

To: MEMBERS OF THE STRATEGY & RESOURCES COMMITTEE
Councillors Fisher (Chair), Elias (Vice-Chair), Black,
Botten, Bourne, Cannon, Childs, Davies, Harwood,
Jecks, Jones, Lee and Pursehouse.

for any enquiries, please contact:
customerservices@tandridge.gov.uk
01883 722000

Substitute Councillors: Ainsworth, Allen, Orrick and Wren.

c.c. All Other Members of the Council.

3rd December 2018

Dear Sir/Madam,

STRATEGY & RESOURCES COMMITTEE
TUESDAY, 11TH DECEMBER 2018 AT 7.30 P.M.

The Agenda for this meeting of the Committee to be held in the Council Chamber, Council Offices, Station Road East, Oxted is set out below. If a Member of the Committee is unable to attend the meeting, please notify officers accordingly.

Should Members require clarification about any item of business, they are urged to contact officers before the meeting. In this respect, reports contain authors' names and contact details.

If a Member of the Council, not being a Member of the Committee, proposes to attend the meeting, please let officers know prior to the meeting.

Yours faithfully,



Louise Round
Chief Executive

AGENDA

1. **MINUTES OF THE MEETING HELD ON THE 1ST NOVEMBER 2018** (previously circulated within the Council Book)
2. **APOLOGIES FOR ABSENCE** (if any)
3. **DECLARATIONS OF INTEREST** – All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:
 - (i) any Disclosable Pecuniary Interests (DPIs) and / or
 - (ii) other interests arising under the Code of Conduct

in respect of any item(s) of business being considered at the meeting. Anyone with a DPI must, unless a dispensation has been granted, withdraw from the meeting during consideration of the relevant item of business. If in doubt, advice should be sought from the Monitoring Officer or his staff prior to the meeting.

continued ...

4. **TO DEAL WITH QUESTIONS SUBMITTED UNDER STANDING ORDER NO. 29 (2)**
5. **WHOLE COUNCIL BUDGET MONITORING (page 3 and Appendices 'A' and 'B')**
6. **STRATEGY & RESOURCES COMMITTEE DELIVERY PLAN 2018/19 – QUARTER 2 PROGRESS REPORT (page 9 and Appendix 'A')**
7. **RESPONSE TO GATWICK AIRPORT DRAFT MASTERPLAN CONSULTATION (page 24 and Appendix 'A')**
8. **RESPONSE TO SURREY COUNTY COUNCIL'S FINANCIAL STRATEGY & TRANSFORMATION PROGRAMME CONSULTATION (page 31 and Appendix 'A')**
9. **OXTED BUSINESS IMPROVEMENT DISTRICT – UPDATE ON PROGRESS (page 41)**
10. **ELLICE ROAD CAR PARK, OXTED – POTENTIAL DEVELOPMENT (page 44)**

REPORT TO THE STRATEGY AND RESOURCES COMMITTEE - 11TH DECEMBER 2018 AGENDA ITEM 5	
WHOLE COUNCIL BUDGET MONITORING - 2018/19 PERIOD 6	
Report of:	Brian Thompson – Chief Finance Officer Section 151 Officer (Interim) – 01883 732718 – bthompson@tandridge.gov.uk
Purpose of Report :	To report to Members upon monitoring of the Council's budgets during the current financial year.
Publication status:	Unrestricted
Recommendations:	That the Committee notes the financial reporting data relating to budgetary control for the Council.
Appendices	A: key highlight variances against budget for the General Fund (page 7) B: key highlight variances against budget for the Housing Revenue Account (page 8)
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 This is the financial monitoring reporting for period 6, the month of September reported in line with the financial reporting timetable. It is presented with a key highlight summary to better explain the expenditure and income for the Council and also the specific funding streams from Council Tax and Business Rates.
- 1.2 The financial monitoring report provides:-
- A key highlight summary sheet
 - The income and expenditure forecast at period 6
 - The forecast for the year ahead
 - An update on the capital spend forecast
 - An update on the HRA spend position
- 1.3 Budget managers, Directors and the Chief Financial Officer are responsible for keeping budgets under close scrutiny and ensuring that expenditure is being actively monitored and controlled. Any final overall overspend on the General Fund could result in a call on reserves or balances.

2. Monitoring Report for period 6, September 2018

- 2.1 The Committee is advised that this is the second budget monitoring report of the financial year 2018/19. The variations contained within this report are based on estimates of expenditure and income as at 30th September 2018 which is the half way point in the financial year and may change.

Key highlight sheet – Budgetary Control period 6

REVENUE BUDGET	Annual Budget 2018/19	Forecast Variance at year end (July)	Forecast Variance at year end (Sept)
Committee			
Resources and Support Services Total	2,080,780	218,791	33,220
Community Services Total	5,740,000	(3,200)	23,200
Housing General Fund Total	967,600	20,550	59,800
Planning Policy Total	2,065,720	29,582	320,407
Local Plan - Funded by Reserves	0	0	0
Committee Total	10,854,100	265,723	436,627
Corporate Items / Reserves			
Investment Income	(847,600)	(123,100)	(116,800)
Pension deficit payment		0	
Use of Reserves	218,800	0	
Depreciation reversal	(1,163,900)	0	
Pensions adjustments	920,500	0	
Corporate Items / Reserves Total	(872,200)	(123,100)	(116,800)
Funding			
Council Tax from Collection Fund	(7,964,900)	0	0
Collection Fund Tandridge Surplus	(28,000)	0	0
Business Rates Baseline Funding	(1,389,000)	0	0
Business Rates from Collection Fund	(600,000)	0	0
Funding Total	(9,981,900)	0	0
NET GENERAL FUND POSITION	0	142,623	319,827
Housing Revenue Account - REVENUE	0	(96,872)	60,600
CAPITAL BUDGET			
Capital Estimates Resources	71,863,600	0	(20,333,600)
Capital Estimates Community Services	6,764,300	0	(3,800,000)
Capital Estimates Housing Services	601,300	0	(177,300)
General Fund Capital Total	79,229,200	0	(24,310,900)
Housing Revenue Account Capital Total	11,335,800	(618,489)	(527,800)

2.2 The General Fund is forecasting a revenue budget overspend of £319,827.

2.3 Please note that to aid the presentation of the General Fund position; the costs for corporate items have been separated to provide better clarity. The funding streams for the Council (Council Tax and Non Domestic Rates) have also been identified to better reflect the overall Council budget position.

2.4 The main reasons for the variances by Committee in the table above are summarised in the key highlight detail summary in **Appendix 'A'** (page 7) which also provides a narrative.

2.5 The key highlight variances are summarised below:

- Planning Policy Committee has a forecast salary overspend of £203,530 due to staff vacancies in Development Management and Enforcement requiring to be filled by agency staff.
- Planning Policy Committee includes the outsourcing of validation to Terraquest and the cost of the Traveller consultation has resulted in an overspend of £57,200.

- Community Services Committee has a projected overspend of £62,500 for Tandridge Commercial Services (Excluding salaries) which mainly relates to the reduced volume of work that can be charged to the Housing Revenue Account (HRA).
- Community Services Committee has an overspend of £20,000 in relation to unauthorised encampments.
- Resources Committee has Additional New Home Bonus of £26,000 which was allocated after the budget had been set.
- Resources Committee has an overspend of £26,000 has been incurred on an “Empty Homes” review. This will review properties registered as empty for council tax and should allow the council to generate additional council tax income.
- Investment Income is forecasted to be £116,800 above budget due to over performance of investments, This is shown separately under corporate items.

2.6 The HRA is forecasting an overspend of £60,600. A summary of the key highlight HRA variances are shown in **Appendix ‘B’** (page 8).

2.7 The General Fund capital programme is forecasting an underspend of £24,310,900. This is mainly due to the following reasons:

- The Resources capital budget is forecast to be under budget at the year-end by £20,333,600 due to spend that is likely to be slipped into the next financial year.
- The Housing General Fund capital budget is forecast to be under budget at the year-end by £177,300, this relates to social housing grants where there is no expenditure expected in 2018/19.
- The Community Services capital budget is currently showing an underspend of £3,800,000 due to capital slippage that will be carried forward to next year.

2.8 The HRA capital programme is forecasting an underspend of £527,800. This is mainly due to slippage of the council house building project.

2.9 There has been no requirement for Committees to refer any overspends for action.

2.10 The Committee is advised that this is the second budget monitoring report of the financial year. As such the variations contained within this report are still based on estimate of expenditure and income as at 30 September 2018 and may change, further reports will be brought to this Committee on a quarterly basis to update members on the latest position and how this has moved during the financial year.

3. Management Action

3.1 Each Committee is undertaking appropriate action as detailed within the individual reports to the various Policy Committees.

3.2 With regard to any under or overspend referred to this Committee, the following options are available:

- requesting the Committee to find alternative savings
- reducing next year’s budget
- requiring additional explanation
- noting the overspend and monitoring
- directing Committees to refrain from utilising their underspends if other Committees are overspent.
- funding the overspend from reserves

3.3 The Council's S151 Officer is satisfied that no further action is required at this stage to mitigate the overspend. The position will be kept under constant review and budgets will be managed very carefully until the year end to ensure that any overspend is reduced by management action. The current general fund variance of £319,827 represents an overall 3.2% variance on the overall Council budget. Options for additional income (e.g. business rates) are also being considered as options to mitigate any overspend if management action fails to reduce the spend.

4. Financial / risk Implications

4.1 The projected overspend needs to be reviewed and if this cannot be eliminated then further remedial action will be required to reduce the overspend.

5. Legal Implications

5.1 Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. This report satisfies the requirements of this legislation in terms of monitoring the Council's budgets.

6. Equality Impacts

6.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable

7. Data Protection Impacts

7.1 Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

APPENDIX 'A'
to Agenda Item 5

APPENDIX 'A'
to Agenda Item 5

REVENUE BUDGET NARRATIVE FOR KEY VARIANCES	Annual Budget 2018/19	Forecast Variance at year end (July)	Forecast Variance at year end (Sept)	Narrative
<u>Resources and Support Services</u>				
Salaries	4,031,280	22,691	(34,480)	Review of salary identified staff required to be charged to projects. Updated Temporary staff end dates as per contracts
Additional New Homes Bonus	(999,200)	(26,000)	(26,000)	Additional NHB Allocated above budget
Regeneration of Caterham - Consultancy Fees	0	35,000	35,000	Required costs for Regen Caterham consultancy
HR Advertising Costs	8,500	26,500	26,500	Recruitment for lead specialists and over customer first posts
Legal Expenses	500	16,000	16,000	Leisure partnership agreement legal costs, will be offset by interest on loan
Council Tax Empty Home Review	4,700	0	26,000	Costs incurred on review of empty properties, Should result in additional council tax income in future years
Other net items	(965,100)	144,600	(9,800)	
Resources and Support Services Total	2,080,680	218,791	33,220	
<u>Corporate Items/ Reserves</u>				
Investment income	(847,600)	(123,100)	(116,800)	Investment income is greater than budget, this is primarily due to loans to the leisure partnership
Use of Reserves	218,800	-	-	
Depreciation reversal	(1,163,900)	-	-	
Pensions adjustments	920,500	-	-	
Corporate Items / Reserves Total	(872,200)	(123,100)	(116,800)	
<u>Community Services</u>				
Salaries	2,138,700	(22,300)	(23,000)	
De Staffords Lease	(33,000)	0	33,000	Due to the Freedom Leisure / TDC deal being completed in April 18, part of the agreement was that TDC would no longer receive any lease income from De Staffords School
Other net items	3,634,300	19,100	13,200	
Community Services Total	5,740,000	(3,200)	23,200	
<u>Housing General Fund</u>				
Salaries	1,003,400	48,800	47,600	Staff vacancies in Housing GF filled by agency staff.
Other Government Grants	(123,500)	0	(12,500)	Additional grant received for Homelessness Reduction Act work
Use of Reserves	(14,000)	0	(15,000)	Additional post funded from homelessness reserve
Other net items	101,700	(28,250)	39,700	
Housing General Fund Total	967,600	20,550	59,800	
<u>Planning Policy</u>				
Salaries	1,455,120	(13,386)	203,530	Staff vacancies in Planning & Enforcement filled by agency staff until customer first is completed.
Counsel Fees	26,100	23,900	23,900	QC Fees for Judicial Review on Gas Holder Site
Legal Expenses	100	12,900	12,900	Costs awarded against the Council for 10 Granville Rd plus fees for initial part of work down on the JR on the gas
Consultancy Fees	2,800	0	57,200	Cost of Traveller Site consultation and Terraquest outsourcing for validation
Pre App Fees	(63,800)	0	15,800	Income target unlikely to be achieved
C.I.L Receipts	(829,700)	0	5,000	Staff Sicknes impacted collection and processing of Income
Formal Member Presentations	(12,500)	0	12,500	Unlikely to achieve income target due to lack of developer requests
Other net items	1,472,600	6,168	(10,423)	
Planning Policy Total	2,050,720	29,582	320,407	
Local Plan	15,000	0	347,350	Local Plan temp staff and advertising costs
Funding from Reserves			(347,350)	
General Fund Total	9,981,800	142,623	319,827	Forecast Overspend / (Underspend)

