

To: MEMBERS OF THE STRATEGY & RESOURCES COMMITTEE  
Councillors Elias (Chair) M.Cooper ((Vice-Chair),  
Botten, Bourne, Caulcott, D.Cooper, Davies, Duck, Jecks,  
Langton, Lee, Milton, and N.White.

for any enquiries, please contact:  
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01883 722000

Substitute Councillors: Bloore, Lockwood and Orrick.

c.c. All Other Members of the Council.

5<sup>th</sup> June 2019

Dear Sir/Madam,

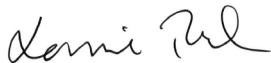
**STRATEGY & RESOURCES COMMITTEE**  
**THURSDAY, 13<sup>TH</sup> JUNE 2019 AT 7.30 P.M.**

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 the officers know by no later than noon on the day of the meeting.

Yours faithfully,



Louise Round  
**Chief Executive**

**AGENDA**

1. **MINUTES OF THE MEETINGS HELD ON THE 21<sup>ST</sup> MARCH 2019** (previously circulated within the Council Book) **AND 21<sup>ST</sup> MAY 2019** (copy enclosed)
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. **REVENUE BUDGETS AND CAPITAL PROGRAMME – PROVISIONAL OUTTURN FOR 2018/19 (page 3 and Appendix 'A' on a separate A3 sheet)**
6. **STRATEGY & RESOURCES COMMITTEE DELIVERY PLAN 2018/19 – END OF YEAR REPORT (page 8 and Appendix 'A')**
7. **UPDATE FOLLOWING ACQUISITION OF QUADRANT HOUSE, CATERAHM (page 23 and Appendix 'A')**
8. **CHILDREN'S CENTRES AND THE FAMILY CENTRE (page 35 and Appendix 'A')**
9. **INFRASTRUCTURE FEASIBILITY FUNDING (page 62)**
10. **ANY OTHER BUSINESS WHICH THE CHAIRMAN IS OF THE OPINION SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY**

<b>REPORT TO THE STRATEGY &amp; RESOURCES COMMITTEE – 13TH JUNE 2019</b> <b>AGENDA ITEM 5</b>	
<b>REVENUE BUDGETS AND CAPITAL PROGRAMME –PROVISIONAL</b> <b>OUTTURN FOR 2018/19</b>	
Report of:	Brian Thompson, Chief Finance Officer (Section 151) - 01883 732718 <a href="mailto:bthompson@tandridge.gov.uk">bthompson@tandridge.gov.uk</a>  Grantley Miles, Deputy Section 151 Officer (Interim) - 01883 732837 <a href="mailto:gmiles@tandridge.gov.uk">gmiles@tandridge.gov.uk</a>
Purpose of Report:	To report to Members upon the provisional outturn position for 2018/19 of the General Fund and HRA revenue accounts and the capital programme.
Publication status:	Unrestricted.
Recommendations:	A. the draft financial position of the Council's outturn for 2018/19 be noted; and  B. it is recommended to Council that the 2019/20 Capital Programme be increased by £66,131,770 to reflect the slippage of capital underspend from the 2018/19 financial year.
Appendices	Appendix A - comparison of General Fund and HRA 2018/19 outturn variations compared with those forecast in the report to this Committee on the 21 <sup>st</sup> March 2019 ( <b>enclosed as a separate A3 sheet</b> ).
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Budget monitoring reports have been presented to Members during the course of 2018-19. This report now discusses the provisional draft outturn position for 2018-19. The draft outturn position and the Council's draft accounts are still subject to external audit and both the accounts and the audit opinion will be presented to this Committee on 25 July 2019.
- 1.2 The external audit for 2018/19 will be the first year that the external audit will be carried out by the Council new auditors, Deloitte LLP. A handover has taken place from the previous external auditor and interim audit work was carried out in April 2019. The main audit of the accounts will take place in June and July and will be completed by the middle of July 2019. It is not anticipated that there will be any major changes to the information as presented in this report in respect of outturn.
- 1.3 This report is designed to give this committee a draft overview of the provisional outturn and the headline position, rather than a detailed analysis of the accounts which will be presented to this committee on 25 July 2019. This report is produced before the S151 Officer actually signs the draft accounts and therefore final numbers may be subject to minor change.

2. General Fund Revenue Account 2018/19

2.1 The revenue outturn position for the General Fund is favourable with a net underspend of £63,820. This compares to the position last reported to the Strategy & Resources Committee on 21<sup>st</sup> March 2019 giving the forecast outturn for the in-year budget monitoring to the end of January, where a year end overspend of £188,000 was predicted.

2.2 The General Fund, Housing Revenue Account and Capital actual outturn figures are compared to the annual estimates are shown in the following table. A summary of the key variances is also shown in the table below, explanations of the key variances are set out in paragraph 2.3 of this report. **Appendix A** (separate A3 sheet) sets out a detailed comparison of General Fund and HRA 2018/19 outturn variations compared with those forecast in the report to this Committee on the 21<sup>st</sup> March 2019.

<b>Committee/Area</b>	<b>Annual Budget</b>	<b>Outturn</b>	<b>Variance (favourable) /adverse</b>	<b>% Variance (favourable) /adverse</b>
<b>REVENUE</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
Resources	2,080,780	1,423,800	(656,980)	(31.5)
Community Services	5,740,000	5,792,620	52,620	0.9
Housing	967,600	960,370	(7,230)	(0.74)
Planning	2,050,720	2,337,430	286,710	13.9
Local Plan	15,000	15,000	0	0
Corporate Expenditure and Reserves	(872,200)	(611,140)	261,060	29.9
<b>General Fund Revenue (Net Total)</b>	<b>9,981,900</b>	<b>9,918,080</b>	<b>(63,820)</b>	<b>-0.64%</b>
<b>Housing Revenue Account (Net Total)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>CAPITAL</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>
General Fund - Capital	75,280,200	9,636,870	(65,643,330)	-87.2
Housing Revenue Account - Capital	10,279,500	9,791,060	(488,440)	-4.75
<b>Capital Programme (GF &amp; HRA)</b>	<b>85,559,700</b>	<b>19,427,930</b>	<b>(66,131,770)</b>	<b>-77.2</b>
<b>Net Total</b>				

2.3 The main items making up the main variances in the General Fund by Committee are:-

Strategy & Resources Committee:

- £600,000 of additional Business Rates income has been received from the Surrey Pilot scheme at year end, as opposed to the £500,000 we expected. The extra £100,000 is thus additional income to the General Fund in 2018/19. It should be noted that £500,000 of the pilot gain will be transferred to reserves as per the approved MTFs agreed at Council on 14 February 2019. Appendix A highlights these movements.
- £118,000 of additional rental income from the acquisition of Linden House, this additional property income was received mid-year, to be noted that £71,200 of this had been expected as reported to this Committee in March.

Community Services Committee:

- No major swings in variances since that reported to this Committee in March.

Housing Committee:

- £71,700 of additional income from grant received from the Homelessness reduction Act, noted that £12,500 had previously been expected at March.

Planning Committee:

- £351,000 overspend arising from staff vacancies within Planning and Enforcements being filled by agency staff. Note that £304,200 of this had already been reported in March.
- £105,000 additional income resulting from the fees for the Church Walk Caterham application. Note that £65,400 of this had been reported at the March Committee.

Corporate Expenditure and Reserves

- Income from treasury management investments exceeded the budget by £116,000 due to interest on Freedom loans and increase in performance of Money Market funds and non-specified investments.
- Income from Business Rates Pilot of £500,000 which has been transferred to reserves – see note under Strategy & Resources Committee above

2.4 Budget managers will review their variations to budget in 2018/19 when the first budget monitoring reports for the current (2019/20) year are produced. Managers will be requested to review the variations and identify, any recurring expenditure patterns which impact on the 2019/20 budget which need to be managed. They will also identify if there are any budget pressures which will need to be considered within the 2020/21 budget process which will commence later this year.

### 3. Housing Revenue Account 2018/19

3.1 The Housing Revenue Account produced a balanced budget which exactly matches the estimate, any surplus against the budget is transferred to reserves and so the overall position on the account at the end of the year will always be zero. The transfer to reserve in 2018/19 will be £1,276,200. This transfer to reserves compares to the position forecast at the end of January and reported to this Committee on 21<sup>nd</sup> March 2019 where a transfer to reserves of £1,412,000 was forecast.

3.2 Major variations for the HRA were as follows:

- £134,000 overspend on temporary staff backfilling and redundancy costs
- £121,000 underspend on interest payable on loans (due to re-financing)
- £1,850,000 underspend on the budget for loan repayment resulting from the decision to refinance.
- £265,000 additional income from council tenants' rental and service charges

3.3 In relation to Right to Buy sales during 2018-19, these amounted to 11 sales compared to an original estimate of 8 sales. This has generated total capital receipts of £1,843,000. Income from Right to Buy sales can be particularly volatile. The last 4 years has seen some volatility in sales with 21 sales in 2015/16, 10 in 2016/17, 8 in 2017/18 and 11 in 2018/19.

### 4. Capital Programme 2018/19

4.1 The annual budget amounted to £85,559,700. The outturn position for capital expenditure shows a total capital spend of £19,427,930 resulting in a net underspend of £66,131,770.

4.2 The General Fund capital programme is underspent by £65,643,330 in comparison with the budget mainly because of :-

4.3

- An underspend on the Investment and Development Fund of £65,374,934 due to less investment property purchases than expected.
- An underspend on Land / Asset Development of £300,000, due to less activity.

4.4 The HRA capital programme is underspent by £488,440 in comparison with the budget of £10,279,500. The major items are:

- An underspend on Modernisation and Improvements of £203,277
- An underspend on Council House Building of £108,697.
- An underspend on Housing Management software of £51,125.

4.5 Of the reported underspend, £66,131,770 is due to slippage i.e. expenditure on individual schemes which, whilst unspent during 2018/19, is still necessary expenditure to complete the schemes. It is therefore requested that the £66,131,770 be carried forward and added to the capital programme budget for 2019/20. The table below shows the slippage requested for each scheme.

Capital Scheme	Slippage £	Reason for Slippage
Strategy & Resources		
Council Offices Major Maintenance	(13,680)	Expenditure made in advance of 2019/20 Budget
Land/Asset Development	300,000	No projects currently identified
Investment and Development Fund	65,374,930	Slippage in respect of Commercial property acquisitions
<b>Resources Total</b>	<b>65,661,250</b>	
Community Services		
Ellice Road Car Park	18,070	Delay / deferred scheme
<b>Community Services Total</b>	<b>18,070</b>	
Housing General Fund		
Disabled Facilities Grants Mandatory	(35,990)	Expenditure made in advance of 2019/20 Budget
<b>Housing General Fund Total</b>	<b>(35,990)</b>	
Housing Revenue Account (HRA)		
Council House Building	108,700	Minor delays in the overall £31m build programme
Structural Works	26,610	Minor delays in the overall programme
Modernisation and Improvements	203,280	Minor delays in the programme
Energy Efficiency Works	15,290	Minor delays in the programme
Void Works	14,650	Minor delays in the programme
Housing Management software	51,120	Minor delays in the programme
Health & Safety	28,760	Minor delays in the programme
Adaptations for the Disabled	31,800	Minor delays in the programme
Essential Structural Works	(3,180)	Expenditure made in advance of 2019/20 Budget
Communal Services	11,410	Minor delays in the programme
<b>HRA Total</b>	<b>488,440</b>	
<b>Grand Total</b>	<b>66,131,770</b>	

## 5. Legal Implications

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 reporting on the Council's budgets.

## 6. Conclusion

This information is being provided to ensure that Members of this Committee are kept informed, at an early stage, of the final accounts position of the Council prior to the start of the external audit.

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

<b>REPORT TO THE STRATEGY &amp; RESOURCES COMMITTEE – 13TH JUNE 2019</b> <b>AGENDA ITEM 6</b>	
<b>STRATEGY &amp; RESOURCES COMMITTEE DELIVERY PLAN 2018/19</b> <b>– END OF YEAR REPORT</b>	
Report of:	Steve Davies – Strategic Director of Resources 01883 732792 - <a href="mailto:sjdavies@tandridge.gov.uk">sjdavies@tandridge.gov.uk</a>
Purpose of Report:	To report progress against the agreed 2018/19 Strategy & Resources Committee Delivery Plan.
Publication status:	Unrestricted.
Recommendations:	That performance against the agreed Strategy & Resources Committee Delivery Plan at the end of 2018/19, as attached at Appendix 'A', be noted.
Appendices	Appendix 'A' – Strategy & Resources Committee Delivery Plan 2018/19 end of year report (page 11)
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 End of year performance against the agreed 2018/19 Delivery Plan for this Committee is set out at **Appendix 'A'**.

## 2 End of year performance

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. At the end of the 2018/2019 year, the KPIs and risks which this applies to are as follows:

**Key Performance Indicators**

**SR1 Percentage of Council Tax collected**

This indicator is off target (98.5% against a target of 98.7%) due to in-year resourcing pressures.. Revenue collection processes are being reviewed as part of the Customer First Programme.

**SR2 Percentage of non-domestic rates due for the financial year which were received by the Council**

This indicator is off target (97.6% against a target of 98.6%) and has declined since the same period last year (99%). This is due to issues arising from the Small Business Rates Review – where forms had not been returned by eligible companies, their rate relief was cancelled back to 1 April 2018 and as a result the total outstanding gross rates to the Council increased. It is anticipated that rate relief for eligible businesses will be reinstated throughout the next financial year as businesses get in contact.

