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To: MEMBER OF THE STRATEGY & RESOURCES
COMMITTEE
Councillors Langton (Chair), Crane (Vice-Chair), B.Black,
Bloore, Botten, Caulcott, Cooper, Gillman, S.Farr,
Hammond, Jones and Pursehouse

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Substitute Councillors: Allen, Gray, Groves and Sayer

C.C. All Other Members of the Council

23 November 2022

Dear Sir/Madam

STRATEGY & RESOURCES COMMITTEE THURSDAY, 1ST DECEMBER, 2022 AT 7.30 PM

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,

David Ford
Chief Executive

AGENDA

- 1. Apologies for absence (if any)**
- 2. 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 her staff prior to the meeting.

- 3. Minutes of the meeting held on the 29th September 2022 (Pages 3 - 14)**
To confirm as a correct record
- 4. To deal with any questions submitted under Standing Order 30**

5. **County Deal Working Group - 1st November 2022** (Pages 15 - 16)
6. **Chief Officer Sub Committee - 1st November 2022** (Pages 17 - 18)
7. **Investment Sub Committee - 4th November 2022** (Pages 19 - 28)
8. **Quarter 2 (2022/23) Budget Monitoring** (Pages 29 - 58)
9. **Draft Budget 2023/24 and Future Tandridge Programme Update** (Pages 59 - 224)
10. **Report of the Independent Remuneration Panel on Members' Allowances 2023/24**
(Pages 225 - 236)
11. **Review of the Redundancy Policy** (Pages 237 - 260)
12. **Energy Rebate Payment - Confirmation of decision taken under urgency powers
(Standing Order 35)** (Pages 261 - 266)
13. **Any urgent business**
To consider any other item(s) which, in the opinion of the Chair, should be considered as a matter of urgency – Local Government Act 1972, Section 100B(4)(b).
14. **To consider passing the following resolution to exclude the press and public**

RESOLVED – that members of the press and public be excluded from the meeting for agenda items 15 and 16 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 Paragraph 3 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.
15. **Freedom Leisure Update** (Pages 267 - 274)
16. **Quadrant House, Caterham and other actions arising from 4th November 2022
Investment Sub-Committee** (Pages 275 - 302)

TANDRIDGE DISTRICT COUNCIL

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 29th September 2022 at 7:30pm.

PRESENT: Councillors Langton (Chair), Crane (Vice-Chair), B.Black, Bloore, Botten, Caulcott, Cooper, Gillman, S.Farr, Jones and Pursehouse

PRESENT (Virtually): Councillor Hammond

ALSO PRESENT: Councillors Allen, C.Farr, Lockwood, Sayer and N.White

ALSO PRESENT (Virtually): Councillors Gray and Montgomery

117. MINUTES OF THE MEETING HELD ON THE 30TH JUNE 2022

These minutes were confirmed and signed as a correct record.

118. MINUTES OF THE MEETING HELD ON THE 10TH AUGUST 2022

These minutes were confirmed and signed as a correct record.

119. DECLARATIONS OF INTEREST

Councillors declared non-pecuniary interests in agenda item 8 (Rental Grant Subsidy Applications – Minute 123) as follows:

- (i) Councillor Pursehouse, on the basis that he was the Chairman of a nature reserve organisation (Blanchman's Farm) which:
 - was similar to the Lingfield Nature Reserves Association; and
 - would be applying for a similar rent subsidy in near future once its current lease expired
- (ii) Councillor Bloore, on the basis that he was the Council's representative on the Blanchman's Farm Nature Reserve Committee
- (iii) Councillor Lockwood, on the basis that she was the Council's representative on the Lingfield Community Wildlife Area Management Committee.

120. QUESTIONS SUBMITTED UNDER STANDING ORDER 30

The Chief Finance Officer responded to questions from Councillor Gillman, as attached at Appendix A.

121. QUARTER 1 2022/23 BUDGET MONITORING

An analysis of forecast expenditure against the Council's overall revenue budget of £11,351k, as at the end of June 2022 (Month 3) was presented. A £573k overspend was forecast, split between the four policy committees as follows:

- Community Services: £200k
- Planning Policy: £124k
- Strategy & Resources: £244k
- corporate items: £5k

Potential mitigations totalling £484k through the following planned contingencies were identified, namely:

- £100k – reserve contribution held within the 2022/23 budget
- £117k - general contingencies within the 2022/23 budget
- £317k – set aside to meet known 2022/23 risks as part of the 2021/22 outturn, less £50k used for the £450 cost of living support proposal as referred to below.

The shortfall in property rental income could also be met from the Income Equalisation Reserve, totalling £215k, should it be deemed necessary.

Upon reviewing the Revenues & Benefits budget, it was considered more logical for £270k of income items held within Strategy & Resources to be transferred to 'corporate items' as part of collection fund management. A virement between the two budgets was recommended to that effect, bringing the Committee's budget down to £6,222k.

The Capital Programme was forecasting £60k of slippage in the Housing General Fund.

The report also covered the following two matters:

- (i) Confirmation that the Council's application to Government for a capital dispensation (initially to replenish General Fund Reserves and to secure flexibility for a further amount to fund the transformation programme) had been refused. This was based on the Government's assessment of the Council's overall financial position, including the current level of reserves and measures underway to meet the identified budget pressures. In the meantime, sector-wide flexibility to use capital receipts to fund transformation initiatives had been extended, so plans to fund the Future Tandridge Programme were not at risk. While the Government regarded capital dispensation as a measure of last resort, a further application would be considered should funding for the Council in 2023/24 be insufficient to meet emerging risks.

- (ii) A proposal to make a one-off payment of £450 to staff on grades TC1 to TA2, given the absence of a cost of living pay increase for 2022/23. While the Council's financial position remained extremely challenging, management recognised the impact of the cost of living crises upon staff. The payment would cost the General Fund c.£50k (funded from the surplus from the 2021/22 outturn position) and the Housing Revenue Account c.£10k. The contingencies listed above had been adjusted for this.

A wide range of views were expressed regarding the recommended £450 payment to staff referred to in (ii) above. Councillor Gillman, in light of the responses to his Standing Order 30 questions, proposed an amendment that, if such a payment was to be awarded, it should be restricted to those staff (on grades TC1 to TA2) who had not received an increment for 2022/23. This amendment was not seconded, so did not proceed to a vote. Other Members of the Committee were in favour of the original recommendation.

Various matters were discussed regarding the £573k forecast overspend, including:

- the inflationary impact of price indexation within waste services and the need to ensure that, for contracts in general, the Council (as client) was not burdened with an unreasonable share of financial risks
- the wider adverse impact of inflation upon the Council's building contracts, the extent of which would become more apparent in monitoring reports for Q2 and subsequent agenda items for the Housing Committee
- the scope for making future budget monitoring reports more transparent by distinguishing 'in-house expenditure' from contractual costs, without causing a disproportionate amount of work for the finance team
- the fact that posts in the Development Management team were now being filled by permanent staff, which would help to bring salary costs under control
- an explanation of injunctions served in respect of Green Belt incursions and the intention for this to deter future breaches of planning control, notwithstanding the fact that associated Counsel costs were unrecoverable
- the desire to increase income from Council office rentals.

RESOLVED – that:

- A. the virement of £270k between corporate items and the Strategy & Resources Committee, set out in section 3 and slide 13 of Appendix A to the report, be agreed;
- B. a £450 one-off payment to staff on the lowest grades of the Council's pay structure, set out in section 15 of the report and funded from £50k of the 2021/22 outturn surplus and £10k from the HRA, be approved;
- C. the forecast revenue and capital budget positions as at Quarter 1 / M3 (June) 2022 be noted.

In accordance with Standing Order 25(3), Councillor Gillman wished it recorded that he voted against resolution B above.

122. STRATEGY & RESOURCES COMMITTEE – FUTURE TANDRIDGE PROGRAMME UPDATE - SEPTEMBER 2022

Phase 1 (mobilisation and design) of the Future Tandrige Programme (FTP) was coming to an end. The resources required to deliver the FTP's objectives of transforming the Council's operating model with associated revenue savings (Phase 2) now needed to be addressed. The Committee considered a report which set out the:

- budgetary context, in terms of the timetable to deliver the Council's 2023/24 budget and an update on the likely financial position and scale of savings required
- progress to date in delivering service reviews, with updates on all service areas currently in scope
- directions of travel for becoming a 'commissioning Council' and for digital transformation
- the expected resourcing plan for the delivery phase of the FTP.

The Chief Executive reflected on the great amount of work being undertaken and referred to the FTP Member briefing on the 20th September. He explained that subsequent Member engagement (about becoming a commissioning council and to enable scrutiny of outstanding business cases for service transformations and measures for generating required savings) would be arranged prior to the Committee's next meeting on the 1st December. It was acknowledged that business cases for service transformations under the purview of the Community Services and Housing Committees had already been published for the meetings originally scheduled for the 8th and 15th September respectively (both meetings had been cancelled following the passing of Her Majesty the Queen).

The Chief Finance Officer gave an update on the budget setting process for 2023/24 and explained that the scenario modelling (pessimistic / optimistic / neutral) would be refreshed. He considered that, in view of the current macro-economic situation, the savings requirement for 2023/24 were likely to increase by £0.5 million, i.e. from £1.7 million to £2.2 million.

The £500k investment required for securing the FTP's delivery phase, including the necessary revenue budget savings, was discussed. A breakdown of how that sum would be applied was set out in Appendix F to the report. The original officer recommendation had been revised whereby the investment would be released in two phases.

Debate focused on the risks associated with the FTP (Appendix E to the report) including:

- the role of the Audit & Scrutiny Committee in the process
- the need for specific officers to be accountable for the management of each risk
- the rationale for certain mitigated risk scores (some of which were challenged)
- reference to the fact that the Programme Manager would be meeting the Chair of the Audit & Scrutiny Committee to discuss the risk management process.

Some Members questioned whether sufficient information had been presented to justify the release of the £500k investment for Phase 2. In that respect, the wider project management aspects of the FTP were discussed and challenged, including:

- whether the £28,000 contingency for the delivery phase was sufficient
- clarification that key project milestones were in place, although more work was due to be undertaken to complete the finer details of the project plan
- the importance of officer accountability
- an explanation that, although more in depth FTP analysis and documentation had been undertaken besides the material contained within the committee report, Members needed a greater level of visibility of that detail
- the need to see examples from other District Councils where changes similar to those proposed via the emerging FTP had been successfully implemented.

The Chair concluded that the support of all Members was vital given the scale and complexity of the challenge behind the FTP

RESOLVED – that:

- A. the progress to date on delivering the Future Tandridge Programme, the direction of travel for the service reviews, and associated savings targets included in Appendix C to the report, be noted;
- B. Officers will continue to update their business cases where these are required to achieve the target savings and will bring these for Committee approval where necessary over the coming months;
- C. regarding the £500,000 resource investment required to take the Future Tandridge Programme into the delivery phase, including delivery of the £1.7m indicative savings identified in Appendix F to the report:
 - (i) the investment be funded from capital receipts
 - (ii) the release of an initial £250,000 to fund the programme for six months be approved; and
 - (iii) it be noted that the remaining £250,000 will be subject to further reporting and approval by the Committee.

123. RENTAL GRANT SUBSIDY APPLICATIONS

The Committee considered applications for rental subsidies from three tenant organisations, namely the Lingfield Nature Reserves Association, Lingfield Sports Association and the Caterham & Whyteleafe Tennis Club. In all three cases, the officer recommendation was to grant renewed 100% rental subsidies, subject to the organisations entering into new lease agreements (with repair and maintenance obligations) and seeking additional funding sources.

It was explained that community organisations which operated from Council owned land / buildings were invited to submit such applications when their current leases were about to expire or at rent review. In the case of the two Lingfield organisations, their leases had not yet expired, but the organisations had approached the Council to renegotiate their leases so they could have a longer-term certainty (at least 15 years, but ideally 25 years) in order to be eligible for grant funding.

Councillor Pursehouse proposed an amendment to:

- (i) clarify that the 100% rental subsidy for the Lingfield Nature Reserves Association would apply throughout the duration of the new lease
- (ii) continue, and index link, the Council's annual £700 contribution to the Lingfield Nature Reserves Association towards grass cutting costs (the report envisaged that this contribution would cease)
- (iii) ensure that all three organisations (and subsequent rent subsidy applicants) would not be precluded from applying for any future Council grants that may be available.

This amendment was agreed, the rationale for (ii) above being that the Lingfield Nature Reserves is a non-revenue generating organisation.

RESOLVED – that:

- A. a 100% rental grant subsidy (for the duration of the lease referred to in (i) below) be awarded to the Lingfield Nature Reserves Association, subject to the Association:
 - (i) entering into a 25-year lease in order to attract grant funding;
 - (ii) being fully responsible for all repair and maintenance within the demise (notwithstanding B below); and
 - (iii) seeking external grant and other funding, significantly from non TDC sources, and undertaking fundraising to achieve ongoing maintenance and improvements (e.g. footpath renewals);
- B. the Council will continue to provide an annual contribution to the Lingfield Nature Reserves Association towards grass cutting costs (£700 for 2022/23 and index linked thereafter);
- C. a rental grant subsidy of 100% be awarded to the Lingfield Sports Association, subject to the Association:
 - (i) entering into a 25-year lease in order to attract grant funding;
 - (ii) being fully responsible for all repair and maintenance for buildings and the grounds within the demise; and
 - (iii) seeking external grant and other funding, significantly from non TDC sources, and fundraising to achieve ongoing maintenance and improvements;
- D. a rental grant subsidy of 100% be awarded to Caterham & Whyteleafe Tennis Club, subject to the Club:
 - (i) entering into a 15-year lease in order to attract grant funding;
 - (ii) taking full responsibility for repairs to the entire demise, including for the clubhouse, all grass cutting, litter clearance, internal fencing and court maintenance; and

(iii) seeking external grant and other funding, significantly from non TDC sources, and fundraising to:

- continue to maintain the site
- replace the court surface when necessary
- improve or replace the current clubhouse building;

E. in future, other community organisations in receipt of rental subsidies shall not be prohibited from applying for grants which may be available from the Council.

124. COUNTY DEAL WORKING GROUP

The minutes of the Working Group's meeting held on the 9th August 2022, attached at Appendix B, were presented.

The Group had intended to reconvene on the 19th September in light of the fact that Surrey District and Borough Leaders were due to discuss the County Deal on the 16th September. However, both meetings had been cancelled following the passing of Her Majesty the Queen. Councillor Sayer advised that, in view of those unavoidable delays, Surrey County Council had extended the deadline for receipt of District / Borough representations (with proposals for potential inclusion within a County Deal) from the 3rd October to a date after 21st October. The exact revised deadline was yet to be confirmed.

RESOLVED – that the minutes of the Group's meeting held on the 9th August 2022, and the update from Councillor Sayer, be noted.

Rising 10.12 pm

Strategy & Resources Committee – 29.09.22 – Standing Order 30 Questions

Questions from Councillor Gillman and responses from the Chief Finance Officer

1. How many staff in grades TC1 to TA2 resigned from the council in the year April 2012 to March 2022?

Response: 10 staff

2. How many staff in grades TC1 to TA2 resigned from the council from April 2022 until present (End August 2022)?

Response: 9 staff

3. How many staff in grades TC1 to TA2 accepted job offers from the council in the year April 2021 to March 2022?

Response: 10 staff

4. How many staff in grades TC1 to TA2 accepted job offers from the council in the year April 2022 to present (End August 2022)?

Response: 9 staff

5. How many staff in grades TC1 to TA2 have already received an increment since April 2022 or are expected to receive an increment before end March 2023?

Response: 62 staff (57 full time equivalent) received increments on 1st April

6. What is the value of the increment in terms of the mean value, the mode value i.e. the value of the most common increment and the median value i.e. the value at which half are above and half are below this value?

Response: Mean: £758; Mode: £732; Median £732

7. How many positions in grades TC1 to TA2 are expected to go under the Future Tandridge Program?

Response: Staffing structures will emerge from forthcoming Committee decisions on service reviews. At this stage it would not be possible to quantify the number of posts in these grade ranges expected to be affected.

Supplementary question from Councillor Gillman

I understand the response to Q7 above, but is there an indication of the possible number of posts likely to be affected, e.g. 1 to 10 or higher?

Response and response from the Chief Finance Officer: It is genuinely very difficult to provide an estimate at this stage, so I don't want to speculate at the moment.

TANDRIDGE DISTRICT COUNCIL

COUNTY DEAL WORKING GROUP

Minutes of the meeting of the Working Group held in the Lyndsay Narcisi Room on the 9th August 2022 at 3.30 pm.

PRESENT: Councillors Bloore, Cooper, C.Farr, Gray, Langton, Pursehouse and Sayer.

APOLOGIES FOR ABSENCE: Councillor Botten.

1. APPOINTMENT OF CHAIR FOR THE REMAINDER OF 2022/23

Councillor Sayer was appointed Chair of the Working Group for the remainder of the 2022/23 municipal year.

2. SCC's INVITATION TO SUBMIT PROPOSALS FOR INCLUSION WITHIN A COUNTY DEAL FOR SURREY

The Leader of Surrey County Council (SCC) (Councillor Tim Oliver) had invited Districts and Boroughs to submit proposals for potential inclusion within a 'Level 2 County Deal for Surrey' (i.e. in line with the 'Level 2' powers defined within the Levelling Up White Paper Devolution Framework, which would rely on effective partnership working between existing local authorities, with no change to the structure of local government throughout Surrey). The text of Councillor Oliver's letter of invitation is attached at Annex A.

The minutes of the 4th July Surrey Delivery Board meeting (attended by SCC and District / Borough Leaders and Chief Executives) relating to the County Deal initiative was also circulated. These confirmed that Districts and Boroughs were "*encouraged to engage in the process and bring forward suggestions for ways in which available funds could go further across the three tiers of local government. A formal proposal for a Level 2 Plus bid would be drawn up, despite the indications from the Government [that it would not consider such bids which would involve powers beyond those set out in the Levelling Up and Regeneration Bill] as there were other areas where opportunities existed ...*"

Councillor Sayer updated the Group regarding current dialogue with other Leaders. Members discussed what they thought Tandridge District Council (TDC) should be seeking from a County Deal, both in terms of additional powers and the retention of control and influence over other things. At this stage, as far as TDC was concerned, the Group considered that the following elements should be reflected within a proposed County Deal submission to Government:

- (i) to be devolved from Surrey County Council to TDC :
 - power to set priorities for local highways projects within an agreed proportion of the total SCC highways budget (that reflects the District's total road mileage) and to commission the implementation of the prioritised highways work from SCC
 - power to determine planning applications for developments in the District relating to land and property owned by SCC;
- (ii) TDC to be able to influence:
 - the provision and co-ordination of SCC's public transport services within the District
 - decisions regarding changes of use or development of SCC owned land and assets within the District;
- (iii) TDC to retain:
 - access to funding which is currently allocated to Local Economic Partnerships and similar bodies to distribute
 - control and authority over:
 - housing and planning functions
 - the allocation of proceeds from the Community Infrastructure Levy or successor schemes
 - on-street parking enforcement.

3. NEXT MEETING*

This was scheduled for Monday, 19th September at 4.00pm (Lyndsay Narcisi Room).

The meeting closed at 4.40 p.m.

*The meeting referred to in item 3 above was subsequently cancelled.

Text of a letter dated 28th July 2022 from Councillor Tim Oliver, Leader of Surrey County Council, to the Leaders of the eleven Surrey Districts / Boroughs

Dear Leader,

Following our discussions at the last Surrey Delivery Board about delivering a County Deal for Surrey, I would like to invite district and borough councils to put forward their proposals for consideration and inclusion under a Level 2 County Deal for Surrey. I am sure you will appreciate the need for us to base our suggested proposals on the key challenges and opportunities we face within the county, and to align with the Levelling Up White Paper and Devolution Framework.

A County Deal for Surrey will deliver devolved powers/functions and has the potential to give us greater control and influence over some of the key decisions and resources that shape our county, to the benefit of our residents, our economy, our environment and our communities and ensure that no one is left behind. Crucially, it is an opportunity for local government and key stakeholders in Surrey to come together and develop collective and collaborative approaches and solutions that utilise the additional powers/functions we secure. My sincere hope is that through this process we can forge stronger and closer partnerships and more effectively deliver on the priorities of the residents we jointly serve.

We have some time in the coming months to consider and develop our ideas about how we might use newly devolved powers/functions under a Level 2 County Deal for Surrey. We are intending to bring a report to our Cabinet on 25th October setting out our initial draft proposals for a County Deal for Surrey. Further to our previous requests of you, which I fully appreciate you have needed some time to respond to, it would be extremely helpful if you could provide us with your suggestions and thoughts on initial proposals for consideration and inclusion in a County Deal for Surrey by Monday 3rd October, which will enable us to take them into account. I would emphasise that at this stage, draft proposals will be just that, draft, and that as we look to enter into negotiations with Government, hopefully early next year, there will be opportunities to amend, refine and add to them.

I look forward to hearing from you on this critically important matter as we develop a suite of proposals that will deliver for the whole of Surrey.

Yours sincerely,

Tim Oliver
Leader of the [Surrey County] Council

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TANDRIDGE DISTRICT COUNCIL

COUNTY DEAL WORKING GROUP

Minutes of the meeting of the Working Group held in the Lyndsay Narcisi Room, Council Offices, on the 1st November 2022 at 11.30 a.m.

PRESENT: Councillors Sayer (Chair), Bloore, Botten, Cooper, C.Farr, Gray, Langton and Pursehouse.

1. MINUTES OF THE MEETING OF THE GROUP HELD ON THE 9TH AUGUST 2022

These were approved as a correct record.

2. COUNTY DEAL SUBMISSION / UPDATE FROM COUNCILLOR SAYER FOLLOWING LIAISON WITH OTHER DISTRICTS AND BOROUGHES

At its previous meeting on 9th August, the Group had discussed what they thought TDC should be seeking from a 'Level 2* County Deal for Surrey', both in terms of additional powers and the retention of control and influence over other things. The process for co-ordinating input from the eleven Districts and Boroughs (D&Bs) had since been delayed due to the cancellation of meetings in light of the Queen's passing. SCC had therefore extended the deadline for considering input from D&Bs before finalising its submission to Government.

Councillor Sayer updated the Group following a 'District and Borough workshop' held on the 21st October at Epsom. She highlighted the significant concerns expressed by representatives of all D&Bs in attendance about recent examples of SCC seeking greater centralisation, as opposed to enabling D&B's to deliver additional services at more local levels, e.g.

- the emerging '*Surrey strategy for accommodation, housing and homes*' with the potential to diminish D&Bs' housing and planning powers; and
- termination of agency agreements for on-street parking enforcement and grass verge cutting (while the latter did not affect Tandridge, the current on-street parking agency agreement with Sevenoaks District Council would end in March 2023, whereupon direct service provision would revert to SCC).

Other D&Bs supported TDC's proposals for inclusion within a County Deal submission to Government (the minutes of the Group's 9th August meeting refer). A joint response from the D&Bs to SCC, incorporating these proposals, was being prepared.

D&B representatives favoured amalgams of three cluster authorities throughout Surrey as the basis for future joint services, or unitary authorities in the event of the current two-tier local government structure being challenged. This would mirror the 'three cluster' model identified by KPMG in 2020 (as an alternative to the single Surrey unitary initiative being promoted by SCC at the time) which included a potential East Surrey unitary covering Tandridge, Reigate & Banstead, Mole Valley and Epsom & Ewell.

Other outcomes from the workshop included a recommendation for a '*way we work charter*' to be agreed with SCC for underpinning future joint working arrangements. This would emphasise the need for SCC to consult D&Bs regarding proposed service changes that affect residents and other key issues.

The workshop on 21st October had been facilitated by Rob Moran, the transformation consultant to Epsom & Ewell and former Elmbridge Chief Executive. The possibility of D&Bs contributing to the cost of his on-going services to support them with the County Deal and other related matters was being considered. Councillor Sayer was seeking clarification about the terms of his likely engagement before committing funding from TDC.

A further meeting of D&B representatives was scheduled for 11th November in advance of the SCC consultation events regarding the above mentioned '*Surrey strategy for accommodation, housing and homes*'. The event for the East Surrey area would be hosted by Tandridge on 16th November.

It was acknowledged that some functions undertaken by D&Bs might be discharged more effectively at a cluster level, or on a regional basis in some cases. Furthermore, the Group reflected that D&Bs should seek to work constructively with SCC (recognising the pressures it was under from Central Government) in pursuit of the most effective means of serving local residents.

In summary, it was agreed that the possibility of developing a service delivery model for the East Surrey cluster should be explored with the other relevant authorities, including the possibility of utilising the consultancy support from Rob Moran. In any event, such an approach would be in keeping with the aims of the Future Tandridge Programme, aside from any issues arising from the County Deal discussions.

The meeting closed at 12:38 p.m.

** in line with the 'Level 2' powers defined within the Levelling Up White Paper Devolution Framework, which would rely on effective partnership working between existing local authorities, with no change to the structure of local government throughout Surrey*

TANDRIDGE DISTRICT COUNCIL

CHIEF OFFICER 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 1st November 2022 at 1:30pm.

PRESENT: Councillors Bloore, Botten, Langton and Sayer

1. ELECTION OF CHAIR FOR THE MEETING

Councillor Langton was elected Chair for the meeting.

2. RECRUITMENT OF A DEPUTY CHIEF EXECUTIVE

The Sub-Committee resolved to deal with this matter in 'Part 2' by virtue of Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 (information relating to an individual).

Four shortlisted candidates were interviewed for the post of Deputy Chief Executive.

RESOLVED – that the post of Deputy Chief Executive be offered to Taryn Pearson-Rose.

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TANDRIDGE DISTRICT COUNCIL

INVESTMENT SUB-COMMITTEE

Minutes and report to Council of the meeting of the Sub-Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 4th November 2022 at 10.00am.

PRESENT: Councillors Langton (Chair), Booth, Botten, Cooper, C.Farr, Hammond and Jones

ALSO PRESENT: Councillor Sayer

1. MINUTES OF THE MEETING HELD ON THE 17TH JUNE 2022

These minutes were approved and signed as a correct record.

2. SUMMARY INVESTMENT AND BORROWING POSITION AT 30TH SEPTEMBER 2022

The Sub-Committee was presented with a summary of the Council's investment and borrowing position as per Appendices A and B, together with updates on the following three matters:

Statutory override update

This referred to the 'override' of usual accounting practice, which meant that gains and losses in the capital value of investments did not impact on the revenue budget. The Government had still not decided whether to extend, amend or remove the override beyond 31st March 2023.

Officers had responded to a Government consultation in August, advocating that the override should be made permanent as it represented the lowest risk to the revenue budget and enabled options to change the mix of investment portfolios if deemed appropriate. The previous analysis of TDC's investment options in light of whether or not the override continued (submitted to the 17th June meeting) was re-presented.

Cash flow strategy and Funding Circle loans

Members were advised that the use of redeemed proceeds from Funding Circle had been under continual refinement since the adoption of a more robust, software-based approach to cash flow forecasting. In this respect, the Council had updated its cash flow projections to 30th September 2023 and a detailed 12-month cash flow analysis had been circulated to members of the Sub-Committee separately. In accordance with advice from Arlingclose (the Council's treasury advisors) cash balances, including redeemed Funding Circle proceeds, were being used to both:

- avoid or delay the need to borrow to fund the capital programme; and
- invest in money market funds.

This would remain the case whilst PWLB loan rates were in the region of 5%, as it represented a positive yield on the cash balances whilst avoiding undue risk.

Prudential Indicators

Performance data against the Council's prudential indicators (PIs) was presented.

The Chief Finance Officer confirmed that the internal auditors had recently upgraded their assurance opinion on the Council's arrangements for treasury management from 'limited' to 'reasonable'. Outstanding actions were to comply with key recommendations, namely training for Members; the provision of performance information to the Sub-Committee regarding PIs; and more regular reconciliation of investment balances to the finance system.

In response to Members' questions, the Chief Finance Officer advised that:

- Officers were endeavouring to obtain current information from Funding Circle about redemption proceeds arising from the repayment of its peer-to-peer loans.
- Information would be provided to members of the Sub-Committee to inform them about how Council's £3M investment holding with UBS was being applied.
- Arlingclose had recommended that TDC should consider whether surplus returns from money market funds (generated via rising interest rates) should be allocated to a financial reserve to mitigate against other potential budgetary deficits. The Sub-Committee supported this approach which would ultimately be discussed by the Strategy & Resources Committee, pending confirmation of the surplus position at outturn.
- Arlingclose had confirmed that the method of calculating revenue yields from money market funds (i.e. forecast return ÷ Net Asset Value) reflected the industry standard.

RESOLVED – that:

- A. the Council's investment and borrowing position at 30th September 2022, as set out in Annexes A and B, be noted;
- B. the update on the future of the statutory override be noted;
- C. the update on the Council's cash flow position and review of the use of redeemed proceeds from Funding Circle loans be noted; and
- D. the update on the Council's performance against its prudential indicators, as set in the Capital, Investment and Treasury Management Strategy for 2022/23, be noted.

ACTIONS:

	Action	Responsible Person	Deadline
1.	Current information to be circulated to the Sub-Committee about loan redemption proceeds from Funding Circle	Mark Hak-Sanders	TBA
2.	Details of the Council's £3M investment holding with UBS to be circulated to the Sub-Committee	Mark Hak-Sanders	TBA

3. INVESTMENT PROPERTY UPDATE

The Sub-Committee resolved to move into 'Part 2' for this item in accordance with Paragraph 3 (information relating to financial or business affairs) of Part 1 of Schedule 12A of the Local Government Act 1972.

A report was presented to update the Sub-Committee about the commercial investment properties owned by the Council and its subsidiary company, Gryllus properties. The properties concerned and the issues discussed were:

TDC properties:

Linden House, Caterham on the Hill

The renewal of the lease completed on 26th August 2022.

Quadrant House, Caterham Valley

The refurbishment scheme had reached practical completion at the end of September 2022 with an official re-opening event held on 6th October. Efforts were ongoing to secure tenants for unlet suites. Members were advised that, due to contract variations and inflationary pressures, the cost of works could exceed budget by a significant margin. The exact adverse variance wasn't yet clear as the final account was still being negotiated, although greater clarification would be provided for the Strategy & Resources Committee meeting on 1st December.

While Members welcomed the many positive aspects of the project and acknowledged the complexed challenges associated with bringing it to fruition, the potential level of overspend was an issue of great concern. The Chair requested that a detailed report be submitted to the next meeting and cascaded throughout the Council to raise awareness of the lessons learned for future project management purposes. These included the need for:

- financial risks to be shared by third parties commissioned to provide professional advice to the Council, upon which the financial viability of projects relies; and
- a more realistic contingency fund in future to protect against unforeseen circumstances.

Village Health Club, Caterham on the Hill

The implications of the financial challenges facing Freedom Leisure (the Council's tenant) were discussed.

Gryllus properties:

30-32 Week Street, Maidstone

The lease to Marks & Spencer had expired on 28th September, although they had not traded from the property since March 2020. A temporary letting had been secured for up to one year. Details about a further offer to rent the property were discussed as part of a future options analysis.

Castlefield House, Reigate

80-84 Station Road East, Oxted

The report also confirmed that the sale of Redstone House, South Nutfield completed at a price of £1,400,000 on 16th August 2022.

R E S O L V E D - that

- A. the content of the report be noted; and
- B. the options analysis for 30-32 Week Street, Maidstone be noted and concerns be raised with the Gryllus board about the actions to be taken.

Rising 11.10 am

Investment	Investment Amount 31/03/22 £	Net Asset Value 30/09/22 £	Yield Rate Note 1 %	Forecast Return 2022/23 £
<u>Non - Specified (Financial Investments)- Long Term (over 12 mths)</u>				
CCLA Property Fund	4,000,000	4,848,829	3.33	161,569
Schroders Bond Fund	3,000,000	2,452,677	5.98	146,567
UBS Multi Asset Fund	3,000,000	2,178,270	8.50	185,183
CCLA Diversification Fund	2,000,000	1,871,049	3.82	71,500
Funding Circle (Note 2)	391,191	236,668	-	-
Sub Total Non-specified (Financial Investments)	12,391,191	11,587,493		564,819
<u>Non - Specified (Non-Financial Investments)- Long Term (over 12 mths)</u>				
Gryllus Property Company Loan - Maidstone	2,394,000	2,394,000	5.81	139,023
Freedom Leisure- Loan (TLP)	674,857	484,286	5.50	31,963
Freedom Leisure- Loan (de Stafford)	496,571	310,357	7.58	28,230
Gryllus Property Company Loan - 80-84 Station Rd East	1,012,500	1,012,500	5.43	54,979
Gryllus Property Company Loan - Castlefield	11,664,000	11,664,000	6.10	711,504
Gryllus Property Company Share Capital Note 2	5,251,500	5,251,500	-	-
Sub Total Non-specified (Non-Financial Investments)	21,493,428	21,116,643		965,699
Total Non-Specified Investments	33,884,619	32,704,136		1,530,518
<u>Specified Investments-Short Term (less than 12 mths)</u>				
Notice Accounts	4,000,000	1,990,648	1.01	20,010
Money Market Funds	3,250,000	14,600,000	0.05	142,148
Total Specified Investments	7,250,000	16,590,648		162,158
Total Non- Specified and Specified Investments	41,134,619	49,294,784		1,692,676
Total Investment Income Budget 2022/23				1,495,700
Over/(under) budget				196,976

Borrowing	Loan Amount	Interest	Actual Cost 2021/22
	£	%	£
General Fund Borrowing			
Gryllus Loan	3,420,000	2.46	84,132
Freedom Leisure Loan	2,225,000	2.45	54,513
Village Health Club	938,678	2.38	22,341
Linden House	4,175,000	2.69	112,308
Linden House	254,000	2.42	6,147
Quadrant House	15,340,000	2.41	369,694
Quadrant House	800,000	2.28	18,240
Gryllus - 80-84 Station Road	724,400	2.28	16,516
Gryllus - Castlefield	15,549,000	2.91	452,476
Sub Total General Fund Borrowing	43,426,078		1,136,366
Total GF PWLB Budget 2022/23 Over/(under) budget			1,137,000 (634)
HRA Borrowing			
Public Works Loan Board	58,839,000	2.70	1,640,708
Sub Total HRA Borrowing	58,839,000		1,640,708
Total HRA PWLB Budget 2022/23 Over/(under) budget			1,639,600 1,108
Total Borrowing	102,265,078		2,777,074
Total Budget 2022/23			2,776,600
Total Over/(under) budget			474

Notes:

1. Yield Rate - forecast return divided by net asset value. Arlingclose have advised that this is the standard approach, which allows for comparison of the current return to alternative investment options.
2. Return from Funding Circle investment has not been forecast as this is dependent upon information that is still to be received.

Market Value of Long Term Investments at 30/09/2022

Appendix B

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Carrying Value	Carrying Value 31.3.2018	Carrying Value 31.3.2019	Carrying Value 31.03.2020	Carrying Value 31.03.2021	Carrying Value 31.03.2022	Carrying Value 30.09.2022
	£	£	£	£	£	£
CCLA Property Fund	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
UBS Multi Asset Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
CCLA Diversification Fund	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Market Value	Market Value 31.3.2018	Market Value 31.3.2019	Market Value 31.03.2020	Market Value 31.03.2021	Market Value 31.03.2022	Market Value 30.09.2022
	£	£	£	£	£	£
CCLA Property Fund(mid-market value)	4,276,854	4,276,005	4,188,063	4,158,183	4,888,056	4,848,829
Schroders Bond Fund	2,912,837	2,865,130	2,539,938	2,908,911	2,775,151	2,452,677
UBS Multi Asset Fund	2,918,160	2,868,479	2,520,713	2,777,398	2,639,592	2,178,270
CCLA Diversification Fund(indicative market value)	1,921,257	1,982,167	1,804,193	1,955,874	2,046,513	1,871,049
Total	12,029,108	11,991,781	11,052,907	11,800,366	12,349,312	11,350,825

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Surplus/(Deficit)	Surplus/ (Deficit) 31.3.2018	Surplus/ (Deficit) 31.3.2019	Surplus/ (Deficit) 31.03.2020	Surplus/ (Deficit) 31.03.2021	Surplus/ (Deficit) 31.03.2022	Surplus/ (Deficit) 30.09.2022
	£	£	£	£	£	£
CCLA Property Fund	276,854	276,005	188,063	158,183	888,056	848,829
Schroders Bond Fund	(87,163)	(134,870)	(460,062)	(91,089)	(224,849)	(547,323)
UBS Multi Asset Fund	(81,840)	(131,521)	(479,287)	(222,602)	(360,408)	(821,730)
CCLA Diversification Fund	(78,743)	(17,833)	(195,807)	(44,126)	46,513	(128,951)
Total	29,108	(8,219)	(947,093)	(199,634)	349,312	(649,175)

Gross Revenue Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	193,758	4.53%	183,989	4.30%	185,240	4.42%	179,910	4.33%	158,867	3.25%
Schroders Bond Fund	105,413	3.62%	120,508	4.21%	124,418	4.90%	125,529	4.32%	128,455	4.63%
UBS Multi Asset Fund	146,788	5.03%	116,513	4.06%	137,531	5.46%	140,171	5.05%	120,654	4.57%
CCLA Diversification Fund	62,732	3.27%	67,030	3.38%	66,284	3.67%	62,069	3.17%	48,871	2.39%
Total	508,691		488,040		513,473		507,679		456,847	

Full Year forecast at 30.09.22	
Yield 2022/23	Yield 2022/23
£	%
161,569	3.33%
146,567	5.98%
185,183	8.50%
71,500	3.82%
564,819	

Surplus/(Deficit)- Capital Value	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)	Surplus/ (Deficit)
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	193,868	4.53%	(849)	-0.02%	(87,942)	-2.10%	(29,880)	-0.72%	729,873	14.93%
Schroders Bond Fund	(50,726)	-1.74%	(47,707)	-1.67%	(325,192)	-12.80%	368,973	12.68%	(133,760)	-4.82%
UBS Multi Asset Fund	(100,545)	-3.45%	(49,681)	-1.73%	(347,766)	-13.80%	256,685	9.24%	(137,806)	-5.22%
CCLA Diversification Fund	-78,743	n/a	60,910	3.07%	(177,974)	-9.86%	151,681	7.76%	90,639	4.43%
Total	(36,146)		(37,327)		(938,874)		747,459		548,946	

Full Year forecast at 30.09.22	
Surplus/ (Deficit) 2022/23	Surplus/ (Deficit) 2022/23
£	%
(39,227)	-0.81%
(322,474)	-13.15%
(461,322)	-21.18%
(175,464)	-9.38%
(998,487)	

Net Yield	Net Yield	Net Yield	Net Yield	Net Yield	Net Yield	Net Yield	Net Yield	Net Yield	Net Yield	Net Yield
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	387,626	9.06%	183,140	4.28%	97,298	2.32%	150,030	3.61%	888,740	18.18%
Schroders Bond Fund	54,687	1.88%	72,801	2.54%	(200,774)	-7.90%	494,502	17.00%	(5,305)	-0.19%
UBS Multi Asset Fund	46,243	1.58%	66,832	2.33%	(210,235)	-8.34%	396,856	14.29%	(17,152)	-0.65%
CCLA Diversification Fund	n/a	n/a	127,940	6.45%	(111,690)	-6.19%	213,750	10.93%	139,510	6.82%
Total	488,556		450,713		(425,401)		1,255,138		1,005,793	

Full Year forecast at 30.09.22	
Net Yield 2022/23	Net Yield 2022/23
£	%
122,342	2.52%
(175,907)	-7.17%
(276,139)	-12.68%
(103,964)	-5.56%
(433,668)	

Peer to Peer Investment Note 1** Funding Circle	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22	2022/23 '30.09.22	
	£	%	£	%	£	%	£	%	£	%	£	%
Carrying Value	2,075,341		2,056,664		1,831,028		863,160		391,191		236,668	
Interest Paid by Borrowers	181,014		184,654		193,170		127,982		66,749			
Less FC Service fee	(19,668)		(19,729)		(19,611)		(12,462)		(6,279)			
Promotions/Transfer payment			-		470		0		0			
Bad Debts	(61,288)		(111,152)		(127,649)		(80,881)		(36,103)			
Recoveries	14,780		27,428		30,253		42,431		62,769			
Net Yield	114,838	5.53%	81,201	3.95%	76,633	4.19%	77,070	8.93%	87,136	13.89%	0	0.00%
Provisions for future losses	0		(10,000)									

Notes:

1. Funding Circle yield has not been forecast for 2022/23 as this is dependent upon information that is still to be received.

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Quarter 2 2022/23 Budget Monitoring

Strategy & Resources Committee Thursday, 1 December 2022

Report of: Mark Hak-Sanders - Chief Finance Officer (Section 151)

Purpose: To note the 2022/23 Quarter 2 / Month 6 (September) financial position of the Committee and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2022/23 Quarter 2 / Month 6 (September) financial position of both Revenue and Capital for the Committee and the consolidated picture for the Council.

This report supports the Council's priority of: Building a better Council/ Creating the homes, infrastructure and environment we need / supporting economic recovery in Tandridge/ Becoming a greener, more sustainable District.

Contact officer Mark Hak-Sanders Chief Finance Officer (S151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the Revenue and Capital budget positions as at Quarter 2 / M6 (September) 2022

Reason for recommendation:

The Council has a duty to ensure that its expenditure does not exceed resources available. The medium-term financial outlook remains uncertain and so the Council must continue to take steps towards growing its financial resilience, including building reserves to a sustainable level.

It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that the revenue budget is delivered, and that any new expenditure is contained within the available resources.

Finance have committed to bringing quarterly financial monitoring updates to each committee to ensure that all Members are aware of the financial position of the services within their remit, as context for decisions needed to mitigate any variance to budget and as background to the emerging budget for 2023/24.

Updates to the other three Policy Committees were submitted during November 2022.

This report, along with Appendix A, presents the detail for Strategy & Resources and the consolidated position.

Introduction and background

- 1 The 2022/23 Strategy & Resources Committee Revenue budget was approved at £6,401k on 7th April 2022, including the distribution of budget for staffing increments and vacancy factor (known as the Tranche 2 budget).
- 2 This was reduced by £450k upon the approval of Tranche 3 savings by the committee on the 30th June 2022 to £5,951k.
- 3 On review of the Revenues and Benefits budget, it was determined that £270k of income items held within Strategy & Resources sat better within Corporate Items as part of collection fund management. A virement (budget transfer) between the two budgets to action this change brought the S&R budget to £6,222k.
- 4 The Council's overall budget stands at £11,351k, unchanged from the budget approved by Council on the 10th February 2022.
- 5 The 2022/23 Strategy & Resources Capital Budget was approved at £1,784k by Council on 10th February 2022 having been considered by S&R Committee on the 1st February 2022.
- 6 This was increased to £4,841k by carry-forwards from 2021/22 approved by S&R Committee on 30th June 2022.
- 7 The overall Capital Programme budget stands at £25,242k, as approved by S&R Committee on 30th June 2022.

Revenue Headlines

- 8 The key headline at M6 is a forecast revenue overspend of £ 447k for the Council overall before corporate mitigations. Of this, (£31k) sits in the Corporate Items budget and the balance of £478k consists of service related variances, of which £111k in S&R.
- 9 The overall position is a £126k improvement from Quarter 1, although more work is needed to mitigate the position. Further details are included in Appendix A and below.
- 10 In summary, the overspend relates to:

Community Services - £324k overspend, mainly due to:

- 11 At Month 6 a full-year overspend of £324k is forecast. This is a £124k increase from the Q1 position last formally reported to committee, but a £9k improvement from the Month 5 position.
- 12 The key headline at M6 is a forecast revenue overspend of £238k in Waste Management. This relates to the projected impact of inflation on the contract, which is dependent upon national factors and is in the process of being finalised. The forecast has increased by £38k from Q1 to reflect latest expectations.
- 13 The majority of the increased impact of inflation was anticipated in the 2021/22 financial outturn report to Strategy and Resources Committee on the 30th June 2022 along with other budgetary risks, and amounts were set aside as a corporate contingency to mitigate the risk.
- 14 The Council is pursuing mitigating actions in respect of the pressures on Waste Management, including robust discussions with contractors, and is considering all options to address the position. The corporate contingency is a last resort and is set aside in order to safeguard the Council's overall financial position.
- 15 In addition to the variance in Waste, shortfalls in expected income of £108k make up the majority of the remaining variance, particularly:
 - £44k in car parking income against budget
 - £49k in cesspool emptying income
 - £15k in parks and open spaces income

The other variances are detailed in Appendix A.

Planning Policy Committee - £86k overspend, mainly due to:

16 £92k Planning Application and Advice Planning Application and Advice variance consisting of

- £164k overspend on salaries. Previously, the service has been reliant on contract staff and has gone through an organisational change which will lead to some mitigation (net £15k improvement from Qtr1 comprising, £24k restructure improvement offset by £9k one-off costs)
- £32k overspend on specialist recruitment to obtain skilled permanent staff (£32k deterioration from Qtr1)
- £20k overspend - Greater than expected spend on counsel on resulting from the decision to serve injunctions rather than enforcement notice (£10k deterioration from Qtr1)
- £43k overspend-Greater than anticipated on external consultant advice. (£4k deterioration from Qtr1)

Offset by

- £167k surplus on planning application fee income being better than expected income in the first 3 months (£61k improvement from Qtr1)

17 £9k Enforcement underspend due to staff churn and third party expenditure (£7k favourable) and enforcement appeals income (£2k favourable) - (£5k improvement from Qtr1)

Strategy & Resources - £111k overspend, mainly due to:

- ### **18 £67k Office Services overspend:**
- Surplus space at the Town Hall as identified when setting the Budget 2022/23 has yet to all be fully rented out. However, the position continues to improve with further lease extensions and short-term tenants extending since Qtr1. A new letting has since generated income of £5k, also lease extensions changes £5k and £2k NNDR lower than forecast. Mitigating action is being taken to actively market to identify new tenants and discussions to retain existing tenants. (Change: £77k improvement from Qtr1).

- 19 **£36k Democratic Services overspend:** Additional pressure has been identified where third-party expenditure for running May 2022 elections has not previously been accounted for and £2k overspend relating to statutory annual canvassing and registration of electors expenses, as well as estimated costs in preparation for the ward boundary review. The on-going effect is a budget pressure in 2023/24 associated with the statutory function of elections. Mitigation sought by reviewing suppliers contracts for improved value for money, consideration of in-house services (e.g. printing & training). (Change: £20k increase from Qtr1). The overspend is based on the principle that less budget is required in the years without elections, and this should be set aside in order to smooth the impact. Covid-19 has led to disruption in the election cycle which has prevented this mechanism from working as it should. In the next year without election, any surplus should be set aside.

Offset by

- 20 **(£12k) Human Resources underspend** – mainly due to salary savings re staff restructuring (unchanged from Qtr1). This is an on-going saving as HR in partnership with Council services to move to a more contemporary HR model (No Change from Qtr1).
- 21 **(£1k) Information Technology underspend:** £48k improvement from Q1 mainly due to £37k improvement in corporate software licences being –
- £17k third party costs have now been removed as the cost relates to future financial years and a further
 - £20k costs were duplicated in the M3 forecast
 - In addition £5k of contingency forecast was released in M6, which was held for mitigating third party supplier inflation. Telephone line usage has reduced resulting in a £3k improvement in M6, compared to Qtr1 and other minor changes in variances.

Housing General Fund - £44k underspend, mainly due to:

- 22 **Salaries: £1k savings**, vacancy drag achieving more than budget (Change from Q1:£1k decrease).
- 23 **Meadowside Mobile Homes: £10k income** reduced as Budget not now expected to be achieved on commission on sales of mobile homes (Change from Q1:£10k increase).
- 24 **Housing Benefit: £80k overspend**, the budget currently assumes that expenditure is matched by the Government, however this is not the case therefore £80k provide for the unbudgeted additional costs. (No change from Q1).

- 25 **Housing of the Homeless : £120k surplus**, In prior years (inc. 2021/22) the shortfall in Government support has been offset by applying Homelessness grant to legitimate costs elsewhere in the committee. The 2023/24 budget will be updated to reflect a realistic position. (Change from Q1:£40k improvement).
- 26 **Private Sector Enabling: £13k improvement**, historical cost budget to be reduced. (Change from Q1: £13k decrease).

Corporate Items - £31k underspend (Change – Improvement of £36k from Qtr1) mainly due to

- 27 **£106 shortfall in Investment Properties** - Quadrant House has a new tenant target of £120k of which remains £106k remains to be met. This is however a £36k net improvement from Qtr1, due to the following:
- Improvements of £58k in lease extensions, £42k recovery of business rate empty properties relief and £10k net landlord costs due to unrecoverable utilities offset by
 - £57k provision for former and current tenant's debts, £12k, mainly on account of Quadrant House lease renewal and £4k of service charges from Village Association relating to 2021/22 (not budgeted for).
- 28 **£69k shortfall in Cost of Collection** funding from Government (Business Rates) which is based on the value of business rates and is not sufficient to meet the budget.
- 29 **£18k shortfall** in expected **General Fund recharge** income

This is offset by:

- 30 **£200k Improvement** Government new burdens grant carried over from 2021/22
- 31 **£21k improved short term interest receivable** as a result of higher Bank Base rates.

Note: Transformation will be funded from Capital Receipts and any residual or new Covid-19 impact will be funded from Covid-19 reserve.

Mitigation through contingencies

- 32 Offsetting the deficit identified are contingencies as follows:
- £100k – Planned reserve contribution
 - £117k - General contingencies within the 2022/23 budget
 - £267k – Set aside to meet known 2022/23 risks at 2021/22 outturn.

Totalling £484k – a balanced outcome is therefore deemed to be achievable. However, it is vital that mitigating actions are pursued to preserve the contingencies for 2023/24 and beyond.

Capital Programme Update

- 33 At M6, overall the Capital Programme is forecasting £1,272k of net slippage; a net of £952k from with General Fund and CIL schemes, and £321k in the Housing Revenue Account. This is the total of a number of increases and decreases, further details of which are reported in Appendix A.
- 34 Full details of the overall variance are set out in the appendix, however a key item relates to an overspend in total project cost on the Quadrant House project, expected at Q2 to be £487k. Further details of this will be subject to separate report to S&R.

