

66. STATEMENTS

None.

67. ANY OTHER URGENT BUSINESS

None.

68. EXEMPT BUSINESS

RESOLVED that members of the Press and public be excluded from the meeting for the following items of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- (i) it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- (ii) the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

69. UNIT 1 RUSSELL SQUARE (55-57 VICTORIA ROAD)

RESOLVED that the exempt information relating to the report on Unit 1 Russell Square (55-57 Victoria Road) be noted.

70. HORLEY BUSINESS PARK: CONDITIONAL ACQUISITION OF FREEHOLD LAND IN HORLEY

RESOLVED that the exempt information relating to the conditional acquisition of freehold land in Horley be noted.

71. HORLEY BUSINESS PARK UPDATE AND REQUEST FOR ADDITIONAL WORKING CAPITAL

RESOLVED that the exempt information relating to the Horley Business Park update and request for additional working capital be noted.

72. HORLEY BUSINESS PARK: ACQUISITION OF LAND IN HORLEY

RESOLVED that the exempt information relating to the acquisition of land in Horley be noted.

73. PROPERTY ACQUISITIONS

There was no exempt business to be considered under this agenda item.

The meeting closed at 9:07pm.