**SR5 Staff turnover**

The higher figure (23.5% against a target range of 10% -15%) is as a result of redundancies from Phases 1 & 2 of the Customer First Programme. Without the redundancies the figure would be 16.5% which is still above the industry standard. Closer investigation has shown resignations have come from across the organisation for a variety of reasons. This indicator will continue to be monitored.

**Projects - Ellice Road Car Park**

The commentary in the accompanying report under section 2 – RegenOxted, sets out the position on Ellice Road as at 31 March 2019. Since that time, it has been proposed by the Leader of the Council that the question of the need for additional parking and the most cost effective way of providing any such parking should be reviewed by the ward councillors for Oxted and Limpsfield who could form an Oxted Working Group, supported by officers, for that purpose.

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	



## About this Committee

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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

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## 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.

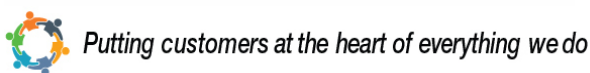
## 1. CUSTOMER FIRST

**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)



**END OF YEAR UPDATE:**

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

The overall programme remains on time, on budget and is set to deliver the required savings and improved customer-focused services by the end of 2019/20. Staff have now been appointed to Phase 2 roles which will go live in February 2019. Any unfilled positions are currently being advertised. Work is ongoing to design new processes and services. Risks are documented and managed through regular reporting to the Programme Board. Ongoing work for this Programme is being prioritised against business need.

As part of the annual internal programme, RSM will undertake an audit of the Customer First initiative. A report arising from that audit will be presented to the Overview & Scrutiny Committee on the 1<sup>st</sup> October 2019. (RSM had been commissioned for this purpose prior to the current internal audit contract being awarded to the Southern Internal Audit partnership).

## 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)



**END OF YEAR UPDATE:**

Outcomes	Timescale	Budget	Risks
Amber	Amber	Amber	Amber

Gasholder Redevelopment

The Gasholder is now demolished, and demolition specialists JF Hunt, will be off site by the end of April 2019. JF Hunt are currently processing all site matter for recycling, removing approximately 40 tonnes of matter most days. St William are due to move onto the site and setup their welfare and utility facilities in early May 2019. Remediation work will begin in the middle of May and piling work will follow immediately after and continue through to the end of 2019. Construction on site is scheduled to begin in early 2020 and finish by Summer 2021. St William have installed a Community Manager at Robert Leech estate agents on Station Road East and sales and marketing of the residential units will be done from there. A regular newsletter is now sent to immediate site neighbours. The newsletter also appears on the notice board by the site entrance on Nursery Way.

Ellice Road Car Park

In December 2018, this Committee agreed redevelopment of the car park would be postponed until January 2020 to reduce the impact on local businesses and residents whilst development commenced on the Oxted gasholder site. The start of the gasholder development was delayed by a legal challenge meaning that the demolition process only commenced in mid-January 2019. It was agreed that commencing two major projects simultaneously was too high a risk for the town centre, particularly as major utilities work was also unexpectedly scheduled for same time at short notice. Officers have been looking at alternative options to increase parking in the shorter term. 19 additional spaces have been freed up in Ellice Road as a result of permit holders being moved to the staff car park.

Urban Redesign Project

The timescales for this work have been adjusted and it is now anticipated this project would be looked at alongside the redevelopment of Ellice Road Car Park.

Commercial Space and Business Hub

Officers have reviewed a number of different operational models and are considering suitable sites in the context of the Council's asset programme and Surrey County Council's transformation programme.

### 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

Caterham Masterplan

Pre-feasibility work for Godstone Road/Station Avenue/Croydon Road will be complete in late Spring 2019. This work is being carried out by Atkins on behalf of the Council, and the resulting appraisal will inform detailed design and feasibility work for delivering public realm and highway elements of the Masterplan. Development has commenced on the former Rose and Young site, which will deliver 48 shared ownership flats and a supermarket (due for completion by the end 2020). A planning application was submitted for the redevelopment of the Church Walk site in January 2019 following a programme of public consultation and engagement during 2018. The proposals include the provision of new retail units, including a new frontage to Station Avenue, a 4 screen cinema, 178 flats, extensions to the decked car park to provide additional parking and public realm improvements. A decision is due on the application in early Summer 2019. In April 2019, Tandrige District Council acquired the strategically important Quadrant House site, in Caterham Valley. The Council's asset team will be reviewing use of the existing building in the coming months. This followed acquisition earlier in the year of the Linden House office site at Caterham Barracks.

North Tandrige One Public Estate programme

Asset specialists Currie and Brown have been working on 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. The initial brief has been reviewed in light of emerging recommendations from the Douglas Brunton Centre review and Surrey County Council Transformation Programme. Much of the ongoing work will be delivered through these workstreams and also the Council's asset programme.





## 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.

### END OF YEAR UPDATE:

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

The budget remains sufficient to cover potential investment purchases and development opportunities. Several properties have been introduced by agents and are being tracked. All introductions are recorded on the property introduction database. Several opportunities are being progressed.

Following significant movement on price, contracts were exchanged on Quadrant House, a mixed retail and office property in the centre of Caterham at the price of £14.45m. This property had previously been considered at the Strategy & Resources Committee in June 2018. Completion took place on 2 April 2019.

Gryllus Property Limited also exchanged contracts at £1.35m on the purchase of a small, highly-visible mixed-use retail and residential property in Station Road East, Oxted trading as Cook and Jonathan Kerr Opticians. Completion took place on 9 April 2019.

## 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.



**END OF YEAR UPDATE:**

<b>Outcomes</b>	<b>Timescale</b>	<b>Budget</b>	<b>Risks</b>
<b>Green</b>	<b>Green</b>	<b>Green</b>	<b>Green</b>

Discussions are ongoing with the owners of Lambs Business Park, with work continuing on proposals for redevelopment of the site to provide a data centre. This work is progressing within the wider context of the emerging Local Plan, and the site's proximity to the proposed Garden Community at South Godstone.

Work is also continuing on the Council's business support offer, including looking at the potential for the creation of a business hub. This to provide a range of services and affordable office space, supporting start-up businesses and help existing micro and SME businesses grow and develop. Improved services for businesses are also being developed as part of the new Customer First operating model, with the aim of providing a 'one stop shop' for new and existing businesses contacting the Council for advice and support. A business event was held in January which included presentations from Coast to Capital LEP (Local Enterprise Partnership) and the Gatwick Diamond Business Association on their business support offers.

Work with partners to promote and support the development of skills, including through work experience and apprenticeships, is continuing. The Council is working with St William, developers of the Oxted gasholder site, to ensure that apprenticeship opportunities on site, and as part of the wider programme available through the Berkeley Group, are publicised within the local community.

Support for both the Oxted and Caterham business improvement districts (BIDs) has continued throughout the year. This includes liaison with and support for the BID managers to assist in the delivery of projects and initiatives.

# 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	End of Year 2018/19			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	98.5%	98.7%	98.7%	Stable (98.6%)	98.6%	Higher	Off Target
SR2	The percentage of non-domestic rates due for the financial year which were received by the Council	97.6%	98.6%	98.6%	Declined (99.0%)	99.0%	Higher	Off Target
SR3	Days taken to process Housing Benefit/Council Tax Benefit new claims and change events	6.9	10.2	10.2	Improved (7.7)	7.7	Lower	On Target
SR4	Number of working days/shifts lost due to sickness absence <i>This figure reflects performance over the previous 12 months.</i>	5.0	7.1	7.1	Improved (7.1)	7.1	Lower	On Target
SR5	Staff turnover <i>This figure reflects performance over the previous 12 months.</i>	23.5%	10-15%	10-15%	Declined (14.6%)	14.6%	Lower	Off Target
SR6	Percentage of calls abandoned by Customer Services	8.5%	<10.0%	<10.0%	Stable (8.2%)	8.2%	Lower	On Target

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

### SR1 Percentage of Council Tax collected

This indicator is off target (98.5% against a target of 98.7%) due to in-year resourcing pressures.. Revenue collection processes are being reviewed as part of the Customer First Programme.

### SR2 Percentage of non-domestic rates due for the financial year which were received by the Council

This indicator is off target (97.6% against a target of 98.6%) and has declined since the same period last year (99%). This is due to issues arising from the Small Business Rates Review – where forms had not been returned by eligible companies, their rate relief was cancelled back to 1 April 2018 and as a result the total outstanding gross rates to the Council increased. It is anticipated that rate relief for eligible businesses will be reinstated throughout the next financial year as businesses get in contact.

### SR5 Staff turnover

The higher figure (23.5% against a target range of 10% -15%) is as a result of redundancies from Phases 1 & 2 of the Customer First Programme. Without the redundancies the figure would be 16.5% which is still above the industry standard. Closer investigation has shown resignations have come from across the organisation for a variety of reasons. This indicator will continue to be monitored closely.

## **Additional Commentary**

### **SR6 Percentage of calls abandoned by Customer Services**

This indicator remains on target, however performance declined in Quarter 4 (8.5%) from Quarter 3 (2.1%). The distribution of the annual council tax billing letters coincided with a communications campaign on new waste bins across the district, as well as the mailing of the Tandridge Magazine. This culminated in an increase in call volume, email and customers presenting at reception and resulted in a higher number of calls abandoned by Customer Services.

# 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	<b>Failure to remain financially sustainable</b>	2	5	<b>10 (Amber)</b>	<ul style="list-style-type: none"> <li>• Mechanisms in place to acquire and develop assets and drive new sources of income (eg Council owned companies, Property Investment Fund, Development Fund).</li> <li>• Regimes to monitor the effectiveness of investment strategies, including oversight by company directors and reports to Finance and Strategy &amp; Resources Committees.</li> <li>• Medium Term Financial Strategy identifying new sources of income and areas of efficiency.</li> </ul>
SR2	<b>Failure to achieve effective organisational change</b>	3	3	<b>9 (Amber)</b>	<ul style="list-style-type: none"> <li>• Recruitment / selection criteria to seek staff with required skills, attitudes and approaches.</li> <li>• Fit for purpose job evaluation process and staff grading structure.</li> <li>• Open and honest communication with staff (newsletters, CE briefings, team meetings, drop-in sessions, Staff Conference).</li> <li>• Cost effective redundancy policy.</li> <li>• Measures to support staff throughout the change process.</li> <li>• Dedicated Customer First staff in place to manage change programme.</li> </ul>
SR3	<b>IT systems not fit for purpose</b>	2	4	<b>8 (Amber)</b>	<ul style="list-style-type: none"> <li>• Adequate investment in IT infrastructure needed to deliver Customer First service redesign.</li> <li>• Sufficient staffing resources, including in-house professionals and specialist external support when required.</li> <li>• Customer First Initiative overseen by CMT and reported to / scrutinised by Strategy &amp; Resources Committee.</li> <li>• IT Partner engaged to facilitate changes.</li> </ul>
SR4	<b>Failure to deliver regeneration schemes</b>	3	3	<b>9 (Amber)</b>	<ul style="list-style-type: none"> <li>• Detailed risk management for each project or programme.</li> <li>• Effective community and stakeholder engagement mechanisms.</li> <li>• Resource commissioned to support delivery.</li> <li>• External funding secured to support delivery.</li> </ul>
SR5	<b>Failure to deliver an Election</b>	1	4	<b>4 (Green)</b>	<ul style="list-style-type: none"> <li>• Project plans and risk registers required to be in place and reviewed by Government.</li> </ul>

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

### 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				

<b>REPORT TO THE STRATEGY &amp; RESOURCES COMMITTEE – 13TH JUNE 2019 AGENDA ITEM 7</b>	
<b>UPDATE FOLLOWING ACQUISITION OF QUADRANT HOUSE, CATERHAM, CR3 6PB</b>	
Report of:	Alison Boote – Head of Strategic Asset Management 01883732975 <a href="mailto:aboote@tandridge.gov.uk">aboote@tandridge.gov.uk</a>  Kate Haacke – Specialist Asset Management 01883 732963 - <a href="mailto:khaacke@tandridge.gov.uk">khaacke@tandridge.gov.uk</a>
Purpose of Report:	To provide an update following the purchase of Quadrant House in April 2019.
Recommendations:	That the Committee:  A. notes the current position in relation to Quadrant House;  B. authorises officers to enter into arrangements with a suitable organisation to provide a business hub within Quadrant House, based on the principles set out in paragraph 4.4 of this report, on such terms and conditions as the Strategic Director of Resources and the Section 151 Officer consider appropriate; and  C delegates authority to officers to enter into such contracts for the refurbishment of Quadrant House as the Strategic Director of Resources considers necessary to protect the Council’s investment in the property.
Appendices:	Appendix A – Outline Proposal for Business Hub (page 31)
Background Documents:	Delegated decision to Purchase Quadrant House Report 28 <sup>th</sup> January 2019  The following background documents are confidential and exempt from publication to the press and public under Paragraph 3 of Schedule 12A to the Local Government Act 1972, i.e. “information relating to the financial or business affairs of any particular person (including the authority holding that information)  (i) Report to the Strategy & Resources Committee on 14 <sup>th</sup> June 2018 (ii) Business case for acquisition report – 24 <sup>th</sup> January 2019

1. Background

- 1.1 On 2<sup>nd</sup> April 2019 Tandridge District Council purchased the freehold interest in Quadrant House a four-storey building made up of 19 retail units at ground floor level with three storeys of offices above. Total floor area is approximately 57,404 sq ft. The property benefits from basement car parking for 66 cars. A further 12 spaces are held on a long leasehold at the adjacent Waitrose car park.

