

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.

20th November 2019

Dear Sir/Madam,

STRATEGY & RESOURCES COMMITTEE
THURSDAY, 28TH NOVEMBER 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,



Elaine Jackson
Acting Chief Executive

AGENDA

1. **MINUTES OF THE MEETING HELD ON THE 26TH SEPTEMBER 2019** (previously circulated within the Council Book)
2. **APOLOGIES FOR ABSENCE** (if any)
3. **DECLARATIONS OF INTEREST** – All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:
 - (i) any Disclosable Pecuniary Interests (DPIs) and / or
 - (ii) other interests arising under the Code of Conduct

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

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4. **TO DEAL WITH QUESTIONS SUBMITTED UNDER STANDING ORDER NO. 29(2)**
5. **NON-DOMESTIC RATES - DISCRETIONARY RELIEF POLICY** (page 3 and Appendix 'A')
6. **REVIEW OF CONTRACT STANDING ORDERS** (page 14 and Appendix 'A' as a separate document)
7. **SURREY HILLS AREA OF OUTSTANDING NATURAL BEAUTY MANAGEMENT PLAN 2020-2025** (page 19 and Appendix 'A' as a separate document)
8. **QUARTER 2 COMMITTEE DELIVERY PLAN** (page 24 and Appendix 'A')
9. **COUNCIL BUDGET MONITORING** (page 44 and Appendices 'A' to 'C')
10. **UPDATE ON THE COUNCIL IMPROVEMENT WORKING GROUP** (page 55 and Appendices A and B)
11. **RESOURCING REPORT - PLANNING** (to follow)
12. **INVESTMENT SUB-COMMITTEE – MINUTES OF THE 25TH OCTOBER 2019 MEETING** (page 72)
13. **ANY OTHER BUSINESS WHICH THE CHAIRMAN IS OF THE OPINION SHOULD BE CONSIDERED AT THE MEETING AS A MATTER OF URGENCY**

14. **TO CONSIDER PASSING THE FOLLOWING RESOLUTION:-**

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

- (i) it involves the likely disclosure of exempt information as defined in the paragraphs detailed below of Part 1 of Schedule 12A of the Act; and
- (ii) for the item the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item No.	Nature of Exempt Information
15	Paragraph 3 (" <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i> ").

15. **PROPERTY ACQUISITION** (separate copy to be provided for committee members) – to follow

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28TH NOVEMBER 2019 AGENDA ITEM 5	
NON-DOMESTIC RATES DISCRETIONARY RATE RELIEF POLICY	
Report of:	Julie Chester – Business and Income Lead Specialist jchester@tandridge.gov.uk
CMT Lead Director	Jayne Godden Miller – Strategic Director of People 01883 732828 - jgodden-miller@tandridge.gov.uk
Purpose of report:	For Members to review and agree a revised Non-Domestic Rates Discretionary Rate Relief (NNDR) policy with regards to business rates paid by charities and non- profit organisations. That the policy at Appendix A be implemented for 4 years from April 2020, allowing for a review following the Valuation Office Agency revaluation in 2021.
Publication status:	Unrestricted
Recommendations:	That the Committee agrees that the Non-Domestic Discretionary Rate Relief Policy at Appendix A be adopted from April 2020 for a 4-year period, with the proviso that should there be any material change following the VOA revaluation, any revisions be reported back to this Committee.
Appendices:	Appendix 'A' - Non-Domestic Discretionary Rate Relief Policy (page 9)
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Registered charities or charities exempted from registration as a charity are entitled to 80% mandatory rate relief on business rates where the property is occupied by that charity and is used for its charitable purposes. Registered Community Amateur Sports Clubs (CASC's) are also entitled to mandatory relief of 80% if the use of the club is wholly or mainly for charitable purposes.
- 1.2 Local authorities can also choose to have their own discretionary policies that may reduce the outstanding 20%. The Council currently has a 5 year policy dating from 1 April 2015 which awards up to 20% discretionary relief for charities, and non-profit organisations whose main objectives are charitable, philanthropic, for religious purposes, concerned with education, social welfare, science, literature, the fine arts or used wholly or mainly for recreational purposes. The premises should be based within the Tandridge District Council area.

1.3 The Local Government Finance Act 1988 Section 47 permits the billing authority to grant discretionary rate relief to charities and other non-profit-making organisations each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts. It also permits the billing authority to grant discretionary rate relief in respect of land which is wholly or mainly used for purposes of recreation, and occupied for the purposes of a club, society or other organisation not established or conducted for profit. A determination to grant discretionary rate relief:

a) must be such that the chargeable amount for the day in question is less than the amount that it would be apart from these provisions;

b) may be such that the chargeable amount is nil; and

c) may be varied by a further determination of the authority.

1.4 Previously every 5 years the Valuation Office Agency (VOA) adjusted the rateable value of business properties to reflect changes in the property market. Although the most recent revaluation came into effect on 1 April 2017 (based on rateable values from 1 April 2015), the expected next business rates revaluation for 2022 has been brought forward and will apply from 1 April 2021. Going forward, revaluations are expected every three years ie 2024 will be the next review. Therefore it is proposed that the proposed policy is for a 4 year period, subject to any material change, and afterwards any future policies run for a 3 year period.

2. The Current Policy

2.1 Registered charitable organisations or Community Amateur Sports Clubs (CASCs) can apply for 80% mandatory rate relief and if they then meet the qualifying criteria, the Council then has the power to grant up to a further 20% discretionary relief. The Council can also decide to award discretionary rate relief for organisations exempted from registration as a charity, such as registered friendly societies, boy scout and girl guide groups and voluntary aided schools. This award can be up 100% of the cost in accordance with its NNDR discretionary rate relief policy. Under its current policy the Council can also award discretionary rate relief to non-profit making organisations provided they meet the stated purposes. Non-profit making organisations have no automatic entitlement to Rate Relief, however the Council may decide to give discretionary relief. The organisation must be charitable, religious or concerned with education, social welfare, science, literature or the fine arts and be based in the borough, or the property must be used by a non-profit-making organisation wholly or mainly for the purpose of recreation.

2.2 There are currently 49 accounts in receipt of discretionary rate relief which totals £59,926. The cost of the relief is split between the Government (50%), Tandridge District Council (40%) and Surrey County Council (10%). Therefore, the net cost to the Council is £23,970.

2.3 Each case is considered strictly on its own merits, however the current method of scoring is very time-consuming and it is not obvious to the applicant as to how the application form accords with the scoring mechanism. Applicants have to apply once for the term of the policy but are expected to notify the Council of any material changes.

- 2.4 Currently relief is claimed by 17 scout, sea cadets and girl guide groups, all but 2 receive the full 20% relief (one receives 10% and another 15%). Given that these are premises of a low rateable value, the overall cost of the relief is £2,901 – which is at a cost of £1,160 to this Council.
- 2.5 Currently there are 7 sports clubs throughout the district, each in receipt of 75% discretionary relief at a total cost of £8,841. We have written to these sports clubs to advise them to register as a Community Amateur Sports Club (CASCs), as this will automatically entitle them to 80% mandatory rate relief. As a consequence, the cost to the Council will be between £400-500 as we are required to pay 40% and at the moment we are only paying up to 75% discretionary payment, however it will make less bureaucracy and a more transparent policy.
- 2.6 Currently relief is given to 8 community centres and village halls at a total of £3,149. In the new policy it is proposed that this is automatically fixed at 10%.

3. Proposed New Policy

- 3.1 The Council wrote to all organisations in receipt of NNDR in December, 2018 to advise that the current 5 year policy ceases at the end of March 2020. This is the required 1 year notice period.
- 3.2 It is proposed that the existing policy is updated with the changes detailed in 3.6 and a new policy is implemented for 4 years from April 2020, provided there are no material changes as a result of the VOA's revaluation due in 2021. If there are material changes then a new policy will be brought back to this Committee.
- 3.3 The underlying principles remain the same, namely all applications will be treated on their own individual merits and the Council will seek through the operation of this policy to:
- *Provide financial assistance by way of rate relief to charitable and non-profit organisations, to allow them to better serve the groups which they support*
 - *Encourage better support provisions for people living and working in the district by providing financial assistance by way of rate relief to charitable and non-profit organisations who wish to work in the area*
 - *Support the vulnerable groups within the community*
 - *To encourage development and investment from charitable and non-profit groups for the benefit of people who live and work in the district*
 - *Encourage charitable and non-profit organisations to continue their work in the district*

- 3.4 The service provided by the organisation must be accessible to all people who live and work in the district. If a membership scheme is in place, the facilities should be made available to people other than members, within a regular working week, and the wider use of facilities encouraged to help benefit the people who live and work in the district. If membership is a requirement to use the facilities or services, the criteria by which the organisation considers applications from the public to become a member should be consistent with the principles of open access. If membership rates charged are seen to be set at a high level, compared to similar organisations and therefore exclude a large number of people, who live or work in the district, relief will not be granted.
- 3.5 Consideration can be given to any future development of services and facilities provided by the organisation or any new activities planned, which would be undertaken by the organisation if relief was granted
- 3.6 The proposed changes to the existing policy are that:
- (i) the premises of scout, sea cadet and girl guide groups are automatically awarded 20% discretionary relief on the basis that they are all supporting young people in the district.
 - (ii) the premises of Community and Village Halls are automatically awarded 10% discretionary relief on the basis that the facility is for the benefit of the community.
- 3.7 The above changes are recommended in that they will remove unnecessary bureaucratic processes for organisations and the Council. This is particularly the case for scout, sea cadet and girl guides groups whilst sports clubs will have to complete their registration as a CASC before being eligible but once this has been completed it make future applications simpler. It is proposed to develop short form application form that mirrors the order of specific criteria in order to make the process easier for applicants.
- 3.8 The Council also has the power to grant up to 100% discretionary relief in respect for organisations not entitled to mandatory relief or are exempt from registering as a Community Amateur Sports Club (CASC), providing the criteria is met.

4 Methodology

- 4.1 In deciding whether to grant relief, an organisation must first meet the qualifying criteria for 80% mandatory relief before the Council can grant any further discretionary relief up to a maximum of 20%. As part of updating the new policy, the scoring methodology and application form have been updated so that they align which will make it easier to applicants to complete.
- 4.2. All applications will be scored independently by 2 case officers before a recommendation is made to the Business & Income Specialists which requires authorisation by either the Specialist Services Manager, Deputy Section 151 Officer or Section 151 & Chief Finance Officer (CFO).

- 4.3 The score will be out of 100 and this will be reflected in the total percentage of relief given, for example:
- An organisation claiming discretionary rate relief only and scores 85/100, will receive 85% relief
 - A Charity or CASC organisation claiming mandatory (80%) and discretionary rate relief who scores 85%, will receive an additional 5% discretionary rate relief
 - A Charity or CASC organisation who scores below 80%, will still be entitled to their 80% mandatory relief but no discretionary relief will apply
 - When scores are totalled, the amount of relief is to be rounded to the nearest 5%, i.e. a score of 86/100 will get 85% relief in total whereas a score of 89/100 will get 90%
- 4.4 An organisation's most recent accounts will be reviewed to gain a clear understanding of their current financial status. If they are seen to have available unrestricted funds and a rolling profit year on year, it will be more than likely that the application will be refused. However, if they have, for example, only limited grant funding and operate on a low income or a loss, relief may be granted.
- 4.5 Applications submitted will not be affected by any previous awards of relief made to the organisation and will be judged on the current financial year only.
- 4.6 Applicants will be informed of the outcome of their application, whether successful or unsuccessful, by letter. If an organisation does not accept the amount awarded as being correct or that their application has been refused, they can request the application is reviewed and provide further evidence if needed. A business & income specialist within the council will review the first award or refusal and will decide whether the decision should be upheld or refused. This is a discretionary award and there is no further right of appeal.
- 4.7 The fact that charitable and non-profit organisations have been previously unsuccessful will be no bar to their being able to submit new applications for Discretionary Rate Relief at the beginning of the next financial year.
- 4.8 As a billing authority, the Council must consider the financial effects of decisions to grant relief to any organisation. It has a commitment to constituents to ensure that the funding it provides to organisations will have direct benefits for the community.
5. Length of Relief
- 5.1 The Discretionary Rate Relief will initially be granted for one year from 1 April 2020. With effect from 1 April 2021, Discretionary Rate Relief will be granted annually for a period of three years in line with the 3-yearly revaluations for Business Rates premises.
- 5.2 Relief will be granted from the 1 April of the applying year, until the 31 March of that financial year. Any backdate will only be for the year of the application.
- 5.3 A review of the Discretionary Rate Relief granted will be undertaken on a three-yearly basis. A new application form and evidence will need to be submitted by the organisations concerned.

6 Backdating

- 6.1 An application for Discretionary Rate Relief cannot be made more than six months after the financial year to which it relates.
- 6.2 Applications received after the 1 October can only be considered for relief in the financial year which they are received.
- 6.3 When an application for the previous financial year is received before the 1 October, the organisation must provide reasons as to why an application was not made earlier. These circumstances will be considered when granting of relief for a back-dated period.

7 Legal Implications

- 7.1 The Local Government Finance Act 1988 Section 47 permits the billing authority to grant discretionary rate relief to charities and other non-profit-making organisations each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts. It also permits the billing authority to grant discretionary rate relief in respect of land which is wholly or mainly used for purposes of recreation, and occupied for the purposes of a club, society or other organisation not established or conducted for profit.

8. Financial /Risk Implications

- 8.1 "Under the current scheme the cost of discretionary relief is £32,309. The new scoring policy is not expected to have a significant change to this value. The fixed 10% for community hall premises will result in additional costs of £1,200."

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

Tandridge District Council

Discretionary Rate Relief Policy and Procedure with effect from 1st April 2020

**Guidelines for the award of Discretionary Relief on
National Non-Domestic Rates (Business Rates)**

POLICY

- 1 Background
- 2 Policy
- 3 Statement of Objectives
- 4 Granting Relief
- 5 Change of circumstances
- 6 Length of Relief
- 7 Backdating
- 8 Publicity

1. BACKGROUND

- 1.1 80% Mandatory rate relief is available to registered charities or charities exempted from registration as a charity. Registered Community Amateur Sports Clubs (CASC's) are also entitled if the use of the club is wholly or mainly for charitable purposes.
- 1.2 Non-profit making organisations have no automatic entitlement to Rate Relief, however the Council may decide to award discretionary relief. The organisation must be either charitable, religious or concerned with education, social welfare, science, literature or the fine arts and be based within Tandridge District Council, or the property must be used by a non-profit-making organisation wholly or mainly for recreation.
- 1.3 The Non-Domestic Rating Contributions (England) Regulations 1992 state, 'From 1 April 2013, under the arrangements for local business rates retention in England, the cost of all reliefs, other than transition, is split between the government, the billing authority and the major precepting authorities.
- 1.4 The Local Government Finance Act 1988 Section 47 'Permits the billing authority to grant discretionary rate relief to charities and other organisations of prescribed types' and
- a) *must be such that the chargeable amount for the day in question is less than the amount that it would be apart from these provisions;*
 - b) *may be such that the chargeable amount is nil; and*
 - c) *may be varied by a further determination of the authority.*

2. POLICY

- 2.1 The purpose of this policy is to specify how the Council will operate the relief scheme and to indicate the factors that will be considered when deciding whether an organisation should be granted Discretionary Rate Relief. Each case will be considered strictly on its own merits and all organisations will be treated equally and fairly when the scheme is administered.