APPENDIX 'B'
to Agenda Item 5

APPENDIX 'B'
to Agenda Item 5

REVENUE BUDGET NARRATIVE FOR KEY VARIANCES	Annual Budget 2018/19	Forecast Variance at year end (July)	Forecast Variance at year end (Sept)	Narrative
Housing Revenue Account				
Salaries	1,665,900	(52,228)	92,200	Salaries overspend arising from temporary staff.
Electricity and Gas Expenditure	119,400	30,600	30,600	Budget increased to reflect 18/19 outturn and increase in supply costs - Brokerage service
Interest Payable	1,699,000	(33,000)	(33,000)	Less interest payable due to loan paid back in 17/18
Legal Expenses	3,200		31,800	3 X ASB cases and costs awarded against TDC
Elderly Persons Dwellings	0	0	(18,362)	Supporting People Subsidy
Other net items	(3,487,500)	(42,243)	(42,612)	
Housing Revenue Account Total	0	(96,871)	60,626	

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 11TH DECEMEBR 2018 AGENDA ITEM 6	
STRATEGY & RESOURCES COMMITTEE DELIVERY PLAN 2018/19 – QUARTER 2 PROGRESS REPORT	
Report of:	Belinda Purcell – Head of Corporate Policy, Projects & Performance 01883 732705 bpurcell@tandridge.gov.uk
Purpose of Report :	To report progress against the agreed 2018/19 Strategy & Resources Committee Delivery Plan for Quarter 2.
Publication status:	Unrestricted.
Recommendations:	That performance against the agreed Strategy & Resources Committee Delivery Plan for the second quarter of 2018/19, as attached at Appendix 'A', be noted.
Appendices	Appendix 'A' – Strategy & Resources Committee Delivery Plan 2018/19 – Quarter 2 progress report (page 12)
Background papers defined by the Local Government (Access to Information) Act 1985	None.

1. Background

- 1.1 Our Corporate Strategy provides a framework for us to deliver our vision for the district which is to be **“*aspirational for our people, our place and ourselves*”**. This vision encompasses the Council’s role in relation to Tandridge residents and business, its crucial responsibility in relation to the district’s physical environment (natural and built) and also says something about the kind of organisation we want to be.
- 1.2 The Corporate Strategy is comprised of key corporate objectives and priorities which are reviewed annually by the Council Administration, Strategy & Resources Committee and then agreed by Council. These Objectives and Priorities reflect a number of factors including key issues for residents, available resources, statutory requirements and demand for services.
- 1.3 The key corporate objectives and priorities agree for 2018/19 are:

Objectives

- A. Providing high quality, customer focused services.
- B. Making a difference in our community by supporting those who need it most.
- C. Creating a thriving economy while protecting the local environment.
- D. Working in partnership with the community and other public services to create opportunities for all.
- E. Improving the quality of our residents’ lives, including by enabling access to decent and affordable homes.
- F. Being a proactive, flexible learning environment.

Priorities

1. Implement the Customer First Strategy.
2. Implement a strategy for investing in land and property in order for the Council to remain financially viable and to create more affordable housing.
3. Progress the Local Plan process to Regulation 22 submission stage (i.e. to the Secretary of State for Examination).
4. Enhance the vitality and viability of our town centres, including the adoption and implementation of regeneration schemes in Caterham and Oxted.
5. Engage with multi-agency partners to facilitate flood prevention measures in Caterham, Smallfield and Whyteleafe.

- 1.4 Shown visually, our vision, key corporate objectives and priorities for 2018/19 are:



- 1.5 The key corporate objectives and priorities are delivered through Committee Delivery Plans which are agreed annually. The Delivery Plans set out the projects and programmes the Committee will oversee in order to achieve the key objectives and priorities. The Delivery Plans also set performance indicators and risks so the Committee can monitor how the Council is delivering its services.
- 1.6 Progress against the Delivery Plan is reported to each Committee quarterly. The Overview and Scrutiny Committee also receives regular updates about the progress of the Delivery Plans.
- 1.7 From 2019/20, the Corporate Strategy process will be undertaken at the same time that detailed committee budgets are set to ensure priority setting, budget setting and performance & risk management are fully integrated.
- 1.8 Progress against the agreed 2018/19 Delivery Plan for this Committee for Quarter 2 is set out at **Appendix 'A'** (page 12).

2. Quarter 2 Progress

- 2.1 Each Committee Delivery Plan identifies a set of key performance indicators (KPIs) and risks so the Committee can monitor how the Council is delivering its services. Where indicators are off target or below the same period in the previous year an explanation is provided. An explanation is also provided where risks which have been added, removed or amended. For Quarter 2, the KPIs and risks which this applies to are as follows:

Performance Indicators

SR5 Staff Turnover

The higher figure (19.2% against a target of 10%-15%) is as a result of redundancies from the Phase 1 of the Customer First Programme. Without the redundancies the figure would be 14.8% which is within the industry standard.

3. Financial / Risk Implications

3.1 Costings for projects identified within the Delivery Plan are individually costed as projects come forward.

4. Legal Implications

4.1 There is no regulatory service planning regime imposed by central government upon Local Authorities and the Council, therefore, has discretion about how to prioritise its services and monitor their effectiveness.

4.2 There is no regulatory performance management regime imposed by central government upon Local Authorities. The Council therefore, has discretion about how to measure the quality of key services / activities.

5. Equality Impacts

5.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer	
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	Not at this point.	All projects within the Delivery Plan will consider equality impacts.
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable	

----- end of report -----

APPENDIX 'A'
to Agenda Item 6

APPENDIX 'A'
to Agenda Item 6



Strategy and Resources Committee
2018/2019 Delivery Plan - Quarter 2 Progress Report

Contents

About this Committee	3
<hr/>	
Priorities	4
<hr/>	
Projects	5
<hr/>	
Performance	8
<hr/>	
Risks	9
<hr/>	

About this Committee

The Strategy & Resources Committee plays an important role in setting the Council's overall strategic and financial direction.

Each year, the Committee sets the Council's overall corporate objectives and priorities. It also sets the Council's annual budget, oversees Committee budgets and sets Council Tax levels.

In addition, the Committee is responsible for developing and agreeing a range of strategies including those relating to:

- Economic Development and Regeneration
- Community Safety
- Health and Wellbeing
- Assets and Property
- Emergency Planning
- Performance & Risk Management
- Data protection
- IT

The Committee also oversees a range of Council functions including:

- Reviewing the Council's constitution
- Councillor representation on local groups and organisations
- Councillors allowances
- Appointment of senior Council staff
- Complaints procedure

Each year, the Strategy and Resources Committee agrees a Delivery Plan. The Delivery Plan sets out how the Committee will deliver the Council's corporate objectives and priorities for that year. It also sets performance indicators and risks so the Committee can monitor how the Council is delivering its services.

Progress against the Delivery Plan is reported to the Strategy and Resources Committee quarterly. The Overview and Scrutiny Committee also monitors the work of this Committee and receives regular updates about the progress of the Delivery Plan.

The Committee has proportional representation from each of the political groups. For 2018/19, the Committee will be made up of will be 7 Conservatives, 3 Liberal Democrats, 2 OLRG Independents Alliance representatives and 1 Independent Group representative.

Priorities

Vision

The Council's vision is to be "*aspirational for our people, our place and ourselves*". This will be fulfilled by the following corporate objectives and priorities for 2018/19:

Objectives

- A. Providing high quality, customer focused services.
- B. Making a difference in our community by supporting those who need it most.
- C. Creating a thriving economy while protecting the local environment.
- D. Working in partnership with the community and other public services to create opportunities for all.
- E. Improving the quality of our residents' lives, including by enabling access to decent and affordable homes.
- F. Being a proactive, flexible learning environment.

Priorities

The top five priorities for achieving this in 2018/2019 are to:

1. Implement the Customer First Strategy.
2. Implement a strategy for investing in land and property in order for the Council to remain financially viable and to create more affordable housing.
3. Progress the Local Plan process to Regulation 22 submission stage (i.e. to the Secretary of State for Examination).
4. Enhance the vitality and viability of our town centres, including the adoption and implementation of regeneration schemes in Caterham and Oxted.
5. Engage with multi-agency partners to facilitate flood prevention measures in Caterham, Smallfield and Whyteleafe.

Projects

The programmes and projects below set out how the Strategy and Resources Committee will deliver the corporate objectives and priorities for 2018/19.

Each programme and project has a detailed plan and is overseen by a Board and Committee. This section provides a summary of each project. More detailed reports will be considered by this Committee during the year.

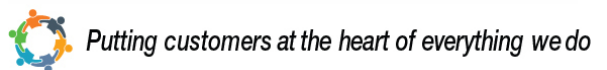
1. CUSTOMER FIRST

WHAT: The Customer First Initiative is a transformation programme to provide a new operating model for the Council, based on design principles which put the customer first and drive efficiency.

WHAT WE WILL DELIVER: Customer-focussed services and reduced costs of £1.2m of savings per year from 2019/20.

KEY DATES:

- Selection of IT/digital business partner (May/June 2018)
- Phase 1 'Go Live' (2 July 2018)
- Phase 2 staff consultation (July/August 2018)
- Phase 2 applications, assessment and selection (Sept/Nov 2018)
- Phase 2 'Go Live' (Feb 2019)



QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

The Council has now selected its IT partner to help implement the new customer management software and although slightly behind schedule, good progress is now being made. Key processes are expected to be tested and operating by Phase 2 'Go Live' in February 2019.

The overall programme remains on time, on budget and is set to deliver the required savings and improved customer-focused services by 2019/20. Interviews for new roles have just been completed and are in the process of being assessed. Risks are documented and managed through regular reporting to the Programme Board.



2. REGENOXTED

WHAT: RegenOxted is an ambitious plan to revitalise the town-centre through a multi-million pound programme of strategically important projects. Comprising 4 key projects, the programme will deliver redevelopment of the Gasholder, an urban redesign project for Station Road East & West; additional parking capacity and creation of a business hub.