- 1.2 The previous owners of Quadrant House had won an appeal for conversion of the property to residential use, via Permitted Development Rights. It was considered that TDC's purchase of the property would, amongst other things, help to protect employment (particularly office) space, in Caterham Valley. Quadrant House and the adjacent Waitrose supermarket and car park make up a key area within the Caterham Masterplan, a supplementary planning policy. Now that the Council owns Quadrant House, there is a real opportunity to directly influence the future regeneration of this key area
- 1.3 The current vacant space is being actively marketed and it is proposed that some flexible workspace in the form of a business hub will be created as one of the best ways to attract tenants to the building and incubate them for future growth. If we can keep in step with the evolving needs of the market, we will keep tenants for longer. A mixture of flexible workspace, managed office space and traditional leases will provide a variety of income streams for the building. Options for the business hub are discussed further in section 4.

## 2. Update on Agent Activity and existing Tenants

- 2.1 Managing Agents - Tideway Investment Management, have been retained on a short-term basis, to ensure continuity and a smooth handover from the former landlord to the Council. The Asset Management team are in close contact with Tideway who collect the rent and service charge, administer the service charge, employ the on-site building manager, co-ordinate maintenance contracts and repairs, ensure H&S compliance, handle general correspondence from tenants and so on. The management contract will go out to tender within 6 months, and Tideway will be invited to participate in the tender, subject to performance.
- 2.2 Office Letting agents – the Council has retained the joint office agents, Stuart Edwards Fullermoon and Michael Rogers, whom together understand the South London and M25 markets very well, and whom are advising on matters such as common area refurbishment, marketing strategy etc. Both agents are conducting viewings, negotiating deals and providing regular updates. Whilst the offices offer a competitively priced alternative to nearby towns, prospective tenants are most concerned about parking and the quality of the space.
- 2.3 Refurbishment of the common areas will improve the ability to let the vacant space and paragraph 3 of this report sets out officers' proposals in this respect. Suites will be upgraded as required as part of tenant fit-out. As landlord TDC may need to offer incentives in the form of rent free periods/capital contributions/installation of air conditioning. Such incentives were taken into account in our pre-acquisition financial modelling.
- 2.4 Parking is a more difficult problem to solve as it reflects the wider problem of demand for parking in Caterham Valley outstripping supply. As members may be aware, officers are currently in discussion with Surrey County Council about ways of freeing up shopper parking in the short term. It is fair to say that there is no immediate solution to the need for parking for those working in the town, although options will continue to be explored and any redevelopment of Church Walk may present an opportunity to increase parking availability.
- 2.5 Retail letting agents – the Council has retained Cradicks, who are a regional firm with a South East bias. Cradicks are negotiating with prospective tenants. Heads of Terms are in solicitors hands with a 'zero-waste' store who concentrate on supplying local produce to support the local economy without the use of plastic packaging. It is hoped they will be able to start trading within a few weeks.



2.6 Liaison with existing tenants – the asset team have been meeting existing office tenants, all of whom are eager for refurbishment of the common parts to take place as soon as possible. This was promised by the former landlord and there is a level of frustration that the refurbishment had not yet started. Tenants are being reassured that the Council will honour these commitments in a timely fashion. Where office and retail tenants have short unexpired lease terms, officers are actively engaging in lease re-gear negotiations.

### 3 Proposed Refurbishment Works

3.1 Financial modelling prior to purchase included an allowance of £800,000 towards essential repairs and refurbishment. Some works that were highlighted in the building survey are works that can be programmed into the service charge over the next few years. Some essential works will be co-ordinated by the managing agents and recovered via the service charge, with the possibility of a landlord capital contribution where the costs exceed that which would be reasonably recoverable from the tenants. These include repairs to the external fire escapes and removal of air conditioning plant on flat rooves. Other works will form a separate project of common area refurbishment and will include:

#### Essential

- Replacement or refurbishment of 2 x South block lifts and 1 x North block lift. Possible merger of lift shafts in South block to create a single DDA compliant lift depending on whether this is economically viable.
- Replacement toilets and common area kitchens (sanitary fittings, cubicles, sinks, new doors etc)
- Improved lighting and finishes to common areas (receptions, stairwells, corridors, toilets, kitchens)
- New staircase balustrading and handrails
- Modernised reception with better lighting, new finishes, better signage and in South block a small reception desk.
- Conversion of one kitchenette to a shower facility
- More prominent Quadrant House external signage

#### Desirable:

- Roof terrace on third floor flat roof with glass balustrade
- Replacement/refurbished canopies for the two entrances
- New entry phone system (if required)

3.2 The previous owner was at an advanced stage with schemes designed and costed for phased refurbishment works to the common parts. The architects and project managers appointed by the previous owner had appointed will be invited to participate in a tender exercise. Officers also intend to invite interested local organisations who have relevant architectural design/project management skills and experience to submit bids.

3.3 The Southern Building Control Partnership, in respect of which the Council is the lead authority on behalf of Mole Valley and Reigate and Banstead is providing independent structural engineering advice regarding Building Regulations in relation to the lifts, third floor terrace possibility and basement car parking options.

3.4 The Council also has the ability to use Tandridge Commercial Services for minor works and will also their gain quotes from the operation for small elements of the refurbishment scheme.

#### 4 The Proposed Business Hub

- 4.1 In 2015, the Council's Economic Needs Assessment paper recommended that: *"To ensure that the needs of existing and new businesses are met, the Council should promote flexible and smaller size office workspace units, in town centres, local centres and in business parks"*.
- 4.2 In the UK since 2015 there has been a considerable uplift in the demand for and availability of flexible work space units such as serviced offices and co-working spaces. An article by Savills in March 2018 drew attention to a UK wide increase of more than 150% in the take up of serviced office space reporting: *"The office landscape has changed dramatically over recent years and will continue to do so as the presence of serviced offices become more integrated with the traditional office market. Moving forward it is likely that we will see a greater blurring of the lines between conventional and more flexible space as the demand for flexibility and innovation from occupiers continues to grow."*
- 4.3 At the end of 2017 there were 2.9 million square feet of serviced office space in the UK and this has continued to grow. For smaller businesses, the serviced office (also known as managed offices or business centres) has become a popular choice. A recent report by CBRE revealed that 92 percent of UK office owners believe the flexible workspace sector is on the brink of becoming mainstream and that more than three quarters of them are considering using flexible office workspace in their portfolios.
- 4.4 Officers have visited a number of nearby business hubs run under a number of different models, to understand how they operate. Key selling points that are common to all or almost all the hubs that we have visited include:
- Flexible lease terms. Typically, desks or small office suites are rented on a rolling monthly basis with/without one month's rent deposit. Tenants are not locked-in for long periods of time and can take more or less space quickly and easily
  - All-inclusive rents – no hidden costs, tenants pay a monthly fee for the office space. Compare this to a traditional lease where business rates, insurance, service charge, utilities, maintenance and repair costs are usually extra
  - Space is ready to use immediately, furnished with desks and chairs, phone lines and high-speed internet
  - Printers are available to use, either on a 'pay per use' basis or included in the monthly rental of space
  - Meeting rooms are available for bookings. These may/may not be at an additional charge
  - Cleaning and maintenance of premises is taken care of by the business hub provider
  - A business postal address service is available if required
  - Inviting reception areas and meeting rooms facilitate client interaction
  - Coffee/Tea and break-out areas are available on site, facilitating networking. Refreshments may or may not be an additional charge, but if charged for will typically be cheaper than a typical High St coffee shop
  - Customer service with respect to facilities is good or very good, meaning that businesses can focus on their businesses rather than their facilities

- 4.5 A growing alternative to the more traditional serviced office model is co-working/community business space and sometimes both these models will be offered side by side. The key difference between a traditional serviced office and a co-working/community business space is that the co-working/community space not only provides hassle-free facilities on a flexible basis, but also helps businesses to thrive through, for example:
- Networking events to facilitate collaboration between members
  - Social media forums for members to share news and ideas and promote services
  - Mentoring
  - Business support services such as financial clinics and legal clinics
  - Social events
- 4.6 It is felt that this model will offer more long-term benefits and provide the most opportunities to encourage innovation leading to future growth.
- 4.7 Consideration has been given to how much of the building and which part of the building should be allocated for a business hub. Officers have been meeting with potential business hub operators both to acquire ideas and to promote Quadrant House to operators who may be interested in running the Hub. Particulars outlining the proposal specification (Attached as **Appendix A**) are being sent to a small number of known successful operators with an invitation to submit proposals.
- 4.8 Different models are being explored including a traditional lease to an experienced business hub operator or a partnership agreement. A traditional lease to an experienced business hub operator would likely be the quickest and easiest way to get the Business Hub operational however this would be dependent on the ability to tie in the quality and outcomes required. A partnership agreement may offer TDC, as land owner, the best chance of robust long-term income.
- 4.9 Once the selected experienced operators have fully inspected and submitted proposals they will be evaluated using criteria which will be based on their ability to provide the environment for businesses to grow and be supported. To cover the points required to assess each option the business plan proposed must cover:
- the financial offer/proposed rental for the space
  - proposed length of lease/contract
  - a plan to show the proposed layout of space within the suite
  - a description of proposed fit-out works/specification to include IT provision
  - a budget for the proposed fit-out works and whether the provider would seek any contribution or rental off-set, in return for carrying out these works
  - a detailed commentary on the support services that would be provided to hub users. Support services might include mentoring, vetting of users, help with business plans, provision of clinics/talks/networking events, social events, digital support and networks etc
  - a timeline to show how quickly the business hub would be operational
  - the charges that would be proposed for business hub users and what these charges would include

- any services that would be offered at an additional charge i.e. optional services
- how the success of the business hub would be measured by the operator.

- 4.10 It is anticipated that an equal weight would be allocated to the financial benefits and the contribution to business and wider economic growth. The period over which the financial benefits can be considered may be variable.
- 4.11 It is likely that if the Council enters into an agreement for the provision of a business hub along the lines set out in paragraph 4.4 above, rather than entering into more traditional lease for serviced offices, it will have to provide some degree of subsidy as a community-orientated business space provider may not be able to pay full market rent and provide the other support that the Council would want to see in place.
- 4.12 However, in light of the Council's wish to support business and drive prosperity in its area, it may reasonably take the view that it is prepared to invest in the hub and forego full market rent. Given the amount of space being considered (5-6000 square feet, see paragraph 4.7 below), it is considered that the overall impact on the income which Quadrant House has the potential to achieve can be accommodated.
- 4.13 Once the Council has received more detailed proposals from potential providers, a more detailed analysis of the extent of any subsidy will be carried out. It is proposed that the final decision be taken by the Strategic Director of Resources and the Section 151 officer in light of that analysis and bearing in mind the income targets agreed in the Council's budget in respect of property income. The possibility that as small and medium sized businesses out-grow the Business Hub, they will require follow-on space, and therefore it is likely that a successful Business Hub will contribute to high occupancy levels in the remainder of Quadrant House in the longer term.
- 4.14 Locations within the building that have been considered for the Business Hub are part First Floor South (approx 5,700 sq ft), part Second Floor South (approx 5,700 sq ft), First Floor North (approx 5,000 sq ft) or Third Floor South (approx 6,000 sq ft). Of these, officers' preference would be for either:
- Part First Floor South (approx 5,700 sq ft) – immediately available and in a good condition, save for lack of air conditioning. Could become operational in minimal time. Access would be possible for most via the stairs (potentially saving energy, also less disruptive for the hub at the point that the lifts are refurbished/replaced). There may be potential for a DDA compliant lift to be created to the first floor via a retail unit. There may be potential for a community use to operate on the ground floor underneath the Hub with direct access to the Hub and with potential to share facilities such as meeting rooms and kitchen and generally promoting efficient use of space.
  - Part or Whole of Third Floor South (up to approx 6,000 sq ft) – immediately available although a prospective tenant is looking at this space. There is potential to create a roof terrace on the third-floor flat roof, which could be used for events and meetings and create a 'wow' factor. The disadvantage of the third floor is that there will be disruption when the lifts are refurbished/replaced.

4.15 Officers propose the following for the Business Hub at Quadrant House:

- The Hub should aim to incubate businesses, encourage innovation and economic growth
- The Hub should be a co-working business community space rather than a traditional serviced office
- The Hub should provide a mix of accommodation types - small office suites for organisations requiring up to 4 desks, as well as open plan office space offering fixed desks and hot desks
- The charges for each type of space will need to be set in collaboration with our appointed Business Hub partner, having regard to the market pricing.

5 Financial Implications

- 5.1 The business case for the acquisition of Quadrant House included (within the purchase cost of £16.136m) an allowance of £800,000 towards the cost of essential repairs and refurbishment. The repair works had been identified through the Building surveys and the recognition was that due to void areas not all repair work was recoverable as part of the service charge and an element of these works would be payable by the Landlord.
- 5.2 The financial modelling for Quadrant House assumed an average income of circa £720k per annum after making allowances for void and rent free period. After allowing for borrowing costs (MRP and interest) a revenue return of circa £70k is expected with a projection of £838k earned over the first 10 years.
- 5.3 With a multi-tenanted property with tenants with short leases, it is vital to ensure there is a strong overall yield of rental income to cover the borrowing costs (interest and MRP) and return a surplus to the Council in addition. The interest rate payable on the borrowing secured against this property is at 2.41% and MRP is payable annually on the annuity basis. Combined MRP and interest costs for 2019/20 are £580,000, although the Council will not pay MRP in 2019/20 as this is the first year of acquisition.
- 5.4 It is vital that any business hub that is let at sub market rental rates (subsidised) remains within the overall parameters of the financial model to ensure the annual borrowing costs can be covered and a surplus is returned. At present the rental subsidy (if required) for a hub cannot be quantified and will require further work to determine what the subsidised rent cost would be.