Key implications

Comments of the Chief Finance Officer

The Section 151 Officer confirms the financial information presented in this report has been based on reasonable working assumptions taking into account all material, financial and business issues and risks. The key financial implications at this stage are captured in the body of the report.

Comments of the Head of Legal Services

It is essential, as a matter of prudence, that the financial position of services continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.

Under S28 of the Local Government Act 2003, a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget. This report satisfies this statutory requirement.

Equality

There are no equality implications associated with this report.

Climate change

There are no significant environmental / sustainability implications associated with this report.

Appendices

Appendix A – Committee’s M6 (September) 2022 financial report and supporting data.

Background papers

Strategy & Resources Committee 2022/23 Draft Budget and Medium-Term Financial Strategy (MTFS) – 1st February 2022

- 2022/23 final budget and 2023/24 MTFS - Strategy & Resources Committee - 1st February 2022
- Strategy & Resources Committee - 2022/23 Budget – Tranche 2 Pressure and Savings Distribution -7th April 2022
- 2021/22 Budget – Outturn Report – Strategy and Resources Committee 30th June 2022
- Quarter 2 2022/23 Budget Monitoring – Strategy and Resources Committee 29th September 2022

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

Month 6 (September 22) Financial Report

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Mark Hak-Sanders
Chief Finance Officer (S151)

1st December 2022

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- Executive Summary
- Revenue Summary
- Saving Plans Update
- Capital Position
- Additional Information
- **Annex**
 - Revenue Position - Committee Detail
 - Revenue – Budget Tracker
 - Financial Risks

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Executive Summary - Month 6 (September 2022)

Revenue Forecast at M6

2021/22	Forecast	Annual	Outturn
Outturn	at M06	Budget	Variance
£k	£k	£k	£k
3,762 Community Services	4,375	4,051	324
458 Housing General Fund	432	476	(44)
1,332 Planning Policy	1,290	1,204	86
5,748 Strategy & Resources	6,333	6,222	111
(463) Corporate Items	(632)	(601)	(31)
10,837 General Fund- Services	11,798	11,351	447
(11,295) Central Funding	(11,351)	(11,351)	0
(458) General Fund	447	0	447

Overall at M6 the Council is forecasting a **£447k overspend** – Change: An improvement of £126k from Qtr1-M3

- Community Services: £324k overspend – 8.0% of committee budget
- Housing General Fund: £44k underspend – 9.2% of committee budget
- Planning Policy: £86k overspend – 7.2% of committee budget
- Strategy & Resources: £111k overspend – 1.8% of committee budget
- Corporate Items: £31k improvement – 5.2% of committee budget

M6 headlines are set out on the next slide, with full detail in the Annex

Capital Programme Forecast at M6

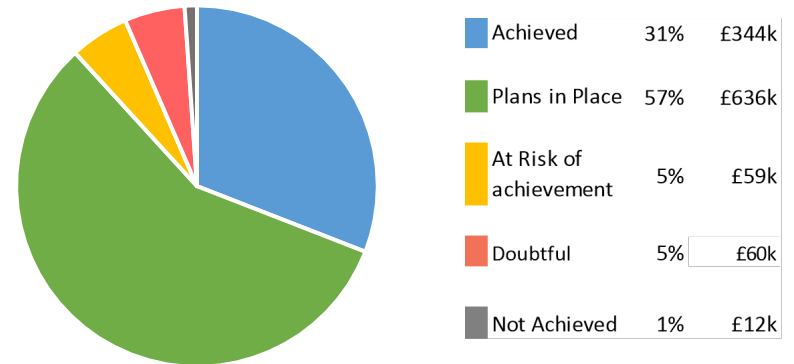
Change : £1.2m decrease from Qtr1-M3

	M6 Outturn	Budget *	Forecast
	Forecast		variance
	£k	£k	£k
Community Services	1,839	1,839	0
Housing General Fund	400	460	(60)
Strategy & Resources	5,569	4,841	727
Planning Policy (CIL)	527	2,146	(1,619)
General Fund	8,334	9,286	(952)
Housing Revenue Account	15,636	15,956	(321)
Total	23,970	25,242	(1,272)

*Budget approved by S&R Committee on 30th June 2022, consisting of £16.2m original budget and £9m carry forwards from 2021/22.

Further detail is set out on Slide 6

Savings Plan at M6 - £1.1m



Unachievable amount is due to a shortfall in General Fund recharge income (£12k) (no change to Qtr1);

Doubtful amount relating to Property income (£50k) remains (unchanged from Qtr1) and reduced income from Meadowside Mobile Home sales (£10k change from Qtr1)

Revenue Summary by Committee M6

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance £k	Change from M03 £k	One-off events £k	Ongoing Pressures £k
3,762 Community Services	4,375	4,051	324	124	(27)	351
458 Housing General Fund	432	476	(44)	(44)	0	(44)
1,332 Planning Policy	1,290	1,204	86	(37)	25	62
5,748 Strategy & Resources (463) Corporate Items	6,333 (632)	6,222 (601)	111 (31)	(133) (36)	7 (115)	104 84
10,837 General Fund- Services	11,798	11,351	447	(126)	(110)	557
(11,295) Central Funding	(11,351)	(11,351)	0	0	0	0
(458) General Fund	447	0	447	(126)	(110)	557

Mitigation through contingencies

Offsetting the deficit identified are contingencies as follows:

- £100k – Planned reserve contribution
- £117k - General contingencies within the 2022/23 budget
- £267k – Set aside to meet known 2022/23 risks at 2021/22 outturn.

Totalling £484k – a balanced outcome is therefore deemed to be achievable

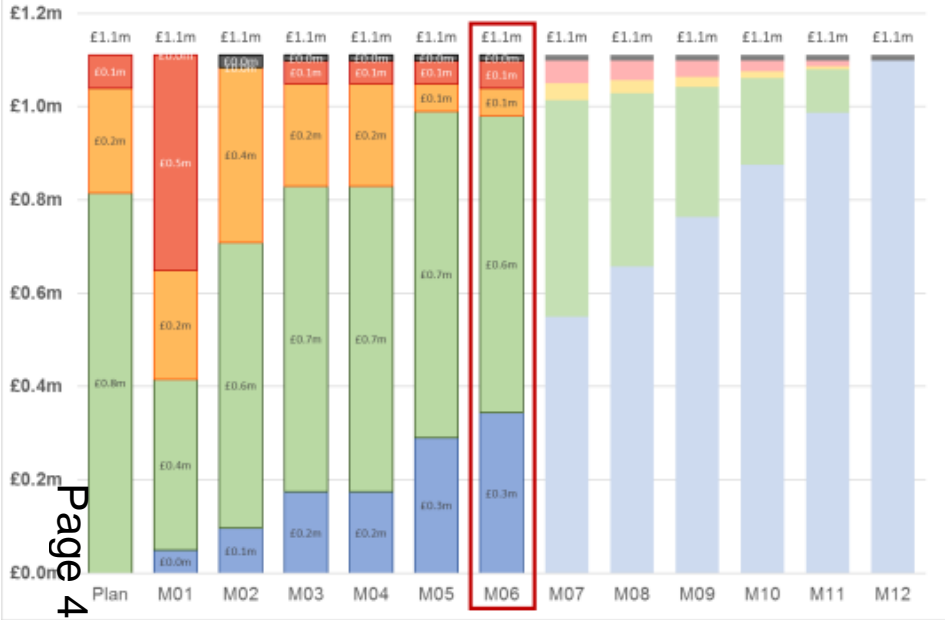
Key Messages:

Committees are projecting a full year £447k overspend – Change: £126k improvement from Qtr1-M3. The underspend and change from Month 3 mainly relates to:

- **Community Services: £324k overspend** – Change- £124k deterioration from Qtr1. Mainly consisting of £237k indicative pressure in Waste Services due contractual commitments to inflation and labour costs indexation (£37k change from Qtr1), £44k reduced income from Off-street car parking, £49k from Cesspool Services, offset by £25k improvement in salaries due to unfilled vacant posts (All changed in full from Qtr1).
- **Housing General Fund: £44k underspend** – Change- £44k improvement from Qtr1, mainly on account of : £40k Improved expectation of funding homelessness costs from Government grant. £13k reduced cost budget in the Private Sector Enabling, offset by £10k reduction on expected sales commission for Meadowside Mobile Homes.
- **Planning Policy: £86k overspend** – Change: £37k improvement from Qtr1- £164k overspend on salaries (net £15k improvement from Qtr1 - comprising £24k restructure improvement, offset by £12k one off costs), £32k on associated recruitment costs (£32k increase from Qtr1), £20k more than expected increased counsel spend on resulting from the decision to serve injunctions (£10k increase from Qtr1) and £43k greater than expected on external consultant advice, offset by £167k increased forecast income related to planning application associated with a large site (£61k improvement from Qtr1) and £9k Enforcement underspend due to staff churn and income from appeals.
- **Strategy and Resources: £111k overspend – Change: £133k decrease from Qtr1** £67k shortfall in office income from external tenants (£77k improvement from Qtr1), £36k overspend anticipated for the Elections and the ward boundary review (£20k increase from Qtr1), offset by £12k underspend in HR due to staff restructuring (no change from Qtr1) and £1k due to overspend in Software renewals and Telephone usage (£48k change from Qtr1)
- **Corporate Items: £31k net improvement - Change: £36k improvement from Qtr1**, primarily due to £106k shortfall in forecast Property income (£36k improvement from Qtr1) and £69k shortfall in cost of collection funding, offset by £200k Government new burdens grant carried over from 2021/22

Saving Plans Delivery

Summary and Projection



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Mitigations:

£50k Town Hall income saving:

The service is taking mitigating action to identify new tenants and renew existing where possible. Two marketing agents are employed, adaptations are under consideration and, and the Council is extending the security hours related to the offices for tenants to further develop interest.

Key:

Black – Under target

Red – No Plan, unrealistic timescales and/or Consultation assessment required

Amber – Deliverable but no agreed plan, uncertain timescale and Consultations required

Green – Clear plans, Realistic Timescale & Consultation complete

Blue – Delivered / Achieved

Delivery by Committee

Committee	Target	Blue Achieved	Green	Amber	Red	Black - BAU Full Year Forecast
		£k	£k	£k	£k	£k
Community Services	177	79	79	20	0	0
Housing GF	80	35	35	0	10	0
Planning	0	0	0	0	0	0
Resources	717	175	468	24	50	0
Corporate items	137	55	55	15	0	12
TOTAL	1,111	344	636	59	60	12

Commentary

Total plan of £1.1m - forecasting c£1.1m (99%) delivery

- Corporate Items :£12k (c1%) unachievable (Black) – No change from Qtr1
 - shortfall in intra authority recharges(£12k)

There is a risk to programme delivery from :

- £60k (5.4%) doubtful (Red); – Change: £10k increase from Qtr1 - doubtful due to dependency to find new tenants for the Town Hall saving (£50k) and downturn in Meadowside Mobile Home Sales (£10k)
- £59k (5.3%) is rated amber – Change: £160k improvement from Qtr1
 - £24k in S&R (Legal Services). – £160k improvement from Qtr1 – moved to green based on committee review
 - £20k in Community Services (Mechanical Sweeper Utilisation) – No change from Qtr1
 - £15k in Corporate Items (Recharges). – No change from Qtr1

Capital Summary by Committee

	M6 Outturn Forecast £k	Budget * £k	Forecast variance £k	Overspend / (Underspend) £'000	Acceleration/ (Slippage) £'000
Community Services	1,839	1,839	0		
Housing General Fund	400	460	(60)		(60)
Strategy & Resources	5,569	4,841	727	327	400
Planning Policy (CIL)	527	2,146	(1,619)	(1,619)	
General Fund	8,334	9,286	(952)	(1,292)	340
Housing Revenue Account	15,636	15,956	(321)	2,848	(3,169)
Total	23,970	25,242	(1,272)	1,556	(2,829)

*Budget approved by S&R Committee on 30th June 2022, consisting of £16.2m original budget and £9m carry forwards from 2021/22.

Capital - Underspend £1,272k (Change: £1,212k decrease from Qtr1) mainly due to:

- **Housing General Fund : Underspend £60k**, due to reduced DFG, as costs will not be incurred in 2022/23.
- **Strategy and Resources : Overspend £727k mainly due to:**
 - Quadrant House (QH) Refurbishment – £887k more than in-year budget. **£487k is due to an overall overspend:** change in scope of work and contract variations (£337k) and cost for extension of time / delays in completion (£150k). £400k is due to retention monies originally budgeted for in 2023/24 to match expected cash payments which should be recorded as committed on completion of the project. (Retention will not be paid until due). The change £400k change in phasing is a technical correction and has no financial impact
 - Offset by:
 - £181k : Unspent capital programme 2022/23 funds, from Land/Assets Development.
 - The net overspend for QH is expected to be £306k after £400k is bought forward from the 2023/24 capital programme and £181k unused budget Land/Asset Development is used. The remainder of the £21k variance in the service is a net of underspend in Council Office Buildings offset by carried forward expenditure for the A22 Cycleway – details set out in Slide 21.
- **Planning Policy CIL: Underspend of £1,619k mainly due to:**
 - Forecast delays where the budget assumed earlier agreement on Grant letters/agreements for Warlingham Green, Burstow Road Safety and Blanchmans in 2022/23.
 - The budget also reflects some older CIL Grants which are subject to external fund raising which has been slow due to Covid-19 or agencies needing to re-schedule works due to shifting programmes.
- **Housing Revenue Account : Underspend of £321k mainly due to:**
 - £2,848k - additional amounts have been added for potential development sites and inflationary increases.
 - £3,169k - delays are on Rochester Gardens and Auckland Road & Windmill Close and slippages on Whyteleafe and Uplands.

Additional Information

Finalisation & Sign off

- Pack distributed to Extended Management Team

Committee meeting

- 10 Nov – Community Services
- 17 Nov – Housing Services
- 24 Nov – Planning Policy
- 1 Dec – Strategy & Resources

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Debt as at 30 Sept 2022

Update to set out the direction of travel for debt recovery. Direction of travel has been RAG rated as follows;

Red – deteriorates by over 10% against target;

Amber – deteriorates by less than 10% against target

Green – improves against target

Sundry Debt, HBOP and HRA:

Type	Q4 21/22	Q1 22/23	Q2 22/23	Outcome
Sundry Debts	£282k	£275k	£331k	R
HBOP	£1,144k	£1,126k	£1,149k	A
HRA	£444k	£551k	£443k	G

Note debts older than six months for HRA and Sundry but one year for HBOP

Collection Fund (2019/20 used as pre-Covid baseline)

	Monthly			Cumulated
	J	A	S	Q2
Business Rates 19/20	8.3%	10.3%	8.9%	27.5%
Business Rates 22/23	13.4%	9.8%	8.3%	31.5%
Outcome	G	A	A	G
	J	A	S	Q2
Council Tax (19/20)	9.2%	9.1%	9.5%	27.8%
Council Tax (22/23)	8.9%	8.8%	9.1%	26.8%
Outcome	A	A	A	A

ANNEX

DETAILED REVENUE AND CAPITAL

- M6 Forecast – Committee Detail (slides 9 to 14)
- Budget Virements Summary (slide 15)
- Financial Risks and Opportunities (slide 16 - 19)
- Capital Budget – Committee Detail (slide 19 - 21)

Revenue Commentary- Communities Services:

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance £k	Change from M03 £k	One-off events £k	Ongoing Pressures £k
1,255 Salaries	1,284	1,309	(25)	(25)	(25)	
(34) Car Parking-On Street	(14)	(14)	0	0		
28 Car Parking-Off Street	26	(18)	44	44		44
(15) Hackney Carriage/Private Hire	(19)	(19)	0	0		
208 Leisure & Community Grants	260	260	0	0		
248 Environmental Services	268	273	(5)	(5)	(2)	(3)
1,960 Waste Services	2,217	1,980	237	37		237
(69) Cesspool Services	(60)	(109)	49	49		49
(266) All Operational Services	(138)	(153)	15	15	(23)	38
405 Parks and Open Spaces	552	537	15	15	17	(2)
42 Streets & Public Conveniences	(1)	5	(6)	(6)	6	(12)
10,762 Community Services	4,375	4,051	324	124	(27)	351

Communities Services overspend £324k (Change: £124k increase from Q1) mainly due to:

- **Salaries : £25k** - savings due to unfilled vacancies in Waste and Streets (Change from Q1: £25k decrease).
- **Car parking : £44k** reduced revenue for Off Street Car Parking, due to reduced reliability in car parking machinery and also some of the car parks no longer having the volume of cars parking. This is an ongoing issue. Mitigation - reviewing barrier system for feasible alternative charging facilities at Ellice Road (Change from Q1:£44k increase).
- **Environmental Services : £5k** savings , £7k from recharges for salary costs, £3k unbudgeted one-off grant received from DLUHC offset by £5k reduced Gambling Licences Income (Change from Q1: £5k decrease).
- **Waste Services : £237k** overspend due to potential contract indexation and labour costs inflation. This is deemed to be ongoing but mitigations are being explored within the Committee. £238k additional Waste Contract costs, £11k less Income as demand for Bulky Waste Collections has slowed, £4k increase price/tonne additional income from clothes and textiles collections, £7k less expenses for recycling palm banks collections and £1k less diesel costs (Change from Q1: £37k increase).
- **Cesspool Services : £49k net reduced income**, £57k reduced income and £8k less costs for Cesspool emptying continues on from last financial year when we lost high value commercial clients by aggressive undercutting by other providers (Change from Q1: £49k increase).
- **Operational Service : £15k** - multitude of offsetting variances, notable being increases in cemetery fees (£8k) with the sale of the reclaimed area for double plots. Note once they are all sold this will return to the normal rate. Additional £10k costs incurred to ensure the Depot is O licence compliant, due to loss of staff we have taken out a 1 year contract (Change from Q1: £15k increase).
- **Parks and Open space: £15k** - reduced income continues on from last financial year. (Change: £15k increase from Q1)
- **Streets & Public Conveniences: £6k**- budget not required for business rates as now exempt. (Change from Q1:£6k decrease).

Revenue Commentary - Housing:

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance from M03 £k	Change from M03 £k	One-off events £k	Ongoing Pressures £k
509 Salaries	526	527	(1)	(1)		(1)
(131) Meadowside Mobile Homes	(124)	(134)	10	10		10
69 Westway	50	50	0	0		
34 Private Sector Enabling	69	82	(13)	(13)		(13)
(186) Housing of the Homeless	(181)	(61)	(120)	(40)		(120)
55 Other Housing Renewal Functions	55	55	0	0		0
15 Syrian & Afghan Refugees	25	25	0	0		
Ukraine Placements	0	0	0	0		
(22) Redstone House	0	0	0	0		
113 Housing Benefits	11	(69)	80	0		80
1 Other variances less than £10k	1	1	0	0		
458 Housing General Fund	432	476	(44)	(44)	0	(44)

Housing General Fund, underspend £44k (Change:- improvement of £44k) mainly due to:

- **Salaries: £1k savings**, vacancy drag achieving more than budget (Change from Q1:£1k decrease).
- **Meadowside Mobile Homes: £10k** income reduced as Budget not now expected to be achieved on commission on sales of mobile homes (Change from Q1:£10k increase).
- **Housing Benefit: £80k overspend**, the budget currently assumes that expenditure is matched by the Government, however this is not the case therefore **£80k** provide for the unbudgeted additional costs. (No change from Q1).
- **Housing of the Homeless : £120k surplus**, In prior years (inc. 2021/22) the shortfall in Government support has been offset by applying Homelessness grant to legitimate costs elsewhere in the committee. The 2023/24 budget will be updated to reflect a realistic position. (Change from Q1:£40k improvement).
- **Private Sector Enabling: £13k improvement**, historical cost budget to be reduced. (Change from Q1:£13k decrease).

Revenue Commentary – Planning Policy

Note – the forecast assumes that the budgets for the local plan and other planning policy matters are spent in full in 2022/23 or remain ringfenced to the local plan if not.

This ensures that funding approved for such matters is retained to meet uncertain future costs and not used to offset overspends elsewhere in the budget.

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance from M03 £k	Change £k	One-off events £k	Ongoing Pressures £k
816 Planning Applications & Advice	428	335	92	(30)	31	62
294 Planning Strategy & Policy Guidance	316	316	0	0	0	0
50 Enforcement	267	276	(9)	(5)	(9)	0
(2) Tree Preservation & Advice	95	95	(0)	0	(0)	0
0 Community Infrastructure Levy (CIL)	0	0	0	(0)	0	0
174 Local Development Plan - Evidence	182	182	0	(0)	0	0
0 Gatwick Airport DCO	2	0	2	(0)	2	0
9 Transfer to/from Neighbourhood Plan Reserve	8	8	0	0	0	0
(10) Land Charges and Street Naming	(6)	(8)	2	(3)	2	0
1,332 Planning	1,290	1,204	86	(37)	25	62

Planning Policy – Forecast overspend : £86k (Change from Q1:£37k improvement)

The forecast variance mainly comprises of:

- **£92k Planning Application and Advice** variance consisting of
 - £164k overspend on salaries. Previously, the service has been reliant on contract staff and has gone through an organisational change which will lead to some mitigation (net £15k improvement from Qtr1 comprising, £24k restructure improvement offset by £9k one-off costs) .
 - £32k overspend on specialist recruitment to obtain skilled permanent staff (£32k deterioration from Qtr1)
 - £20k overspend - Greater than expected spend on counsel on resulting from the decision to serve injunctions rather than enforcement notice (£10k deterioration from Qtr1).
 - £43k overspend-Greater than anticipated on external consultant advice. (£4k deterioration from Qtr1)
Offset by
 - £167k surplus on planning application fee income being better than expected income in the first 3 months (£61k improvement from Qtr1)
- **£9k Enforcement underspend** due to staff churn and third party expenditure (£7k favourable) and enforcement appeals income (£2k favourable) - (£5k improvement from Qtr1)

The service is endeavouring to take mitigating action by greater dependence on injunctions to deter planning breaches and reduce cost of appeals

Revenue Commentary – Strategy and Resources

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance £k	Change M03 £k	One-off events £k	Ongoing Pressures £k
493 Legal Services	466	466	0	(33)	0	
579 Democratic Services	591	555	36	20		36
1,396 Information Technology	1,237	1,238	(1)	(48)		(1)
367 Human Resources	396	408	(12)	0	(12)	
612 Customer Services	657	652	5	0	5	
391 Communications	325	322	3	0	3	
150 Emergency Planning & Community Safety	243	241	2	(0)		2
281 Office Services	350	283	67	(77)		67
160 Asset Management	142	138	4	2	4	
277 Leadership Team	294	294	0	(0)	0	
897 Financial Services	1,065	1,062	2	3	2	
65 Revenues and Benefits	482	482	(0)	0	(0)	
78 Communities Executive Projects	85	80	5	(0)	5	
5,048 General Fund	6,333	6,222	111	(133)	7	104
0 Wellbeing Prescription	0	0	0	0	0	
5,748 Strategy & Resources	6,333	6,222	111	(133)	7	104

Strategy & Resources overspend £111k (Change: £133k improvement from Qtr1) mainly due to:

- **£67k Office Services overspend:** Surplus space at the Town Hall as identified when setting the Budget 2022/23 has yet to all be fully rented out. However, the position continues to improve with further lease extensions and short term tenants extending since Qtr1. A new letting has generated income of £5k, also lease extensions changes £5k and £2k NNDR lower than forecast. Mitigating action is being taken to actively market to identify new tenants and discussions to retain existing tenants. (Change: £77k improvement from Qtr1)
- **£36k Democratic Services overspend:** Additional pressure has been identified where third party expenditure for running May 22 elections has not previously been accounted for and £2k overspend relating to statutory annual canvassing and registration of electors expenses, as well as estimated costs in preparation for the ward boundary review. The on-going effect is a budget pressure in 23/24 associated with the statutory function of elections. Mitigation sought by reviewing suppliers contracts for improved value for money, consideration of in-house services (e.g. printing & training). (Change: £20k increase from Qtr1).

Offset by

- **(£12k) Human Resources underspend** – mainly due to salary savings re staff restructuring (unchanged from Qtr1). This is an on-going saving as HR in partnership with Council services to move to a more contemporary HR model (No Change from Qtr1).
- **(£1k) Information Technology underspend:** £48k improvement from Q1 mainly due to £37k of corporate software licences being £17k (Citrix third party costs) have now been removed as the cost relates to future financial years and a further £20k (costs for Adelante and Infoshare) which were duplicated in the M3 forecast. In addition £5k of contingency forecast was released in M6, which was held for mitigating third party supplier inflation. Telephone line usage has reduced resulting in a £3k improvement in M6, compared to Qtr1 and other minor changes in variances.

Revenue Commentary - Corporate Items

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance £k	Change M03 £k	One-off events £k	Ongoing Pressures £k
1,153 Interest Payable	1,162	1,163	(1)	0	(1)	
(1,533) Interest Receivable & Investment Income	(1,517)	(1,495)	(21)	(0)		(21)
(475) Property Income	(639)	(745)	106	(36)	82	24
(1,854) Non GF Support recharges & Bank charges	(2,054)	(2,071)	18	0	5	13
845 Minimum Revenue Provision (MRP)	1,179	1,179	0	0		
1,379 Pension - Actuarial top up, Added Years, & Compensation	1,484	1,485	(2)	(0)	(2)	
(73) Write Offs and Bad Debt Provision	22	22	0	0		
150 Cost of Collection	(201)	(270)	69	0		69
Contingency	116	116	0	0		
(56) Contributions to / (Drawdown from) Earmarked Reserves	(285)	(85)	(200)	0	(200)	
Covid-19	0	0	0	0		
Transformation	0	0	0	0		
(463) General Fund	(732)	(701)	(31)	(36)	(115)	84
Contribution to General Fund Balances	100	100	0	0		
(463) Corporate Items	(632)	(601)	(31)	(36)	(115)	84

Corporate Items - £31k underspend (Change – Improvement of £36k from Qtr1) mainly due to:

One-off: Investment Properties - Quadrant House has a new tenant target of £120k of which remains £106k remains to be met. Offset by £200k Government new burdens grant carried over from 2021/22

Ongoing: £69k shortfall in cost of collection funding from Government (Business Rates) which is based on the value of business rates and is not sufficient to meet the budget. £13k shortfall in expected General Fund recharge income offset by £21k improved short term interest receivable as a result of higher Bank Base rates.

Change from Qtr1 - £36k net improvement due to £58k in lease extensions, £42k recovery of business rate empty properties relief and £10k net landlord costs due to unrecoverable utilities *offset by* £57k provision for former and current tenant's debts, £12k, mainly on account of Quadrant House lease renewal and £4k of service charges from Village Association relating to 2021/22 (not budgeted for).

Note: Transformation will be funded from Capital Receipts and any residual or new Covid-19 impact will be funded from Covid-19 reserve

Revenue Commentary – Housing Revenue Account

2021/22 Outturn £k	Forecast at M06 £k	Annual Budget £k	Outturn Variance £k	Change from M03 £k	One-off events £k	Ongoing Pressures £k
2,302 Salaries	2,518	2,540	(22)	(22)	(22)	
1,027 Services Costs	1,470	1,478	(8)	(8)	(1)	(7)
1,542 Corporate Support Service	1,314	1,314	0	0		
2,457 Repairs and Maintenance	3,143	3,173	(30)	(30)	(28)	(2)
1,616 Interest Changes on Loan	1,640	1,640	0	0		
(14,528) Rental Income Dwellings	(14,919)	(14,919)	0	0		
(763) Rental Income Garages	(400)	(400)	0	0		
(959) Other Income	(1,895)	(1,888)	(7)	(7)		(7)
(6,005) Total Revenue Movement before Tfr to Reserves	(7,130)	(7,063)	(67)	(67)	(51)	(16)
6705 Transfer to Reserves	7,063	7,063	0	0		
0 HRA	(67)	0	(67)	(67)	(51)	(16)

Housing Revenue Account, (underspend £67k in year and from Q1) due to :-

- **Salaries costs (£22k) savings:** Savings relate to vacancy being carried in the Surveyor's team. Currently started the process to recruit the vacancies.
- **Service Costs (£8k) all expenses savings:** Savings relates to (£27k) historical budget for Consultancy costs no longer require, offset by increased expense costs £10k Tennant removal, £6k Alarm system cost(both of these are on-going savings) and other smaller additional costs
- **Repairs & Maintenance (£30k) all expenses savings:** One-off savings of (£30k) R&R team vehicle repairs and fuel due to new fleet still being under warranty and improved fuel efficiency.
- **Other Income (£7k):** On-going increased income on lease transfer and charges.

Revenue Position – Budget Tracker

	Mar S&R	Virement				Updated
	Budget	T3 Saving	S&R Internal	Cost of	Net	Budget
	Paper		Alignment	Collection	Adjustments	
	£k	£k	£k	£k	£k	£k
Community Services	4,051.0	0.0	0.0	0.0	0.0	4,051.0
Housing General Fund	476.0	0.0	0.0	0.0	0.0	476.0
Planning	1,204.0	0.0	0.0	0.0	0.0	1,204.0
Strategy & Resources	6,401.6	(450.0)	0.0	270.0	(180.0)	6,221.6
Corporate Items	(781.0)	450.0	0.0	(270.0)	180.0	(601.0)
Net Budget	11,351.6	0.0	0.0	0.0	0.0	11,351.6

There have been 3 virements since the beginning of the year

- The 2021/22 revenue budget was approved by Council on 13th February 2021, at **£11.351m**
- As part of the March S&R paper (Column 1 above), the Tranche 2 amounts for vacancy factor and increments were distributed
- Since then, the following changes have been made;
 - £0.450m – distributing the Tranche 3 savings (Back Office and Management restructure) across Resources
 - £0.270m – reassignment from Revenues & Benefits of cost of collection funding that sits better with Corporate Items, along with other Collection Fund technical items
 - The above totalling £0.180m in the adjustments column

Revenue Risks (1)

These risks have not been included in the budget monitoring position unless otherwise stated

Committee	Outline of Risk	Mitigation	Range Max - Min £k	Likely Financial Risk £k
Community Services	Inflationary impact on waste contract may vary from amount indicated in forecast depending on final calculation of inflationary pressures. An indicative value of £226k has been included in the forecast.	Regular meetings continue to discuss progression of the new contract and will review issues as they arise	£100k-£300k	
Community Services	Trees Programme Budget may not be enough for 2022/23. Budget provided last year was not used as work has to be co-ordinated with Network Rail with associated restrictions on access and cost. Work still has to be completed - last years estimated cost £45k	Programme of works being established to ensure programme is kept to within Budget. However TDC has a high density of trees which have ash dieback and processionary moth issue. Lack of adequate tree management has put more stress on what work must be completed. Also looking at accessing outside funding to help with tree management	£45k	£45k
Housing	Rising inflation may induce greater unemployment and straining housing demands	Reviewing reasons for strain on the housing demands and allocating relevant New Burden grants	£0k-£120k	£60k
Housing	Higher unemployment directly linked to high risk of rent defaults	Reviewing reasons for strain on the housing demands and allocating relevant New Burden grants	£0-£100K	£40k
Planning	Local Plan business case roadmap unforeseen costs and alternatives required	Additional costs would be offset within the Local Plan reserve in the first instance		
Planning	The need for externalising legal work could increase as more complex planning matters arise and thereby causing a possible cost pressure within planning services	Monitor and report, taking commensurate actions where opportunities arise		
Planning	Unexpected fall of in planning application fee income, driven by the national economic situation	Monitor and report, taking commensurate actions where opportunities arise		
Planning	Although the Council's decision to serve injunctions, rather than enforcement notices, drives the need for external specialist Counsel costs, it does have a long term benefit for the Council.	Use of injunctions, results in a long term saving through deterrent effect on other individuals wanting to breach planning control and overall reduction in cost of planning appeals		
Planning	Gatwick Airport Development Consent Order. Gatwick Airport has set out its proposal to bring its existing northern runway into regular use, alongside its main runway, as set out in its masterplan. The Council will incur specialist consultant advice to respond to each stage of the consultation process.	Value for money will be achieved by working with other Councils to secure the most effective, efficient and economical services to deliver the Councils responses to the consultation.	£68k - £48k	£58k

Revenue Risks (2)

These risks have not been included in the budget monitoring position unless otherwise stated

Committee	Outline of Risk	Mitigation	Range Max - Min £k	Likely Financial Risk £k
Resources	Escalating external legal costs related to specialist employee matters are a possible cost pressure within HR.	Risks to be partially mitigated by looking at options for refreshing training with officer on Council policies	£18k - £28k	
Resources	External employment market is buoyant for professional Legal staff. Any further reduction of staff is a risk to service provision	Outsourcing of Legal work would reduce the legal compliance risks to the Council, but increase cost pressures		
Resources	The statutory duty domestic homicide case review is a new cost risk for the Council. 1 case review would be a cost pressure to the Council of approx. £20k	Council is spreading risk by participating in a Surrey scheme to mitigate the singular cost risk to the Council		
Resources	Council continues to seek tenants for available Council office space to increase rent income.	Two marketing agents are employed, and the Council has extended the security hours related to the offices to further develop interest in the rental.		
Corporate Items	Greater possibility of higher empty properties due to business revaluating workspaces and impact on investment / property income (above current forecast)	Asset Manager review all opportunities to maximise investments and market all opportunities (for finding new tenants).		£100k
Overall risks				£245k

Revenue Opportunities

These opportunities have not been included in the budget monitoring position

Committee	Outline of Opportunity	Any blockers to achievability	Range Max - Min £k	Likely Financial Opportunity £k
Housing	Homelessness Grant may present additional opportunities to offset	Ongoing review of legitimate use of homelessness grant will be required. Economic situation may lead to increased strain on the budget	£0-£150k	(£120k)
Resources	Rental income at Oxted offices may improve from forecast	Investment may be needed to deliver office space that is attractive to potential leaseholders	£0-£90k	(£15k)
Corporate Items	Improved temporary lending rates due to Bank base rate increases (affects Interest Receivable)	BoE decisions and investment market reaction	£0-£176k	(£88k)
Overall Opportunities				(£223k)

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Capital Budget – Community Services

Scheme Name	Original Budget 2022/23 £k	Carry Forwards from 2021/22 £k	Budget Including Carry Forwards 2022/23 £k	FY Forecast at M6 £k	Forecast Variance at M6 2022/23 £k
Vehicle Fleet Renewals	204	172	376	376	0
Plant, Furniture & Equipment (GF)	8	0	8	8	0
Car Parking	35	0	35	35	0
Childrens Playground Equipment	27	399	426	426	0
Land Drainage Capital Works	10	0	10	10	0
Park, Pavilions & Open Spaces	114	164	278	278	0
Grange Meadow Access Works	0	250	250	250	0
Public Conveniences Capital Works	150	100	250	250	0
Litter Bins	8	0	8	8	0
Garden Waste Bins	25	13	38	38	0
Playground Improvements Match Funding	0	50	50	50	0
Refuse, Recycling and Food Waste bins	90	20	110	110	0
Total Capital Programme	672	1,167	1,839	1,839	0

- The Capital Budget was approved by Full Council on 2nd February 2022 at £0.672m.
- This was supplemented by £1.167m of carry forwards from 2021/22
- The total budget for 2022/23 is therefore £1.839m
- The budget has been reviewed for deliverability at Q2 and at present it is deemed to be deliverable with no Forecast Variance
- Spend across the Committee's schemes is c.£0.463m (25%) at Q2.

Capital Budget – Planning Policy

Scheme Name	Original Budget 2022/23 £k	Carry Forward from 2021/22 £k	Budget including Carry Forwards 2022/23 £k	Forecast at M6 2022/23 £k	Forecast Variance M6 2022/23 £k
Capital contributions to third parties from CIL	1,667	479	2,146	527	(1,619)
Total Capital Programme	1,667	479	2,146	527	(1,619)

- 29/5/20
- The Capital Budget for Planning Policy consists of the Capital Contributions for Community Infrastructure Levy. When the Budget was set, this consisted of £1.7m, with a further £950k as part of the Croydon Road scheme in S&R.
 - Carry forwards agreed as part of the 30th June S&R committee have increased this to £2.1m, as set out above.
 - The forecast against this has been reviewed with the Budget Holder and current expectation is for spend of £0.5m; £1.6m less than budget. As this is CIL funded, there is no General Fund impact. The variance relates to:
 - Forecast delays where the budget assumed earlier agreement on Grant letters/agreements for Warlingham Green, Burstow Road Safety and Blanchmans in 2022/23.
 - The budget also reflects some older CIL Grants which are subject to external fund raising, which has been slow due to Covid-19 or agencies needing to re-schedule works due to shifting programmes.

Capital Budget – Housing Revenue Account

Scheme Name	Original	Carry	Budget	FY	Forecast
	Budget	forwards	Including		Varinace
	2022/23	from	Carry	Forecast	at M6
	£k	2021/22	Forwards	at M6	2022/23
		£k	2022/23	£k	£k
			£k		
Housing Revenue Account					
Council House Building	7,586	3,930	11,516	11,196	(321)
IT - Hardware/Infrastructure HRA	61	195	256	256	0
Rewiring HRA Capital Schemes	188	0	188	185	(3)
Conversion of Shared Facilities	30	0	30	130	100
Works to Void Properties	425	80	505	505	0
Fire Precautions	125	35	160	180	20
Bathroom Renewals	380	0	380	300	(80)
Kitchen Renewals	322	0	322	300	(22)
Roof Renewals	520	0	520	520	0
Window Replacement	500	0	500	494	(6)
Thermal Insulation	30	0	30	30	0
Structural Damage	200	15	215	215	0
DDA Upgrades	15	0	15	30	15
Removal of Hazardous Materials	50	0	50	50	0
New Central Heating	30	0	30	50	20
Service Renewal Boilers	345	0	345	425	80
Re-Plumbing	180	0	180	90	(90)
Garages & Outhouses	125	0	125	100	(25)
Roads, Footpaths & Car Parking Areas HRA	60	0	60	60	0
Boundary Walls & Fences	60	0	60	40	(20)
Drainage Works	75	0	75	50	(25)
Adaptations for the Disabled	250	115	365	400	35
Door Entry Systems	30	0	30	30	0
Total HRA	11,586	4,370	15,956	15,636	(321)

- The Capital Budget was approved by Full Council on 2nd February 2022 at £11.6m.
- This was supplemented by £4.370m of carry forwards from 2021/22 as part of the outturn report to S&R on 30th June 2022.
- The total budget for 2022/23 is therefore £16.0m.
- The budget has been reviewed for deliverability at Q2 and at present there is deemed to be a net underspend of £321k as noted below:-
 - £2,848k –additional amounts having being added for potential development sites and inflationary rises.
 - £3,169k – delays are on Rochester Gardens and Auckland Road & Windmill Close and slippages on Whyteleafe and Uplands.

Capital Budget – Strategy and Resources

Scheme Name	Original Budget 2022/23 £k	Forward from 2021/22 £k	including Carry Forwards 2022/23 £k	Forecast at M6 2022/23 £k	Forecast Variance at M6 2022/23 £k
Land/Asset Development	181	0	181	0	(181)
Quadrant House Refurishment	0	2,628	2,628	3,515	887
Croydon Road Regeneration	1,325	115	1,440	1,440	0
A22 Cycleway	0	0	0	46	46
Council Offices Buildings	50	0	50	25	(25)
GF IT - Hardware/Infrastructure	228	314	542	542	0
Total Capital Programme	1,784	3,057	4,841	5,569	727

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- The Capital Budget was approved by Full Council on 2nd February 2022 at £1.784m.
- This was supplemented by £3.057m of carry forwards from 2021/22 as part of the outturn report to S&R on 30th June 2022
- The total budget for 2022/23 is therefore £4.841m
- The budget has been reviewed for deliverability at Q2 and at present there is deemed to be an overspend of £0.727m
- Spend across the Committee's schemes is c.£3.032m (54%) at Q2.

Draft Budget 2023/24 and Future Tandridge Programme Update

Strategy and Resources Committee

Thursday, 1st December 2022

Report of: Chief Executive and Chief Finance Officer (S151)

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive Summary:

This report sets out a Draft Budget for 2023/24, accompanied by an update on the Future Tandridge Programme ('FTP').

The Draft Budget for 2023/24 and the Medium-Term Financial Strategy (MTFS) is brought to this Committee to inform Members of the current budget position for the Council. The final version will be approved by Full Council on 9th February 2023. Details of the current budget gap, budget pressures and savings proposals are identified in this report.

The report will discuss the national and local context of the budget setting process, organisational and Committee updates, aligned to the financial strategy, and give details of the budget assumptions and principles.

It provides:

- The budgetary context, in terms of the timetable to deliver the budget and an update on the likely financial position and scale of savings required.
- A Draft Budget, for consideration by policy committees in January and ultimately by Full Council in February.
- Progress to date in delivering Service Reviews, with updates on all service areas currently in scope; these form the proposed savings plan for the budget.
- Business cases for Communications and Assets and FM service areas.
- An update of progress on Operations, Locality and Waste since the update to the Community Service Committee in October.
- An update on the Digital / Customer Service Transformation and the work being carried out to produce a business case for future review.
- Next steps on FTP following consideration / approvals along with the lead-in to the final budget to be approved by Full Council in February 2023.

This report supports the Council's priority of: Building a better Council.

Contact officer: David Ford – Chief Executive dford@tandridge.gov.uk

Mark Hak-Sanders – Chief Finance Officer (Section 151)

mhaksanders@tandridge.gov.uk

Recommendation to Committee:

In respect of the Draft Budget, that Committee:

- A. Approve the Draft Budget for 2023/24 and Medium-Term Financial Strategy to 2024/25, set out in Appendix A. This will form the basis of reports to Committees in January.
- B. Approve the gross Council Tax Base for 2023/24, determined at 39,377.5 after taking account of the Council's agreed Council Tax Support Scheme, and the net Council Tax Base for 2023/24 is determined at 38,904.9 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes. Refer to Section 9 and Appendix K.
- C. Approve the following business cases and updates to form the basis of the budgets to be finalised during the January committee cycle:
 1. The Communications business case which sets out the proposed new structure of the Communications service and provides an update on future operating models being pursued by the service in consultation with Members (set out in Appendix D)
 2. The Assets and FM business case which recommends an integrated Property Service delivery model, Corporate Landlord approach and provides an update on the recent Strategic Asset Review and details how this will be taken forward (set out in Appendix E)
 3. The direction of travel for the Ops and Localities Service Review, as provided to Community Services on 18th October 2022 and updated in this report (set out in Appendix F)
 4. The updated direction of travel for Digital Transformation (set out in Appendix G)
 5. The overall savings plan (set out in section 6 and Appendix B), noting that further consideration may be required pending the Local Government Finance Settlement.

In respect of the wider Future Tandridge Programme, that Committee:

- D. Note the progress to date on delivering the Future Tandridge Programme, the direction of travel for the Service Reviews and associated savings targets included in Appendix C and section 6)
- E. Note that Officers will continue to update their business cases where these are required to achieve the target savings and will bring these for Committee approval where necessary over the coming months.
- F. Note the intention to re-submit the request for a capitalisation direction from Department of Levelling Up, Housing and Communities ('DLUHC') to use the part of the receipt from the Redstone property to replenish general fund reserves.

Reason for recommendations:

As a public body, the Council is required to set a balanced and deliverable budget and to demonstrate value for money in all its services, whilst operating in an uncertain and restrained financial environment.

The Council is legally obliged to set a balanced budget for 2023/24 which will include details of the proposed savings and pressures. It is good practice to present a Draft Budget in advance to set out progress, outline the scale of the challenge and the work needed over the next two months to finalise the budget.

This report builds on the papers presented to Council on 10th February 2022 and to this Committee on 30th June 2022 and 29th September 2022.

The Future Tandridge Programme and Service Reviews are the mechanism for delivering value for money, providing assurance that services are specified to deliver to an agreed quality within available funding.

1. Introduction

- 1.1. This brief covering report sets out an update on the Budget Setting timetable for 2023/24. The Draft Budget 2023/24 and Medium-Term Financial Strategy to 2024/25 is set out in Appendix A and supporting documents.

2. Budget Timetable Update

- 2.1. The table below is an updated extract of the budget setting timetable, provided to committees in June and September, with comments on completion status.

Time Period / Date	Activity / Milestone	Progress
30th June 2022	2023/24 Budget Process Report to S&R Committee	Complete
July – September 2022	Initial estimates of pressures and savings developed, alongside each service area's business case. Review of fees and charges Review of staff allocations and charges to Housing Revenue Account	Initial estimates complete Fees and charges review to commence Staff allocations review complete
August – September 2022	Engagement with Members on 2023/24 initial pressures, savings, fees and charges	29 th September S&R report set out initial pressures and savings. Fees and charges review to commence.
September 2022	Committee Cycle – Service Business Cases and initial pressures and savings	Consolidated updates to S&R on 29th September, with updates to other committees in September and October due to rearranged meeting dates
October – November 2022	Engagement with Members on 2023/24 Draft Budget	Further Business Cases and updates on specific savings subject to Member workshops through November. Fees and charges review commissioned and under way, with a workshop scheduled in December.
1st December 2022	2023/24 Draft Budget and Capital Programme, including Tax Base to S&R	Appended to this report.
December 2022	Expected publication of Local Government Finance Settlement – finalisation of funding estimates	The work across December and January will consist of:
December 2022 to January 2023	Engagement with Members on 2023/24 Final Budget Engagement with residents and Business Rate payers on 2023/24 Budget	<ul style="list-style-type: none"> - Completing the fees and charges review and agreeing with Members - Bridging the gap between expected spend and funding confirmed in the Local Government Finance Settlement
January 2023	Committee Cycle – 2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy	
31st January 2023	2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy to S&R Committee	<ul style="list-style-type: none"> - Further refinement of pressures, including inflation, pay award; and - Further refinement of savings
9th February 2023	2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy to Council	

3. Content of the Draft Budget

The Draft Budget 2023/24 and Medium-Term Financial Strategy to 2024/25 is set out as Appendix A. It includes the following sections:

1. Introduction
2. Strategic Context
3. Committee Overviews
4. Budget Principles
5. Revenue Budget Headlines
6. Future Tandridge Programme – Update
7. Summary of Service Reviews
8. National Funding Context
9. Funding Assumptions
10. Reserves Update and CIPFA Resilience Index
11. Draft Capital Programme
12. Medium Term Financial Strategy Update
13. 2022/23 Financial Performance
14. Next Steps

4. Comments of the Chief Finance Officer (s151)

With no clarity Government funding from next year onward, our working assumption is that financial resources will continue to be constrained. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium-term.

It is a legal obligation that the Council sets a balanced budget for 2023/24. This relies on the identification of sufficient savings to meet spending pressures and any funding reductions. Drawing on already low General Fund reserves to cover a shortfall in savings is not a sustainable option and would only be used as an absolute last resort. The Council needs to build, rather than draw on reserves to safeguard its medium-term financial stability.

The Section 151 Officer confirms that the 2023/24 Draft Budget and MTFS is based on reasonable assumptions, taking into account all known material, financial and business issues and risks and is confident that if the principles and recommendations set out in this report are adopted that a balanced budget can be set for 2023/24.

5. Comments of the Head of Legal Services

At this stage, the purpose of the report in terms of the draft Budget is to awareness raise. The budget remains fluid and subject to on-going iteration. As set out in the recommendations, each committee with budgetary responsibility will receive its budget for consideration in January 2023.

However, the budget is based on assumptions about the future which are more volatile than usual in the current economic climate. The main risks are that planned efficiency savings may not be achieved and expenditure not contained within approved budgets due to the impact of rising inflation and constraints on suppliers.

This report also sets out details of savings proposals, from the large to smaller but still significant savings. It appears that no stone is being left unturned when identifying savings in order to be able to close the financial gap and balance the books. The Council is likely to emerge from this process with fewer employees and a requirement to be clear about what it can and cannot do in the future. It should be noted that the Council needs to deliver certain services as a statutory requirement and has limited scope to influence how these services are delivered.

The Council therefore faces challenges in managing the financial risks and in delivering a balanced budget over the MTF5 period. Both the MTF5 and the FTP will have to continue to undertake robust monitoring and will need to remain flexible to respond to changing circumstances.

6. Equality

- 6.1. The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.
- 6.2. Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
 - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.3. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 6.4. Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.
- 6.5. Officers will review proposed budget changes against the initial equalities screening tool prior to finalisation.

7. Climate Change implications

- 7.1. There are no direct impacts on environmental aspects in this budget report. Climate change implications will be assessed as part of any changes to Service provision through a business case process.

8. Background papers

- Strategy & Resources Committee 1st February 2022 - [2022/23 final budget and 2023/24 MTFS](#)
- Strategy & Resources Committee 1st February 2022 - [Future Tandridge Programme](#)
- Strategy & Resources Committee 7th April 2022 - [Budget – Tranche 2 Pressure and Savings Distribution](#)
- Strategy & Resources Committee 30th June 2022
- Community Services Committee 8th September 2022 (Postponed)
- Housing Committee 15th September 2022 (Postponed)
- Strategy & Resources Committee 29th September 2022

Appendices

Appendix A - Draft Budget 23/24 and MTFS to 24/25

Appendix B – Budget Pressures and Savings for each committee

Appendix C – Summary of Service Review updates

Appendix D – Communications Business case

Appendix E – Assets and FM Business case

Appendix F – Operations, Localities and Waste update

Appendix G – Digital / Customer Services progress update

Appendix H – Delivery Phasing table

Appendix I – Committee cycle decision points

Appendix J - Risk Register

Appendix K - Council Tax Base

Appendix L - Glossary of Terms

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Appendix A

Draft Budget 2023/24 and Medium-Term Financial Strategy to 2024/25

1. Introduction

- 1.1 The Draft Budget for 2023/24 and Medium-Term Financial Strategy to 2024/25 sets out the strategic context for the Council, an overview of the Committees and then the key elements of the 2023/24 budget, including:
- Budget Pressures
 - Savings Plans (through the Future Tandridge Programme)
 - Funding Projections
 - Reserves and Resilience
 - The Capital Programme
 - The Medium-Term Outlook
- 1.2 Although not mandatory, it is good practice to produce a draft budget in order to provide financial context for the policy committee budgets to be determined in January. Although a significant amount of further work is required, the Draft Budget represents a staging point in the process and a reference point for the finalisation of plans.
- 1.3 In overall terms, good progress has been made across several key projects to deliver savings, since the September / October Committee cycle. The overall savings plan remains largely unchanged, but Officers and Members have invested significant time and energy into gaining confidence that savings are deliverable, through a series of Member workshops in key areas, and further work with external support to validate numbers. This provides a solid base to go into the final stage of budget setting, despite continued uncertainty over funding and inflation, as set out in the remainder of this document.
- 1.4 The Council's overall approach is to deliver credible plans to balance its own budget and continue the progress towards financial security. This should be achieved without the use of reserves as a short-term fix for ongoing pressures. However, reserves remain low by comparison to similar authorities and efforts will be made to remedy this, including ongoing conversations with DLUHC to use capital receipts to resolve the issue.