WHAT WE WILL DELIVER: In 2018/19, we will commence redevelopment of Ellice Road car park, commence feasibility work for the urban redesign project and work will commence on the redevelopment of the Gasholder site. We will also complete an options appraisal of public sector sites for the business hub.

KEY DATES:

- Procurement of contractors to develop car park (Summer 2018)
- Commencement of work on car park (Winter 2018/19)
- Commencement of work on Gasholder site (Autumn 2018)
- Commencement of feasibility work on Urban Redesign (Summer 2018)
- Commencement of work on business hub options appraisal (Autumn 2018)

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Green	Amber	Green	Amber

Ellice Road Car Park

In October 2018, the Council received planning permission for a revised scheme which allows for a larger area of landscaping between the car park and properties on Ellice Road, giving them better screening. As a result of the changes, the car park will now have 297 spaces, three fewer than in the original design.

The other key amendment to the proposal is that a one-way system around Amy, Ellice and Beatrice Roads is not now included as part of the application. Having listened to residents' concerns and subsequent discussions with transport consultants and Surrey Highways, the Council has agreed to keep the two-way access on these roads for a 12 month trial basis. If, after this period, there is too much traffic on these residential roads, a one-way system will be reconsidered.

At this stage, work on the site is due to commence in early 2019 with all construction complete in Autumn 2019, weather permitting. We are now in the process of developing plans to mitigate against the impact of the construction period on the town centre, particularly in respect of the development on the Gasholder site.

Gasholder Redevelopment

In June 2018, St William received planning permission for a revised scheme across both the Gasholder and Johnsdale car park sites, following the purchase of the Johnsdale car park from the Council. The revised scheme is for 111 homes. St William now intend to start demolishing the gasholder and remediating the land in early 2019 (rather than Autumn 2018) as a result of delays to the timescale following an unsuccessful bid for a judicial review. The development is due to be complete in 2021.

Business Hub

Options appraisal underway and due to be completed in Winter 2019.

Urban Redesign Project

Scoping work underway for the feasibility stage. This is now due to be completed in mid-November 2018.

3. CATERHAM & NORTH TANDRIDGE REGENERATION

WHAT: Support delivery of aspirations set out in Caterham Masterplan to regenerate Caterham Valley and Caterham on the Hill. Deliver Phase 1 of the North Tandrige One Public Estate Programme, we will develop a Public Service Plan setting out options for how better public services can be delivered across public sector assets in North Tandrige

WHAT WE WILL DELIVER:

- Work with landowners to bring forward proposals for redevelopment of the Church Walk shopping centre and the William Hill site in line with Caterham Masterplan principles.
- Commence pre-feasibility work on enhancements to Station Avenue and Croydon Road.
- Develop Public Service Plan setting out options for better public services in North Tandrige.



KEY DATES:

- Commencement of pre-feasibility work on Station Avenue (Spring 2018)
- Public consultation for Church Walk shopping centre redevelopment proposals (Summer/Autumn 2018)
- Planning application submitted for redevelopment of William Hill site (Autumn 2018)
- Commencement of Rose & Young site redevelopment (Winter 2018/19)
- Planning application submitted for Church Walk redevelopment (Winter/Spring 2018/19)
- North Tandrige One Public Estate Public Service Plan completed (Spring 2019)

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Amber	Amber	Amber	Amber

North Tandrige One Public Estate Programme

Asset specialists Currie and Brown are currently developing a Public Service Plan which will set out options for how better, more joined-up public services can be configured across public sector assets in North Tandrige. It will also identify whether there are opportunities for sites to be released for alternative uses. The completed Plan will be informed by the Douglas Brunton Centre Review and Surrey County Council Transformation Plan. It will be considered by this Committee in by March 2019.

Caterham Masterplan

Since the Masterplan was adopted the Council has been working with the owners of Church Walk shopping centre as they bring forward proposals for its redevelopment. These proposals include plans for additional housing, a cinema and improved parking provision. At this stage, a planning application for the centre is due in January 2019 which is later than originally intended to allow time for changes to be made to proposals following public consultation.

Officers have also commissioned pre-feasibility work for Station Avenue, Godstone Road and Croydon Road to better understand the physical constraints in these areas. This work is necessary to inform options which will be developed as part of the feasibility and detailed design stages. The pre-feasibility work is due to be completed in April 2019. The first stage of demolition work has now also commenced on the Rose and Young site. The Council has been actively involved in achieving development of this site. The new owners, Clarion Housing, will deliver 48 affordable homes and a supermarket on the site which are expected to be ready by ready by Winter 2020.

4. DEVELOPMENT OF PROPERTY PORTFOLIO



WHAT: Support delivery of corporate priorities through development of our property portfolio. This will include properties acquired by Gryllus Property Investment Ltd, the Council-owned arms-length company set up to enable the purchase of investment properties outside the District. It will also include those sites already owned by the Council and sites acquired within the district.

WHAT WE WILL DELIVER: The Medium Term Financial Strategy (MTFS) projects £300,000 per year new revenue income through property investment activity.

KEY DATES: Ongoing throughout 2018/19 in relation to specific projects.

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Amber	Amber	Green	Amber

Following the agreement of the expansion of the Investment and Development Fund to £200m at the Strategy & Resources Committee in June 2018, the budget will be sufficient to cover potential investment purchases and development opportunities. A property introduction database has been set up to record investments as they are introduced by agents and to track their pricing. Attractive opportunities are being progressed.

The purchase of Linden House, a three storey modern office building in Caterham completed on 18 September 2018.

The outcomes and timescale risks remain amber to reflect that the availability of potential investments in the district and the length of time it has taken to complete due diligence on some sites. In light of this, we are also investigating opportunities within the wider economic area.

The Medium Term Financial Strategy which includes £300,000 of new revenue per annum through our property investment strategy remains on track.

One commercial property in the north of the district, which has previously been considered at the Strategy & Resources Committee is still not being progressed at this time as there are issues which make it too high a risk at the level of premium the Council was being asked to pay. There are signs that there may be movement on price.

5. ECONOMIC PROPOSITION DELIVERY PLAN 2018/19

WHAT: Our Economic Proposition provides a framework for us to strengthen and grow our economy so that we can stay competitive and ensure our future prosperity. The aims of the Proposition are delivered through a Delivery Plan which is agreed annually and monitored by this Committee.

WHAT WE WILL DELIVER: Projects in the 2018/19 Delivery Plan include:

- World Class Data Centre – Lambs Business Park:
- Intensification – Hobbs Industrial Estate
- Business Support Offer: Roll out a business support offer to support businesses as they grow and develop. This will be a blended approach using local authority, private sector and peer-to-peer support.
- Skills: Working with HE and FE providers, Surrey County Council, East Surrey local authorities and Coast to Capital, review our skills offer in the district, including work experience and access to apprenticeships.
- Business Improvement District Support

KEY DATES: Ongoing throughout 2018/19 in relation to specific projects.



QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Amber	Green	Green	Green

Economic Development Officers from the East Surrey district and boroughs along with colleagues from Surrey County Council have been working on a shared skills, business support and business retention programme for the region. This is due to be completed in early 2019 and rolled out from April 2019.

Officers have also facilitated meetings between East Surrey College and St William, the developers of the Gasholder site, to look at apprenticeship opportunities.

In July 2018, the Strategy & Resources Committee agreed for the Chief Executive of to be appointed to the Oxted BID Board for an interim period whilst a new BID manager and board directors are appointed. A new BID manager has now been appointed and a recruitment process is underway for new directors. The Council is also providing officer support to the BID to ensure the annual Christmas evening event can be delivered.

Unfortunately, Surrey County Council decided not to pursue a share of £30 million Rural Development Programme for England (RDPE) grant fund for broadband infrastructure to extend superfast infrastructure in to the remaining white areas where there is a business/ economic growth need. It was felt there was not sufficient demand for this infrastructure from rural businesses.

Performance

The performance indicators below enable the Committee to monitor how the Council is delivering the services for which it is responsible. Where performance varies from the target, action is taken to address any issues.

Code	Indicator	Q2 2018/2019			Direction of travel (compared to same period last year)	2017-18 Outturn	Higher / lower is better	Performance against annual target
		Actual	Period target	End of year target				
SR1	Percentage of Council Tax collected	63.7%	58.0%	98.7%	Stable (64.2%)	98.6%	Higher	On Target
SR2	The percentage of non-domestic rates due for the financial year which were received by the Council	61.5%	57.8%	98.6%	Stable (62.1%)	99.0%	Higher	On Target
SR3	Days taken to process Housing Benefit/Council Tax Benefit new claims and change events	7.8	10.2	10.2	Improved (11)	7.7	Lower	On Target
SR4	The number of working days/shifts lost due to sickness absence <i>This figure reflects performance over the previous 12 months.</i>	6.1	7.1	7.1	Improved (8.2)	7.1	Lower	On Target
SR5	Staff turnover <i>This figure reflects performance over the previous 12 months.</i>	19.2%	10-15%	10-15%	Declined (18.0%)	14.6%	Lower	Off Target
SR6	The percentage of calls abandoned by Customer Services	5.1%	<10.0%	<10.0%	Improved (6.9%)	8.2%	Lower	On Target

Commentary on indicators with performance below same period last year and/or off target

SR5 Staff Turnover

The higher figure is as a result of redundancies from Phase 1 of the Customer First Programme. Without the redundancies the figure would be 14.8% which is within the industry standard.

Risks

The risks below enable the Committee to monitor and manage service performance. All risks are assessed according to the Likelihood (or probability) that the risk will occur. This ranges from 1 (Rare) to 5 (Almost Certain). We also assess the Impact (or severity) on the Council that the risk will have if it were to occur. This ranges from 1 (Negligible) to 5 (Extreme). Combining both scores together establishes a risk rating and, if the risk is high-scoring, enables us to decide how we wish to manage it.

Risk		Likelihood	Impact	Score	Controls/Mitigation
SR1	Failure to remain financially sustainable	2	5	10 (Amber)	<ul style="list-style-type: none"> • Mechanisms in place to acquire and develop assets and drive new sources of income (eg Council owned companies, Property Investment Fund, Development Fund). • Regimes to monitor the effectiveness of investment strategies, including oversight by company directors and reports to Finance and Strategy & Resources Committees. • Medium Term Financial Strategy identifying new sources of income and areas of efficiency.
SR2	Failure to achieve effective organisational change	3	3	9 (Amber)	<ul style="list-style-type: none"> • Recruitment / selection criteria to seek staff with required skills, attitudes and approaches. • Fit for purpose job evaluation process and staff grading structure. • Open and honest communication with staff (newsletters, CE briefings, team meetings, drop-in sessions, Staff Conference). • Cost effective redundancy policy. • Measures to support staff throughout the change process. • Dedicated Customer First staff in place to manage change programme.
SR3	IT systems not fit for purpose	2	4	8 (Amber)	<ul style="list-style-type: none"> • Adequate investment in IT infrastructure needed to deliver Customer First service redesign. • Sufficient staffing resources, including in-house professionals and specialist external support when required. • Customer First Initiative overseen by CMT and reported to / scrutinised by Strategy & Resources Committee. • IT Partner engaged to facilitate changes.
SR4	Failure to deliver regeneration schemes	2	3	6 (Green)	<ul style="list-style-type: none"> • Detailed risk management for each project or programme. • Effective community and stakeholder engagement mechanisms. • Resource commissioned to support delivery. • External funding secured to support delivery.