6. Risk Implications

- 6.1 The majority of leases are short leases with expiry dates within the next few years. There is therefore the risk that tenants will vacate their units and short-term income will decrease. This was known from the outset and is a direct consequence of the owner's former intentions to convert to residential. This risk is being mitigated through lease re-gear negotiations with tenants at this early stage.

7 Legal Implications

- 7.1 This report seeks this Committee’s approval to a number of recommendations in relation to the office accommodation in Quadrant House. In considering these recommendations, this Committee should have regard to the Council’s general duty of best value and to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. Paragraph 4.1 to 4.8 sets out the key considerations in seeking approval.
- 7.2 The report states that the Council’s in house legal team will progress documentation for leases agreed with both retail and office tenants. Any rent to be achieved under the new leases will need to be the best price the Council should reasonably expect to achieve and as such will satisfy the Council’s obligation to achieve best value pursuant to S123 of Local Government Act 1972.
- 7.3 In order to show that any new leases will be for best consideration, the Council will need to obtain proper advice as to what is the best consideration.
- 7.4 At this stage there are no specific legal implications on procurement. The procurements to be undertaken for the development of the communal areas of Quadrant House will be subject to the EU procurement regulations and the Council’s contract standing orders. Advice will be given on this as the project progresses.

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	Refurbishment works aim to improve the access and promote equality of opportunity
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable	

9 Summary

9.1 The handover from the former owner to TDC has been smooth. Plans for refurbishment and repair works are progressing. Planning for a business hub is going well and communications and negotiations with existing and prospective tenants are ongoing.

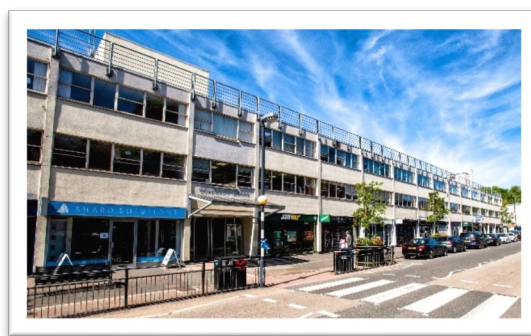
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## **BUSINESS HUB SPACE AVAILABLE**

**At Quadrant House, Croydon Road, Caterham**

Tandridge District Council seeks proposals from business hub providers interested in working in partnership with Tandridge District Council in accordance with the criteria set out below.



### **Description**

Quadrant House is a 1960s/70s mixed use property with retail on the ground floor and three floors of offices above. The space available for the business hub is located on the first floor of the building, in the South Block. Access is via a common entrance lobby/reception and common area staircase/lifts. (Plans are available on request). Refurbishment of the common parts is to be carried out in 2019/2020.

## **Areas**

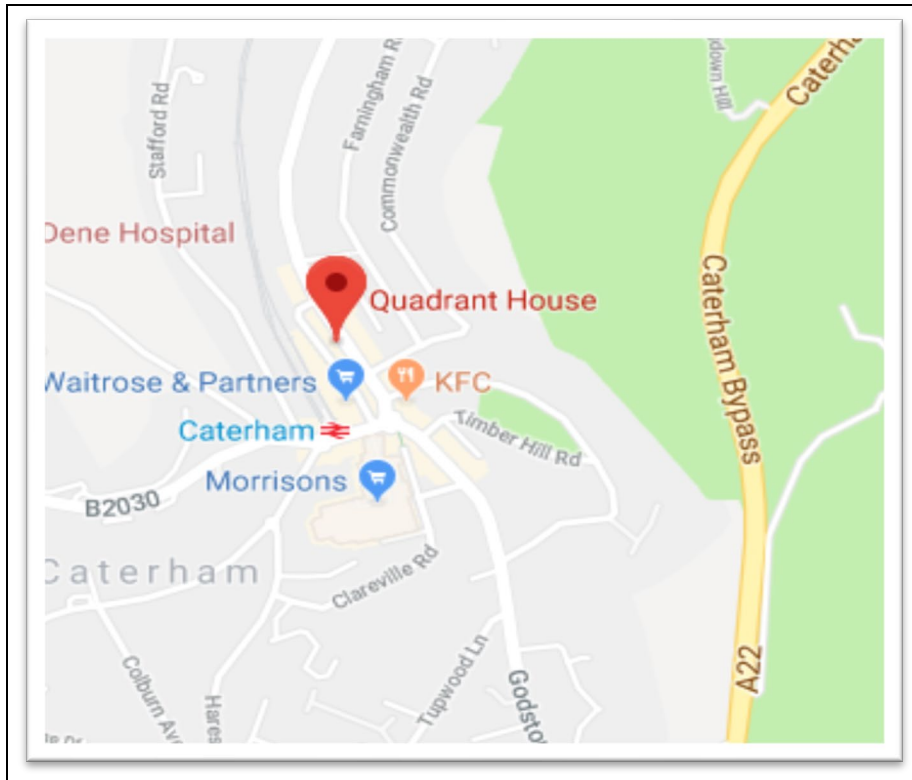
Approximate Net Internal Areas (NIA): 5,700 sq ft (529 sq m) on the first floor in the South Block.

The space is currently part open plan with some partitioned rooms. There is opportunity, if required, to partition more rooms to create additional small office suites.

There may be opportunity, as an alternative or addition to the first-floor space, to use part or all of the third floor in the South block of Quadrant House (approx NIA 2,508 sq ft to 5,575 sq ft). The third floor may offer scope for a roof terrace to be created as an extension to the internal space. When submitting your proposal please base figures on the first-floor space but please also comment on your flexibility to move within the building.

## **Location**

The property is situated in the heart of Caterham town centre, in close proximity to Caterham station. The multi-storey Waitrose car park is immediately to the rear of the property.



## **Terms**

The Council is open to various operating models as they appreciate that there are a range of successful business hubs. We would consider either a lease or a partnership agreement arrangement however all operators must detail their proposals with rental levels and/or revenue and cost percentage splits.

In considering the rental/percentage split that you would be prepared to offer, you must take into account that you will be expected to:



- Have marketing experience and the ability to successfully promote the Hub to small and medium sized enterprises and start-up companies
- Have experience of assessing business plans and vetting prospective Hub users
- Offer mentoring and other support services to businesses to encourage business growth
- Provide networking events and encourage innovation
- Provide a mix of co-working space and small office suites
- Offer flexible terms to business hub users at fully inclusive rates
- Provide formal/informal meeting spaces that could be accessed by both hub members and other local businesses/organisations.
- Provide 24/7 access
- Provide superfast WIFI and high-speed hardwired connections

## **Rates**

For detail on current rates payable please refer to [businessrates@tandridge.gov.uk](mailto:businessrates@tandridge.gov.uk)

The current rateable value can be found via the Valuation Office Agency website, [www.voa.gov.uk](http://www.voa.gov.uk)

## **Service Charge**

There is a service charge in operation, full details are available on request.

## **Insurance**

The property insurance is by a block policy. Details of risks and premium level are available on request.

## **Planning**

Class B1 (Office)

## **Costs**

Each party to be responsible for their own costs in this transaction.

## **EPC**

The current energy performance rating for the building is 'C'. The certificate is available for review upon request.

## **Viewing**

Strictly by appointment with Tandridge District Council. To arrange a viewing please contact Kate Haacke on 01883 732963 or [khaacke@tandridge.gov.uk](mailto:khaacke@tandridge.gov.uk)

## **Proposals**

Proposals should include a detailed business plan explaining how you intend to fulfil the requirements set out above. All offers must be submitted in writing by 30<sup>th</sup> June in an envelope marked 'Quadrant House Business Hub' and addressed to Asset Management, Tandridge District Council, the Council Offices, 8 Station Road East, Oxted, Surrey, RH8-0BT.

The business plan must include:

- the financial offer/proposed rental for the space
- proposed length of lease/contract
- a plan to show the proposed layout of space within the suite
- a description of proposed fit-out works/specification to include IT provision
- a budget for the proposed fit-out works and whether you, as potential business hub, provider would seek any contribution or rental off-set, in return for carrying out these works
- a detailed commentary on the support services that you, as potential business hub operator, would provide to hub users. Please include a description of any relevant experience that you have in providing support services. Support services might include mentoring, vetting of users, help with business plans, provision of clinics/talks/networking events, social events, digital support and networks etc
- a timeline to show how quickly the business hub would be operational if you were to run it
- the charges that you would for propose business hub users and what these charges would include
- any services that you would offer at an additional charge i.e. optional services
- how you would measure the success of the business hub

Proposals will be assessed as follows:

Financial benefits to Council e.g. rental income – 50% weighting

Quality of service & contributions to business growth and wider economic growth – 50% weighting

Conditions Governing these Particulars

1. These particulars do not constitute any part of an offer or contract and are supplied entirely without prejudice. The Council does not accept any responsibility as the accuracy therefore or otherwise
2. All prospective assignees/sub-tenants must satisfy themselves as the suitability of the property for the intended use
3. The Council does not make or give any person in the employment of the Council any authority to make any representation or warranty in relation to the premises or information supplied thereof
4. Agents should look to their clients for remuneration
5. The Council does not bind itself to accept any offer submitted
6. It should be noted that it is a criminal offence punishable by imprisonment to give or offer any gift or consideration whatsoever as an inducement or reward to any officer of the Council and any such action will preclude the offeror from subsequent offer applications.
7. The information given in these particulars is subject to contract
8. The description of the property shall not be taken as a representation or implication that the property is suitable for this or any other purpose
9. Dimensions given have been measured in accordance with the RICS Code of Measuring Practice, however no warranty is given to the accuracy of the areas quoted and purchasers should satisfy themselves with measurements on site

#### MISREPRESENTATION ACT

These particulars are believed to be correct, but their accuracy is not guaranteed, and they are intended only as a guide and do not obviate the need to make appropriate searches, enquiries and inspections. They form no part of any contract or offer and are given without responsibility on the part of the Council or its Officers. The terms are subject to contract.

<b>REPORT TO THE STRATEGY &amp; RESOURCES COMMITTEE – 13<sup>th</sup> JUNE 2019</b>	
<b>AGENDA ITEM 8</b>	
<b>CHILDREN’S SERVICES AND THE FAMILY CENTRE</b>	
Report of:	Kirstie Jezequel – Project Lead - 01883 732985 <a href="mailto:kjezequel@tandridge.gov.uk">kjezequel@tandridge.gov.uk</a>
Purpose of Report:	To update the Committee on this Council’s plan for the family centre and community venues providing children’s services in Tandridge.
Publication status:	Unrestricted
Recommendations:	That Committee agrees to delegate authority to the Chief Executive to: <ul style="list-style-type: none"> <li>(i) enter into an agreement with Surrey County Council to provide a family centre service in partnership with them, in accordance with the service requirements, set out in the specification attached as Appendix A; and</li> <li>(ii) develop further the proposals for the provision of community venues at premises in Lingfield, Hurst Green, Smallfield and Hamsey Green as further described in section 3 and thereafter, subject to their being affordable from existing funds, to enter into such agreements with service providers and premises owners as are necessary to put those proposals into effect.</li> </ul>
Appendices:	<b>Appendix A:</b> Specification for the provision of family centres drawn up by Surrey County Council (page 41)
Background papers defined by the Local Government (Access to Information) Act 1985	None

## 1 Background

- 1.1. At its meeting on the 21<sup>st</sup> March 2019, the Committee agreed a recommendation for the Council to mitigate the impact of the decision taken by Surrey County Council to change the model of provision in children’s centres. The aim is to develop a single site family centre service based in Caterham for targeted families across the District in tandem with universal services in other community venues. The specification document from Surrey Country Council can be seen in **Appendix A** and was discussed at the 21<sup>st</sup> March 2019 meeting.
- 1.2. During discussions with Surrey County Council, officers have indicated that Tandridge District Council would be a suitable partner to run the family centre service without the need for a full tender process as the respective councils would enter into partnership arrangements for the provision of the service. This would be dependent on approval of an outline proposal for the family centre targeted service.
- 1.3. The Council acknowledges, in putting together the proposal to run the new family centre service, that Surrey County Council would need to be satisfied that their requirements for skilled outreach and targeted support for families in family need levels 2,3 and 4 are met. The family need levels are defined in the document at **Appendix A**.