3. STATEMENT OF OBJECTIVES

- 3.1 The Council will consider granting discretionary rate relief to all organisations who meet the qualifying criteria as specified in this policy with effect from 1 April 2020 using a scoring method.
- 3.2 The Council will treat all applications on their individual merits, and will seek through the operation of this policy to:
- *Provide financial assistance by way of rate relief to charitable and non-profit organisations, in order to allow them to better serve the groups which they support*
 - *Encourage better support provisions for people living and working in the district by providing financial assistance by way of rate relief to charitable and non-profit organisations who wish to work in the area*

- *Support the vulnerable groups within the community*
- *To encourage development and investment from charitable and non-profit groups for the benefit of people who live and work in the district*
- *Encourage charitable and non-profit organisations to continue their work in the district*

4 GRANTING RELIEF

- 4.1 In deciding whether to grant relief, the organisation applying for relief must first meet the qualifying criteria. The Council has the power to grant a further 20% maximum discretionary relief to those receiving mandatory relief. This scoring methodology intends to be a guide as to the amount of relief that may be appropriate to be awarded.
- 4.2 The Council also has the power to grant up to 100% discretionary relief in respect of the following:
- *Property occupied for the purposes of an organisation not established or conducted for profit and whose main objectives are either charitable, philanthropic, religious, concerned with education, social welfare, science, literature or the fine arts*
 - *Property occupied by a club, society or other organisation not established or conducted for profit which is wholly or mainly used for purposes of recreation.*
- 4.3 After the organisation has been accepted as being eligible to receive relief the following criteria must be considered before relief can be granted.
- 4.4 The maximum score is 100 and this will be reflected in the total percentage of relief given, for example:
- an organisation claiming discretionary rate relief only and scores 85/100 will receive 85% discretionary rate relief
 - a Charity or CASC organisation claiming mandatory (80%) and discretionary rate relief who scores 85%, will receive an additional 5% discretionary rate relief
 - a Charity or CASC organisation who scores below 80%, will still be entitled to their 80% mandatory relief
 - when scores are totalled, the amount of relief is to be rounded to the nearest 5%, i.e. a score of 86/100 will get 85% relief in total whereas a score of 89/100 will get 90%
- 4.5 The service provided by the organisation must be accessible to all people who live and work in the district.

- 4.6 The facilities should be available to all. If a membership scheme is in place, the facilities should be made available to people other than members, within a regular working week, and the wider use of facilities is encouraged to help benefit the people who live and work in the district.
- 4.7 If membership is a requirement to use the facilities or services, the criteria by which the organisation considers applications from the public to become a member, should be seen as consistent with the principles of open access.
- 4.8 If membership rates charged are seen to be set at a high level, compared to similar organisations and therefore exclude a large number of people, who live or work in the district, relief will not be granted.
- 4.7 If the organisation is for educational purposes, does this facility provide training or is for educational purposes?
- 4.8 The organisation should provide facilities that directly relieve the Authority of the need to do so or enhance or supplement those that it does provide.
- 4.9 Have the facilities been provided by the members themselves or by grant aid?
- 4.10 The membership of the organisation should be drawn from people mainly resident in the Authority's area or has properties, which lie on the boundaries of the borough and those, or because of the service they provide, may be the only facility within the area.
- 4.11 The Council can also take into account any future development of services and facilities provided by the organisation or any new activities planned, which would be undertaken by the organisation if relief was granted.
- 4.12 The Council will consider the applying organisation's most recent accounts to gain a clear understanding of their current financial status. If they are seen to have available unrestricted funds and a rolling profit year on year, it will be more than likely that the application will be refused. However, if they have, for example, only limited grant funding and operate on a low income or a loss, relief may be granted.
- 4.13 Applications submitted will not be affected by any previous awards of relief made to the organisation and will be judged on the current financial year only.
- 4.14 Applicants will be informed of the outcome of their application, whether successful or unsuccessful, by letter. If an organisation does not accept the amount awarded as being correct or that their application has been refused, they can request the application is reviewed and provide further evidence if needed. A Specialist will review the first award or refusal and will decide whether the decision should be upheld or refused. This is a discretionary award and there is no further right of appeal.
- 4.15 As a billing authority, the Council must consider the financial effects of decisions to grant relief to any organisation. It has a commitment to constituents to ensure that the funding it provides to organisations will have direct benefits for the community.

5. CHANGE OF CIRCUMSTANCES

If an organisation has a change of circumstances within the financial year, the Council must be notified within 28 days and a review of a previous decision can be made on the basis of new information provided.

6. LENGTH OF RELIEF

- 6.1 The Discretionary Rate Relief will initially be granted for one year from 1 April 2020. With effect from 1 April 2021, Discretionary Rate Relief will be granted for a three year period in line with the 3-yearly revaluations for Business Rates premises.
- 6.2 Relief will be granted from the 1 April of the applying year, until the 31 of March of that financial year.
- 6.3 A review of the Discretionary Rate Relief granted will be undertaken on a three-yearly basis. A new application form and evidence will need to be submitted by the organisations concerned.
- 6.4 The fact that charitable and non-profit organisations have been previously unsuccessful will be no bar to their being able to submit new applications for Discretionary Rate Relief at the beginning of the next financial year.

7 BACKDATING

- 7.1 An application for Discretionary Rate Relief cannot be made more than six months after the financial year to which it relates.
- 7.2 Applications received after the 1 October can only be considered for relief in the financial year which they are received.
- 7.3 When an application for the previous financial year is received before the 1 October, the organisation must provide reasons as to why an application was not made earlier. These circumstances will be taken into account when considering the granting of relief for a back-dated period.

8 PUBLICITY

A copy of this policy statement will be made available for inspection and will be posted on the Council's website.

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28TH NOVEMBER 2019 AGENDA ITEM 6	
REVIEW OF CONTRACT STANDING ORDERS	
Report of:	John McGeown - Procurement Specialist - jmcgeown@tandridge.gov.uk - 01883 732807
Purpose of report:	The purpose of this report is to provide the Committee with proposed revised contract standing orders (attached at Appendix 1) and consider whether it would wish to make any observations before recommending to Full Council for adoption.
Publication status:	Unrestricted
Recommendations:	That the Committee approves the amendments to the Contract Standing Orders and recommends to the Council that the Constitution be updated accordingly.
Appendices:	Appendix A - Contract Standing Orders (separate document)
Background papers defined by the Local Government (Access to Information) Act 1985	Scheme of Delegation

1. Background

- 1.1 The Contract Standing Orders (CSOs) provide the framework for procuring works, supplies and services with third parties. They apply to every member and employee of the Council and anyone acting on behalf of the Council. It is one of the core Council's governance documents and should therefore reflect both legal and best value requirements. The CSOs form part of the Council's Constitution.
- 1.2 In 2015, the legislation which governs the procurement rules for public sector procurement was updated and enacted into UK legislation in the form of the Public Contracts Regulations 2015 ('the Regulations').
- 1.3 The CSOs were last considered by the Resources Committee on January 2016. Following the Customer First transformation program and the subsequent changes in the organisation it is appropriate to ensure that officers, when referring to the rules, are getting up to date and accurate guidance.
- 1.4 The Council seeks to achieve value for money when obtaining supplies and the aim of the procurement process is to ensure that each contract is awarded to the most economically advantageous tenderer.
- 1.5 The procedures for selecting suppliers are contained within the CSOs that set out the minimum requirements to be followed as required by section 135 of the Local Government Act 1972.

- 1.6 The Council's Constitution sets out under Part D the CSOs. Para 46(2) of the Constitution provides that all changes, other than minor ones, must be agreed by full council, after consideration by the Strategy and Resources Committee.
- 1.7 The purpose of this report is to set out proposed changes to the CSOs so that this Committee can consider whether there are any aspects on which it would wish to comment.
2. Review
- 2.1 General housekeeping of the current version of the CSOs was undertaken by the Procurement Specialist with the object of making a more user friendly and simplified document. This resulted in a significant change to the layout as well as an update of the financial thresholds, as they:
- included references to obsolete practices;
 - did not reflect changes in legislation in particular:
 - Local Government Transparency Code;
 - Public Services (Social Value) Act 2012
 - did not make reference to the requirement to advertise opportunities and contract awards on Contracts Finder
 - did not reflect the practical use of the e-tendering system in terms of Requests for Quote (RFQ)
 - did not provide enough control of expenditure, particularly at the lower thresholds
 - did not reflect the changes in the organisation of the Council resulting from the Customer First program
- 2.2 The review also compared the Council's CSO's to those of the other Districts and Boroughs in Surrey.
- 2.3 Given the scope of these changes it has not been possible to simply amend the existing CSOs. The approach taken has been to completely re-write them and to do so in a way that meets the UK and EU regulatory changes and reflects the requirements of the In-Tend system, as well as aligning with the rules of other Surrey councils to better support joint-procurement and other shared service arrangements in the future.
- 2.4 The new draft CSOs has now been circulated amongst a number of other key officers, and their views and suggestions have been incorporated into the document where appropriate.
3. Consultation
- 3.1 A draft of the proposed CSOs has been provided to members of the Council's Strategy and Resources Project Board.

4. Current Procurement Thresholds

4.1 Below is a summary of current procurement thresholds:

	Contract Values <u>not</u> involving Procurement Frameworks					Value of contracts sourced via Procurement Frameworks	
	Under £1,000	Between £1,000 - £10,000	Between £10,000 - £25,000	Between £25,000- £181,302	Over £181,302 (Goods and Services)	Up to £181,302	Over £181,302
Quotations or tenders?	No requirement	Quote	Either	Tender	Tender	N/A	N/A
Minimum No. of quotes / tenders that must be <u>sought</u>	0	1 -No initial quotation necessary in emergency situations	3 Where possible	3 Can be Closed* or Open	3 Can be Restricted or Open	Where more than 1 supplier available on a Framework should consider 'mini competition'	Where more than 1 supplier available on a Framework should consider 'mini competition'
Contracts Finder - Advert	No	No	No	Yes – unless Closed*	Yes	No	No
Contracts Finder - Award	No	No	No	Yes	Yes		
OJEU	No	No	No	No	Yes (Services)	No	No
Approval	Chief Officer	Chief Officer	Chief Officer	Chief Officer	Relevant Committee	Chief Officer	Relevant Committee

4.2 Below is a summary of Surrey District & Boroughs Procurement Thresholds

Authority	Number of Thresholds	£ -	£ 750.00	£ 3,000.00	£ 5,000.00	£ 10,000.00	£ 15,000.00	£ 25,000.00	£ 30,000.00	£ 40,000.00	£ 50,000.00	£ 75,000.00	£ 100,000.00	OJEU
Elmbridge Borough Council	3	£0-£5k = One quote			£5k-£75k = Three quotes					£75+ Refer to Head of legal service				
Epsom and Ewell Borough Council	5	£0-£5k = One quote			£5k-£24,999 = Three quotes			£25k - £74,999 = Five quotes			£75k - OJEU = Open Procedure			
Guildford Borough Council	4	£0 - £10k = One quote				£10k-£100k = 3 quotes				£100k-OJEU = 3 Formal tenders				
Mole Valley District Council	4	£0 - £9,999 = one Quote			£10k-£24,999 = Three quotes			£25k - OJEU = Three quotes						
Reigate and Banstead Borough Council	5	£0-£5k = One quote			£5k-£10k = 1 quote		£10k-£25k = 3 quotes		£25k-OJEU = Open tender / Framework					
Runnymede Borough Council	5	£0-£749 = One quote	£750-£3k = Two quotes		£3k-£30k = Three quotes				£30k-£100k = Tender			£100k-OJEU = 3 Formal tenders		
Spelthorne Borough Council	4	£0-£5k = One quote			£5k-£40k = Three quotes				£40k-£100k = Three quotes			£100k-OJEU = 3 Formal tenders		
Surrey Heath Borough Council	4	£0-£5k = One quote			£5k-£50k = Three quotes					£50k-OJEU = 3 Formal tenders				
Tandridge District Council	5	£0-£10k = One quote (£0-£1k = No Quote)				£10k-£24,999 = Three quotes			£25k - OJEU = Three quotes					
Waverley Borough Council	4	£0-£5k = One quote			£5k-£24,999 = Three quotes			£25k - £100k = Three quotes			£100k-OJEU = 4 Formal tenders			
Woking Borough Council	4	£0-£5k = One quote			£5k-£50k = Three quotes					£50k+ = Tender				
Surrey County Council	3	£0 - £15k = One quote				£15k-£100k = 3 quotes					£100k-OJEU = Formal tender			

- 7 of the 10 Districts and Boroughs have a threshold of £5,000 over which 3 quotes are mandatory.
- 8 of the 10 Districts and Boroughs have a threshold of between £50,00 and £100,000 where there is the option to use Quotes or Tenders.

5. Key Changes

5.1 The key changes from the existing CSOs are:

Ref	Change	Reason
1	Introduce the concept of threshold bands, with 5 bands in total.	This will make the interpretation and understanding of the CSOs easier for all staff
2	Remove the below £1,000 band that has no requirement to obtain a quote.	Quotes should be obtained for all purchases regardless of value
3	Lower the threshold from £10k to £5k at which 3 competitive quotes must be obtained.	This will enable the capture of all contracts with a value over £5k in the Contracts Register (In-tend) – to meet Transparency Code 2015 Requirements
4	Add a threshold band at £25k - £100k with the option to use a Request for Quote (RFQ) rather than a full Invitation to Tender (ITT).	The requirement to undertake a full tender exercise is too cumbersome and time consuming for many straightforward purchases where price is the only evaluation criteria
5	Mandate e-procurement and remove reference to paper processes particularly in relation to the advertising of contract opportunities, receiving and opening of tenders	Electronic communication in procurement is mandated in Regulation 22 of the Public Contracts Regulations 2015 as of October 2018.
6	Delete out of date practices and references.	These CSOs should avoid reference to particular Frameworks that will over time expire.
7	Include requirement to advertise opportunities and awards on Contracts Finder	As per Procurement Policy Note 07/16: Legal requirement to publish on Contracts Finder issued by Crown Commercial Services
8	Include specific reference to Social Value	To meet requirements of the Social Value Act 2012
9	Include specific reference to data protection legislation	To meet requirements of the General Data Protection Regulation (GDPR)
10	Include specific reference to Dynamic Purchasing Systems (DPS)	DPS is a fully electronic Framework.
11	Include specific reference to Concession Contracts	As governed by the Concession Contracts Regulations 2016
12	Reflect changes to the Approvers in line with the new Customer First structure	
13	Revision of the requirements for the briefing of unsuccessful tenderers in line with the provisions of up to date legislation.	In line with the Public Contract Regulations 2015
14	A minimum number of 5 tenders should be sought for procurements over the OJEU level (Threshold 5)	In line with the Public Contract Regulations 2015.