Risk		Likelihood	Impact	Score	Controls/Mitigation
SR5	Failure to deliver an Election	1	4	4 (Green)	<ul style="list-style-type: none"> Project plans and risk registers required to be in place and reviewed by Government.
SR6	Providing negligent or flawed legal advice	2	4	8 (Amber)	<ul style="list-style-type: none"> Access to legal database, ongoing training and CPD. Lexcel accreditation provides assurance.
SR7	Failure to comply with court procedures	2	3	6 (Green)	<ul style="list-style-type: none"> Lexcel accreditation provides assurance.
SR8	Failure by Members to comply with Code of Conduct	3	3	9 (Amber)	<ul style="list-style-type: none"> Non-compulsory training offered to Members. Advice provided by trained Officers.
SR9	Failure to deliver Family Support Programme	2	3	6 (Green)	<ul style="list-style-type: none"> External reporting to SCC and MHCLG (including risk management). Local governance carried out by Community Safety Partnership (CSP). Memorandum of Understanding between East Surrey authorities.
SR10	Non delivery of service due to posts being single person	3	3	9 (Amber)	<ul style="list-style-type: none"> Procedure notes produced. Business continuity plans reviewed. Resilience to be achieved through Customer First.
SR11	Governance of wholly owned companies is inadequate.	3	3	9 (Amber)	<ul style="list-style-type: none"> Training and external advice. Companies limited by guarantee or £1 share capital.
SR12	Failure to conduct a DHR (Domestic Homicide Review).	3	3	9 (Amber)	<ul style="list-style-type: none"> DHR Policy in place with East Surrey CSP oversight.
SR13	Website failure	3	3	9 (Amber)	<ul style="list-style-type: none"> Local copy in place. Contract in place with supplier. Regular website testing.

Risk matrix

Impact	5	5 (Green)	10 (Amber)	15 (Red)	20 (Red)	25 (Red)
	4	4 (Green)	8 (Amber)	12 (Red)	16 (Red)	20 (Red)
	3	3 (Green)	6 (Green)	9 (Amber)	12 (Red)	15 (Red)
	2	2 (Green)	4 (Green)	6 (Green)	8 (Amber)	10 (Amber)
	1	1 (Green)	2 (Green)	3 (Green)	4 (Green)	5 (Green)
			1	2	3	4
		Likelihood				

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 11th DECEMBER 2018 AGENDA ITEM 7	
RESPONSE TO GATWICK AIRPORT DRAFT MASTERPLAN CONSULTATION	
Report of:	Georgina Brightwell – Project Specialist - 01883 732709 gbrightwell@tandridge.gov.uk
Purpose of Report:	This report outlines the growth scenarios presented in Gatwick Airport's draft Masterplan and provides a proposed response to the ongoing consultation.
Publication status:	Unrestricted
Recommendations:	That the Committee agrees to submit the proposed response to the Gatwick Airport consultation attached at Appendix 'A' .
Appendices:	Appendix 'A' - Tandridge District Council's response to Gatwick Airport's draft Masterplan consultation (page 28)
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Gatwick Airport, the busiest single-runway airport in the world and the UK's second busiest airport, is located just a few miles across the south-western border of Tandridge district in the neighbouring borough of Crawley. In 2017/18, the airport handled 45.7 million passengers and saw 280,790 air transport movements. Gatwick Airport Ltd (GAL) has recently published a draft Masterplan (2018) which sets out proposals for the airport's ongoing development and growth over the next 15 years. In it, it "explains their latest thinking on how the airport can meet the increasing demand for air travel and provide Britain with enhanced global connectivity beyond 2030".
- 1.2 The draft Masterplan is out for public consultation until 5pm on 10 January 2019, and all stakeholders, including local authorities, businesses and residents, are encouraged to get involved. This report presents a high-level overview of the Masterplan and the proposed consultation response from the Council (attached at **Appendix 'A'** – page 28).

2. What is presented in the Masterplan?

- 2.1 The draft Masterplan is a direct response to the Government's recent policy statement on the future of UK aviation, '*making best use of their existing runways*'. Published in June 2018, this policy statement confirms that the Government has a clear issue to address regarding capacity at airports in the South East and is "supportive of airports beyond Heathrow making best use of their existing runways". This also follows the Government's decision to back a third runway at Heathrow airport, and not support a second runway at Gatwick.

- 2.2 The draft Masterplan sets out three growth scenarios for the airport's long-term future as demand for air travel continues to increase. These scenarios are not exclusive and may be used in combination. They are:
1. One where it remains a single runway operation using the existing main runway;
 2. One where the existing standby runway is routinely used together with the main runway;
 3. One where it continues to safeguard for an additional runway to the south.

Scenario 1:

- 2.3 Under Scenario 1 the airport would continue to operate with a single runway and two terminals, but passenger numbers could increase up to 61 million passengers per annum (mppa) (+33%), flight movements could increase up to 315,000 per annum (+12%), and cargo tonnage could double by 2032. This increase would be possible through new air traffic management technologies and processes allowing additional peak hour runway capacity to be released. In addition, airlines continue to introduce larger planes to their fleet, increasing the average number of passengers per flight.
- 2.4 GAL anticipate that minimal changes to the airport would be required to implement this scenario, but that additional car parking would be provided. GAL suggest that the transport modelling undertaken for this scenario anticipates that the planned and ongoing highway works (M23 Smart Motorway and North/South Terminal roundabout improvements) would be sufficient to accommodate any forecast increase in passenger / vehicular movements.

Scenario 2:

- 2.5 Under Scenario 2, the airport would use the existing standby runway simultaneously with the main runway, although for departing smaller aircraft only. The existing standby runway is currently only used in emergencies and when the main runway is temporarily closed. One of the conditions of the planning permission for this runway (granted in 1979) was that it could not be used simultaneously with the main runway. The simultaneous use of both runways is also ruled out in a Section 52 Agreement with West Sussex County Council – however, this agreement expires in 2019.
- 2.6 Through this scenario there would be no change to arrival flight paths, but some departing flights would take-off slightly further (approximately 200m) north. For eastbound departing flights, this may have a negative impact on communities in Smallfield, Burstow and Lingfield. GAL's preliminary results from initial analysis highlight that with advances in technology, noise from aircraft under this scenario would be broadly similar to today's levels. However, a northward shift in noise contours and an increase in frequency of flights over those most directly impacted may negate such advances.
- 2.7 Scenario 2 may see passenger numbers increase by over 50% to nearly 70mppa, flight numbers to increase by nearly 100,000 (33%) and cargo tonnage to triple by 2032/33¹.
- 2.8 GAL concedes that the technical studies required to implement or progress this scenario have not been completed, and that much of the information presented is preliminary analysis (in relation to the potential improvements to noise pollution for example). As such it is difficult for the Council to take a view at this time as to the potential impact on Tandridge's residents and businesses, until such time as detailed highways, environmental and economic analyses are complete.

¹ These figures are exclusive to this scenario. Should Scenario 1 and 2 be progressed in combination, approximate passenger numbers in 2032 could be as high as 85mppa (+86%) and flight numbers as high as 430,000 per annum (+53%).

- 2.9 Following this consultation, should a decision be taken by GAL to progress Scenario 2 it would be subject to a Development Consent Order process. It is anticipated that, with the governments support for such a scenario outlined in their “*making best use of existing runways*” policy statement, GAL will proceed with (at least) Scenario 2. A DCO process is prescribed under the Planning Act 2008 and has regard to Nationally Significant Infrastructure Projects (NSIPs). Participation by neighbouring authorities is not obligatory but is strongly advised. The process would likely take up to five years to complete, with the standby runway to be operational by the mid-2020s.

Scenario 3:

- 2.10 The Department for Transport’s forecasts show that even with a third runway at Heathrow, UK airport capacity constraints will be apparent by 2030. Safeguarding land for a second fully-operational runway is deemed to be in the national interest by GAL to help meet longer-term air transport capacity needs. If or when policy support from Government materialises for a second runway, they would be ready to take forward the proposal which could double the airport’s capacity within 20 years once construction is complete.
- 2.11 This scenario only advocates for the safeguarding of the land required for a second fully-operational runway. GAL recognise that should it eventually come to fruition, significant negative impacts would be generated and therefore pledge £46.5m in funding to local authorities to deliver essential infrastructure – whether Tandridge would benefit from this figure is unknown.
- 2.12 The Council will continue to monitor government policy statements regarding aviation.

3 The Council’s proposed response

- 3.1 The Council acknowledges that different stakeholders in the community hold differing views to the potential expansion of Gatwick under any scenario. For example, it is widely agreed that the airport brings significant positive impacts to local businesses and residents who are directly or indirectly employed through the airport’s operations. However, many residents live under or in proximity to flight paths and suffer from aircraft noise, and there are concerns regarding air quality. The proximity of the airport means that our local and strategic roads are used by passengers and other vehicles associated with Gatwick’s operations; as well as issues relating to the Council’s ongoing enforcement action against parking for Gatwick users.
- 3.2 With limited information or evidence presented in the draft Masterplan as to the potential positive and negative impacts on the environment, economy, highways and residents of Tandridge under any scenario, it is difficult for the Council to take a position on the options presented in the draft Masterplan. The Council anticipates that GAL will progress Scenario 1 as a ‘business as usual’ growth option, as well as Scenario 2 and will await such a time as detailed evidence be made available for examination during the Development Consent Order process. It remains unknown which scenario(s) will be progressed and when.
- 3.3 The Council’s proposed response is attached at **Appendix ‘A’**. The proposed response includes a request that during any future consultations, consideration of more local drop-in sessions is made to enable local residents to view the proposals and have their say.

4 Financial / Risk Implications

- 4.1 There are no financial implications of submitting a response to the Gatwick Airport draft Masterplan consultation.
- 4.2 As outlined above, should growth scenario 2 be progressed the Council would need to be involved in the Development Consent Order process, during which it is possible that considerable officer resource will be required.

5 Legal Implications

- 5.1 There are no legal implications of submitting a response to the Gatwick Airport draft Masterplan consultation.

6. Equality Impacts

- 6.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable

7. Data Protection Impacts

Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

8. Conclusion

- 8.1 Gatwick Airport Limited (GAL) has presented a draft Masterplan which sets out their "thinking on how the airport can meet the increasing demand for air travel and provide Britain with enhanced global connectivity beyond 2030". The Masterplan is being consulted on for a 12-week period, from 18 October 2018 to 10 January 2019. The Council's draft response is set out at **Appendix 'A'**.

----- end of report -----

APPENDIX 'A'
to Agenda Item 7

APPENDIX 'A'
to Agenda Item 7

Dear Sir / Madam,

RE: Tandridge District Council's response to the Gatwick Airport draft Masterplan consultation

Thank you for consulting Tandridge District Council on the Gatwick Airport draft Masterplan. We welcome Gatwick Airport Limited (GAL) sharing your early thinking regarding the future of the airport's operations with interested stakeholders.

Tandridge District is located in farthest east Surrey and borders Kent to the east, Croydon and Bromley to the north, and West Sussex to the south. Gatwick Airport, the busiest single-runway airport in the world and the UK's second busiest airport, is located just a few miles across the south-western border of Tandridge district in the neighbouring borough of Crawley. Strategic routes including the M23, M25, A22 and A25 flow through the district, which is home to approximately 87,000 residents residing in towns and villages including Caterham, Oxted, Lingfield and Smallfield.

The Masterplan

The draft Masterplan is a direct response to the Government's recent policy statement on the future of UK aviation, 'making best use of their existing runways'. Published in June 2018, this policy statement confirms that the Government has a clear issue to address regarding capacity at airports in the South East and is "supportive of airports beyond Heathrow making best use of their existing runways". This also follows the Government's decision to back a third runway at Heathrow airport, and not to support a second runway at Gatwick.