- 1.4. At present, the five children's centres are run by separate organisations, each of which employs its own staff, including a centre manager. The detail of the service to be provided is being co-designed with Surrey County Council to meet their specification attached at **Appendix A** and it is clear that it is different in a number of respects from the current children's centres provision in that the services will be targeting level 2 and 3 families from a single site with some services for level 4 families referred by the County's social care teams. Many of the services to be provided will be similar to those currently provided, albeit aimed at a slightly different user cohort, but there will also be a much stronger emphasis on outreach work done with families in their own homes.
- 1.5. Universal services, whether provided at the family centre or at community venues, will no longer be funded by Surrey County Council but could be supported by Tandridge District Council at the family centre and other sites. This report sets out the progress made in developing that universal offer and seeks authority for the Chief Executive to complete that work and to enter into any necessary legal agreements to secure that provision, within the budget available.
- 1.6. The vision for the future of the community venues is to provide universal health and activities in the areas where the existing children's centres are currently located. Each existing location is being investigated with the aim of determining availability and best use for the continuation of universal services to the young parents and children in the area. Where relevant, we will look to extend the offer to a wider community group also. Further details of what it is believed can be offered from the community venues are set out in paragraph 3.3 below.
- 1.7. In addition, officers have met with the centre manager from The Red Oak Children's Centre in Merstham. This centre is well regarded and delivers services that achieve very positive impacts for children and their families and the aim from both parties was to look to explore future opportunities to collaborate and learn from each other. These discussions will continue as proposals for the new community venues are developed.
- 1.8. From a more strategic perspective, the development of community venues, if successful, may allow the co-ordination of other localised community services to accommodate the changes in other service delivery areas such as youth services, libraries and community health. First Community Health, in particular, have expressed a strong interest in continuing to offer their services at all the proposed community venues.
- 1.9. So far as the timing of any changes is concerned, officers have been informed that the new provision at the family centre should be in place by December 2019, but that there may be delays due to the restructure at Surrey County Council. No formal steps have yet been taken to decommission the current children's centres. However, the staff have been made aware of the intended timescale. Consultations by Surrey with the staff are expected to commence in July and this process will be led by Surrey once the final proposal has been agreed, including the proposed staffing structure.

## 2. Targeted Services

- 2.1 The site of the family centre has been selected by Surrey County Council according to the income deprivation affecting children index (IDACI) in the district where Caterham shows the highest need. The site is the Cricket Pavilion on the Barrack Field in Caterham. Any remodelling works required at the site to enable the provision of the service will be funded by Surrey County Council. The rental and costs of the site will be paid from the funding provided by Surrey County Council for the service provision. A provisional view of costs can be seen in **Section 4.1**.

- 2.2 In terms of the venues from which the service would operate, there would only be one formally designated family centre and the majority of the family support sessions will be carried out in families' homes rather than there being an expectation that all families in the district will attend the centre. The proposal outlined in **Appendix A** recognises the rural nature of the district and therefore does include some targeted services being delivered in community venues elsewhere where and when required.
- 2.3 For instance, the specification allows the targeted health services currently provided fortnightly at the White Hart Barn in Godstone to continue to be supported by the family centre with funding from Surrey.
- 2.4 The anticipated staff structure will include several outreach workers who will be supporting level 2 and 3 families for whom they will hold cases. It is anticipated that the centre will host many activities and one-to-one sessions for targeted families at levels 2,3 and 4 also. A parenting coordinator will be provided by SCC outside of the funding envelope for the family services, who will work with the outreach workers in the provision of specialist services aimed at targeted families.
- 2.5 The existing mobile service, which has been facilitated by the St Piers Children's Centre in Lingfield, will continue to run and will be managed by staff at the family centre. This is operated from a bus which is shared with the other three East Surrey authorities. The amount of time for which the bus can be deployed in Tandridge will be negotiated with the other districts and Surrey. This service is particularly critical for work with the travelling community and is frequently used to provide services to residents at the Green Lane site. In addition, First Community Health have created a programme of care for the travelling community which will work alongside the family centre provision.
- 2.6 Health services will continue to be provided by outside service providers at the family centre and form part of the proposal outlined in **Appendix A**.
- 2.7 There is an opportunity for the Council to enhance service provision for targeted families by supporting some universal services at the family centre in addition to those agreed by Surrey. For instance, by getting our resident support team to run surgeries for the families and/or asking the Citizens Advice Bureau, who we still grant fund to a significant extent, to provide some outreach services.
- 2.8 Although the Council does not have direct experience of running services for children, the operation of TUPE would mean that some existing staff at the centres will become council employees, so their experience can be utilised where relevant. In addition, the Council are working with experts in children's services at Surrey to design the types of services needed and to obtain advice on critical issues such as safeguarding.

### 3 Universal Provision/ Community Venues

- 3.1 The Council recognises the need to cater for all parents in the community regardless of perceived need and in addition there is evidence that early intervention to all families would lower the number of level 2,3 and 4 families in the long term. For this reason, we propose to utilise community venues across the district from which universal services can be run by experts who have the ability and experience to help intervene before a family moves to a higher need one. The universal provision will consider the need for baby, child and youth services in the district as well as the need to combat social isolation in all ages.

- 3.2 Investigations are underway into possible community venues and activities for the universal services in the District. It is hoped that the premises vacated by the former children's centres could provide a base for these universal services, dependent on cost and availability. Initial conversations with building owners and managers indicate a high level of interest and enthusiasm for a more comprehensive and inclusive service provision across the district. The table below shows the proposed sites as well as the services being considered, although it should be noted that these proposals are still in development.
- 3.3 It is anticipated that the universal services will include many of the existing services currently supported by the children's centres which do not fall into the provision model for the family centre as defined by Surrey County Council. Where this is not possible, due to lack of availability or resource, we would aim to provide other universal services relevant to the community as a whole as can be seen in the table below:

### Hurst Green

Activity/Service	Provider	
Community Health Services that includes Baby Weigh, 27-month checks, Midwife visits and Health Centre visits	First Community Health & Care	Existing
Health Drop in and Breast-Feeding Support	First Community Health & Care	Existing
Pram walks	YMCA	Existing
First aid workshops	Oxted First Responders	Existing
Stay & Play	Toddler Group	Existing
Sing & Sign	Existing provider	Existing
Dad's Club	TBC	New
Talking Pre-teens	TBC	New
Parenting Puzzle	TBC	New

### Lingfield

Activity/Service	Provider	
Community Health Services to include Baby Weigh, 27-month checks, Midwife visits and Health Centre visits	First Community Health & Care	Existing
Pram Walks	YMCA	Existing
Tiny Trekkers	Sports coaching for pre-school	Existing
Dad's Club	TBC	New
Talking Pre-teens	TBC	New
Parenting Puzzle	TBC	New

### Windmill (Smallfield)

Activity/Service	Provider	
Community Health Services to include Baby Weigh, 27-month checks, Midwife visits and Health Centre visits	First Community Health & Care	Existing
Baby Sensory	Baby Group	Existing
Community Cafe	Café with stay and play	New

### Hamsey Green

Activity/Service	Provider	
Community Health Services to include Baby Weigh, 27-month checks, Midwife visits and Health Centre visits	First Community Health & Care	Existing
Nurture Me Yoga	Mother & Baby yoga	Existing
Tiny Talk	Baby Signing	Existing
Kickers & Crawlers	For parents to be and new parents	Existing
Toddler Nature School	Forest school	New

- 3.4 First Community Health Care have confirmed they would wish to run clinics across the District; the Council would not charge them for use of the premises to provide these essential health services and would make the premises available to them for the provision of these services wherever possible.
- 3.5 In terms of timing, Tandridge District Council would aim to roll out these services to coincide with the end of the Surrey County Council Provision to provide a seamless service provision for families in the district regardless of need.

#### 4 Financial and Risk Implications

- 4.1 The amount of money available for running the family centre in Tandridge is £416,228 which represents an approximate 16% reduction on the costs of the current children's centre provision. Detailed planning work is being undertaken with Surrey County Council to establish the staffing model for the family centre along with the outcomes required from the service. However, officers are confident that this service can be delivered within the financial envelope available. An outline of the costs can be seen in the table below:

Proposed Budget Allocation for the Family Centre:

	Yearly
Building costs	£27,600.00
Staffing	£326,300.00
Supplies and services	£9,180.00
Activities / Interventions	£50,000.00
Management Reserve	£2,920.00
<b>Total</b>	<b>£416,000.00</b>

- 4.2 The Council has allocated £75K for the purposes of preserving services for children and their families this year and, from the work done so far to develop community venue services, it is likely that the provision referred to in paragraph 3.3 above can be funded from that amount. The precise cost of the services envisaged is not yet clear and so the proposed delegation to the Chief Executive to finalise the proposals is contingent on their being contained within the funding available. For 19/20, this includes a sum of £25K which has been offered by Oxted Parish Council on condition that the proposal for the services meets their expectations.
- 4.2 The Council would wish to avoid establishing a service based on funding being available for one year, only to find that there is insufficient funding to continue that service. Given that the service is not now intended to commence until December this year, the whole sum will not be required this financial year and so it is suggested that the £75k earmarked in the budget for 19/20 be reprofiled across two financial years and that officers approach Oxted Parish Council to ask them to do the same.
- 4.3 Once the final costings are known, it will be possible to assess the amount of funding which will be needed on an ongoing basis and, if necessary, this can form the basis of a growth bid as part of the budget setting process later in the year. It is intended that some of the services to be delivered will be self-funding and, where made available by private providers, some form of cross subsidisation can be achieved, thus reducing the level of funding required directly from the Council.

- 4.4 The arrangements with the County will be clear about the level of funding available and will contain some level of guarantee that it would not be reduced in the next budget round and /or without proper notice and consultation. The specification states that the arrangements would be for an initial period of 3 years with an option to extend by two further periods of one year each. Surrey officers have indicated that if, during the establishment of the new arrangements, the Council incurs redundancy payments, these would be met by Surrey as would liability for any such payments which arise if and when the arrangements come to an end. Obviously, there is a reputational risk that, if the funding is withdrawn for any reason, the loss of service could be laid at the foot of this Council, even if the decision to close the service in fact rested with Surrey.
- 4.5 If the Council is to be involved in the direct provision of services to families and children, it would obviously be essential to ensure that all staff involved were properly qualified and trained in all key issues, including in relation to safeguarding.

## 5 Legal Implications

- 5.1 The Council has the power to provide the kinds of services likely to be required by virtue of the general power of competence contained in section 1 of the Localism Act 2011. The Councils can enter into arrangements with each other, under section 101 of the Local Government Act 1972, for the joint exercise of their functions.
- 5.2 Any proposal to transfer the operation of the children's centres to the new family centre service is likely to invoke the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 1984 and, therefore, care will have to be taken to ensure proper consultation with staff and to understand their existing terms and conditions, which may differ depending on who currently employs them.
- 5.3 As it is proposed that the family centre would be run from premises not already owned by the Council, arrangement will have to be put in place to secure those premises, probably via a lease.

## 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?	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 ascertain the extent to which Tandridge District Council can ameliorate the impact of those proposals.

## 7 Conclusion

- 7.1 This report is to update the members as to the current progress and understanding of the officers in the creation of the new family centre service and the intention of TDC to provide universal services across the district in lieu of the children's centres which are no longer being supported by Surrey.

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





## 1 Commission design specification – Family centres

Family Centres as part of a wider Family Service to support families with children aged 0 -11 that are the most vulnerable.

The new Family Centres will work with children aged 0 to 11 and their families. The services will be targeted and referrals will come via our new Early Help Hub, this Hub will replace the current MASH (Multi Agency Service Hub) arrangements. This new approach builds on the Family Resilience model, based on early intervention and support, at the core of this approach is the idea that most families will be good enough parents and continue to care for their children. We are seeking to avoid children becoming subject to child protection or public care.

Family Centres do not exist in isolation, but are part of a local integrated system and a wide range of partners that builds family resilience in Surrey, improving the life chances of the most vulnerable children.

### Aim

Working together with everyone who supports children, young people 0 – 11 yrs. and their families, Family Centres will promote the upbringing of children within their birth families and work with partners and families to ensure that children can thrive whilst remaining safely at home.

To do this family centres will focus their work on improving outcomes for children aged 0 – 11 years needing additional help; these include:

- Children whose needs are complex and enduring (Specialist).
- Children whose needs are more complex with more than one service involved as part of a co-ordinated multi-disciplinary assessment and plan (Targeted Help).
- Children whose needs require some extra support which can be offered or organised by the centre with local partners (Early Help);

Family Centres will act as soon as problems emerge, share information and provide effective, timely support to enable children and families to overcome difficulties and become more resilient so that they can manage future life challenges independently.

### Core purpose

As part of a quadrant early help offer Family Centres will work together with children and families to meet their additional needs offering the right help at the right time to prevent needs escalating and reducing the need for specialist services.

Family Centres achieve this by:

- Offering early help to support families at the right time as part of an early help plan;
- coordinating targeted help and taking the lead practitioner role where appropriate for families needing a multi-agency response;
- participating in a multi-disciplinary plan as part of specialist support for families in crisis.
- contributing to a co-ordinated borough/district parenting offer for families;
- providing information, advice and guidance and enable access to appropriate local universal services offered by local partners and/or voluntary organisations; and
- offering the use of the centre to partners or volunteers to deliver additional services.