Ref	Change	Reason
15	All tenders submitted via the e-tendering portal are to be opened electronically, removing the need for the opening of paper documents in the presence of the Chief Executive and Chief Officer.	Electronic tendering is the mandated method. The e-tendering portal has an in-built audit facility.
16	Mandate the use of the Standard Selection Questionnaire when using the Restricted Process.	As per the Procurement Policy Note 8/16 issued by Crown Commercial Services.

Note:

- 2 and 3 above will bring the Council in line with 7 of the 10 Surrey D&Bs
- 4 will bring the Council in line 8 of the 10 Surrey D&Bs

5.2 In addition to these changes, it should be noted that the structure of the CSOs has been revised in order to try and make them flow more logically from a user's perspective so that they more closely mirror the steps in a procurement process.

6. Revised CSOs

6.1 The CSOs being proposed are set out in the attached Appendix A 'Contract standing Orders - November 2019'

7. Financial / risk implications

7.1 There are no direct financial or budgetary implications arising from this report, although any procurement carried out in accordance with the CSOs and contracts awarded will contribute directly to the Council's total expenditure.

7.2 The adoption of the CSOs will assist in tighter financial control.

7.3 Failure to have CSOs has the potential to pose significant threat to the Council's financial health and reputation.

7.4 The adoption and implementation of the CSOs will ensure that the Council contracts in an open, fair and transparent way and any procurement exercise will therefore mitigate against any challenge on any of these grounds.

8. Legal implications

8.1 Section 135 of the Local Government Act 1972 requires local authorities to put in place standing orders which regulate its purchasing.

8.2 The Public Contracts Regulations 2015 regulates the purchasing by public sector bodies of contracts for goods, works or services. These Regulations together with relevant EU Directives are designed to open up the EU's public procurement market to competition and promote free movement of goods and services.

8.3 The CSOs must be kept up to date and compliant with the relevant legislation and is an important part of the Council's Constitution.

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

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28TH NOVEMBER 2019
AGENDA ITEM 7**

**SURREY HILLS AREA OF OUTSTANDING NATURAL BEAUTY
MANAGEMENT PLAN 2020-2025**

Report of:	Vivienne Riddle - Strategy Specialist vriddle@tandridge.gov.uk – 01883 732883
CMT Lead Director:	Elaine Jackson – Acting Chief Executive e.jackson@tandridge.gov.uk - 01883 732717
Purpose of report:	To seek adoption of the updated Surrey Hills Area of Outstanding Natural Beauty Management Plan 2020-2025
Publication status:	Unrestricted
Recommendation:	That the Surrey Hills Area of Outstanding Natural Beauty Management Plan 2020-2025 be adopted.
Appendices:	Appendix A - Surrey Hills Area of Outstanding Natural Beauty Management Plan 2020-2025 (separate document)
Background papers defined by the Local Government (Access to Information) Act 1985	Surrey County Council's Habitat Regulations Assessment Report (report on the assessment on the Surrey Hills AONB Management Plan in respect of the requirements of the Conservation of Habitats & Species Regulations 2017)

1. Introduction

- 1.1 The Surrey Hills Area of Outstanding Natural Beauty (AONB) covers much of the northern part of our District (12%). It is a valued part of the high quality and varied landscape of the area, offering access to high quality natural green space and views.
- 1.2 In order to ensure AONBs are properly managed, Section 89 of the Countryside and Rights of Way Act 2000 (CROW Act) requires the preparation of an AONB Management Plan and its regular review, at intervals of not more than five years. The current Surrey Hills AONB Management Plan covers the period 2014-2019 and therefore a new Surrey Hills AONB Management Plan will need to be adopted by local authorities in 2019.
- 1.3 Management Plans set out the long-term objectives for conserving this nationally important landscape and the local authorities' ambitions for how the Surrey Hills will be looked after for the next 5 years. Management Plans should formulate policy for the management of the AONB area and set out actions for implementation.

- 1.4 Management Plans are not a development plan, or supplementary planning document, but they do play a key role in the planning process and are a material consideration in relation to planning policy and the determination of planning applications. The current Surrey Hills AONB Management Plan has been, and continues to be, a material consideration in the assessment of planning applications. Should the committee agree to adopt the Management Plan, the 2014-2019 iteration will be superseded.
- 1.5 There is no statutory or constitutional requirement for this matter to be referred to the committee but, in the interests of proper scrutiny of an important document, we have always decided to do so.

2. Context

- 2.1 The Review of the AONB Management Plan has taken place within the context of two important pieces of work. The first is a long-promised review of the boundaries of the AONB to be undertaken by Natural England, which is likely to begin towards the end of this year or the beginning of 2020. The outcome of the review could result in areas being included in the AONB where AONB characteristics have been identified, including some land currently designated as AGLV.
- 2.2 The second piece of work is the Government's review of protected landscapes, known as the Glover Review. The findings of the Review are due to be reported later this year and there may be significant implications for AONBs, including issues relating to governance, financing and statutory purposes. This may, in turn, lead to changes in the national approach following the Government's response to the Review.

3 Management Plan Review and Consultation

- 3.1 This report presents an update to the existing Surrey Hills Management Plan (2014-2019), which has been prepared and reviewed by the AONB Unit with the oversight of the Surrey Hills AONB Board, a Joint Committee acting on behalf of the six local authorities that have a statutory duty to adopt the Plan. The member representative for Tandridge is Councillor Duck. The AONB Unit has also been supported in this work by members of the AONB's Officer Working Group, including officers from the local authorities.
- 3.2 In light of the Glover Review, the Surrey Hills AONB Management Plan review 2020-2025 has been 'light touch' in approach.
- 3.3 The review has been the result of several months of work. Officers have reviewed the existing Management Plan, undertaking a screening exercise to ensure that the policies do not have a significant detrimental impact on the environment. It has also involved targeted consultation. Discussions at the Surrey Hills Symposium, held to mark the 60th anniversary of the Surrey Hills AONB designation, were documented and helped to provide background information for the review. Whilst the responses to an on-line survey, which was launched at the Symposium, also informed the revisions to the Plan; this ran from 28 November 2018 until 14 January 2019.
- 3.4 In March this year the Surrey Hills Board agreed a draft of the updated Management Plan. It has been subject to significant public and expert engagement and scrutiny and has completed the statutory stages of a review. The revised management plan has so far been adopted by 4 other districts and boroughs and adoption is still being sought from both Tandridge and Surrey County Council.

4. Summary of Main Changes

4.1 A copy of the reviewed Management Plan (Appendix A to this report) is provided as a separate document. Set out below is a summary of the main changes.

4.2 Section 1

- Minor changes which relate to the overall context for the Plan.

4.3 Section 2

- The Statement of Significance and Vision have remained largely unchanged, reflecting the high degree of support for both during the consultation. There is now specific mention made to the health and wellbeing benefits of the landscape.
- An opportunity has been taken to redraft the policies covering agriculture to make them simpler and more understandable without altering their emphasis. The policy on farm diversification has been amended to make it more responsive to creating opportunities to increase biodiversity.
- The coverage of woodlands has been expanded to include hedgerows and veteran trees. The policies have been amended slightly to improve readability and include reference to biosecurity in relation to disease control.
- The Biodiversity policy has been amended to include water resources in recognition of the importance of wetland habitats. In the supporting text reference is made to the catchment partnerships and the work being undertaken to enhance the river catchments and meet Water Framework Directive targets. A second additional paragraph links to the section of the NPPF on biodiversity with its references to biodiversity net gain. A change to Policy B4 seeks biodiversity gains through the planning process.
- The Historic and Cultural policy area has been subject to very minor changes to improve readability.
- In relation to policies for Recreation and Tourism, the term 'Wellbeing' has been added to the title. Other revisions are minor, with the exception of the removal of policies relating to sustainable tourism and development criteria for recreation enterprises which are now covered within the Planning policies.
- Within the Planning policies the main changes are to the supporting text to provide additional guidance on the landscaping of developments, developments resulting in the loss of agricultural land and external lighting.
- Transport policies remain unchanged but there is additional supporting text relating to schemes designed to declutter rural roads and the value of sensitive verge management to biodiversity objectives.
- The Development and the Local Economy policies have been retitled Economy, Tourism and Community Development. Policies have been made clearer with an emphasis on sustainable development, the promotion of local services and produce, affordable housing and community transport.

4.4 Section 3

- Some minor redrafting. It explains the role and function of the Surrey Hills ‘family’, the Surrey Hills Brand and the strategic targets underlying the Plan. The section on monitoring remains unchanged.

4.5 The Management Plan redrafting does not result in major changes to any of the policies or supporting text. Changes have been introduced to update it, to ensure it responds to changing circumstances and reflects recent initiatives e.g. biodiversity net gain, addresses previous omissions, e.g. hedgerows and to improve readability. It has also been updated to ensure it responds to the results of the consultation and the priorities of the local authority and other partners. Priorities, for example, to engage in the boundary review over the next 2 to 3 years, would become part of the next Management Plan, 2025-2030.

5. Financial / risk implications

5.1 No direct risks are identified against this report.

6. Legal implications

6.1 The CROW Act 2000 requires the Management Plan to be reviewed within 5 years, and the adoption of this Surrey Hills AONB Management Plan would support this requirement.

7. Equality impacts

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

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	N/A

8. Data Protection impacts

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

Questions	Answer
Do the proposals within this report have the potential to contravene the Council’s Privacy Notice?	No
If so, what steps will be taken to mitigate the risks referred to above?	Personal data is not relevant to the content of this report.

9. Conclusion

- 9.1 Members are asked to adopt the Surrey Hills Area of Outstanding Natural Beauty Management Plan 2020-2025.

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

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28TH NOVEMBER 2019 -
AGENDA ITEM 8**

**STRATEGY & RESOURCES COMMITTEE DELIVERY PLAN
2019/20 – QUARTER 2 PROGRESS REPORT**

Report of:	William Mace - Policy, Projects & Performance Specialist wmace@tandridge.gov.uk - 01883 732840
CMT Lead Director	Elaine Jackson - Acting Chief Executive - EJackson@tandridge.gov.uk - 01883 732717
Purpose of report:	To report progress against the agreed 2019/20 Strategy & Resources Committee Delivery Plan for Quarter 2.
Publication status:	Unrestricted
Recommendations:	That performance against the agreed Strategy & Resources Committee Delivery Plan for the second quarter of 2019/20, as attached at Appendix 'A', be noted.
Appendices:	Appendix 'A' – Strategy & Resources Committee – Quarter 2 2019/20 Delivery Plan update (page 28)
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 and 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 for 2019/20 are:

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

1.4. The key corporate objectives are delivered through our Corporate Delivery Plan which is agreed annually by the Policy Committees. The Delivery Plan sets out the projects and programmes the Council will deliver in order to achieve the key corporate objectives. The Delivery Plan also sets performance indicators and risks so we can monitor how we are delivering our services.

1.5. Progress against the Delivery Plan is reported to each Policy Committee quarterly. The Overview and Scrutiny Committee also receives Quarterly updates regarding the progress of the Delivery Plans.

1.6. Progress against the agreed 2019/20 Delivery Plan for the Strategy & Resources Committee for Quarter 2 is set out at in **Appendix 'A'**.

2. Quarter 2 Progress

2.1. Each Committee Delivery Plan identifies a set of key performance indicators (KPIs) and risks so the Committee can monitor how the Council is delivering its services. Where indicators are off target or below the same period in the previous year an explanation is provided. An explanation is also provided where risks have been added, removed or amended. For Quarter 2, the KPIs and risks which this applies to, as well as any Strategy & Resources Delivery Plan Projects with a red RAG rating, are stated in the sections below.

3. Projects

3.1. Projects are allocated a RAG (Red, Amber, Green) value for the following fields: Outcomes, Timescale, Budget and Risks.

3.2. In Quarter 2 2019/20 no projects received a red RAG value.

3.3. Amber RAGs can be viewed in Appendix A.

4. Key Performance Indicators

4.1. KPI 3A - Days taken to process Housing Benefit/Council Tax Benefit new claims

This is a new indicator which replaces the combined new claims and change events processing indicator. This indicator focuses just on new claims processing which reflects government reporting practice. The target for 2019/20 has been set at 30 days to reflect the introduction of the Customer First Programme and likely impact new processes will have on performance. Due to a higher number of claims this indicator is off target. Processes are currently being reviewed and officers are now working to a specific work type i.e. new claims or existing claims. We currently exploring the possibility of automated reviews of some applications which will further improve the position.

4.2. KPI 6 – Staff Turnover

The majority (approx. 70%) of staff who left the Council in the assessed period did so for the reason of redundancy, which resulted from the Customer First Programme, the closure of the Douglas Brunton Centre, and the cessation of the Meals on Wheels service. There were also several resignations from the Wellbeing Prescription Service. Further reasons cited for leaving were retirement, end of fixed-term contracts and 'other'. Exit interviews are being conducted, and the following reasons for resignations have been provided: work life balance, job not as expected, career enhancement, focus on other type of career, working environment, going to University, and relocation. It is worth noting that these reasons are from a relatively small sample, and therefore will be monitored in advance of actions being taken once more data is available. Therefore, ceteris paribus, we do not expect business as usual to significantly impact this KPI; for example, when looking purely at resignations, staff turnover equates to 13.98%. Although this KPI will likely remain off-target until the redundancy figures fall out of the rolling 12-month assessment period.

4.3. KPI 7 - The percentage of calls answered within 60 seconds by Customer Services

This indicator measures the overall service level across all the teams. The target was benchmarked against other authorities but was ambitious for a new team going through a transformation process. Whilst the target was missed for Q2, the overall average speed of answer for the quarter was 1 minute 52 seconds. The period saw an increased number of calls (10% increase from the same period last year). The increase was due to the ongoing issues with the waste and recycling service, the annual elections canvass (which was earlier than in previous years) and the communication to customers on the roll-out of the new wheeled bins. The number of emails received into customer services also increased by 8% from the same period last year. Staff vacancies has also had a knock - on impact on service.

5. Risks

5.1. Risk 2 - Failure to achieve effective organisational change

Changed from Green to Red, as both likelihood and impact are viewed as higher than previously anticipated, and more reflective of the current status of the organisation following the implementation of customer first.

6. Financial / risk implications

- 6.1. Costings for projects identified within the Delivery Plan will be individually costed as projects come forward.

7. Legal implications

- 7.1. 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.

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?	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.	

9. Data Protection impacts

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

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	All projects within the Delivery Plan will consider data protection impacts.
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

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

APPENIDX 'A'
to Agenda Item 8

APPENIDX 'A'
to Agenda Item 8

STRATEGY & RESOURCES COMMITTEE 2019/20 DELIVERY PLAN – QUARTER 2 PROGRESS

1. About this Committee

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

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

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

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

The Committee also oversees a range of Council functions including:

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

Each year, the Strategy & 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 quarterly updates about the progress of the Delivery Plan.

The Committee has proportional representation from each of the political groups. For 2019/20, the Committee will be made up of will be 5 Conservatives, 4 OLRG Independents Alliance representatives and 4 Liberal Democrats.

2. Priorities

2.1. 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 2019/20:

2.2. Objectives

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

3. Projects

The programmes and projects below set out how we will deliver the corporate objectives for 2019/20.

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 the respective Committees during the year.

