

THE DISTRICT COUNCIL OF TANDRIDGE

STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 23rd January 2020.

PRESENT: Councillors Elias (Chairman), M. Cooper (Vice Chairman), Botten, Bourne, Caulcott, D.Cooper, Duck, Jecks, Langton, Lockwood (sub), Orrick (sub), Milton and N. White.

ALSO PRESENT: Councillors Black, Blackwell, Farr, Fitzgerald, Harwood, Sayer, Steeds, Swann and Wren.

APOLOGIES FOR ABSENCE: Councillors Davies and Lee.

192. MINUTES

The minutes of the meeting held on the 28th November 2019 were confirmed and signed by the Chairman.

193. CLIMATE CHANGE PRESENTATION

The Committee received a presentation from Will Mace (Projects, Policy & Performance Specialist) regarding the Council's role in addressing the challenges of climate change. The presentation included a summary of relevant legislation; government guidance; action already taken by some other Surrey authorities; the global scientific impact of greenhouse gas emissions; and actions already undertaken by TDC to reduce / minimise its 'carbon footprint'.

Members welcomed the presentation. Various matters were discussed, including:

- the impact of aircraft emissions upon the District and the need for pro-active engagement with Gatwick airport;
- the opportunity to reflect the Council's intentions within the forthcoming strategic plan;
- the need to consider environmental issues within committee reports as a matter of course;
- the danger of committing to actions with unintended consequences;
- the opportunity to become a Fair-Trade Council; and
- the scope for installing more photo-voltaic cells on the roof of the Council Offices.

COMMITTEE DECISIONS
(Under powers delegated to the Committee)

194. COUNCIL TAX - LONG TERM EMPTY HOMES PREMIUM

The Committee considered proposals for increasing Council Tax premiums for empty properties and to withdraw the 28-day exemption period (from when a property becomes unoccupied and unfurnished) before full Council Tax is payable.

The potential for higher premiums to incentivise landlords to bring empty properties back into use was welcomed. It was also confirmed that, in respect of the 28-day exemption withdrawal, officers would work with residents to arrange longer term payment plans in appropriate cases.

RESOLVED – that with effect from 1st April 2020:

- A. the empty property premium be increased:
 - (i) from 50% to 100% for properties empty over 2 years;
 - (ii) from 50% to 200% for properties empty over 5 years; and
- B. the 28-day exemption period be withdrawn for properties that become empty and unfurnished.

195. STRATEGY & RESOURCES COMMITTEE - BUDGET MONITORING 2019/20

Members considered a budget monitoring report based on income and expenditure to the 31st December 2019. The Committee's net revenue budget for 2019/20 amounted to £878,283 and was forecast to be £357,125 overspent at the year end. The £130,860,900 capital budget was projected to underspent by £64,507,220.

Explanations for the main budget variances were highlighted within the report. The most significant overspend against the revenue budget concerned salaries. However, it was explained that agency staff were not expected to be retained beyond the current financial year. Officers also advised that the reduced treasury income reflected a fall in returns from the Council's investment with Funding Circle, and the fact that the Council's loan to the Caterham Barracks Community Trust had been repaid.

RESOLVED – that

- A. the position of the Committee's budgets be noted; and
- B. the programme of management action continues to reduce the forecast overspend by the end of the financial year.

196. STRATEGY & RESOURCES COMMITTEE - BUDGET SETTING 2020/21

A report was presented to enable the Committee to consider its draft revenue budget, charges for services and a capital programme for 2020/21. This had been informed by the medium term financial strategy to 2022/23 and recent Member workshops.

The proposed revenue budget for the Committee, as detailed at Appendix 'A', reflected:

- the variations to the current year's budget identified at Appendix 'B'; and
- the schedule of proposed fees and charges for 2020/21 at Appendix 'C'.

During the debate, some Members criticised the practice of utilising New Homes Bonus (NHB) (£737,200 for 2020/21) to subsidise the revenue budget. It was argued, in line with the government's expectations, that the Council should engage with residents most affected by housing growth and for NHB to be spent on infrastructure improvements. Examples of this approach in other council areas were cited. In response, Officers confirmed that NHB could be targeted but this was not mandatory, and that many councils followed TDC's approach which, in the opinion of some other Members, was the only viable alternative to cutting services.