The draft Masterplan outlines three growth scenarios. It is confirmed that these growth scenarios are not exclusive, and that they could be used in combination at any time during the Masterplan's 15-year period. These scenarios are:

1. One where it remains a single runway operation using the existing main runway;
2. One where the existing standby runway is routinely used together with the main runway;
3. One where it continues to safeguard for an additional runway to the south.

Scenario 1

Under Scenario 1, the airport would continue to operate with a single runway and two terminals. New air traffic management technologies and processes would make it possible for passenger numbers and aircraft movements to increase significantly. Limited work would be required to reconfigure the airport for this scenario, yet there would be a need to increase on-site parking.

The Council acknowledges that with advances in technology, the number of passengers and aircraft movements will increase at Gatwick Airport over the period of the Masterplan. Nevertheless any increase in noise would be intolerable to residents currently under or in proximity to the existing flightpaths and the Council will seek absolute assurances about the draft Masterplan's assertion that Gatwick's noise footprint will continue to reduce, despite the increase in aircraft movements. We would also not support any increase in night flights.

The Council would welcome sight of any detailed assessments undertaken with regards to the highways, economic, environmental and social impacts of this scenario.

Scenario 2

Under Scenario 2, the airport would use the existing standby runway simultaneously with the main runway, although for departing smaller aircraft only. The existing standby runway is currently only used in emergencies and when the main runway is temporarily closed. One of the conditions of the planning permission for this runway (granted in 1979) was that it could not be used simultaneously with the main runway. The simultaneous use of both runways is also ruled out in a Section 52 Agreement with West Sussex County Council – however, this agreement expires in 2019.

Through this scenario there would be no change to arrival flight paths, but some departing flights would take-off slightly further (approximately 200m) north. For eastbound departing flights, this may have a negative impact on communities in Smallfield, Burstow and Lingfield. Preliminary results from initial analysis by Gatwick highlight that with advances in technology, noise from aircraft under this scenario would be broadly similar to today's levels. However, the Council is concerned that a northward shift in noise contours and an increase in frequency of flights over those most directly impacted may negate such advances.

The Masterplan concedes that the technical studies required to implement or progress this scenario have not been completed, and that much of the information presented is preliminary analysis (in relation to the potential improvements to noise pollution for example). As such it is difficult for the Council to take a view as to the potential impact on Tandridge's residents and businesses, until such time as detailed highways, environmental and economic analyses are complete.

Should a decision be taken to progress this scenario, it would be subject to a Development Consent Order process. At that time, a more complete understanding of the implications of this scenario would be available, and the Council would be keen to engage with Gatwick to ensure benefits are maximised for the communities in Tandridge and the wider region and that any negative impacts are minimised or eliminated altogether.

Scenario 3

With regard to Scenario 3, the Council acknowledges central government's decision to back a third runway at Heathrow Airport and not support a second at Gatwick. We will continue to monitor government policy statements with regard to aviation and the potential for a second runway at Gatwick.

Concluding Remarks

The Council remains clear that until such a time as detailed evidence is available with regards to the potential positive or negative economic, environmental, highways and social impacts of any scenario, it cannot take a view on any of the questions prescribed through this consultation.

We would request that during any future public consultations, consideration of more local drop-in sessions is made to enable those residents most directly impacted or concerned with the operations of the Airport, and those with limited means to travel to destinations such as Brighton and Croydon, have an opportunity to attend and view the material in person.

The Council looks forward to working closely together with Gatwick Airport in the future for the long-term benefit of all residents and businesses in Tandridge District.

Kind regards,

Louise Round
Chief Executive

REPORT TO THE STRATEGY & RESOURCES COMMITTEE - 11 DECEMBER 2018 AGENDA ITEM 8	
RESPONSE TO SURREY COUNTY COUNCIL'S FINANCIAL STRATEGY & TRANSFORMATION PROGRAMME CONSULTATION	
Report of:	Louise Round – Chief Executive Officer – 01883 732999 lround@tandridge.gov.uk Nikki Tagg – Project Specialist - 01883 732918 ntagg@tandridge.gov.uk
Purpose of Report:	To update the Committee on Surrey County Council's Financial Strategy & Transformation Programme consultation. To seek agreement from the Committee for Tandridge District Council's proposed response to the consultation.
Publication status:	Unrestricted
Recommendations:	That the Committee: A. notes the content of the Transformation programme consultation issued by Surrey County Council; and B. agrees the proposed response attached as Appendix 'A' (page 38)
Appendices:	Appendix A – Tandridge District Council's response to the Transformation programme consultation
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

1.1 On 30th October, Surrey County Council launched a series of consultations based on their proposed Financial Strategy and Transformation Programme. The aim of the Programme is to secure the Council's financial sustainability and reform the function, form and focus of the organisation.

1.2 The Programme specifically focuses on the following five key areas:

- Family Resilience: Children's Centres
- Concessionary bus travel
- Special Educational Needs and Disabilities (SEND)
- Libraries and Cultural Services
- Community Recycling Centres

- 1.3 This committee paper outlines the proposed changes in greater detail and Tandridge District Council's proposed response.
2. Family resilience: Phase One Children Centres
- 2.1 Part one of the consultation is looking at strategies to enable families, children and young people to stay together by helping them when needed and enabling them to be resilient. The first phase relates to Children's Centres with phase two of the consultation in 2019 looking at youth work and youth centres.
- 2.2 Currently there are 58 children's centres across Surrey, predominantly supporting families with children 0-5 years of age. Surrey CC is proposing to remodel the services provided by these children's centres to be part of a wider family resilience model to ensure that families' difficulties can be identified and managed as soon as they emerge.
- 2.3 To enable this, the county council proposes that children's centres will increase the level of targeted support for vulnerable children and offer services to the whole family, particularly where families have children between 0-11 years.
- 2.4 It is proposed that in future, centres will be able to work more closely with other agencies and voluntary organisations and bring together other services including health visiting, midwifery, citizen's advice and support with housing and employment. This could either be through a local children's centre or through the satellite and outreach approaches.
- 2.5 To enable as much resource as possible to be focus on families most at need, the County Council is proposing to concentrate their children's centres in areas where there are higher numbers of children living in workless or low-income households. The services provided by each centre will include providing outreach support for vulnerable families who may not live near a centre. This will reduce the number of centres to 21 with at least one main centre within each district or borough. In addition, there will be smaller satellite centres which will offer fewer, less frequent, services. Surrey CC are also planning to withdraw their two mobile children's centres.
- 2.6 Tandridge has been highlighted by Surrey as a district where there are very few young people living in workless or low-income households. Surrey proposes to reduce the number of Children's Centres from its current four locations to one in the highest area of need which is deemed Caterham. In addition, some services will continue to be provided for families in Godstone using existing community venues.
- 2.7 Surrey CC are suggesting that the three other centres in Hurst Green, St Piers, Lingfield and Hamsey Green will close, although the centres may be available for other services to be offered for local families.
3. Concessionary Bus Travel Funding Consultation
- 3.1 Central Government provides county councils with a level of funding so that qualifying older and disabled people can travel for free on buses after 9:30am and before 11pm during the week and all day at weekends and on public holidays. This is known as the English National Concessionary Travel Scheme (ENCTS).

3.2 Surrey CC currently provides just under £400,000 of extra funding so that people with a disabled person's bus pass can travel free at any time. Surrey CC also provides a companion's allowance so that any qualifying older or disabled bus pass holders who may need assistance can take someone with them who can travel for free as well. Many other county councils do not provide this additional funding although it is still provided in Kent and East Sussex amongst others.

3.3 As part of the consultation, Surrey CC are proposing to reduce the extra funding in line with some other Councils. Disabled pass holders would therefore need to pay if they wanted to travel outside the hours listed above and free travel for companions would be withdrawn.

4. Special Educational Needs and Disabilities

4.1 Surrey CC is looking to establish how support for children with special and educational needs and disabilities (SEND) can be strengthened at a time when the amount of funding available is not keeping pace with the growing levels of need, such as autism. Surrey CC are consulting on a strategy to shift resources towards early identification of children's and young people's needs, and providing more early support closer to home and wherever possible in mainstream schools and settings.

4.2 The aim of this strategy is that fewer children will need to have statutory Education, Health and Care Plans (EHCPs) to get the support they need and with the right services in place locally, they will not have to travel further distances to access services or go to high-cost placements in independent schools and institutions.

4.3 For context, in Surrey maintained schools there are approximately 200,000 pupils in total. Of these children and young people there are around 23,000 receiving special educational needs (SEN) support. Surrey maintains EHCPs for 8,600 pupils of which 39% are placed in a special school.

4.4 Many special schools maintained by Surrey County Council are at maximum capacity and so around 14% of all special school placements are in Non-Maintained and Independent Special schools to make up for the lack of provision. 38% of these placements were outside the County, with 20% being in areas that do not border Surrey. In 2017/18, Surrey spent over £26 million transporting and escorting children and young people with SEND to school.

4.5 Surrey CC's proposed strategy is based on the following five principles:

- Children with special educational needs are identified earlier
- There is an increased focus on earlier intervention and prevention
- Children and young people are helped to become resilient and independent
- The voices of children, young people and their families are heard
- Surrey's early years settings, schools, colleges and other providers are able to support children to live, learn and grow up locally

5. Libraries and Cultural Services

5.1 Surrey CC spends much more than other similar Councils in this area, whilst the use of the services (in particular libraries and archive services) has gone down. One-third of Surrey residents have visited a library within the past 12 months and in the last year, over 21,000 adults enrolled onto learning courses.

- 5.2 In addition, the Surrey arts service engaged with 18,000 children and young people in weekly music education classes and the archives service had 5.6 million on line visits. The latest library statistics show that Surrey libraries cost £14.00 per head of population compared with the national average of £9.89.
- 5.3 Whilst not proposing any specific changes to the current level of services at this moment, Surrey CC are looking at ways to change the service so that it fits better with the 21st century life and is financially sustainable in the longer-term. Surrey are requesting input and ideas into shaping the future based on the following concepts:
- 1) Libraries and cultural services provide and enable opportunities for everyone to learn, access information, acquire new skills, improve literacy and be involved in their communities.
 - 2) There is a focus on the wellbeing and strengthening of communities, particularly the most vulnerable, to enable them to be resilient.
 - 3) Libraries and cultural services are most effective and efficient when they work in partnership with the public, voluntary, community and private sectors, including through the creation of shared spaces.
 - 4) New technologies, including digital, enable libraries and cultural services to reach new audiences, and existing audiences in new ways, and offer 24/7 access.
 - 5) Volunteers are crucial community advocates and assets in libraries and cultural services, who also gain valuable skills and relationships through the work they do.
- 5.4 The proposals will look at building on local, national and international innovation and it is unlikely that there will be a Surrey-wide solution. The proposals will include using digital and mobile approaches to bring services to residents. They will also take into account accessibility and local transportation, along with the needs of those with vulnerabilities or special needs.
- 5.5 Tandridge has five libraries within the district in Caterham Valley, Caterham Hill, Lingfield, Oxted and Warlingham. Two of the libraries, in Warlingham and Lingfield, are Community Partnered Libraries (CPLs). The Library in Caterham on the Hill is a stand-alone building protected by a covenant in the green belt, so has no other useable purpose. The Parish Council will offer to take on its running as soon as is practicable, and has made budgetary provision to do so.
6. Surrey's Community Recycling Centres
- 6.1 As part of their consultation, Surrey CC are proposing to make changes to their Community Recycling Centres. In determining the recommendations, an analysis was carried out looking at the specific location of each CRC and proximity to other CRCs, proximity to densely populated areas, the running costs and the ability to cope with additional waste.