3.1. PROJECT 1 - SOUTH GODSTONE GARDEN COMMUNITY

WHAT: The new garden community will comprise around 4000 new homes, secondary and primary schools, open spaces, new health provision and improved road and rail infrastructure.

WHAT WE WILL DELIVER: An options appraisal of the approaches to be taken by the Council for the delivery of the new community will be completed and the preferred option will be worked on in tandem with the approval process for the Local Plan. This element of the Garden Community will be overseen by the Strategy and Resources Committee. However, all planning policy elements and the preparation of the Area Action Plan will be a matter for the Planning Policy Committee.

KEY DATES: Options will be considered by the Strategy & Resources Committee in Spring/Summer 2019. Delivery of the preferred option will be dependent on Local Plan timescales. Preparation of the Area Action Plan will commence once the Local Plan examination has suitably commenced and the Council are further forward in the options appraisal.

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Green	Amber	Amber	Amber

Due to the delays incurred through the Local Plan examination, there is now pressure on the timescale for the preparation of the Area Action Plan. The Council will consider options for mitigating against delays (i.e. twin tracking etc) once further progress is made through the Local Plan examination. Amber change for timescale due to examination process.

3.2. PROJECT 2 - 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 £376,000 per year new revenue income through property investment activity.

KEY DATES: Ongoing throughout 2019/20 in relation to specific projects

Outcomes	Timescale	Budget	Risks
Amber	Amber	Green	Amber

Refurbishment plans are progressing well which will include provision of a co-working /community business hub which will provide flexible workspace options at Quadrant House, Caterham. The hub will help businesses start up and thrive through networking events, social media forums, mentoring and business support services which will include financial and legal clinics. It is felt that this model will offer more long-term benefits and provide the most opportunities to encourage innovation leading to future growth.

The outcomes, timescale and risks remain amber for the Development of the Property Portfolio as the availability of potential investments in the district remains a concern. The budget remains sufficient to cover potential investment purchases and development opportunities.

We continue to investigate opportunities within the wider economic area. Several properties have been introduced by Agents and are being tracked both within the District and our local economic area.

3.3. PROJECT 3 - CATERHAM & NORTH TANDRIDGE REGENERATION

WHAT: Support delivery of aspirations set out in Caterham Masterplan and North Tandridge One Public Estate Programme to regenerate Caterham and North Tandridge.

WHAT WE WILL DELIVER:

- Work with landowners to bring forward proposals for redevelopment of the Church Walk shopping centre.
- Subject to funding, commence detailed design work on enhancements to Station Avenue and Croydon Road.
- North Tandridge Public Service Plan setting out options for better public services and use of public assets in North Tandridge.
- Continue to look for opportunities to protect and provide commercial/business space.

KEY DATES:

- Completion of pre-feasibility work on Station Avenue (*completed*)
- Planning Committee consider application for Church Walk redevelopment (January / February 2020)
- North Tandridge One Public Estate Public Service Plan completed (tbc)

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Amber	Amber	Green	Amber

Pre-feasibility work on Station Avenue / Croydon Road / Station Road public realm improvements as part of the Caterham Masterplan is complete. As the next stage would be to develop detailed plans, this work has been paused pending resources/funding being made available. The planning application for Church Walk remains under consideration and is likely to be considered by the Planning Committee in early 2020. No further work will be carried out in the Public Service Plan, which had been paused due to the Surrey Transformation programme.

Additional notes:

Rose and Young:

Whilst not a project the Council is directly responsible for, the development of the former Rose and Young site remains a key element in the improvement of Caterham. The latest position advised by Clarion, the owners of the site, is that following a key subcontractor going into liquidation they are engaged with their main contractor in resolving this issue including undertaking due diligence in relation to the work undertaken by the subcontractor, which involved foundations and other ground works, and finding a suitable alternative contractor to complete the work. Clarion have advised that they remain committed to the project, which will provide 48 shared ownership properties and a supermarket, and are seeking to resolve the issues as quickly as possible but it may be some time before work starts again.

3.4. PROJECT 4 - 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 protection and provision of commercial/business space.

WHAT WE WILL DELIVER: A decision was taken by the Strategy and Resources Committee at its meeting on 13 June 2019 that the contract for the construction of the decked car park at Ellice Road would not proceed.

KEY DATES:

- Building work on Gasholder site continues, due for completion (August 2021)

QUARTER 2 UPDATE:

At present it is only the Gasholder project that is being monitored by the Council.

Gasholder

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

Development is on target.

3.5. PROJECT 5 - ECONOMIC PROPOSITION

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:

- Support the development of a Local Industrial Strategy for our Local Enterprise Partnership region.
- Engage with Gatwick Airport as they develop plans for expansion.
- Develop a business support offer within our new Customer First operating model to support businesses as they grow and develop. This will be a blended approach using local authority, private sector and peer-to-peer support.
- Work 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.
- Look at opportunities to enhance digital connectivity for local businesses.
- Provide support to our business improvement districts.

KEY DATES: Ongoing throughout 2019/20 in relation to specific projects.

QUARTER 2 UPDATE:

Local Industrial Strategy

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

This is continuing to be worked on by Coast to Capital LEP, and officers continue to feed into this process

Gatwick Airport Expansion

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

Gatwick Airport formally started the process to bring its existing Northern Runway into routine use by submitting a notice to the Planning Inspectorate (PINS) in August 2019. As a Nationally Significant Infrastructure Project (NSIP), the development will follow the Development Consent Order (DCO) application process. A 'Scoping Request' (under the Environmental Impact Assessment Regulations) was submitted to PINS in September, and a formal response was made on behalf of this authority. A Scoping Opinion was adopted by PINS in October 2019, which effectively advises the applicant (Gatwick Airport Ltd) on the scope and content of Environmental Statement which will accompany their consent application. Officers will continue to engage with Gatwick Airport, as required at this pre-application stage of the DCO, and liaise also with other local authorities through the Gatwick Officers Group.

It is anticipated that an update report on this item will be taken to February 2020 Strategy & Resources Committee.

Business Support Offer

This project is 'paused' and under review.

Skills Offer

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

SEND/SEMH IAG Cluster Groups was launched in June 2019. The first cluster group meeting in our area is November 18th at Limpsfield Grange School, Oxted. Coast to Capital is leading this programme.

The aim of these clusters is to enable partners to collaborate more closely, share good practice and think about potential partnership working on careers activities with a clear focus on engagement with local disability confident employers in the Tandridge area. Tandridge Officers are working with the local BIDs to actively source potential employment partners. Tandridge officers have been in touch with the programme coordinator and have agreed to host a meaningful encounter for 20 – 30 people towards the end of January 2020. The focus of this meeting will be to introduce candidates to the council and what we do; split the groups and take them through to reception and also to present them with a relevant and appropriate topic in the council and ask for their interaction and views.

In addition, an officer is working with the primary contractor involved with the former Gasholder site, St William, with regard to apprenticeships.

Digital connectivity

This workstream is currently 'paused' and under review.

Business Improvement Districts – Oxted and Caterham (BIDS)

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

Officers continue to work with the Oxted and Caterham BIDs, attending Board meetings and providing assistance and support as required, and to assist with delivering projects contained in their respective business plans.

Update from BIDS:Oxted:

Since the new directors joined the BID Board in January, there have been a number of key areas of focus for the BID:

Digital strategy for Oxted including

- An updated website with enhanced functionality and a log on area for businesses in the BID area
- Launch of the Oxted app through Loyal Free which includes business offers, local events, trails and competitions
- Increased social media activity

Events have been a key focus for the BID, supporting businesses by providing a reason for people to visit Oxted. These have included an Easter Trail, summer event, Photography Competition, Halloween Trail and Christmas event.

Under the Business Plan theme of Welcoming, Safe and Attractive, the BID continues to fund the Christmas lights, summer and winter hanging baskets. The BID commissioned a signage review some time ago BID is starting to explore additional planting options for the town. The BID is keen to discuss these projects with the parish, district and county council to understand how to progress and have started these discussions through the council representative at BID Board meetings.

Business engagement has increased with more face to face visits with businesses, setting up a Facebook group for businesses and regular business meetings to get input on key projects.

The support of the council through attendance at Board meetings and frequent liaison with the BID Manager has improved communication with businesses and response to queries.

BID Governance and Structure: There have been a couple of resignations due to individual's business commitments so the BID Directors will be focusing on recruiting additional directors.

Caterham:

The Caterham BID commenced in April 2016. The main priorities are:

- Improving car parking and parking enforcement
- Promotion, marketing and events.
- Business Support

In the last 12 months the focus has been on:

Church Walk Development –

The BID have consulted with businesses and the developer during the planning development phase. The BID have also lobbied Caterham Councillors to support the Church Walk development project which will bring in £50m of much needed economic investment including increased parking capacity.

On-Street Parking Enforcement and the Installation of Meters –

For the past two years the BID have been lobbying TDC and SCC, Councillors and Officers, to change the on street enforcement arrangements and to install free 1 hour meters to enhance enforcement in order to guarantee much needed churn. This was finally agreed by all parties at a joint meeting last week. The new arrangements will be in place from April 2020 and the BID will cover the capital cost of meters, circa £25K.

Homelessness –

The BID has supported and represented the views of businesses that the pavement is not a suitable location for rough sleepers. This has involved an excessive amount of time liaising with TDC, SCC, Social Services and the Police. Through working with TDC, 2 large commercial bins have been removed from the encampment this month.

Regeneration Caterham –

The BID has commissioned initial conceptual drawings for planting, seating, lighting and surface improvements to the town centre. The initial phase will concentrate on a central section of Croydon Road. The BID will develop the plans further over the coming months and consult with stakeholders. The BID will be applying for CIL funding for the project. This has become necessary as an application to the Future High Street Fund, supported by the BID and submitted by TDC was unsuccessful.

Quadrant House –

The BID continue to lobby TDC to find tenants for the empty shops and look forward to the Business Hub being opened as soon as possible.

Post Office –

After the PO closure, the BID encouraged and supported businesses to apply to run the PO as this is a vital service. The initial successful applicant has pulled out and a replacement has been found although contracts have not yet been signed. This is a huge inconvenience to businesses and residents, and has resulted in a fall in much needed footfall.

Marketing and promotion –

The BID continue to provide destination marketing and events but will scrap the monthly market programme after the last one is held in December . The market licence is prohibitive due to the size of the market which is constrained due to the availability of space in Church Walk and is therefore not offering value for money. The Halloween trail was hugely successful and we are following up with a Christmas Campaign. The lamp post banners will be changed in January to reflect our new year campaign.

3.6. PROJECT 6 - SURREY COUNTY COUNCIL TRANSFORMATION

WHAT: Develop appropriate responses to the Surrey County Council Transformation programme.

WHAT WE WILL DELIVER:

- We will review options to consider the gaps in service that will be left by the closure of Children’s Centres.
- We will take a similar approach should financial support for Libraries and Bus subsidy cease.
- Through collaboration we will seek to provide accommodation for Surrey County Council staff if required following the vacation of County Hall.

KEY DATES: Ongoing throughout 2019/20 in relation to specific projects.

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

Engagement is ongoing with SCC on the key strategic projects from Surrey’s Place Ambition and Surrey Next. TDC’s Community Venues project to provide Health and universal children’s services across Surrey continues to develop. Following considerable investigation of the service requirements and needs, involvement with a new targeted Family Centre provision is not to proceed. Tandridge continue to work closely with Surrey CC in their search for a new provider for these services. Work to support Surrey CC ‘s Libraries project continues

3.7. PROJECT 7 - COMMUNITY SAFETY PROGRAMME

WHAT: Our Community Safety Programme provides a framework for us to work with partners to keep our local communities safe.

WHAT WE WILL DELIVER:

- Support the East Surrey Community Safety Partnership Board to delivery its priorities – Serious Organised Crime (include Child Sexual Exploitation & Modern Slavery); Prevent (Counter Terrorism); and Domestic Abuse.
- Develop a community safety offer within our new Customer First operating model to support our local communities. This will be a blended approach using our new Locality Service, alongside Police and other partners.
- Work with partners to address issues including but not limited to: anti-social behaviour, rural crime and substance misuse.

KEY DATES: Ongoing throughout 2019/20 in relation to specific projects.

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Green	Green	Green	Green

The annual Tandridge Crime Summit will go to the Overview and Scrutiny committee on 28th January 2020. A community safety update report is shared at this committee as well as presentations by the Tandridge Borough Commander (Surrey Police) and the Police and Crime Commissioner.

An outline of the Community Safety programme for 2020/21 will come to Strategy & Resources Committee on 26th March 2020. This will include detailed information on the key priorities, actions, lead agency and desired outcomes.

3.8. PROJECT 8 - CUSTOMER FIRST BUSINESS CHANGE PROGRAMME

WHAT: Develop a Business Change programme to enhance our customer interactions and experience, while making our processes more efficient.

WHAT WE WILL DELIVER:

- Continue to refine and develop our business processes using our new technology to support the new structure and ways of working.
- Develop a customer experience and digital strategy and action plan to improve customer satisfaction and interactions.
- Review the corporate complaints procedure to ensure there is continuous learning and review.
- Carry out a residents' survey.

KEY DATES:

- Business process review plan – April 2019
- Customer Experience and Digital Strategy – June 2019
- Customer Experience and Digital Strategy Action Plan June 2019
- Residents' survey June 2019
- New complaints procedure May 2019

QUARTER 2 UPDATE:

Outcomes	Timescale	Budget	Risks
Red	Red	Red	Red

This project has been superseded by the Council Improvement Working group which will report to committee outside of the Delivery Plan. As such the Customer Experience and Digital Strategy workstreams, and the new complaints procedure items are currently 'paused' and under review. The Residents' Survey has been conducted and recommendations adopted by the Overview and Scrutiny Committee on 5th November 2019, these will now be used to draft an action plan.

4. 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.

Please note, there is currently a review of the Council's performance monitoring framework, which Committee will be kept abreast of.

Strategy & Resources

Code	Indicator	Q2 2019/2020			Direction of travel (compared to same period last year)	2018-19 Outturn	Higher / lower is better	Performance against annual target
		Actual	Period target	End of year target				
KPI 1	Percentage of Council Tax collected	63.6%	58.0%	98.7%	Stable (63.7%)	98.6%	Higher	On Target
KPI 2	The percentage of non-domestic rates due for the financial year which were received by the Council	60.5%	57.8%	98.6%	Stable (61.5%)	99.0%	Higher	On Target
KPI 3A	Days taken to process Housing Benefit/Council Tax Benefit new claims	36.34	30	30	N/A New Indicator	N/A	Lower	Off Target
KPI 3B	Days taken to process Housing Benefit/Council Tax change events	10.51	12	12	N/A New Indicator	N/A	Lower	On Target
KPI 3B	The number of working days/shifts lost due to sickness absence (long and short-term) <i>This figure reflects performance over the previous 12 months.</i>	6.6	N/A	7.1	N/A	7.1	Lower	On Target
KPI 5	The number of working days/shifts lost due to sickness absence (short-term only – 20 days or less). <i>This figure reflects performance over the previous 12 months</i>	2.6	N/A	7.1	N/A	7.1	Lower	On Target
KPI 6	Staff turnover <i>This figure reflects performance over the previous 12 months.</i>	26.16%	N/A	10-15%	N/A	14.6%	Lower	Off Target
KPI 7	The percentage of calls answered within 60 seconds by Customer Services	50%	75%	80%	N/A	N/A	Higher	Off Target

4.1. Commentary on indicators with performance below and/or off target

KPI 3A - Days taken to process Housing Benefit/Council Tax Benefit new claims

This is a new indicator which replaces the combined new claims and change events processing indicator. This indicator focuses just on new claims processing which reflects government reporting practice. The target for 2019/20 has been set at 30 days to reflect the introduction of the Customer First Programme and likely impact new processes will have on performance. Due to a higher number of claims this indicator is off target. Processes are currently being reviewed and officers are now working to a specific work type i.e. new claims or existing claims. We currently exploring the possibility of automated reviews of some applications which will further improve the position.