### Purpose

	<p>Outcomes</p> <p>Family centres will focus on the following outcomes for families referred to the centre needing additional help at levels 2, 3 and 4 or children who are less likely to achieve their potential due to challenging individual or family circumstances.</p> <p>Outcomes:</p> <ol style="list-style-type: none"> <li>1. Reduced inequalities for disadvantaged children and families to prevent the need for statutory services</li> <li>2. Strengthened family relationships and enabling families to stay together</li> <li>3. Improved child and family health and wellbeing</li> <li>4. Improved outcomes at school</li> </ol> <p>As a result of being more resilient, families will increasingly enable children to be happy, healthy, learn, achieve their potential and become economically independent citizens.</p>
<p>Commission description</p>	<p>As part of the overarching family resilience approach, Family Centres will subscribe to the key principles set out in the Effective Family Resilience guidance. These are intended to inform the way everyone works with children, young people and their families in Surrey including statutory and non-statutory organisations, agencies and partners.</p> <p>The principles are:</p> <ul style="list-style-type: none"> <li>• Promoting the welfare of children and protecting them from significant harm is at the centre of all we do;</li> <li>• Working together across the whole partnership, aligning our resources so we can best support families and do what needs to be done when it needs to be done;</li> <li>• Using motivational interviewing to engage with families, seeking their consent and agreement;</li> <li>• Working to families’ strengths – especially those of parents and carers and taking the time to understand their needs fully. Parents say they are motivated by having goals that reflect their family priorities and working with practitioners whose actions are driven by the needs of the child;</li> <li>• Focusing on solving problems before they escalate and offer flexible responsive support when and where it is required;</li> <li>• Building the resilience of families and communities to support each other;</li> <li>• Basing all that we do on evidence, both of what is needed and of what works;</li> <li>• Being clear and consistent and open about the outcomes we want to achieve, to make a positive difference.</li> </ul> <p>Family Centres will contribute to a joined-up offer of family resilience and safeguarding services for families with children 0 – 11 years, based on a clear understanding of local needs across a district/borough. This will include a close partnership with the district/borough led Family Support Programme and the SCC targeted youth offer. The provision of services and deployment of staff and resources will link to the wider quadrant family resilience and safeguarding system to most effectively support children, young people and their families.</p>

Family Centres will receive allocations for families who need targeted help (level 3) and families requiring level 4 support from Children's Social Care through the Early Help Hub.

Family centres will work with district/borough councils, partners, local organisations and agencies to ensure that effective ways of identify emerging problems and potential unmet needs of individual children and families are in place. This can be achieved by linking with universal services, for example schools, early years settings, health visitors, midwives and those providing services to adults with children, sharing information that will support early identification and assessment. Family centres will work with the local authority to contact and support vulnerable families identified from the Department for Education (DfE) list of 2 yr. olds eligible for FEET funding.

Services will be designed to gain families' confidence, identify strengths and needs and support practical and achievable solutions as early as possible through the right amount of information, advice and support.

Family centres will connect with locally based professionals and agencies as part of a seamless offer of support for families. Charging for use of the Family Centre by other agencies is in accordance with the Family Centre charging policy (see section 5).

Family centres will provide centre based services and hire community venues to reach vulnerable families anywhere within the district/borough where a need has been identified. Outreach support for individual families will be included as part of the centres offer. Mobile provision will also be available to support target communities.

To maximise capacity to support families needing early help or targeted help, this model will maintain or increase where possible the number of family support workers and reduce the proportion of funding spent on overheads. This will be achieved by ensuring a focus on direct work with families, reducing the number of centre buildings and streamlining management costs.

Over time Family Centres will work towards supporting increased community resilience. Centres will be encouraged to innovate and be creative, working alongside partners to promote volunteering and community self-reliance.

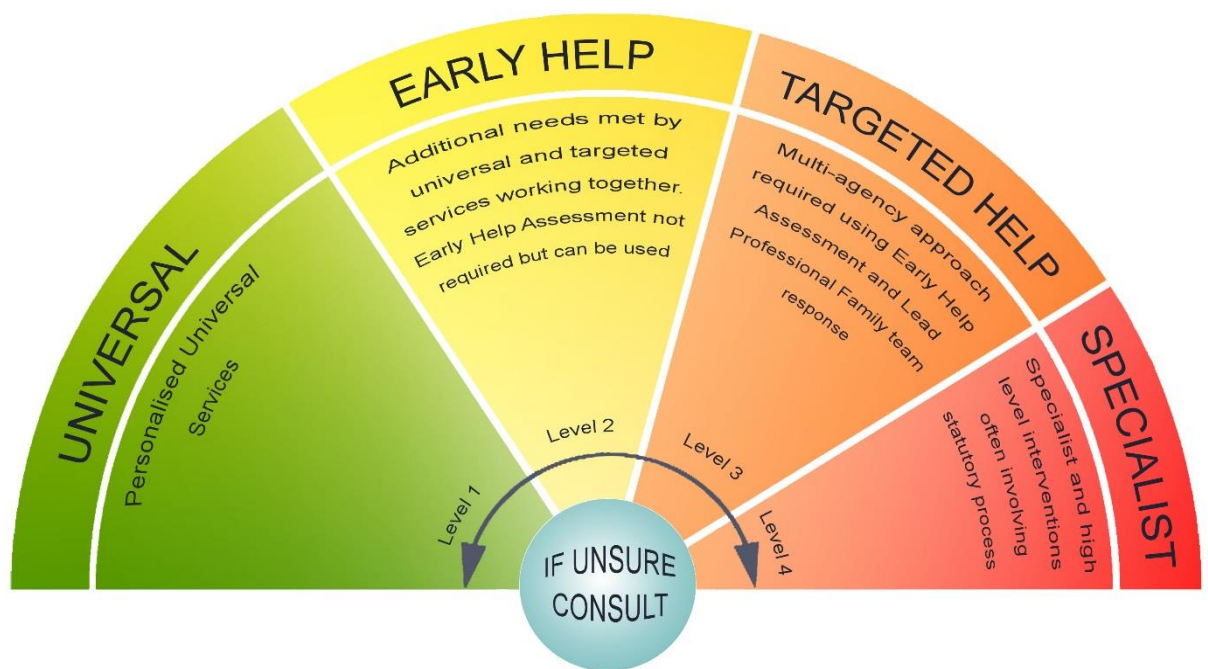
Family Centres will be expected to use the same case management system as the wider Family Services (EHM). The Level 3 and 4 families (see below) will be allocated to Family Centres by the Early Help Hub using the EHM system. EHM will be used to record early help assessments, plans record of intervention and management oversight.

Service standards include:

- The family to be contacted within 5 working days from point of allocation to the Family Centre
- Initial meeting with the family within 10 working days from the point of allocation to the Family Centre
- Where required, complete the Early Help assessment within 20 working days of allocation
- All cases reviewed with effective management oversight at a minimum of every 12 weeks or sooner if circumstances change significantly.

## Graduated response to need

### The Surrey Effective Support Windscreen



## Supporting Specialist, Early Help and Targeted Help

### Specialist (level 4)

Family centres will participate in a multi-agency approach and effective local partnerships particularly between social workers, health visitors and family workers where children's needs are complex and enduring and cross many domains. Working alongside other professionals family centre staff will be trained in motivational interviewing and apply this in their work with families.

These families will be supported to access a continuum of wider services as needed, ensuring appropriate referrals to statutory social care services are made if necessary, supporting them through and out of interventions. The Effective Family Resilience indicators of need should be used to identify children and families needing this level of support. Typically families may include those where:

- there are Child Protection Orders in place
- a Child in Need plan is in place
- there is known domestic abuse

- they are accessing CAMHS services
- there are Looked After Children.

Typically family centres may offer interventions to these families as part of a plan. These interventions may be:

- early help services for example evidence based parenting programmes
- targeted help services for example linking with specialist services for families where there are more complex health or social care needs.

Family centres may offer space in the centre for supervised contact where appropriate for the family.

### **Targeted Help (level 3)**

Family centres offer services to children and families identified as needing Targeted Help as part of a multi-agency approach. Their needs are likely to be complex and range across a number of domains in depth or significance. Centres will link to Surrey's family resilience processes to:

- casehold families that have been referred through Surrey's Early Help Hub.
- support individual families needing one to one support; outreach worker's (Full time equivalent) caseload to support between 12 – 15 families at any one time.\*
- complete and record Early Help assessments with families and take the role of lead professional where this will lead to the best outcomes for the family. The early help assessment will help to identify which early interventions might be appropriate and help ensure families in greatest need receive the services that will make a difference to their lives
- offer solution focussed and strength-based approach to working with families
- use motivational interviewing as an approach to practice
- use Outcomes Star as the approach to assessment, planning and measurement of impact to improve practice

\*Individual one to one work with families could take place in the home, centre or community whichever best supports families' circumstances. This support would be part of a time bonded plan agreed with the family using evidence based interventions and regularly reviewed through the use of the Outcome Star. This work will be part of a Team Around the Family approach.

The aim of this support is to increase family resilience, build close and loving relationships and improve parenting skills and capacity to enable children to experience effective parenting.

### **Families needing Targeted Help may present with the following:**

- child previously had periods of Local Authority care
- Refugee families
- Young carer
- parent/carer failing to provide adequate care and child not meeting developmental milestones
- child subject to neglect
- Domestic abuse in the home
- Consistently poor nursery/school attendance
- Family unable to gain employment due long term substance misuse

- Family have serious physical, mental health, substance misuse issues, learning disability or physical disability impacting on their child
- child has significant disability

**Targeted Help support could include activities provided by family centres or partner agencies to improve:**

- Health and emotional development
- Behavioural development
- Family and social relationships
- Self-care and independence
- Learning and child development
- Basic care, ensuring safety and protection
- Housing, work and income
- Family functioning and wellbeing

### **Early Help (level 2)**

These services may be provided for individual families or where population groups are targeted for intervention for example families living in pockets of deprivation or traveller, military or young inexperienced parents whose needs require some extra support. Families at this level do not require a multi-agency approach but a Team Around the Family meeting to share information and agree an Early Help Plan maybe helpful.

The following factors individually may have no impact on the family but combined they may contribute to poorer long term outcomes and should be taken into account when considering the level of services needed. These include:

- lone parent families
- non-working families
- families on low income (under 20k) or on benefits
- families with three or more children aged 0-14 years
- families living in one of the 30% most deprived areas of the country
- families where low or no qualifications have been achieved
- families where at least one parent has a long term illness or disability
- families in rented accommodation as a proxy for social housing or in temporary or overcrowded housing
- families where at least one child has a special educational need or long term disability or illness.
- families suffering trauma or bereavement
- families where there is domestic abuse, substance misuse or mental health affecting the child
- member of family in prison
- military families
- English as a second language
- Roma/Traveller families
- family member offending/anti-social behaviour

**Early Help support could include activities provided by family centres or partner agencies to improve: to improve:**

- Health and emotional development
- Behavioural development
- Identity and self esteem
- Family and social relationships
- Self-care skills and independence
- Learning and child development
- Basic care, ensuring safety and protection
- Emotional warmth and stability
- Family functioning and wellbeing
- Guidance, boundaries and stimulation
- Housing, work and income
- Social and community inclusion

Services could include:

- evidence based programmes for parenting, building close family relationships, wellbeing and family support
- evidence based programmes to build positive parental relationships and reduce conflict;
- signposting to RELATE and Domestic Abuse Outreach Services;
- support groups for young parents;
- support groups for parents of children with additional needs;
- support to families eligible for FEET funding to access appropriate early years provision and parenting support;
- evidence based communication and language programmes and groups supported by SALT services and health visitors;
- evidence based programme to support healthy lifestyles and healthy weight of young children;
- cooking sessions to support families needing to improve nutrition and/or budgeting skills;
- outreach work to traveller sites to encourage participation in education/health services
- signposting to family and adult learning courses alongside partner agencies such as Family Learning and training providers.
- Signposting to preparation for work courses CV writing, interview skills.



**Core characteristics**

**Working together to support families in greatest need**

- Funding allocations reflect the 0 – 4 yrs population with each child contributing to the borough/district total. Funding is weighted to ensure that children in the highest areas of need attract the highest funding with an allocation for those living in a middle and lower areas of deprivation. Funding is based on the IDACI index of deprivation.
- Resources targeted to need, at a countywide and local level, to tackle inequality and disadvantage – the most resourced buildings will be located in the areas of greatest need with satellites and community venues offering some family centre services in areas with a lower concentration of need. Families will be able to access any centre.
- We will maximise investment in front-line staff and reduce investment in overheads, including some buildings and management costs.
- Strong partnerships with schools and PVI organisations managing family centres, health and other partners will be maintained whenever it is possible
- Partnership agreements between family centre providers across the borough or district to maximise resources and have flexible approaches to managing demand
- Family centres will respond to and inform the development of local priorities through the Early Help governance arrangements.
- Children’s centres build on existing strengths and relationships in the local community
- There are opportunities for local creativity and innovation in creating a sustainable model

**Strong partnerships building stronger communities**

- Partnership is at heart of the family centre model and building stronger communities is key to delivering a district/borough-wide whole family offer.
- Partners are able to deliver from buildings to maximise their impact
- Co-delivery of specific programmes and interventions in partnership with health and other partners
- Integration with other Surrey CC in-house and externally commissioned services for example Family Support Programme.
- Social work support and advice is available to all professionals working in Family Centres
- Information, advice and provided by family centres, family information service and the Early Help Hub.