2. Strategic Context

- 1.5 The Council has experienced a period of significant change and is making progress in addressing several important areas for improvement, including tackling significant financial challenges. The Council's Strategic Plan sets the direction for the Council and the district, reflecting both the need to move forward vital improvement work, and to respond to the District's local characteristics, the needs of the residents and businesses, and the wider context – both regional and national – in which it operates. Given this dynamic environment, the plan is due for review over the next year. At present, the plan presents four key priority areas:

1. Building a better Council – making the Council financially sustainable and providing residents with the best possible services.

2. Creating the homes, infrastructure and environment we need – both now and in the future.

3. Supporting economic recovery in Tandridge – from lockdown to growth that everyone benefits from.

4. Becoming a greener, more sustainable District – tackling climate change.

- Building a better Council – This focuses on financial sustainability and exploring commercial opportunities and shared services. It also covers the progress of our governance improvements and digital strategy;
- Creating the homes, infrastructure and environment we need – Delivering our local plan, protecting landscapes and developing local infrastructure is one key strand of this priority. The other is delivering new homes for the District and ensuring our current social housing is of the right mix, of high quality and supports our aims to reduce carbon emissions;
- Supporting economic recovery in Tandridge – Central to this priority is working with partners, such as the local BIDs, LEP and County Council, to understand and influence economic recovery in the district; and
- Becoming a greener, more sustainable district – the Council is committed to taking all the steps it can to become carbon natural by 2030, and support residents and businesses in the district to do the same. We have a climate change action plan that covers a range of actions, our key focus is on reducing the carbon footprint of our operational activities and property assets.

1.6 In addition to the Strategic Plan, the Council also has a Corporate Improvement Plan. This Committee endorsed the plan in 2020. It comprised various measures necessary to take the Council forward, particularly during the Covid-19 emergency. Since its initial endorsement, further corporate improvement actions have been added to the plan as part of the Council's internal reviews of its governance, including the production of its Annual Governance Statement, and an external review of governance conducted by the Centre for Governance and Scrutiny.

1.7 Since the appointment of the Chief Executive, work has taken place to strengthen senior management and ensure the Management Team and Extended Management Team are aligned and working closely together. A management restructure was carried out earlier this year to empower heads

of service and improve accountability. A new Deputy Chief Executive has been appointed and will join the Council in February 2023.

- 1.8 Corporate governance has been improved with the reintroduction of service plans, a review of performance indicators and risk registers, as well as a new appraisal process planned for 2023 to support stronger performance management. In addition, a more robust approach to audit management is being developed.
- 1.9 This work is linked to the current Strategic Plan, which now needs to be updated to reflect post-pandemic challenges and needs. Work to develop a new plan will begin in the new year, with a draft plan available for consultation in May.
- 1.10 The updated Strategic Plan will set the direction for the Council and enable the Council to track progress against corporate objectives, as well as help services and teams understand the strategy and how their work directly impacts its success. This ensures every level of the organisation is aligned around a shared purpose and staff understand their role in delivering services which meet the corporate objectives. This approach will become essential as the Future Tandridge Programme is implemented and leads to a smaller, more strategic, agile and responsive organisation.
- 1.11 The Strategic Plan's actions are in the process of being reviewed by the Extended Management Team. This is to ensure that areas which pose the highest risk to Council and impact its financial sustainability are prioritised accordingly. One element of this work has been completed, as the 2020/2021 Annual Governance Statement included a series of actions, identified as being of a high priority for the Council. These actions relate to the following areas:
 - Service delivery: we have projects underway to ensure we have high performing, quality driven and cost-effective Planning and Finance functions;
 - Governance: we will adopt our draft Code of Corporate Governance, review our staff appraisal process, and ensure our systems of internal control in the areas of health and safety, fraud and commercial property management are robust; and
 - Strategic: senior management to review the Strategic Plan to ensure it reflects the current internal and external environment of the Council, which has changed since version one was adopted in July 2021. We will also ensure that the senior management team is set up in the most effective way to deliver on the plan's priorities.

3. Committee Overviews

- 1.12 This section provides a high-level overview of the activities, challenges and opportunities for each committee. It is intended to provide brief context to

the budget pressures and savings captured in the draft budget, for the benefit of external readers who may be unfamiliar with the committees' work.

Community Services

- 1.13 The Community Services Committee is the Council's largest service Committee in terms of spend and is responsible for the Council's policies in respect of Leisure, Community grants, Community Safety Environmental Health, Licensing, Waste and Amenity Management.
- 1.14 The Committee is pursuing the following key developments for 2023/24:
- New process and procedures for allocating Community & Voluntary grants
 - Work with internal and external partners to implement an anti-social behaviour strategy to improve the Council's response and identify priorities and hotspots across the District.
 - Support the response to the Ukraine crisis through community engagement and support to both guests and hosts
 - Adoption of the new Waste Strategy for Surrey
 - Commissioning the delivery of the grounds maintenance for parks / opens spaces and the housing sites
 - Recommencing the playground refurbishment / replacement scheme
 - Developing a strategic approach to deal with Ash die back across the District.
- 1.15 The key risks identified in 2023/24 include:
- Inflationary pressure on external contracts,
 - Tree management including Ash die back disease,
 - Under-recovery of income from car parking and cesspool emptying,
 - Monitoring and managing the impact of inflationary and other costs pressures on external contractors delivering services on behalf the Council
- 1.16 Significant pressures include:
- The under-recovery of income from car parking has continued since the pandemic and it is considered that this is likely to be a longer-term structural change linked to changes in behaviour and reductions in travel.
 - Inflation has a significant impact on the costs of external contracts where they can increase their charge annually based on inflationary pressures. The Council has little influence on these external forces and as such this does represent a significant risk going forward.
 - Ash die-back and general management of trees is a risk area for the Council both in terms of health and safety and financially as more work will need to be carried on the Council's trees and woodlands. In 2023/34 a more strategic approach to managing Ash die-back will be developed.
- 1.17 There are several significant capital programmes that will need to be delivered in 2023/24 including:
- Playground refurbishment and replacement; and

- Public conveniences.

1.18 Key lines of enquiry in respect of savings cover:

- The Operations and Localities service review, which has identified that we need to reform how we commission the services with a view to make them more efficient, fit for purpose and value for money. As part of this work the Ground Maintenance work carried out by internal and external resources is being reviewed to deliver a new service model by November 2023.
- A new staffing structure for Operations and Localities will be delivered as part of the service review and will be informed by how services will be delivered in the future.
- Identify alternative funding streams to deliver Domestic abuse Intervention programme (IRIS)
- Review delivery of social prescribing model across East Surrey with East Surrey Place partners
- Review opportunities for partnership working with Surrey County Council to deliver statutory duties for Emergency planning and business continuity

Housing Committee

1.19 The Housing Committee is responsible for formulating and reviewing the Council's policies for the management including repair, maintenance, improvements, sale, acquisition, allocation and control of all the Council's housing stock. In addition, the Housing Committee has the vital role of looking at the private sector housing conditions including standards of condition and the provision of a housing advisory service to prevent homelessness within the district.

1.20 As part of the FTP several key lines of enquiry have been identified. The most prominent is ensuring appropriate use of Government Homelessness Prevention Grant to offset expenditure. Other actions include introduction of a new housing structure and ensuring compliance with new and upcoming legislation. Actions identified within the review of the Council's income from the housing stock (HRA) are to be completed through 2023/24. This will form part of the service improvement plan and ensure income maximisation while delivering value for money to residents. Resource and priority issues delayed this work through 2021/22. A review of the Council's garage stock is in progress and reviews of the condition of the housing portfolio take place on a cycle during a five-year programme. Mindful of increasing regulation over environmental concerns, work is commencing to ensure costings for future efficiencies through 'retrofitting' stock and moves towards a future carbon zero position.

1.21 Other activity for 2023/24 includes the tendering of a new private sector housing contract to deliver the Disabled Facilities Grants and adaptations to Council housing through a Home Improvement Agency. Review and further exploration of the IT systems used within housing will also take place with aim of providing an individual use platform that meets the needs for both the HRA and statutory housing services.

- 1.22 Ongoing resilience of the Council's Housing Service is vital to be able to support our ongoing programme to provide a direct supply of new Council owned homes. Construction materials and labour costs have risen drastically as the industry suffers from the cumulative effect of Covid-19, Brexit and the war in Ukraine. The housing programme is still subject to delay as a result of market conditions and a lack of resources within the development team. 47 homes were scheduled to complete in 2022/23 with all but 4 now handing over in 2023/24. The construction of 13 new homes started on site in 2022/23 with the forecast 35 now projected to start on site in 2023/24. The effects of Covid-19 saw delays to the programme over the past two financial years. On 17th September 2020 the Council agreed that all new developments will be net zero carbon (operational).
- 1.23 The need for affordable homes continues to grow in the District. The Council seeks to develop and extend the programme of Council house building in the next year alongside working with Housing Associations to improve the flow of supply. The buy-back programme has been a success and a further extension of the scheme is planned for 2023/24. The continued supply of Council owned homes to meet the growing demand will require the Council to pursue opportunities for open market land purchase as well as developing on existing land. 'Buy backs' of Council properties are also progressing.
- 1.24 The Housing team carries out extensive support work for all residents of Tandridge not just Council tenants. Housing Needs are assessed, the Council's Homelessness strategy is being progressed, Disabled Facilities Grants are administered, and a handy person service is provided. Administration of Housing Benefit is brought to the Housing Committee. Much of the work is governed and dictated by legislation, with considerable statutory returns required throughout the year.
- 1.25 Capacity within the team has been affected by previous changes and Covid-19. Despite these, there have been efficiency benefits seen through the close working of Revenue and Benefits teams with Housing Needs and Tenancy Management. 2021/22 saw the implementation of a new Revenues and Benefits collection system with additional customer direct access. Further work will be carried out over the next year to improve debt management, however there is a balance to be struck between resident support and enforcement action given the cost-of-living crisis and inability for residents to afford their rent. There have also been resource issues affecting the housing development programme. All teams have worked well together to seek new models of working to ensure that the full range of activities are covered. It is likely that the cost-of-living crisis will also mean more residents approach the Council for support with housing. This could increase demand on the service and will increase the use of bed and breakfast as temporary accommodation. This is not a situation that we have been used to at Tandridge but is reflective of the pressures faced by all local authorities.
- 1.26 The Housing Department continues to seek opportunities for shared services with neighbouring authorities. 2022/23 saw the introduction of the Afghan Refugee and Homes for Ukraine Schemes. Joint working between internal

teams and partnership working with colleagues from neighbouring authorities has led to the success of the implementation and ongoing management of these schemes. This work will continue into and most likely beyond 2023/24.

Planning Policy Committee

- 1.27 The Planning function is a key statutory function of the Council. The Planning Policy Committee is responsible for influencing and controlling development and use of land throughout the District in its role as Local Planning Authority. This includes:
- The preparation, adoption and review of all statutory Development Plans;
 - Administration of Building Control regulations;
 - All transport-related issues; and
 - Co-operation and liaison with agencies outside the Council in respect of conservation, heritage, economic development and other planning related issues.
- 1.28 Progress on the Local Plan was subject to a report to Planning Policy Committee on 22nd September 2022. The Committee agreed that the Council will not proceed with commissioning further work for the time-being on the emerging Local Plan. Local Plan funding will be treated as ringfenced whilst the future spending need is established, with anything not spent this year preserved for future use.
- 1.29 The Planning Transformation started in 2021 and has continued into 2022. Development Management and Planning Validation are moving towards having a full-time complement of staff with significantly reduced reliance on contract staff. This should reduce budgetary pressures moving forward into the 2023/24 financial year. Changes are also being progressed in working practices to improve efficiency and to allow staff more time to work on processing and determining planning applications.
- 1.30 The pre-application service restarted last year having been suspended for several months. This has begun to bring in additional income as part of the overall budget for the Committee.
- 1.31 Land Charges have now moved back into the Planning Policy Committee. This service is undergoing a digital transformation which is being funded by Government Grant.
- 1.32 The administration of the Building Regulations is delivered by the Council as the host of a shared service in partnership with Reigate and Banstead Borough and Mole Valley District Councils under the name Southern Building Control Partnership (SBCP) A draft budget has been prepared and presented to the SBCP Board which consists of a Member and Senior officer from each member authority.
- 1.33 The partnership member authorities require that the partnership sets a balanced budget which ensures that its costs are covered by income from its

chargeable services. The draft for 2023/24 includes items based on two key lines of enquiry: a) an increase in the support service recharge payable to Tandridge District Council and b) The delivery of an IT project to upgrade the partnership's Salesforce platform.

- 1.34 The Council is working with the Board to provide clarity around the methodology for the calculation of the support service recharge and mitigations should income fail to meet expenditure.
- 1.35 Tandridge District Council has a 35% share in the partnership and holds a ringfenced reserve to meet any deficit that may arise.
- 1.36 For 2023/24, because of the ongoing Planning Transformation programme and uncertainty in costs required for the emerging Local Plan, the Committee has not been required to identify efficiencies to close the budget gap, however the following pressures are included:
- Allowance for Planning Appeals - £40k – The Council is making a specific allowance in the budget to fund the expected cost of planning appeals. Previously these costs have been absorbed into the service budget;
 - Land Charges Income Pressure - £30k - Local Authorities generate income from third parties for providing Land Charges information (eg LLC1 information). Going forwards Central Government will provide LLC1 information to third parties. There will a loss of income to TDC.

Strategy and Resources Committee

- 1.37 The Strategy and Resources Committee's primary purpose is to enable and support frontline services with resource functions including Legal, Information Technology, Finance, Human Resources, Customer Services, Policy and Communications.
- 1.38 There are a small number of statutory services delivered in the Committee including Democratic Services, Emergency Planning and Revenues and Benefits, and some discretionary services including Wellbeing Prescription and Asset Management.
- 1.39 The Committee is also responsible for the Corporate Items section of the budget (2022/2023 budget is for a £601k surplus) which supports the whole Council. These include:
- Ensuring support costs are charged to ring-fenced business areas (HRA, Southern Building Control Partnership, Gryllus Ltd, Wellbeing Prescription, CIL and Land Charges).
 - Managing interest receivable, interest payable and investment property income.
 - Setting aside the appropriate revenue provision when investing in capital assets.
 - Reviewing pension fund performance against the pension funding position to assess the primary (part of salaries budgets) and secondary rate of contributions to cover the cost of new benefits.

- Accounting for the bank charges, bad debt provision movements/write-offs on sundry debts, and movements in reserves and contingency.
- 1.40 The budgetary position for the current financial year shows that Strategy and Resources support costs are forecast to overspend by £111k. This relates predominantly to a shortfall in rental income and increased election costs (the latter not fully recognised in the budget). While both are deemed to be ongoing issues, they are reflected in the Draft Budget position for 2023/2024. The budget includes a £50k increase in the target for rental income, including recovering the position against the current year's budget.
- 1.41 Corporate Items is forecasting a net surplus of £31k at outturn. Even though this is a small variance, there are significant corporate pressures for 2023/24 as detailed in Appendix B.
- 1.42 In last year's budget, the update reflected on the impact of Covid-19, noting that teams are responsive, adaptable and collaborative in tackling extreme challenges. In 2022/23, the Council received a Federation of Small Businesses award for Covid-19 Support and Recovery in the South-East, reinforcing this point. The Committee wants to build on this, to provide the Council with a more joined-up approach to support Strategy and Resource functions. Support services will be developed around a business partnering model, where roles and responsibilities are clear and service expectations are documented. An example of this is the Finance Business Partnering Agreement, and Budget Accountability Statements, which will act as a template document for other services. The overall aim is to enable frontline service delivery while minimising the cost to the Council.
- 1.43 Services within the Committee also aim to realise better customer experience and efficiency through digital innovation, subject to a separate update within this report. This is intended to help deliver a step change in the effectiveness of our services and to improve the support we provide to other policy committees.
- 1.44 As part of the Future Tandridge Programme, the Committee is continuing to pursue improvements to the delivery of its services and savings to the revenue budget. 2023/24 will see the implementation of the key lines of enquiry from the Future Tandridge Programme and associated savings of £956k, or approximately 14% of the net budget. Over the two years including 2022/23, the net saving will be closer to 20%. This reflects a desire to target savings toward support services wherever possible and maintain delivery of services to residents.

4. Budget Principles

- 1.45 The Council is working towards ensuring that the budget setting process adheres to the following guiding principles:
- A balanced revenue budget with the use of General Fund Reserves avoided in anything but unforeseen circumstances that cannot be met from contingencies or reduced spend elsewhere;
 - Maintaining and ideally building the contingency to provide further medium-term financial resilience and to mitigate risk;
 - Supporting and enabling the Council to fund the Future Tandridge Programme and associated improvements to its services;
 - Continuing to explore options to build resilience of General Fund Reserves, including through capitalisation direction applications to Government;
 - Completing the Future Tandridge Programme within available resources, delivering services with appropriately set budgets;
 - Producing evidence-based savings plans which are owned/delivered, tracked, monitored and reported monthly; and
 - Ensuring that managers are accountable for their budgets.
- 1.46 The principles more specifically relating to setting sustainable medium-term budgets are:
- Developing multi-year plans, integrated with capital investment across the Council;
 - Application of a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Committee budget envelopes, backed by formal reporting to committee;
 - Envelopes validated annually based on realistic assumptions;
 - Evidence bases used to underpin savings proposals and investments;
 - Assurance that all savings, pressures and growth are managed within budget envelopes to ensure accountability for implementation;
 - Pay and contract inflation allocated to Service budgets to be managed within budget envelopes; and
 - A corporate contingency held centrally to mitigate risk.

5. Revenue Budget Headlines

- 1.47 The Draft Budget is published approximately one month before the release of the Local Government Finance Settlement (expected towards the end of December), which brings some clarity to the level of funding for the coming financial year. Given the economic turmoil in recent months and the expected need to significantly reduce public sector spending, the Draft Budget has been prepared with a material level of uncertainty on the level of funding.
- 1.48 With that in mind, the Draft Budget has been built around a neutral scenario, as previously reported to this Committee, which assumes that reductions in Government funding are offset by an increase in Council Tax income and potentially through locally generated increases in business rates, including

gains achieved by pooling with other authorities. The report provides more details on each of these funding elements.

- 1.49 Assuming funding stays the same in overall terms, any pressures (required increases in the Council's budget) must be offset by a plan to make savings, or generate more income, by an equal amount. The level of budget pressures therefore determines the level of savings required.
- 1.50 There is a significant risk that funding will be insufficient to meet the current indicative budget, meaning that further savings may be required. This will be subject to consultation with Members in December, and may ultimately require formal consideration by Committees and full Council in January and February of 2023.

Overall Budget Position

- 1.51 The overall budget position at this Draft Budget stage is **a gap remaining to close of £0.3m**. Whilst the savings plan remains broadly unchanged from the 29th September 2022 budget update, pressures have increased significantly, from £1.7m to £1.9m. This is primarily due to inflation increasing again, to 11.1% for October's CPI, and increasing concern on the level of fee income, as set out below. Unless funding increases, £0.3m further savings may be required to balance to the 2023/24 budget. The overall summary is set out in Table 1, below.

Table 1 – Overall Budget Movements for 2023/24 and 2024/25

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	11,351	11,610	
Total Pressures	1,913	1,287	3,200
Total Savings	(1,654)	(52)	(1,706)
Net Funding Shortfall	259	1,235	1,494
Indicative Budget Requirement	11,610	12,845	

Budget Pressures

- 1.52 Total pressures are as follows, with further detail in Appendix B. Note that £1.2m of the Corporate Pressures are temporarily held on behalf of other committees (including inflation allocations and pay provision).

Table 2 – Summary Pressures for 2023/24 and 2024/25

Pressures

Committee	Pressure		
	2023/24 £000	2024/25 £000	Total £000
Community Services	276	0	276
Housing GF	117	0	117
Planning Policy	70	0	70
Strategy & Resources	45	0	45
Total Service Pressures	508	0	508
Corporate Items	1,405	1,287	2,692
Total Pressures	1,913	1,287	3,200

2023/24 Service Pressures - c£0.5m, including

- **£337k Service demand changes** – notably £100k Housing Benefit budget restructure, £75k trees including Ash dieback, £40k providing for planning appeals,
- **£171k Loss of Income** – including £70k parking income, and £50k of cesspool income.

2023/24 Corporate Pressures – c£1.4m, notably:

- **£750k Inflation** – A centrally held allowance to cover the net inflation on contract costs, offset by an expectation that some fees

and charges will increase. Fees and charges increases will be subject to discussion with Members and approval by Committee. The underlying assumption on inflation is based on 11.1% - based on recent CPI, however there are a number of areas where contracts are subject to their own, much higher, inflation pressures which have been factored into the total. An example of this is in electricity where we expect the cost (c.£225k for the General Fund in 2022/23) to double to £450k in 2023/24.

- **£305k Pay and Increments** – This allows for a future discussion with members on the appropriate level of pay award for 2023/24, which should be held after the Local Government Finance Settlement, when affordability constraints are clearer.
- **£150k Review of Charges to the Housing Revenue Account** – A review under way in 2023/24 suggests that charges to the HRA for officer time should be reduced by £150k in 2023/24, as the balance of their work has shifted to the General Fund.
- **£200k Contingencies** – This is based on a requirement to provide adequate contingency within the budget to acknowledge increased risks in the operating environment, not least from inflation, pressures on providers and the impact of economic pressure on our residents' ability to pay for services.

6. Future Tandridge Programme Update

- 6.1. This report section of the updates the Committee on the Future Tandridge Plan, dovetailing into the 2023/24 budget process whilst also seeking approval on the recommended way forward in the Communications, Assets and FM, Ops and Localities and Digital.

The programme approach was set out in the report to the Strategy and Resources Committee on 1st February 2022.

This identified two broad phases:

Phase 1 - mobilisation and design – c6 months

Phase 2 – delivery – c12 months

Phase 2 of the programme was approved by the Strategy and Resources committee on 29th September with funding of resources required to deliver the programme objectives approved for the first six months, to March 2023.

Phase 2 – approach to delivery

Through the delivery phase, the governance and workstream structure for the programme has been shaped as follows, with Member engagement and consultation throughout:

- 6.2. The development of the leadership and organisational development workstreams will continue to be overseen through the **Target Operating Model (TOM) Development Group** along with the overall development of the operating model. This group will be chaired by the Chief Executive and will, in set the guiding principles for the development of the FTP.

- 6.3. As change projects are approved for delivery these will be overseen by the **Programme and Benefits Delivery Board** which will be chaired by the Chief Finance Officer.

Below is a brief recap on the 5 workstreams that will form the Programme structure through Delivery:

Leadership

- Senior Management restructure – building a new senior management team equipped to lead and deliver the Future Tandridge Programme and its outcomes.
- Strategic Plan – the development of a new corporate vision and a new Strategic Plan to guide the Council from 2023/24.

Organisational and Workforce change

- Implementing leaner management and service structures to deliver the new operating model.
- Creation of a workstream that delivers the staffing savings as determined by the service reviews.
- Developing a consolidated People plan to support the delivery of the FTP.

Operations and Localities Transformation

- A project team will be established to deliver the recommendations set out in the report to Community Services Committee.

Digital and Customer Services Transformation

- A project team will be established to take forward the further development of the Digital and Customer Services transformation project, leading to a full business case for consideration and approval at a future Committee meeting, An update on progress is provided in Appendix G.

Service Improvement Plans Delivery

- A workstream to oversee the delivery of the remaining service improvement plans and their associated savings.

7. Summary of Service Reviews

- 7.1. A summary of progress for each of the service reviews is included as Appendix C, along with a RAG assessment of current confidence in delivery of target savings and the quality and depth of the review undertaken.
- 7.2. This overview is split between those reviews which come under the Housing and Community Services Committees and those which are the responsibility of the Strategy & Resources Committee.
- 7.3. The table below summarises the overall expectation of savings for the Future Tandridge Programme, setting out total savings to be delivered over the current and following financial years, along with a high-level indication of the

target saving as a % of the 2022/23 net budget before savings. A proposed savings plan of £1.7m for 2023/24 is set out in Appendix B.

Table 3 – Summary Savings Across 2022/23 and 2023/24

Service Area	Original Budget (Before Savings) £000	Total Saving 2022/23 to 2023/24 £000	% Saving	2022/23 Savings Target £000	2023/24 Savings Target £000
Ops and Localities	1,348	311	23%	72	239
Waste	2,284	184	8%	111	73
SBCP	0	100			100
Regulatory	277	42	15%	16	26
Community Partnerships*	418	100	24%	50	50
Housing Statutory*	378	20	5%	20	0
Subtotal before External Funding	4,705	757	16%	269	488
Housing Statutory - External Funding		220		10	210
Communities and Housing in Current Scope	4,705	977	21%	279	698
Asset Management	596	223	37%	111	112
Comms	310	123	40%	76	47
IT	1,317	173	13%	138	35
Customer Services	636	173	27%	45	128
Human Resources	382	104	27%	39	65
Democratic Services	569	15	3%	7	8
Legal	477	67	14%	43	24
Revs & Benefits	535	142	27%	42	100
Finance	914	41	4%	41	0
Management Structure	1,555	450	29%	125	325
S&R Services & Management in Current Scope	7,291	1,510	21%	667	844
Corporate	(343)	277		165	112
Total in Current Scope	11,653	2,764	24%	1,111	1,654
Outside Current Scope (e.g. Planning & Parking)	809		0%		
Grand Total	12,462	2,764	22%	1,111	1,654

*The budget for the Westway contribution is held in the Housing Committee, but is being managed through the Community Partnerships review

7.4. The programme has aimed to prioritise savings in S&R services and through the management structure, with the larger percentage savings in those areas. The saving planned within the Housing General Fund Committee is predominantly through making more efficient use of external funding and not directly related to service delivery; although structures will be reviewed within the existing budget to ensure that they are robust, resilient and efficient.

Strategy and Resources Committee

Detailed business cases have been developed and included in Appendix D and E. Key recommendations from the business cases include:

Communications

To reduce the communications service specification and in turn the size of the team to deliver that work, to establish a smaller in-house service. This would achieve the savings target and allow the Council to maintain control of its communications whilst it establishes future direction.

Secondly, to put the service through the commissioning cycle over the next six months, including the engagement of Members in establishing priority outcomes for a future Communications service. The service will also seek other savings as contracts come up for renewal, or when working practices change.

Assets and FM

Property roles and responsibilities within the Assets and Community Surveying team including the option for an integrated Property Service delivery model.

A review of the property portfolio with identification of redevelopment opportunities and key assets. The portfolio will be split into segments – community, operational, regeneration, stewardship, economic growth, legacy investment, investment and those suitable for development or disposal. The commercial potential of our existing property portfolio will be assessed against current and future TDC needs. Opportunities that are emerging from new patterns of usage of Council buildings which will allow the release of commercially viable accommodation and or residential development potential.

Market analysis and financial appraisal to determine what the appetite is for increasing the renting out of existing TDC owned offices including the Council offices.

- 7.5. A summary of those services which fall under this Committee has been set out in Appendix C, along with target savings identified for delivery in 2023/24 and options under consideration for future delivery models.
- 7.6. The Committee are asked to consider the direction of travel and the associated savings for these services. Further analysis is required in some areas and, where necessary, business cases will be brought back to a subsequent committee for approval. Appendix I details the service areas and committee decision timings.
- 7.7. As mentioned above, business cases for Assets and FM and Communications are set out to this committee, and further details can be found in Appendix D and E. Work is also underway to develop the business case for Digital and Customer Services Transformation which provides a strong opportunity to

transform the resident experience and customer services function through investment in digital technology as presented to the All-member briefing on 20th September. The business case will be brought back to a future committee meeting, however an update on the development of the business case, including the required investment and benefits can be found in Appendix G.

7.8. Detailed planning has progressed in the service reviews and savings milestones have been identified, these form part of the delivery plan, which can be found in Appendix H.

7.9. **Risk update**

As part of the delivery phase, all programme level risks are recorded in a risk register and reviewed and updated/scored regularly. Fortnightly meetings are also in place with the EMT stakeholders to review progress and discuss and agree mitigating actions against risks to delivery highlighted by the EMT.

The latest Risk register can be found in Appendix J.

8. National Funding Context – Background

1.53 On the 6th September 2022, Liz Truss was appointed as Prime Minister. A major premise of the new Government's approach was an intention to stimulate growth in the economy, create jobs and reduce the tax burden.

1.54 On 23rd September, the then Chancellor of the Exchequer set out a series of announcements as part of the 'Growth Plan 2022'. A lack of detailed costing in these plans, and updated fiscal forecasts by the Office for Budget Responsibility (OBR) led to turmoil in the financial markets; the pound fell to a record low of \$1.03 and the cost of Government borrowing rose sharply. The Bank of England stepped in to stabilise markets by announcing an emergency bond buying scheme.

1.55 Shortly afterwards, many of the Government's proposals were reversed by a new Chancellor and a new Prime Minister, but high cost of borrowing remains a feature of the economy.

1.56 From a Local Government perspective the level of turmoil has given very little certainty over the contents of the Local Government Finance Settlement (LGFS), with spending constraint expected for all Government departments. Overall, even with the recent reversal of proposed tax cuts, it is highly unlikely public spending will increase. Against this backdrop, funding arrangements continue to remain uncertain.

1.57 Usually, spending reviews in late October confirm some current budget assumptions. However due to the late Autumn Statement, there is little early indication of the impact of economic policy on Local Government.

1.58 Alongside the political turmoil, between December 2021 and November 2022 the Bank of England (BOE) has increased its base rate at 8 consecutive meetings, taking the base rate from 0.1% to 3% which is the highest level in 14 years. The BOE is attempting to quell rising inflation which is now well above the BOE's official target of 2%. Predictions are that the base rate will continually rise to 4.8% by July 2023. This impacts favourably on the Council's investment returns, but also increases the cost of borrowing. The full impact of this will be considered in the Capital, Investment and Treasury Management Strategy to Investment Sub-Committee in January, but it simplistically means we should limit new borrowing by using cash reserves to fund the capital programme.

9. Funding Assumptions - including Draft Council Tax Base

1.59 The most significant influence on the Council's funding is the long-awaited implementation of fundamental Government funding reform; particularly any changes to the retention of Business Rates, Lower Tier Services Grant and New Homes Bonus. Again, as there hasn't been any further information on these yet, clarity is expected in the Provisional Local Government Finance Settlement in mid-December.

1.60 At this Draft Budget stage, it is assumed that funding stays flat at **£11.351m** for 2023/24. This represents the neutral scenario as presented to committee on 29th September 2022. No material new announcements have been made since. The key assumptions behind this are set out in the sections below. Funding for 2024/25 is unclear at present, since Government plans for funding reform have been disrupted by the turmoil in Government over the course of 2022.

Table 4 – Summary Funding Assumptions across 2022/23 and 2023/24

	2022/23 £000	2023/24 £000	Change £000
Council Tax Precept	8,937	9,181	244
Business Rates	1,633	2,106	473
Grant Funding	785	167	(618)
Funding before collection fund	11,355	11,454	98
Council Tax Collection Fund	(5)	(102)	(98)
Local Equalisation Reserve & Pooling Gain	0	0	0
Total Funding	11,351	11,351	0

Council tax funding £9.2m Core Council tax funding increase

1.61 Currently, the Council can increase its Council Tax charge by 1.99% or £5 (if higher) without the need for a referendum. The Autumn Statement indicated that the percentage limit would increase to 2.99%, however was silent on whether the £5 limit would also be changed. The Draft Budget currently

assumes a £5 (2.2%) increase, resulting in an additional £0.2m in 2023/24. Discussions on the final level will commence in the lead-up to the final budget.

Council Tax base

- 1.62 In October, the Council submitted the scheduled return on the quantification of the tax base (the number of Band D equivalent properties). The review confirmed a 0.5% increase in the base. The reasons for this growth are related to increases in property numbers, properties in higher bands and lower subsidies for exemptions, discounts and Council Tax support.
- 1.63 The tax base is then adjusted for an estimate of collectability. Due to the economic climate, we are proposing to maintain the adjustment at 1.2% despite ongoing work to increase collectability. This includes efforts with the County and other Districts to share best practice and review cost of collection.
- 1.64 Changes to the tax base results in an increase in funding of £0.05m in 2023/24.

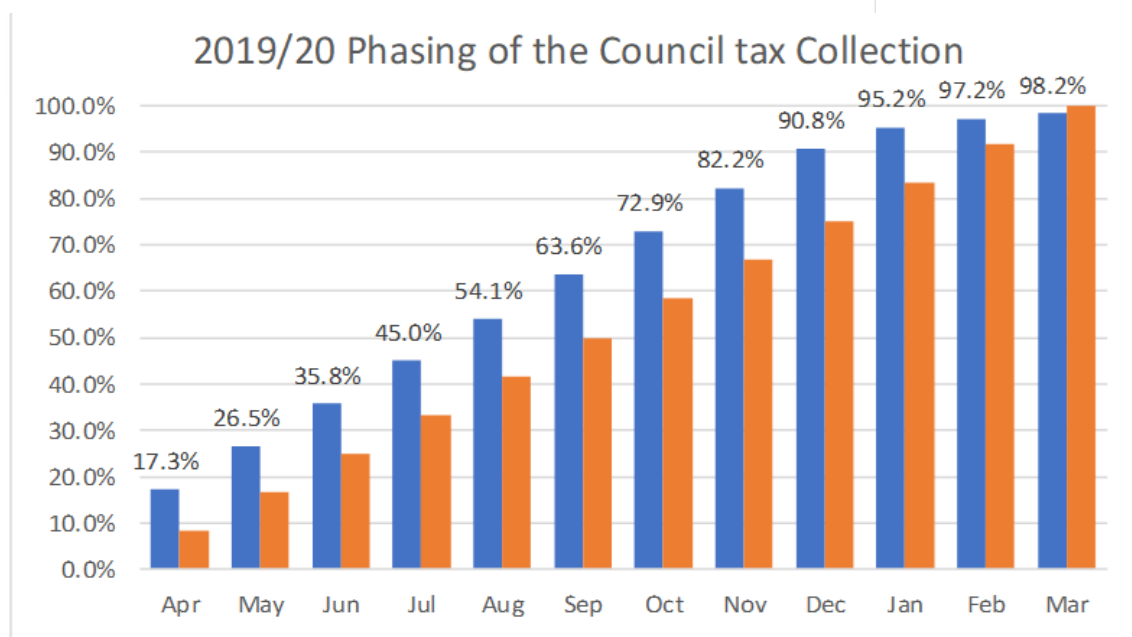
Recommendation: To approve that the gross Council Tax Base for 2023/24 is determined at 39,377.5 after taking account of the Council's agreed Council Tax Support Scheme, and the net Council Tax Base for 2023/24 is determined at 38,904.9 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes.

Collection Fund Performance

- 1.65 The Council Tax collection fund is a ringfenced account to collect, hold and distribute the four precepts (Surrey County Council, Surrey Police and Crime Commissioner, Parishes and the Council). The Collection Fund deficit is distributed only across the two main preceptors (SCC and SPCC) and this Council being the Billing authority – i.e.: we bear the risks and benefits from the Parishes' collection fund. Following Covid-19 the performance has been hard to project.

Table 4: Council Tax Collection Performance over the last four years and the usual collection trend. 2019/20 is provided as a comparator, being the last year before Covid-19 began to impact.

	Apr	Sep	Mar
	%	%	%
19/20	17.3	63.6	98.2
20/21	16.4	61.8	97.3
21/22	16.9	63.6	97.4
22/23	16.6	61.7	



[Blue Actual vs Orange Target]

- 1.66 In the December 2020 Spending Review, the Chancellor dictated that any Collection Fund Deficits due to Covid-19 should be spread across three financial years (2021/22, 2022/23 and 2023/24). The collection fund figures include the final year of that spread.
- 1.67 Collectability rates on the tax base are still lower than pre-Covid years. This reflecting both the impact of Covid-19 and the inflationary impact from Ukraine on either energy or trade issues.
- 1.68 With the implementation of the Northgate system for Collection Fund Management, there will be more opportunity to review historic debt levels. HM Inspectorate of Court Administration has reopened the debt recovery system which should also improve performance. A £50k resource was approved to pursue increased debt collection but the Council has so far found it challenging to recruit to associated posts. Work to progress this or identify an alternate solution continues.

1.69 Currently there is an estimated collectability rate of 98.8%. However due to the ongoing impact of inflation and cost of living pressures, this will need to be carefully managed during the year.

1.70 Based on the above, the assumed collection fund deficit for 2023/24 is **£0.1m.**

Council Tax discounts and exemptions

1.71 There are no changes to any of the discounts, premiums and exemptions to Council tax for 2023/24.

Business Rates funding £2.1m

1.72 Business Rates funding is a headline term incorporating several separate elements:

- **Directly retained Business Rates income** - Local businesses pay Business Rates net of reliefs and discounts directly to TDC (**expected c£17m for 2023/24**) This has reduced by £4m since 2021/22, reflecting ongoing Covid-19 reliefs. This is adjusted as follows:
 - o **Retention:** The amount retained after Surrey County Council (10%) and Central Government (50%) are allocated their shares. The remaining 40% - **c£7.0m** - is allocated to the Council;
 - o **Reliefs:** Nationally set Business Rate reliefs subsidised by Central Government through Section 31 grants - This refers to Section 31 of the Local Government Act 2003 which enables Government to reimburse Local Authorities for the cost of subsidising Business Rates eg: Retail Reliefs. For the Council S31 grants equate to approximately **£3.4m**;
 - o **Tariff and Levy:** A tariff is then applied because the Council generates more funding than Central Government calculate we require (**c£8.0m**), **plus a levy based on growth (£0.3m)**;
 - o Leaving an amount of funding for Council services equal to the **c£2.1m.**

1.73 £2.1m of overall Business Rates funding represents a net increase of £0.5m on the 2022/23 projection. This increase is based largely on the total of core business rates and S31 grants, at £10.4m against the 2022/23 estimate £10.0m. Within that increase:

- o S31 grant projections have increased from £1.6m to £3.4m, (£1.8m increase)
- o Underlying rates reducing from £8.4m to £7.0m. (£1.4m reduction)
- o This reflects the ongoing support provided to business by Government.

These changes are based on the Council's Government Return for business rates (NNDR1) for 2022/23.

The 2023/24 total rates have also been validated against external advice provided by LG Futures, external Local Government funding advisors, in an update provided on Friday 11th November. The projections are based on an assumptions of 2023/24 income that will continue to be refined as the budget is finalised. The pooling gain from 2021/22 has yet to be finalised, but when confirmed will mitigate funding risks in the budget.

Grant Funding

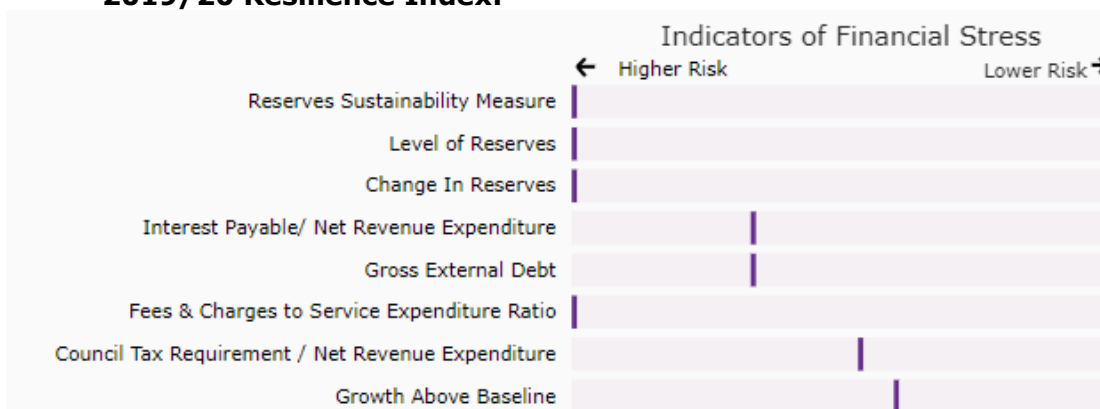
- 1.74 The Draft Budget for 2023/24 has been formulated on the basis that previous Government funding, including the Service grant, Lower Tier grant and the New Homes Bonus funding continue in reduced form. **An estimated £0.2m** has been included in the budget on this basis. We are awaiting confirmation in the Local Government Finance Settlement to determine the final allocations.

10. Reserves Update and CIPFA Resilience Index

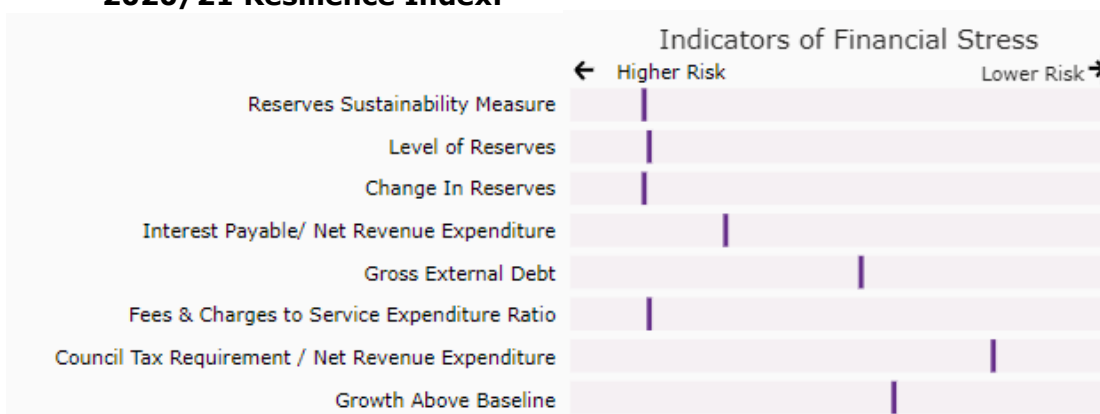
- 1.75 General Fund Reserves in the 2022/23 budget were set at £3.0m. Although 2021/22 was completed with a surplus of £458k, the majority of this was set aside as additional contingency or for approved spending pressures. The 2022/23 current forecast of a deficit of £447k means that underlying reserves are likely to remain at c£3.0m for 2023/24. This is an achievement given the volatile economic pressures and unexpectedly inflation, however leaves the Council in the same overall position of needing to increase its reserves resilience.
- 1.76 As part of the 2022/23 budget setting process, Council approved a request to DLUHC for a capitalisation direction to fund the transformation programme and replenish reserves. This was to be funded by the anticipated sale of the Redstone building.
- 1.77 Consequently, in January 2022, the Council requested a capital dispensation from DLUHC to initially replenish General Fund Reserves and secure flexibility for a further amount to fund transformation. The Council received notification on Wednesday 31st August that Government had refused the application. The refusal was based on the Government's "assessment of the Council's overall financial position, including our current level of reserves, and the steps currently underway in the Council to meet the identified budget pressure."
- 1.78 In the meantime, sector-wide flexibility to use capital receipts to fund transformation programmes has been extended, so plans to fund the Future Tandridge Programme remained intact.
- 1.79 Since that point, officers including the Chief Executive and Chief Finance Officer continue to meet with DLUHC representatives to update them on our current financial position and the challenges ahead. Given that there has been no material improvement to reserves since the capitalisation was last requested, officers intend to resubmit the application immediately following the publication of the Local Government Finance Settlement in December, unless sufficient funding is received to give complete confidence over the Council's reserve position.
- 1.80 The 2022/23 Budget and Medium-Term Financial Strategy Council in February also provided an update on the Council's performance in the CIPFA resilience index, based on provisional 2020/21 data. CIPFA has now released

the final data for 2020/21. The two most recent years data are set out below:

2019/20 Resilience Index:



2020/21 Resilience Index:



- 1.81 Although the index is showing improvements in reserves sustainability, the level of reserves held, compared to other authorities is low. In addition, the index for 2020/21 was significantly impacted by Covid-19 funding, which in many cases was received at the end of the financial year and contributed to reserves, resulting in some authorities showing significant increases in levels of reserves (especially due to Collection Fund S31 grants spread across the three years) as at March 2021. Therefore, CIPFA recommends that it is viewed in the context of being a transitional year.
- 1.82 2021/22 data has not yet been released but will be analysed for the Final Budget report for February 2023, if it is available.

11. Draft Capital Programme 2023/24 to 2025/26

- 1.83 This section of the report provides an update on the development of the Capital Programme for 2023/24 to 2025/26, taking into account work that has been carried out by officers in recent weeks. Further work is being undertaken to review proposed allocations in advance of presenting a Final Budget Report, ensuring finalised costs of borrowing are included in the Revenue budget as part of the Final Budget Report in February 2023. The Capital Programme is based on assumed spending need, and will include allocations for items such as IT hardware replacement. Members will be consulted on which of these, if any, require further detailed business cases before spend can be undertaken.
- 1.84 Councils are permitted to borrow to fund capital expenditure, as long as that borrowing is deemed affordable, prudent and sustainable. Councils can also fund capital expenditure from the proceeds of selling assets (called capital receipts).
- 1.85 The Capital Programme sets out our expenditure plans and how we will pay for them over a three-year period. The current three-year Capital Programme was approved by Council in February 2022. The Capital Programme has been refreshed as part of developing the Draft Budget but further work will continue up to the final budget.
- 1.86 The Capital Programme is funded from a combination of external and internal resources. External funding is mainly in the form of Central Government grants and Community Infrastructure Levy (CIL). Internal funding takes the form of locally raised funds such as borrowing and capital receipts. There are significant constraints on the availability of internal funds, particularly capital receipts, which are finite in nature and depend upon identifying surplus assets for sale or disposal.
- 1.87 Borrowing to fund the Capital Programme has an impact on the revenue budget in the form of interest payments and Minimum Revenue Provision (MRP) payments. The more that is borrowed to fund the Capital Programme, the greater the impact on the revenue budget. MRP is the minimum amount which the Council must charge to its revenue budget each year, to set aside a provision for repaying both external borrowing (loans) and internal borrowing. This is an annual revenue expense in the Council's budget. The cost of MRP to the 2023/24 budget is estimated to be £1.2m, pending confirmation of final borrowing figures for 2022/23. This represents no increase on the 2022/23 budget. This will be achieved through using capital receipts to reduce repayments either by repaying previous debt or avoiding new debt.
- 1.88 The Council's current MRP policy was approved by Council in February 2022. The annual charge is currently calculated using the annuity method, where MRP is the principal element for the year of the annuity required to repay borrowing over the asset's useful life. The policy for 2023/24 will be included as part of the Final Budget report.

1.89 All borrowing for capital schemes takes place within agreed prudential limits which establishes a benchmark for affordability and sustainability. A range of indicators are maintained to demonstrate this. These indicators are maintained within the Council’s Capital, Investment and Treasury Management Strategy and are monitored and reported to the Investment Sub Committee and Council on a regular basis. The Capital, Investment and Treasury Management Strategy demonstrates how the borrowing requirement will be managed. This strategy will be set out as part of the Final Budget papers in February 2023.

The table below shows the draft three-year General Fund Capital Programme and how it is planned to be funded for 2023/24 to 2025/26.

Table 5: Summary Capital Programme

	2023/24 £000	2024/25 £000	2025/26 £000	Total Programme £000
Planning	500	741	0	1,241
Community Services	990	1,063	1079	3,131
Housing General Fund	503	504	505	1,511
Strategy & Resources	1,822	475	170	2,466
Total Capital Programme	3,814	2,782	1,753	8,349

	2023/24 £000	2024/25 £000	2025/26 £000	Total Programme £000
External Funding/Grants	1,753	879	880	3,511
Community Infrastructure Levy	500	741	0	1,241
Capital Receipts	0	0	0	0
Borrowing	1,562	1,163	873	3,597
Total Capital Programme	3,814	2,782	1,753	8,349

Community Services

1.90 The proposed three-year Capital Programme 2023/24 to 2025/26 for Community Services is £3.1m. The schemes comprise of:

- UK Shared Prosperity Fund – Delivery of Open Space Strategy £1.0m;
- Children’s Playground Improvements - £0.4m;
- Vehicle Replacement Programme - £0.4m;
- Parks, Pavilions and Open Spaces - £0.3m;
- Garden Waste, Recycling, Food Waste and Refuse bins - £0.3m;
- Car Park Equipment Replacement Programme - £0.1m; and
- Projects collectively below £0.1m: Replacement litter bins, Land Drainage Works, Plant and Machinery Replacement Programme.

Housing General Fund

1.91 The proposed three-year Capital Programme 2023/24 to 2025/26 for the Housing General Fund is £1.5m. This is the Disabled Facilities Grants (DFG) programme which is funded from DFG.

Strategy and Resources

1.92 The proposed three-year Capital Programme 2023/24 to 2025/26 for Strategy and Resources is £2.5m. The schemes comprise of:

- Asset development programme - £1.7m;
- IT Hardware and Infrastructure Projects - £0.7m; and
- Council Offices major works programme - £0.1m.

Planning Policy (Community Infrastructure Levy)

1.93 The proposed three-year Capital Programme 2023/24 to 2025/26 for Planning Policy is £1.2m. This is made up of grants and contributions to third parties for capital projects and are funded from CIL.