KPI 6 – Staff Turnover

The majority (approx. 70%) of staff who left the Council in the assessed period did so for the reason of redundancy, which resulted from the Customer First Programme, the closure of the Douglas Brunton Centre, and the cessation of the Meals on Wheels service. There were also several resignations from the Wellbeing Prescription Service. Further reasons cited for leaving were retirement, end of fixed-term contracts and 'other'. Exit interviews are being conducted, and the following reasons for resignations have been provided: work life balance, job not as expected, career enhancement, focus on other type of career, working environment, going to University, and relocation. It is worth noting that these reasons are from a relatively small sample, and therefore will be monitored in advance of actions being taken once more data is available. Therefore, ceteris paribus, we do not expect business as usual to significantly impact this KPI; for example, when looking purely at resignations, staff turnover equates to 13.98%. Although this KPI will likely remain off-target until the redundancy figures fall out of the rolling 12-month assessment period.

KPI 7 - The percentage of calls answered within 60 seconds by Customer Services

This indicator measures the overall service level across all the teams. The target was benchmarked against other authorities but was ambitious for a new team going through a transformation process. Whilst the target was missed for Q2, the overall average speed of answer for the quarter was 1 minute 52 seconds. The period saw an increased number of calls (10% increase from the same period last year). The increase was due to the ongoing issues with the waste and recycling service, the annual elections canvass (which was earlier than in previous years) and the communication to customers on the roll-out of the new wheeled bins. The number of emails received into customer services also increased by 8% from the same period last year. Staff vacancies has also had a knock - on impact on service.

5. 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
Risk 1	Failure to remain financially sustainable	2	5	10 (Amber)	<ul style="list-style-type: none"> • Mechanisms in place to acquire and develop assets and drive new sources of income (e.g. Council owned companies, Property Investment Fund, Development Fund). • Regimes to monitor the effectiveness of investment strategies, including oversight by company directors and reports to Finance and Strategy & Resources Committees. • Medium Term Financial Strategy identifying new sources of income and areas of efficiency.
Risk 2	Failure to achieve effective organisational change	3	4	12 (Red)	<ul style="list-style-type: none"> • Dedicated staff in place to manage change programme. • Recruitment / selection criteria to seek staff with required skills, attitudes and approaches. • Measures to support staff throughout the change process. • Adequate budget available to support acquisition and implementation of IT.
Risk 3	Negative impact on services due to Surrey County Council (SCC) transformation programme	3	3	9 (Amber)	<ul style="list-style-type: none"> • Regular engagement with SCC transformation officers to identify issues likely to impact Tandridge residents. • Regular reporting to Corporate Management Team and Committee.
Risk 4	IT systems failure which could inhibit day to day function of the Council	2	4	8 (Amber)	<ul style="list-style-type: none"> • Adequate budget available to support investment in IT infrastructure. • Sufficient staffing resources, including in-house professionals and specialist external support available when required. • Regular reporting to Corporate Management Team and Committee.
Risk 5	Negative impact on services due to Brexit	3	3	9 (Amber)	<ul style="list-style-type: none"> • Officers continuing to monitor situation and government advice closely. • Brexit response strategy being prepared.
Risk 6	Failure to deliver regeneration schemes	3	3	9 (Amber)	<ul style="list-style-type: none"> • Detailed risk management for each project or programme. • Effective community and stakeholder engagement mechanisms. • External support able to be commissioned to support delivery when required. • External funding secured to support delivery.

Risk		Likelihood	Impact	Score	Controls/Mitigation
Risk 7	Failure to deliver an Election	1	4	4 (Green)	<ul style="list-style-type: none"> Project plans and risk registers required to be in place and reviewed by Government.
Risk 8	Provision of negligent or flawed legal advice	2	4	8 (Amber)	<ul style="list-style-type: none"> Review and update periodically templates to ensure legal compliance; file reviews; monitoring of sample of outgoing advice; supervision of junior Officers; ongoing training and CPD.
Risk 9	Failure by Members to comply with Code of Conduct	3	3	9 (Amber)	<ul style="list-style-type: none"> Compulsory training offered to Members. New Member and Staff protocol in place. Advice provided by trained Officers.
Risk 10	Data Protection breach	2	4	8 (Amber)	<ul style="list-style-type: none"> Data protection policy in place. Regular training provided to staff. New Customer First processes are designed to be compliant.
Risk 11	Non-compliance of Council-owned companies	2	4	8 (Amber)	<ul style="list-style-type: none"> Companies limited by guarantee or £1 share capital. Adequate governance in place.
Risk 12	Failure to conduct a DHR (Domestic Homicide Review)	1	3	3 (Green)	<ul style="list-style-type: none"> DHR policy in place with East Surrey Community Safety Partnership oversight.
Risk 13	Failure of website	3	3	9 (Amber)	<ul style="list-style-type: none"> Website is externally hosted, regularly backed up and monitored. Regular security updates applied. Service level agreements in place for any outages.

5.1. Commentary on risks which have been added, removed or amended

SR2 – Failure to achieve effective organisational change

Changed from Green to Red, as both likelihood and impact are viewed as higher than previously anticipated, and more reflective of the current status of the organisation following the implementation of customer first.

5.2. 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	5
		Likelihood				

**REPORT TO THE STRATEGY & RESOURCES COMMITTEE - 28TH NOVEMBER 2019 -
AGENDA ITEM 9**

COUNCIL BUDGET MONITORING 2019/20

Report of:	Elaine Jackson – Acting Chief Executive, Director of Resources ejackson@tandridge.gov.uk Grant Miles – Deputy Chief Financial Officer (Section 151) – gmiles@tandridge.gov.uk
Purpose of Report:	To report upon monitoring of the Council's budget for the period 1 st April 2019 to the 30 th September 2019 – Period 6
Publication status:	Unrestricted
Recommendations:	A. the position of the Committee's budgets be noted; B. the Council's overall financial position be noted; and C. Officers be requested to continue to control expenditure to reduce the forecast revenue budget overspend significantly by the end of the financial year.
Appendices	A: Revenue Budget monitoring report for the period 1 st April 2019 to the 30 th September 2019: A(i) Council (General Fund) revenue monitoring report (page 47) A(ii) Housing Revenue Account revenue monitoring report (page 48) A(iii) Explanation of Variances and Management Action (page 49) B: Council Capital monitoring report for the period 1 st April 2019 to the 30 th September 2019 (page 53) C Summary forecast of temporary and consultant spend (page 54)
Background papers*	None

*defined by the Local Government (Access to Information) Act 1985

1. Background

- 1.1 This report provides information on spending compared to the approved budget for the Strategy and Resources Committee and of the overall forecast financial position of the Council at the end of the financial year.
- 1.2 This report, highlighting any significant variances. The aim of this process is to provide regular and consistent information for each Committee on monitoring of income and expenditure within the relevant General Fund (GF), Housing Revenue Account (HRA) and Capital budgets.

- 1.3 The Strategy & Resources Committee will receive a summary of each Committee's key highlights grouped together to provide a Council-wide perspective, along with details of any overspends referred to it by other Policy Committees.
 - 1.4 The Committee is advised that this is the second budget monitoring report of the financial year 2019/20. The variations contained within this report are based on estimates of expenditure and income as at 30th September 2019 and may change.
2. 2019/20 Revenue Budget Monitoring position for the Whole Council
 - 2.1 The revenue budget forecast by Committee for the General Fund at 31/3/2020 is set out in **Appendix A(i)**. The overall forecast is that the Council's General Fund budget totalling £10,441,970 will be overspent by £1,200,959 at the year end. This forecast is based on financial information at September, the first six months of the year.
 - 2.2 **Appendix A(ii)** sets out the forecast financial position on the Council's Housing Revenue Account at 31/3/2020, and this identifies an underspend of £115,928. This forecast is based on financial information at September, the first six months of the year.
 - 2.3 An explanation of the reasons for the forecast General Fund and HRA overspends and underspends are set out in **Appendix (iii)** together with the proposed management action to be taken by Officers to reduce the overspend.
 - 2.4 **Appendix C** provides a forecast of Temporary Staff and Consultant spend which will be reviewed by Officers.
 3. Chief Finance Officer (Section 151) comments specific to this report.
 - 3.1 There is now a cross party Council Improvement Working Group established who are working to address The Council's overspends.
4. 2019/20 Capital Budget Monitoring Position for Strategy and Resources Committee
 - 4.1 The capital budget for the whole Council for 2019/20 totals (£152,905,00) and is forecast to be underspent by (£8,476,400) at the year end. The position on each scheme is detailed in **Appendix B** including details of spend to September, the forecast spend at year end and current progress on each scheme.
5. Financial / Risk Implications
 - 5.1 At the current time a net overspend of £1.201m, for the Council is forecast due to the reasons highlighted above.
 - 5.2 If the Council does not reduce the overspend substantially by the end of the year this will substantially reduce the Council's overall reserves.

6. Legal Implications

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

7. Equality Impacts

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

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

8. Data Protection Impacts

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

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

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

Forecast Council Financial Position at year 31/3/2020

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20	Forecast Variance at year end (31/3/2020)
<u>Community Services Committee</u>		
Salaries	1,872,926	(22,060)
Tandridge Commercial Services	(219,965)	112,800
Other Variances less than £10k	4,842,719	650
Total	6,495,680	91,390
<u>Planning Policy Committee</u>		
Salaries	1,042,049	397,080
Planning Application and Advice	507,935	367,309
Enforcement	241,625	(11,004)
Other Variances less than £10k	391,241	1,167
Total	2,182,850	754,552
<u>Housing Committee-General Fund</u>		
Salaries	850,361	4,169
Douglas Brunton Centre	33,800	32,397
Meadowside	(68,622)	(4,900)
Benefits Administration	2,500	0
Other Variances less than £10k	67,221	4,581
Total	885,260	36,247
<u>Strategy and Resources Committee</u>		
Salaries	6,025,064	356,070
Other Variances less than £10k	(3,952,324)	(37,300)
Total	2,072,740	318,770
Corporate Items	(1,194,560)	0
Council -GF Position at 31/3/2020	10,441,970	1,200,959

Forecast HRA Financial Position at year 31/3/2020

KEY HRA REVENUE VARIANCES	Annual Budget 2019/20	Forecast Variance at year end (Sept)
Salaries	1,667,402	155,506
Services costs	735,833	(24,120)
Corporate Support Services- Internal Recharges	1,396,427	0
Repairs and Maintenance	2,650,285	(176,947)
Interest Charges payable on HRA Loan	1,782,800	(79,200)
Rental Income from Council Dwellings	(14,043,060)	(32,828)
Other Income	(310,177)	(3,700)
Garages	(322,830)	53,469
Other Variances less than £10k	5,122,723	(8,108)
Transfer to Reserves	1,320,597	0
Housing- HRA Position at 31/3/20	(0)	(115,928)

Narrative Explanation of Revenue Under/Overspends reported to Policy Committees**Community Services Committee**

The overall Community Services Committee budget is showing a forecast underspend at the 31/3/2020 of £91,390. The comments of the Strategic Director of People on the variances and proposed management action is set out below:-

Explanation of the reasons for the forecast overspend

- Salaries Underspends (£22,060)
- There is a small forecast underspend of (£22,060) in Community Services Committee salary budgets. This principally comprises a projected overspend of £24k on the Depot staffing budgets, an overspend of £42k on the Street Cleaning staffing budget offset by a forecast underspend (£81k) on the Waste and Recycling staffing budget.
- There is a forecast overspend on Tandridge Commercial Services of £112,800, this arises following the centralisation of call centre staff as part of Customer First and will mean that Tandridge Commercial Services may lose the recovery of overheads previously charged as part of the overall service costs. Officers will be carrying out an in depth review of overhead recoveries to ensure that these costs are apportioned accurately between services.

Planning Policy Committee

The overall Planning Policy Committee budget is showing a forecast overspend at the 31/3/2020 of £754,552. The comments of the Strategic Director of People on the variances and proposed management action is set out below:-

Explanation of the reasons for the forecast overspend

- Salaries Overspends £397,080
- Local Plan-There is currently a forecast overspend on staffing costs within the Planning Strategy team on agency staff and consultants working on the Local Plan of £257,437. This overspend however will be funded from the Local Plan Reserve which was created to meet the costs of preparing the Local Plan.
- Community Infrastructure Levy additional administrative support costs of £50,006 will be funded from the Community Infrastructure Reserve.
- Planning Development & Enforcement-There is also a projected overspend on staffing costs in relation to planning development and enforcement of £397,080. The overspend arises directly from the staffing changes resulting from the implementation of Customer First, with a number of planning staff leaving the Council. Consequently, in order to cover current workload pressures temporary staff and consultants have been engaged to carry out planning development & enforcement work. It should be noted that the Case Services and Specialist Services teams, which are responsible for delivering both planning functions, are currently in excess of the approved budgeted establishment by 9 posts. These posts are dedicated to planning development and enforcement. Details of expenditure on unfunded temporary and consultancy posts is to be reported to the next meeting of Strategy and Resources Committee.

- Planning Appeal £290,000-The Council has received an invoice from one party in relation to the appeal against the Planning Committee decision on Copthorne Road, Felbridge. The invoice is for £290,000. A further invoice is expected from another party. The Council has appointed a costs assessor to challenge the costs. There is no provision within the budget for the legal costs arising from the appeal and this will therefore result in an overspend.
- Terraquest £77,000- Prior to Customer First implementation the Council appointed Terraquest as a contractor to carry out the validation of planning applications as planning staff were not replaced at that time in advance of the restructure. The cost of this contract is in excess of the available budget for the staff. The contract expires at the end of December but the cost above budget in 2019/20 will be £77,000. As agreed at the 25th June meeting (Minute 56) validation work will be taken back in-house.
- Planning Policy Income (£11,004)-Currently Planning Application fee income is in line with the budget, however the Council has received some additional income from (£11,004) received as a result of Planning Enforcement action.

Proposed Management Action regarding: Overspends

- Salaries Overspends
- Local Plan
The Local Plan enquiry has now commenced and should therefore result in a significant tapering in the need for temporary staff/consultants as it approaches its conclusion. There is sufficient funding for the Local Plan to meet all the current staffing requirements to deliver the plan. It is therefore anticipated that expenditure will be within available funding at year end.
- Planning Development & Enforcement
Considering that the overspend relates to staffing, it is proposed to carry out a review both the planning development and enforcement functions as a matter of urgency to examine all practical options to reduce the overspend. All practical options for reducing the overspend will be implemented. There is a separate report attached setting out the officers proposal.
- Planning Appeal- The Council has not yet received the bill for the legal costs arising from the Copthorne Road, Felbridge. However when the bill for these costs is received, these will be challenged by the Council through the costs assessor.