- 6.2 Following the analysis, Surrey CC is proposing the following changes:
- A. Permanently closing a number of smaller CRCs, whilst increasing the opening hours at certain other CRCs. The sites under consideration for closure are Bagshot, Cranleigh, Dorking, Farnham, Lyne (Chertsey) and Warlingham.
 - B. Introducing a charge to dispose of construction wood and roofing felt
 - C. Increasing the cost of disposing of items SCC already charge for
 - D. Charging an annual application fee for van, pickup and trailer permits

Proposal A. Permanently closing CRCs

- 6.3 With regard to closing a number of smaller CRCs, the County Council is looking at three different options. All proposed options include the closure of the Warlingham CRC which is currently open Thursdays and Fridays 8am to 4pm and Saturdays 9 am to 4pm.
- 6.4 *Option 1:* The first option proposed would be to permanently close the four smaller CRC sites, including the site at Warlingham. A commitment would be made to increase the number of opening days at three sites including Caterham from six to seven days a week.
- 6.5 *Option 2:* The second option proposed is to close six smaller sites in the County, including Warlingham. Some of the savings would be invested into opening all the nine remaining sites for seven days a week. In addition, investment would be made into the number of staff / facilities and technology at these nine centres.
- 6.6 *Option 3:* The third option proposed it to close six CRCs, including Warlingham, and reduce the service at the remaining nine CRCs to five days a week during the winter period, excluding weekends. Some of the savings would be invested into improving accessibility and services for residents at these nine sites. The remaining nine sites would reopen seven days a week during the summer period and extend opening hours past 4 pm in the evening.

Proposals B/C. Charging for construction waste

- 6.7 Charges for construction waste were introduced by Surrey CC in September 2016. As part of the consultation it is proposed to increase their current charge by £1 to £5 to dispose of single items such as concrete fence posts, ceramic baths and paving slabs.
- 6.8 It is also proposed to introduce a charge of between £3 - £5 to dispose of single items or bags of construction wood waste such as fencing panels and fitted kitchen units. All charges are indicative and have not been finalised. Surrey CC have stated that if these proposed changes are not introduced the CRCs may not be able to continue to accept construction waste.

Proposal D. Van, pickup and trailer permit scheme

6.9 Members of the van, pickup and trailer permit scheme run by Surrey County Council can currently take household waste to certain CRCs free of charge. The permit allows up to 12 visits in one calendar year and is automatically renewed. Surrey CC are proposing to introduce an annual charge of between £5 and £10 (indicative cost) to recover the cost of administering the scheme.

7. Financial / Risk Implications

7.1 Depending on what the outcome of the consultation is, the Council may consider whether it has can deploy resources to mitigate the impact of the proposed changes on its residents. At this stage it is too early to predict what this may entail.

8. Legal Implications

8.1 There are no specific legal implications for the Council.

9. Equality Impacts

9.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer	
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	Yes	Some of the proposals by Surrey County Council have the potential to disadvantage certain groups in the community.
What steps can be taken to mitigate any potential negative impact referred to above?	To ensure that Tandridge District Council's response to the consultation expresses concern for any such situations.	

10. Data Protection Impacts

Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	N/a

9. Conclusion

This document outlines Surrey County Council's Transformation Programme. Tandridge District Council's proposed response to the consultation is included within **Appendix 'A'** (page 38). In all cases, TDC needs reassurance from Surrey CC that alternative provision will be made available before a service or facility is lost.

----- end of report -----

Financial Strategy & Transformation Programme Consultation Response

Many thanks for the opportunity to comment on Surrey County Council's Transformation Programme.

We fully appreciate the financial challenges facing the County and acknowledge that difficult decisions must be made to secure the Council's sustainability. Whilst we agree in principle with the need to make a number of the changes proposed, we cannot support any changes until appropriate alternative solutions are offered.

Specifically, we would like to make the following comments and recommendations:

Family Resilience: Children's Centres

Tandridge District Council (TDC) agrees with the proposal to support families to become more resilient and that earlier intervention is vital. The Council is mindful, however, that by removing the universal offer from the Children's Centres some families may not be identified at an early stage and that it will be harder for those seeking support themselves.

The Council is very concerned with proposal to reduce the number of Centres within the Tandridge district from 4 to 1. Many families will find in very difficult, if not impossible, to access the single remaining centre in Caterham. One of the hidden benefits of children's centres as currently configured is that the premises themselves offer a refuge- from post-natal depression, domestic violence and family conflict. We believe an outreach service could never achieve this and given the rural nature of our district makes outreach itself costly.

It would appear that no assessment of any kind has been undertaken on the effectiveness of the Children's Centres in the district or the real benefit they bring. The closure of the mobile centre run from Lingfield, which links to traveller families, could leave them without health visitor input which is of significant concern. The programme mentions some services continuing to be provided for families in Godstone using existing venues and we would request additional information.

Should the number of Centres be reduced to the proposed level we urge the Council to reconsider the proposal to stop using the mobile units. Although it is accepted that they are an expensive resource they would enable SCC to provide an element of equality of access to service for the more (but not most) deprived areas on a regular basis.

The Council would also like clarification on what SCC anticipates would be provided from the other current Children Centre sites, which are generally coupled with, or located at schools? Will there be any available SCC resource to ensure that the sites remain viable venues for children's services or would the future of the site be solely determined by the landlords?

TDC agrees with the concept of having many services co-located however the Council is aware that the services listed may not be able to deploy staff to the Centres and are unlikely to have the resources to cover any additional venue costs. We would seek assurances that where those services are able to work from the Centre they would be accommodated at no cost.

The Council agrees with the expansion of the age range for the support and suggests that it be extended further to include support for families expecting a child. The Council believes the proposal will impact on the other services currently provided in the area including the Family Support Programme and the 0 -19 Service (which includes health visiting and school nursing) provided by First Community Health Care. There would need to be very close working between the teams and there must be clear criteria for support via the different teams.

The Council is aware that the SCC is considering asking for contributions to the cost of the services within the Children's Centres. The Council would suggest that if there are no universal services on offer and the support provided is targeted at families most in need, charges should not be made. However, if there are universal services provided within the centre open to all families then, provided those who need the services but cannot pay are protected, the Council would not disagree with the proposal.

Finally, whilst the Council is fully supportive of promoting volunteering through the Centres, we would seek assurances that no substantive posts be replaced by voluntary ones.

Concessionary bus travel

TDC express concern that by removing the companion's allowance, the most vulnerable people within our district may become isolated and unable to reach services they need. We are particularly concerned about the effect removing the companion's allowance will have on carers.

If the cuts are to be introduced, Tandridge District would want a guarantee that the most vulnerable individuals are provided with alternative transport options and assistance through the Community Transport programme.

Special Educational Needs and Disabilities (SEND)

The Council is fully supportive of early identification of children with Special Educational Needs and Disabilities and agrees SEND children should be educated in a place which best meets their needs as close to home as possible. It is important that children and families get the help and support they need in a timely manner and that they are kept fully informed of decisions and any changes to services that affect them.

The Council accepts that the cost of SEND families is very high and that there are a significant number of children accessing education at high cost to SCC. Although the Council wishes to see the increased number of placements within mainstream schools, the needs of the individual children are of the highest importance and must continue to be the priority not the location or cost of the education.

The Council support early identification of issues and action to prevent escalation of issues and reduction in the cost of intervention. The Council is supportive of the graduated pathway ensuring that support is available when and where it is needed. Emotional / mental health support for young people is inadequate in Surrey and the behaviour and emotional wellbeing pathway and the joint commissioning approach for CAHMS proposed is very much welcomed.

The Council supports the improvement of SEND provision within mainstream schools and would welcome any proposed additional funding but is concerned about the proposal to transfer 0.5% of budget from mainstream to SEND provision which could have a significant impact on the overwhelming financial pressures already faced by our local schools.

Support for post 16 and post 19 educational and training opportunities is welcomed as is the focus on reduction of exclusions.

Partnership working, training and support for all organisations supporting children with SEND would be welcomed to ensure that children in Surrey have the best opportunities to succeed.

Libraries and Cultural Services

Access to information and knowledge is very important for our residents, as is learning new skills. TDC accepts that the way residents are accessing these services is changing and physical buildings may not be the only solution in the future. However, we believe they should be part of the solution and would encourage Surrey CC to look at co-locating other services within the library locations to make them more cost effective, rather than losing them entirely.

It should be noted that the libraries in Caterham Hill and Caterham Valley are also currently being reviewed as part of the Caterham Masterplan and the North Tandridge One Public Estate programmes. The Library in Caterham on the Hill is a stand-alone building protected by a covenant in the green belt, so has no other useable purpose. We would strongly encourage Surrey CC to speak with local Parish Councils to understand how local libraries are utilised.

Community Recycling Centres

TDC would not support the closure of the CRC at Warlingham under any circumstances until an adequate alternative provision is provided. We would question whether the current CRC site at Caterham has the necessary infrastructure to cope with any additional demand. It should be noted that as part of the North Tandridge Public Estate programme of work, Tandridge District Council and Surrey CC are working together to look at options for a new CRC hub in Tandridge.

TDC would also strongly object to any additional or increased charges which could discourage people from using the Recycling Centres. We strongly feel that this could lead to an increased level of fly-tipping which is already a problem within the district. Whilst we understand the need to maximise income, the cost of clearing any fly-tipping could negate any benefit.

I am sure that we share the same aspiration to best serve our residents and I hope that we will be able to work together constructively on the Transformation Programme.

Kind regards,

Louise Round
Chief Executive

REPORT TO THE STRATEGY & RESOURCES COMMITTEE - 11 DECEMBER 2018 - AGENDA ITEM 9	
OXTED BUSINESS IMPROVEMENT DISTRICT – UPDATE ON PROGRESS	
Report of:	Louise Round – Chief Executive 01883 732999 – lround@tandridge.gov.uk
Purpose of Report:	To update Committee on the current position regarding the Oxted Business Improvement District.
Publication status:	Unrestricted
Recommendations:	To note progress by the board of the LoveOxted Business Improvement District and to ask for a further report be brought to the Committee on 5 th February 2019 updating the Committee on the number of new directors appointed to the Board, with a view to the Chief Executive standing down if appropriate.
Appendices:	None
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Business Improvement Districts (BIDs) are a means whereby businesses come together and decide which improvements they wish to be made within a defined area; how the initiatives will be implemented and what they will cost. BIDs are financed and controlled by the businesses within the selected area. They last for a maximum of five years and must be able to demonstrate how they benefit the businesses that have funded them.
- 1.2 The Oxted BID (Love Oxted) was established in 2015 following a ballot involving non-domestic ratepayers in the area. As a non-domestic rate payer in the defined BID area, the Council voted in support of the establishment of the BID. This was in accordance with the Council's priority to work with local businesses to promote economic growth and employment. The ballot resulted in an 85% vote in favour of the establishment a BID, one the highest results in the country.
- 1.3 This Committee received a report at its meeting on 26 July 2018 setting out some of the difficulties then being faced by LoveOxted as a result of several directors, including the chair of the Board having resigned, along with the BID Manager who stood down in May. Members agreed to appoint the Chief Executive to the board for a temporary, albeit unspecified period, and asked that she report back to a later meeting on her findings.