Housing Revenue Account

1.94 The draft HRA Capital Programme is funded from the following sources, as shown in the table below:

Table 6 – HRA Capital Programme

	2023/24 £000	2024/25 £000	2025/26 £000	Total Programme £000
HRA	15,398	12,731	3,945	32,074
HRA Capital Receipts/Reserves	9,012	9,012	3,945	21,969
Borrowing	6,386	3,719	0	10,105
Total HRA Funding	15,398	12,731	3,945	32,074

1.95 The proposed three-year Capital Programme 2023/24 to 2025/26 for the Housing Revenue Account is £32.1m. This is made up of:

- Council House Building Programme - £20.8m;
- Improvements to Housing Stock - £11.1m; and
- IT Hardware and Infrastructure Projects - £0.2m.

1.96 The HRA will fund its Capital Programme from capital receipts, reserves and borrowing. The HRA has three separate reserves it can draw upon; the New Build Reserve, Repairs Reserve and Major Repairs Reserve. The HRA is also

able to use retained receipts from Right-to-Buy sales to fund part of the expenditure on building new HRA stock. The HRA can also borrow to fund its Capital Programme using the rental income to cover the cost of interest and principal repayment. There is no requirement for the HRA to make MRP payments.

- 1.97 In general, uncertainty remains over the economic backdrop. Inflation remains at extremely high levels and a continued upward trend will drive up costs of scheme delivery. Uncertainty on the path of interest rates has increased significantly due to the possible risk of unknowns including further tax changes. The risk remains that interest rates will continue to increase thus putting further pressure on revenue financing costs that the Council will need to manage.

12. Medium Term Financial Strategy

- 1.98 Under normal circumstances, the Council would aspire to a three or five-year Medium-Term Financial Strategy, making clear the level of resource available to deliver priorities and core services. However, given significant uncertainty of the economic volatility on long-term Government funding, along with aspirations to fundamentally reform the funding system, the Draft Budget can only sensibly comment on the potential gap for 2023/24 and the following financial year.
- 1.99 Section 8 sets out the 2023/24 funding position in detail. It is anticipated that funding will stay broadly flat into 2024/25. This is based on an increase in Tax Base, a £5 increase in the Band D rate, offset by further reductions to Government funding.
- 1.100 The outlook for 2024/25 assumes further cost pressures (corporate and service) of £1.3m, including inflation, allowance for a further pay award and a £0.6m allowance for service pressures yet to be quantified. Assuming funding does remain flat, a £1.3m savings programme would therefore be required in 2023/24 in broad alignment with previous years.
- 1.101 The Council's Strategy will be to continue to pursue savings to deliver a sound and balanced budget, rather than rely on reserves. In light of the significant economic challenges affecting the operating environment, particularly inflation and a suppression of income from fees and charges, the aspiration should be to avoid depleting reserves further and grow where possible.
- 1.102 Further development of the Medium-Term Financial Strategy will take place as part of the work to prepare the Final Budget.

13. 2022/23 Financial Performance

1.103 **Revenue Performance as at Month 6 (September):** An £11.351m General Fund expenditure budget was approved in February 2022. The budget was then redistributed in April and June for the allocation of savings previously held corporately, after consideration and approval by committees. The overall budget was unchanged.

1.104 Against this revised budget, the forecast as at M6 (September) is £11.8m; a forecast deficit of £447k. This is set out below in summary form, with full details on the Q2 Budget Monitoring report. The ongoing effect of these pressures have been built into this draft budget where analysis deems them to have a 2023/24 impact that cannot be addressed within existing budgets.

Table 7: Month 6 Financial 2022/23 Performance

	2022/23			One-off events £k	Ongoing Pressures £k
	Forecast	Annual Budget	Outturn		
	at M06 £k	Budget £k	Variance £k		
Community Services	4,375	4,051	324	(27)	351
Housing General Fund	432	476	(44)	0	(44)
Planning Policy	1,290	1,204	86	25	62
Strategy & Resources	6,333	6,222	111	7	104
Corporate Items	(632)	(601)	(31)	(115)	84
General Fund	11,798	11,351	447	(110)	557
Central Funding	(11,351)	(11,351)	0	0	0
Overall after central funding	447	0	447	(110)	557

14. Next Steps

- 14.1. Subject to any comments from this Committee on the updates for each service area, Officers will continue to develop and deliver their plans for the improvements and savings identified. Where appropriate and necessary, additional business cases will be brought to a future Committee for review.
- 14.2. A reserve list of savings required to address a potential funding shortfall will be developed with Members who will be consulted during December as part of the budget process.
- 14.3. The budget process will continue as set out in the covering report.

APPENDIX B - OVERALL PRESSURES & SAVINGS

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	11,351	11,610	

Pressures

Committee	Pressure		
	2023/24 £000	2024/25 £000	Total £000
Community Services	276	0	276
Housing GF	117	0	117
Planning Policy	70	0	70
Strategy & Resources	45	0	45
Total Service Pressures	508	0	508
Corporate Items	1,405	1,287	2,692
Total Pressures	1,913	1,287	3,200

Savings

Committee	Saving		
	2023/24 £000	2024/25 £000	Total £000
Community Services	(388)	(10)	(398)
Housing GF	(210)	0	(210)
Planning Policy	0	0	0
Strategy & Resources	(519)	(42)	(561)
Corporate Items	(537)	0	(537)
Total Savings	(1,654)	(52)	(1,706)

Net Funding Shortfall	259	1,235	1,494
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Indicative Budget Requirement	11,610	12,845
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COMMUNITY SERVICES

		2023/24 £000	2024/25 £000	Total £000
Brought forward budget		4,051	3,939	
Pressures				
Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Service demands	O Licence for Depot Vehicles - This is an £800per month new requirement.	10		10
Income pressures	Cesspool income reduction	50		50
Income pressures	Parking Income Pressures	70		70
Income pressures	Bulky waste revenue lower than expected on introduction of the service	11		11
Service demands	Environmental Health Shared Service cost increases incurred by Mole Valley District Council, including staffing pressure and database running costs	60		60
Service demands	Trees - Health and Safety work including Ash Die Back	75	0	75
Total Pressures		276	0	276
Savings				
Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP Service Review	Operational Services	(312)	0	(312)
FTP Service Review	Regulatory services	(26)	(10)	(36)
MTFS Savings Approved Feb 2022	Communities and Partnerships - Westway Funding	(50)	0	(50)
Total Savings		(388)	(10)	(398)
Net movement for committee budget		(112)	(10)	(122)
Indicative Budget Requirement		3,939	3,929	

HOUSING GENERAL FUND

		2023/24	2024/25	Total
		£000	£000	£000
Brought forward budget		476	383	
Pressures				
		Pressure		
Theme	Description	2023/24 £000	2024/25 £000	Total £000
Service demands	Environmental Health Shared Service cost increases	7	0	7
Income Pressures	Meadowside Mobile Homes Sales Commission (removal of one off saving from last year)	10		10
Service demands	Housing Benefit Budget Restructure	100	0	100
Total Pressures		117	0	117
Savings				
		Saving		
Theme	Description	2023/24 £000	2024/25 £000	Total £000
External Funding	Deploy Homelessness Funding to meet legitimate costs in Housing General Fund	(210)	0	(210)
Total Savings		(210)	0	(210)
Net movement for committee budget		(93)	0	(93)
Indicative Budget Requirement		383	383	

PLANNING POLICY

		2023/24 £000	2024/25 £000	Total £000
Brought forward budget		1,204	1,274	
Pressures				
Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Income Pressures	Local Authorities charge income from third parties for providing Land Charges information (eg LLC1 information).Going forwards Central Government will provide LLC1 information to third parties. There will a loss of income to TDC	30	0	30
Service demands	Allowance for planning appeals	40	0	40
Total Pressures		70	0	70
Net movement for committee budget		70	0	70
Indicative Budget Requirement		1,274	1,274	

STRATEGY AND RESOURCES

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	6,222	5,748	

Pressures

Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Service demands	TDC Elections Funding - Budget Review	20	0	20
Service demands	Move from no designated Health and Safety provision in TDC to shared H&S role with Elmbridge BC	25		25
Total Pressures		45	0	45

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP Service Review	Customer Services	(128)	(42)	(170)
FTP Service Review	HR	(65)	0	(65)
FTP Service Review	IT	(35)	0	(35)
FTP Service Review	Revenues and Benefits	(100)		(100)
FTP Service Review	Democratic Services	(8)		(8)
FTP Service Review	Assets and FM	(112)	0	(112)
FTP Service Review	Communications	(47)	0	(47)
FTP Service Review	Legal	(24)	0	(24)
Total Savings		(519)	(42)	(561)

Net movement for committee budget	(474)	(42)	(516)
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Indicative Budget Requirement	5,748	5,706
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CORPORATE ITEMS

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	(602)	266	

Pressures

Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Corporate items	Minimum Revenue Provision - increase to fund 2022/23 capital programme	188	0	188
Corporate items	Assume the use of Redstone Receipt to offset MRP increases	(188)	0	(188)
Corporate items	Review Housing Revenue Account and General Fund allocations	150	0	150
Corporate items	Contingency & Reserves	200	0	200
Corporate Items - subtotal		350	0	350
Pressures held on behalf of other committees				
Staffing	Staffing pay award - allowance pending further discussion and approval	220	227	447
Staffing	Staffing increments	85	85	170
Service Demands	Contract and utilities inflation	750	375	1,125
Service Demands	Assumption of service pressures in 2024/25		600	600
Pressures held on behalf of other committees - subtotal		1,055	1,287	2,342
Total Pressures		1,405	1,287	2,692

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP - Management Structure	Management restructure	(325)	0	(325)
Fees and Charges	Annual review of all recharges to and from the General Fund	(112)	0	(112)
Fees and Charges	Southern Building Control Hosting, IT Development and cost sharing	(100)	0	(100)
Total Savings		(537)	0	(537)
Net movement for committee budget		868	1,287	2,155
Indicative Budget Requirement		266	1,553	

S&R Report
1st December 2022
Appendix C – Service Review updates

Service Review Overview – November 2022

Service	Head of Service	Target Savings (000's)	Savings confidence	Operating model review	Delivery model options	Staff savings
Commissioned externally						
Operations and Locality incl Waste	Simon Mander	£312		Y	Outsourced model being explored	Y
Southern Building Control Partnership	Angela Hughes	£100		Y	Shared service/Arms length	N
Regulatory Services	Alison Boote	£51		N	Shared service with Mole Valley, looking at standardising approach	N
Commissioned in house						
Assets and FM	Alison Boote	£112		Y	In house model/work with delivery partners	Y
Community Partnerships	Julie Porter	£50		Y	In house model	N
Housing HRA	James Devonshire	Subject to separate fund		Y	Potential expansion with other councils	Y
Housing Statutory	James Devonshire	£200		Y	Revised in house model	Y

Service Review: : Operations and Locality incl Waste		Report Date: October 2022	Overall RAG status		Amber
Workstream lead :	Stuart Crichton		Committee:	Community services	
Summary of Current Status:			Critical areas of focus (High priority KLOEs)		
<p>Work on the improvement plan has started and Stuart Crichton has been employed to help deliver the plan. A review of the grounds maintenance data has commenced, and officers are currently reviewing the site level data to confirm that these are still current and amending where necessary. Once completed then officers will work with the GIS officer to review the metric data on the GIS to check areas lengths etc.</p> <p>Discussions with other TDC services have been completed and agreement reached on where areas of work best sit going forward.</p> <p>A review of the saving targets has been undertaken to unpack the large element of saving into more individual targets.</p>			<p>Based on the benchmarking of performance and analysis of the Value for Money of the current service delivery arrangements, consider the future delivery arrangements, direct (in-house) or through contractual arrangements.</p> <p>Following deciding the future delivery arrangements determining the packaging for any services to be delivered through contractual arrangements, taking account of market conditions.</p> <p>Determining the best future location in the Council for Housing related services currently delivered by Locality and Operational Services.</p> <p>Following on from above, develop a new target operating model for the integrated Locality and Operational Services.</p>		
Recommendations / Improvement areas to be included in the business case			Key risks and Issues		
<p>Key services in focus include Grounds Maintenance (inc. Playgrounds, and Arb), Street Cleansing, Vehicle Maintenance, and Housing Repairs.</p> <p>Once the Target Operating model has been developed for each of the above Services, Peopletoo will then support the services in the development of a high organisational design for the integration of Locality Services and Operational Services. The outcome of this work will then be included in the Business Case. As the Value for Money exercise is yet to be completed, the recommendation is not yet known at this stage.</p> <p>Develop potential delivery model options including outsourcing the service following internal improvements being made. Soft market test planned October to December.</p>			<p>The accuracy of the data from the GM contracts / DSO work is not robust, e.g. they lack clarity in relation to frequency, metrics etc. This is also the case for the works completed by the DSO. As such, some assumptions will need to be taken on the data in order for the review to be completed in a timely manner. Ultimately, quantity information will need to be gathered in the longer term.</p> <p>Competing priorities has meant delays in getting the data across to Peopletoo. Market appetite for a "StreetScene" contract could mean that anticipated savings may not be achieved.</p> <p>Inflationary pressure on waste contract</p>		
Source of savings for 23/24			Target saving	Identified saving	In progress
Increase Garden Waste charges			23	23	0
Operations TOM redesign and remodelling, Integrated Model and potential outsource			239	239	239
£50k assumption re Bring Bank etc			50	50	
Totals			£312	£237	£225

Service Review: Building Control		Report Date: October 2022		Overall RAG status		Amber/Red			
Lead Officer:		Angela Hughes		Committee:		Planning Policy			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Workstreams underway for all four high level KLOE and SBCP Board has been briefed by the Chief Finance Officer</p> <ul style="list-style-type: none"> Support Service Recharges – new spreadsheet designed to work up TDC costs Alternative delivery model / review of productivity, costs and commercial income - LABC commissioned to provide industry specific data IT Delivery – Draft for TDC to provide resource to enable move to Salesforce Lightning in progress IT Role (Resilience) - new person specification and advert prepared 				<ul style="list-style-type: none"> Review of Support Service Recharges – A methodology of working out TDC costs is currently being worked up and input has been sought from SCC. Alternative Service Delivery Models – To evaluate the potential benefits arising by adapting an alternative trading model, exploring productivity gains and additional income opportunity Future IT Delivery – To evaluate the options for providing the IT provision for the partnership Future IT role – Based on future IT delivery model, what are the requirements for an IT role within the partnership. 					
Recommendations / Improvement areas included in the business case				Key risks					
<ul style="list-style-type: none"> Support Service Recharges - ensure that host authority is suitably remunerated for its services, this will be submitted to SBCP partners as part of budget setting process for 23/24 Alternative delivery model - No recommendation yet IT Delivery and IT Role - SBCP to move to SF Lightning by December 2024 supported by TDC IT resource 				<p>Member authorities may not accept further increases in Support Service Recharges</p> <p>Building Safety Bill – effects of new legislation are unknown, but there is a risk of reduced capacity in the team due to resignations or additional burdens</p> <p>Impact of other service reviews – IT. Confirmation that TDC IT can support SBCP’s proposals for Lightning.</p> <p>Medium term risk in reduced income from Support Service recharges as TDC realigns its functions.</p> <p>Early indications are that the SBCP budget pressures for 23/24 require income to increase by approximately 11.5% to achieve a balanced budget.</p>					
Source of savings for 23/24				Target savings		Savings identified		In progress	
Support Service Recharge as calculated using new methodology				£30		£30		£30	
Current option is for TDC to provide resource to enable move to SF Lightning. SBCP to fund TDC IT Post for Jan- Dec 2023				£40		£40		£40	
External review into operating model and opportunities to drive value for all partners from SBCP									
Total				£70		£70		£70	

Service Review: Regulatory Services		Report Date: October 2022		Overall RAG status		Amber			
Lead Officer:		Alison Boote		Committee:		Community Services			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Standardisation – Should be a single budget . It was a political decision previously, but now the partnership is well established this . Also, unlike SBCP the Environmental Health Partnership does not have a separate website. Both these possibilities are being reviewed.</p> <p>Productivity – investigating what can and can't be standardised – Taxis – potential immediate savings, but as this also brings in income there are further investigations ongoing, S. 46 Burials process being reviewed. This depends on work ongoing in the Operational Services review, DFGs – Implications are moving that it is most cost effective to retain and capitalise the salary as there are benefits to our own housing stock – which Mole Valley do not have. Animal Warden changes have already progressed</p> <p>Risk based approach – exploring the potential for this approach to inspections</p> <p>Commercial opportunities are being investigated. Looking at potential to expand the partnership with other Councils.</p> <p>Digital New portal for licensing applications and payments going live shortly. However Mole Valley and TDCV have different versions of Adelante. A solution for this has been achieved</p>				<ul style="list-style-type: none"> • Further standardisation of approach between the two councils including policy convergence to create a single model • Look at potential productivity improvements and bring consistency of make or buy decisions – eg taxis, burials, animal warden • Exploring a risk based approach to environmental Health inspections, educating businesses and managing risk and link to training/commercial opportunities • Commercial Opportunities • Use of Digital and online portal 					
Recommendations / Improvement areas included in the business case				Key risks					
<p>Standardisation of approach for the two Councils</p> <p>Productivity Improvements</p> <p>Risk Based approach to inspections & Commercial opportunities</p> <p>Digital improvements</p>				<p>Potential risk to the continuation of the relationship with Mole Valley , continued political support is needed from both parties to pus improvements through.</p> <p>May be reputational risks to changing services to local taxi businesses</p>					
Source of savings for 23/24				Target saving		Identified saving		Saving In progress	
Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements				£10		£10		£10	
Productivity Improvements				£16		£16		£16	
Risk based approach to inspections, commercial				£0		£0			
Totals				£26		£26		£26	

Service Review: Assets and FM		Report Date: October 2022		Overall RAG status		Amber			
Lead Officer:		Alison Boote		Committee:		Strategy & Resources			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Project plan is being progressed. Consideration of a fully integrated Property Service has moved ahead with all roles and responsibilities being identified across all areas – of Asset Management, Facilities, Community Surveyors, Projects and Housing Development. The identification of all property related spend has included where compliance efficiencies can be made. A draft structure is being finalised</p> <p>The review of c. 140 properties is close to completion and they are split into the reason they are held. New categories have been used following a matrix produced by People Too. Community, Investment, Redevelopment. Regeneration and Surplus</p> <p>Looking for development opportunities – anticipated mainly for housing but also for community uses in parks e.g old toilet block in Whyteleafe Rec. Space requirements for Civic Offices are being reviewed and consideration of new suites to be created for letting are being costed. One small new letting has been agreed and another is under offer.</p> <p>If buildings themselves are not appropriate for a use it may be possible to increase the floor area of one building e.g a pavilion and demolish another store.</p>				<p>Integrated property Service – determining appropriate level of resource, and all roles and responsibilities across all areas</p> <p>Centralisation of all property asset related budgets</p> <p>Review all building related compliance</p> <p>Baseline all property related spend across all assets and benchmark performance</p>					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<p>Property roles and responsibilities and integrated Property Service to include compliance in one rather than three areas. Facilities may merge with Building Surveyors to create one technical and support team</p> <p>Split of property portfolio into community, investment and operational</p>				<ul style="list-style-type: none"> • There are financial risks of not keeping a close eye on opportunities and costs. • Reputational risks with properties vacancies • Risks as it may be unpopular to increase charges to voluntary groups – we need to capture and minimise costs in a transparent manner. 					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Consolidate Facilities Management/Housing contracts				£2		£2		£2	
Use of the Town Hall				£50		£50		£50	
Integrated property services				£60		£60		£40	
Totals				£112		£112		£92	

Service Review: Communities and Partnerships		Report Date: October 2022	Overall RAG status		Green
Lead Officer: Julie Porter		Committee: Strategy & Resources			
Summary of Current Status:			Critical areas of focus (High priority KLOEs)		
<p>Alternative funding sources for the IRIS programme – Countywide initiative to deliver the IRIS programme to all GPs in Surrey. Surrey CC have decided not to progress the role out of a County wide programme at this time. The East Surrey Programme is a jointly funded partnership programme. A meeting is set up for the 9th November to discuss the future funding for the programme with all partners. Discussions continue to achieve this long-term objective.</p> <p>Wellbeing Prescription Contract Contract negotiant for 23/24 incorporate a more commercial approach for the in-kind support costs to limit the pressures on this Council. Discussions continue with Commissioners to confirm 23/24 Income funding. Draft bid produced for additional funding stream via SCC mental health funding. Awaiting funding bid template. of</p> <p>Partnership work with R&BBC to support community intervention through non-recurrent funding. Project plan drafted. Regular project meetings continue. Job descriptions re-drafted to incorporate hospital discharge intervention into the role. Aim to post jobs end of October and interview panel for November.</p> <p>Review of TDC community/voluntary grants and lottery administration with a report going to Community Services Committee on 18 October</p> <p>Meeting with SCC Emergency Management team planned for end of October to discuss Partnership working and resilience or training and exercising</p> <p>Review of TDC's Anti-social behaviour procedures and polices. First initial project scoping meeting taken place. Project ID to be drafted and project resources need to be identified</p>			<p>DA – IRIS Programme</p> <p>Wellbeing prescription contract</p> <p>Grants and Lottery administration</p> <p>Partnership Working with R&BBC to deliver East Surry Place Communities and Prevention objectives and projects</p> <p>Partnership working with SCC Emergency Management team to deliver statutory EP training and testing exercises.</p> <p>Review of Anti Social Behaviour Model across the Council to look at resourcing, monitoring, reporting and benchmark models with other local authorities</p> <p>Review of Event Management process – administration and co-ordination of events needs to be consistent across the authority. Currently no resources identified to ensure event plans and risk assessments are recorded, reviewed and commented on. Tandridge have a statutory responsibility to be part of the Safety Advisory Group. Currently chaired by the head of communities and Partnerships</p>		
Recommendations / Improvement areas to be included in the business case			Key risks and Issues		
<p>Lottery administration, Voluntary sector grant funds to be reviewed. Automation and resource to be identified to ensure SLA's are monitored and funds are spent correctly.</p> <p>Anti-social behaviour - Enforcement, Problem Solving, evidence gathering, prevention and awareness and victim support and guidance needs to be mapped across the authority and a new process agreed</p> <p>Review of statutory services (must, should, could do approach) to identify areas of opportunity for partnership working or efficiency gains</p> <p>Support and administration for Health and Wellbeing board and subsequent projects to be identified as currently no resource to support this work</p>			<p>ASB is high profile and impacts on residents quality of life across the district. With no overall ASB officer or reporting the council is not able to tackle low level or carry out basic intervention. Our reputation with outside partners is being impacted and issues are escalating through increased tensions.</p> <p>Administration of grants and the lottery funds if not resourced properly. Communities will not be in a position to receive vital grants. The lottery may have to be stopped if not properly resourced.</p> <p>Reduction of resources has led to no little promotion of the lottery resulting in reduced sales. This will reduce the community fund which is paid out to community and voluntary groups in January 2023</p> <p>Failure to meet the councils responsibilities with regards to Emergency Planning, Community Safety and Safeguarding due to lack of resources and resilience with such a small team.</p> <p>No resources available to monitor or review Community & voluntary grants could result in Council funds not being spent in the most efficient or transparent way</p>		
Source of savings for 23/24			Target saving	Identified saving	In progress
Reduce funding for Westway Centre as per the committee agreement			£50	£50	£0
Total			£50	£50	£0

Service Review: Statutory Housing services		Report Date: October 2022		Overall RAG status		Green			
Lead Officer:		James Devonshire		Committee:		Housing			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Agreement from Committee and TOMDG to continue to deliver private sector DFG service in house. This will run alongside the HRA aids and adaptations work. Cost saving of £60k approved.</p> <p>New structure approved by TOMDG, awaiting wider redeployment process before being able to move forward with vacancy and JD's.</p> <p>Salaries are to be offset against Homelessness Prevention grant where possible. This is dependant on spend against government grant due to increasing B&B use.</p>				<p>Continue to look at salary apportionments and corporate recharges.</p> <p>TOM Group to confirm proposal around DFG funding model.</p> <p>TOM group to confirm proposed new structure for the Housing Needs Service.</p> <p>A site survey of Meadowside is currently being procured to assist and inform decisions around future options for the site.</p>					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<p>New team structure to be approved by TOM group. – Corp redeployment process now required,</p> <p>DFG and aids and adaptations work proposal confirmed by TOM Group. Moving toward new operating mode; and tender of new contract from January 2023.</p> <p>Review outcomes from Meadowside site survey and work with development on potential alternative use for the site.</p>				<p>Apportionment work concludes that costs are to be transferred from HRA to HGF.</p> <p>Inability to deliver statutory services due to increasing demand in homelessness cases and housing register applications.</p>					
Source of savings for 23/24				Target saving		Identified saving		In progress	
DFG operating model				60		60		0	
Increase Meadowside Mobile Home Sales				-10		-10		0	
Homelessness and DFG				150		150		0	
Totals				£200		£200		0	

Service Review: Housing Landlord Service (HRA)		Report Date: October 2022		Overall RAG status		Green			
Lead Officer:		James Devonshire		Committee:		Housing			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Options appraisal agreed by TOMDG and Committee for 12 month data gathering exercise, service improvement plan and revised structure.</p> <p>Awaiting proposed cost from Millbrook regarding integrating in house aids and adaptations work with DFG contract. Procurement exercise to follow and advice required from legal on contract variation.</p> <p>Orchard Health Check report received. Recommendations recorded and meeting with MRI booked for week commencing 17 October. Decision yet to be made on future housing software provider. Demo's from MRI seen, yet to see what salesforce have available.</p> <p>Structure is ready to be consulted on with staff, awaiting wider redeployment process.</p> <p>Review of salary and corporate recharge apportionment completed. To be kept under review as issue to pressure the outcome is likely to cause on GF budget.</p>				<p>Complete and review outcome from salary apportionments and corporate recharges work. Decision to be made on viability of outsourcing HRA services vs financial impact on GF.</p> <p>Confirm with Home Improvement Agency the merger of HRA and DFG works.</p> <p>Identify true cost of HRA activity and establish what savings could be generated through structure and process reviews. Then compare this to an outsourced management scenario with accurate costings.</p>					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<p>DFG and aids and adaptations work proposal to be confirmed by TOM Group once costs have been agreed.</p> <p>Consider costs of Orchard improvements vs other platforms such as salesforce.</p> <p>Interim structure to be implemented to ensure compliance, increase revenue and ensure customer satisfaction.</p>				<p>Apportionment work concludes that costs are too great to be transferred from HRA to HGF.</p> <p>Inability to meet compliance regulations for HRA stock due to decreasing resource in Community Surveying team.</p>					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Review of Salary apportionments				£150		£150		£150	
Team restructure				£100		£100		£100	
Totals				£250		£250		£250	

Service Review Overview – November 2022

Service	Head of Service	Target Savings (000's)	Savings confidence	Operating model review	Delivery model options	Staff savings
Back Office						
Communications	Giuseppina Valenza	£47		Y	Reduced in house model/Outsourced model	Y
Digital and IT Cross Cutting	Mel Thompson Vicky Barrett	£35		N	Mix - Reduced in house model/Outsourced model	N
Customer Services	Mel Thompson	£128		Y	Reduced in house model/Outsourced model	Y
Human Resources	Mel Thompson	£65		Y	Reduced in house model	Y
Democratic Services	Alex Berry	£8		Y	Reduced in house model	Y
Legal	Lidia Harrison	£24		N	As-is model	N
Revs and Bens	Mark Hak-Sanders	£100		Y	Shared service/hybrid opportunities	Y
	Total	£1,232,000.00				

Service Review: Communications		Report Date: October 2022		Overall RAG status		Green			
Lead Officer:		Giuseppina Valenza		Committee:		Strategy & Resources			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<ol style="list-style-type: none"> 1. Specification for reduced, redesigned, outsourced service drawn up. 2. Indicative costs from external suppliers (two councils, two agencies). 3. Internal survey completed, shared with stakeholders and analysed. 4. Transition plan agreed and shared with HoS to move work to other teams. 5. Reduced service partially in operation due to vacancies. 6. Business case signed off by TOM and submitted for Strategy and Resources Committee 7. Discuss future staffing structure with HR/Programme Team to agree redundancy/redeployment and draft/agree staff consultation document. 8. Deliver workshop for key stakeholders (councillors and EMT) to identify future outcomes for communications service. 9. Revise/draw up more detailed specification. 10. Develop documents for soft market testing with external suppliers. 11. Explore paperless committees with democratic services team. 12. Separate briefing paper about policy function. 				<p>Option 1:</p> <ul style="list-style-type: none"> • Identify core/essential communication activities, agree reduced service specification. • Draw up plans to move work back to other teams including support/training. • Reshape the service to deliver essential communications work. • Agree new structure and review staffing. • Interview staff for roles where necessary and/or agree redundancy or redeployment. <p>Option 2:</p> <ul style="list-style-type: none"> • Draw up specification for reduced service but a redesigned outcome based model for communications service. • Test market for outsourcing based on reduced specification, but seeking outcomes based approach to communications based on Council priorities. • Approach two councils and two private companies for indicative quote. • Agree staff redundancy, redeployment or TUPE. 					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<p>Reduced inhouse service offers savings and is already being actioned due to vacancies</p> <ol style="list-style-type: none"> 1. Evaluation of reduced service and outsourced service based on reduced specification,. 2. Savings in printing and postage costs if move to paperless committees. 3. Further savings possible when printing contract is up for review 2025. 				<ul style="list-style-type: none"> • Loss of consistency of approach, control and rigour over communications - impact reputation, quality, branding. • Reduction in quality, output of messages and less dialogue - increase in more contact from customers. • Impact on website content quality - accessibility issues. • Less resilience in service and no capacity to manage work outside agreed plans. • Weak/poor internal communications can lead to staff not knowing what is going on, not feeling part of or committed to the organisation and dissatisfied in their work. Impact on service. • New intranet may not be developed. • If outsourced on outcomes basis, need to define and monitor delivery. 					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Back office review				£58		£58		£58	
Totals				£58		£58		£58	

Service Review: Digital and IT		Report Date: October 2022		Overall RAG status		Green			
Lead Officer:		Mel Thompson		Committee:		Strategy & Resources			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Business case being prepared for submission for Digital & Customer Services.</p> <p>Working with Microsoft to establish feasibility of on premise estate migration to the cloud</p> <p>Telephony to cloud solution project currently assessing solution requirements</p> <p>SBCP build and support proposal submitted to the Partnership for review</p> <p>Service delivery model and team structure review on hold pending outcomes of Digital Strategy assessment and Revs n Bens service review</p>				<p>Business value and saving opportunities being calculated for Digital & Customer Services business case.</p> <p>Microsoft preparing business value report for Azure migration proposal.</p> <p>Farrpoint Consulting defining As Is and To Be requirements for telephony solution.</p>					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
				<p>Time is our biggest challenge, Salesforce and Microsoft are being heavily relied upon for business value analysis (TDC do not have the capacity/skills to do this work).</p> <p>We also need to be mindful of the agenda that both these organisations ultimately have.</p>					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Back office review				£35		£35		£35	
Total				£35		£35		£35	

Service Review: Customer Services		Report Date: October 2022		Overall RAG status		Green			
Lead Officer:		Mel Thompson		Committee:			Strategy & Resources		
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<ul style="list-style-type: none"> Staffing reduced by 1 FTE in 22/23 Key telephone KPI's not being met by CS and R&B Planning & housing not responding to customers therefore n increase in call backs Work transferring to the team from Comms Team carrying out admin tasks that should be transferred to other areas Poor telephony provision 				<ul style="list-style-type: none"> Work to continue with hybrid mail suppliers, early indications are of £10k savings pa. Continue progressing the NDA for HGS to scope options for outsourcing/revised delivery model for customer services, workshop will then follow Work within the digital workstream – chatbots, live agent chat, website redesign, engagement cloud, further integration New indexing redaction process for Planning Mapping workflow and changes to R&B scanning and indexing 					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<ul style="list-style-type: none"> Drive down demand on the phones by channel shift – linked to the digital workstream Remove some communication channels Outsource the outgoing print/mail function Removal of admin regarding licensing and parking 				<ul style="list-style-type: none"> Dependant on the digital implementation Reduced staff could lead to longer wait time on the phones Office opening hours may have to be reduced in the short term Planning resist the change in internal procedures Organisationally poor at change 					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Back office review				£25		£25		£25	
Introduce chat bots and live agent chat and Customer Service efficiencies				£65		£65		£65	
Automation (excluding chatbots £65) and outsource outgoing mail				£38		£38		£38	
Totals				£128		£128		£128	

Service Review: Human Resources		Report Date: October 2022		Overall RAG status		Green			
Lead Officer:		Mel Thompson		Committee:		Strategy and Resources			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Transfer of key activities currently being undertaken around absence, capability, disciplinary and grievance to service areas, up to the formal stages. Key focus would be on strategic HR, including strategic workforce planning for the organisation, a streamlined recruitment process. Steps have already been taken to review the recruitment process through workshops with both the end user and HR service. A plan is in the early stages to map out transitioning of some tasks to the service areas in line with more contemporary models.</p> <p>Consideration being given to the potential for sharing some HR functions with other Councils and the potential value that external providers could bring to a new more strategic HR service.</p>				<p>A more streamlined recruitment process, utilizing automation tools and digital, including transferring some activities to service areas. New starters and managers take more of lead with on-boarding process. Senior HR professionals working more strategically, focused on high level processes including HR analytics. HR only involved at formal stage meetings for employee relation issues. This includes attendance, capability, disciplinary and grievance cases. Identified savings come from assumed reduction in the Case work area, with a continuation of those savings. Formative discussions to test appetite for sharing HR functions with other Councils. A review of areas where external providers could add value to a more strategic HR service.</p>					
Recommendations / Improvement areas included in the business case				Key risks					
<p>The overall goal is to move to a more strategic improved HR service. Recommendations include:</p> <ul style="list-style-type: none"> Increased automation in HR processes Increased employee engagement via staff surveys, Higher skilled, self-serving workforce around HR/OD space More compliant HR service/Statutory & constitutional obligations Less ET's/Claims Better use of Digital/tech to enhance the HR function & key metrics KPI's Regular staff survey/Improved HR service Reduce overheads/3rd party spend, evidence this in budget <p>In parallel with these improvements, consideration be given to the value that a shared service and/or external provider could bring to a more strategic HR service.</p>				<ul style="list-style-type: none"> Changes may lead to a reduction in internal knowledge-Ensure robust policies and procedures are in place. Work related stress may increase due to change and uncertainty Skills required for new HR model may not be at sufficient level, both in HR and wider workforce . Initial response from workforce due to removal of some of the 3rd party functions- Benenden Health and Bupa/Cashplan (savings absorbed as recouped from staff) Introduction of more digital HR service will require transition phase and time 					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Staffing (HR CO) 6 months				£40		£40		£40	
Training budget saving due to in house OD expertise									
Full year effect of staffing savings made in 2022/23				£25		£25		£25	
Total				£65		£65		£65	

Service Review: Democratic Services		Report Date: October 2022		Overall RAG status		Amber			
Lead Officer:		Lidia Harrison		Committee:		Strategy & Resources			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<p>Costs of printing have been estimated (£9k). Members were asked their opinion on moving to paperless. There was a mixed response. It would cost c£9k to provide devices to members to access paperless reports.</p> <p>Recruitment of an apprentice has been completed following the reduction in hours of a key member of staff</p> <p>Recruitment to the Independent Remuneration Panel (IRP), which reviews member allowances, was completed in September and the review is underway. Due to report to S&R and Council in December.</p> <p>Reorganisation of Registers to reflect new Polling Districts in accordance with changes that may be implemented by the Local Government Boundary Commission for England. Could offer potential savings if there is a reduction in number of Councillors.</p> <p>To reduce the content of the reports, thereby reducing need for detailed Legal and Finance comments where possible.</p>				<p>Gather information regarding costs of printing committee papers and scope potential IT requirements</p> <p>Develop a longer term plan for resourcing and improving resilience within the team</p> <p>Review of Member allowances with support from finance to provide options of levels of savings</p> <p>Set up workshop to review the operational governance of committees</p> <p>Review the number of committee cycles.</p>					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<ol style="list-style-type: none"> Moving to paperless agendas. Discussions with EMT on the operational governance of committees. To issue Councillors with tablets to allow secure access and management of the Councillor's email account; access to committee agendas (including confidential agendas electronically); and generally assist in the conduct of Councillor duties 				<ol style="list-style-type: none"> Much of the KLOEs are subject to additional approval. For example, Councillors will have the final vote on their allowances based on report of the IRP and the Boundary Commission will determine councillor numbers. The IRP could recommend that Councillor allowances are increased. Resilience at all levels in the team. Potential to explore at case officer level alongside Legal. Discussions are needed with EMT around the operational governance of committees. 					
Source of Savings 23/24				Target saving		Identified saving		In progress	
Paperless agendas				£18		£0		£0	
Recruitment				£16		£8		£8	
Total				£34		£8		£8	

Service Review: Legal		Report Date: October 2022	Overall RAG status		Amber
Lead Officer:		Lidia Harrison		Committee: Strategy and Resources	
Summary of Current Status:			Critical areas of focus (High priority KLOEs)		
<p>Reports have been run from IKEN to assess the volumes and trends of the work streams coming into Legal Services. The data has been analysed.</p> <p>FOI admin process training has been provided by the Communications team. The transfer date is 1st December 2022.</p> <p>New instruction form has gone live on the Council's intranet. Workflows on several matters are being constructed to expedite and improve efficiency within the legal team.</p> <p>Looking at how to centralise all legal budgets enabling the Head of Legal to have control of the external legal budget for all service departments. There would be enhanced gatekeeping and review of all external legal instructions. Decision will be taken on commissioning effectively: either optimising the use of in-house resources or procuring high quality and value for money on external legal resources where appropriate.</p>			<p>Manage demand from internal client services and improve processes. Some tasks currently delivered by Legal Services are being reassigned to other departments.</p> <p>Review volume of work generated primarily by Planning and Housing and look to address the root cause of this demand and reduce the volume through improved service improvements.</p> <p>Greater control would prevent individual departments from seeking legal external advice</p>		
Recommendations / Improvement areas included in the business case			Key risks		
<p>Reduce work from internal services areas where possible. To work out which documents and processes to automate. For instance, to institute simple processes for officers to follow for straight forward contract renewals with suppliers or lease renewals with third parties.</p> <p>Work has begun on collating a knowledge management system with content on standard legal advice that Officers can refer to as part of their routine activities.</p> <p>All instructions to be sent through to the legal helpdesk. All internal clients have been advised.</p> <p>Review existing staff structure in relation to the case types and volumes generated internally. Look into what work, if any can be externalised.</p> <p>Explore potential for buying in external legal support form other LA's and private company options.</p>			<p>Additional income from supporting other authorities may reduce as the FOI administration passes to Legal Services on 1st December. This is being transferred without any additional resources. Saving target may not be reached.</p> <p>It is becoming more frequent that individual teams require significant legal input, say to support a Local Plan or Planning Inquiry, a major contract or a housing prosecution. Fewer legal specialists in post will mean that this work would be externalised.</p> <p>Internal clients receive the benefits of being able to access a greater breadth of experience and skills across the wider Legal team that may not have been available internally before and that would previously have been bought in from external solicitors at a high cost.</p> <p>There is a risk with reducing the team and increasing external support that the Council would be unable to control it's legal spend in the same way that it would do under current arrangements.</p>		
Source of savings for 23/24			Target saving	Identified saving	In progress
Through centralising all legal budgets			£24	£24	£24
To monitor performance and continuously drive improvement in Legal Services, making best use of technology, commissioning effectively and ensuring practices and processes are efficient and effective.			£0	£0	£0

Service Review: : Revs and Benefits		Report Date: October 2022		Overall RAG status		Amber			
Lead Officer:		Mark Hak-Sanders		Committee:		Strategy and Resources			
Summary of Current Status:				Critical areas of focus (High priority KLOEs)					
<ul style="list-style-type: none"> Work to deliver the 30th June S&R savings in progress - £25k part year effect / £50k full year effect PeopleToo consultancy to set out shared service opportunities expected to report end of October for discussion with RBBC officers and Members in early November CFO regularly updating team on progress and options under consideration. Interim lead for Revs and Bens meeting with team individually to secure input into future of the service pending formal consultation Structure is being considered to secure saving; launch pending confirmation of process for restructuring Debt recovery business model being progressed along with shared opportunities with the Counties MOU for fraud activities under final review by TDC legal services, having secured agreement at Corporate Procurement Board 				<ol style="list-style-type: none"> 1.Work with Finance and Exchequer team to confirm the timely handling of sundry debt being passed to CDU and progress Debt Improvement Plan 2.Work with Finance and other service areas, including engagement with staff and customers, to look at most efficient and effective restructure options 3.Comprehensive review of internal process and procedures to identify more efficient ways of working and to improve customer service – involve staff in reviewing. This will also include realisation of increased self serve and automation from new NEC system Benchmarking of performance against other LAs to understand how we are performing in comparison 4.Finalise MoU with RBBC for investigation of fraudulent claims and activity 5.Consult with neighbouring authorities with a view to increasing shared services beyond current arrangements. Consultant support to review shared service options, benchmarked against internal delivery and other models 					
Recommendations / Improvement areas to be included in the business case				Key risks and Issues					
<ul style="list-style-type: none"> Full year effect of imminent restructure Opportunities for efficiencies from realisation of self-service and channel shift in citizen portal Pursue opportunities from sharing service or parts of with Reigate and Banstead / or others Exploration of shared resilience in Finance / Exchequer / Revs and Bens / Customer Services / IT Increase in revenue from debt recovery work / Single Person Discount review / counter fraud initiative with Reigate and Banstead Single Person Discount Review – kick off meeting 17th October 2022. 				<ul style="list-style-type: none"> Need to cost the underlying impact of Housing Benefit to the General Fund budget that has not previously been acknowledged in the budget; current opportunistic offset by Homelessness Need to align with partner appetite for sharing – risk of varying aspirations for the service NEC contract runs 4 years from October - this is the key channel to focus on for Revs and Bens and will be a factor in any shared service discussion Addressing backlogs remaining from Covid-19 and NEC implementation – backlog reduction is well progressed 					
Source of savings for 23/24				Target saving		Identified saving		In progress	
Back office review				£25		£25		£0	
Debt recovery and shared services				£75		£25		£50	
Total				£100		£50		£50	

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S & R 1st December 2022

Appendix D

Future Tandridge Programme Communications Business Case

Project/Service	Communications
Approval date	31.10.2022
Approved by	TOM Group
Status	Final

Version control

Version	Date	Description of change	Author
1	19 August 2022	First draft	Giuseppina Valenza
2	14 September 2022	Additional information added	Giuseppina Valenza
3	16 September 2022	Revised and updated	Giuseppina Valenza
4	18 September 2022	Comments and revised version	Mike Butler
5	21 September 2022	Revised	Giuseppina Valenza
6	3 October 2022	Revised	Giuseppina Valenza
7	5 October 2022	Revised	Giuseppina Valenza
9	31 October 2022	Final	Giuseppina Valenza

1. Executive summary

The Council is reviewing all its services with the aim of becoming a smaller, more strategic, agile and responsive organisation. Expenditure needs to be reduced to an affordable level, now and in the future, focusing resources on key priorities.

The communications service has been identified as an area where savings can be made. As part of the service reviews, two options were considered to provide the future service. The current service option was detailed for reference. One option was to provide a reduced service in-house and the second to consider outsourcing the service.

A full specification, which details all three options, is attached at Appendix A. This outlines:

- Option 1: The current service.
- Option 2: An in-house reduced service.
- Option 3: An outsourced service.

In drawing up Appendix A, the team focused on identifying what core communication activities could be carried out by a smaller or outsourced team, which would still deliver outcomes to meet the Council's priorities and deliver the savings. Section 3.2 provides more details.

Outcome of the service review

The service reviews explored options 2 and 3 to evaluate which would provide the most cost effective communications service, deliver the savings and meet the Council's requirements.

Following the review, which included informal requests for indicative costs for an outsourced service, the Council is looking to progress a two stage approach.

1. Stage one is to move to option 2 to provide an in-house reduced service and secure initial savings.
2. Stage two is to explore option 3 in more depth over the next six months.

Implementing stage one and moving to option 2 in the short term allows time for the Council to identify the future specification and consider what else the private sector can offer. While the private sector costed the service at a higher cost to deliver the specification, they have access to additional paid for digital and social media channel tools.

The communications service was asked to find up to 50% of staff savings from its budget, which is £108,000. Option 2 would lead to a reduction of two staff posts which would generate staff savings of between £79,000 and £93,000, depending which posts are cut. Although this is not a 50% saving, it is not possible to remove or reduce part of a post and deliver the service. These figures include salary and employment costs.

There could be additional savings of around £9,000 if the Council moves to paperless committees, as well as savings on postage costs. The printing and photocopier contract expires in 2025 and could provide an additional £18,000 of savings if the Council moved away from print, although some of the savings would be absorbed as external printing companies would need to be used for any printed materials.

Reviewing communications through the commissioning cycle

Stage two proposes corporate communications is put through the commissioning cycle over the next six months (October 2022-March 2023) and that councillors are involved in this work, in particular discussing and defining the future outcomes for the service.

This will involve:

- **Analyse:** Analysing the evidence available and understanding what is required to deliver the service. Reviewing resources, considering the risks and what the external market offers.
- **Plan:** Establishing a clear specification of requirements and outcomes against which delivery can be assessed. Reviewing the different ways of delivering the service – this can range from internal service level agreements, performance management of internal teams through to external service provision.
- **Deliver:** Going out to tender to identify and procure service providers and partners. Implementing the changes and managing any contract.
- **Review:** Gathering feedback, identifying and delivering improvements to cost and performance and delivery of outcomes.

Over the next six months work will also start to develop a new corporate plan, which will set a clear strategic direction for the Council. Councillors will be closely involved in developing the plan, along with other key stakeholders. Communications should be aligned to the corporate objectives and the specification reviewed again, as part of the continuous commissioning cycle to ensure the Council has the right communications model to deliver the outcomes required.

This report outlines the proposed reduced service, areas explored by the service review and recommends the best way forward in the short and longer term.

2. Background

The communications service was asked to find up to 50% of staff savings from its budget and this was one of the main criteria in identifying what work could be carried out by a smaller or outsourced team, which would still deliver outcomes to meet the Council's priorities.

As part of the service review, areas of work were reviewed and assessed against core communication activities. Over time, the team has taken on responsibility for work which should be carried out by other services, for example:

- Writing job adverts.
- Monitoring social media and responding to customer enquiries.
- Reviewing and editing letters to be sent to residents.
- Internal corporate messaging.
- Emergency planning messaging.
- Staff engagement.
- Consultation.
- Administering complaints and Freedom of Information (FOI) requests.

To support the transition of work to other teams, a tone of voice style guide is available to set out best practice in communicating with different audiences. Training, guidelines and support from the Communications Team will also be provided to ensure the smooth transition of tasks to other teams. There is a challenge in moving work to other teams as, while most people can communicate, not everyone is good at it. Often officers, especially those in planning and housing, tend to write in a more technical style which residents and businesses may find hard to understand.

Moving areas of work to other teams, as well as reducing what the service does, presents an opportunity to reduce the size of the team, but is also a challenge as there will be less resilience in the service.

In addition to a focus on the cost of communication, the service review also considered value for money in terms of what could be achieved under different delivery models and moving to an outcomes model.

3. Scope and approach

3.1. Scope

The service review analysed and detailed the current service, considered what could be provided in a reduced in-house service and what could be provided by an outsourced service. Please see Appendix A for details.

Communications is a corporate function used by almost all other service areas to inform, publicise, promote and market policies and services to residents, businesses and staff.

The vision and purpose of the current team is to:

- Enhance and maintain the Council's reputation through proactive communications.
- Gain understanding and support for the organisation's vision and objectives.
- Keep internal and external customers informed about priorities, projects, services and campaigns.
- Enhance external customers' experience, making use of data to target communications and influence service delivery and behaviour.
- Provide communications advice, guidance and support to all teams.
- Ensure effective internal communications and staff engagement.
- Manage responses to emergency planning and crisis communications.
- Manage complaints and freedom of information requests.

The existing team is led by a Head of Service, who is also managing the re-established policy function. Apart from the Head of Service, who is out of scope of this service review, there are five full time staff in the team with a current staffing budget of £217,000. The roles, with a brief description of what they cover, are:

Communications and Customer Experience Specialists x 2

Key tasks: Campaign creation and execution, writing and editing copy for the website and intranet, publications, e-newsletters, social media, communications advice for other officers, corporate branding, advice and guidance to officers and councillors, media relations, consultation, staff engagement, crisis communications.

Communications Officers x 2

Key tasks: Creating and sharing posts across social media channels, monitoring social media, website and intranet updates, e-newsletter creation, analytics reporting, complaints and FOI administration, as well as general administration.

Design and Print Officer x 1

Key tasks: Design and print of corporate leaflets and documents, e-newsletters, design of online graphics. Mailshots. Document accessibility. Website updates and monitoring of the search and accessibility. Analytics reporting. Online survey creation. Photocopier management and maintenance. Design and print service for external customers and partners.

There is an overall operational budget of £74,800. This includes:

- The in-house print room with an annual printing budget of £24,800.
- The contract for photocopiers and printing equipment which expires in 2025. The current cost of the contract has a budget of £30,900 a year. 90% of the remaining contract costs would have to be met if the Council decided to end the contract earlier.
- A contract with a website company for hosting and support/development, which is due to renew in 2023. There are other smaller contracts for the website search, accessibility, links and grammar checker software and an accessibility tool. The overall budget for the website is £13,200.
- A general communications budget of £5,900 for items such as e-mail newsletters, photography, corporate leaflets.

3.2. Approach

The team already had detailed plans and task lists and used these as the starting point to detail the work currently carried out or planned by the team.

The team worked together in several workshops to review this information and identify what was essential, what could move to other teams and what could stop, along with the risks of reducing the scope of the team. This is detailed in Appendix A.