Housing Committee-General Fund

The overall Housing Committee-GF budget is showing a forecast overspend at the 31/3/2020 of £36,247 comprising the following variances.

Explanation of the reasons for the forecast underspend

- Overspend on Salaries £4,169
- Overspend on Douglas Brunton Centre (DBC) £32,397

The DBC will be run by the Council until the end of September, after which a Community Interest organisation will take over the running of the services, together with associated costs. The operational budget was £32,390 overspent at the point of handover because of additional staff costs being incurred due to redundancy and the need to carry out essential repairs or replace equipment.

- Underspend on Meadowside Mobile (£4,900).

Strategy and Resources Committee

The overall Strategy and Resources Committee budget is showing a forecast overspend at the 31/3/2020 of £318,770 comprising the following variances.

Explanation of the reasons for the overspend

- Salaries Overspends- £356,070
- Salaries overspends account for the majority of the forecast overspend within Strategy and Resources Committee. These overspends are in the main attributable to the implementation of the Customer First restructure which resulted in the departure of a number of key professional staff from the Council. In order to ensure the continuance of statutory services it has been necessary to rely on temporary staff and consultants. The overspending is in the area of Benefits and Council Tax £96k, Legal £84k, Finance £224k and IT £112k. These overspends are offset by underspending on Corporate Policy, Customer Services and Communications arising from the delay in filling posts following the implementation of the restructure.
- Variances less than £10,000- (£37,300)

There are a number of small under and overspends on non-salaries budget across the Committee which are not significant.

Proposed Management Action

- There is now a cross party Council Improvement Working Group established who are working to address The Councils overspends.
- Salaries Overspends- In the light of the budget pressure facing the Council. The overall staffing position in relation to temporary staffing and consultants is being reviewed. There is currently work being undertaken throughout The Council to develop and implement a plan for reducing the overspend significantly by the end of the financial year.

Housing Committee-HRA

The overall Housing Committee-HRA budget is showing a forecast underspend at the 31/3/2020 of (£115,928) comprising the following variances.

Explanation of the reasons for the forecast underspend

- Overspend on salaries £155,506.

Forecast overspend due to spending on agency staff, offset by forecast underspend in the Sheltered Accommodation service due to staff vacancies created as part of the Sheltered Housing Review.

- Underspend on Service costs (£24,120)

The underspend is mainly due to reduced spend on electricity and gas bills, due to improved management of the billing administration process following implementation of the new management service contract with Inspire in October 2018, and a one-off overpayment refund of £15,000 from our previous electricity supplier(Npower).

- Underspend on Repairs and Maintenance (£176,947)

Forecast underspend of Repairs and Maintenance budget is mainly due to envisaged underspend (£14,000) on void repairs due to lower volume of works and (£26,000) less spend on decoration repairs, and a budget savings of (£118,000) on the call handling service of the responsive repairs service with Tandridge Commercial Services. The call handling service has now been reorganised into the Case Services team, as part of the implementation of Customer First, and as a result the service is no longer provided by TCS.

- Underspend on Interest charges payable on HRA Loan (£79,200)

Forecast underspend of (£79,200) on the Interest charges payable on the outstanding HRA Loan with the Public Work Loan Board(PWLB) is due to expected spend based on actual existing HRA Loan and interest rates profiles being less than the budgeted amount which was based the updated 2019/20 30-year HRA Business Plan Model.

- Additional rental income from Council Dwellings (£32,828)

Forecast additional rental income of (£32,828) from council dwellings based rental income actual performance to date. There is an opportunity to bring in additional rental income of about £40,000 (not reflected in the July budget monitoring report) from new 8 units of affordable build when completed and let in the next few months. The additional rental income will be reflected in future HRA budget monitoring reports in the current financial year (2019/20).

- Reduction in income from garages £53,469.

Forecast decrease on rental income of £53,469 from garages based on garages rents actual performance to date. The forecast spend shortfall in garages rent is line with previous years trend (garage rent voids have always been high). The garage rents will form part of the planned strategic review of HRA income as it will include focus on the best use of the existing garages.

- Underspend on other miscellaneous budgets (£3,700)

Net underspend of net (£8,108) on other budget variances of less than £10,000

Capital Budget Monitoring at 30/09/2019

Scheme Name	Annual Budget 2019/20	Budget YTD	Actual YTD	Variance YTD	Forecast Variance 19/20 at 30/09/2020	Scheme Total Budget (incl slippage) 2019/20-2021/22	Forecast Total Scheme Variance	Budget Manager	People Place Resources	Narrative
Community Services										
Vehicle Fleet Renewals	59,900	34,942	0	(34,942)	16,100	139,900	650,100	Nic Martlew	Place	Change from lease to outright purchase
Car Parking	58,200	33,950	33,774	(116)	(24,200)	88,200	0	Nic Martlew	Place	Conducting a survey of all sites prior to committing budget
Ellice Road Car park	4,325,975	2,522,975	16,570	(2,506,405)	(4,225,100)	4,325,100	(4,225,100)	Brian Thompson	Place	Project deferred/cancelled
Childrens Playground Equipment	116,600	68,017	87,317	19,300	(26,600)	266,600	0	Nic Martlew	Place	Budget has been fully committed for Bushey Croft and Catlins Gardens
Purchase of Waste Collection Vehicles	3,500,000	2,041,667	0	(2,041,667)	(3,490,000)	3,500,000	(700,000)	Simon Mander	Place	The majority of expenditure is likely to slip into 2020/21. It is anticipated that the final costs will be £2.8m
Land Drainage Capital Works	10,000	5,833	950	(4,883)	0	30,000	0	Nic Martlew	Place	This money will be spent during the winter on flood alleviation works
Park, Pavilions & Open Spaces	188,400	109,900	13,036	(96,864)	0	388,400	0	Nic Martlew	Place	A sum of £40k has been committed and waiting for report/guidelines on Queens Park Pavilion cladding
Playground Improvements Match Funding Pot	50,000	29,167	0	(29,167)	0	50,000	0	Simon Mander	Place	Parish Councils have been approached and waiting for bids
Waste & Recycling Contract Equipment	600,000	350,000	0	(350,000)	0	600,000	0	Simon Mander	Place	Will be spent during 2019/20
Litter Bins	20,000	11,667	0	(11,667)	0	24,000	0	Nic Martlew	Place	Members workshop and the Parish Councils being consulted, report to November Committee
Garden Waste Bins	96,000	56,000	0	(56,000)	(96,000)	126,000	0	Simon Mander	Place	Deferral in Biffa contract will result in Bins not being purchased until 2020/21
Public Conveniences Capital Works	275,000	160,417	0	(160,417)	0	550,000	0	Nic Martlew	Place	Investigation of works taking place and then works will be programmed
Roads & Paths St Mary's Church	20,000	11,667	12,445	778	0	20,000	0	Nic Martlew	Place	Budget committed and works have started
Plant, Furniture & Equipment (GF)	8,000	4,667	0	(4,667)	0	24,000	0	Nic Martlew	Place	Tools and equipment are assessed during the winter and replacements will be purchased at that time.
Total-Community Services	9,327,200	5,440,867	164,092	(5,276,775)	(7,845,800)	10,132,200	(4,275,000)			
Housing General Fund										
Social Housing Grants	274,400	160,067	0	(160,067)	(274,400)	474,400	(274,400)	Peter Trowbridge	People	No Social Housing Grant allocations at this time
Disabled Facilities Grants Mandatory	439,100	256,142	82,302	(173,840)	(239,100)	1,291,100	0	Jane Ellis	People	See note 1 below
Total-Housing GF	713,500	416,208	82,302	(333,907)	(513,500)	1,765,500	(274,400)			
Resources Committee										
Property Development Fund	130,374,900	76,052,025	15,164,110	(60,887,915)	0	195,375,000	0	Alison Boote	Chief Exec	Budget spend is dependent on suitable acquisitions being identified.
Land/Asset Development	153,000	76,500	0	(76,500)	0	153,000	0	Alison Boote	Chief Exec	
Council Offices Buildings	182,300	21,175	3,750	(17,425)	0	282,300	0	Alison Boote	Resources	Programme of works being developed
Customer First / IT	150,000	87,500	137,747	50,247	0	350,000	0	Mel Thompson	Resources	Ongoing IT development works progressing
Total-Resources	130,860,200	76,237,200	15,305,607	(60,931,593)	0	196,160,300	0			
Housing Revenue Account										
Council House Building	8,345,600	4,868,267	2,069,501	(2,798,766)	9,300	24,832,900	(166,800)	Peter Trowbridge	Resources	Demand substantially committed, with some for unforeseen demand led works
Structural Works	755,000	384,167	448,195	64,028	(10,000)	2,030,000	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Modernisation & Improvements	654,000	410,433	358,281	(52,152)	0	1,845,900	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Energy Efficiency Works	393,000	238,117	12,758	(225,359)	(35,000)	1,322,000	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Internal Service Renewals	628,000	366,333	351,987	(14,347)	(23,000)	1,693,000	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Works to Void Properties	490,000	294,350	(47,160)	(341,510)	(35,000)	1,335,000	0	Robert Preedy	Place	Lower level of voids at this time of year requiring works
Health & Safety	178,000	118,883	27,060	(91,824)	(8,400)	550,000	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Adaptations for the Disabled	232,500	147,467	132,261	(15,206)	0	682,500	0	Robert Preedy	Place	Anticipated based on current demand
Essential Structural Works	175,000	78,750	49,546	(99,204)	0	435,000	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Communal Services	75,000	69,208	0	(69,208)	(15,000)	235,000	0	Robert Preedy	Place	Demand substantially committed, with some for unforeseen demand led works
Housing Management Software	81,100	47,308	3,916	(43,392)	0	121,100	0	James Beach	People	Ongoing IT development works progressing
Total-HRA	12,004,200	7,023,283	3,406,344	(3,616,940)	(117,100)	35,082,400	(166,800)			
Total 2019/20 Capital Programme	152,905,100	89,117,558	18,958,344	(70,159,214)	(8,476,400)	243,140,400	(4,716,200)			

Note 1

Demand for DRGs remains high and is driven by the increasing aging population in the District. There is approximately £300k of DRG demand in the system but delays have been incurred in processing this demand due to resourcing issues at Millbrook. Regular contract management meetings have been held and a robust performance improvement plan put in place. Spend is anticipated to remain slow in Q3, due to contractors closing down due to the Christmas break with improved performance expected in Q4. Final outturn for the year is currently estimated at £200k, with a carry forward into 20/21 of £114k, committed to adaptations that due to the lack of resource, cannot be installed and paid for within the timeframe of this financial year.

Summary Table of Temporary Staff and Contractor Expenditure

This shows the 2019/20 projected cost of Temporary Staff and Contractors based on current end dates

Department/Team	Column 1	Column 2	Column 3	Column 4
	Current temporary staff (number)	Current Contractor staff (number)	Forecast Variance all Temporary staff £	Forecast Variance all Contractors £
Chief Executive	0	0	132,965	0
Chief Financial Officer	2	1	153,701	100,505
Douglas Brunton	2	0	1,058	0
Case Services	8	2	96,001	111,812
Specialist Services	1	8	92,113	352,305
Customer Services	0	3	0	19,478
Locality	1	2	15,147	52,785
Tandridge Commercial Services	0	1	19,591	0
Support Services	1	3	139,590	244,542
Planning Strategy	0	3	0	257,437
Legal	1	1	113,165	21,762
Total	16	24	763,331	1,160,626

Notes to explain the Table

Column 1 shows the number of temporary staff currently engaged by The Council - any temps that have left are thus not included in Column 1.
Column 2 shows the number of contractors currently engaged by The Council - any contractors that have left are thus not included in Column 2.

Column 3 shows the total forecast cost of temporary staff for the year - so this will include both temps that are currently engaged and those that have left.
Column 4 shows the total forecast cost of contractors for the year - so this will include contractors that are currently engaged and those that have left.

A temporary staff member is classified as a person engaged to cover a specific vacant post - although their costs may exceed the budget allocated to that post.
A contractor is classified as a person engaged to a role that is supernumerary - ie above the Council budget and with no vacant post to offset cost.

The costs of the temps and contractors above are shown gross - i.e. before any contributions from say the local plan reserve or equivalent.

A line by line breakdown of each temp and contractor is available but would have to be discussed as a Part 2 item for reasons of commercial confidentiality.

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 28TH NOVEMBER 2019 AGENDA ITEM 10

UPDATE ON THE COUNCIL IMPROVEMENT WORKING GROUP

Report of:	Elaine Jackson - Acting Chief Executive - ejackson@tandridge.gov.uk 01883 732717
Purpose of report:	To provide the committee with an update of the work being done by the Council Improvement Working Group.
Publication status:	Unrestricted
Recommendations:	That: A. the work of the Council Improvement Group be noted; B. the development of a Strategic Plan for forthcoming municipal year be supported; and C. the principle that the Council seeks to achieve financial recovery over a 3-year period be supported.
Appendices:	Appendix 'A' – Working Group's Terms of Reference (page 60) Appendix 'B' - Southern Internal Audit Partnership Plan (page 62)
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 The council has undergone a significant change programme over the last two years entitled Customer First. The overarching aim of the programme was to modernise the way the council operated, creating a more financially efficient way to transact its business. The key aims of the programme were to move to a digital based environment that enables customers to self-serve via web-based technology; to move to a single operating software platform; and to reshape the staff resource to respond to this new model of operating that introduced cross-skilling, reducing the inherent single points of failure.
- 1.2 During the change programme, it was also agreed that staff would be moved to a more agile working environment and be provided with laptops and Microsoft 365.

- 1.3 The move to Salesforce, the chosen operating platform for customer management, enables a single view of the customer. This will allow the council to keep track of all interactions that take place with a resident. Information relating to all enquiries and service requests from a customer (whether they relate to planning, refuse bins, a change of address or any other matter) is captured in one dynamic record. All staff can access the record (case) and can work on a case simultaneously, allowing them to take into consideration other issues that the resident may have outstanding or have raised in the past. This way of operating allows a multi-skilled approach to providing service and allows a case to move between staff in a seamless way, incorporating specialist skills when required.
- 1.4 In addition to providing case management for residents, the system provides better workflow and performance management. In the future, it will enable data collection to be carried out through an online process rather than manually.
- 1.5 During 2018, the first phase of the people changes for staff took place in readiness for the new model. In February 2019, phase two was completed. During this time, a redundancy programme had taken place based on assumptions that the new model would be underpinned by a significant increase in efficiency being realised by the new Salesforce software, the implementation of mobile devices and the new Microsoft 365 software. The staffing resource model was built during 2017 based on the work that the council delivered at that time.
- 1.6 Immediately prior to the phase two go-live date, it was identified that the Salesforce roll-out was behind schedule, had not gone through a user testing process and, similarly, it was not integrated into legacy systems in the way it had been envisaged. This resulted in a rework of the roll-out process and a re-prioritisation of the future development of the work, with only a small aspect of the Salesforce case system going live in February 2019.
- 1.7 The impact of this is that the planned staffing resource model went live on 1st February 2019 based on systems and IT efficiencies that had not been delivered. Without those efficiencies, the level of staffing was, and remains, inadequate for the needs of the service delivery model. It should be noted that, during a systems replacement roll out, it would be reasonable to assume that the performance of an organisation goes backwards before it can go forward as there is an element of double running and transition to the new system. Any significant change programme can also be reasonably expected to cause disruption to performance, yet the resource and financial plans were both constructed to reflect best possible case outcomes.
- 1.8 Combined with planned systems efficiencies not materialising and the redundancy programme coming into effect, there have been some areas of the council where experienced members of staff have left and, as a result of these factors during 2019/20, there has been a heavy reliance on temporary staff and contractors to shore up core services. The spend on temporary staff and contractors is currently forecast to be at £1.9m at 31.3.2020. Much of this spend is offset by vacant posts. The overall staff and contractor overspend is estimated to result in an overspend of £750k after taking into account grants, recharges to the HRA and the use of previously agreed reserves.