Other aspects of the budget were explained in response to Members' questions, including the cost of legal services, the contribution to an equalisation reserve to provide resilience against reduced rental income, and collection fund adjustments. It was clarified that the £313,114 saving from deleted posts (Appendix B) was not linked to anticipated efficiencies arising from IT investment.

Some Members opposed the use of property investment income to subsidise the revenue budget on the basis that it exposed the Council to undue risk. This included arguments that Financial Regulation 17 should form part of the forthcoming governance review and that shared services should be pursued as an alternative for achieving cost savings. In this respect, Councillor Bourne proposed that no property investments be undertaken in 2020/21 and moved that the £65 million provision within the draft 2020/21 capital programme be deleted. This was seconded by Councillor Lockwood. Upon being put to the vote, the amendment was lost.

RESOLVED – that

- A. subject to further consideration by this Committee on the 3rd February 2020 as part of the Council wide budget setting process (to be ratified by Full Council on 13th February 2020):
- (i) the Strategy & Resources Committee's draft revenue budget for 2020/21 be in the sum of £2,920,076 as shown at Appendix 'A';
 - (ii) the draft capital programme for 2020/21 be in the sum of £65,973,600 for 2020/21, as shown in Appendix 'D';
- B. the fees and charges for 2020/21, as detailed in Appendix 'C', be approved.

In accordance with Standing Order 24(3), Councillors Bourne, Langton, Lockwood and N.White wished it recorded that they voted against recommendation A above.

197. DETERMINATION OF THE 2020/21 COUNCIL TAX BASE FOR TAX SETTING

The Local Government Finance Act 1992 required the Council to calculate and approve the tax base for the forthcoming financial year. A report was submitted to enable the Committee to fulfil this function on the Council's behalf.

RESOLVED – that

- A. the gross Council Tax Base for 2020/21 is determined at 38,918.5 after taking account of the Council's agreed Council Tax Support Scheme; and
- B. the net Council Tax Base for 2020/21 is determined at 38,646.1 after adjustment by 0.7% to allow for irrecoverable amounts, appeals and property base changes.

Rising: 9.02 p.m.