In drawing up Appendix A, the team drew on a wide range of sources, networks, data and the team's own professional experience from a range of private and public organisations and knowledge of residents' expectations, council priorities and services' needs. The vision and purpose of the team was also reflected in this.

It took into account communications best practice guidance, as set out by the Local Government Association and the Chartered Institute of Public Relations (CIPR).

It also reflected the best practice shared and discussed by the Surrey Communications Group, a public sector network of over 200 communication professionals. This group shares campaign, ideas and best practice, as well as works closely during any emergencies or crises for example the pandemic, cost of living, Ukraine and Operation Bridges.

The team reviewed the data available to identify what type of service could be provided within the future budget. This included social media data, e-newsletter subscriber data, residents' survey results and evaluation of previous campaigns.

In addition, a survey was carried out with key internal stakeholders to gauge their view of the service and to use the feedback to further inform the service specification. The results of the survey are in Appendix B.

The next stage was to explore option 2 (reduced in-house communications service) and option 3 (outsourced communications service) in more detail, to identify the best way to provide the future communications service. The work that was needed to do this is set out below.

Option 2:

- Identify core/essential communication activities, agree reduced service specification.
- Draw up plans to move work back to other teams including support/training.
- Reshape the service to deliver essential communications work.
- Agree new structure and review staffing.
- Interview staff for roles where necessary and/or agree redundancy or redeployment.

Option 3:

- Draw up specification for reduced, but redesigned outcomes based model for communications service.
- Test market for outsourcing based on reduced specification, but seeking outcomes based approach to communications based on Council priorities.
- Approach two councils and two private companies for indicative quote.
- Agree staff redundancy, redeployment, or TUPE.

All this work was undertaken in conjunction with the Programme Team, which includes consultants from PeopleToo. Their role was to review and challenge the approach to ensure it was robust enough, in line with the programme expectations and would deliver the savings target.

3.3. Dependencies/impact assessment

Reducing or outsourcing the service will impact other services which are used to more support from communications.

In particular, Customer Services, HR, Legal and Emergency Planning and Policy will be impacted, as officers in these teams will be responsible for work the Communications Team is currently doing. This has been discussed in meetings with the Programme Team and at Extended Management Team meetings.

It will also have an impact on external stakeholders, such as residents and businesses, as the Council's ability to engage and communicate with them will be reduced. This could lead to more contact from these stakeholders which could increase demand on other services.

Reducing the service level and output of communications could also be a reputational risk for the Council. More specific impacts for each option are detailed below.

Option 2 - reduced service in-house

If a reduced communications service is provided in-house, this would lead to a reduction of two staff posts, out of five, to generate a saving of between £79,000 and £93,000 depending which posts are cut. These figures include salary and employment costs.

The reduced service will still include support for a smaller number of specific projects and campaigns, as well as some key e-newsletters, although the quantity of all these will be reduced. It would also include website management and crisis communications.

To provide an idea of the type of projects and campaigns the team usually manages, these have recently included:

- Elections - promoting key dates, importance of voting, how and where to vote, annual canvass.
- Recycling and rubbish - new contract, new bins, how to use your bins, what and how to recycle, changes to services.
- Lottery to encourage new ticket sales and get new causes to sign up, Tandridge Together Community Fund.
- Cost of living, household support fund and business support grants.
- Backing business campaign - ran throughout the pandemic in different phases.
- Extreme weather communications - updates about services.
- Boundary commission changes.
- Operation Bridges - communication around the death of the Queen.
- Chairman's activities - promotion of events, speeches, graphics etc.
- Councillors' handbook - creation and development.
- Caterham regeneration, including Quadrant House launch – event management and communications support, Queens Park consultation.
- Installation of Northgate system and customer account.
- Support for BIDs and chamber of Commerce.
- Bids and grants - Levelling Up Fund.
- Internal communications/staff engagement – Future Tandridge Programme, staff awards, senior leader visibility, health and wellbeing.
- Local Plan and neighbourhood plans. Open Space Strategy.
- Requests for support around Ukraine, bonfires, fireworks, roadworks, unauthorised encampments, scams, anti-social behaviour, public health messaging such as contaminated water.
- Events such as promotion of Platinum Jubilee.

This is not an exhaustive list and the team is often asked to support with last minute communications.

In a reduced service, there will no longer be a daily recycling and waste newsletter, or a monthly planning committee newsletter. The information will be incorporated into one of the other remaining newsletters and available on the website.

In addition, the team is unlikely to have the capacity to develop bespoke lottery campaigns, but will use the ones provided by the lottery company. This may impact ticket sales.

The focus will be on service areas making better use of the website and signposting residents and businesses to it. The team currently accommodates most requests for communications support, but this will need to be tightly managed in the future.

There will also be a reduction in creating and supporting some of the printed materials currently provided, such as the councillors leaflet and official guide and street plan. The number of corporate leaflets will be reduced and more information made available on the website instead.

The team will no longer support service areas by writing job adverts or editing and proofing customer letters. HR will manage the corporate LinkedIn account which is used to promote the Council to job seekers and on which current jobs are shared.

The focus will be on sharing the Council's own news and information on social media channels (Facebook, Nextdoor and Twitter) and fewer partner campaigns. At the moment a large amount of material from partners is shared across the Council's channels and posted into almost 30 local Facebook groups. The reduced service will concentrate on posting into the main accounts only and occasionally more widely depending on the content.

Monitoring social media and responding to customer enquiries will transfer to the Customer Services Team, with training and support to ensure the quality of responses remains.

There will be reduced support for internal communications, with some work moving to other teams. HR will be responsible for staff engagement and staff surveys.

Consultation, including the residents' survey, along with complaints, will move to the re-established corporate policy function.

With reduced capacity in the team, there will be no option to offer a design and print service to external customers. It is anticipated there will be no printed committee reports in the future, which would also generate an operational budget saving.

The reduced service will not be able to respond as easily to last minute or unplanned requests, whether from officers or councillors. There will be less capacity to respond to any crisis.

The reduced service still includes a relatively high volume of work for the reduced number of staff available to provide it. The organisation will need to adapt its culture and approach to plan ahead to avoid last minute or additional requests, otherwise the service will not be able to meet the demand.

If the service is reduced, consideration needs to be given to what happens to the current staff employed, for example whether they will be offered redundancy or redeployment.

Option 3 - an outsourced service

Several options have been explored for an outsourced service. A reduced specification (Appendix C) was provided for external organisations to provide indicative costs and outline their approach. A range of responses was provided from councils and the private sector. Other councils costed the service they could provide at a higher cost than option 2, but with a broadly similar delivery model. The private sector options also costed the service at a higher cost to deliver the specification, with access to additional paid for digital and social media channel tools.

Aspects such as crisis communications, internal communications, contract management of the website hosting contract, accessibility compliance, photocopiers and print equipment would remain in-house, as well as commissioning, reviewing and signing off the outsourced service communications.

The budget to spend on an outsourced service is up to £108,500, which is 50% of the current team staff costs. Apart from the Head of Service who will manage the overall contract, it is likely there would need to be an officer who facilitates the day to day work required and is the internal point of contact and resource for internal communications and crisis management eg extreme weather, flooding, public health etc.

Discussions have been held with two Surrey councils, which do not have a current model in place to provide the service, but which may be open to exploring this further. Both were asked to provide an indicative quote to provide the reduced service outlined. Please see Appendix C. There are some risks with this approach in terms of other councils having different priorities, objectives and politics and the lead council's work may take precedence over Tandridge's work. There are ongoing discussions between Surrey chief executives around shared or merged services, so this way of working would support that ambition.

Two private companies, which have experience working in the public sector and working on specific campaigns with councils and the public sector, were also asked to provide an informal indicative quote to provide the services listed in the specification in Appendix C.

If the service is outsourced, consideration would need to be given to what happens to the current staff employed, for example whether they will be offered redundancy, redeployment or TUPE'd over to the new company.

One of the private companies provided a high level quote, which was based on providing officers to deliver the specification.

The other company outlined how it would meet the requirements outlined in Appendix C, including how they would use digital tools to target audiences and gather insight to develop more targeted content.

This company proposed a managed service solution with access to range of specialists to deliver the service, rather than a small, multi-skilled, dedicated team.

As with the reduced service, officers will need to carefully plan work to ensure it can be provided within the contract. An outsourced service will not be able to respond as easily to last minute requests, whether from officers or councillors.

3.4. Data analysis

The data sources used in the service review included the team's own detailed task lists and annual and weekly service planners, social media data, e-newsletter subscriber data, residents' survey results and evaluation of previous campaigns.

In terms of benchmarking with other Surrey councils the data shows communication teams range in size, from four to eleven staff, although the range of activities undertaken varies greatly, which means you are not always comparing like for like.

The internal survey carried out showed high internal customer satisfaction with the service. Details of the evaluation of the two options is given below.

Option 2 data and costings

Option 2 to provide a reduced communications service in-house would lead to a reduction of two staff posts which would generate staff savings of between £79,000 and £93,000, depending which posts are cut. Although this is not a 50% saving, it is not possible to remove or reduce part of a post and deliver the service. These figures include salary and employment costs.

Option 1: Current service staff and costs	Option 2: Reduced service staff and costs
2 specialists	1 specialist
2 communication officers	1 communication officer
1 design and print officer	1 design and print officer
£217,000	£124,000-138,000

Option 3 data and costings

Option 3 explored the provision of an outsourced service for a budget of up to £108,500. This is 50% of the current team staff costs. As part of the review, discussions have been held with two Surrey councils, about their ability to provide a reduced communications service for the Council. Both were sent a specification document (Appendix C) for consideration and asked to provide indicative costs. Neither currently has a partnership model in place to provide the service.

One of the councils provided a ballpark calculation of around £200,000 a year, including a contingency of £20,000 for additional or urgent support. They estimated the work detailed in the specification would need to be carried out by at least three people. This costing does not include:

- Consultation services or support.
- Branding and corporate identity.
- Support for the Chairman.
- Paid-for activity such as press advertising, outdoor advertising, digital ads etc.

All of which could be included at an additional cost. Since discussions began with this council, it is undertaking its own evaluation of services and is not currently able to consider this arrangement further.

The second council also provided an indicative cost of £250,000 to £300,000 a year, which would provide a resource of at least three people to deliver the specification, as well as budget for communications delivery including advertising, design and print.

Two private companies were contacted, which have experience working in the public sector and specifically providing council communications. They were asked to submit an informal indicative quote to provide the services listed in the specification (Appendix C).

One quoted £120,000 to deliver Appendix C and move to a managed service model. The company also suggested a £30,000 contingency for additional communications work. This cost was for an initial 36 months, with an option for a further 12 months. The budget is based on a monthly fixed cost fee which covers the outline specification. The quote includes design, but not printing. Unlike the other external companies, this company has not delivered a council communications service, although it has worked on large communication campaigns for the public sector.

The second agency estimated the cost to deliver the specification would be around £262,000, which would provide access to three people, plus campaigns and design. The costs include design, but not printing.

Organisation	Indicative quote	Cost over total budget available, excluding cost of internal liaison
Council 1	£200,000	£91,500
Council 2	£250,000-£300,000	£141,500 to £191,500
Agency 1	£120,000 (£30,000 contingency)	£11,500 (£21,500 with contingency)
Agency 2	£262,000	£153,500

For both options there may be additional costs if staff are made redundant or opt for voluntary redundancy.

Additional future operational savings

If there is a move to paperless committees, this could generate a saving of around £9,000, as well as savings on postage costs. The Customer Services review is looking at a hybrid outgoing mail solution, which also supports this approach.

The Council has a printing and photocopier contract expiring in 2025. There could be up to an additional £18,000 of savings if the Council moved away from print, although some of the savings would be absorbed as external printing companies would need to be used for any printed materials.

This contract also covers the photocopiers so consideration would need to be given to that part of the contract. The number of photocopiers needed in the future will depend on the number of council staff and where they are located.

4. Current service baseline

4.1. Overview of existing service

The existing services includes:

- External, corporate and internal communications, including the website and intranet.
- Customer insight and experience.
- Consultation.
- Complaints management and FOI administration.
- Design and print.

Full details of the current service are listed in Appendix A.

5. Service review analysis

The service review focused on evaluating the two options - to provide a reduced communications service in-house or an outsourced service.

It has been a useful exercise to review what the service provides now and what it could provide with a smaller team. The work has identified areas of work which other teams could or should carry out.

The information from the other councils and the private companies provided insight into alternative ways of delivering a communications service and using different digital technology to focus on resident impact.

Based on the service review findings, providing a reduced in-house communications service would generate immediate savings at the present time and is more likely to provide a more flexible, responsive service.

A reduced in-house service would be provided by the Council's existing staff who know and understand the Council, the style and tone required, its staff and the way it works, as well as the district. It would also ensure tighter control over the Council's communications.

Over the next six months the outsourced option is to be explored further and reviewed through the commissioning cycle.

This is also related to the development of the new corporate plan which will provide strategic direction and objectives and help identify the communications required to support these. Councillors will be closely involved in developing the plan, along with other key stakeholders.

6. Key recommendations and proposals

Following the service review and having evaluated the service and the options available, the recommendation is in two stages.

1. The first stage is to reduce the communications service specification and in turn the size of the team to deliver that work, to establish a smaller in-house service. This would achieve the savings target and allow the Council to maintain complete control of its communications.
2. The second stage is to put the service through the commissioning cycle over the next six months, as well as seek other savings as contracts come up for renewal or when working practices change.

7. Financial analysis

7.1 Financial analysis and profile

Moving to a reduced communications service in-house would mean a reduction of two staff posts which would generate staff savings of between £79,000 and £93,000 depending which posts are cut. These figures include salary and employment costs. While the target is for savings up to £108,000, Stage 1 delivers £79k to £93k (set out below). This will be reviewed as part of stage two including the potential to generate further savings through printing costs in 2024-2025.

Savings table £000				
Source of saving or income	22/23	23/24	24/25	Total
General Fund	47	32-46		79-93

Moving to an outsourced model would mean a reduction of up to four posts, if staff do not TUPE across to the new provider. While this would generate staff savings, which would be offset against the cost of any contract, redundancy costs would need to be factored in if staff can't be deployed.

Potential redundancy costs vary significantly according to individual circumstances and in option 3, whether TUPE would apply. A high level indicative cost would be as follows:

- Option 2: around £30,000 to £45,000.
- Option 3: up to £60,000 (assuming TUPE does not apply).

8.1 Critical success factors

	<p>Financial</p> <p>An overall reduction in net budget of 15% by 23-24 over 18 months</p> <p>An overall reduction in expenditure on 'Enabling and Back Office' functions of 15-20% by 23-24</p> <p>A higher proportion of the budget is spent on 'front-line' services and the Councils priorities</p>
	<p>Residents and Service Users</p> <p>Service Users are involved in the redesign of services</p> <p>Resident and Service User feedback and insight is used to drive service improvement</p> <p>Residents and Service Users are directed to use the least cost channel to access Council services</p>
	<p>Services</p> <p>Service Delivery models are assessed & service delivery is undertaken by the most appropriate means</p> <p>Service performance is measured, benchmarked and actively managed</p> <p>Service levels are set at an appropriate level which is aligned to Council priorities</p>
	<p>Staff</p> <p>The Council has a smaller directly employed workforce</p> <p>Managers and staff are engaged and accountable for their performance</p> <p>Staff feel valued and motivated and understand the values and behaviours expected of them</p>

Critical success factor	How will success be measured?
Overall reduction in net budget of 15% over 18 months.	Reduction in staff costs.
Overall reduction in net budget of enabling and back office of 15-20% by 23-24.	Reduction in staff costs.
Residents and service users are directed to use the least cost channel to access council services	Uptake of e-newsletters, website users, social media channels.
Service delivery models are assessed and service delivery is undertaken by the most appropriate means.	Reduced communications service in place in short term and longer term model considered for 2023/2024.
Service performance is measured, benchmarked and actively managed.	Performance indicators and ongoing review. New outcomes focused model to be developed once new corporate plan is in place.
Service levels are set at an appropriate level which is aligned to council priorities.	Agreed annual communications plan matched to corporate plan. Service plan developed.
The Council has a smaller directly employed workforce.	The Communications Team will reduce by two full time posts.
Managers and staff are engaged and accountable for their performance.	Appraisals and ongoing 121s.

8.2 Risk assessment

In adopting either option 2 or 3, the following risks have been identified.

Risk	Mitigation
<ul style="list-style-type: none"> Reduction in control and rigour over council external communications may impact the quality of communications, reputation and branding. This could impact on council and place narrative. If there are no checks on external communications such as letters, it may lead to increased contact if the recipient is not able to easily understand the communications sent out by officers, eg if it is written in a technical or very formal way with no understanding of the audience. An inconsistent approach to communications is a political risk. 	<ul style="list-style-type: none"> New corporate plan will have clear objectives and the annual communication plan will align with those. Work which falls outside these objectives will need to be agreed and resourced. Tone of voice document sets out standards for communications. Training can be provided to managers and teams to help improve written communication skills. Templates for letters and job adverts can be provided as examples for teams to follow. Effective communication across service areas to reduce risk of mixed messaging to stakeholders. If the service is outsourced, ensure there is a clear sign off process for communications to maintain quality and accuracy of content, as well as to avoid any political risk.
<ul style="list-style-type: none"> A reduction in quality, frequency and output of messages, as well as less dialogue could lead to residents feeling less informed. This could lead to an increase in contact from customers, 	<ul style="list-style-type: none"> Tone of voice document sets out standards for communications. Training can be provided to managers and teams to help improve written communication skills.

<p>impacting Customer Services, complaints and reputation.</p> <ul style="list-style-type: none"> This could also lead to a drop in satisfaction rates as measured by the Residents' Survey. 	<ul style="list-style-type: none"> Aim to consider new social media and digital technology solutions, as well as targeted campaigns.
<ul style="list-style-type: none"> The quality of website content is critical to channel shift. Content must be written in plain English with a low reading age to ensure anyone can understand it. Documents must be made accessible. If accessibility legislation is not met the Council can be fined by the government. 	<ul style="list-style-type: none"> Extended Management Team will take responsibility for their service areas ensuring the correct content is on the website and kept up to date. The tone of voice document sets out standards for communications. Documents will need to continue to be made accessible before being added to the website. Overall accessibility will need to be maintained by the team responsible for the website. Document templates could be introduced to make documents accessible at source and ensure consistency and improve quality. There would be a software cost for this.
<ul style="list-style-type: none"> Risk around election communications if not carefully managed. There are strict guidelines that must be followed. 	<ul style="list-style-type: none"> Ensure elections communications is one of the campaigns managed by the reduced service or outsourced service.
<ul style="list-style-type: none"> Weak/poor internal communications can lead to staff not knowing what is going on, not feeling part of or committed to the organisation and dissatisfied in their work. All of this can impact service delivery, culture and retention of officers. Need to manage the expectations of staff and residents with this change in service, otherwise this could create more work in the longer term, for example increased contact. 	<ul style="list-style-type: none"> The HR team will take the lead for internal communications, supported by the Extended Management Team. Communications is everyone's responsibility. A new intranet needs to be developed and this will provide a key platform for staff communications and engagement. There will be clear communications to staff once the new service has been agreed.
<ul style="list-style-type: none"> With a much smaller team there will be little resilience in the service if people take leave or are off sick. There will be no additional capacity for unplanned work or last minute requests from officers or councillors. With an outsourced service, the Council will have to pay extra for any work outside the agreed contract. 	<ul style="list-style-type: none"> Staff will be reminded of the need to plan ahead and the service timelines for work will be shared with them. Staff will also be made aware when the team is not at full capacity. New corporate plan will have clear objectives and the annual communication plan will align with those. Work which falls outside these objectives will need to be agreed and other work rescheduled if necessary.
<ul style="list-style-type: none"> Data risk from incorrectly redacted website documents. Current team checks documents to ensure accessibility and they are redacted correctly. 	<ul style="list-style-type: none"> Ensure this is part of the service level agreement (SLA) for the future service.
<ul style="list-style-type: none"> New intranet is not developed due to capacity issues in the reduced service team. 	<ul style="list-style-type: none"> This work could be commissioned as a capital (one-off) project to secure additional staff to deliver it.

9. Conclusion

The communications service review looked at two options for providing the future service, while generating the required savings. These were to:

1. Provide a reduced in-house service.
2. Outsource the service.

Following the review, the Council is looking to progress a two stage approach.

- Stage one is to move to an in-house reduced service and secure initial savings.
- Stage two is to explore an outsourced service in more depth over the next six months.

Moving to a reduced service in the short term allows more time for the Council to identify the future specification and consider what else the private sector can offer. Keeping the communications function in-house, with a reduced team size and scope will provide the lowest cost at the current time and ensure the Council maintains control over its communications.

More work will take place over the next six months to further explore outsourcing and review the service to consider other ways of providing an efficient and effective communications service within an agreed budget. Councillors will be involved in this work.

When the current contract for printing and photocopying is due to expire, the service should be reviewed to evaluate the need for an in-house print function. The design and print function currently carries out a wide range of work including printing committee reports, creating display banners, leaflets, banners, posters, reports, as well as managing large mailing runs which include complex mail merges, multiple inserts and enveloping. As the contract does not renew until 2025 and committee papers are still required, the cost of providing this work externally has not been assessed at this stage.

In terms of next steps, due to staff vacancies, the Communications Team has already started to deliver a reduced service. Some areas of work have stopped or moved to other teams, including managers writing their own job adverts, as well as letters to the public, Customer Services is monitoring social media and responding to customer enquiries, internal corporate messaging is being sent out by each team, emergency planning messaging has moved to emergency planning, staff engagement has moved to HR, consultation and complaints has moved to Policy and FOI management to Legal.

The risks of reducing the communications service are identified in 8.2 above, but a key risk is lack of resilience within the team. With a smaller team there will be no cover for certain communications functions if officers are on leave or off sick, or any capacity for unplanned work. This means teams will need to plan ahead to ensure they secure communication support for their projects or initiatives.

The team will also be unable to respond to last minute requests from colleagues or councillors, including what might be considered high priority or urgent requests.

The need to plan communications work carefully and avoid any last minute requests would also apply to an outsourced service, as any additional work not included in the contract would be charged for, or the company may not have capacity to do as quickly as needed.

As part of the recent management restructure, the Council's policy function was centralised and corporate policy and communications are now aligned under the Head of Service. The Council is assessing the requirement for policy resourcing. There are complementary skills between policy and communications and so an element of redeployment may be possible. This could be more cost effective than redundancy and maintain experience and skills.

If the two stage approach set out in this business case is agreed, the next stage would be to consult staff about the new structure and reduce the number of communication posts. At the same time work on stage two to outsource the service would begin.

10. Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010 (EA), provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA.
- Advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

The above aspects must be considered in terms of the impact of the proposed change when drafting this business case document.

11. Appendices

- Appendix A: Communications Service specification.
- Appendix B: Internal stakeholder satisfaction survey.
- Appendix C: Specification to provide an outsourced service.

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Appendix D - Communications Business case

Annex A: Communications service level options

Below is a list of work the communications service currently delivers, along with details of what a reduced in-house service might cover and what could be outsourced.

To provide a reduced service, some work will need to move to other teams. These are listed under Option 2. The tick shows what work will continue and the red cross what will stop.

Activities	Option 1: Current service	Option 2: Reduced service	Option 3: Outsourced service
Advice, guidance, projects and campaigns			
Communications advice and support for specific projects eg Queens Park, Boundary review, Regeneration / Local Plan, Outcome of Future Tandridge Programme	✓ Multiple campaigns. Service flexes to meet demand	✓ Up to 4 a year. Records show there will be more requests	✓ Up to 4 a year. Contingency for additional work
Providing general communications advice and guidance	✓	✓	✓
Specific advice and guidance eg reviewing letters and job adverts	✓	✗	✗
Ongoing campaign execution (eg lottery and community fund, elections, recycling and waste, Northgate)	✓ Multiple campaigns	✓ Up to 4 campaigns	✓ Up to 4 campaigns. Contingency for additional work
Supporting partners' campaigns and initiatives	✓	✗	✗
Branding and corporate identity	✓	✓	✓
E-newsletters (content, design and issue)			
News and events	✓ fortnightly	✓ monthly	✓ monthly
Councillor newsletter	✓ monthly	✓ monthly	✓ monthly
Business	✓ monthly	✓ every two months	✓ every two months
Housing	✓ quarterly	✓ quarterly	✓ quarterly
		Reduced content for all newsletters	Reduced content for all newsletters
Recycling and waste	✓	✗	✗
Planning	✓	✗	✗
Local Plan	✓	✗	✗
North Tandridge and Caterham	✓	✗	✗
Green Waste Club	✓	✗	✗
Seasonal newsletters	✓	✗	✗
Wellbeing newsletter	✓	✗	✗
Publications content, design and print			
Corporate flyers annual billing	✓ Up to 5 flyers	✓ 1 flyer	✓ 1 flyer
Corporate leaflets, editing existing leaflets, design and print eg housing, recycling and waste	✓	✓	✓

Councillors leaflet	✓	x	x
Monthly free page in local magazines	✓	✓	✓
Official guide and street plan	✓	x	x
Internal communications and staff engagement			
Monthly staff e-newsletter	✓	Add content to new intranet	Remain in-house
Staff briefing support	✓	Move to CE PA	Remain in-house
Managing the intranet and its content	✓	✓	Remain in-house
Maintaining the notice board outside the building (change to digital notice board)	✓	Move to Customer Services	Remain in-house
Staff engagement plan	✓	Move to HR	Remain in-house
Corporate internal messaging	✓	All teams to send their own	Remain in-house
Website			
Overall management of website including contracts (contract for hosting and support until 2023)	✓	✓	Remain in-house
Maintaining and updating website content	✓	✓	✓
Website event management	✓	✓	✓
Accessible documents	✓	✓	✓
Data protection checks eg redaction carried out correctly	✓	✓	✓
Managing search function	✓	✓	✓
Managing accessibility, links, grammar, spelling	✓	✓	✓
Media relations, press and social media			
Drafting press/news releases, publish and share	✓	✓	✓
Responding to press enquiries and press monitoring	✓	✓	✓
Social media management			
Posting news and campaign material to social media accounts	✓ Main accounts, all FB groups 25+	✓ Main accounts, key FB groups	✓ Main accounts
Drafting and sharing social media posts	✓	✓	✓
Monitoring social media and responding to enquiries	✓	Move to Customer Services	Remain in-house
Managing corporate LinkedIn page including jobs	✓	Move to HR	Remain in-house
Supporting or running consultations and surveys			
Residents' survey	✓	Move to Policy	✓
Staff surveys	✓	Move to HR	✓
Other surveys /consultation	✓	Move to Policy	✓
Focus groups	✓	Move to Policy	✓
Communications support for emergencies/crisis			
Take lead for communications and share messaging	✓	✓	Remain in-house
Provide draft messaging for councillors, public and staff	✓	Move to Emergency Planning	Remain in-house

Represent council on Multi Agency Group if wider crisis	✓	✓	Remain in-house
Textlocal emergency messaging – staff and tenants	✓	Move to Emergency Planning	Remain in-house

Design and print support			
Design, print and finish documents, committee reports, leaflets, posters, banners etc.	✓	✓ Reduced printing ie no committee reports	✓
Mailmerge, mailshots incl enveloping eg elections, benefits, council tax, recycling and waste	✓	✓	✓
Photocopier contract, management and maintenance (contract ends 2025)	✓	✓	Remain in-house
Design and print for external customers	✓	x	x
Complaints and FOI management and administration			
Complaints policy, admin and oversight	✓	Move to Policy	Remain in-house
FOI admin	✓	Move to Legal	Remain in-house
Committee reports	✓	Move to Policy	Remain in-house
Other work			
Chair and lead Surrey Communications Group	✓	✓	Remain in-house
Support Chairman's activities	✓	✓	✓
General administration	✓	✓	Remain in-house
Ad hoc requests from councillors	✓	x	x
Analytics - Google Analytics, social media, e-newsletters	✓	Move to Data and Insight or automate	Remain in-house

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Annex C: Tandridge District Council Communications Service

1. Background

Tandridge District Council is reviewing all its services with the aim of becoming a smaller, more strategic, agile and responsive organisation. We also need to reduce our expenditure to a level we can afford, now and in the future, focusing our resources on our key priorities.

The Communications Team has been identified as an area where savings can be made. We are carrying out a service review and are looking at two possible options for the future service. One is to provide a reduced service in-house and the second to consider outsourcing the service.

Below we have provided some details about the service and included a comparison chart to show what the current service provides, what an in-house reduced service could provide and what an outsourced service might provide.

2. Vision and purpose of the communication service

- Enhance and maintain the Council's reputation through proactive communications.
- Gain understanding and support for the organisation's vision and objectives.
- Keep internal and external customers informed about priorities, projects, services and campaigns.
- Enhance external customers' experience, making use of data to target communications and influence service delivery and behaviour.
- Provide communications advice, guidance and support to all teams.
- Ensure there is effective internal communications and staff engagement.
- Manage response to emergency planning and crisis communications.

3. Comparison of different types of service

Below is a list of work the Communications Team currently delivers, along with details of what a reduced in-house service might cover and what could be outsourced.

To provide a reduced service some work will need to move to other teams in the council. These are listed in column B. The tick shows what work will continue and the red cross what will stop.

Activities	A: Current service	B: Reduced service	C: Outsourced service
Advice, guidance, projects and campaigns			
Communications advice and support for specific projects eg Queens Park, Boundary review, Regeneration / Local Plan, Outcome of Future Tandridge	✓ Multiple campaigns Service flexes to meet demand	✓ Up to 4 a year Records show there will be more requests	✓ Up to 4 a year Contingency for additional work
Providing general communications advice and guidance	✓	✓	✓
Specific advice and guidance eg letters, job adverts	✓	✗	✗

Ongoing campaign execution (eg lottery and community fund, elections, recycling and waste, Northgate)	✓ Multiple campaigns	✓ Up to 4 campaigns	✓ Up to 4 campaigns Contingency for additional work
Supporting partners' campaigns and initiatives	✓	✗	✗
Branding and corporate identity	✓	✓	✓
E-newsletters (content, design and issue)			
News and events Councillor newsletter Business	✓ fortnightly ✓ monthly ✓ monthly	✓ monthly ✓ monthly ✓ every two months	✓ monthly ✓ monthly ✓ every two months
Housing	✓ quarterly	✓ quarterly Reduced content	✓ quarterly Reduced content
Recycling and waste	✓	✗	✗
Planning	✓	✗	✗
Local Plan	✓	✗	✗
North Tandridge and Caterham	✓	✗	✗
Green Waste Club	✓	✗	✗
Seasonal newsletters	✓	✗	✗
Wellbeing newsletter	✓	✗	✗
Publications content, design and print			
Corporate flyers annual billing	✓ Up to 5 flyers	✓ 1 flyer	✓ 1 flyer
Corporate leaflets editing existing leaflets, design and print eg housing, recycling and waste	✓	✓ Reduce number move content to website	✓ Reduced number
Councillors leaflet	✓	✗	✗
Monthly free page in local magazines	✓	✓	✓
Official guide and street plan	✓	✗	✗
Internal communications and staff engagement			
Staff e-newsletter monthly	✓	✗ New intranet	✗
Staff briefing support	✓	✗ CE PA	✗
Managing the intranet and content	✓	✓	✗
Maintaining the notice board outside the building (change to digital notice board)	✓	Move to Customer Services	✗
Staff engagement plan	✓	Move to HR	✗
Corporate internal messaging (HR, IT)	✓	All teams DIY	✗
Website			
Overall management of website including contracts (contract for hosting and support until 2023)	✓	✓	✗
Maintaining and updating website content	✓	✓	✓

Website event management	✓	✓	✓
Accessible documents	✓	✓	✓

Data protection checks eg redaction carried out correctly	✓	✓	✓
Managing search function	✓	✓	✓
Managing accessibility, links, grammar, spelling	✓	✓	✓
Media relations, press and social media			
Drafting press/news releases, publish and share	✓	✓	✓
Responding to press enquiries and press monitoring	✓	✓	✓
Social media management			
Posting news and campaign material to social media accounts	✓ Main accounts, all FB groups 25+	✓ Main accounts, key FB groups	✓ Main accounts
Drafting and sharing social media posts	✓	✓	✓
Monitoring social media and responding to enquiries	✓	Move to Customer Services	✗
Managing corporate LinkedIn page including jobs	✓	Move to HR	✗
Supporting or running consultations and surveys			
Residents' survey	✓	Move to Policy	✓
Staff surveys	✓	Move to HR	✓
Other surveys /consultation	✓	Move to Policy	✓
Focus groups	✓	Move to Policy	✓
Communications support for emergencies/crisis			
Take lead for communications and share messaging	✓	✓	✗
Provide draft messaging for councillors, public and staff.	✓	Move to Emergency Planning	✗
Represent council on Multi Agency Group if wider crisis	✓	✓	✗
Textlocal emergency messaging – staff and tenants	✓	Move to Emergency Planning	✗

Design and print support			
Design, print and finish documents, committee reports, leaflets, posters, banners etc.	✓	✓ Reduced printing ie no committee reports	✓
Mailmerge, mailshots incl enveloping eg elections, benefits, council tax, recycling and waste	✓	✓	✓
Photocopier contract, management and maintenance (contract ends 2025)	✓	✓	✗
Design and print for external customers	✓	✗	✗
Complaints and FOI management and administration			
Complaints policy, admin and oversight	✓	Move to Policy	✗
FOI admin	✓	Move to Legal	✗
Committee reports	✓	Move to Policy	✗
Other work			
Chair and lead Surrey Communications Group	✓	✓	✗
Support Chairman's activities	✓	✓	✓
General administration	✓	✓	✗
Adhoc requests from councillors	✓	✗	✗
Analytics - Google Analytics, social media, e-newsletters	✓	Move to Data and Insight or automate	✗

4. Measurement and evaluation

We evaluate the campaigns and communication plans we run by levels of engagement, increase or decrease in contact to the Council via key channels, take up of service etc.

A key indicator in the residents' survey is the score for how well informed people feel. This was 66% in the 2021 survey, which was higher than the LGA national average of 61% at that time.

In the May 2021 staff survey, 72% of staff felt they were kept up to date about work related and Covid issues. Internal communications is not just dependent on the Communications Team, but on management communication.

5. Performance indicators

Performance indicator	Data capture frequency
We aim to respond to media enquiries within 24 hours 95% of the time.	Monthly
We aim to respond to social media comments within 4 hours 95% of the time.	Monthly
We aim to increase e-newsletter sign up by 1% within the next year.	Annual, but data for monthly subscribers collected and shows increase of between 22% and 69% across three key newsletters.
We will measure how satisfied residents are with the way Tandridge District Council runs things.	Residents' survey every two years
We will measure how satisfied residents are with their local area as a place to live.	Residents' survey every two years
We will measure how well informed residents are.	Residents' survey every two years
We aim to make our main website over 94% accessible.	Monthly
We aim to maintain website availability 100% of the time.	Monthly

6. Current team and contracts

The current team is led by a Head of Service who will remain in-house and is about to take on the management of the policy function. There are five full time staff, of which one is responsible for design and print, which is likely to be out of scope for this brief.

We have an in-house print room, with a contract for our photocopiers and printing equipment which expires in 2025.

We have a contract with a website company for hosting and support/development which has a total cost of £9230. This is due to expire in 2023 and can be included as an option. We also have some other smaller contracts for the website search, accessibility, links and grammar checker software and an accessibility tool.

7. Request for informal indicative quote

We are seeking an informal indicative quote from several companies to gauge whether outsourcing is a feasible option.

We have provided a list of possible activities we consider the Council is likely to require in column C, but we are very interested in any different ways of providing the service.

We would like to hear what your company may be able to achieve, what objectives you would set and the outcomes and impact we could expect to see. We are particularly interested in any innovative approaches you may suggest to help us meet our objectives.

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Annex B: Communications Team satisfaction survey

In May, as part of the Communications Team service review, we carried out a satisfaction survey to find out which activities the team provides are important to other teams and how satisfied they are with the service provided.

A link to the survey was sent to 58 staff the team works with most frequently. 26 replies were received. While the number of responses received is too low to base any decisions on without further qualitative data, they give an indication of how the team is rated and performs.

1. Please rank how important the following services provided by the Communications Team are to you on a scale of 1-10, where 1 is not important and 10 very important:

Activity	Rating
Adding new content to the website and amending existing content.	8.62
Providing communications advice and support on specific projects, including press releases and social media content.	8.5
Communications support following emergencies/crisis.	8.4
Design and print support.	7.96
Running campaigns to promote services and initiatives.	7.88
Media relations press and social media monitoring.	7.83
Internal communications, including messages to staff, staff e-newsletter, staff briefing support and updates to the Hub/Sharepoint.	7.64
Complaints and FOI request management and administration.	7.62
Providing general communications advice and guidance.	7.58
Supporting or running consultations and surveys.	7.46
E-newsletters.	7.16
Reviewing/editing written content, including council letters and job adverts.	6.13
Supporting partners' campaigns and initiatives eg GOV, SCC, NHS, Police, Freedom Leisure.	5.96

2. How satisfied are you with the service provided for each piece of work?

The number in brackets is the number of responses to that question.

Activity	Very dissatisfied	Neither satisfied or dissatisfied	Satisfied Very satisfied
Providing general communications advice and guidance.	0%	12% (3)	88% (23)
Adding new content to the website and amending existing content.	4% (1)	8% (2)	88% (22)
Design and print support.	4% (1)	16% (4)	80% (20)
Running campaigns to promote services and initiatives.	0%	20% (5)	80% (20)
Providing communications advice and support on specific projects, including press releases and social media content.	0%	23% (6)	77%
Communications support following emergencies/crisis.	0%	25% (6)	75% (18)
Media relations press and social media monitoring.	0%	28% (7)	72% (18)
Supporting or running consultations and surveys.	0%	28% (7)	72% (18)
E-newsletters.	0%	28% (7)	72% (18)
Internal communications, including messages to staff, staff e-newsletter, staff briefing support and updates to the Hub/Sharepoint.	4% (1)	25% (6)	71% (17)

Complaints and FOI request management and administration.	4% (1)	28% (7)	68% (17)
Reviewing/editing written content, including council letters and job adverts.	4% (1)	37% (9)	59% (14)
Supporting partners' campaigns and initiatives eg GOV, SCC, NHS, Police, Freedom Leisure.	4% (1)	54% (13)	42% (10)

3. How satisfied are you with the communications services, advice or support you receive?

The team:

The number in brackets is the number of responses to that question.

Activity	Very dissatisfied Dissatisfied	Neither satisfied or dissatisfied	Satisfied Very satisfied
Always responds to e-mails and calls.	4% (1)	0%	96% (25)
Provides a high standard and quality of work.	0%	8% (2)	92% (23)
Provides a good standard of customer service.	0%	8% (2)	92% (23)
Gives sound/good/strategic advice.	4% (1)	8% (2)	89% (23)
Completes any work within the agreed deadline.	4% (1)	8% (2)	89% (23)
Is clear about what work I need from them.	0%	15% (4)	85% (22)
Always responds to Salesforce cases or enquiries.	4% (1)	12% (3)	84% (21)
Provides clear information or requests about the work they need.	0%	22% (6)	78% (20)
Helps me meet my performance measures (KPIs).	4% (1)	48% (11)	48% (11)

4. How satisfied are you with the way the Communications Team works with you to deliver its services? The team:

The number in brackets is the number of responses to that question.

Activity	Very dissatisfied Dissatisfied	Neither satisfied or dissatisfied	Satisfied Very satisfied
Behaves in a friendly and professional manner.	0%	12% (3)	88% (23)
Works collaboratively with me/my team.	4% (1)	12% (3)	85% (22)
Understands my responsibilities and my team's.	0%	24% (6)	76% (19)
Goes the extra mile.	4% (1)	23% (6)	73% (19)
Embodies the Council's values and a culture of positivity.	0%	27% (7)	73% (19)
Plans ahead to make sure my team has capacity to support them.	4% (1)	27% (7)	69% (12)
Takes the initiative when solving problems and provides effective solutions.	4% (1)	29% (7)	67% (16)
Invites and welcomes regular feedback to discuss the service provided, along with any improvements.	4% (1)	48% (12)	48% (12)

5. Do you have any other feedback or suggestions about the service the team provides?

The feedback provided is detailed below.

- Comms are essential to this Council and my team. Planning policy deal with a multitude of matters from controversial, to positive and informative. Helping communicate this to our communities, stakeholders, members and the press is essential and applies across services. Comms shape the face of this Council and its reputation and while customer service and hard working is essential from everyone else, our wider area doesn't see any of this without the assistance of comms.
- The design and print service is excellent
- The Communications Team are an important element in the planning policy service area. Particularly with supporting our team with Local Plan, Neighbourhood Plans and

Supplementary Planning Document consultations - which are a statutory requirement of the process. The team assist with press releases, website content for our pages, provide advice etc. throughout the consultation process. The team also provide us with adhoc design and print services for reports and other docs we are statutorily required to publish on our website and although not ideal (and sometimes through no fault of our own), respond to any last minute requests to enable us to publish required information. The support of the communications team and the polite and professional manner they always work in help us to complete our work from the early stages right through to the end of the process. If there is anything more we could do as a team to support the Communications Team to enable effective joint working to produce good quality communications then we would be happy to have a meeting and discuss or have further training to assist.

- I think we as a Council should be less reactive to social media posts. If someone has a complaint about an officer or service then we have a complaints procedure.
- There is a huge income potential in the Print room and also for marketing and PR. It needs someone to drive it forward but with the current equipment levels, the capability of the staff are such that this should be a viable income source. Otherwise, your team are always willing and able. A valuable resource for me.
- The team are very professional, flexible and go the extra mile to make sure we deliver the right messages and responses to our residents and within our Council. I enjoy working with them all and we deliver the best we can together - they are the experts on comms and we are the experts on our subject matters. - Our team could better support the comms team by providing more notice for support on certain annual tasks. This is dependent on our teams workloads and having the time to plan properly which has been challenging over the last few years. We could also put together standard template replies for reoccurring issues to ensure the team are communicating more consistently and effectively. - Would it help to have comms champions across the Council who would be the go to people if you just need to check basic comms such as letters and e-mails? They could be the go to people to sense check for basic comms mistakes (such as not putting what you want to say in the first paragraph). I know there has been a lot of work done on getting corporate templates in a better shape however there are still a lot of very wordy basic communications going out, which if improved would mean our communications would be more effective. I appreciate this may not reduce the amount of cases raised for the comms team. Alternatively, it could be a training need for all teams on communicating more effectively, the templates done before are excellent but only if they are read and put into practise.
- The website is so key to the communication to our residents. Service areas don't keep the pages updated and information is difficult to find. I think a different model of keeping the content up to date would be key to the service re-design and I think it would sit better within the comms team rather than leaving it to each service area as this isn't working, but appreciate that this takes resource!
- The ratings are based on feedback that I have received from my team. Essentially, it is felt that the Communications team always appear to be busy but did not have the capacity to deliver on demands. This may be because they pulled in a multitude of different directions e.g re-writing blogs/ letters and job descriptions. The activity does appear to be more reactive than proactive and very 'traditional'. There should be an annual communications plan owned and signed off by senior management. This should be monitored quarterly to ensure that positive outcomes are being delivered.
- The team have always been supportive and easy to approach. Training around how we use platforms such as LinkedIn would be welcome. Use of SharePoint as a tool for comms amongst teams would help our team. Thank you.
- I think we are very lucky at Tandridge to have such a dedicated and proactive Comms team. Everyone in the team is approachable and I always get a response to my enquiry even if it is just to tell me they are busy and it would be best to raise a case at this stage. My engagement with the Comms team have always been positive and I find the work they do always meets

expectations. I have not been involved in any feedback sessions, so it is the only thing I cannot award very satisfied to. Thank you for all that you do.

S & R Committee Paper

Appendix E

Future Tandridge Programme Business Case

Project/Service	Assets and Facilities Management
Approval date	19 th October 2022
Approved by	TOM Group
Status, i.e. draft, final for review , approved	FINAL

Version control

Version	Date	Description of change	Author
1.0	09.09.22 & 16.09.22	Initial Draft	Jayne Roberts & Alison Boote
1.2	18.10.22	Amendments	Alison Boote
1.3	26.10.22	Review for MRG	Alison Boote

1. Executive summary

The Strategic Asset Management Team supports the delivery of corporate priorities through proactive management of the Council's commercial property portfolio to maximise income and community benefit. This includes properties owned by Gryllus Property Investment Ltd, the Council-owned arms-length property company.

With the continuing challenge of reductions in central government grant funding, Tandridge District council has looked at maximising its' income from property for the past few years. New flexible and mobile ways of working have expanded more quickly than envisaged due to the Covid 19 pandemic and this has brought further consideration of the operational portfolio, in particular the council offices. The land around the Council offices is in a mixture of the private and public sector. Once leases expire in approximately 5 years There is potential to comprehensively redevelop the site to create a public sector hub combined with the opportunity for affordable housing.

There is a need to focus on reorganising the current portfolio, deliver on opportunities and reduce the running costs of the remaining asset base. The priority is to generate as much additional income as possible and minimise costs – such as maintenance and costs of voids.

This Business case sets out a recommendation to review the following:

- Property roles and responsibilities within the Assets and Community Surveying team including the option for an integrated Property Service delivery model.
- A review of the property portfolio with identification of redevelopment opportunities and key assets. The portfolio will be split into segments – community, operational, regeneration, stewardship, economic growth, legacy investment, investment and those suitable for development or disposal.
- The commercial potential of our existing property portfolio will be assessed against current and future TDC needs. Opportunities are emerging from new patterns of usage of Council buildings which allow the release of commercially viable accommodation and or residential development potential.
- Market analysis and financial appraisal to determine what the appetite is for increasing the renting out of existing TDC owned offices including the council offices.

2. Background

The Council's Strategic Asset Management Team was set up in 2018 to deal with Asset Management, Civic Facilities and Housing Development. Asset management responsibilities were previously managed by the legal team, for a short time by Reigate & Banstead Borough Council and split between the Parks teams dealing with property in parks including Pavilions. Community Surveyors have historically dealt mainly with the social housing stock and have considerable transferable experience in compliance matters and lifecycle property maintenance programming.

Since the setup of the Strategic Asset Management Team, work has been ongoing to bring records closer together and improve compliance. Resources could be more efficiently spread by working together with the community surveyors. Resilience would be improved, and duplication avoided. There is a need for a full review to ensure all property assets and budgets are managed in the most efficient and centralised manner.

Tandridge District Council has a small commercial property portfolio which expanded between 2017 to 2019 through a small number of commercial purchases. The focus needs to be on the best use of the current asset base through development, potentially for badly needed affordable housing and disposal if appropriate.

Work was carried out in 2016-18 to upgrade the council offices to create new office suites for marketing to external tenants, let between 2018 and 2019. A 'smarter working environment' with hot desks and improved

energy efficiency helped to establish the agile working which positioned us well to progress through the pandemic. There is potential to take this further, adapting space for new occupiers in the short term and considering the longer-term future of the larger consolidated site to create a new hub for public services and affordable housing.

Excluding Housing, Investment and the main operational properties, the Council owns a number of small parcels of land and buildings with some are currently in community uses. Many of these properties have costs with negligible income. In the current challenging financial environment, there is need to review these properties to ensure that the use is the most appropriate and if it is a community building it does serve the community in the best way.

3. Scope and Approach

To create a fully integrated property service the option of moving to a Corporate Landlord model is being recommended. The concept of Corporate Landlord is that the 'ownership' of an organisation's land & property assets, and the responsibility for their management and maintenance, is transferred from service departments to a centralised corporate body. Service departments become quasi tenants making use of land and/or property to deliver or support a service. Such a function allows individual service areas to focus on service delivery rather than property responsibilities, improves cost efficiencies and eliminates any duplication that exists across directorates. A Corporate Landlord summary has been produced which outlines how a Corporate Landlord should/could operate in practice. **(Appendix A)**

An Asset Rationalisation Process document has been developed with PeopleToo. The process identifies how the Asset Management team will appraise our current portfolio to recommend to Members, decisions on whether to dispose/keep assets. The process is attached as Appendix B **(Appendix B)**.

The results of this process have been captured in an evolving database which will develop into a full Asset Management Strategic Plan which will concentrate on the Council's and community's needs, wider opportunities and current economic factors. All options considered, including the Council offices in Oxted will take into account the full economic life of the asset when considering costs to accommodate any changes. The return on investment has to be positive and have a reasonable payback period.

As part of the review a matrix to give a transparent score of the performance of each of these buildings is being developed. This is to tie in with other matrices used across the council to consider social value and community benefits. It is considered that as external parties are asked to contribute information to matrices for rental grant subsidies, community grants and CIL applications this process will also be applied internally. Principles will be established to consider these sites to reduce the liability on the council while allowing Communities to benefit from their use.

A summary of key roles and responsibilities within the Assets, Housing Development, Facilities and Community Surveyors teams has been collated to inform what the Corporate Landlord structure would look like for Tandridge. Any proposed changes need to be considered within the wider corporate structure and ensure that statutory responsibilities and performance expectations are met. Although the area has been determined to be under resourced and consultants have proposed a structure at a significant cost increase our initial proposals are to create a combined proposed structure within the existing overall budget which is split between the Housing Revenue Account and the General Fund.

3.1. Scope

The scope of the review will consider the adoption of an integrated Property service (Corporate Landlord model). This could include a service restructure, clarifying roles and responsibilities, centralising budgets, best delivery of 'projects' and establishing service level agreements. Delivery models (including partnerships) for this approach to be considered to ensure sufficient scale is achieved.

Review Facilities operations, including facilities officers, and wider role of community surveyors and housing building maintenance team to ensure optimum delivery for FM and compliance.

Aligned to the above a demand mapping exercise against roles/responsibilities/competencies is being undertaken to ensure sustainability and that all necessary services can be delivered in full by the team.

Working with the Councils' Finance partners income received from commercial and investment portfolio is to be reviewed to ensure service charge is recovered in full, rent reviews completed, and current debt levels are reviewed. This will be work carried out alongside the review of opportunities to increase commercial income.