1.9 At its meeting on the 26th September 2019, the Committee agreed to set up a Council Improvement Working Group with cross party representation to work with senior officers to provide support, scrutiny and challenge to ensure that the council achieves financial recovery and operational improvement.

2. Council Improvement Working Group (CIWG)

2.1 The group comprises Councillors Allen, Botten, Bourne, M.Cooper, Davies, Gray and Milton. In addition, the Acting Chief Executive, Chief Finance Officer, Head of HR and OD are in attendance and other officers are invited to attend on a needs basis.

2.2 The group has developed the Terms of Reference attached at Appendix A. The first meeting agreed that a co-chair arrangement would be put in place and this is shared by Councillors Botten and Bourne.

2.3 The group has declared that it operates in a non-political manner, will put protection of services to residents at the centre of all decision making and that, at all times, the member/officer protocol will be upheld.

2.4 The group will meet regularly and will report to this committee. At the time of writing this report, two meetings have taken place and this report provides summary of the discussion points across the two meetings.

3. Progress to date

3.1 At the first meeting, the Acting Chief Executive (ACE) advised members that a number of actions had been taken to move the council forward in its journey of improvement; these are detailed below in points 3.2 to 3.7 inclusive.

3.2 At the beginning of October, the ACE met with colleagues from the Local Government Association to seek external support for a number of key reviews and agreed that the following work would be undertaken:

- i) LGA (paper-based) review of governance structure
- ii) LGA corporate peer challenge to be undertaken in January 2020 to focus on capacity, leadership and governance implementation (where representatives from another Authority will visit the offices for a few days to scrutinise TDC's corporate processes, including interviews with key officers and Members with a view to identifying possible recommendations for improvements)
- iii) LGA review of senior staff structure which commenced at the end of October 2019
- iv) LGA desk top finance diagnostic
- v) LGA corporate peer challenge to be undertaken in January 2020 to focus on capacity, leadership and governance implementation LGA corporate peer challenge to be undertaken in January 2020 to focus on capacity, leadership and governance implementation (where representatives from another Authority will visit the offices for a few days to scrutinise TDC's corporate processes, including interviews with key officers and Members with a view to identifying possible recommendations for improvements)

- vi) LGA political support for each party
 - vii) LGA mentoring support for the ACE.
- 3.3 In October and November, the ACE carried out briefings for all staff at the Council Offices and at the Warren Lane Depot to advise them of the current situation that the council finds itself and to inform them of the actions that are being taken to improve matters. This will be an ongoing programme of monthly ACE briefings to ensure that all staff hear first-hand how the council is progressing and to encourage two-way dialogue to build confidence and trust in the leadership. These meetings will be supported by 'meet the team' events.
 - 3.4 To support the ongoing communication with the wider workforce, a staff survey is currently being carried. This is not mandatory but all staff are being encouraged to participate to describe what is important to them as we take forward the improvement work.
 - 3.5 A suggestion scheme has started during November which is called 'Bright Ideas'. This provides an opportunity for ideas which will help to drive improvement across a number of areas, including working practices, new initiatives, IT, income generation and environment. This has already generated several very positive suggestions and, as this scheme develops, the ACE will provide further information.
 - 3.6 A series of star chambers are taking place between each of the leadership team members, the Finance team and the ACE. On a team by team basis, colleagues are invited to identify in-year changes to cap expenditure and to identify their growth and savings opportunities within their teams for the forthcoming financial year. This process is designed to improve ownership of the financial situation and for each leader to bring forward suggestions about how they can run their operation more cost effectively whilst not impacting service delivery.
 - 3.7 Increased engagement with Staff Conference has taken place in the spirit of enabling some of the historical issues to be discussed. This has been further enhanced by a Joint Consultative Committee (JCC) which took place with Members on 13th November 2019. It was agreed that this meeting provided benefit for all and that the frequency of future meetings will increase to quarterly.
4. Council Improvement Working Group Actions
 - 4.1 The CIWG has agreed that an essential piece of work is the development of a strategic plan to set out the vision for the council and, in turn, let residents know what they can expect. Members and Officers will benefit from having a framework against which it can set priorities and determine the success or otherwise of how it is progressing. The process of developing such plans helps an organisation to step back and examine where they are, where they want to go and how to get there.
 - 4.2 In the absence of a plan, work still gets done on a day to day basis but often lacks a sense of purpose and priority and can result in ad-hoc activities being taken forward that are not part of the bigger picture. In addition, working in this way can often lead to work being out of alignment with the available resources and the teams being spread too thinly, focused on work that does not contribute to the overarching corporate objectives. This can result in lack of financial control and can increase business risk.

- 4.3 The CIWG has approved the brief of the Southern Internal Audit Partnership to carry out audits of Customer First and Payroll. The wider Southern Internal Audit Plan was discussed at Overview & Scrutiny Committee on 12th November 2019.
- 4.4 The CIWG has agreed that the LGA governance review be brought forward after discussion with the ACE. The ACE has advised that, following the workforce re-organisation, the Council would be wise to undertake a review of its governance arrangements to ensure they are robust and relevant in the new organisation. The council has recently recruited a new Governance & Performance Officer to increase the resilience in this area and he will work with the LGA to undertake this review.
- 4.5 It will be important that the council shapes its leadership team so that a healthy balance is struck between providing the 'business as usual' services; transforming services to a digital environment; and achieving financial sustainability, whether through cost savings or income generation. This will be considered with the output from the LGA review of the leadership model.
- 4.6 The CIWG accepts the financial position will take time to recover if services are to be maintained. The LGA leadership review, together with efficiencies identified by the Star Chambers and other staff engagement, should change the budget structure in future years - the extent of which will not be known until the first quarter of 2020 after the 2020/21 budget needs to be set.
- 4.7 Additional financial resources will also be required to realise the IT efficiency aims of Customer First and make the current staffing model fit for purpose. CIWG recognises the importance of getting the delivery right second time around and this time the Group will be involved in the oversight process. To specify, build, test, implement and refine the IT efficiencies required is likely to be a 2-3 year programme.
- 4.8 Therefore, the IT systems spending, plus the enhanced costs in the form of additional staffing to maintain services until the system efficiencies are realised, are also expected to span 2-3 years, albeit with a tapering effect with the costs reducing over the period. The majority of this overspend, if not the entirety, is likely to have to come from reserves.

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

APPENDIX A**APPENDIX A****COUNCIL IMPROVEMENT WORKING GROUP – TERMS OF REFERENCE****Aims and objectives**

The Group will provide a detailed planning, scrutiny and challenge role to ensure the Council achieves financial recovery and operational improvement. Its objectives will be to:

- support the Assistant Chief Executive and her team to:
 - develop a plan that encompasses all areas of business improvement required for financial and operational improvement and change
 - formulate a programme of solutions to bring the financial deficit back into line
 - improve workforce engagement and performance
- obtain a detailed understanding of the actions required to ensure the forecast outturn deficit is recovered to a balanced position
- agree monitoring and performance arrangements to provide assurance to the Council's committees and key stakeholders
- develop terms of reference for a Customer First audit
- develop terms of reference for a governance review.

Underpinning principles

- protection of services to residents is a priority
- the Group will operate in a non-political manner
- the Member / Officer protocol will be observed
- focus will be on action orientated solutions and not policy
- Member / Officer skills and experience will be utilised for the good of residents.

Frequency of meetings

Fortnightly

Committee to which the Group will report

Strategy & Resources

Chairmanship

Councillors Botten and Bourne will chair alternate meetings.

Review

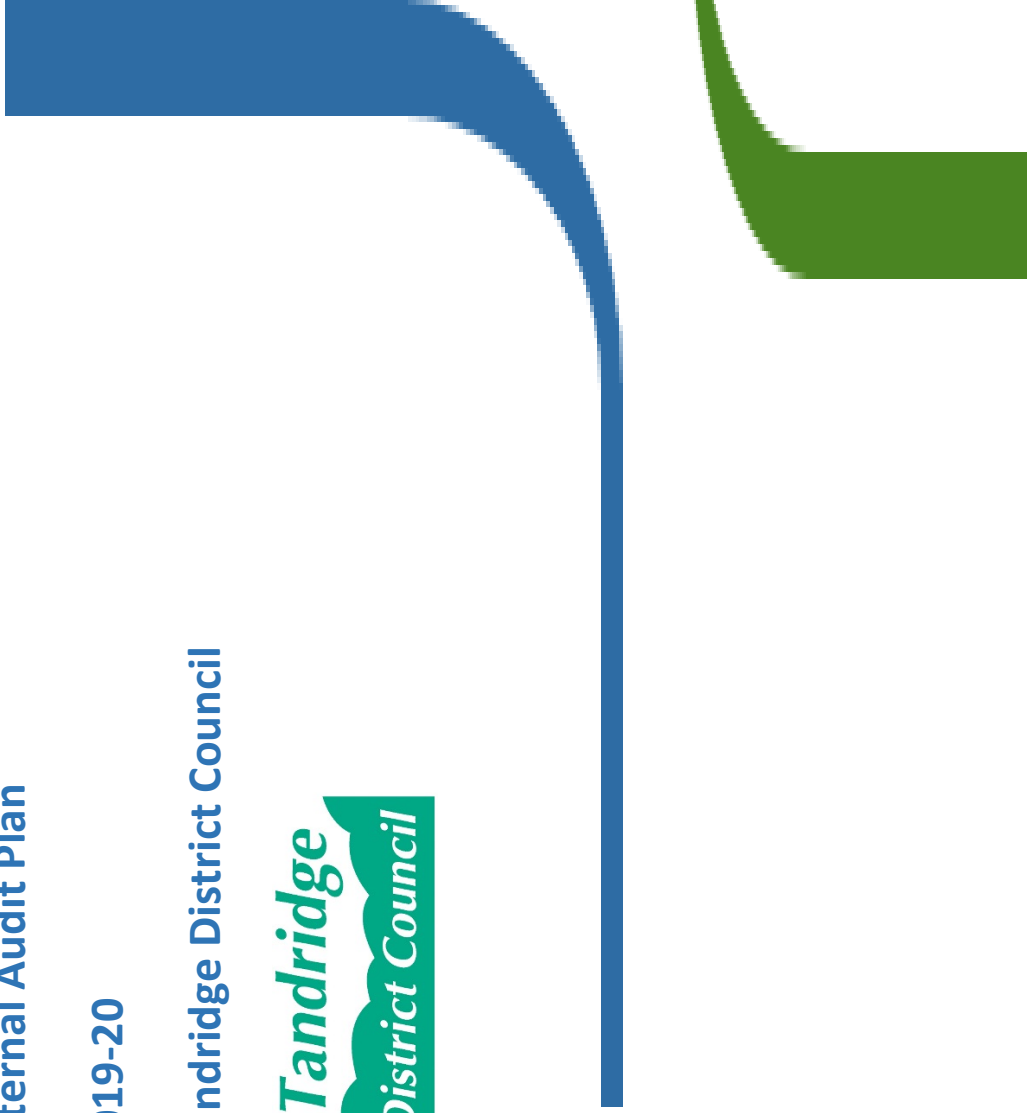
These terms of reference will be reviewed as the Group develops to ensure they remain fit for purpose.

**Southern Internal
Audit Partnership**

Internal Audit Plan

2019-20

Tandridge District Council



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Introduction

The role of internal audit is that of an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operation. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation’s objectives.

The aim of internal audit’s work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and
- risk to the achievement of the Council’s objectives is identified, assessed and managed to a defined acceptable level.

The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to provide a clear statement of assurance on risk management, internal control and governance arrangements.

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the Corporate Management Team and Audit Sponsors, to ensure it continues to reflect the needs of the Council. Amendments to the plan will be identified through the Southern Internal Audit Partnership's continued contact and liaison with those responsible for the governance of the Council.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Natalie Jerams, Assistant Head of Southern Internal Audit Partnership, supported by Jo Barrett, Audit Manager.

Conformance with internal auditing standards

The Southern Internal Audit Partnership service is designed to conform to the Public Sector Internal Audit Standards (PSIAS). Under the PSIAS there is a requirement for audit services to have an external quality assessment every five years. In September 2015 the Institute of Internal Auditors were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the PSIAS, Local Government Application Note and the International Professional Practices Framework.

In selecting the Institute of Internal Auditors (IIA) a conscious effort was taken to ensure the external assessment was undertaken by the most credible source. As the authors of the Standards and the leading Internal Audit authority nationally and internationally the IIA were excellently positioned to undertake the external assessment.

In considering all sources of evidence the external assessment team concluded:

‘It is our view that the Southern Internal Audit Partnership (SIAP) service generally conforms to all of these principles. This performance is within the top decile of EQA reviews we have performed. This is a notable achievement given the breadth of these Standards and the operational environment faced by SIAP.

There are no instances across these standards where we determined a standard below “generally conforms”, and 4 instances where the standard is assessed as “not applicable” due to the nature of SIAP’s remit.’

Conflicts of Interest

We are not aware of any relationships that may affect the independence and objectivity of the team, and which are required to be disclosed under internal auditing standards.

Corporate Delivery Plan 2019 - 20

Under the Council's vision to be '**aspirational for our people, our place and ourselves**' there are four key priorities underpinned by six corporate objectives. The Corporate Delivery Plan highlights Tandridge District Council's ambitions and what they are going to do to support the delivery of their vision.



Council Risk

The strategic risks assessed by the Council are a key focus of our planning for the year to ensure it meets the organisation's assurance needs and contributes to the achievement of their objectives. We will monitor the strategic risk register closely over the course of the year to ensure our plan remains agile to the rapidly changing landscape.