Strategy and Resources - Revenue Budget for Year Ending 31st March 2021

2019-20 Net Direct	Strategy and Resources Committee - Revenue Estimates for Year Ending 31st March 2021					Capital	Support	Total Net
Rev Est	Description	Employee	Other	Income	Net Direct	Charges	Services	2020/21
£		£	£	£	£	£	£	£
(105,300)	Council Tax	51,000	59,600	(173,900)	(63,300)	0	0	(63,300)
0	Discretionary Housing Payment		106,700	(106,700)	0	0	0	0
47,300	NDR Cost of Collection	199,600		(158,400)	41,200	0	0	41,200
(3,000)	Street Naming & Numbering			(3,100)	(3,100)	0	0	(3,100)
(61,000)	Local Taxation incl Support	250,600	166,300	(442,100)	(25,200)	0	0	(25,200)
74,000	Community Safety	0	75,900	0	75,900	0	0	75,900
74,000	Community Support	0	75,900	0	75,900	0	0	75,900
0	Health - General Prevention	488,800	55,900	(544,700)	0	0	0	0
64,300	Economic Development & Promotion		22,200		22,200	0		22,200
428,500	Policy Unit	394,100	100		394,200	0		394,200
216,100	Public Relations	195,800	46,800		242,600	0		242,600
708,900	Policy Support & Economic Development	1,078,700	125,000	(544,700)	659,000	0	0	659,000
13,600	Community & Civil Defence	0	13,900	0	13,900	0	0	13,900
13,600	Emergency Planning	0	13,900	0	13,900	0	0	13,900
810,600	Corporate Management	634,171	216,700		850,871	0		850,871
243,800	Democratic Representation & Management	112,100	259,700		371,800	0		371,800
58,000	Election of District Councillors		59,500		59,500	0	0	59,500
10,900	Registration of Electors		33,500	(2,000)	31,500	0	0	31,500
1,123,300	Democratic Functions	746,271	569,400	(2,000)	1,313,671	0	0	1,313,671
462,200	Non-Distributed Cost ex Central Expenses		719,900	(257,700)	462,200	0	0	462,200
462,200	Pensions	0	719,900	(257,700)	462,200	0	0	462,200
1,181,500	IT Services	505,200	849,100	(6,700)	1,347,600	278,000	(283,000)	1,342,600
1,181,500	Information Technology	505,200	849,100	(6,700)	1,347,600	278,000	(283,000)	1,342,600
557,400	Finance & Exchequer Services	499,400	140,900	(2,600)	637,700	0	(214,900)	422,800
557,400	Financial Services	499,400	140,900	(2,600)	637,700	0	(214,900)	422,800
135,500	Legal Services	314,400	27,600	(38,700)	303,300	0	(63,700)	239,600
135,500	Legal Services	314,400	27,600	(38,700)	303,300	0	(63,700)	239,600
208,900	Media Creation Unit		186,800	(7,000)	179,800	0	(17,900)	161,900
239,100	Office Services	114,900	455,100	(344,200)	225,800	232,100	(47,400)	410,500
448,000	Office Services	114,900	641,900	(351,200)	405,600	232,100	(65,300)	572,400
330,300	Human Resources	237,700	165,700		403,400	0	(84,700)	318,700
330,300	Human Resources	237,700	165,700	0	403,400	0	(84,700)	318,700
458,600	Customer Services	468,400	5,000	0	473,400	0	(99,400)	374,000
458,600	Customer Services	468,400	5,000	0	473,400	0	(99,400)	374,000
976,600	Case Officer Services	951,100			951,100	0	(379,300)	571,800
976,600	Case Officers	951,100	0	0	951,100	0	(379,300)	571,800
6,408,900	Subtotal	5,166,671	3,500,600	(1,645,700)	7,021,571	510,100	(1,190,300)	6,341,371
	Corporate Income and Expenditure							
(968,400)	Investment Income	0	9,900	(1,297,200)	(1,287,300)	0	0	(1,287,300)
755,100	Interest Payable	0	780,700		780,700	0	0	780,700
(912,700)	Property Income	0		(989,010)	(989,010)	0	0	(989,010)
(35,500)	Transactions with HRA	0		(61,200)	(61,200)		(241,600)	(302,800)
0	Transitional Settlement	0			0	0	0	0
213,400	Minimum Revenue Provision	0	294,900		294,900	0	0	294,900
(537,200)	New Homes Bonus	0	136,000	(873,200)	(737,200)	0	0	(737,200)
(97,612)	Collection Fund Adjustments	0		(630,082)	(630,082)	0	0	(630,082)
150,000	Contribution to / (from) Reserves	0	289,597		289,597	0	0	289,597
0	Depreciation	0	0	0	0	(1,760,600)		(1,760,600)
920,500	Pensions adjustments	920,500	0	0	920,500	0	0	920,500
(512,412)	Corporate and Technical Items	920,500	1,511,097	(3,850,692)	(1,419,095)	(1,760,600)	(241,600)	(3,421,295)
5,896,488	Total	6,087,171	5,011,697	(5,496,392)	5,602,476	(1,250,500)	(1,431,900)	2,920,076
Capital								
Charges	(1,008,938)							
Support								
Services	(3,777,400)							
Total	1,110,150							

Strategy and Resources Committee-Revenue Budget 2020/21		
Variation Statement		
This statement summarises the changes between the Net Direct Budget for 2019/20 and the draft Net Direct Budget for 2020/21		
Summary of Variations	£	£
Net Direct Budget 2019/20		5,896,488
Inflation		191,897
Medium Term Strategy		
Business Rate Adjustment for the collection fund	(250,000)	
Contribution to Business Rates Equalisation reserve	250,000	
New Homes Bonus adjustment	(200,000)	
Contribution to Income Equalisation reserve	100,000	
Increase MRP	81,500	
Increase in Treasury Investment Income	15,000	
Increase in Property Investment Income	(346,800)	
Growth or Loss of Income		
Increase in Individual Electoral Budget	8,300	
Removal of Individual Electoral Grant	16,300	
Other Items below £10,000	600	
* Removal of Vacancy Drag	231,705	
Growth or Loss of Income		(93,395)
Savings or Additional Income		
Wellbeing Contribution from Reserves	(51,300)	
Reduction in Printing, Stationery and Postage	(29,800)	
Other Items below £10,000	(16,300)	
* Salary Saving - Deleted Posts	(313,114)	
Savings or Additional Income		(410,514)
Virements - Centralising Training Budgets		18,000
Net changes to Income and Expenditure		(294,012)
Proposed Net Direct Budget 2018/19		5,602,476
Capital Charges		510,100
Depreciation Reversal		(1,760,600)
Support Services Recharges		(1,431,900)
Proposed Revenue Budget 2020/21		2,920,076
* Changes to Salary Budget (Removal of Vacancy Drag & Salary Savings)		