2. Progress since July 2018

Appointment of Directors

- 2.1 Since the appointment of the Chief Executive to the board, there have been a number of developments. There have been several board meetings and at the meeting in October, the acting Chair stood down and the Chief Executive was elected to the chair. The Board currently comprises the Chief Executive and two other directors representing retail businesses in Station Roads East and West respectively.
- 2.2 The Company's memorandum and articles of association have been refreshed more accurately to reflect the nature of the LoveOxted business and the procedure for recruiting directors to the board has been completely re-written. It is now more transparent and although the existing board members carry out an initial interview process to ensure interested candidates meet the criteria to stand, the actual decision on appointment will rest with the levy payers who will vote on the issue at their annual general meeting, currently planned for 29 January. Existing directors will stand down at that AGM, although they are entitled to stand for re-election at that point.
- 2.3 These changes were publicised in a recent newsletter and on the LoveOxted website and directors' packs have been sent personally to those individuals who had previously approached the board asking to be considered for the position of director. The closing date for expressions of interest was 30 November six applications were received. Interviews are taking place in the first week in January.

Finance

- 2.4 The Board has also agreed to publish the minutes of its meetings and additional financial information on its website, again, to promote transparency and to allow the levy payers who fund the activity access to information about how the board is governing LoveOxted.
- 2.5 As the former acting Chair was also the director charged with overseeing the finances of the Board, it has been necessary for the Council to step in to provide temporary accountancy support for the Board. This will be reviewed when the new board is in place to ascertain whether another director should take over this responsibility in due course.

BID Manager

- 2.5 The post of BID manager was re-advertised and the Board appointed Tracey Shrimpton, an experienced BID manager who is currently also supporting the business improvement district in Fleet, Hampshire. Fortunately, Tracey was able to start relatively quickly and has already begun to meet local businesses.

Christmas Planning

- 2.6 Because there had been something of a hiatus between the resignation of the previous BID manager and the recruitment of her replacement, planning for the Christmas event had got off to a slightly late start. A small working group of local businesses was set up, coordinated by a member of staff from the Council, Chris Hobbs, and in the end, a Christmas late night shopping event took place on 15 November. It was a huge success and has generated positive feedback from residents and businesses. A significant number of council employees also volunteered as stewards to ensure the event ran smoothly and safely. The new BID manager is now working on a calendar of events for the forthcoming year.

3. Next Steps

- 3.1 As stated above, the recruitment of new directors to the Board is underway and it seems likely that a substantial number of new directors will be standing for election at the AGM on 29 January. The maximum number of directors is 10 and it would be good practice for there to be at least 5 to allow the Board to run effectively. If this can be achieved, it would be appropriate for the Chief Executive to step down from the Board as her appointment was always intended to be temporary to introduce some stability in the current circumstances. Although as a levy payer in the defined BID area, the Council is eligible to have a representative appointed to the BID Board, there is no requirement for this. The relationship between the Council and the Board is strong and supportive and this does not depend on the Council having a formal presence on the Board.
- 3.2 Accordingly, it would seem sensible to consider a further report once the outcome of the director recruitment process is known, at which point, if it has been successful, the Committee will be invited to agree that the appointment of the Chief Executive should come to an end.

4. Implications

There are no specific legal or financial implications arising from this report.

----- end of report -----

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 11th DECEMBER 2018 - AGENDA ITEM 10	
ELLICE ROAD CAR PARK, OXTED	
Report of:	<p>Piers Mason – Strategic Director of Place – 01883 732893 pmason@tandridge.gov.uk</p> <p>Brian Thompson – Chief Finance Officer – 01883 732718 bthompson@tandridge.gov.uk</p> <p>Alison Boote - Head of Strategic Asset Management – 01883 732975 aboote@tandridge.gov.uk</p>
Purpose of Report:	To provide Members with a Financial Update on the Ellice Road Car Park Development Project
Publication status:	The main report is unrestricted but Appendix 'A' and Appendix 'B'(Financial Appraisals) are not for publication under Paragraph 3 of Schedule 12A to the Local Government Act 1972
Recommendations:	<p>That the Committee:</p> <p>A) notes the current financial appraisal and expenditure level in connection with the addition of two car parking decks on the Ellice Road car park:</p> <p>B) considers whether to proceed with the decision of the Resources Committee on 19 November 2017 to enter into a contract to build two additional decks on the Ellice Road; and</p> <p>C) agrees in principle to increase the charges for parking permits in the Ellice Road car park to £800 for ordinary permits and £1000 for premium permits as further described in paragraph 5.5 below.</p>
Appendices:	Appendix 'A' and Appendix 'B' (Financial Appraisals) is not for publication under Paragraph 3 of Schedule 12A to the Local Government Act 1972
Background papers defined by the Local Government (Access to Information) Act 1985	<p>Planning Application Ref 2018/350 – Erection of decked car park. Decision 23 April 2018</p> <p>Planning Application Ref 2018/1489 – Erection of decked car park. Decision 15 October 2018</p> <p>Tender Documents – not for publication under Paragraph 3 of Schedule 12A to the Local Government Act 1972.</p>

1. Background

- 1.1 This report updates the Strategy & Resources Committee on the latest position relating to the Ellice Road Car Park development cost and the impact upon the Council's capital and revenue budget position and makes recommendations about the level of charges for parking permits necessary in order to support the proposal of adding two decks to the Ellice Road car park.

- 1.2 The need for additional parking in Oxted as part of the Regeneration Oxted programme has been highlighted as one of the Council's priorities over the last two years. The programme comprises four key projects:
- Project 1 – Gasholder Site Regeneration
 - Project 2 – Station Road East and West Urban Redesign
 - Project 3 – Additional Parking Capacity
 - Project 4 – Business Incubation & Growth Hub
- 1.3 The Regeneration Oxted Report to the Resources Committee of 23 March 2017 recommended that feasibility work was to be carried out on the urban design project for Station Road East and West, options were to be developed for additional parking capacity and charges were to be introduced to Council owned car parks in Oxted town centre to support the delivery of the Regeneration Oxted Programme.
- 1.4 It was recognised in the March 2017 report that the car park development would incur a significant cost and require an income stream to support this. Car Parking charges for shoppers' parking were introduced in November 2017 to support these costs although the cost of parking permits issued to businesses remained static at £546.50 per annum per space, inclusive of VAT.
- 1.5 A further update to Committee in July 2017 contained some initial modelling proposals and reported back on the early feasibility discussions with the planning team and County Council regarding highways issues. Budget Costings were completed at this time by external Quantity Surveyors on the basis of a steel framed basic modular open deck car park. A potential income of £1000 per annum per space was first modelled at this time as a balanced figure between the short stay parking and long stay permits. Financial appraisals were first included in the report's appendix. At that time, the estimate of the cost of construction was £2,531,000 for 280 spaces (2 levels) and £3,791,000 for 380 (3 levels) spaces. These figures excluded any fees and contingencies.
- 1.6 The Resources Committee also agreed at that meeting to dispose of Johnsdale car park to St William Homes LLP to help finance the development of Ellice Road car park. Contracts for that sale were exchanged on 19 December 2017. Permit holders were moved to Ellice Road car park from Johnsdale car park after 24th August 2018. This was to enable initial surveys to be carried out in this area and in accordance with the requirement to give 1 month notice prior to completion as part of the contract for sale. Completion took place on 13th November 2018 for £775,524, which was delayed awaiting the outcome of an application for Judicial Review.
- 1.7 The addition of additional parking at Ellice Road car park was further considered by the Resources Committee on 9 November 2017 where it was resolved to: -
- i) take all necessary steps (including the retention of relevant professional advisers) to submit a detailed Planning Application based upon adding two decks to the existing car parks as illustrated by the preliminary proposals set out in the architect's indicative drawings;
 - (ii) take all necessary steps, (including the appointment of relevant professional advisors) to progress the tendering, programming and project delivery of the construction contract in accordance with the architect's preliminary drawings for a three-level car park;
 - (iii) award the contract for the construction of the additional decks to the contractor who submits the most economically advantageous tender;
 - (iv) take all necessary steps to facilitate the provision of alternative parking arrangements for staff and to make the car park at the back of the Council offices available for public use at the same rates as have been agreed for Ellice Road, including the submission of any planning applications for temporary car park uses

- 1.8 It was agreed that the capital cost of the Ellice Road car park construction work be financed as necessary by borrowing from the Public Works Loan Board and be included in the Council's Capital Programme for 2018/19. An estimated figure of £3.8m was subsequently agreed in the 2018/19 Capital Budget.
- 1.9 A further successful application for Local Enterprise Funding through the Regeneration Oxted Programme has also added £1,034,000.
- 2 Design and planning consent
 - 2.1 Ellice Road car park currently provides 179 car spaces, Johnsdale car park provided 35 spaces previously until remarked in August 2017 to provide 37 permit car parking spaces and Gresham Road 11 spaces for Health Centre use. A total of 225 becoming 227 spaces across Council owned car parks in Oxted.
 - 2.2 The original design concept detailed in the Report to Resources Committee in November 2017 was an open one or two deck steel framed construction with parking below in accordance with the design brief to re provide a significant number of additional spaces in Oxted town centre. The initial design showed 256 spaces over one additional deck and a total of 366 using two raised decks. As these were initial concept designs, appraisals continued to be carried out using 280 for two levels and 380 spaces for 3 levels. The lifespan of the steel framed construction is 30 years and longer with an appropriate programme of maintenance.
 - 2.3 Following public consultation, including public meetings held on 22 December 2017 and 22 January 2018 suggestions from the public were incorporated into the design which altered from the initial concept ideas to include screening of the formerly proposed open upper levels with aluminium then timber fins, a reduction in the number of spaces on the upper floors to draw back from both the Ellice and Station Road East elevations. Extensive landscaping was also proposed. The resulting planning permission granted on 23 April 2018 provided 300 permanent car parking spaces.
 - 2.4 This design proposed a one-way traffic system around Beatrice, Amy and Ellice Road. As part of the consideration on the one-way system and the car park expansion scheme, residents parking was proposed for after the car park was constructed. This will convert 28 car parking spaces (14 long stay and 14 short stay restricted to 2 hours) to resident only.
 - 2.5 The contractor undertaking the tendering and supervision process for the works in April 2018 suggested making amendments to the original design to make it more less obtrusive and internally give it a more of an open feel. The main change was to remove the side ramps, which required party wall agreements and have the impact moved away from number 20 Amy Road. Instead the ramps will be incorporated into the building which will also allow for a larger area of landscaping between the car park and properties on Ellice Road, giving them better screening. The design of the staircase cores was also altered to ensure that the materials used would be fire retardant. The revised design reduced the number of spaces to 297.
 - 2.6 Further discussions were held with local residents regarding the proposed changes and their proposal that the introduction of a one-way system was delayed until the effect of the new car park could be seen was agreed. This change has been agreed by Surrey County Council, the Highway Authority.
 - 2.7 These further revisions to the design were considered by the Planning Committee on 4 October 2018 and that committee's recommendation to grant planning permission for the revised design was agreed by full Council on 11 October 2018.

3. Costs and financial models (including stress test)

- 3.1 The original tendered sum was £3,747,331 plus a figure of £38,576 for anti-bird spikes back in April 2018. This included a number of exclusions which needed to be priced and provisional sums which needed to be firmed up. The price was fixed for a 3-month period. The Council did not enter into the contract within this period pending further extensive design and survey work.
- 3.2 The Council received from the tenderer a revised price of £4,113,497 based on the new design the subject of the revised planning application on the 20 September and to cover the previously excluded costs. The increase in price is as a result of the following:
- (a) A general net increase in costs of £216,104 based on a January/February 2019 start date and a December contract signing date (any delay will increase costs further). This figure is made up of an increase of £307,068 and reductions of £90,964.