Ref	Risk Description	Risk Score
SR1	Failure to remain financially sustainable	10
SR4	IT systems failure which could inhibit day to day function of the Council	12
PP1	Inspector considers Local Plan needs significant modification prior to examination	12
PP3	Inability to meet expectations in respect of neighbourhood plans	12
PP5	Unable to recruit planning staff	12
H1	Inadequate supply of affordable housing to meet local needs	16
CS10	Trespass on council land leading to damage and nuisance	12
CS12	Impact on residential and commercial property from major flooding incident	12

*Organisational Risks as per the Corporate Delivery Plan 2019/20: assessed as >10

Developing the internal audit plan 2019-20

We have used various sources of information and discussed priorities for internal audit with the following groups:

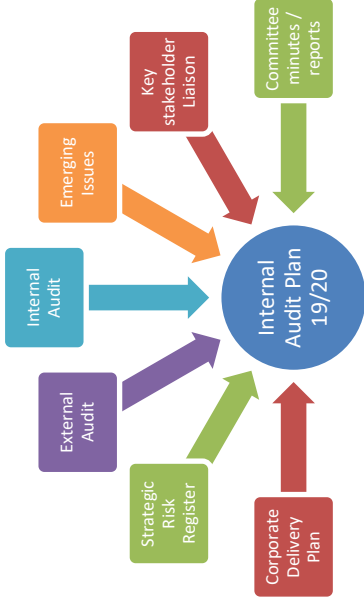
- Acting Chief Executive
- Chief Finance Officer (S151)
- Overview and Scrutiny Committee
- Other key stakeholders

Based on these conversations with key stakeholders, review of key corporate documents and our understanding of the organisation the Southern Internal Audit Partnership have developed an annual audit plan for 2019-20.

Considering the exceptional period of change within the Council, the late engagement / agreement of the internal audit plan and the capacity to deliver (TDC and SIAP), an audit plan has been developed to prioritise reviews for 2019/20 over a reduced compliment of days. We will seek to present a more strategic plan to cover the future 2 to 3-year period to the Overview & Scrutiny Committee in March 2020.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers to ensure that duplication is minimised and a suitable breadth of assurance is obtained.



Internal Audit Plan 2019/20

Audit	Risk / Scope	Priority
Customer First	Assurance over management and implementation of Customer First. To include assessment of governance, transparency, decision making and accountability.	High
Payroll	To undertake a proactive review of decision making and governance to support additions / enhancement to standard pay.	High
Human Resources & Organisational Development	Assurance to focus on: <ul style="list-style-type: none"> • HR policies and procedures • Agency / Temporary staff 	High
Financial Recovery Plan	To provide assurance over the establishment and delivery of the recovery plan to address reported £1m overspend during 2019/20	High
Annual Governance Statement & Code of Corporate Governance	To review arrangements in the compilation, approval and delivery of the Annual Governance Statement and underpinning Code of Corporate Governance	High

Audit	Risk / Scope	Priority
Budget Monitoring	To ensure the effectiveness of budget monitoring processes in light of the predicted £1m overspend during 2019/20	High
Risk Management	Assurance over the risk management framework including governance, transparency and maturity.	High
IT Business Continuity	Disaster recovery and system resilience	High
Procurement	Assurance over the effective identification and assessment of organisational needs to maximise value for money and efficiencies through procurement. Assurance over compliance with contract procedure rules and legislative requirements.	High
NNDR	System review to include focus on the process and consistency in the award of discretionary rate relief.	Medium
Accounts Payable	Assurances over the effectiveness of the control environment following transition of responsibilities from Finance to the Central Case Team	Medium
Accounts Receivable / Debt Management	Assurances over the effectiveness of the control environment following transition of responsibilities from Finance to the Central Case Team	Medium
Commercial Property Developments	Assurance over the governance, accountabilities, viability and outcomes of the Property Investment Company.	Medium
Management	To include annual planning, reporting and attendance at CMT and Overview & Scrutiny Committee, action tracking, liaison with key stakeholders and annual report and opinion.	-
Total Days		150

INVESTMENT SUB-COMMITTEE

Minutes and report to Council of the meeting of the Sub-Committee held in the Lyndsay Narcisi Room, Council Offices, Station Road East, Oxted on the 25th October 2019 at 10.00 a.m.

PRESENT: Councillors Elias (Chair), Bourne, Davies, Jecks and Jones

ALSO PRESENT: Councillor Farr

IN ATTENDANCE: Paul Sullivan (Funding Circle's Director of Global Capital Markets)

1. MINUTES

The minutes of the meeting held on the 8th August 2019 were approved as a correct record.

SUB-COMMITTEE DECISIONS ***(Under powers delegated to the Sub-Committee)***

2. EXCLUSION OF THE PUBLIC

R E S O L V E D – that members of the press and public be excluded from the meeting for the consideration of the items covered by Minutes 3 to 5 below because:

- (i) they involve the likely disclosure of exempt information as defined in 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); and
- (ii) for the items, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

3. FUNDING CIRCLE – PRESENTATION FROM PAUL SULLIVAN

Paul Sullivan presented an analysis the Council's £2m investment with Funding Circle's 'peer to peer' retail lending platform, including:

- reconciled net yield calculations;
- projected annualised rates of return from Funding Circle loans; and
- financial modelling to illustrate the effects of a more conservative investment approach (i.e. ceasing to invest in loans to less creditworthy businesses).

Paul Sullivan responded to Members' questions about the performance of the Council's current investment and the potential for alternative investment options with Funding Circle. He also undertook to clarify why the current net asset value of the investment was only £1,995,229 (the likely reason was that withdrawals had exceeded income).

RESOLVED – that the Council’s investment with Funding Circle be reviewed, pending consideration of further information regarding:

- (i) the viability of the investment being re-profiled on a more conservative basis; and
- (ii) the question of whether the investment could be switched to a Funding Circle institutional fund.

4. SUMMARY INVESTMENT AND BORROWING POSITION

The Sub-Committee received a summary of the Council’s investment and borrowing position at 30th September 2019, together with a mid-year performance review; information fact sheets from the fund managers of the Council’s long-term investments with CCLA, Schroder and UBS; and a reminder of the current statement of investment beliefs.

The Chief Finance Officer reflected that Public Works Loan Board borrowing costs could impact on future property investment decisions. He also suggested that paragraph 1.10.2 of the Council’s statement of investment beliefs (geographical criteria for ‘out of District’ property investments) may have to change in light of government guidance. This would be addressed at the next meeting.

It was suggested that future investment analysis should include amounts withdrawn as income.

RESOLVED – that the following be noted:

- A. the investment and borrowing position at 30th September 2019 as set out in Appendices ‘A’ and ‘B’;
- B. the individual factsheets for the long-term investments; and
- C. the current statement of investment beliefs (subject to paragraph 1.10.2 being reconsidered at the next meeting).

Note – Councillor Jecks declared that he was a non-executive director of UBS Asset Management UK Limited. This did not amount to a disclosable pecuniary interest under the Members’ code of conduct and Councillor Jecks remained in the meeting during the discussion and voting on this item.

5. PROPERTY INVESTMENT UPDATE

The Sub-Committee considered a report about current property investment activity, including potential new opportunities. Members discussed the merits of pursuing the respective sites.

Discussion also focused on the potential acquisition discussed in the confidential part of the Strategy & Resources Committee meeting on the 11th October 2018. The relevant minute of that meeting (Minute 138 (18/19)) stated that, “... *the Council should proceed to purchase the property in question, subject to the completion of due diligence*”.

RESOLVED – that

- A. the Council's property investment activity be noted;
- B. officers' continued investigations into potentially suitable investment sites be supported;
- C. officers be supported in their efforts to bid to purchase properties that align with the Council's property investment strategy and which offer a relatively low-risk income stream (all bids would be subject to contract and full due diligence and in line with the requirements of Financial Regulation 17); and
- D. regarding the site referred to in Minute 138 (18/19)), no decision be made to purchase without the matter being referred to the Sub-Committee for approval.

Rising: 1.05 p.m.

Summary of Investments and Borrowing

Investment	Investment Amount at 30/09/2019	Net Asset Value at 30/09/19	Yield Rate Note 1	Yield to 30/09/19 Note 2	Estimated Annual Return 2019/20 at 30/09/2019	2018/19 Actual
	£	£	%	£	£	£
<u>Non - Specified (Financial Investments)- Long Term (over 12 mths)</u>						
CCLA Property Fund	4,000,000	4,302,769	4.23	45,930	182,000	183,989
Schroders Bond Fund	3,000,000	2,873,584	4.50	30,838	129,300	120,508
UBS Multi Asset Fund	3,000,000	2,927,623	3.93	33,712	115,100	116,513
Funding Circle	2,000,000	1,995,299	3.40	34,114	67,800	98,171
CCLA Diversification Fund	2,000,000	2,049,420	3.20	34,329	65,600	67,030
Sub Total Non-specified (Financial Investments)	14,000,000	14,148,695		178,923	559,800	586,211
<u>Non - Specified (Non-Financial Investments)- Long Term (over 12 mths)</u>						
Gryllus Property Company Junior	342,000	342,000	10.47	0	35,800	35,807
Gryllus Property Company Senior	2,052,000	2,052,000	5.03	0	103,200	103,216
Gryllus Property Company Share Capital Note 3	1,026,000	0		0	0	0
Tandridge Leisure Ltd- Refurbishment Loan (TTLIC)	33,750	33,750	3.75	940	1,300	1,222
Freedom Leisure- Loan (TLP)	1,065,429	1,065,429	5.50	31,963	58,600	74,580
Freedom Leisure- Loan (de Stafford)	682,786	682,786	7.58	28,230	51,800	65,870
Caterham Barracks Note 4	257,813	257,813	7.58	10,070	10,300	9,627
Gryllus Property Company Loan	945,000	945,000	5.81	0	54,900	0
Gryllus Property Company Share Capital	405,000	405,000		0	0	0
Sub Total Non-specified (Non-Financial Investments)	6,809,777	5,783,777		71,203	315,900	290,322
Total Non-Specified Investments	20,809,777	19,932,473		250,125	875,700	876,533

Investment	Investment Amount at 30/09/2019	Net Asset Value at 30/09/19	Yield Rate Note 1	Yield to 30/09/19 Note 2	Estimated Annual Return 2019/20 at 30/09/2019	2018/19 Actual
	£	£	%	£	£	£
<u>Specified Investments-Short Term (less than 12 mths)</u>						
Banks/Building Societies Deposits	0	-	1.03	6,381	6,000	19,779
Notice Accounts	2,000,000	2,027,982	0.84	9,320	18,300	19,895
Money Market Funds	9,355,000	8,823,529	0.68	30,389	60,000	44,483
Total Specified Investments	11,355,000	10,851,512		46,091	84,300	84,157
Total Non- Specified and Specified Investments	32,164,777	30,783,985		296,216	960,000	960,690
Total Investment Income Budget 2019/20					975,900	
Over/(under) budget					(15,900)	

Borrowing	Loan Amount	Estimated Average Borrowing	Interest	Expenditure to 30/09/19	Estimated Cost 2019/20 at 30/09/2019
	£	£	%	£	£
General Fund Borrowing					
Gryllus-PWLB	3,420,000	3,420,000	2.46	42,066	84,100
Freedom Leisure-PWLB	2,225,000	2,225,000	2.45	27,256	54,500
Village Health Club	938,678	938,678	2.38	11,170	22,300
Linden House	4,175,000	4,175,000	2.69	56,154	112,300
Linden House	254,000	249,100	2.42	3,073	6,000
Quadrant House	15,340,000	15,340,000	2.41	184,847	369,700
Quadrant House	800,000	784,700	2.28	9,120	17,900
80-84 Station Road	724,400	710,500	2.28	8,258	16,200
Sub Total General Fund Borrowing	27,877,078	27,842,978		341,945	683,000

Borrowing	Loan Amount	Estimated Average Borrowing	Interest	Expenditure to 30/09/19	Estimated Cost 2019/20 at 30/09/2019
HRA Borrowing					
Public Works Loan Board	61,189,000	61,189,000	2.76	844,316	1,688,600
Sub Total HRA Borrowing	61,189,000	61,189,000		844,316	1,688,600
Total Borrowing	89,066,078	89,031,978		1,186,261	2,371,600

Notes

1. Yield Rate

CCLA Property Fund dividend yield Sept 19 Est provided by CCLA
Schroders Strategic Credit Fund Fact sheet on Schroders.com distribution yield as at 30 Aug 2019
UBS underlying yield latest per UBS Fact Sheet (Aug 19)
CCLA Diversified Fund dividend yield Aug 19 provided by CCLA
Funding Circle yield based on net earnings to date per Funding Circle statement

2. Yield to 30/09/19 include actuals received or notified of at this date - CCLA Property Fund, Schroders & UBS all only have the first quarter

3. No dividend will be paid in the current year

4. Caterham Barracks Community Trust have requested to repay their loan at the end of October 2019. These figures reflect this

Market Value of Long Term Investments Prepared on 16/10/19

Carrying Value	Carrying Value 31.3.2017	Carrying Value 31.3.2018	Carrying Value 30.6.2018	Carrying Value 30.9.2018	Carrying Value 31.12.2018	Carrying Value 31.3.2019	Carrying Value 30.6.2019	Carrying Value 30.9.2019
	£	£	£	£	£	£	£	£
CCLA Property Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Schroders Bond Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
UBS Multi Asset Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
CCLA Diversification Fund	n/a	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total	10,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Market Value	Market Value 31.3.2017	Market Value 31.3.2018	Market Value 30.6.2018	Market Value 30.9.2018	Market Value 31.12.2018	Market Value 31.3.2019	Market Value 30.6.2019	Market Value 30.9.2019
	£	£	£	£	£	£	£	£
CCLA Property Fund(mid-market value)	4,082,986	4,276,854	4,299,512	4,300,362	4,369,186	4,276,005	4,346,669	4,302,769
Schroders Bond Fund	2,963,563	2,912,837	2,908,609	2,891,399	2,825,575	2,865,130	2,910,421	2,873,584
UBS Multi Asset Fund	3,018,705	2,918,160	2,895,094	2,905,148	2,777,398	2,868,479	2,916,977	2,927,623
CCLA Diversification Fund(indicative market value)	n/a	1,921,257	1,972,126	1,990,756	1,913,197	1,982,167	2,032,111	2,049,420
Total	10,065,254	12,029,108	12,075,341	12,087,665	11,885,356	11,991,781	12,206,179	12,153,396

	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19
	£	%	£	%	£	%
CCLA Property Fund	71,438	1.75%	387,626	9.06%	183,140	4.28%
Schroders Bond Fund	143,974	4.86%	54,687	1.88%	72,801	2.54%
UBS Multi Asset Fund	137,159	4.54%	46,243	1.58%	66,832	2.33%
CCLA Diversification Fund	n/a	n/a	(16,011)	-0.83%	127,940	6.45%
Total	352,572		472,545		450,713	

	2016/17		2017/18		2018/19		2019/20	
	£	%	£	%	£	%	£	%
Peer to Peer Investment								
Funding Circle								
Carrying Value	2,004,525		2,003,498		1,971,379		1,995,299	
Interest Paid by Borrowers	219,299		181,591		212,877		95,730	
Less FC Service fee	(36,267)		(19,669)		(19,707)		(9,896)	
Bad Debts	(89,587)		(61,288)		(100,515)		(63,911)	
Amounts Recovered on principal in prior years (since 06.04.15)	9,869		14,780		15,513		12,191	
Amounts Recovered on principal in prior years (prior to 06.04.15)	0		0		2			
Net Yield	103,315	5.15%	115,415	5.76%	108,171	5.49%	34,114	1.71%
Provisions for future losses	0		0		(10,000)			