Agile/smarter working has reduced office space occupied by TDC Staff. This allows opportunities for renting out additional space to tenants to be maximised. A review of longer-term options for the use of the Council Offices is also to be undertaken with regard to the public uses on adjacent sites to maximise benefits. Funding from One Public Estate is being sought to carry out appraisals for refurbishment and/or redevelopment options.

Considering all aspects of property budgets in a Corporate Landlord model will ensure contracts are in place which will deliver value and consolidate spend where possible. For example, water management and monitoring, fire risk assessments, condition surveys and inspections are areas where savings could be made. All budget spend will be reviewed, with a view to progressing similar arrangements to Electricity and Gas which are centralised.

A review of the c140 properties is underway and will split them into segments to identify the assets held for operational, community, investment or regeneration purposes. Properties may be identified which can be sold or redeveloped for housing. Land, especially woodland can also be utilised for biodiversity net gain opportunities. A matrix will be developed to assess small operational and community assets. The use of the matrix will give a clear and transparent guide to community benefits and the level of subsidy by the Council.

As part of the overall review the systems used to support delivery, for example, forecasting of expiries and voids, compliance etc which are currently spreadsheet based will be reviewed.

3.2. Approach

Commercial portfolio review – To split the assets into different segments, identify current service charge recovery, debts, outstanding rent reviews etc and opportunities for further income generation.

Matrix - A matrix will be developed to assess small operational and community assets. The use of the matrix will give a clear and transparent guide to community benefits and the level of subsidy.

Benchmarking – Current performance to be benchmarked and opportunities identified including – FM contracts, Energy, agile working.

Member engagement – Specific proposals would be discussed with Members to gauge appetite and to highlight risks and opportunities.

Engagement with other Services – Other TDC Services would be engaged to confirm alignment of proposals, and any dependencies, for example Community Surveying. This is a key part of Corporate Landlord – where the Asset Management team holds responsibility for establishing, challenging and ultimately meeting service requirements for assets.

Supplier Engagement – Current suppliers would be engaged to receive feedback on current models (FM contracts such as Cleaning, Repairs)

Business rules/SLAs/Processes – Undertake gap analysis to identify current gaps in 'business rules' to ensure clarity on expectations between services on roles and responsibilities.

Develop potential revised delivery model – Using the outcomes of the above, develop a potential delivery model for the component services.

Functional Structure – Using the proposed delivery model, develop a revised functional structure to deliver the services.

3.3. Dependencies/impact assessment

There is a dependency on the wider service reviews and what that may mean in terms of the number of staff we employ and where they might be accommodated. We need to ensure that the office space requirements are geared up towards the future need of the organisation rather than the current need. This will need to be kept under review.

In addition, the nature of the information particularly regarding grounds maintenance has delayed efficient split of costs between sites. This does not currently allow the recovery of full costs in some service charge situations.

3.4. Data Analysis

The salary budgets for the Asset Management, Facilities and Community Surveying teams total £944,054 and include 18 officers. One post is to be transferred to Operational services (Tree Officer to sit with grounds maintenance) and there are currently three vacancies. These vacant roles are proposed to be allocated to the new proposed combined structure, also attached in confidential Appendix C.

Their salaries are split between capital and revenue elements both in the housing revenue account and the general fund.

The move to a Corporate Landlord model has required analysis carried out on the all property related roles and budgets. The next stage is to engage with stakeholders to confirm the assets/budgets in scope, and to set expectations around service provision, if management for these assets was centralised. This work has commenced.

The areas of the budgets included are part of a confidential appendix due to commercial sensitivity. Appendix D (restricted)

To illustrate there are several areas in other front-line budgets which are property related and could be better placed under central management -

- **Maintenance (£136k)** £62k Sports and recreation, £6k in Public Conveniences, Waste £5k. Depot £25k. Car Parks £10k. Leisure and Community Grants £28k.
- **Electricity (£29k)** – £1.7k Car Parks, £8.7k Sports and Rec, £1.5K Street Cleansing, £17k public cons,
- **Water (£32k)** - £8k Parks and Open spaces, £7.5k street cleansing, £16.4k public conveniences
- **Gas (£2k)** – £2k Sports and Rec
- **Cleaning (£1.2k)** - £1.2k sports and rec

Consolidating costs into one Asset Management area in a Corporate Landlord model will ensure tighter management and generate savings moving forward as contracts and compliance issues align. Resource would be needed or re designed into the teams.

4. Current Service Baseline

4.1. Overview of existing service

The Strategic Asset Management Team support delivery of corporate priorities through proactive management of the Council's property portfolio to maximise income and community benefit. This includes properties owned by Gryllus Property Investment Ltd, the Council-owned arms-length company.

Housing Delivery Programme to meet corporate priorities by constructing affordable housing. Identify gaps in the local market and 'enable' through Registered Providers and developers through a range of housing tenures to meet current housing need within the district.

The Four main areas of Strategic Asset Management and the Community Surveying team are currently led by the Executive Head of Communities

Asset Management Services - The Council's commercial property portfolio, Gryllus Property – the Council's Investment Property Company and commercial arrangements in operational properties – park pavilions, HRA garage sites and land.

Projects – These are the main regeneration projects of Quadrant House and Croydon Rd as well as projects for other areas of Communities such as Queens Park, Public toilet refurbishments.

Asset Management maximise income and minimise voids adapting to the market conditions

Examples:

Linden House – A lease renewal of the whole has been agreed – although we have had to accept a rent reduction, due to market factors, the property will still bring a net income to the Council to help pay for services. By negotiating a lease renewal of the whole, we have eliminated the risk of void property costs and refurbishment costs.

Quadrant House – secured two lots of external grant funding to help pay for regeneration of this building, for the benefit of Caterham. The first award of external funding of just over £200,000 from Coast 2 Capital Local Growth Fund was followed by a second award of Coast 2 Capital funding totalling £4,915,000. Massive investment in the building was then possible to provide new insulation, improve the windows, create a green wall and roof terrace. We have taken a short-term reduction to the income, but the investment will enable us to generate significant returns in future, thus helping to fund services. Net rent should increase by at least £200,000 p.a. as a result of the refurbishment, which completed in early October 2022.

Facilities Management – Council Offices maintenance, compliance, energy management and security. The team support the occupation of council officers and the external tenants in the building.

Housing Development – Major programme of Housing Development. Set up in 2017 as a five-year plan. £17.5m is in construction from this original programme and a £74m extension to the programme was agreed in March 2021 which will run until 2027. The new programme extension aims for 40 homes per annum- 200 homes. The programme aims to maximise the use of Council land and anticipates the need for open market land purchases for 30% of the programme.

Community Surveyors – The Community surveying team give technical advice on the commercial property portfolio and the Council's housing stock of around 3,000 properties, for both direct tenants and long leaseholders of former Council owned flats. The team deals with a Capital programme totalling £4,184,000 dealing with improving council owned stock such as replacing roofs, windows, kitchens, boilers etc.

The team also manage the housing repairs framework with 7 different lots which contribute to the £991,500 budget spend along with repairs to heating systems £330,900 and repairs in void properties £470,000. The community surveyors also look after the overall cleaning contract £135,400 and external decoration contract

£401,500, as well as maintaining an existing equipment contract of £88,400 within properties - lifts, fire alarms, emergency lighting etc. They work closely with the depot to make sure all reactive repair works are carried out when they are reported in a suitable time frame.

The team are involved in statutory compliance of the housing stock currently looking at gas and electrical certification. As well as looking after the Energy Performance Certificates of the properties and managing contracts/contractors around legionella and asbestos. The team is highly experienced and commercially adept.

By bringing the expertise together in a Corporate Landlord model there will be less duplication and more resilience towards overall compliance and efficient ongoing planned maintenance.

Key Metrics

Tandridge District Council - Annual Rent – c.140 properties – c £1.35m

Gryllus - Annual Rental – 3 properties c £0.9m

Initial studies carried out through the Asset Rationalisation Process

Property Segment	Number	Income
Operational	32	541,038
Community	112	90,992
Regeneration & Economic Growth	1	630,526
Stewardship	1	-£6
Investment & Legacy Investment	4	1,247,568
Surplus/Disposal	2 (land)	£0
Total		2,510,227

A comprehensive database giving detail behind the review, including commercially sensitive confidential information and showing the direction the data is moving towards is attached as Appendix D (restricted).

This database will show all income and expenditure, all future expenditure and will capture the social value of the portfolio. The performance of segments of the portfolio will be clearer to analyse in line with the Council's aims

5. Service Review Analysis

Consideration of a fully integrated Property Service has commenced with all roles and responsibilities being identified across all areas – of Asset Management, Facilities, Community Surveyors, Projects, and Housing Development. The identification of all property related spend has included looking at where compliance efficiencies can be made.

The c. 140 properties are being reviewed and segmented into those held for different purposes – Operational, Community, Investment and regeneration. There are a wide range of community buildings e.g., Sports Pavilions, community centres, library, and museum. Investment – Gryllus and TDC properties. Regeneration – Quadrant House.

Looking for development opportunities – anticipated mainly for housing but also for community uses in parks – e.g., a pavilion was converted into a café in Whyteleafe Rec. Several buildings are now used in different ways following the pandemic and the council will ensure the best future long-term use of the Council Offices location.

If the buildings themselves are not appropriate it may be possible to increase the floor area of one building e.g., a pavilion and demolish another store rather than encroach on greenfield land.

The Asset Rationalisation Process document referred to under 3. Scope and Approach will inform the above work streams.

6. Key Recommendations and Proposals

Property roles and responsibilities and an integrated Property Service to include compliance in one rather than three areas. Facilities may merge with Building (Community) Surveyors to create one technical and property support team alongside Asset Management. A Change Request will be submitted to include a proposed new team structure.

Split of property portfolio into different segment areas – mainly community assets, investment holdings and operational elements. This will include Identifying key assets with commercial potential as part of asset review.

Assess these against commercial potential and current TDC needs, including whether changing TDC usage could release commercially viable assets.

Review and provide timelines and the continuation of market analysis to determine what the market appetite is for increasing the renting out of existing TDC owned offices including the council offices. A review of the current utilisation of office space will take place. Additional budget is required to erect partitioning and provide additional security and access measures to create space that can be separately let to tenants

Make decisions on the future of the assets and market either for rental or sale if necessary, in accordance with financial Regulations and the Commercial Investment Strategy.

Determine what if any specialist support is required to review the options above.

7. Financial Analysis

7.1 Financial Analysis and Profile

Savings Table £000				
Source of saving or income	23/24	24/25	25/26	Total
General Fund				
Integrated property Service Centralisation of cost budgets and savings through compliance economies of scale	£40	tbc	tbc	£40
Letting of space within Council offices	£50	£30	tbc	£50
Cost savings through transfer of responsibilities	£20	tbc	tbc	£20
Consolidate Facilities Management/Housing contracts	£2	tbc	tbc	£2
General Fund Subtotal	£112	tbc	tbc	£112
Total savings/income	£112	tbc	tbc	£112

Investment Table £000				
Investment required	23/24	24/25	25/26	Total
General Fund Revenue (from Budget)				
General Fund Subtotal				
Capital Investment				
Capital (potentially generated from property receipts) to be used for works to partitioning and additional hours security in the council offices in order to attract tenants.	£150			
Capital Subtotal	£150			
Total investment	£150			


Provision for capital has been included in the budget for 23/24 to improve partitioning arrangements to create new office suites for rental within the Council Offices. Feedback from the market is to create small suites and additional privacy for tenants between toilet facilities. Two marketing agents are currently instructed to market accommodation in the offices. In addition, access arrangements for external tenants are being extended.

The table below provides context on the 2022/23 Q2 forecast for a deficit in rental income from the Tandridge District Council property portfolio, that will be addressed in order to deliver the £50k saving planned for 2023/24. The final row shows the gap that will need to be addressed by the review of commercial opportunities as set out above. This additional £136k required represents a rental increase of 11.92%. This figure is achievable due to the available refurbished accommodation in Quadrant House and potential suites in the Council offices. The whole allowance for rental uplift at Quadrant House has not been included at this time due to the marketing period required.


	£000	Comments
Q2 Deficit	173	This consists of Office Services shortfall in S&R (£67k) and Corporate Items Property Income (£106k)
Less projected improvements for 2022/23	(37)	The 2022/23 impact improved between Quarter 1 and Quarter 2 by £113k and may improve further.
Less projected improvements for 2023/24	(95)	This row captures the known full-year impact of any leases expected to commence mid-way through the year.
Plus £50k additional saving for 2023/24	50	
= Additional Rentals to Generate	91	

8. Measurable outcomes


8.1 Critical Success Factors




Financial
 An overall reduction in net budget of 15% by 23-24 over 18 months
 An overall reduction in expenditure on 'Enabling and Back Office' functions of 15-20% by 23-24
 A higher proportion of the budget is spent on 'front-line' services and the Councils priorities



Residents and Service Users
 Service Users are involved in the redesign of services
 Resident and Service User feedback and insight is used to drive service improvement
 Residents and Service Users are directed to use the least cost channel to access Council services



Services
 Service Delivery models are assessed & service delivery is undertaken by the most appropriate means
 Service performance is measured, benchmarked and actively managed
 Service levels are set at an appropriate level which is aligned to Council priorities



Staff
 The Council has a smaller directly employed workforce
 Managers and staff are engaged and accountable for their performance
 Staff feel valued and motivated and understand the values and behaviours expected of them

Critical success factor	How will success be measured?
A reduction in expenditure by re-structuring teams within Asset Management and Community Services	By driving efficiencies and performance. This will also be viewed alongside efficiencies in other areas as budgets grow as the area of responsibility expands

Critical success factor	How will success be measured?
Process and compliance monitoring improvement	Performance management plan to be implemented.
Increased rental income in the council offices	Additional floor area rented to other parties and recording of rental growth levels.
Asset rationalisation	Improved utilisation of all assets within the property portfolio. The scoring matrix to be developed for small assets in operational and community use.

8.2 Risk Assessment

Risk	Mitigation
There are financial risks of not keeping a close eye on opportunities and costs.	Close monitoring of income and expenditure.
Reputational risks with properties vacancies	Invest in partitioning to create new lettable areas and extended access to attract tenants and continue to market in the most efficient way.
Community groups and charities may be unable to contribute to properties at appropriate levels – there is a need to record and minimise costs	Continued investigation of the ongoing financial position and sustainability of each charity or voluntary group. The use of the matrix will give a clear and transparent guide to community benefits and the level of subsidy.
Commercial property market is challenging which impacts on our rental income.	Keep abreast of market conditions and use appropriate agents.

9. Conclusion

This Business case sets out a recommendation to review the following:

- Property roles and responsibilities within the Assets and Community Surveying team including the option for an integrated Property Service delivery model.
- A review and split of the property portfolio into operational, community, investment and regeneration classifications with identification of redevelopment opportunities and key assets.
- The commercial potential of our existing property portfolio will be assessed against current and changing TDC needs. Opportunities are emerging from new patterns of usage of Council buildings which allow the release of commercially viable accommodation and or residential development potential.
- A matrix will be developed to assess small operational and community assets. The use of the matrix will give a clear and transparent guide to community benefits and the level of subsidy.
- Market analysis and financial appraisal to determine what the appetite is for increasing the renting out of existing TDC owned offices including the council offices.

The review will introduce efficiencies in working practices and identify further opportunities to maximise the value to be driven from the Council's property assets. This will set out the strategic Direction in an Asset Management Strategy Plan and propose the structure of the team under an integrated model to be set in place after due consultation to be concluded by the end of the 22/23 financial year.

Marketing continues on all vacant office and retail accommodation. The launch of the newly completed refurbished Quadrant House office accommodation took place on 6th October.

The review will be concluded over the next two months and report back to the Strategy and Resources Committee in December 2022.

10. Equality

The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential effects of decisions on those protected by the equality's legislation are considered prior to any decision being made.

Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
- advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.

The above aspects were considered in terms of the impact of the proposed change when drafting this business case document.

11. Appendices

- Appendix A – Asset Rationalisation Process
- Appendix B – Corporate Landlord model
- Appendix C – Restricted – Salary and Structure information
- Appendix D – Restricted – Review of portfolio and expenses

Appendix F – Operations, Localities and Waste Update

Operations and Localities – Progress to Date

Meeting / Activity	Date	Outcome
<p>Community Services Committee</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 162</p>	<p>18th October 2022</p>	<p>Direction of travel approved for an internal improvement programme and market readiness preparation.</p> <p>Noted the resources required to continue (approved at S&R on 29th September 2022)</p> <p>Note that the planned saving were subject to further detailed analysis (see post-committee work, below)</p> <p>Note that a decision on the future of Operations and Localities would be due back to committee.</p>
<p>Post-Committee Development Work</p> <ul style="list-style-type: none"> - Validating proposed savings – examples, track record, demonstrate early progress and housekeeping gains - Developing detailed project plan - Clarity on delivery resources 	<p>18th October 2022 – 21st November 2022</p>	<p>Detailed outcomes presented to Operations and Localities Member Workshop on 21st November, summarised in this Appendix.</p> <p>Confidence that savings are deliverable, with case studies provided.</p> <p>Indicated that special committee sessions may be required for Community Services to approve at key decision points.</p>
<p>All Member Workshop</p>	<p>21st November 2022</p>	<p>Presentation of progress to-date and next steps, including an opportunity to discuss and shape the direction of travel for the project.</p>
<p>Strategy and Resources Committee</p>	<p>1st December 2022</p>	<p>Recommendation to approve that the Operations and Localities update from 18th October Committee, taken together with this appendix, to form the basis of the budgets to be finalised during the January committee cycle</p>

Introduction

Community Services Committee in October 2022 – For Operations and Locality including Waste

Business case outlining progress made on the service review and recommending a twin track approach for the direction of travel:

- 1. Internal Improvement programme** - to initiate an internal improvement programme to deliver better service outcomes, achieve savings and mitigate operational risks and issues. This will include the redesign of Operational Services, the development of service specifications and associated performance metrics, improvement in technology and an interim restructure of services.
- 2. Market readiness preparation** – to undertake early market engagement to assess the market readiness and appetite to deliver Operational Services, in whole or in part.

Financial Context for Ops and Localities including Waste

- Current 2022/23 Budget £5.7m (General Fund gross spend including Waste). £3.6m net spend:

Committee	Service	Pay £k	Non Pay £k	Income £k	Tranche 2 Budget £k
Community Services	Waste Services	271	3,168	(1,188)	2,251
Community Services	All Operational Services	75	156	(312)	(81)
Community Services	Parks and Open Spaces	335	856	(350)	841
Community Services	Streets & Public Conveniences	556	259	(238)	577
Community Services	Ops, Locs and Waste	1237	4,439	(2,088)	3,588

- 55 FTE across GF and HRA (38 in GF, subject to review of allocations)
- £1.7m total savings plan for the Council overall in 2023/24
- Subject to approval, proposed savings target for Ops, Localities and Waste of £312k (c.5% gross spend):
 - Ops & Localities savings: £239k
 - Internal Improvement Plan
 - Market Engagement and Commissioning
 - Appropriate specification of services (E.g. comparison of cut frequencies has shown that our 16 cuts in some areas is higher than those employed in other Councils - i.e. 12 or lower)
 - Bring bank removal: £50k
 - Green waste charges: £23k – Inflationary uplift to be agreed at January Committee

Operational Improvements update - Progress to Date

Financial management and Training

- Additional Agresso training for the Head of Service and Operational Support Team Leader in order to produce spend reports, analysis, previously created by Finance.
- Ensure purchase orders are raised against the correct codes and review relevant budgets to ensure that spend is in the correct location, to allow accurate costing / cost control.
- Involving and operational managers / service leads in understanding of budgets and financial management.
- Analysing spend and income with operational managers to identify risks and opportunities.
- Identifying spend where better commercial arrangements might be achieved.

Accountability, ownership and savings

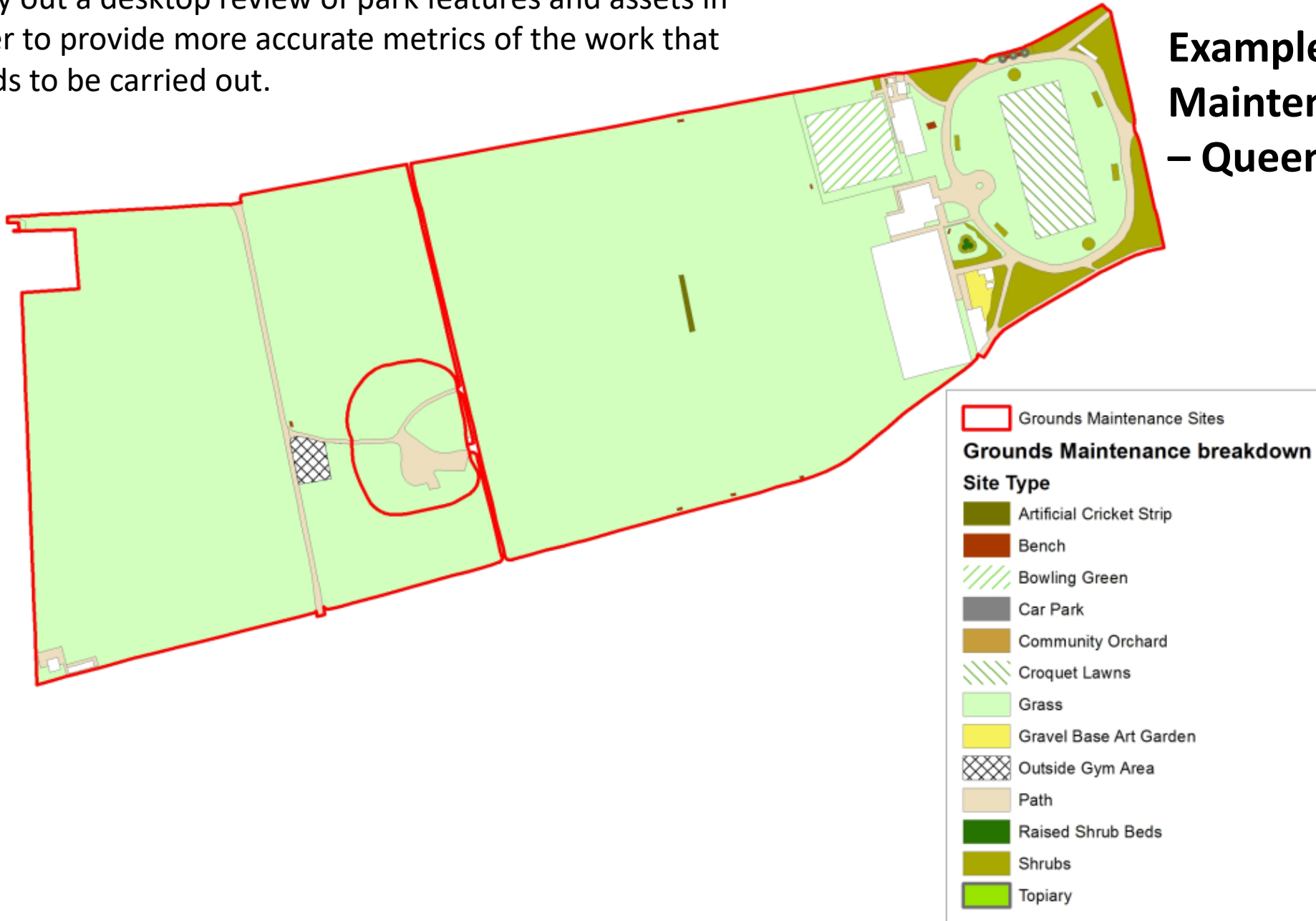
- Develop culture where operational managers are accountable for budget setting, efficiency improvements and the ongoing performance against this.
- Business case developed to purchase a portable industrial shredder that will be self-funding, deliver transport and disposal cost savings, as well as a service improvement to residents.
- Mechanical sweeper saving delivered.

Purchase order control

- Ensuring that purchase orders have been placed before work / supplies are delivered.
- Control all expenditure by the Operations team via a sign off approval process.

- Carry out a desktop review of park features and assets in order to provide more accurate metrics of the work that needs to be carried out.

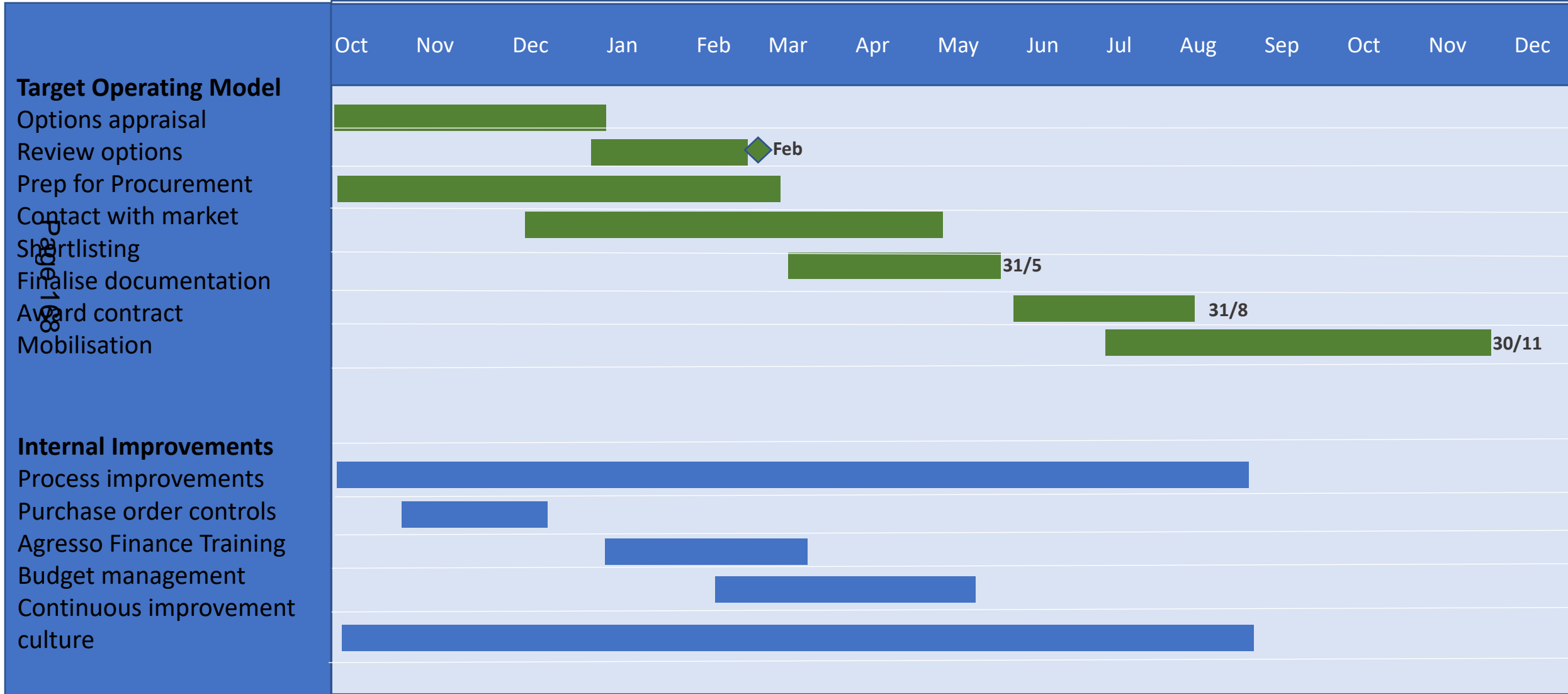
Example - Grounds Maintenance GIS Layer – Queens Park



Approach to soft market engagement

- Existing Service Delivery - data collation for the market
 - Existing service specifications being documented/update
 - Work done in of support modelling
 - Modelling exercise to inform service level options and affordability
 - GIS features being fully developed – project team established and focussed on delivery
- Market Engagement process being shaped for implementation across December and January
 - Market engagement advert to be placed by Procurement team
 - Approaches to be made directly to those marketplace suppliers already known
 - Approaches being made to authorities who have recently been through this process
 - Key areas of interrogation and evaluation being developed for interested suppliers
 - Full procurement timetable being developed in preparation/assumption of formal market testing post January 2023

Key Milestone Plan



Operations – Key milestone plan - Risks

Risk	Mitigation	RAG status
Timescales - timescales to achieve a contract award by November are tight and will require activities to be run in parallel, with the formal procurement commencing by March 2023.	Detailed planning of activities, identification of expert support for each of these activities and running activities in parallel. Formal project governance and oversight. Pace and focus of project team to ensure achievement of dates.	
Formal governance / decision making - decisions will need to be made in a timely way which may not readily align with committee dates.	May require a special purpose member group or meeting – will be determined as part of the detailed planning.	
Delivery of savings – not all of the potential savings are fully within our control as some depend in part on market appetite / a successful procurement. At this stage it is not clear how attractive the market will find the procurement.	Market engagement phase will inform what TDC can do to make the procurement attractive and needs to inform the procurement approach. Financial envelope will need to be clearly communicated. Savings fully within our control to be maximised (staffing and specification)	
Capacity and capability to undertake delivery of BAU and improvement activity in parallel with preparing for and delivering the procurement.	Roles, responsibilities and leadership for each element (BAU, improvement activity and management of the procurement itself). Detailed delivery plan. Formal project governance to ensure focus is maintained on each. Address gaps.	
Availability and adequacy of suitably qualified resources and expertise to undertake the preparation for and delivery of the procurement itself (procurement, finance, legal).	Resource plan to be aligned to the delivery plan. SME time required to be identified and allocated (either from internal resources or external where necessary)	

Savings Plan Delivery

£239k in Operations and Localities

PeopleToo update

Tandridge District Council – Savings Overview for Operational & Locality Services

Member Workshop | 21st November 2022

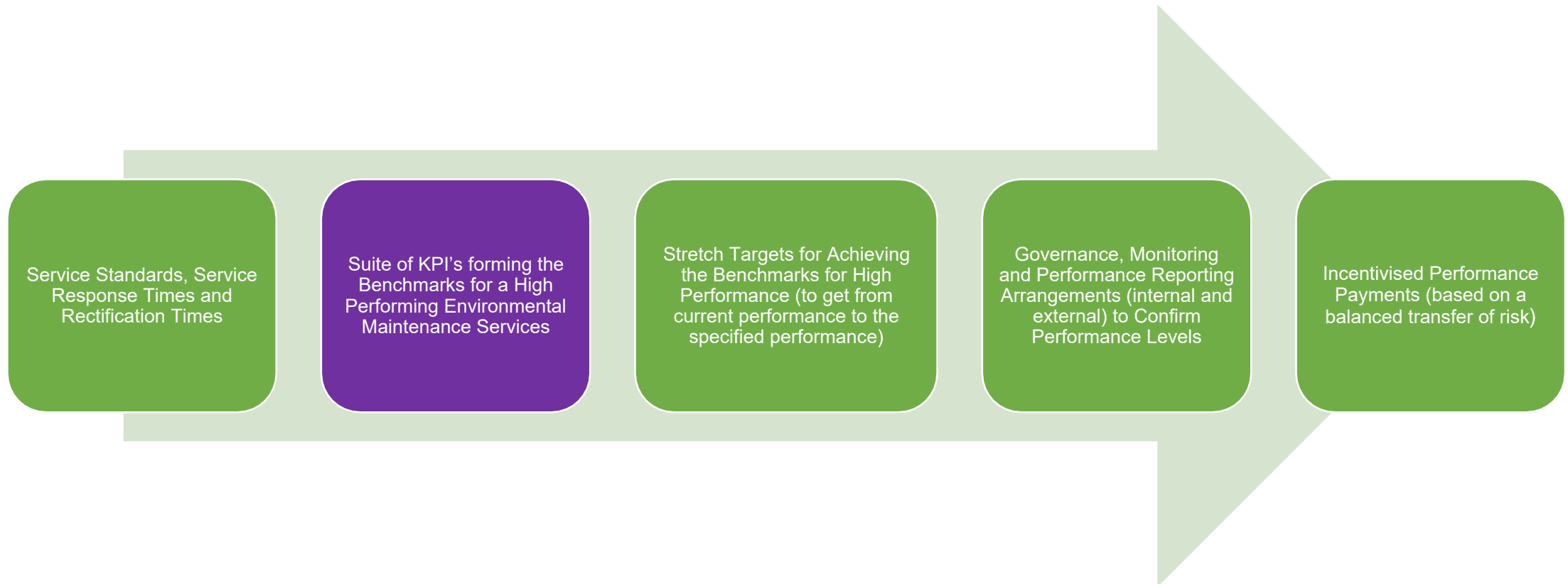
Peopletoo
it works better with you



Status of TDC Services at the Beginning of the Council Transformation Programme

Benchmark for Best Practice	Tandridge DC Status
Key Driver 1: All assets to be cleansed or maintained accurately measured in terms of the activities required.	<p>Not in place – only piecemeal data was available to support the review work.</p> <p>A work programme is now in place to capture the required measurements</p>
Key Driver 2: Clearly defined service standards for all cleansing and maintenance activities	<p>Not in place.</p> <p>Following the measuring of assets the focus will quickly shift to the developing affordable service standards</p>
Key Driver 3: Productivity levels set against those of evidenced high performing service providers	<p>No productivity levels set for in-house services or used to evidence VFM from externalised services.</p> <p>The Council will need to commit to adopting high performing productivity levels for all services whether delivered in-house or externally.</p>

Recommended Performance Framework for TDC to Adopt



Work Required to Develop the Performance Framework

- The **service standards** will need to be developed by TDC and then set out in the Service Specifications for grounds maintenance and street cleansing and complied with in full by either in-house or external service providers.
- TDC will also need to develop and include in contract documents the **rectification periods** for grounds maintenance and street cleansing service failures in respect of works carried out not being to the standards set out in the service specifications.
- The **stretch targets** for each of the recommended KPI's for grounds maintenance and street cleansing will also need to be developed by TDC after agreement or amendment of the recommended KPI's. These stretch targets are intended to drive continuous improvement on the delivery of the services.
- The **governance arrangements and reporting arrangements** then will need to be developed that include both in-house providers and external providers and this is usually done through some form of Performance Management Board that has responsibility for reporting on performance to Members.

Track Record and Relevant Projects – Anonymised – Detail Provided in Workshop

Page 175

Client	Description of Work	Outcome
Council A: <ul style="list-style-type: none"> • Parks & Open Spaces Management. • Waste; • Grounds Maintenance; • Street Cleansing; • Facilities Management; • Car Parking and Parking Enforcement; • Markets; • Fleet and Vehicle Maintenance. 	Review of Operational Services applying our methodology to reconfigure the delivery of all services and delivered circa £500k in savings.	Operational Services staffing establishment redesigned and implemented; and new operating model developed for all of the services against high performing productivity levels leading to the effective and efficient deployment of resources and delivery of savings and significant evidenced improvement in service delivery standards. £500k in savings were delivered.
Council B: <ul style="list-style-type: none"> • Waste; • Street Cleansing; • Fleet and Vehicle Maintenance. 	Insourcing of waste and street cleansing services to a LATCo to deliver improved services and VFM by applying our methodology.	LATCo created and services insourced against a five year business plan that delivered savings of circa £200k against the previous contract price.

Track Record and Relevant Projects

Client	Description of Work	Outcome
Council C: <ul style="list-style-type: none"> • Waste; • Trade Waste; • Street Cleansing; • Pest Control. 	Review of Environmental Services applying our methodology to stabilise the delivery of services and remove the annual overspend of circa £190K	A new operating model developed for all of the services against high performing productivity levels leading to ensure the effective and efficient deployment of resources and the removal the annual budget overspend of £190k.
Council D: <ul style="list-style-type: none"> • Waste; • Grounds Maintenance; • Street Cleansing; • Traded Services. 	Review of all Street Scene Services applying our methodology to initial identify areas of investment required to improve service outcomes and then to deliver efficiencies.	An initial investment plan was developed for service improvements but when implemented in full opportunities for circa £600k in efficiencies were identified.

Track Record and Relevant Projects

Client	Description of Work	Outcome
<p>Council E:</p> <ul style="list-style-type: none"> • Waste; • Grounds Maintenance; • Street Cleansing; • Traded Services. 	<p>Review of all Public Realm Services applying our methodology to initial identify opportunities for savings.</p>	<p>Proposals made for a new operating model for all of the services against high performing productivity levels identifying circa £800k of savings opportunities.</p>
<p>Note: Key Drivers of Savings:</p> <ul style="list-style-type: none"> • The breadth of services in scope. • The size of the individual services of work requirements, the ‘metrics’. • The service standards driving frequency of activities. • The current operating model and the levels of productivity being achieved. • The current performance and costs of the services. 		

Savings Plan Delivery - Other

- £50k Bring Bank Saving
 - Committee Decision in January required to remove Bring Banks
 - Consideration given to Parish Councils taking responsibility – this was discussed at the Member workshop but deemed unlikely to be economic or viable for Parish Councils
- £23k Increase in Garden Waste Charges
 - This assumes an uplift of 2.5% for 2022/23 – significantly below inflation
 - A higher uplift would generate further income
 - Committee decision in January
 - Fees and Charges workshop planned for December

S & R 1st December 2022

Appendix G

Customer Services and Digital – Emerging Business Case

1. Update following Member Workshop

The emerging business case below was provided to all Members ahead of a workshop on Digital and IT. This version has been reviewed to remove commercially sensitive material. Further work will be undertaken following the workshop in the following key areas, addressing Member feedback.

Digital inclusion

The new digital technology can help us to reduce costs, and we will encourage people who can access our services online to do so, which means we can focus resources on those more complex services and those customers less comfortable with digital technology.

We know that not everyone will want to contact us in this way, and we will continue to provide services through other means. Members asked us to focus on those that are not digitally enabled or cannot use the digital channels through a new communications strategy. A workshop is being arranged on developing the strategy and this will be included.

Other key themes/actions:

- Aligning approach of software with other Surrey councils
- Gather data from other districts and boroughs about the existing use case application of their digital provision
- Clear evidence to be gathered and provided on the savings
- Detailed success factors
- Examples from other councils of gains/benefits from the application of the tools being considered
- Engage external support for direction regarding the website evaluation and redesign
- Develop future use examples, including example personas and detail the business value for each 'to be' process
- From BVA, derive outcomes and success criteria
- Define how councillors can provide input to use cases/personas etc
- Gather data on the number and reason for resident's visits to the council offices

2. Background and Summary

A digital-first approach is not just about an improved website, new technology or reshaping customer service. It is about moving the whole organisation from traditional models of delivery (face to face, phone calls, letters etc) to a model where a large part of the contact will be automated and conducted online. This has the potential to fundamentally change the way customers interact with the council as well as altering the way staff work. As a result, it is as much a cultural change as it is a change of delivery.

The number of people wanting to communicate, interact and transact through digital channels has steadily increased. Digital change is seen as positive to make us more customer focused, environmentally friendly and immediate, but also to enable agile and flexible working for employees. There is a lower cost per transaction, improves quality of the data collected, leading to more efficient processes.

In the last few years, the Council's use of digital channels has grown, and residents are using the services we have already made available online. The council developed and approved an IT & Digital Strategy in June 2021.

The strategy identified that the challenge is to provide the right service to the right residents when and where they need it. The ambition is to provide efficient, cost-effective services 24/7 to a growing majority of our residents.

The digital aspirations were underpinned by three critical ambitions:

- **Accelerating channel shift**
More people will be able to access the services and information that they want, when they want, online without needing to contact us. To ensure the same or increased level of digital presence in all council core services while keeping open non digital channels for those that need them.
- **ICT modernisation and resilience**
To continue to consolidate, standardise and simplify our current technology estate with improved integration and connectivity between core systems. To keep our networks and systems updated, secure and safe to protect the data of residents and businesses.
- **Working smarter**
To be able to work easily from wherever they are, with the right tools and training, embracing what technology can offer, supported by a leadership team that exemplifies digital thinking.

This business case is focused on how we can improve our customer services offer to our residents and businesses by the introduction of new digital tools, including a review of existing applications and infrastructure.

3. Scope & Approach

3.1 Scope

The scope of the review comprised of the following:

- The Council's existing digital capability and future aspirations
- A review of the current line of business (LOB) application estate
- The Council's IT infrastructure
- The IT Team structure
- Customer Services current delivery model

3.2 Approach

- In terms of a review of the Council's **existing Digital capability** the following was undertaken:
 - o Capturing of the As Is architecture to define what the existing digital provision looks like, what works, what the challenges are and what would be the cost of moving off the existing foundations.
 - o Art of the Possible analysis to assess which existing technologies could be further developed, how and at what cost.
 - o Demonstrations from other vendors operating in the digital tech space to better understand the market offerings.
 - o An assessment as to the extent that this range of digital solutions could support the future service delivery ambitions currently being explored (commissioning, outsourcing etc).
- The review of the organisations current **LOB application estate** was undertaken with business and vendor engagement and focussed on:
 - o Its existing challenges both from an operational and technical perspective.
 - o Opportunities for rationalisation to enable the estate size and complexity to be reduced.
 - o Cloud migration opportunities and associated cost/benefits.
- The review of the **Council's IT infrastructure estate** was necessarily a purely technical exercise and examined:
 - o As Is operations and existing challenges
 - o Opportunities for estate rationalisation to enable the estate size and complexity to be reduced
 - o Cloud migration opportunities and associated cost/benefits
 - o A 'future ready' assessment
- An assessment of the **IT Team Structure** was undertaken to look at:
 - o What the existing skill set and capability is within the Team
 - o What the workload typically looks like As Is
 - o What short term resources might be required to develop enhanced digital capabilities.

- What future changes might be required to support enhanced Digital capabilities.
 - What short-term changes might be required to enable and infrastructure cloud migration
 - What future changes might be required to support a hosted infrastructure.
- A review of the **Customer Services** current delivery was reviewed and the following undertaken:
- What changes would be required to reduce demand and be increasingly digital
 - How to increase the range of services currently available through the website and/or out of hours
 - Opportunities for enabling and encouraging customers to self-serve
 - Opportunities for streamlining and removing unnecessary processes
 - Opportunities for outsourcing the outgoing mail provision
 - What changes would be required to remodel the customer services team to support delivery changes

3.3 Dependencies/Impact Assessment

The impact of the review is potentially the following:

- Enhanced digital/self-service provision made to residents and businesses within the district via the development of existing tools and implementation of new technologies.
- The further automation of some frontline services and business processes as a result of the wider application of these technologies.
- Better data capture to support the strategic development of Council-wide service delivery and key performance indicator (KPIs) management.
- Reduction in the number of line of business (LOB) applications within the existing IT estate.
- Reduction in the size and complexity of the existing infrastructure estate.
- Migration of a smaller, less complex infrastructure to the cloud.
- Restructure of the IT Team and Service Delivery model.
- Restructure of the Customer Services Team and Service Delivery model.

In terms of dependencies:

- There is a technical dependency for the digital implementation on the replacement of the existing telephony software, which is currently in the solution option assessment phase.
- The reduction of LOB applications is dependent upon corporate level decisions being made regarding the IT Strategy: best of breed vs 'modular' solutions that have the capability of a range of applications.
- The data capture proposal will ultimately be dependent upon what the Council wants to capture and monitor when decisions have been made regarding its commissioning/shared service ambitions
- The migration of infrastructure to the cloud will likely be dependent upon a number of 'stepping-stone' projects, each of which would be required to reduce the scale and complexity of the existing infrastructure (thereby reducing cloud migration and running costs), as well as to make it Azure compatible. These will all need to be individually assessed and costed.
- The restructure of the IT Team and Service Delivery model can only be completed when all other impacts/deliverables resulting from this review have been established. It is also likely that reviews being undertaken for other services will also need to have concluded where there will be an anticipated impact to IT.
- The restructure of the Customer Services Team and Service Delivery model can only be undertaken and completed when the digital tools have been implemented.

4. Current Service Baseline

Existing Digital capability

The Council's existing digital tools comprise of approximately 50 online forms which create Salesforce cases and allow workflow management across the following services:

- Operational Services
 - 20 forms to enable residents to report a range of issues.*[data to be provided regarding % of work being channelled online]*
 - Since going live with these, over 9,000 cases have been created.
 - Previously this was being managed using pdfs and emails, calls etc. *[feedback to be included regarding the operational impact of this]*
- Covid Grant application management
 - Almost all covid grant applications were processed on Salesforce (approximately 10,000)

- The flexibility and low code/no code nature of the platform enabled the Council to make a form available to residents and business within days.
- Without Salesforce the forms would have taken much longer to build and all grant applications would have been managed using pdfs and emails.
- FOI/EIR/SAR/Complaints
 - Each of these is now being managed in Salesforce.
 - Previously this was managed through a combination of pdfs, emails and Civica. *[feedback to be included regarding operational impact of this]*
- IT
 - The IT Helpdesk has been built in Salesforce
 - This replaced the previous software (BMC) – the version the Council were paying for offered little integration ability or reporting options. *[feedback to be included regarding operational impact of this]*
 - The Council’s IT asset database has also been built using Salesforce, linking all end user devices to employee contacts within Salesforce to enable asset tracking, management and stock monitoring.
- HR, Finance, Legal & Communications
 - Internal, ‘Raise a case’ forms have replaced shared email inboxes for these services. A powerful case management system is in place *[feedback regarding operational impact to be included]*.
- Waste
 - Online forms bespoke to each collection type
 - Missed bin form enables real-time look-up to Biffa’s Whitespace to identify the location of the vehicle and if the collection has been missed or a lock-out reported by the crew.
 - Since going live over 45,000 waste cases have been created *[data to be included regarding % of work being channelled online]*
- Planning
 - Over and above being used for the receipt of all TDC Planning applications received via the national Planning Portal, Salesforce is also used for: CIL and S106 case management as well as Land Charge search requests.

One of the main benefits of using Salesforce to manage workflow is that all information relating to a case and the customer is held centrally and not in individual officer’s inboxes. This ensures there is a clear tracking and audit trail.

The Council’s customer relationship management system (CRM) is built in Salesforce. The majority of staff can access Salesforce although access to sensitive data is restricted to particular teams. The benefit of a council wide CRM is the ability to have a 365 view of the customer, for the teams that need it. This means all interactions can be viewed and officers have a better understanding of that customer’s needs.

The Council has recently (January 2022) introduced a Customer Account for the Revenues and Benefits Service. Citizen Access is provided by NEC and sits on top of the LOB application. It offers a range of online forms, as well as the ability for residents to log in and access information relating to their payments and applications.

For the purpose of context, in addition to supporting the submission of online forms and providing the required case management, Salesforces is also used for:

- Planning Development Management
 - o In 2015 the Council moved to using Salesforce as the platform to provide this service.
 - o This was undertaken with Arcus Global and while the Salesforce platform was the underlying technology, the application that was implemented was Arcus’s Built Environment. The annual cost of this was £72,000 per year.
 - o Following the Council’s implementation of its own Salesforce Org in 2019 and the development of the IT Team’s in house skills to support and develop the technology, a decision was made to build Planning DM capability in the new Org that had been implemented for CRM and Case Management – especially since the Council was paying for licences for this for Planning anyway.
 - o Planning DM went live on the newer Org in October 2020 and notice was served to Arcus, saving the Council £72,000 per year.

- Waste
 - o In 2021 the Council went live with a new Waste Management contract with Biffa.
 - o A key aspect of the new contract was an enhanced integration build between Biffa’s new waste management software (Whitespace) and the Council’s CRM.
 - o Prior to the Council’s move to Salesforce, basic Waste Management process were delivered using Civica. To have built the required level of integration between TDC technology and Whitespace using Civica would have been at best a significant and complex undertaking, and at worst not possible. The Council’s use of Salesforce enabled the build to be completed within 16 weeks and is continually developed to match the needs of the service using in-house skills.

To support its use across a range of services, Salesforce has been integrated with a number of other platforms and technologies – almost exclusively using in-house capability:

Application	Function
Conga	Planning doc templates
Form Assembly (all online forms)	All online forms

Google maps	Allows users to pin-point non-address based locations when submitting forms
GIS	Spatial data, plot demarcation, consultee capture
LLPG	Property data
National Planning Portal	Most TDC planning applications are received via the portal
Civica	Links to documents within cases
Whitespace (Biffa)	Biffa's Waste Management application
Adelante	Online payment and income administration gateway
Clearcore	Master data management, consolidating back-office data feeds

An estimate of the time that it has taken to develop the Salesforce platform is about 7 and a half years (the implementation commenced in 2017 and some of the initiatives ran concurrently). For further detail on the usage of Salesforce within the Council see Appendices.

Tandridge website

The website is made up of a core site, integrated with other microsites including ModGov, the planning search and documents, planning consultation, payments, maps, Homechoice and forms.

The core Tandridge website was completely rebuilt in 2017, following extensive research and testing with users to ensure the navigation, look and feel met users needs. For many residents the website is their first port of call for service information, guidance, forms and contact details.

The objective was for the site to continue to be developed as the Council improved the digital services and experience offered to residents, for example introducing web chat and a chatbot. The pandemic and other priorities has meant progress in this area has been slower than anticipated.

In addition, it is critical the information on the website is accurate and up to date to give customers confidence in the data provided. This relies on the service areas maintaining the content, while the Communications Team's role is to ensure it is accessible, easy to read and understand. A robust page update system is in place, but teams must take responsibility for their service's content. However, although reminders are sent to teams annually to review the content on their service area, pages are often out of date and not seen as a priority to maintain.

This ties in with the internal cultural change that needs to take place, which means every officer confidently and automatically refers customers to the website for the information, a form, a transaction etc. This in turn will drive the external cultural change needed among our residents to think of digital access before an e-mail, a phone call, or a social media request.

Councillors also have their part to play in this – they should be able to refer residents to the website knowing that the information or tools they need to access a service will be available.

Current LOB IT Estate

The current LOB estate at the Council is comprised mostly of ‘best of breed’ applications, with purchasing decisions having been made by the service areas themselves.

There is a mix of on premise applications (installed on servers running in the Council’s server room) and cloud-based applications (provided through software as a service (SaaS)). The table below details the most operationally and financially significant of these.

Items shaded green are installed in the TDC server room (and therefore supported by Tandridge IT), items shaded orange are hosted (Microsoft is hybrid) but are also supported by Tandridge IT. Applications in white are minimally support by IT.