APPENDIX 'C'

Finance Committee - Fees and Charges	Gross Charges (incl VAT if applicable) Current Charges 2019/20	Proposed Gross Charges (incl VAT if applicable) 2020/21	Percentage Increase 2020/21	Budgeted Income 2019/20	Actual YTD at Sept 19	Expected Outturn 2019/20	Proposed Budget 2020/21
	£	£	%	£	£	£	£

APPENDIX 'C'

<u>Legal Charges (Per Hour) *</u>							
Head of Legal & Monitoring Officer		261.00					
Principal Solicitor, Assistant Solicitor, Senior Lawyer (Per Hour)	241.00	246.00	2.1%				
Clerical Assistant, Legal Assistant (Per Hour)	178.00	182.00	0.0%				
Legal Assistant / Interns/ Case Officers		100.00					
Support Officer / Apprentices		50.00					
# Drafting a simple licence	500.00	510.00	0.0%				
# Drafting a simple wayleave agreement/ lease	1200.00	1224.00	2.0%				
# Renewal of simple licence	300.00	306.00	2.0%				
# Renewal of simple wayleave agreement/ lease	700.00	714.00	2.0%				
Right to Buy; Request for a management pack	200.00	204.00	2.0%				
Lease Notice		100.00					
*Charities/ Community Groups may be eligible for a 50% discount on legal fees							
Total Budgeted Income				36,000	12,000	27,000	30,000
<u>Court Costs (subject to confirmation from courts)</u>							
Council Tax Summons Charges	62.50	62.50	0.0%				
Council Tax Liability Order	30.00	30.00	0.0%				
NNDR Summons Charges	102.50	102.50	0.0%				
NNDR Liability Order	20.00	20.00	0.0%				
Total Budgeted Income				125,400	-	130,000	128,500

Finance Committee - Fees and Charges		Gross Charges (incl VAT if applicable) Current Charges 2019/20	Proposed Gross Charges (incl VAT if applicable) 2020/21	Percentage Increase 2020/21	Budgeted Income 2019/20	Actual YTD at Sept 19	Expected Outturn 2019/20	Proposed Budget 2020/21
		£	£	%	£	£	£	£
<u>Land Charges</u>								
	LLC1	26.00	27.00	3.8%				
	CON29	122.40	125.00	2.1%				
	Part 2 Questions	17.00	18.00	5.9%				
	Solicitors own Questions	60.00	61.00	1.7%				
		0.00	12.00	N/A				
Total Budgeted Income					139,000	50,000	140,000	135,000

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Street Naming and Numbering	From £12 to £180	From £12 to £180	0.0%	3,000	1,650	3,000	3,000
Total Budgeted Fees and Charges Income				303,400	63,650	300,000	296,500

CAPITAL PROGRAMME 2019/20 TO 2022/23 - Strategy & Resources Committee

COMMITTEE SCHEMES	Original Programme 2019-20 £	Slippage b/f £	Current Programme 2019-20 £	Estimated Programme 2020-21 £	Estimated Programme 2021-22 £	Estimated Programme 2022-23 £	Total Programme £
Strategy & Resources							
Current Continuing Programme							
Council Offices Major Maintenance Programme	50,000	132,300	182,300	100,000	0	0	282,300
Customer First/IT	150,000	0	150,000	150,000	50,000	0	350,000
Investment & Development Fund	65,000,000	65,374,900	130,374,900	65,000,000	0	0	195,374,900
Land/Asset Development Feasibility Studies	0	153,000	153,000	0	0	0	153,000
Total Current Continuing Programme	65,200,000	65,660,200	130,860,200	65,250,000	50,000	0	196,160,200

Revisions and New Bids							
Council Offices Major Maintenance Programme	0	0	0	0	0	0	0
Customer First/IT	0	0	0	0	0	0	0
IT - Hardware/Infrastructure/Customer First Projects	0	0	0	723,600	154,800	163,400	1,041,800
Investment & Development Fund	0	0	(64,374,900)	0	64,374,900	0	0
Land/Asset Development Feasibility Studies	0	0	0	0	0	0	0
Total Revisions & New Bids	0	0	(64,374,900)	723,600	64,529,700	163,400	1,041,800