The net increase can be broken down as follows:

- Earthworks, piling, headlight screening, windows and doors, and secondary cores + £167,417
- Foundations, steelwork, precast floors and waterproofing: - £90,964
- Drainage including attenuation in relation to flood risk: +£128,400
- Timber external Fins: + £3,411
- Professional fees: + £7,840

- (b) The cost of additional acoustic fencing: +£12,914
- (c) The firming up of landscaping costs: +£47,244
- (d) An additional sum to cover exclusions in the original tender price +£56,544 (this figure includes insurances, a bond and the supply of water and power to the works during the contract)
- (e) Bird spikes reduction in costs: - £5,216

- 3.3 Some sums remain provisional or conditional (as they are reliant on undertaking further survey/design work which will be undertaken during November. These include:

- Drainage / flood attenuation
- Potential Sewer diversion
- Power, foul and drainage connections

- 3.4 A specific contingency to cover the items referred to above of £80,000 and a general contingency of £75,000 to cover the utility connections and other unforeseen have also been allowed for.

- 3.5 Survey work to be undertaken may assist in achieving further savings to the foundation design and there are other value engineering matters still under discussion, which could lead to further savings. The £3.8m included in the capital budget in February 2018 was an estimate, albeit an informed one and in officers' experience, it is not unusual for the actual tender price to vary from the initial estimate.

- 3.6 Appendix A sets out the costs and forecast income of the revised capital scheme including the planning and legal costs, most of which have already been incurred. It shows that after taking into account the receipt from the sale of Johnsdale (including overage of £25,524) and the grant received from the Local Enterprise Partnership and the amount required for the borrowing costs (interest and minimum revenue provision), and subject to the amount this Committee agrees should be charged for business parking permits (paragraph 5 below refers), the revised scheme yields an average return of 1.52% over the first five years and shows an average yield for the 25 year period of 4.48%. The notes below the Table explain the assumptions in the model.

- 3.7 Appendix B sets out similar models to the above, however these have been stress tested to reflect a high and low test variation for permit spaces (i.e. an increase in shopper spaces and a decrease in permit use). The effect of this stress test, demonstrates the variability of the user numbers in the car park/model and the effect on income from permit versus non permit users.
- 3.8 It should be noted that the income forecast includes allowances for inflation on an annual basis on income and expenditure. As can be seen in Appendix A there are some additional costs associated with the parking mitigation proposals (as set out in paragraph 4 below) but because these are one off costs they have not been reflected in the modelling proposals referred to above. The costs will have to be funded from the Council's revenue budget as revenue growth for 2019/20.
- 3.9 It must be remembered that the purpose of providing additional parking spaces is not primarily to generate income, but to encourage footfall in the town by attracting shoppers and also to support local businesses by providing much needed permit parking for their employees. Despite having introduced parking charges in 2017, use of the car park by shoppers has not decreased although some interesting use patterns are emerging as can be seen from the table below. In addition, and to be factored in there are currently 73 people on the waiting list for business permits at the existing cost level.
- 3.10 In terms of the effect on the Council's annual revenue budget, Appendix A shows the current income budget for Ellice Road (permit and non-permit income) is £110,900 per annum. It should be noted in Appendix A that the new car park proposal will generate £25,005 per annum and thus the annual revenue budget will have to be reduced by this amount per annum to ensure a balanced general fund budget.

Table 1 below shows non-permit income based on user data:

Non-Permit Income table	Charge With VAT	Charge Without VAT	91 Spaces/ Users per day	Per day (average) £	Per year (253 days charged) £
0-1 Hour	Free	Free	522	0	0
1.2 Hours	1.50	1.25	76	95	24,035
2-3 hours	3.00	2.50	36	91	23,023
3-4 hours	4.50	3.75	15	56	14,168
Over 4 Hours	6.50	5.42	26	139	35,167
Total (payable)			153	381	96,393
Income per non-permit space					1,059 (Excl.VAT)

Notes:

1.The user data is based upon September and October 2018 ANPR data – the sample is over 43 chargeable days

2.The user data gathered is post the closure of Johnsdale car park on 24 August 2018

3.The total income per non-permit space is based upon 91 spaces being available (i.e. 179 total spaces less 88 permits) – note that if the 91 non permit users increases, then the income per space decreases.

4. Parking Mitigation

- 4.1 The construction of the new decked car park is scheduled for 9 months. If Committee endorses the previous agreement of the Resources Committee to enter into a contract for the works, they will now begin in mid- February and at that point it will be necessary for the car park to be vacated. This will mean that the car park will continue to be in public use during the crucial Christmas period
- 4.2 64 spaces in the council offices will be made available to the public during the construction period and council staff will relocate as detailed below. The spaces occupied by tenants within the Council offices will be unaffected and not made available to the public.
- 4.3 The actual number of staff currently entitled to park in the council offices is 142 and the majority of those people do so because they have been categorised as needing their cars for the better performance of their duties. This means that it is necessary to make some alternative provision for them to park. Accordingly, agreement has been reached with The Grasshopper Inn on the A25 to provide 65 spaces for Council staff at a cost of £3,750 on a park and ride basis. Planning permission for this use was granted on 9 November. A shuttle bus operated by East Surrey Rural Transport will run between the Grasshopper Car Park at regular intervals during the day at a cost of £30,495.83 for the 10 month build period. Usage of this will be under review and expenditure reduced if necessary.
- 4.4 In addition, 10 additional spaces have also been agreed at Oxted Fire Station and 6 at Oxted Interiors for staff use at a cost of £4,000 and £2,000 respectively.
- 4.5 Clearly during construction, there will be removal of some existing town centre public car parking provision. In recognition of there being fewer spaces available for shoppers parking in the Council offices than is currently the case, discussions have taken place with Surrey County Council who have agreed on a temporary basis to relax the current parking restrictions to allow more street parking. Gresham Road and Station Approach will be limited to 2 hours only which will help shoppers and users of the Health Centre. Changes on other roads will relax parking from 8.30 rather than 9. Parking at the Council offices will be for a maximum of 3 hours to ensure parking for shoppers.
- 4.6 So far as existing permit holders are concerned, arrangements have been made with Oxted School to provide an area for parking and planning permission for this use was granted to Oxted School on 9th November. In return for the school's agreement to this, the Council will contribute £16,744 towards a Key Stage 3 playground improvement programme. This will mean a lasting improvement for the school once the temporary use ends. There are also fencing and car parking matting support costs which are to be finalised following the grant of planning application. These are anticipated to be £22,000.
- 4.7 As well as the impact on casual shoppers of the car park being out of commission, there will be some disruption caused by the construction works themselves, especially as the works will coincide with the demolition of the gasholder. Officers will work closely with the LoveOxted BID, and St William to ensure that so far as possible, these works are coordinated so as to minimise impact on businesses and residents. A robust communication plan will be put in place to ensure residents and businesses are kept fully and regularly informed.
- 4.8 The programme has a small time contingency, however it should be noted that there is a risk that any delay could affect the 2019 Christmas trading period. Although there are time contingencies built in to the nine-month schedule and construction is due to be completed by the end of November, should there be any delays or issues which arise from other works in the town this will be a threat to businesses.

5. Parking Income and Charges

- 5.1 As stated above, although charges for casual use were introduced to the Oxted car parks in November 2017, annual permit parking charges have remained unchanged from their 2017/18 rate due to the anticipated car park development works. Permits are charged at £546.50 which includes VAT, recoverable by most businesses. The net income the Council receives per business permit is £455.42 The permits are currently only available to businesses.
- 5.2 The annual permits relate to the equivalent of £10.51 per week (£8.76 exclusive of VAT), £2.10 per day (£1.75 exclusive of VAT). If the businesses had to reimburse their employees for the equivalent costs parking every day in Ellice Road for the maximum charge of £6.50, and assuming a 48-week year, the cost would be £1,560. Looking at it another way, effectively only paying for 1.6 days per week calculated at the casual rate.
- 5.3 These charges are considered to be low not only when compared to the market, but also compared to what the public pay for short stay parking. It would therefore seem to be entirely reasonable to increase the charges for annual permits, which would be offered to businesses in the first instance. It is proposed that there are 145 permit spaces in the car park, compared to 88 permits. Given there are already 73 people on the waiting list, then provided the revised charges do not have a significant impact, without any additional marketing, then 145 spaces should be taken up.
- 5.6 Research previously carried out in 2016 by Systra, as part of their Oxted car parking study published in January 2017, shows that parking permit levels could be higher and recent information from local landlords with private parking permits, shows levels at £850 per annum. As stated above, even at £1000, the permits are considerably cheaper than paying for daily parking and if the take up of additional business permits is lower than anticipated, there is always the option of offering them to private individuals
- 5.7 Car Parking annual permit fees (including VAT) for neighbouring car parks are as follows which tends to demonstrate that if the hybrid charging model is adopted, Ellice Road would still be at the lower end of the range: -

Reigate	Town Centre Council owned car park	£1160
Redhill	Town Centre Council car park	£1160
Sevenoaks	Town Centre Car Park	£859 (Waiting list 200 so closed to applications)
	Station	£1110
Upper Warlingham	Station	£950
Oxted	Station	£1,044 (Unguaranteed Space) Premium Permit (with guaranteed space) – Cost and terms awaited

6.0 Financial Implications and risks

- 6.1 The Financial model shown at Appendix A details the costs, forecast income and return rates for the scheme as outlined in the body of the report.
- 6.2 This approved capital scheme will require external borrowing of £2,342,476 – after allowing for the capital receipt and LEP grant contributions of £775,534 and £1,034,000 respectively. As agreed by Resources Committee on 6 February 2018, borrowing will be the preferred choice of funding for capital schemes which either generate an income for the Council or achieve cost reductions (invest to save).

- 6.3 The borrowing will be facilitated by way of a PWLB loan over 25 years. The interest rate payable is estimated to be at circa 2.6% for this loan and MRP will be payable on an Asset Life Basis rather than the Annuity Basis as the rental income stream for this scheme will have a more consistent spread over lifespan of the asset.
- 6.4 The forecast income streams as shown in Appendix A are based on the option with permit prices at £1000 and £800 (including VAT). The model has factored in inflationary increases on charges and prices which is felt to be a prudent assumption.
- 6.5 As with all income from fees and charges, there is a risk of a fall off or change in demand, however the financial model has been based on an average of user data with the income forecast in relevant proportion to users at the various time limits for charges. A further set of models is shown at Appendix B which stress tests the permit versus non permit income to show the difference between high and low model outcomes.
- 6.6 Any one-off costs identified in the model for disruption will be funded from the revenue budget and offset from income generated from the scheme.
- 6.7 Provision and management of parking in Tandridge cost the Council more than it recovered prior to the introduction of general parking charges in November 2017. Until that point, Tandridge was one of the few local authorities in the country not to cover its costs from income from parking.

7. Legal implications

- 7.1 The delivery of the project will need to be closely managed to ensure delivery of the scheme on time and within budget.
- 7.2 The Council will need to record and monitor the costs through the development to ensure that best value can be shown and the assumptions upon which the decision was based were correct.
- 7.3 Since there is commercially sensitive information in the tender there are grounds for the publication of this document to be restricted.
- 7.4 To date there are no undue legal concerns.

8. Equality Impacts

- 8.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	not applicable

9. Conclusion

- 9.1 Tandridge District Council is committed to supporting its town centres. The need for additional parking in Oxted as part of the Regeneration Oxted programme has been highlighted as one of the Council's priorities over the past two years.
- 9.2 The Resources Committee in November 2017 resolved to grant a contract for an additional two decks to be constructed on the car park. The specification of the design has altered following public consultation to restrict the bulk and impact on surrounding properties. The design changes and the accompanying time delays have impacted costs.
- 9.3 The success of the Regeneration Oxted programme depends on addressing all projects including additional parking. The scheme to improve the parking at Ellice Road remains financially positive due to the financial aid of the Local Enterprise Partnership who share and support this vision.

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