**Practice model based on Family Resilience**

- Family Centres will form part of the new whole system family resilience model for Surrey
- Effective and purposeful relationships with the families at the heart of our approach
- Securing consent and working with families rather than doing to (see Family Resilience document)
- Motivational interviewing will be the model of practice for all targeted help and specialist work with families

	<ul style="list-style-type: none"> <li>• Expertise and skills of existing staff is retained whenever possible</li> <li>• Support workforce development through Surrey Children’s Academy</li> <li>• Complies with practice standards set by Surrey County Council</li> <li>• Practitioners are expected to receive regular effective supervision and management oversight.</li> </ul>		
<p><b>Development characteristics</b></p>	<ul style="list-style-type: none"> <li>• Increased use of social capital</li> <li>• Create wider opportunities for volunteering and peer support</li> <li>• Connection to the Early Help Module to record and monitor case work</li> </ul>		
<p><b>Timeframe</b></p>	<p><b>Start date: (tbc)</b></p>	<p><b>End date: (tbc)</b></p>	<p><b>Duration:</b> 3 years + 1 year + 1 year</p>
<p><b>Target groups</b></p>	<p><b>Age:</b> Supporting whole families with children 0 - 11yrs  Focus on 0-3yrs in line with First 1000 Days.</p>	<p><b>Typical needs:</b> Family centres will support families needing early help and target help as well as contributing to a plan for families needing specialist support. Targeted groups of children and families who have characteristics that may contribute to poorer long term outcomes include:</p> <ul style="list-style-type: none"> <li>• lone parent families</li> <li>• non-working families</li> <li>• families on low income (under 20k) or on benefits</li> <li>• families with three or more children aged 0-14 years</li> <li>• families living in one of the 30% most deprived areas of the country</li> <li>• families where low or no qualifications have been achieved</li> <li>• families where at least one parent has a long term illness or disability</li> <li>• families in rented accommodation as a proxy for social housing or in temporary or overcrowded housing</li> <li>• families where at least one child has a special educational need or long term disability or illness.</li> <li>• families suffering trauma or bereavement</li> <li>• families where domestic abuse, substance misuse or mental are affecting the child</li> <li>• member of family in prison</li> <li>• military families</li> <li>• English as a second language</li> <li>• Roma/Traveller families</li> <li>• family member offending/anti-social behaviour</li> </ul>	

<p><b>Geography</b></p>	<p>Each Family Centre provider will be responsible for a specific area within a district/borough as part of a wider Family Centre offer which is county wide. Family Centres will work together to maximise resources and deploy staff to best meet the needs of families in the local community. Main Family Centres with the most resources will be located in areas of high need, supported by a number of satellite premises, partner and local outreach venues in communities across the county.</p> <p>Centres will link to the quadrant family resilience offer, Family Safeguarding Hub and Early Help Hub</p>		
<p><b>Delivery vehicle</b></p>	<p>Contracts</p>	<p><b>Total Funding each year per District/Borough</b></p>	<p>See Annex A</p>
<p><b>Quality</b></p>	<p>We will use the following approaches to ensure the quality of Family centres in Surrey:</p> <ul style="list-style-type: none"> <li>• <b>Compliance with relevant national and local guidance, including Surrey Safeguarding Children Board Policy and Procedures; Data Protection and Information Sharing Protocols – including requirements of GDPR) and our service standards</b></li> <li>• <b>Provider quality assurance</b> – providers will be expected to include consultation with children and young people, their parents and carers, and referral stakeholders in their monitoring and evaluation of the service provided. This should focus on customer satisfaction, quality improvement and, crucially, the outcomes achieved for children, young people and families, through direct feedback about “I” statements being realised. This feedback will be collated and shared with the council as part of the contract review process. Approaches to gather feedback could include: appropriate questionnaires and feedback forms; consultation sessions and activities; and involvement in service planning and review.</li> <li>• <b>District and Borough Annual Reviews</b> – we will seek customer feedback from children, young people and families through the local early help governance structures, in relation to the quality of provision and impact on outcomes in our outcomes framework. Providers will support and encourage collation of feedback from children, young people and families.</li> <li>• <b>Observation, engagement and or site visits</b> – the purpose of these at least annual visits will be to observe practice, activities and relationships between the workforce and children and young people. This will assess provision against key quality standards set out by the Council and the approaches identified by the provider in their bidder response. We will also use these visits to engage and consult with children, young people and families.</li> <li>• <b>Management information reports</b>, will be produced from the EHM case management system for use by the provider and commissioner to monitor performance against service standards.</li> </ul>		
<p><b>Working with other commissions and partners</b></p>	<p>For this commission, local providers with experience of working with individuals (aged 0-11 years) and with families will work together within a district and borough to deliver all elements of the specification as underpinned by a local partnership agreement (as needed).</p> <p>Providers will need to work with a wide range of other commissions, SCC departments and partners based around the needs of a family to achieve the best possible outcomes for children and young people.</p> <p>Key agencies that the provider will be expected to work with include:</p> <ul style="list-style-type: none"> <li>• Children’s Social Care Teams</li> <li>• Family Support Programme</li> </ul>		

- SCC's targeted youth services
- Early years settings
- CAMHS Provider and Sub-contractors
- Domestic abuse outreach
- Local Social Prescription Service
- Surrey Schools in the areas they are delivering (special and mainstream)
- District and boroughs to include Housing and Family Support Services
- Public health providers (including 0-19 health teams – midwifery, health visiting and school nurses)
- Substance misuse services for adults who have children aged 0-19
- Services provided by Adults Services and Health partners (e.g. Clinical Commissioning Groups and their providers)
- Other local voluntary, community and faith sector organisations (mainstream and specialist) who could provide additional services to support children, young people and families coming to the attention of the provider (including local domestic abuse expert support services)
- Criminal justice agencies e.g. Police, Probation and Youth Offending Service.

## 2 Children’s centre Outcomes Framework

Ultimate Early Help Outcome: <i>Surrey children and young people get the right help at the right time. They are resilient and have safe, nurturing relationships which enable them to thrive and build skills they will need for adulthood (Early Help Strategy 2018 – 2022).</i>				
Ref	Commissioning Plan Outcome	Ref	Local Offer Outcome	“I” or “We” statements
1	Children, young people and families will have nurturing relationships, free from harm	1.1	Family life is enhanced	<p><i>Whole-family feedback including:</i></p> <p>Our home life is calm.</p> <p>We understand each other’s needs and what works to help our family.</p> <p>We have a toolbox of skills to help our child[ren] and to improve our situation at home.</p> <p>We feel much more able to face the future challenges</p> <p>I feel very much empowered to improve our life as a family</p> <p>We are having fun as a family.</p>
		1.2	Parents / care-givers develop skills that enable them to cope and build positive relationships with their children through key life-stages	<p><i>Focus on feedback from parents on what matters most to them to support their child to get best outcomes; focus on specific support for families at key points of transition including:</i></p> <p>I feel less anxious about the future and better equipped to deal with tantrums and things that may occur.</p> <p>I know how to talk to my child and manage challenging behaviour.</p> <p>I can cope and help my child when times are hard.</p> <p>I feel equipped with the skills and to help my child move forwards.</p> <p>I realise that there are other families in the same boat and talking about experiences in dealing with difficult situations allowed me to learn practical strategies</p> <p>I feel more confident as a parent and more hopeful for the future.</p>
		1.3	Young parents feel supported to give their child the best possible start to life	<p><i>Focus on feedback from young parents and specific requirements for support including:</i></p> <p>My child is happy and healthy.</p> <p>I know I can do the best for my child[ren]</p> <p>I feel that my relationship with my child has improved and my own confidence in my parenting ability has improved.</p>

		1.4	Families with children with SEND are supported to be resilient	<p><i>Focus on feedback from families with SEND specifically linked to parenting support identified including:</i></p> <p>I understand the needs of all of my family and what resources I have to support individual and whole-family</p> <p>I feel much better equipped to deal with my child's behaviour</p> <p>I have opportunities to spend quality time with the different members of my family, including all my children</p> <p>I feel positive about the future and how to support my child[ren] as they go through life.</p> <p>I am not on my own and help is available if we need it.</p>
		1.5	Parents / care-givers strengthen relationship between adults involved in care-giving for children	<p><i>Focus on reduction of inter-parental conflict and or knowing where to ask for help when needed to keep children and young people safe including:</i></p> <p>I feel able to talk to my partner about how I am feeling</p> <p>I know what we need to do to improve our relationship to strengthen the care for our child[ren]</p> <p>I understand the impact that my relationship with my partner has on my children.</p>
		1.6	Children and young people form and develop supportive relationships	<p>My family relationships are stronger</p> <p>I have healthy relationships with my peers</p> <p>I have positive role models in my community</p>
2	Children, young people and families are healthy and well and feel connected to their local communities	2.1	Children and young people recognise and manage their feelings and emotions	<p>I understand my feelings better</p> <p>I recognise when my feelings change</p> <p>I am more able to manage my behaviour when my feelings change</p>
		2.2	Young people feel supported to participate and are ready for adulthood	<p>I enjoy learning and am hopeful for the future</p> <p>I know where to go for help when I need it</p> <p>I know I am not on my own and feel supported to transition</p> <p>I feel more prepared to face problems</p>
		2.3	Children, young people and families feel supported locally	<p>I know I am not alone and I feel less isolated</p> <p>I have opportunities to talk with others in similar positions (parents, carers, young people, children)</p> <p>I feel supported to develop positive solutions to the challenges I face</p>
		3.4	Parents and carers are able to look after their own wellbeing	<p>I feel more confident to manage at home</p> <p>I feel less stressed and exhausted</p> <p>I feel more able to face problems when they happen</p>

### 3 Key performance measures for the commission

Ref	Key performance indicators (KPIs)	Source of verification
1A	Number of families supported to improve early help outcomes as referred by: <ul style="list-style-type: none"> <li>- Surrey Families Services Early Help Hub (level 3 families)</li> <li>- Direct referral (including self referral) (level 2 families)</li> <li>- Average and caseload range of FTE outreach worker</li> </ul>	<ul style="list-style-type: none"> <li>• Provider data returns</li> <li>• EHM Management reports</li> </ul>
1B	% of families re-referred to Surrey Family Safeguarding Hub or Early Help Hub within 6-months of case-closure	Families Service data returns
1C	Performance against family centre standards for assessment, planning and review	EHM Management reports
1D	Outcomes at point of case closure: Closed successfully/ referred or signposted to another agency/refused to engage/family's declined further support after period of engagement.	EHM Management reports
2A	Proportion of children and young people (and/or their parent carers) feedback that they have made positive progress in relation to identified outcomes in the early help outcomes framework during each year of the commission, through the process specified by Surrey County Council	<ul style="list-style-type: none"> <li>• Evidence of positive progress from provider</li> <li>• Annual SCC Early Help Survey</li> </ul>

2B	Needs analysis and evidence of impact by district and borough identified through family characteristics and outcomes	EHM Management reports
2C	For all cases closed within monitoring period: Improvement in family resilience as a result of intervention	Provider returns <ul style="list-style-type: none"><li>• Outcomes Star Analysis</li></ul>
3	Impact of additional financial or in-kind social capital delivered to enhance the offer to achieve better outcomes during each year of the commission*	Provider data returns

\*This value will be assessed using SCC's Social Value Charter, which provides a standard way of calculating the financial value of a number of different forms of social value and social capital.



## 4 Approach to performance management

4.1 SCC is taking an outcomes-based approach to performance management of our early help services. This means we will focus on the long-term positive changes that those services have helped children and young people and their families to achieve, rather than simply on what activities have been delivered. We have described the positive changes we are seeking to achieve in our Early Help Outcomes Framework. The measurement of these outcomes will demand a structured approach, based on outcome indicators, principles of good evidence and appropriate data collection tools. As well as impact on outcomes, performance management will also involve: assessing the quality of activity delivered; and monitoring progress in relation to the key performance measures. Through this process, Providers and the Council will work in partnership to ensure 'community early help' makes a real difference to vulnerable children and young people and their families.

4.2 To support effective mobilisation of services and address any early issues, there will be 'light-touch' partnership discussions between the Provider and the Council:

- within 1 month of award of funding by the Council's Cabinet;
- during the first month of the contract; and
- after three-months of the contract for an initial review of performance.

These partnership discussions may or may not be required, at the discretion of the Council.

4.3 The main forum for performance conversations will be the regular monitoring meetings between the provider and SCC. A contract management plan will be drawn up and agreed between the provider and SCC that sets clear expectations in this regard. The frequency will be agreed post-contract award and will be proportionate to the level of service commissioned. SCC or the Provider may request additional meetings where there are concerns about delivery against the contract or the quality of provision, or other issues that need to be addressed. An end of year review meeting will be held for each contract. Meetings will be administered by the Council (unless otherwise agreed) and will be attended by the designated representative from the organisation.

4.4 To ensure performance conversations are effective and add value, the Provider will need to keep appropriate records of their activity and key performance measures, feedback from their internal quality assurance and evidence of impact on outcomes for children, young people and families, and make information available to the Council at particular times. The main requirements are summarised in the following sections, although additional information may be requested during the Contract, as appropriate.

4.5 At these meetings the Provider will need to come prepared to demonstrate how their delivery has contributed to the outcomes set out in the service specification. In doing so the Provider will cover, but not necessarily be limited to, the following elements:

- an **overall performance narrative** describing delivery so far against the requirements of the contract and service specification;
- evidence of the **impact of their work on outcomes for children, young people and families**, based on data collection from an appropriate tool;
- evidence of how their offer has been **co-designed** with children, young people and families;
- a self-assessment of **quality of their delivery so far**, alongside assessment reports from any relevant external regulatory bodies; and
- evidence of how they have **secured and deployed social capital** to enhance their delivery.

4.6 Providers are required to submit quantitative data about their delivery on a bi-annual basis. A monitoring form template will be provided by the Council that requires the following information relating to families accessing their services: numbers of families supported; total number of children and young people supported; hours of provision accessed during the last bi-annual period; home postcode; ethnicity; outcomes targeted; and disability. Providers will also need to provide a summary of how they have been performing against the KPIs identified in section 3. The Council may also request the following additional information: application numbers; referral rates; unmet needs; waiting lists; cancellations; and non-attendances.