Proposed Programme							
Council Offices Major Maintenance Programme	50,000	132,300	182,300	100,000	0	0	282,300
Customer First/IT	150,000	0	150,000	150,000	50,000	0	350,000
IT - Hardware/Infrastructure/Care First Projects	0	0	0	723,600	154,800	163,400	1,041,800
Investment & Development Fund	65,000,000	65,374,900	66,000,000	65,000,000	64,374,900	0	195,374,900
Land/Asset Development Feasibility Studies	0	153,000	153,000	0	0	0	153,000
Total Proposed Programme	65,200,000	65,660,200	66,485,300	65,973,600	64,579,700	163,400	197,202,000

CAPITAL PROJECT APPRAISAL - STRATEGY & RESOURCES

Title of Scheme	Council Offices Major Maintenance Programme
Description of Scheme	A 25 year planned maintenance programme to enable compliance with legislative and health and safety requirements, achieved through replacement or refurbishment of the major components of the Council Office in line with their deterioration and new compliance requirements.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	Due to the Smarter Working programme, the Major Maintenance programme is depleted pending completion of the major refurbishment work under Smarter Working. The scheme depletion period ends in 2018/19 and it is anticipated that, especially in view of tenant requirements, a full programme of maintenance will commence in 2019/20

Title of Scheme	Customer First/IT
Description of Scheme	A major people change project to remodel the ways of working and culture and to be supported by new business processes across the Council. Funding initially provided for 2017 to 2019, the scheme provides funding for ICT development. It is administered by the Business Improvement & Service Delivery Manager and overseen by a corporate management committee.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	The IT implementation programme is designed to bring efficiencies in the ways of working, designing and developing processes around the needs of the customer. Capital funding will be justified against savings delivered as a result and are initially estimated in the Customer First business case. During 2020/21 the final roll out of mobile technology will be deployed. This hardware plus licensing costs includes mobile phones, tablets in vehicles and for new starters. This programme will support the further use of flexible and home working capability matching the Smarter Working strategy. The future of our computer room capability will also increasingly focus on virtualisation and communication, with cloud services and shared systems becoming an increasing part of our service configuration.

Title of Scheme	IT - Hardware/Infrastructure/Care First Projects
Description of Scheme	The Customer First project envisaged significantly enhancements & development of the existing IT systems. However, Customer First was implemented before the technology solutions, in particular on line capability, were put in place. This has been one of the issues which has led to the performance and staffing issues following the implementation. Consequently, the savings expected under Customer First were removed from the budget prior to the technology being available. Additional projects outside the original scope of Customer First have been identified as essential due to failing software/hardware, system modules bought 3 years ago but not implemented and further possible savings resulting from automation.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	It is necessary to invest in a number of areas :- <ol style="list-style-type: none"> 1. Replacement cycles for laptops, desktops, servers, switches, firewalls on a cyclical basis (2021/22 onwards) 2. Automation of book and pay 3. Planning – end to end migration from one salesforce org to another 4. Civica Decommissioning & migration of EDMS to Sharepoint 5. Orchard – implementation of Promaster, Asset Go, DLO AND Service Charge models 6. Replacement of outdated telephony which is not fit for purpose. 7. Northgate – cloud-based on line solution for Revenues, benefits and NNDR 8. Replacement of Adelante and implementation of automated bank reconciliation <p>The Council plans to set up an IT Strategy Board to develop the Council's IT Strategy and to agree the development and implementation of specific IT schemes to improve service delivery and reduce staffing costs. The IT Strategy Board will be officer based and will reported to the Council's Improvement Working Group. The commissioning of each project will be based on a detailed business case being approved by the IT Strategy Board.</p>

Title of Scheme	Investment and Development Fund
Description of Scheme	Funds have been made available for potential purchase of commercial properties to secure a commercial return. The acquisition of properties are subject to the achievement of a minimum target financial return. Where suitable acquisitions are identified these are subject to Member oversight.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This programme is designed to generate a commercial investment return to secure the financial viability of the council going forward.

Title of Scheme	Land / Asset Development
Description of Scheme	Funds made available for potential refurbishment of any asset purchased. For example this could include redecoration of any office accommodation purchased to modernise or refresh. This should entice new tenants in sooner to achieve a quicker rental and avoid disruption later down the line should redecoration be required at a later date.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This programme is designed to improve the commercial viability of any assets purchased by the council.