Department	Software name	Supplier Name	Description
Finance	Adelante	Adelante Software Ltd	Payment Gateway - Annual Maintenance Contract
	Agresso	Sevenoaks District Council	Annually renewable hosting & support fee for the Agresso system. (Shared Agresso Financial system hosted by Sevenoaks Council)
	Eiger Pay Gateway	Bottomline Technologies	BACS transmission gateway
	Bank Wizard	Experian	Annually renewable licence for account code checking software
Housing	Housing Enterprise (Orchard)	MRI Software	Social housing & property management system
	Homeswapper	Housing Partners Ltd	Internet-based mutual exchange service
	Civica Abritas	Civica UK Ltd	Social & Homeless Database
	M3 Locator Plus	M3 Housing Ltd	Schedule of rates annual licence fee.
Customer Services	Mitel	Britannic Technologies Ltd	Mitel Estate supprt
Democratic Services	Civica Mod Gov	Civica UK Ltd	Meeting and Governance Management Software solution.
	Eros	IDOX	support & maintenance of electoral registration/election management system
	Public-I	Public-I	Webcasting and Audio-Visual
Planning	Conga	App Extremes LLC	Salesforce document production & templating
	iShare	Astun Technology Ltd	iShareMaps,iShareGIS, ADS
	ArcGIS	ESRI (UK) Ltd	Geographical Information Service
	LLPG	GGP Systems	Annual Software licence & maintenance - LLPG.
Planning Revenues & Benefits	Civica W2	Civica UK Ltd	Support & Maintenance of document management system, Planning doc viewer & licensing
Revenues & Benefits	NEC	NEC Software Solutions UK Ltd	Revenue and Benefits software and Citizen Access online portal
	Nominet	Nominet	PSN DNS resolver required for access to Searchlight
Human Resources	I-Trent	MHR (Midland)	Human Resources system
Legal	iKen	Iken Business Ltd	TDC Legal Case and Doc Management Software
	DocuSign	DocuSign	Electronic signature software - Business Pro Edition
Communications	Purple Creative	Purple Creative Services Ltd	Website hosting, Design and development
Corporate	Microsoft licencing	Phoenix Software Ltd (reseller)	Licenses for O365, virtual servers & data centre licences
	Salesforce service cloud	Salesforce.com	Enterprise Edition plus basic support
	Form Assembly	VEER WEST LLC	Web forms solution

Current Network & Infrastructure

The current IT network and infrastructure estate consists of:

- 5 physical servers hosting approx 93 virtual servers:

 - 50% of the server estate is used for LOB applications
 - 50% is used for infrastructure and management servers (i.e., file servers, print servers, endpoint management/security servers).
 - These servers are supported by UPS's (uninterruptable power supply units) to give the hardware 4 to 8 hours run-time in the event of a power outage.

- Several physical connections which provide our corporate internet connections, guest internet, Unicorn, Kent Connect (to Sevenoaks for Agresso access), circuit to Warren Lane depot and an ISDN line for Telephony.

- 3 firewalls and 2 reverse proxies to protect the network and manage in and outbound traffic.

Back-ups are stored locally to disk for short term recovery and to the cloud (Microsoft Azure) for long term recovery.

The infrastructure requires routine maintenance and needs knowledgeable resources to keep it functional and secure. The virtual infrastructure requires monthly patching and undergoes weekly security scans that require remediation.

The on premise hardware is located in the server room at the Council offices. The room has a secure door entry system, fire suppression system and continuous air-conditioning all of which require regular maintenance. The running costs of all aspects of the physical IT network and infrastructure are currently being established and are likely to increase as a result of energy price increases and inflationary pressures.

The hardware itself will be out of support in just under 3 years' time and require replacing at an expected cost of around £400,000.

As Is Azure:

The Council currently has a modest Azure footprint, using it predominantly for back-ups, user's identity management and security features. The on premise estate is connected to the Azure tenant via the VPN. The servers hosted in Azure are used for single sign on to Office 365.

The Council also uses MFA (multi-factor authentication) provided with Azure for access to applications such as Salesforce, O365, Citrix and Esri's ArcGIS.

Current IT Team structure and workload

- Currently comprises of 9 FTE with the workload structured as follows:
 - 1.5 1st and 2nd line Helpdesk support (supporting approximately 300 users across all sites).
 - 3.5 Application Specialists (supporting Orchard (Housing), NEC (Revenues & Benefits), Salesforce (CRM, corporate case management, Planning & Waste Services), Form Assembly, Adelante (payment gateway), Mitel (Telephony), Civica (EDMS), Eros (Dem Services) and others).
 - 1 Developer/DBA/integration Specialist
 - 1 Infrastructure Specialist
 - 1 Network/Infrastructure Specialist (1 yr FTC)
 - 1 IT & Project Delivery Manager responsible for managing the service and some of the more sizeable/complex IT initiatives.

Typically, the team spend 65% of their time undertaking support and maintenance ('keeping the lights on') with the remaining 35% being spent on development and project work.

Customer Services Team Structure and Workload

- Currently the team comprises of 14.4 FTE as follows:
 - 1.8 team leaders
 - 10.6 customer service advisors
 - 2 case officers (working within the mail room, various tasks including scanning and indexing documents)

The work of the team:

- First point of contact for council tax, waste, parking and general enquiry calls
- Receipt and indexing of emails to customerservices@tandridge.gov.uk, the Council's main e-mail address.
- Opening and sorting incoming post
- Franking, batching and sending of outgoing post
- Scanning and indexing for revenues and benefits
- Scanning and redaction for planning
- Administration of licensing on behalf of environmental health
- Parking permit administration and billing
- Various other front office (reception) tasks for other services across the council
- Social media (monitoring of customer comments, enquiries and responses)

4.1. Analysis of existing service (*Service review themes/challenges*)

Tandridge's **existing Digital capability** has some notable limitations:

- The self-service/digital tools that are available are unconnected both in location and function:
 - o Online forms are sited on service-specific web pages as well as the report and apply pages. Due to the way the forms are built and hosted they are difficult to find using the website search, and often require multiple 'clicks' to reach. Users can't be 'known' by the forms as there is no authentication (identify proving function), meaning that every time someone uses a form all contact details need to be given again.
 - o The Revenues and Benefits portal requires users to navigate away from the Tandridge website.
- The existing set of online forms are not scalable or cohesive:
 - o For the purposes of version management/change control, each Form Assembly form exists in triplicate – in live, in test and in development. For technical reasons, some forms are in fact multiple individual forms (presented to the user as a series of 'pages'). Sitting behind the 50 online forms that residents can access via our website are closer to 70 individual forms in Form Assembly, each with a version in live, test and production, so 210 forms in total. This is not a small overhead when only 3 members of the IT Team can configure and support the application. It is likely that the Council is reaching its limit in terms of the number of forms that can be supported with existing resources. In addition, because they have been developed over time there is not always a consistent look and feel which provides a poorer customer experience.
 - o As technology advances and as regulations change, new features become available and/or are demanded of form functionality. It is not always possible to retro-fit features or continually ensure that old forms look and behave the same as new ones. Not only is this an overhead on the IT Team it also delivers a non-standard, poorer customer experience.
- The lack of authentication/ability to 'log-in' means also that residents cannot digitally:
 - o interact with service requests or transactions
 - o view status updates
 - o make changes to their data
 - o provide additional information required
 - o receive a 'personalised' experience from the website: ie. be presented with content that is relevant to them

- The Housing service offers minimal provision in terms of digital tools. Residents can access Homechoice for choice-based lettings and mutual exchanges, but tenancy management, rent management and repairs are principally transacted and managed using telephone, email and paper-based documentation.
- Website design and UX – the website was built following extensive research and testing with users to develop the most logical design and navigation for customers. Once built the expectation was that other tools would be added such as web chat or a chat bot. The website is now five years old and needs to be reviewed and updated to ensure it is meeting customer needs and best practice. [*data to be provided regarding website usage, how many journeys end on the 'contact us page' etc.*]
- It also requires more commitment from all the service areas to ensure content is accurate and reflects customer demands and enquiries. In addition, all staff need to think about the website as the first port of call for residents and businesses and refer them to it, but this requires a cultural change. There is currently a lack of engagement from the business regarding resources/ownership of website content. This speaks to the required cultural change needed within the organisation – there is no point in having the resources and tools if people do not maintain them.
- The Council has limited ability (due to technology as well as resource constraints) to proactively reach out to its residents and businesses within the district in a targeted manner. The landing page on the website is used for 'public broadcasting' but space is limited and therefore so is content.
- Additionally, given it will be seen by all visitors to the website, only content relevant to a majority audience is posted. This combined with a proposed reduction in the Communications Team as a result of the service review means that proactive, digital contact with residents and businesses (to advise them of service issues/changes, chase payments, promote services and assistance) will be more limited. Additionally, when it is undertaken, the Council are only able to contact those residents who have requested specific updates (signed-up to newsletters etc) and this can only be conducted via e-mail. A new approach to targeting information and messages is needed, which meets data protection requirements

The existing **LOB applications** used by the organisation have been reviewed to establish:

- their current state of 'health'
- their future road map (as determined by the vendor)
- if they could be rationalised (replaced by another application within the estate)
- if they could be migrated to the cloud (if currently on prem).

- In terms of 'health', the following applications are of particular concern:

Adelante

Has not been updated since installation in 2011. The payment page itself on the website looks dated and not as credible as it could be which may prevent some customers from using it. The reasons for this are difficult to establish. The most obvious cause appears to be lack of clarity regarding ownership and governance (who in the business owns the software, IT's role in the management of the software and lack of vendor management). Work is currently underway to plan for the migration to the hosted version of the software. One of benefits of this will be that Adelante will be responsible for the payment gateway aspect of the Council's PCI compliancy. This will be a joint initiative between IT and Finance (and of course Adelante).

Orchard

Its implementation was not fully concluded in 2017 (this was a business led implementation with limited input sought from IT) and was arguably 'superseded' by the Customer First initiative. For several years following Go Live, the management of the software and the vendor relationship was owned by the business. A health check of the software is currently being completed with MRI Software to establish what remediation work is required to improve data quality, what upgrades are required to deliver 'fit for purpose' functionality and what the future application management between the Council and MRI should look like. Orchard has now been acquired by MRI Software who offer a variety of their own SaaS Housing solutions. Additionally, Salesforce have also now established themselves in the Housing space. Given our Orchard contract is set to expire in October 2023, the Council is currently assessing what the future technology needs of the service are likely to be. This will be a joint initiative between IT and Housing.

Mitel

The software installed on the Council's servers dates from 2005 and is now officially out of support (although Britannic do continue to provide technical assistance). An upgrade would cost £8500 but is likely to result in the existing handsets used across the organisation being rendered incompatible. The Council have been planning to replace the existing Telephony solution for some time – especially given that the existing BT provided PSTN lines will be decommissioned in 2025. This is currently at the 'solution design' phase and is being led by a consultancy which specialises in telephony solution design and procurement.

Civica

The Council implemented Civica's document management system in 2001. The contract for the application expired in 2006 but the support arrangement has been renewed annually on a rolling basis. Re-contracting with Civica could expose the Council to a further cost increase in licencing and support. The fact that the Council only recently purchased the deletion module (the platform does not by default support deletion and retention requirements) means that approximately 11 million images have now accumulated in the database. A significant proportion of these are planning documents which we are obliged to retain indefinitely. Over the past 2 years Civica have withdrawn support from 2 key components of the software: My Service Planning (planning document search) and the on premise document image database (migration to the cloud is planned for the end of 2022). The Council has been forced to make vendor-imposed changes as a result of this and the input and support from Civica has so far been poor. An assessment was made in 2020 as to the viability of an alternative solution – principally SharePoint. The decision was made to remain with Civica due to the prohibitive costs to migrate the documents (the Council has no ability to access the images and Civica gave a ballpark cost of around £350,000) as well as the requirement (for Planning) to be able to measure to scale. The latest version of Civica (W3) is a fully hosted platform and the Council has been quoted a price of £60,000 to move to that solution. Given its age, it is likely that at some point over the next 3 to 5 years Civica will announce the Council's existing platform (W2) is reaching end of life and all W2 clients need to migrate to W3. Given Civica's track record for badly managed, expensive, vendor-imposed changes, the Council would be wise to pre-empt this.

- Technical debt is a problem common to council IT (and Tandridge is no exception). As LocalGov.co.uk explains:

" Legacy technology absorbs IT resources like a blackhole; a complex set of organisations, processes and policies, evolved over decades, has made digital transformation a mammoth and mercurial struggle and - while citizens might increasingly expect Monzo-like customer experiences from any of their interactions online - unique requirements mean solutions cannot be quickly or easily repurposed from the private sector." ('Breaking the Technical Debt Cycle in Local Government', 27th August 2021)
- Business led purchasing decisions have resulted in an estate comprised of "best of breed", niche software often requiring complex 'home grown' integration solutions.
- Support for these applications and their integration mechanisms is similarly niche, resulting in limited resilience and development bottlenecks within the IT Team which can have a direct impact on the Council's ability to deliver services. This is due to the integrations mainly being built and supported by the sole IT developer specialist.

- Development of these applications is often dependent on vendor resources, input and agenda, and is therefore expensive and variable in quality.
- Providing a single digital access point to Council services at the customer facing/front end would require yet more integration (and so exacerbates the IT Teams' overhead). Integration solution design is therefore a key aspect for consideration when making decisions regarding the digital road-map.
- The applications which are installed on the Council's network increase the cyber security overhead on the IT Team. As was evidenced in December 2021 following the announcement of the Log4j critical vulnerability. Internal scans found that the Council's on premise technical estate was littered with references to Log4j. Getting vendors to work with us to undertake the required remediation against this vulnerability was further complicated by the fact that we were running aged versions of their software.
- Whilst the overall annual IT software budget for the Council is £850,00, as the application overview table in section 4 demonstrates, over 70% of this spend is on applications owned by the services areas or provided corporately to the organisation. A summary of annual IT spend by key services (when aggregating the cost of the line of business applications and proportional allocation of corporate software costs) looks as follows:
 - o Revenues and Benefits: £150,00
 - o Planning: £115,000
 - o Housing: £110,000
 - o Finance: £85,000

Analysis of current network & infrastructure:

This is currently being undertaken in partnership with Microsoft to establish:

- What our existing costs, limitations and challenges are
- What it would cost the Council to move to a hosted infrastructure
- What it would cost the Council to run a hosted infrastructure
- What the benefits of a hosted infrastructure would be
- If a migration proposal is viable

The key challenges of the current **IT Team structure and workload** are essentially due to the condition of the As Is IT estate:

- Resilience is extremely limited due to the niche skillsets required to support and develop the majority of LOB applications. The Team is therefore largely comprised of 'single points of failure'.
- The workload is increased due to the ongoing impact of technical debt – older technology is more likely to go wrong, resulting in an increased support demand and disruption to users.

- The support demand also results in an 'opportunity cost' to the Team of needing to prioritise BAU issues and user support at the expense of being able to maintain and enhance the existing tech provision (where this is possible) which would prevent the issues occurring in the first place.
- The age of the estate also weakens the Council's cyber 'posture' – resulting in resource overhead in capturing and responding to vulnerabilities.

Customer Services

The challenge is to understand how to become a digital first council that enables and empowers people (customers), where possible to engage with us online. This will enable provision of quality services for those who are not digitally enable and/or have complex needs.

To be a more efficient, effective service, the current customer journeys need to improve. But this is not just about providing more on line capability but how to achieve the shift in business processes and ways of working in the wider business so that there is value in the digital solutions.

In general, the customer contact follows four themes;

- Requests about transactions (progress chasers) - these should not exist. Services should be delivered, and updates proactively provided to customers that means people do not call or email chasing for updates.
- Information requests - these should be deflected into the website and the use of "my account" technology eg the balance of council tax account. This requires the content on the website to be upto date, understandable and easy to use.
- Transactional service requests- eg missed bin, pay housing rents etc. Digital channels should be used for all requests.
- Complex service requests – eg vulnerable people, homelessness prevention etc

To gain the efficiencies and enable a reduction in staff answering customer calls there will be a requirement to change business process and ways of working.

The introduction of online digital capabilities will help with this but is not the total solution.

The analysis of the call data is in section 5.1 and demonstrates how digital capability could be deployed to assist with reducing the call volume.

5. Options Appraisal and Review Recommendations

The review has considered the following options:

Option	Description	Pros	Cons	Decision
0. Do minimum	Continue work to rationalise and simplify the current estate including process redesign	Lowest financial risk in short-term Least resource intensive	Limits improvement in resident journey Fails to provide further digital capability Could limit the potential for longer-term digital savings Efficiency targets within the contact team would not be met	Default / fallback position whilst preferred option is considered.
1. Preferred option as set out below	Implement digital tools in partnership with Salesforce	Leaves current underlying infrastructure in place to build on Delivers customer and resident benefits Lowest cost proactive option, since the underlying CRM would remain as-is	By comparison to 'do minimum' introduces a financial risk, dependency on delivering savings	Preferred option provided that budgetary and delivery confidence is secured
2. Replace CRM with a new solution including proposed enhancements	Replace Salesforce as CRM within the Council and build digital tools using the replacement native software	None	Requires wholesale CRM build and migration to be included within the scope of implementation (additional time, cost and risk) Increases the complexity of the architecture (less stable customer journey, support overhead)	

			Need to retain Salesforce anyway for non-CRM functions	
3. Use third-party tools built on top of CRM	Use alternative to Salesforce for chatbots and customer account	Off the shelf solution for chatbot that is knowledge rich	Requires more funding. These costs would be additional to the Salesforce /CRM Build and support complexity would be significant Additional ongoing revenue costs	

5.1 Digital Capability

To deliver enhanced digital capability and further digitise services the Council needs to decide which software options should be considered and whether these would be in addition to or a replacement of existing technology.

As section 4 details, the current IT estate requires further modernisation and a reduction in complexity. As also outlined, one of the key software options for the delivery of the Council's digital ambitions (Salesforce) is already in place and critically its CRM, case management platform and sits behind the majority of the digital capability the Council already has – it therefore already contains approximately 70,000 contacts and associated data.

Salesforce is also the back-office application being used for two key services: waste and planning. This means no integration would be required to support the implementation and use of a digital front-end or Customer Account for those services. Within the application estate, only Salesforce offers genuinely open API architecture, and the IT Team has resiliency to both deliver, support and develop this. This means that where integration is needed to support a digital front-end (particularly for Housing, Revenues and Benefits) at least one side of it will be 'known' and supportable by existing in-house expertise.

Salesforce has a proven track record in the provision of local authority customer accounts and this technology is already being used by a number of other Authorities including: Guildford, Rutland, St Albans, Chesterfield, Eastleigh and Folkestone & Hythe.

Working with Salesforce to explore the *art of the possible*, the Council undertook a series of workshops to establish how the technology could be used to drive down customer contact received via the existing 'non-digital' channels and where possible to deflect contact altogether through the provision of self-service.

The Council's contact centre handles approximately 72,000 calls a year. Of those approximately 23% are abandoned after an average of 5 minutes of waiting which results in repeated call attempts.

The most significant call volumes are received in respect of the following services:

- Housing: 30%
- Council Tax Enquiries: 20%
- Waste: 14%
- Planning: 13%

Typically, call handling times (including wrap-up) range from 7 to 10 minutes.

A review of the available data regarding why people contact the Council has made clear that a reduction in resident contact can be made by providing the following digital capabilities: *[data to be added as an appendix]*

- The ability for residents to have visibility regarding the status of a 'transaction' so they don't need to ask us.
- The ability for residents to advise us of changes/updates in a way that they can easily 'audit' and interact with.
- The ability for residents to be presented with and obtain information easily and quickly when they need to.

Sessions were also held with each customer facing service to identify additional use cases for enhanced digital capability and yielded the following:

Service	Chatbot	Customer Account	Engagement Software
Waste	Provide round data	Provide round data	Bi-directional missed bin notification through channel of choice
	Advise of Biffa access issues	Advise of Biffa access issues	Mass email service disruption info/updates re: snow, strikes, managing agent contact, contamination alerts, round changes
		Advise of service disruptions	
		Annual Assisted collection reviews	
		Submit all service requests	
		Make payments for bins, sacks and bulky collections	
		Welcome pack for new residents	
		Subscribe to service updates	
Planning	Provide application information and pre-app advice	Advise Applicants & Agents of wait times	Advise all Applicants & Agents of timeframes
		Application status indicator	
		Submit additional info/docs	

		Enable residents to view applications local to them and link to enforcement	
		Link to GIS layers to view green belt, TPO's etc	
Elections	How to register, How to apply for a postal vote, Deadlines/timeline for processes etc	Welcome pack for new residents, Sign-post to Electoral role updates. Opting out of the open register	
Revs & Bens			Reminders, recovery stage alerts
Housing – Tenancy Mgt		View Tenancy agreement, docs and correspondence	
		Submit requests directly to Officers using skills based routing	
		Digitise Home-swapper	
		End of Tenancy process mgt	
Housing - Rents		View rent statements online.	Indicate where HB change means rent balance change.
		Indicate where HB change means rent balance change	Chase arrears by text.
		Set-up direct debits using online form	Remind tenants to pay over: xmas, Easter, school holidays.
Housing - Repairs		Access to gas certs.	Text reminders before repairs appt
			Follow-up surveys.
			Follow-up reminders post repair.
Community & Partnerships			Targeted funding notifications, Warm Hub promotion. Frauds & scams awareness, Event disruptions, Child safety campaigns, Youth provisions to combat ASB hotspots

Analysis is currently in progress to establish:

- The As Is for each of these use cases and associated costs
- The To Be's for these use cases and associated benefits

To deliver these enhanced digital capabilities, the Council would be looking to implement:

- Chatbot for waste, planning, housing, revenues & benefits, democratic services and community & partnerships
- A Customer Account
- Live chat (digital interaction with a Customer Services officer)
- Engagement software to enable targeted, proactive communication to be made with residents and businesses within the district.
- Mulesoft: an integration platform which delivers a minimally complex suite of tools that enable the Council's existing and future Salesforce integrations to be standardised, simplified (therefore more easily supportable by the IT Team) and made more robust. This platform would also enable a 'single sign-on' experience to be delivered to residents and businesses using the Revenues and Benefits Portal from within the Council's Customer Account.

Statistics have shown that the implementation of a Customer Account that provides solid 'transactional ability' to residents and businesses within the district can deflect calls and also cases by up to 50% [*data to be added to support assertion*].

Chatbots have also been proven to similarly deflect calls and cases, but crucially, they are also a powerful tool to generate channel shift [*data to be added to detail assertion*].

The Council recently undertook a free three month trial of a chatbot solution offered by Inform for the Revenues and Benefits services. When correlating data regarding its usage with access statistics for the resident portal, it was apparent that the Chatbot produced a 30% increase in the usage of the portal [*supporting data to be added as an appendix*]

In addition to Salesforce based solutions, the Council also made approaches to other vendors - specifically in respect of Chatbot solutions as it was recognised that while the Customer Account is best provided using Salesforce (given its existing presence within the Council and the significant overhead of migrating away from the platform to what would likely be an inferior solution), 'out of the box' Chatbots are available and in use by other Councils which could be 'plugged in'.

A good example of this is and one used by: Southampton, Cheshire West and Chester, East Sussex, Telford & Wrekin, Basingstoke & Dean, Surrey, Brighton & Hove and Eastbourne & Lewes is provided by ICS.AI. They offer a cloud-based solution that can be integrated with a Customer Account and also with a range of contact centre software (which is required if the digital interaction needs to result in a call). The ICS.AI chatbot comes with a pre-built database of knowledge resources in respect of each service, that only require review and refinement by the Council. The integration requirements are built by their in-house specialists and this is included in the up-front cost. It would be quick to implement and initially require minimal resources from the business and IT Team.

The drawback of an 'out of the box' solution however, is that while the management of the knowledge resources for that tool may be taken care of within the product itself, the knowledge resources published to the website/available within the Customer Account still require maintaining and updating and additionally syncing to the chatbot database – this would be the Council's responsibility and require ongoing input from the services and IT Team. A more effective approach for the management of the data would be to have a 'single source of truth', needing only to be handled once which could support information being made available:

- via the chatbot
- on the website
- within the Customer Account
- within the CRM for use by officers and call-handlers

Additionally, the provision of a seamless customer experience from website, to chatbot, to account, to call capture within the CRM will be better delivered through the use of the fewest technical components possible. This will result in a less complex integration build and support overhead.

The costs of the ICS solution vs the Salesforce solution have been quantified but may be deemed commercially sensitive, so not included here.

ICS

- o implementation (including API integration)
- o annual licencing which includes unlimited sessions

Salesforce

- o implementation expertise and input would be provided by the Salesforce Implementation Partner and it is expected that the Council's IT resources would undertake approximately 50% of a low-code/no-code build and also assume the ongoing support once live. The Council have received an initial quote from Alscient Ltd who are an established Salesforce implementation partner.
- o annual licencing which is limited to an average of 3,000 sessions per month.

5.2 LOB Application Estate

The review of the Line of Business application estate has obviously identified the remediation work required to ensure that some key applications are fit for purpose and in the best state of health possible. It also produced an assessment of which applications could be replaced by existing software or could be migrated to a hosted or SaaS solution – to support the further reduction of the scale and complexity of the Council's IT estate.

The following table illustrates the findings:

Department	Software name	Supplier Name	Description	Rationalise	Move to hosted
Finance	Adelante	Adelante Software Ltd	Payment Gateway - Annual Maintenance Contract	N	In progress
	Agresso	Sevenoaks District Council	Hosting & support fee for the Agresso system.	N	Potentially
	Eiger Pay Gateway	Bottomline Technologies	BACS transmission gateway	N	Potentially
	Bank Wizard	Experian	Account code checking software	N	N
Housing	Housing Enterprise (Orchard)	MRI Software	Social housing & property management system	Potentially	Y
	Homeswapper	Housing Partners Ltd	Internet-based mutual exchange service	Potentially	N/A
	Civica Abrisas	Civica UK Ltd	Social & Homeless Database	Potentially	N/A
	M3 Locator Plus	M3 Housing Ltd	Schedule of rates annual licence fee.	Potentially	Potentially
Customer Services	Mitel	Britannic Technologies Ltd	Mitel Estate supprt	N	Y - hosted solutions being assessed
Democratic Services	Civica Mod Gov	Civica UK Ltd	Meeting and Governance Management Software solution.	N	N/A
	Eros	IDOX	Electoral registration/election management system	N	Potentially - at contract renewal in 2025
	Public-I	Public-I	Webcasting and Audio-Visual	N	N/A
Planning	Conga	App Extremes LLC	Salesforce document production & templating	N	N/A
	iShare	Astun Technology Ltd	iShareMaps,iShare GIS, ADS	N	N/A
	ArcGIS	ESRI (UK) Ltd	Geographical Information Service	N	In progress
	LLPG	GGP Systems	Annual Software licence & maintenance - LLPG.	N	N
Planning Revenues & Benefits	Civica W2	Civica UK Ltd	Document management system, Planning doc viewer & licensing	N	Partial - in progress
Revenues & Benefits	NEC	NEC Software Solutions UK Ltd	Revenue and Benefits software and Citizen Access online portal	N	N/A
	Nominet	Nominet	PSN DNS resolver required for access to Searchlight	N	N/A

Department	Software name	Supplier Name	Description	Rationalise	Move to hosted
Human Resources	I-Trent	MHR (Midland)	Human Resources system	Potentially	N/A
Legal	iKen	Iken Business Ltd	TDC Legal Case and Doc Management Software	Potentially	N/A
	DocuSign	DocuSign	Electronic signature software - Business Pro Edition	N	N/A
Communications	Purple Creative	Purple Creative Services Ltd	Website hosting, Design and development	N	N/A
Corporate	Microsoft licencing	Phoenix Software Ltd (reseller)	Licenses for O365, virtual servers & data centre licences	N	Already partial - potentially full
	Salesforce service cloud	Salesforce.com	Enterprise Edition plus basic support	N	N/A
	Form Assembly	VEER WEST LLC	Web forms solution	Potentially - use Salesforce native forms	N/A

To summarise, in terms of key LOB software that could potentially be rationalised and also provided through a hosted solution, the applications used by Housing present the biggest opportunity. This is currently being explored as previously mentioned given the Orchard contract expiry and MRI software offering/road-map. Once an informed assessment has been made regarding the best fit solution, a business case will be submitted for review and approval by Committee.

Additionally, pending further analysis, it is possible that Salesforce could be used as a replacement for both iken and I-Trent (although the use of this software is provided as part of the Midland HR contract for Payroll services).

Before any decisions can be made regarding the future direction of travel for these applications, the Council needs to make a strategic decision regarding its future purchasing of line of business software:

- does the Council want to use fewer applications to run its services (and maximise economies of scale, improve process and data synergies) but accept that there may be functional compromise?

Or:

- does the Council want to retain and pursue 'best of breed' applications, which are bespoke to the needs of the service but with limited and/or expensive integration opportunities and continue to result in a complex estate?

This is not a decision for IT, but one that the Team can provide critical input to, to enable implications to be fully understood. It is also one of the key remits of the recently established IT & Digital Governance Board. Until, however, Service Review outcomes are known and decisions made regarding the future state of

the Council's ambitions for commissioning, it may not be possible for this strategic decision to be made.

To continue its ambitions to simplify the existing IT Estate, the IT Team will partner with HOS across the organisation to ensure that as contracts come up for renewal or as vendor road-maps demand, line of business applications are moved to hosted solutions.

5.3 Network and Infrastructure

The review of the existing network and infrastructure presented an opportunity to identify further opportunity for rationalisation. As however nearly 50% of the server estate is used to provision LOB application, there is clearly a dependency on the rationalisation of business software.

The key output of the review therefore was the making of an approach to Microsoft to undertake a viability assessment in respect of migrating the on premise server estate to their cloud (Azure) environment.

Microsoft have installed some tooling on the Tandridge network to enable them to capture our hosting requirements and using that they will be able to calculate

- The pre-work required to get our server estate 'migration ready' (for example moving off old Sharepoint servers, migrating from Citrix to the Microsoft AVD solution for application publishing)
- The effort required to migrate to Azure
- The ongoing running costs

Should this analysis, associated costings and resulting benefits prove viable, the proposal will be put forward in a subsequent business case.

5.4 IT Team Structure

- A review of existing IT Team structure can only be undertaken when the future state of Council services and all of the associated IT implications are known.
- If the decision is made to proceed with the recommendations of this business case in respect of the enhanced digital provision, existing IT resources will be required to work with the appointed implementation partner to deliver the build (and therefore result in a further capitalisation of the IT staffing budget in the 2023/24 financial year).
- Furthermore, an assessment will also need to be made regarding whether the existing resourcing within the team has the capacity and skill-set to support and maintain the 'to be' when more is known about the build.

6. Structure of Services

Customer services

It is proposed to restructure the customer services team so that the service becomes focused on channel shift, driving the digital agenda and subsequently free up capacity to recognise and respond to those residents that have complex needs, or are not digitally enabled.

To gain the value from the digital tools the team will need to demonstrate and coach customers in the use of self service channels. Be able to facilitate customer access to services and information by promoting and encouraging the digital journey. To confidently provide technical advice to those having difficulties using My Account or the self service channels. This is a different approach for the team who are, in the main, dealing with missed bin complaints and progress chasing calls.

There will be a review of the administrative tasks that the team are carrying out which includes scanning and indexing, this will include process redesign. At times, there has been a gap in service delivery due to a lack of resilience in some areas of activity.

Other key considerations include the high staff turnover of the team. There is an acceptance that customer services roles across the service sector have a retention issue, but in addition it has proven difficult to recruit to the team and several of the posts have been amended to trainee or apprenticeship posts. There is a need to rebalance and redesign the roles to improve the morale and motivation and therefore achieve effective retention and recruitment of staff.

7. Future Service Delivery Models

Hybrid mail

The current mail room operation caters for incoming mail and its processing and the external mail sorting, franking, and outward distribution by Royal Mail.

The hybrid mail solution takes print ready documents or data and creates physical or electronic versions. These are then either printed, enclosed and despatched physically or can be sent for electronic delivery as an email or SMS.

The benefits of using this solution are savings on print, paper, envelopes and postage. There is the additional time saving of the manual task of printing, putting the letters together, franking and collation for the collection by Royal Mail.

The solution will deliver cost benefits of £10K in the first year, with an additional £10k the following year.

Further work is ongoing developing the options for changes to incoming mail. This is to consider the opening, scanning and indexing of incoming documents, however these discussions are at a very early stage. The individual proposals of incoming and outgoing mail should be appraised separately.

The incoming mail (including emails) may reduce considerably when the digital tools are implemented, driving traffic through the website may lead to this solution becoming unviable and would not provide a return on investment.

9. Key Recommendations and Proposals

10. Financial Analysis

Annual software costs

Product	Detail	Licence	Cost PA	Usage	GF	HRA
Engagement Cloud	10M Email, 72K contacts, 420k SMS, Journeys, Landing pages & forms, Adv Studio integrated (4 native channels, email/sms/advertising/push no further integration needed)	45	Individual licence costs redacted	Enables SMS coms	80%	20%
				Supports Customer account sign-up for service specific contact via chosen channel	80%	20%
				Targets residents via social media, email & sms	80%	20%
				Essential for Housing	80%	20%
Experience Cloud	Logins per month	20,001		Customer account	80%	20%
Mobile Publisher	Logins per month	8,500		Mobile app for Customer Account	80%	20%
Einstein Bots	sessions per month 30 blocks of 100	3000		Chatbot	80%	20%
Knowledge	Add on 3 users	3		Knowledge resource for Customer Account and chatbot	80%	20%
Mulesoft	for Salesforce	1		SSO for Revs n Bens online account, data from Housing, data from Revs n Bens. Developed to be used for all TDC Salesforce integration	50%	50%
			£141K total			

	<i>General Fund Total</i>		£103k			
	<i>HRA Total</i>		£38k			

Implementation and Resourcing:

		GF	HRA
Implementation partner:	<i>£175k (estimate)</i>	80%	20%
Website review & redesign & test:	<i>£10k</i>	80%	20%
Website rebuild:	<i>£20k</i>	80%	20%
<i>1 Project Manager FTE approx 1 yr</i>	<i>£60k</i>		
	£265k	80%	20%
<i>General Fund Total</i>	£212k		
<i>HRA Total</i>	£53k		

The total year-one General Fund cost is £315k with a further £91k for the HRA, totalling £406k. Consideration could be given to capitalising aspects of the implementation project, however given that capital receipts could be applied to the project, in overall terms the accounting treatment makes little practical difference.

Assuming that the project would have an economic life of 5 years following implementation, revenue savings of £222k per annum, (of which £166k General Fund) would be necessary to break even.





Associated General Fund savings of c.£50k have already been identified for delivery in Customer Services, leaving a further sum of £116k in General Fund and c£56k in HRA to identify through increased efficiency and processing time savings.

IT projects are typically seen as high-risk and there have been examples elsewhere in the public sector of costs running higher or savings not being delivered as expected. The Council therefore needs to have confidence that the investment in these Digital solutions is the right thing to do from a resident and customer experience perspective, and that the overall budget and MTFs is sufficiently resilient to manage potential risks.

It is therefore recommended to delay a decision on this investment until the budget has been refreshed following the Local Government Finance Settlement, expected in December. The January committees and February Council meeting will provide certainty that a balanced budget has been set and context for a decision on whether the up-front investment and annual cost is affordable and prudent. The intervening period will be used to ensure an appropriately qualified project manager resource is lined up, mitigating the risk of cost overrun or under-delivery of benefits. Should Members approve the direction of travel, it

will also allow time for remaining savings to be identified and agreed in principle with Heads of Service.

11. Measurable outcomes

	<p>Financial</p> <p>An overall reduction in net budget of 15% by 23-24 over 18 months An overall reduction in expenditure on 'Enabling and Back Office' functions of 15-20% by 23-24 A higher proportion of the budget is spent on 'front-line' services and the Councils priorities</p>
	<p>Residents and Service Users</p> <p>Service Users are involved in the redesign of services Resident and Service User feedback and insight is used to drive service improvement Residents and Service Users are directed to use the least cost channel to access Council services</p>
	<p>Services</p> <p>Service Delivery models are assessed & service delivery is undertaken by the most appropriate means Service performance is measured, benchmarked and actively managed Service levels are set at an appropriate level which is aligned to Council priorities</p>
	<p>Staff</p> <p>The Council has a smaller directly employed workforce Managers and staff are engaged and accountable for their performance Staff feel valued and motivated and understand the values and behaviours expected of them</p>

11.2 Risk Assessment

Risk	Mitigation
IT Team members with the required skill-sets leave and will be expensive to replace (the team's Salesforce admins have been skilled-up over the past 3 years following implementation).	
Single point of failure for IT integrations	This could be mitigated by the implementation of Mulesoft
Data used for calculating expected benefits is not comprehensive or of poor quality due to limited existing capabilities	External input and analysis to validate assertions and expected outcomes
<i>Required cultural and behavioural changes need to support channel shift are not delivered</i>	The Digital Lead brought in for the purposes of implementation needs to scope these requirements and work with HOS across the organisation to ensure delivery.
<i>Implementation of the technology is not supported by the required business process changes and service delivery redesign</i>	The Digital Lead brought in for the purposes of implementation needs to scope these requirements and work with HOS across the organisation to ensure delivery.

Key members of the contact team leave	Staff engagement and formal consultation should be used throughout to address concerns raised by staff. There are benefits to being part of a team that has a wider range of skills based around the new digital tools.
KPI's are not met	During any transition KPI's can fall below acceptable levels.
Hybrid mail solution will not deliver savings	A robust project plan will be in place. Staff engagement across the organisation will be key to this being successful. There will be a communication plan attached to the project plan.

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Appendix H – Delivery Phasing

FTP - PROPOSED STAFF CHANGES AND TIMINGS AND ASSOCIATED SAVINGS								
Service Area	Staffing change (Y/N)	Savings Realisation quarter 2023/24				2023/24 realisable saving ('000s)	2024/25 realisable saving ('000s)	Summary of saving
		Q1	Q2	Q3	Q4			
Assets and FM	N	X				£40,000		Integrated property Service. Centralisation of cost budgets and savings through compliance economies of scale
Assets and FM	N	X				£50,000		Letting of space within Council offices
Assets and FM	N	X				£20,000		Cost savings through transfer of responsibilities
Assets and FM	N	X				£2,000		Consolidate Facilities Management/Housing contracts
Building control	N	X				£30,000		Support Service Recharge as calculated using new methodology
Building control	N	X				£40,000		Current option is for TDC to provide resource to enable move to SF Lightning. SBCP to fund TDC IT Post for Jan- Dec 2023
Building control	N			X		£30,000		External review into operating model and opportunities to drive value for all partners from SBCP
Communications	Y	X				£47,000		Back office review
Communities and Partnerships	N				X	£50,000		Reduce Westway funding
Customer Services	Y		X			£93,000	£32,000	Back office review
Customer Services	N		X			£10,000	£10,000	Outsource the outgoing mail, printing and postage solution
Customer Services	N	X				£25,000		Full year effect of staffing savings made in 2022/23
Democratic Services		x				£8,000		Back office review
Housing Statutory	N					£150,000		Homelessness and DFG
Housing Statutory	N	X				£60,000		Salary Captilisation
HR	Y			X		£65,000		Back office review
IT	Y	X				£35,000		Based on assumption of new model
Legal	N				X	£24,000		Legal - combination of reduction in external cost and income generation

FTP - PROPOSED STAFF CHANGES AND TIMINGS AND ASSOCIATED SAVINGS								
Service Area	Staffing change (Y/N)	Savings Realisation quarter 2023/24				2023/24 realisable saving ('000s)	2024/25 realisable saving ('000s)	Summary of saving
		Q1	Q2	Q3	Q4			
Operational Services	Y			X		£75,000		Based on assumption of launch of new operating model
Operational Services	N	X				£23,000		Waste: Increase Garden Waste charges
Operational Services	N	X				£50,000		Waste: Bring sites
Operational Services	N			X		£164,000		Operations TOM redesign and remodelling, Integrated Model and potential outsource
Regulatory services	N				X	£10,000	£5,000	Standardisation of approach will save updating two websites and will bring better clarity and reporting of overall budget. Digital Improvements
Regulatory services	N	X				£16,000		Productivity Improvements
Regulatory services	N						£5,000	Risk based approach to inspections
Revenues and Benefits	N	X				£50,000		Debt Recovery Project
Revenues and Benefits	Y			X		£25,000		Shared Service Approach
Revenues and Benefits	Y			X		£25,000		Back office review
Corporate	N		X			£112,000		Corporate support service recharge
Management restructure	Y		X			£325,000		Changes in management structure, to reflect target operating model
General Fund Savings						£1,654,000	£52,000	
HRA - Housing Management	Y	X				£150,000		Salary apportionment
		Total savings					£1,856,000	

Appendix I – Committee cycle decision points

Service Area	Saving £k	Business Case	Decisions to go to Committee	Timing
Community Services committee				
Regulatory Services	£26	Y Future	Tactical savings can be implemented without a business case, however a change to the operating model in future would require committee approval.	TBC
Community Partnerships	£50	N	Reduction in Westway funding already agreed, to be part of January Committee Cycle as part of budget	Jan-23
Operations and Locality including Waste	£312	Y Provided	Approval given to proceed with internal improvements and soft market engagement. Present the results of the soft market test, proposal for new operating model and delivery plan	Sep-22
				Feb-23
Strategy and Resources committee				
Assets and FM	£112	Y Provided	Corporate Landlord Model £42k Transferral of responsibility for assets £20k Increased rental income from strategic assets £50k	Dec-22
Communications	£47	Y Provided	Internal team changes to make savings. Proposal to engage with members on target model, using outcomes based service approach. Results of member engagement, outcome based model proposal	Dec-22
				Jun-23
Customer Services	£128	Y Provided	Outline business case including options for channel shift – Chatbots, website redesign Outsourcing of print/mail. Savings to be made by switching to Digital channels	Mar-23
Digital	£35	Y Provided	Options appraisal on digital tools including customer account, channel shift and self-service New operating model with indicative financials, i.e. Costs/ROI	Mar-23
Democratic Services	£8	N	Tactical savings to be delivered without a business case. Future consideration given to moving to paperless agenda and provision of tablets.	TBC – 24/25
Human Resources	£65	Y Future	Agreement of new operating model and proposed savings.	Jun-23
Legal	£24	N	Tactical savings to be delivered without a business case – based on rationalising external legal spend and reviewing structures	Mar-23
Revs and Bens	£100	Y – Future	Business case for Debt Recovery provided to S&R on 30 th June 2022, in progress (£50k), Tactical restructure (£25k) without business case and shared service potential subject to future business case (£25k)	Mar-23
Housing Committee				
Housing General Fund	£210	N	Business case not required for £150k more efficient deployment of Homelessness Grant + £60k of DFG funding for salaries	N/A
Planning Policy Committee				
Building Control	£100	Y - Future	£70k saving presented in SBCP board papers to be agreed with partners. Further £30k subject to business case approval.	TBC
Total saving	£1,217,000			

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Appendix J – Risk Register

Future Tandridge Programme (FTP)		Original scores			Mitigated scores						
Risk ID	There is a risk that.....	Impact	Likelihood	Risk score	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Owner	Owning group
FTP_R012	Digital and Customer Services workstream will not deliver a business case within an acceptable return on investment	4	4	16	Looking at options to delivering a solution in the most cost effective way	4	3	12	Review priority areas that maximise return on investment (Housing, Planning, Customer Services)	Mel Thompson	Programme Benefits delivery Board
					Adopting a phased approach to delivery which maximises the return on investment at each phase				Reviewing business areas, Starting with customer services as		
					Take expert advice on the most cost effective way to deliver the right solution to residents				Peer review of draft business case by recognised external digital transformation expert.		
FTP_R001	The Council will lose key staff that it would prefer to retain resulting in a further deficit of capability and capacity to deliver the Councils priorities.	3	4	12	Consider ways of retaining key staff and formulate a plan to prevent/reduce the loss of these key members of staff during the transition, this relates to the Organisational Development/change management stream of work in the FTP	3	3	9	Key staff have been identified and approach being shaped by HR/EMT. EMT formulateing a plan to prevent/reduce the loss of these key staff during the transition HR lead to create a People Plan which will include an approach to retaining and recruiting the right people both during the transition period and in the new structure.	David Ford	TOM group
FTP_R017	Recruitment of the role required for the Service Improvements workstream will be slow/unsuccessful which will have a detrimental effect on delivering the savings for 23/24 savings and benefits in the business cases	4	3	12	PMO / Project manager continue to work with individual service leads to develop their service improvement delivery plans that focus on delivery of savings. EMT/Service improvement leads to attend fortnightly Delivery board meetings where plans are reviewed and any risks that are raised are mitigated against as far as possible. Recruitment to gain SCC assistance to reach a wider audience - FTP to facilitate this approach.	3	3	9	Difficulty in capacity to cover all of the key service areas. Additional planning sessions have been set up to work with heads of service to support with development of their plan however PMO/Project mgr have limited capacity. Where milestones are amber/red, focus on mitigation and steps to resolve and get delivery back on track.	Mark Hak-Sanders	Programme Benefits delivery Board

Future Tandrige Programme (FTP)		Original scores			Mitigated scores						
Risk ID	There is a risk that.....	Impact	Likelihood	Risk score	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Owner	Owning group
FTP_R018	Inability to recruitment the Procurement/commissioning role will delay progress in delivering the new commissioning approach	4	3	12	Explore alternative options including accessing external support and advice elsewhere in the interim Targeted recruitment to maximise the potential of recruiting the right person for the role	3	3	9	Potentially diverting resources in the short term and accessing external expertise from existing SME network Ensure the advert is attractive to candidates and is advertised in the most appropriate channels.	Mark Hak-Sanders	Programme Benefits delivery Board
FTP_R010	Changes such as movement of functions across the council, will be made without consultation with the TOM group which will impact on the planned changes. This would potentially weaken areas of service delivery internally or in the event of outsource opportunities.	4	4	16	Agree and publish scope - reinforce change review group and change log. Change requests to be raised for all additional pieces of work and changes that impact on All change requests to be reviewed by the TOMDG to ensure the big picture is being considered when implementing any changes.	4	2	8	Any proposed changes such as Team restructures are raised as Change requests by Heads of Service and reviewed by the TOMDG.	David Ford	TOMDG group
FTP_R002	Members are not sufficiently engaged and/or will not support key issues which emerge from the FTP.	4	3	12	Engage Committee Chairs in service review emerging proposals. Member engagement to be considered in each workstream activity in the FTP. Based on the approach used in Tandrige Finance Transformation to member engagement, Identify representative group of members to be used for early engagement throughtot the duration of the programme.	4	2	8	Early engagement with Leader & S&R Chair / Vice Chair to hear feedback and answer questions in preparation for committee meetings. Prog Team to engage Committee Chairs in service review emerging proposals and consider Member engagement in each workstream activity in the FTP. A Member reference Group has now been created consisting of a small group of members (agreed with the leader of the council). Since set up in October, this group has attended focused briefings on specific areas of interest such as Digital/Customer services and Assets and FM and fortnightly meetings are set to continue. All member briefings will continue to be held on specific areas of interest and in advance of committee updates where required and there are two all member workshops to be held in December	David Ford	Prog Team and Service Review Leads

Future Tandridge Programme (FTP)		Original scores			Mitigated scores						
Risk ID	There is a risk that.....	Impact	Likelihood	Risk score	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Owner	Owning group
FTP_R003	Staff are not engaged in or have the wrong information about the programme	3	3	9	Create Communications plan that aligns with needs of internal/external stakeholders. Work with Communications team at TDC to ensure messages are shared with employees and councillors. Inform and encourage managers to cascade to their teams.	3	2	6	Communications plan in place and channels of communications set up in all recommended areas to ensure stakeholders are informed in timely manner. Continue to encourage heads of service to update their teams on all programme updates.	David Ford	EMT
					Heads of service to ensure that their teams are engaged in the programme process and that information is cascaded to teams.				Savings delivery plans include staff engagement where relevant.		
					Keeping staff engaged with progress on the programme				FTP updates provided at staff briefings by Chief Executive		
FTP_R014	Service Reviews will not deliver the budget savings identified in 23/24	4	4	16	Create delivery plan for each service area, whether part of the service improvement workstream, or Digital/Customers, Operations transformation and ensure that all milestones that relate to savings are clearly identified.	3	2	6	Delivery managers to be recruited into the three delivery workstreams, Service Improvements, Digital/Customer Services, Operational Services. Each will create and manage a plan to deliver the savings.	Mark Hak-Sanders	Programme Benefits delivery Board
					Monitor plans/milestones closely in weekly meetings and monthly highlight reports and where a risk is arising, this is escalated immediately to the project/programme board to assess actions to mitigate.				weekly 1-2-1 meetings with heads of service and/or delivery lead to ensure that the plan is in place and credible and is being followed and that any milestones at risk are addressed promptly to prevent slippage.		
					Fortnightly programme delivery and benefits board review savings milestones and where amber/red agree mitigation and next steps and assign ownership.				Each service to create a plan, with key milestones, which is collated for the programme plan. Fortnightly EMT delivery meetings held where exceptions and risks are discussed with the objective of resolving blockers to achieve the savings.		