The first reporting period will be between September 2019 and March 2020. A report on this initial period will be required by 25 April 2020. Routine bi-annual reports will then be required by the following dates for 2020/21: Biannual 1 – 25 October 2020; Biannual 2– 25 April 2021.

4.7 The Provider will be required to employ a robust process, as agreed with SCC, for monitoring the setting of goals and progress made by individual families, in relation to outcomes in the community early help outcomes framework. SCC will be entitled to access and review records of individual families, to quality assure the Provider’s implementation of this approach.

4.8 The Provider will be proactive in monitoring its own performance against the Contract and immediately report to SCC any areas where it is unable to fulfil its commitments. The Provider should propose to SCC the actions to be taken to rectify the situation.

4.9 For each monitoring period of the grant each Provider will be assessed against the profiled KPI performance levels that they set out in their Bidder Response, alongside any feedback on quality and collaboration. As a result of this process they will be categorised as in one of four performance zones – ‘Exceptional performance’, ‘On target’, ‘Under review’ and ‘At risk of decommissioning’.

Exceptional performance	A Provider will achieve ‘exceptional performance’ when they are delivering more than their profiled target performance through strong use of social capital and the quality of their delivery is judged to be an example of best practice.
On target	A Provider will be performing ‘on target’ when: achieving an average of between 80% and 100% of its profiled quarterly performance for KPIs 1 and 2, with performance for neither below 70% of agreed delivery; provision is judged by SCC to be of sufficient quality to contribute to commission outcomes; and progress in performance for KPIs 3 is judged to be sufficient, subject to review at Partnership meetings.  If at any point during the Agreement any of these criteria are not fulfilled, providers will be categorised as ‘under review’.
Under review	A provider who is ‘under review’ will be required to work in partnership with SCC to develop and agree an informal improvement plan, with agreed milestones for development and timescales. In some cases SCC may choose to issue a formal written ‘Notice to Improve’. During the next two quarters of reporting they will be required to show improvement in line with agreed milestones. If they are unable to do this or, at any stage, SCC judges that action taken by the Provider is insufficient to address underperformance they will become ‘at risk of decommissioning’.  A ‘Notice to Improve’ or move to ‘at risk of decommissioning’ may be delayed where: there are reasonable extenuating circumstances, agreed with SCC, that

	have led to lower than expected performance; and/or the exceptional quality of activity is judged by SCC to be making a contribution that delivers the agreed outcome performance.
At risk of decommissioning	When a provider is 'at risk of decommissioning' the Council shall be entitled to terminate the Contract and/or require repayment of funding in accordance with the terms of the Contract.  As above, the quality of provision that is being offered by the Provider to children and young people, and any extenuating circumstances, will be considered as part of any decision to end the Contract.

## 5. Arrangements for charging.

When working in partnership with statutory partners and agencies to provide services for families as described in the specification, Family Centres should offer free use of accommodation for activities agreed in the Service Delivery Plan. A charge can be made however for additional consumables and services provided by the centre for example photo copying, refreshments.

As a guide the following organisations should not be charged for accommodation where the use involves children or families:

- Health
- Jobcentre Plus
- Portage Early Education Support Service
- Surrey Early Support Service
- Children's Social Care (Family Safeguarding)
- Targeted Youth Support
- Family Support Programme.

The above partners however can be charged in the following circumstances:

- Sessions that occur outside of normal opening hours which incur additional expenses e.g. staff.
- Supervised contact where it is the responsibility of a local authority other than Surrey CC

Refreshments may be offered free as part of the centres contribution to joint working.

Centres may offer free use of the accommodation to other organisations working in partnership with the Family Centre by negotiation. For example if the Citizens Advice Bureau is offering a service agreed in the Service Delivery Plan and has no funding available for venue hire this can be offered free of charge.

Any organisation that is not charged for the use of premises must have Public Liability Insurance of at least £5 million.

### Organisations that can be charged

Your priority is to use your Family Centre to deliver the services in accordance with the Family Centre Specification. However, organisations and groups can use your Family Centre premises as long as they do not

affect your ability to meet the needs of vulnerable families. You can either hire the premises to third parties or lease office space for administration use if space allows.

Use of the premises by third parties whose activities are not related to the service specification should be regulated under the host organisations normal hiring policy.

As a guide the following organisations can be charged for accommodation:

- Any partner agency requesting to use the space for meetings or training that do not include children and families.
- Childminding groups – agreed locally and in consultation with local home based child carers
- Children’s activity providers

## **Service Users**

### **Free activities, charging and voluntary donations**

Charging for or asking for a donation towards the cost of an activity is at the discretion of Family Centres. It is important however that there is an agreed policy to ensure fairness and transparency and equality of access for all users of the centre.

Services offered for families most in need should be free at the point of use. Where appropriate to do so a small voluntary donation can be suggested to encourage commitment and ownership.

When asking for a voluntary donation you must make it clear that the contribution is voluntary. Where users are unable to contribute centres must ensure that families are treated in the same way as those that can.

Where you have to pay for resources that accompany a course, you can pass the charge onto users for example, the parenting puzzle book for the course delivered by Family Links.

**Annex A: Full Year Funding 2020/21 onwards per District and Borough**

<b>District / Borough</b>	<b>Full Year Funding 2020/21 onwards</b>
<b>Spelthorne</b>	<b>£746,577</b>
<b>Elmbridge</b>	<b>£849,576</b>
<b>Epsom &amp; Ewell</b>	<b>£418,228</b>
<b>Woking</b>	<b>£636,709</b>
<b>Runnymede</b>	<b>£469,037</b>
<b>Surrey Heath</b>	<b>£436,691</b>
<b>Guildford</b>	<b>£780,447</b>
<b>Waverley</b>	<b>£529,912</b>
<b>Reigate &amp; Banstead</b>	<b>£885,752</b>
<b>Mole Valley</b>	<b>£336,518</b>
<b>Tandridge</b>	<b>£416,766</b>

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 13<sup>TH</sup> JUNE 2019  
AGENDA ITEM 9**

**INFRASTRUCTURE FEASIBILITY FUNDING**

Report of:	Mark Bristow– Strategy Specialist - 01883 732921 <a href="mailto:mbristow@tandridge.gov.uk">mbristow@tandridge.gov.uk</a>
Purpose of Report:	There is a concern that Surrey is missing out on infrastructure funding through a lack of appropriate feasibility studies. Investment in project development is needed at an early stage to develop a pipeline of projects able to apply for full project funding when bidding rounds become available. This report proposes arrangements whereby districts and boroughs agree to ring-fence CIL monies to support project development in return for a contribution to costs from Surrey County Council and the Local Enterprise Partnership (LEP), Coast to Capital.
Publication status:	Unrestricted
Recommendations:	That Committee agrees that  A. the Council should participate in the Infrastructure Feasibility Study Fund for Surrey (the Fund);  B. the Council ringfences £250,000 of its collected Community Infrastructure Levy (CIL) for the purposes of funding feasibility studies supported by Fund for the current year and the following three years, subject to there being sufficient CIL funds available for this purpose; and  C. authority be delegated to officers to determine the use of such funds for appropriate infrastructure feasibility work that will benefit the District.
Appendices:	None
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Large scale infrastructure projects are in the main funded by central government, by and large through bidding rounds which are announced from time to time and which tend to give interested parties very little time in which to put a bid together. This is especially so as government expects detailed business cases to be submitted in support of such bids. In practice, this means that it can be hard for councils to access the necessary funds unless they already have proposals reasonably well worked up in advance. Much work has been carried out in Surrey to identify those areas of the county requiring critical infrastructure requirements and as part of this work, it is proposed that all councils in Surrey collectively develop infrastructure feasibility.

1.2 The proposal is that district and borough councils ring fence capital sums within their own budgets for the purposes of carrying out feasibility studies in support of bids for infrastructure and that should it be agreed by the wider partnership comprising other districts and boroughs, the County and the two LEPs covering Surrey, that the bid should be supported, a contribution to the costs of the bid will be made by Surrey County Council and the relevant LEP. Their contribution will be based on a gearing ratio of 1:0.86. For every £1 which Tandridge District Council invests in the fund the Council will receive an additional 86 pence.

## 2. **Why Surrey needs an Infrastructure Feasibility Study Fund?**

2.1. There is concern that Surrey is missing out on infrastructure funding through a lack of appropriate studies. The purpose of the fund is to:

- Develop a pipeline of infrastructure projects to support economic growth across Surrey;
- Reduce the risk to scheme promoters which results in feasibility studies not being carried out;
- Support investment in project development at an early stage to develop a pipeline of projects able to apply for full project funding when bidding rounds become available;
- Provide a dedicated fund to ensure that resources are available and ring-fenced to support project development;
- Ensure that projects are in the best possible position to secure external funding due to good quality feasibility work being carried out;
- Ensure that Surrey can apply for full project funding when bidding rounds become available. Other counties have pipelines of well-developed schemes and hence are in a better position to apply for these competitive funds; and
- Develop projects that cross boundaries both within and outside Surrey. The fund will help partnership working both between local authorities and between local authorities and the LEPs.

2.2 One future funding opportunity will be the UK Shared Prosperity Fund (UKSPF). The focus of the fund will be on tackling inequality by raising productivity. At this stage the amount of funding and its allocation across the UK has not been announced. If the LEPs are successful in being allocated funding from the UKSPF Surrey Districts and Boroughs will want to be able to apply for funding for projects.

### 3. **How the funding mechanism would work**

- 3.1 The fund would comprise funding from the districts, Surrey County Council and the LEPs. If a district council would like to participate in the fund they will be asked to commit an amount of funding which will be ring fenced for the fund but retained in the District's control. The ring-fenced funds will only be called upon for bids supported by the Council as being of benefit to Tandridge. Generally speaking, this would be for projects within the district boundaries although it is conceivable that projects which cross the boundaries or are in close proximity to the district would have a positive impact on Tandridge residents and businesses. A centralised pot of funding will be set up containing the County Council and LEP contributions.
- 3.2 A participating district will be asked to submit an annual return detailing the amount of funding which they are ring-fencing for the fund and which can be drawn on for infrastructure feasibility studies which they promote. This commitment will allow the County Council to recruit resources for carrying out the studies either by consultants or a dedicated in-house team.
- 3.3 The Surrey Future Steering Board would issue an invitation for proposals. The districts as scheme promoters would complete an expression of interest for their proposed project by filling in a standard form. The forms would be assessed to determine if the project is likely to be feasible.
- 3.4 Projects which are considered likely to be feasible would progress to the pre-feasibility study stage which would be funded through the infrastructure feasibility study fund. If a district has a project which they would like to progress to this stage they will be asked to commit their funding for the pre-feasibility study and this will also secure funding from the LEP and County Council with a gearing ratio of 1:0.86 as well as securing dedicated consultancy or in-house County Council staff to carry out the study. The project promoter will need to work jointly with the project team to carry out the work. It is anticipated that the pre-feasibility study will be between 5 and 10% of total project costs.
- 3.5 The pre-feasibility study will determine if the project is viable and feasible and whether it can progress to full feasibility study stage which is anticipated to be around an additional 5% of total project costs. This will result in a rolled-up total of 10-15% of project costs for the pre-feasibility and feasibility studies.
- 3.6 If the projects are taken forward and full funding secured, it is common practice for the full funding to cover the sunk feasibility costs, thus allowing the initial feasibility funding to be recycled in the same proportions that it was invested in the fund i.e. 54% back to the District and 46% back into the centralised pot. It may not always be possible to recycle all pre-feasibility and feasibility funding as the rules differ depending on the funding scheme in question.



## An example of the fund

3.7 An example of how the fund would work is given below:

<b>1. Set up the Infrastructure Feasibility Study Fund</b>	
In 2019/20 Tandridge District ring-fenced funding	£0.54m
In 2019/20 funding in centralised pot from SCC and LEPs	£3.00m
<b>2. Issue invitation for proposals</b>	
Tandridge District complete form for example project Project cost is £8.00m. Form assessed and project is determined as feasible	
<b>3. Pre-feasibility study</b>	
Pre-feasibility study is scoped and will cost £0.60m	
Tandridge District releases ring-fenced funding	£0.32m
Funding from centralised pot released for example project	£0.28m
Pre-feasibility study assessed and the project is still viable and feasible	
<b>4. Full Feasibility study</b>	
Full feasibility study will cost a further £0.40m	
Tandridge District releases ring-fenced funding	£0.22m
Funding from centralised pot released for example project	£0.18m
<b>5. Project successfully delivered</b>	
Tandridge District uses feasibility study and successfully applies to a central Government infrastructure fund. Full funding secured and project is taken forward and delivered	
<b>6. Recycling of funds</b>	
One third of the pre-feasibility and feasibility funding can be recycled	
Money repaid to Tandridge District	£0.18m
Money repaid to centralised pot	£0.15m

#### 4. Financial / risk Implications

The funding for the Infrastructure Feasibility Study Fund can be found from the Strategic CIL element that the Council administers.

#### 5. Legal Implications

The Council's participation in this initiative, and the pooling of contributions with other Surrey authorities to attract greater investment in the County's infrastructure, is consistent with and authorised by the powers contained in the Planning Act 2008 (and the CIL Regulations made thereunder) and the powers to benefit, develop and improve the area set out in general legislation.

#### 6. Conclusion

Members are invited to agree to participate in the Infrastructure Feasibility Study Fund for Surrey and to allocate £250,000 of Strategic CIL funds for this purpose for the financial year 19/20 and for the following two financial years, assuming that there are available funds in the CIL pot at the relevant time.

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