Future Tandridge Programme (FTP)		Original scores			Mitigated scores						
Risk ID	There is a risk that.....	Impact	Likelihood	Risk score	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Owner	Owning group
FTP_R015	Recruitment of the roles required for Digital/customer services workstream will be slow/unsuccessful which will have a detrimental effect on developing the business case and planning and delivery of 23/24 savings and benefits in the business cases	5	3	15	Recruit a skilled Digital transformation lead to work on the business case and to create a delivery plan	2	2	4	Interim Digital expert in place to advise on the business case and the approach to be taken on the Digital Strategy. Recruitment is also underway to bring in a Digital lead who will manage the delivery of the changes agreed in the business case.	Mark Hak-Sanders	Programme Benefits delivery Board
					Understand the scope of the changes required to make the changes for residents/users to enable self service				Persona work to be undertaken which will result in agreed personas that reflect the residents and will be used to develop the customer self service journeys.		
					Review where savings/efficiencies can be made and focus on these areas as a priority, including have the right data available to provide costs/ROI in the business case				Analysis of existing calls on the Customer Services team to understand which areas of business have the highest number of calls and carry out a review of those journeys with the objective of improving service/understanding and removing pain points to introduce short term efficiencies.		
FTP_R016	Timelines will be missed if BAU issues require resolution and there is an assumption that programme resources will be used to fix the issues	5	3	15	Each service to set out their savings delivery plan, including key milestones and dependencies, which will form the collated programme plan.	2	2	4	Planning workbook templates being populated by Heads of Service/Stream leads. Planning meetings being held with plan owners to ensure information is captured consistently to enable dependencies/slippages to be trackable.	Mark Hak-Sanders	Programme Benefits delivery Board
					Individual plans to be baselined within the programme and used as drivers for savings delivery by the EMT / stream leads and Finance/Benefits Programme board and any risks to delivery identified by the plan owners to be escalated to the Programme delivery board.				Individual plans are to be collated at programme level. Regular EMT delivery board meetings held where all savings at risk are raised and collectively resolved.		
					All plans will include resource requirements to ensure that where BAU/external resources are required, the demand is clear. Where resources are redirected at BAU, plans will need to be adjusted to show the revised schedule. If BAU resources are not sufficiently available, backfilling of roles will need to be considered to free up time.				Key external resources are identified and secured as early as possible, for example expert advice from PeopleToo on Operations workstream.		

Appendix K – Council Tax Base 2023/24

Introduction and background

1. The Council tax base is one element of the calculations concerned with setting the Council Tax under the Local Authorities (Calculation of Council Tax Base) (England) Regulation 2012.
2. All domestic properties within the District are banded by the Valuation Officer in one of eight bands. The tax base calculation includes the estimated number of chargeable dwelling after allowing for discounts and exemptions, appeals and voids for each parish for the period to 31st March 2022. The number of chargeable properties is converted to Band D equivalents by applying the prescribed formula. The Council must set its Council Tax base and notify the precepting authorities by 31st January 2023.
3. There are various factors which have to be taken into account to arrive at the tax base for 2023/24.

Table: 2023/24 Council Tax base.

2022/23 Band D Equivalent	Band	Council tax base for 2023/24					Ratio to Band D	2023/24 Band D equivalent
		Total Dwellings	Number of dwellings after applying discounts and premiums	Less adjustment for Council Tax Support	Chargeable Dwellings			
1.1	A (DR*)		2.8	-0.8	2.0	5/9	1.1	
407.4	A	940	739.5	-117.7	621.8	6/9	414.5	
959.1	B	2,198	1,843.5	-550.5	1,293.0	7/9	1,005.7	
3,433.8	C	5,291	4,592.0	-712.6	3,879.4	8/9	3,448.4	
7,359.2	D	8,955	8,113.5	-717.5	7,396.0	9/9	7,396.0	
8,307.4	E	7,762	7,111.0	-250.6	6,860.4	11/9	8,384.9	
6,468.8	F	4,899	4,556.5	-70.7	4,485.8	13/9	6,479.5	
9,864.1	G	6,295	5,952.0	-33.2	5,918.8	15/9	9,864.7	
2,361.9	H	1,264	1,197.0	-5.7	1,191.3	18/9	2,382.6	
	Total	37,604	34,107.8	-2,459.2	31,648.5			
		39,162.8	Gross Tax base				39,377.5	
			-470.0 Less adjustment for losses in collection 1.2%				-472.5	
			38,692.8 Net Tax base				38,904.9	

Adjustments:

4. The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 which affects the calculation of the Council Tax base. These amendments gave powers to determine own discounts and set premiums in certain circumstances.
5. Section 10 of the Local Government Finance Act 2012 imposes an obligation on Billing Authorities to set up a Council Tax Reduction Scheme to replace Council Tax Benefit from 1 April 2013. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 specify that the tax base must be adjusted to take account of the amount to be paid in accordance with the reduction scheme. This adjustment is shown in a separate column in on the above table.
6. In arriving at a net base, allowance must be made for irrecoverable amount, movements as a result of appeals and property base changes (new properties). For this purpose, an allowance of 1.2% is proposed.

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Appendix L - Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
Business Rates Levy	A 50% charge of Business Rates growth above the baseline, payable to Central Government; reduced through participation in the Business Rates Pool.
Business Rates Pool	Local authorities can join together in order to retain more growth from the Business Rates system (e.g. pay Government less of a levy against any increase in Business Rates over the Baseline). In Surrey, pool participation is dictated by the expected level of Business Rate retention. Whilst authorities can choose <i>not to</i> take part, they only qualify for inclusion if Business Rates growth indicates maximum gain for the County-area overall. TDC qualified and took part in 2021/22 and again in 2023/24.
Business Rates Tariff	The difference between Baseline funding and retained Business Rates plus s31 grants, payable to Central Government.
Collection Fund	A ring-fenced fund to collect Business Rates and Council Tax and then distribute to the billing and precepting authorities (i.e. Tandridge, Surrey County Council, Surrey Police and Crime Commissioner and Parish Councils)
Collection Fund Surplus and Deficit	The difference between the budget for Business Rate and Council Tax collection and the actuals generated. If actuals are higher than budget, they are distributed in the following financial year. If lower, they are charged in the following year. The Covid-19 deficit in 2020/21 is spread over 2021/22 to 2023/24.
Core Spending Power	The measure DLUHC uses to gauge the extent of local authorities' core revenue funding, including Council Tax and locally retained Business Rates.
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews
Lower Tier Services Grant	Lower Tier Services Grant was a new grant for 2021 to 2022, provided specifically to lower-tier authorities to support funding levels. It is assumed this grant (or more accurately funding of a broadly similar amount) will continue.
Minimum Revenue Provision	An amount of revenue budget set aside each year to repay debt on capital assets. Each year a charge is made to revenue to spread the cost of borrowing over the life of the asset and ensure that cash is set aside to repay loans when they mature.
New Homes Bonus	A grant from Government to reward local authorities for increases to the tax base. The future of NHB has been unclear for a number of years but the budget assumes that an amount equivalent to 2021/22 funding will be received in 2022/23.
Pressure	Known budgeted expenditure increases and income reductions due to the following:

	<ul style="list-style-type: none"> • Growth factors – e.g. demographic, inflation and/or increased demand for services; • Full year effects – to take account of changes to expenditure or income which have taken effect in-year and need to be accounted for in future years as they are of an ongoing nature, e.g. ongoing changes to car parking income due to the pandemic; and/or • Other increases in expenditure or reduction in income as a result of strategic, governance, funding or policy changes e.g. additions to the organisational structure or additional service activities undertaken and not budgeted for as they occur after the budget is set and have ongoing implications.
Saving	<p>Known budgeted expenditure reductions and income increases which result due to the following:</p> <ul style="list-style-type: none"> • Containing additional costs of Inflationary increases in contracts or pay; • Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money; • The delivery of new or additional services; and/or <p>Optimising sources of income.</p>
Reserves: General Fund balance	A contingency fund - money set aside for emergencies or to cover any unexpected costs that may occur during the year, such as unexpected repairs.
Reserves: Earmarked Reserves	Funds set aside by Council for a particular purpose, such as buying or repairing equipment or the maintenance of public parks or buildings or equalising over time a particular income stream.
TOMDG	Target Operating Model Development group – a governance group within the Future Tandridge Programme. This group sets the direction for the service reviews and agrees the principles that will drive the organisational change.

Report of the Independent Remuneration Panel on Members Allowances 2023/24

Strategy & Resources Committee Thursday, 1 December 2022

Report of: Head of Legal Services & Monitoring Officer

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

This report sets out recommendations on the Members Allowance Scheme 2023/24 following a review by the Council's Independent Remuneration Panel ('IRP'). The Council is required to establish an IRP to review Members Allowances. The last review was completed in April 2019. In accordance with statutory requirements, the Council is required to receive a recommendation from the IRP every four years, where the basic allowance is adjusted annually according to an index.

This report supports the Council's priority of: Building a better Council

Contact officer Alex Berry, Democratic and Electoral Services Manager
aberry@tandridge.gov.uk

Recommendations to Committee:

1. That, having had regard to the views of the Independent Remuneration Panel (IRP), the Committee consider the recommendations listed in paragraph 4 regarding Member Allowances, and recommend to Council either:
 - a. The adoption of IRP recommendations 1-3 with effect from the start of the 2023/24 Municipal Year.
 - b. The adoption of an alternative Members Allowance Scheme with effect from the start of the 2023/24 Municipal Year.

2. That the Committee agree to recommendation 4 of the IRP that a full review of Members' Allowances be undertaken in Autumn 2024.

Reason for recommendation:

These recommendations ensure compliance with the Local Authorities (Members' Allowances) (England) Regulations 2003.

Introduction and background

- 1 In accordance with the Local Government Act 2000, the Local Authorities (Members' Allowances) (England) Regulations 2003 and guidance from the government, the Council is required to consider a report from the IRP every four years, if the Basic Allowance is index linked. The last review was completed in April 2019, and the Basic Allowance was linked to staff pay awards. It is therefore necessary for the Council to consider a report from the IRP before April 2023.
- 2 The IRP was formed in October 2022 and has reviewed Members' Allowances as outlined in its report, which is attached as appendix A.
- 3 The IRP report contains the recommendations of the IRP, which are listed below.

Basic Allowance	
Recommendation 1:	The Basic Allowance be retained at the current level (£4,317) and remains index linked to staff pay awards.
Special Responsibility Allowances (SRAs)	
Recommendation 2:	That Special Responsibility Allowances be retained at the current level and remain index linked to staff pay awards.
Travelling and Subsistence Expenses and Dependents' Carers' Allowance	
Recommendation 3:	That Travel and Subsistence Expenses and Dependents' Carers' Allowance be retained at the current level.
Future Review	
Recommendation 4:	That a full review of Members' Allowances be undertaken in autumn 2024.

- 4 Part E of the Constitution makes provision for the Committee to recommend to Full Council matters relating to Members' Allowances. The Committee are therefore asked to consider the recommendations of the IRP and recommend to Full Council for consideration at its meeting on 15 December 2022 either:
- a) The adoption of IRP recommendations 1-3 with effect from the start of the 2023/24 Municipal Year; or
 - b) The adoption of an alternative Members Allowance Scheme with effect from the start of the 2023/24 Municipal Year.
- 5 The Committee may also recommend to Full Council that a further review of Members' Allowances is undertaken following the implementation of new electoral arrangements following the boundary review, as per recommendation 4 of the IRP.

Consultation

- 6 Details of consultation undertaken by the IRP as part of its review can be found in appendix 2 to the IRP report.

Key implications

Comments of the Chief Finance Officer

A decision to retain Member allowances at the current level would be accommodated within the existing budget, albeit with a small increase in cost if a staff pay award is agreed. The Draft Budget for 2023/24 presented to this Committee assumes that the recommendations, as laid out by the IRP, are approved. An alternative outcome would need to be factored into the emerging final budget which will return to Committee in January. This should be considered in light of affordability constraints.

Comments of the Head of Legal Services

The Local Authorities (Members' Allowances) (England) Regulations 2003 require each local authority to establish an Independent Remuneration Panel for the purpose of reviewing and recommending a scheme for the payment of Members' Allowances. The Council must have regard to the recommendations of the IRP before it makes changes to the Members' Allowance Scheme.

Regulation 10(4) requires that where any index is used for the purpose of annual adjustment of allowances, it must not rely on that index for longer than a period of four years before seeking a further recommendation from the independent remuneration panel. The last review was completed in April 2019.

Regulation 20(2) requires that an independent remuneration panel shall consist of at least three members none of whom:

- (i) is also a member of an authority in respect of which it makes recommendations or is a member of a committee or sub-committee of such an authority; or

(ii) is disqualified from being or becoming a member of an authority.

The three members of the IRP are individuals, none of whom is disqualified from being or becoming a member of a relevant authority.

Equality

The Committee should have regard to the Council's duties under the Equality Act 2010 which requires due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who do not.

Climate change

There are no significant environmental or sustainability implications associated with this report.

Appendices

Appendix A – Independent Remuneration Panel report to Tandridge District Council on Members Allowances

Background papers

None

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

Review of Council Members' Allowances for Tandridge District Council

November 2022

Tandridge Independent Remuneration Panel

Introduction

1. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the Council is required to establish and maintain an Independent Remuneration Panel (IRP). The purpose of the Panel is to consider and make recommendations to the Council about the allowances paid to Members under its Scheme of Allowances. The Council must make the final decision on its Scheme but in doing so it must have regard to the advice of the IRP before making any changes.
2. Under the regulations, the Council is required to undertake a review every four years if the basic allowance is linked to an index. The last review was completed in April 2019 and the Basic Allowance was linked to staff pay awards.

The Independent Remuneration Panel

3. The IRP was appointed in September 2022 following a recruitment process run by the Council. The Panel is made up of three members: Robert Coyle (Chair), Ben Garland and Matthew Searle. The members of the panel come with a wide range of experience. Their profiles are at Appendix 1.

Context of the Review

4. The Panel considered the Scheme of Allowances in line with the approach and methodology laid out in appendix 2 and the Terms of Reference in appendix 3.
5. It was clear from the discussions the Panel had with Group Leaders and Senior Officers that the review was being undertaken at a time of financial pressure for the Council. There are significant savings that need to be made in the current and next financial years.
6. However, it was clear from the comparative data, and from feedback with Group Leaders, that the basic allowance was set too low primarily due to the fact that the Public Service Discount (set at 60%) was too high. The Panel believe a fair and reasonable allowance should be paid to Members, and there is concern that a low rate will decrease the diversity of the council and risk making the role unattractive to potential candidates.
7. In normal circumstances the Panel would be recommending an increase in the basic allowance as outlined in appendix 4 to the report. However, given the financial context, and following feedback from Group Leaders, the Panel are recommending that the basic allowance is maintained, and that it continues to be index linked to the annual staff pay award process. The Panel are also recommending no changes to Special Responsibility Allowances (SRAs) or any other allowances.
8. The Council is currently undertaking a transformation programme and the Local Government Boundary Commission for England is undertaking an electoral review. The transformation programme may alter the role of Councillors and the skills they require if the Council moves to a commissioning model. The boundary review is likely

to change the size of the Council by reducing the number of Councillors, possibly impacting the level of work Councillors are expected to undertake.

9. Therefore, the Panel, whilst noting that the Council is under a legal obligation to review Members' Allowances four years after receiving this report, recommend that a thorough review of Members' Allowances is undertaken in the second half of 2024, when the Council will be operating under its new size and following implementation of changes as a result of the Future Tandridge Programme.

Recommendations

10. The Panel's recommendations are therefore as follows:

Basic Allowance	
Recommendation 1:	The Basic Allowance be retained at the current level (£4,317) and remains index linked to staff pay awards.
Special Responsibility Allowances (SRAs)	
Recommendation 2:	That Special Responsibility Allowances be retained at the current level and remain index linked to staff pay awards.
Travelling and Subsistence Expenses and Dependents' Carers' Allowance	
Recommendation 3:	That Travel and Subsistence Expenses and Dependents' Carers' Allowance be retained at the current level.
Future Review	
Recommendation 4:	That that a full review of Members' Allowances be undertaken in autumn 2024.

Budget Impact

11. There would be minimal net cost to the Council arising as a result of the implementation of these recommendations. This arises due to the recommendation to maintain the link between Basic Allowances and SRAs to staff pay awards, which already exists in the allowance scheme. The actual cost is dependent on the size of any staff pay award, but for every 1% of a staff pay award, the net cost to the Council would be approximately £1,800 for Basic Allowances and £460 for SRAs.

Special Responsibility Allowances

12. Some Authorities have a rule whereby no more than 50% of Members may receive an SRA. Some authorities operate a one SRA per Member Rule. Tandridge District Council has historically not operated under these rules. The IRP do not recommend any change to this.

Renunciation

13. The existing Scheme of Allowance allows for any Member, on notifying the Chief Executive, to forego any part of their entitlement to an allowance. The IRP feel this is an important provision for Members who do wish to renunciate any part of their allowance.

Appendices

Appendix 1: Members of the Independent Remuneration Panel

Appendix 2: Approach and methodology of the review

Appendix 3: The Terms of the Reference of the Independent Remuneration Panel

Appendix 4: Recommendations if the financial position of the Council was improved.

Acknowledgements

The Panel is grateful for the support and co-operation received from Group Leaders Senior Officers and Alex Berry, Democratic and Electoral Services Manager.

Appendix 1

Members of the Independent Remuneration Panel

The Panel Members are:

- **Robert Coyle**
Robert acted as Chairman of the Panel. Robert is now an Independent NED, sitting on several public & private sector bodies governance boards including remuneration & audit committees. He is a member of another Surrey based IRP & sits on other local government bodies (for instance as an Independent Person for the Corporation of London). Originally Robert trained as a Chartered Accountant. In his executive career Robert held senior roles in accountancy firms & also sat on the boards of a variety of large businesses as CEO/CFO. Robert lives in Surrey.
- **Ben Garland**
Ben is a Reward Consultant who contracts for a range of clients. He is panel member of the Joint-Independent Remuneration Panel (JIRP) for Tunbridge Wells, Tunbridge and Malling and Sevenoaks as well as the HR and Remuneration Committee for University of Brighton Academies Trust.
Ben lives in South London.
- **Matthew Searle**
Matthew is a Tandridge resident. He is a Professional Independent Pension Trustee supporting pension schemes in the charitable and commercial sectors. Previously Country Director for a large multinational corporate he is experienced with setting appropriate remuneration as a key element of an effective organisation.

Appendix 2

Approach and Methodology

The Panel considered the current Allowance Scheme along with the following information for consideration:

- Comparative data from the South East Employers Survey of Local Authorities on Allowances Paid to Members. In this regard, the Panel paid particular attention to a group of 7 Councils. These were all District or Borough Councils with similar characteristics to Tandridge and based in Surrey and Sussex (see below)
- Council profile
- Allowances paid to Councillors in 2021/22 and expected to be paid in 2022/23
- Councillor attendance at meetings for the 2021/22 Municipal Year
- The Councillors Handbook, including role profiles of Councillors, the Leader of the Council, the Chairman of the Council and Chairman of Committees
- The Terms of Reference for the Council and Committees (extract from the Constitution)

The Panel met with the following Members and Officers to explore any issues regarding Allowances:

- Cllr Catherine Sayer, Leader of the Council and Group Leader of the Independent and Oxted and Limpsfield Residents Group (IOLRG)
- Cllr Chris Botten, Vice-Chair of the Council and Group Leader of the Liberal Democrat Group
- Cllr Robin Bloore, Leader of the Conservative Group
- Cllr Martin Allen, Leader of the Independent Group
- David Ford, Chief Executive
- Lidia Harrison, Head of Legal and Democratic Services and Monitoring Officer
- Mark Hak-Sanders, Chief Finance Officer
- All Councillors were given the opportunity to contact the Chair of the Panel but none did.

1. The panel looked at the overall comparative data as provided by South East Employers. Noting that this is in fact a very wide data set with a wide variety of councils (i.e. largest is Oxfordshire County Council, smallest is Adur District Council, geographically from Oxfordshire to Kent), the Panel felt that a smaller subset of data was more useful to look at.

2. The Councils selected for comparative purposes were:

Adur District Council
Hastings Borough Council
Mole Valley District Council
Rother District Council
Runnymede Borough Council
Spelthorne Borough Council
Surrey Heath Borough Council

3. In arriving at this sample, it was noted that all the councils were district or borough councils, and all were geographically in roughly the same area (therefore more comparable for issues such as cost of living etc).

4. The panel noted that against this more focused peer group that Tandridge was generally the lowest rewarded.

5. Tandridge operates a committee method of governance. This is different to some councils which use the cabinet method – see below.

6. In discussing with Group Leaders
 - There was a consensus that allowances were too low generally,
 - It was difficult to attract quality candidates as councillors & many good councillors only served one term because of workloads plus the modern move to social media making it at times a difficult experience
 - The general feeling however seemed to be that the level of allowances was not an issue in attracting candidates
 - The current make-up of the council (ie no overall control) plus the consultative nature of the leader (which was seen as beneficial) put a high work load on group leaders etc as the council tried to grapple with some difficult issues by finding a consensus
 - There was not however a consensus on whether allowances should rise or not
7. In discussing with key Officers, the financial difficulties of the council were paramount in their thinking.
8. The panel notes an on-going boundary review by the Local Government Boundary Commission for England (LGBCE) which should conclude by May 2024. Political Groups have submitted varying recommendations to the LGBCE ranging from a reduction in members to maintaining the current number.
9. The panel noted that allowances have increased very little in recent years. The council has a reasonable gender balance (i.e. access to democracy by all groups): councillors felt that career demands & family life, not allowances, made it difficult for some groups of people to stand (i.e. allowances do not need changing to attract/facilitate underrepresented groups standing).
10. However, the panel also noted that if allowances are frozen for a long time (which may be politically easiest for some) eventually a major re-set would be required.
11. The panel are aware of the overall financial pressure on councils and its possible impact on jobs & services: however, it also particularly noted the specific financial position of Tandridge & the likelihood of job &/or service cuts to achieve a balanced budget. The panel also noted that it cannot bind future decisions.
12. Therefore – taking the above into account the panel recommends:
 1. No major change in any allowances now (continue indexation linked to staff pay awards)
 2. That a new panel however be brought into being as soon as the effects of the boundary commission review are known & in particular the impact on councillor numbers
 3. A full review be undertaken at that time with likely possibly significant changes – the public service discount [see below] at Tandridge is out of line at 60% - if the current panel were to review in the future their thoughts were that a discount of 50% was more in line with the norm.
13. The panel notes that any individual councillor can always disavow their entitlement to any allowance.
14. In arriving at their decisions the chair of the panel made himself available for any councillor to contact individually to make any representations they wished – no one did.
15. The public sector discount is the element of a Members' time that is not remunerated and is given freely as public service.

Appendix 3

Tandridge District Council – Independent Remuneration Panel (IRP) Terms of Reference

1. The IRP shall be comprised of 3 independent persons. None of the members of the panel will be a Member of the Council or of a committee or sub-committee of the Council; or will be disqualified from being a member of the Council by virtue of section 80 of the Local Government Act 1972 and section 79 and 83(11) of the Local Government Act 2000.
2. A recruitment process shall be undertaken in accordance with the Council's standard recruitment arrangements. The term of office will be for one year.
3. The IRP shall:
 - a. Appoint its own Chair at the first meeting of the municipal year
 - b. Require a quorum of 3 members at all meetings
 - c. Otherwise devise its own rules for the conduct of meetings providing that they are consistent with legislative requirements and general good governance requirements.
4. The IRP is to review the District Council's Members' Allowances Scheme and make recommendations to Council. The panel will consider the roles and responsibilities of Councillors.
5. The IRP will have regard to:
 - a. Comparative data on allowances paid by other similar local authorities
 - b. The need for the composition of the Council to reflect the population of the district
6. The IRP will make recommendations to the Council on:
 - a. The Basic Allowance paid to all Members of the Council
 - b. The responsibilities and/or duties for which Members of the Council should receive Special Responsibilities Allowances
 - c. The amount of Special Responsibilities Allowances
 - d. The amount of Childcare and Dependants' Carers' Allowances
 - e. Travelling and Subsistence Allowances
 - f. Whether adjustments to the level of allowances should be determined according to an index, and if so, which index and how long that index should apply up to a maximum of four years
 - g. The start date of any recommended changes
7. The IRP will consider recommendations from the Council's Management Team when developing the review programme.
8. The IRP will have access to any information that it considers necessary to fulfil its duties.
9. The IRP will be able to request to meet any member or officer within the Management Team during the review.
10. The IRP will submit their report to the Strategy and Resources Committee, which will make recommendations on Members Allowances to Full Council.
11. The IRP will be supported administratively by Democratic Services.

Appendix 4

Recommendations if the financial position of the Council was improved.

As explained in paragraph 7 of the report, the IRP are recommending no change to allowances. However, the Panel are of the opinion that the basic allowance is set too low, primarily due to the fact that the Public Service Discount is set too high.

If the financial position of the Council was improved, the IRP would be inclined to make the following recommendations:

Basic Allowance

That the Basic Allowance be increased by reducing the Public Sector Discount from 60% to 50%. The Panel would recommend doing that over a period of two years. The Basic Allowance would remain linked to the annual staff pay awards.

The recommendation would therefore be that the Basic Allowance is set at:

2023/24: £4,856.63 (plus % of staff pay award)

This is made up from a reference point of the current Basic Allowance = £4,317, which has a 60% PSD applied. Remove that 60% PSD in its entirety = £10,792.50. Apply a 55% PSD = £4856.63.

2024/25: £5,396.25 (plus % of staff pay award)

The same calculation as above, but with a 50% PSD applied.

The IRP would seek to benchmark this figure at the time to ensure it is comparable to equivalent Councils. The 2024/25 figure would be close to the average of the equivalent Councils in 2022/23 (£5,274.38).

Special Responsibility Allowance

If considering an increase in basic allowance, the IRP would also be minded to consider whether to retain the SRA for Vice-Chairs and whether there is any mileage in exploring the different workloads of each of the committees to ensure allowances reflect the workload of each committee member.

Notes

The IRP recognise that a future Panel will put forward their own recommendations after consideration of the facts at the time. However, these recommendations may be a point of interest for the future IRP.

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Review of the Redundancy Policy

Strategy & Resources Committee Thursday, 1 December 2022

Report of: Chief Executive

Purpose: For recommendation to Council

Publication status: Open

Wards affected: All

Executive summary:

This report considers options for changing the Council's approach to calculating enhanced redundancy pay. It proposes two options for discussion and approval at this Committee, with benchmarking and commentary about each option.

This report supports the Council's priority of: Building a better Council

Contact officer David Ford, Chief Executive (dford@tandridge.gov.uk)

Recommendation to Committee:

- A. the Committee considers the following two options for the Council's approach to enhanced redundancy:
 1. Remove the multiplier of 1.5 so that an amount equivalent to one week's salary is multiplied by the number of weeks determined in the ready reckoner
 2. Retain the current calculation as-is, with a multiplier of 1.5 times the weekly salary, multiplied by the number of weeks determined in the ready reckoner
- B. the Chief Executive, in consultation with the Chair of the Committee, make any necessary amendments (relating to the result of Recommendation A) to paragraph 8 of the Council's Pay Policy Statement (which references the multiplier of 1.5) and any change to the current Redundancy Policy.

Reason for recommendation:

This Committee tasked Officers with reviewing the Council's approach to enhanced redundancy pay, with a view to reducing the financial impact of redundancies on the Council.

Introduction and background

1. On 30th June 2022, the Committee considered a revised redundancy policy as part of the *2022/23 Budget – Tranche 3 Savings and Future Tandridge Programme Update report*. The Committee resolved to give delegated authority to the Chief Executive, in consultation with the Chair and Vice Chair, to agree the Final Redundancy Policy wording, following engagement and feedback from the workforce through the Staff Conference.
2. Subsequently, on the 10th August 2022, it was determined by this Committee that the policy in the process of finalisation should be reviewed again, and return to Committee in order to determine whether changes should be made to the calculation of redundancy payments.
3. The aim of the review was to lessen the impact of redundancies on the Council's finances. The Committee resolved that the Council's redundancy policy be reviewed, with a report being submitted to this meeting on the 1st December 2022. This report represents the resolution to that action.
4. Work has progressed in the intervening period to assess the options available. The outcome of that work is set out, below.

The current policy – enhancements to the statutory redundancy scheme

5. The statutory redundancy scheme takes an employee's weekly pay, and multiplies it by a number of weeks determined by reference to a ready reckoner. The ready reckoner is appended as the final page of the attached Redundancy Policy.
6. The number of weeks' pay applicable in the statutory scheme is determined by age and length of continuous service with the employer.

You get:

- 0.5 week's pay for each full year worked when you're under 22
 - 1 week's pay for each full year worked when you're between 22 and 41
 - 1.5 week's pay for each full year worked when you're 41 or older
7. The number of years of applicable service is capped at 20. By way of an example, a 65 year old, earning £80,000 per annum with 25 years' service would receive 30 weeks' pay which, under the statutory scheme, is capped at £571 per week:

- 20 years = 30 weeks x £571 = £17,130. £17,130 is the maximum available under the statutory scheme because of the cap on years' service and the cap on weekly pay.
8. The ratio between years of service and weeks of redundancy pay varies according to age. It is not always a ratio of 1.5. For instance, a 43 year old earning £80,000 per annum with 7 years of service would receive 8 weeks of redundancy pay:
- 7 years = 8 weeks x £571 = £4,568.
9. These calculations can be tested on the Government's redundancy calculator (<https://www.gov.uk/calculate-your-redundancy-pay>) and are the minimum amounts applicable to all employers.
10. The Council, in common with other Local Government authorities, currently enhances this scheme through two mechanisms:
- Removal of the £571 cap; and
 - Multiplying the weekly pay by a factor of 1.5.

It is a coincidence that the number of weeks applicable for someone aged 61 or above is 1.5 times the number of years employment. This can be seen in the table showing the enhancements offered by other local authorities, which varies from 1.5. It can also be demonstrated by the example in para 7 above, where the ratio between years and weeks is not 1.5.

11. The Council's current enhancements would result in the following redundancy payments, using the same two examples as cited above:
- A 65 year old earning £80,000 per annum with 25 years service would be paid as follows:
 $20 \text{ years} = 30 \text{ weeks} \times £1,534 \times 1.5 = \mathbf{£69,030}$
 The weekly pay is the annual salary of £80,000 divided by 52.143 weeks
 - A 43 year old earning £80,000 per annum with 7 years service would be paid as follows:
 $7 \text{ years} = 8 \text{ weeks} \times £1,534 \times 1.5 = \mathbf{£18,408}$
12. It is standard practice for local authorities to enhance the statutory scheme in this way. The Council's scheme was benchmarked against other District and Boroughs in Surrey, with the following results, taken from the combination of a survey sent to the Surrey Districts and publicly available policies. In each case, the cap was removed. However, the multiplier used on the weekly salary varied from the 1.5 used by Tandridge. See below:-

Council	Redundancy based on	Weeks paid	Capped at weekly Statutory rate (currently £571)
Epsom & Ewell	1 x weekly pay	Based on statutory number of weeks up to 20 years' service	No
Guildford	2 x weekly pay	Based on statutory number of weeks up to 20 years' service	No
Mole Valley	2 x weekly pay	Paid up to a max of 60 weeks	No
Reigate & Banstead	1 x weekly pay	Based on statutory number of weeks not exceeding 30 weeks' pay	No
Runnymede	1.5 x weekly pay	Based on statutory number of weeks pay up to 20 years' service	No
Spelthorne	2 x weekly Pay	Paid up to a max of 60 weeks	No
Tandridge	1.5 x weekly pay	Based on statutory number of weeks not exceeding 30 weeks' pay	No
Woking	2.2 x weekly pay	Based on statutory number of weeks up to 20 years' service	No

13. The comparison shows that this Council is currently paying more than some, whilst others offer more. The benchmarking reflects the other Councils' *current* policies. It is likely that some will now re-consider their multiplier, particularly as financial constraints will continue to apply.
14. In all cases, employees aged 55 and over who are members of the Local Government Pension Scheme are also entitled to unreduced pension benefits if made redundant. This causes the Council to incur a lump sum, equal to the income forfeited by the pension fund between the employee's leaving date and their planned retirement age.

15. Enhanced redundancy payments are not contractual and can be changed by the Council at any point. A reduction in enhancements may impact staff morale, particularly if implemented during a wide-ranging change process that is likely to lead to redundancies.

Options Considered

16. The primary aim of reviewing the enhancements applied by the Council is to reduce the financial burden of redundancy on taxpayers, at a time when Councils' finances are under significant pressure, as is the case at this Council. A number of options were considered in order to achieve this aim.

17. In particular, consideration was given to maintaining the current multiplier of 1.5, whilst capping redundancy payments at a certain level. This would reduce the financial impact on the Council whilst limiting the number of employees affected by any change. These options were pursued at length, however internal legal advice was that they could leave the Council open to the risk of challenge on equality grounds, particularly in respect of age discrimination. This is because options with a cap disproportionately impact people of age 55 or above. The legal implications are considered further in this report.

Option	Description	Average redundancy (current staff cohort)	Maximum Redundancy (current staff cohort)	Potential number of Staff affected by change
Statutory	Multiplier of 1, £571 per week cap	£8k	£17k	All
Enhanced Options:				
1	Remain as-is with 1.5 multiplier.	£16k	£87k	0
2	Change multiplier to 1.	£10k	£58k	All
3	Retain 1.5 multiplier, but capped at a weekly pay equivalent to a member staff at the top of M4 grade	£15k	£47k	c15
4	Retain 1.5 multiplier but cap at either £99,999 or Statutory Redundancy + Pension if higher	£16k	£99,999 unless Pension and Statutory Minimum redundancy exceed this amount	Dependent on the Pension strain

18. The statutory powers which give local authorities discretion to make enhanced redundancy payments are contained in the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (the 2006 Regulations). The 2006 Regulations provide local authorities with the power to pay discretionary enhanced redundancy payments to employees whose employment is terminated early by reason of redundancy. The regulations provide two separate discretionary powers to make enhanced payments.
19. Under Regulation 5, local authorities have the discretion to define a week's pay for the purposes of calculating the redundancy payment as any amount between the:
 - statutory cap on a week's pay (£571 per week from 6 April 2022)
 - employee's actual weekly pay.
20. Under Regulation 6, local authorities also have the discretion to pay a compensatory lump sum of up to the equivalent of 104 weeks' pay (against which any statutory redundancy payment (SRP) is offset), provided that the employee is not being credited with additional membership of the Local Government Pension Scheme.
21. When drafting the policy, the Council needs to ensure that there is no unjustifiable age discrimination in the way the discretion is exercised.
22. In light of the above, the options presented for inclusion in the final policy are as follows:
 - Either retain the current calculation as-is, with a multiplier of 1.5 times the weekly salary, multiplied by the number of weeks determined in the ready reckoner or
 - Remove the multiplier of 1.5 so an amount equivalent to a week's salary is multiplied by the number of weeks determined in the ready reckoner.
23. The Council is also able to adopt the statutory scheme, which equates to weekly salary (capped at £571 per week) multiplied by the number of weeks determined in the ready reckoner.

Consultation

24. Staff Conference were informed of the options under consideration and their response is as follows:

“Staff Conference wish to express our opposition to the proposed policy to change the weekly multiplier, when calculating redundancy pay, from 1.5 times our weekly salary to 1 times.

Staff Conference understand the need to make savings and we realise that redundancy payments for those on high grades with the maximum length of eligible service can be high.

However, the proposed policy basically eradicates enhanced payments for most employees, which we feel is unfair.

Reducing the multiplier to 1 times our weekly salary will result in many employees, particularly those on lower grades, receiving the same as they would under statutory redundancy calculations.

As you may be aware, under statutory redundancy pay, an employee's weekly pay is capped at £571. Whilst we are aware that under the new policy, there is no cap (as there is in statutory) however, this is meaningless if an employee is getting under £591 per week as their redundancy payment would be same under this policy as under statutory. Whereas a senior manager on over £1000 per week will be a lot better off than on statutory calculations.

The current multiplier of 1.5 was introduced immediately prior to Customer First, when the multiplier was downgraded from 2, without a cap of 20 years' service. The proposal to downgrade this again, prior to a restructure is ethically wrong. Staff were promised that this restructure would be transparent and honest, however this feels underhand. The majority of staff members that will be affected by this policy were not responsible for the financial situation we found ourselves in after Customer First. Whilst we understand the need to move on from Customer First, it appears that the only lessons that have been learnt is how to erode staff terms and conditions

An enhanced rate of redundancy pay is particularly important for Council Officers, for the following reasons.

- Many of our roles do not easily translate into the private sector so we either have to a) go through a lengthy process of not only finding a new job, but once we have found one have to wait for full references, DBS checks etc which takes around 3 months. b) potentially take a lower paid job, as whilst we have transferable skills, it's not always clear to private sector employers, how these skills can be applied in a different industry.
- We are more likely than our private sector colleagues, to have to retrain/study to prove how our skills can transfer to another industry.
- Even within local government, many roles created under Customer First do not easily translate to roles in other local authorities
- We do not have the option of continuing to make our own contributions towards our pension whilst we are looking for another job as some private and stakeholder pensions allow.

The Council's reputation as an employer is being eroded, removing terms and conditions could mean that this deteriorates even further, and recruitment and retention of staff is likely to be impacted. Whilst we understand your wish to shed staff, this proposal could mean that officers in hard to recruit to posts will be forced to consider other options.

We also have concerns regarding the lack of consultation with Staff Conference, Section 2.1 of the Staff Conference Constitution has an objective which states:

'To negotiate and be consulted on all terms and conditions of employment and associated matters for all Council staff with and by management representatives'.

This objective has clearly not been met. Furthermore, the Staff Conference Functions are detailed in the constitution, particularly in section 5.1 which states:

'The Conference shall be the established negotiating and consultation machinery between management and the Council's employees.

And in 5.2:

'All issues relating to changes to the terms and conditions of employment and associated matters will be considered by the Conference'

We are concerned that the Council may be in breach of its own policy.

Most importantly, we have devoted our time and energy to public service, our response to the Covid pandemic is evidence of this. Many staff have higher level qualifications and were attracted to local government work as a vocation and with the understanding that the terms and conditions are better than the private sector. Whilst we haven't had much time to conduct full research on this, so far our current redundancy payments appear to be lower than all the local authorities we have contacted within the South East and lower than decent private sector employers. We would therefore urge you to keep the multiplier at 1.5 times weekly salary.

(Staff Conference 23 November 2022)

Key implications

Comments of the Chief Finance Officer

A reduction in the Council's enhancements to the statutory redundancy scheme will reduce the cost of redundancies. The indicative financial impact is set out in the report.

Comments of the Head of Legal Services

The Head of Legal Services has been involved in advising upon the Redundancy Policy and its legal effects and her comments have been included in this report. However, it should be noted that any changes to the existing enhanced redundancy payment arrangement as a result of the Committee's decision will need to be reflected in the Council's Pay Policy Statement. As it would only require minor changes, such revisions can be delegated to the Chief Executive in consultation with the Chair of the Committee to make the necessary amendments to para 8 of the Council's Pay Policy Statement.

Equality

We have a statutory duty to consider and demonstrate equality in all of our decisions. Equality considerations, particularly those in respect of age, are included within the report.

Climate change

There are no climate change implications.

Appendices

Appendix A: Current iteration of the Council's redundancy policy, subject to change depending on the option selected by the Strategy & Resources Committee.

Background papers

None

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

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REDUNDANCY AND REDEPLOYMENT POLICY

1 Introduction

- 1.1 It is the Council's aim, where possible, to maintain secure employment for its employees. However, circumstances may arise where the organisation's requirements may lead to the need for a reduction in the number of staff employed or organisational changes which result in some employees being redundant. The Redundancy and Redeployment Policy provides a procedure and guidance for managers to follow when the potential need to reduce staffing occurs. It ensures employees are treated fairly and consistently, and appropriate employee consultation takes place throughout the process.
- 1.2 This policy applies to all employees, including those with fixed term contracts but does not apply to agency temps or contractors. To qualify for a redundancy payment an employee must have been continuously employed in local government for two or more years at the effective date of termination.
- 1.3 The Council will be open and fair and give regard to equality and consistency in its treatment of all employees.
- 1.4 This policy is in accordance with good practice guidance notes and codes of practice issued by ACAS. The policy is also in line with employment law, including regulations dealing specifically with employment matters.
- 1.5 Where a post has been identified as being substantially altered, has disappeared or is one of several posts which will reduce as a result of organisational change, the employment status of the individual employee will be identified to be 'at risk'.

2. Decision Making

Decisions on principles of strategic direction or annual budgeting with HR implications lies with the Full Council and decisions to dismiss by reason of redundancy lies with the Chief Executive and those officers nominated for this purpose.

General principles

3. Scope

- 3.1 For the purpose of this policy, employees are as defined in section 230 of the Employment Rights Act 1996 or any substituting or amending legislation
- 3.2 This policy will be varied for certain senior officers to ensure compliance with local government law and Joint National Conditions (JNC) conditions of service for chief executives and chief officers

3.3 This policy covers:

Approvals required

Consultation and communication process

Selection process

Methods to assist in reducing number of redundancies

Procedure to be followed in the event of a redundancy situation

3.4 A member of EMT will liaise with Staff Conference, where appropriate regarding the redundancy process. This includes providing details of redundancies and any amendments to this policy.

3.5 Staff Conference is the formal mechanism for consulting with officers at the council.

4 Purpose

4.1 The purpose of this policy is to ensure there is a structured process for dealing with employment matters and supporting employees during periods of change where the deletion of posts and staff redundancies may be involved.

4.2 Employees are required to engage actively in the process of redeployment, with redundancy seen as the last resort.

4.3 In cases where services are transferring to another provider, the Transfer of Undertaking (Protection of Employment) ('TUPE') will apply. Separate advice should be sought from Legal Services and HR in these situations.

4.4 When redundancies arise, the Council will consult at an early stage and take appropriate steps to keep the number of redundancies to a minimum, whilst considering the needs of the organisation.

4.5 Line managers will seek to ensure the redundancy and redeployment process is conducted with fairness, transparency and confidentiality.

5 Procedure

5.1 Voluntary redundancy (VR)

5.1.2 The Council may, at its discretion and at times when the organisation is seeking to reduce staff numbers, explore whether there is scope to consider requests for voluntary redundancy.

The Head of Service or Chief Officer responsible for overseeing the changes will, in consultation with EMT, identify the categories of employees from whom it is prepared to accept volunteers and will consider applications from those employees directly affected.

Staff Conference will be advised by HR of the groups of employees approached and of the number of expressions of interest subsequently received.

The Council reserves the right to refuse individual requests for voluntary redundancy and there is no right of appeal. Where a request is refused the reasons for doing so will be put in writing to the individual concerned.

Expressions of interest for voluntary redundancy must be made using the EOI(VR) form which can be found on the Hub under HR Policies and must be submitted to the line manager responsible for the restructure or proposed change to the service. This can be completed by email or by printing the form provided and submitting it in person. Expressions of interest will be invited by the start of the consultation period at the latest. There will be a fixed time period in which applications will be accepted. At this stage, the expression of interest will not form a binding agreement on either side.

The line manager must contact HR and submit all expressions of interest immediately to: hr@tandridge.gov.uk.

An individual estimate of benefits will be prepared for the employee based on an estimated end date. They will then be asked to confirm by a specified date whether they wish to proceed with an application or not.

In considering VR requests the Council will make it clear:

- It wishes to retain those employees who will best meet the needs of the Council in terms of delivering effective and efficient services to the public
- The need to retain a balance of key experience and skills within services and across the workforce to meet future needs;
- The impact of any financial implications.

If the employee is aged 55 or over and a member of the Local Government Pension Scheme, HR will obtain an estimate of pension retirement benefits and the cost to the organisation of releasing pension benefits early. (see also Retirement Policy)

HR will liaise with the relevant Head of Service and consider the request in accordance with the criteria set out in this policy.

For further information refer to the voluntary redundancy procedure at appendix A.

- 5.1.3 The decision will be made by the Chief Executive (if appropriate), Section 151 Officer and senior HR professional in conjunction with the relevant line manager. HR or the relevant line manager will notify the employee of the decision in writing.

The Council reserves the right to accept or reject applications for voluntary redundancy. There is no right of appeal.

5.2 Agreement of Voluntary Redundancy

- 5.2.1 Voluntary redundancy may be approved if employees come under the following category:

- Employees who are in a post proposed for deletion, or whose post may be deleted in the future, as a result of the reorganisation
- Employees in any post where a reduction in employee numbers in that post is proposed as a result of reorganisation or may be in the future due to restructures and/or financial circumstances.
- When a role is identified for deletion, employees in posts of similar grade and responsibility, not proposed for deletion, may wish to apply for voluntary redundancy. The application for VR in such cases may be agreed if this would avoid a compulsory redundancy. The person at risk would be redeployed into the position.

5.3 Voluntary redundancy criteria

5.3.1 Each request for voluntary redundancy will be considered individually, based on the interests of the Council. It is paramount consideration is given to maintaining efficient services to the community and residents. The Council is obliged by law to consider ways of avoiding, and reducing, the number of redundancies. Given these legal obligations an EO(VR) will usually be declined if an employee can be:

- a) Assimilated into a role
- b) Placed within a ring-fenced role
- c) Offered reasonable alternative employment

5.3.2 All the above apply unless the Council considers there is a strong business case presented to demonstrate otherwise. For example, the voluntary redundancy will create a vacancy suitable for another redeployee and avoid their redundancy.

5.3.3 Where an employee volunteers to leave the Council on voluntary redundancy, consideration will be given to the following factors when assessing the request:

- **Financial** – Capital costs for the Council will be negatively impacted. An example of this is, the total cost of the voluntary severance package including the pension strain, outweigh the ability to recover the costs
- **Service delivery** – The employee is critical to delivering the service and the delivery would be seriously comprised if the employee left
- **Skills and knowledge** – Loss of competencies, skills and experience would have a material impact on the Council and service delivery. The individual has specialist skills that are required by the organisation, not available elsewhere in the service area.

5.4 Compulsory redundancy

5.4.1 Employees who remain at risk following consideration of assimilation, ring fencing and redeployment will face compulsory redundancy, unless they have made an application for voluntary redundancy which the Council has accepted.

5.4.2 In these cases, the employee will have a final meeting with their manager where the date of termination of employment, as notified to them previously in writing, will be confirmed.

Arrangements will be put in place by the employee's manager to support the employee during their remaining notice period, including continuing to look at potential opportunities within the Council as well as providing the time to attend interviews outside of the Council.

5.4.3 Consultation periods are dependent on the number of employees potentially facing redundancy. The following timescales apply:

- Less than 20 employees – 20 calendar days
- 20 – 99 employees – 30 calendar days
- 100 or more – a minimum of 45 calendar days

5.5 Calculation of redundancy and pension payments

5.5.1 For employees who leave the Council's employment either through voluntary or compulsory redundancy the following will apply:

- Entitlement to redundancy pay is based on contractual pay, length of continuous service and age (please see Redundancy Payment Ready Reckoner in Appendix C)
- The maximum service that can be considered for redundancy pay purposes is 20 years.
- The Council currently awards an enhanced sum based on full years of service, using a multiplier of 1.5 times actual weeks' pay, with the number of weeks determined by the Ready Reckoner. The calculator may be reviewed periodically subject to approval by Strategy & Resources committee.

Examples:

Employee A	M2	
Ave weekly pay	£779	
Multiplier x1.5	£1168	Weekly pay for calculation in ready reckoner
age	56	Will also be eligible to draw LGPS
Length of service (full years)	25 years	
Max length of service	20 years	Capped at 20 years
Weeks' pay	27.5	Weeks
Redundancy payment	£32,133	(£30,000 tax & NI free)

Employee B	TA2	
Ave weekly pay	£484	
Multiplier x1.5	£726	Weekly pay for calculation in ready reckoner
age	30	
Length of service (full years)	6 years	
Max length of service		
Weeks' pay	6	Weeks
Redundancy payment	£4,356	(under £30,000 so tax & NI free)

An employee aged 55 or over who is made redundant, may be entitled to early retirement and early release of his or her annual pension and a lump sum. (See also Retirement Policy).

There is a guide to the Local Government Pension Scheme on the Hub and where applicable, any pensions calculation will be included in redundancy or pensions calculation supplied to an employee.

6 Appeals against dismissal

6.1 An employee may appeal in writing against dismissal on grounds of redundancy to the relevant the HR Business Partner.

6.1.2 Refer to the Council's appeal procedure.

7 Redeployment

7.1 The Council will endeavour and find suitable alternative employment for all employees whose existing roles are declared redundant. Employees affected by redundancy will be advised of all suitable opportunities for redeployment. Employees also have a shared responsibility with the Council in seeking redeployment.

A record (Redeployment Pool) of all employees, who have been identified as 'at risk', will be held by HR who will provide support and advice to individuals and line managers throughout this process. See appendix A for details of this support.

Determining what type of work is suitable can be difficult as it encompasses both objective and subjective factors. The assessment as to whether a post is considered 'suitable' will be made by the manager of the post with advice from HR.

Staff employed within Southern Building Control Partnership – under the terms of the Inter Authority Agreement, member councils will be advised of redundant posts and will seek to redeploy any potentially redundant employees to other roles within the Councils.

7.1.2 Selection and appointment under the Redeployment Procedure provisions

A role will be considered the same or similar if there is similarity in the nature of the tasks, level of responsibility and characteristics of the deleted role.

In general, suitable alternative employment means:

- Work the employee can reasonably be expected to do taking into account their level of seniority and skills;
- Work on terms and conditions not substantially less favourable to the employee.

Examples of factors that can be taken into account when assessing the suitability of an alternative role are:

- The rate of pay and value of any contractual benefits;
- The duties and level of responsibility of the new role;
- The place of work and its proximity to the employee's current workplace.

Employees being considered for redeployment to a post deemed to be the same or similar will be covered by the specific provisions of the redeployment procedure. They will be interviewed and considered for redeployment on their own merits, but not in competition, for such a vacancy.

Other permanent employees from within the department with the vacancy may apply at the same time but will only be offered the appointment if considered by the Head of Service/Manager to be significantly more suitable.

Normal selection criteria will apply i.e. the selection decision will depend on submission of an expression of interest form (EOI) and/or supporting statement, an interview, presentation or other exercise, as appropriate. Selection will be based on the person specification requirements, including relevant behaviours, skills, knowledge and experience. Retraining will be provided, where appropriate, to meet business needs.

Suitable alternative employment will be offered where possible within a reasonable timescale prior to the termination of contract.

7.1.3 Redeployment trial period

Any offer of suitable alternative employment made to an employee under notice of redundancy will be offered subject to a statutory four- week trial period. If there are uncertainties regarding an employee's ability to carry out the duties of the post, the trial period may be extended up to a maximum of 8 weeks to assess the individual's suitability.

Prior to the trial period commencing the manager will meet with the employee to set out the objectives for successfully completing the trial period. There will also be at least one meeting before the end of the four weeks so that the employee is aware of their options.

Any employee offered redeployment will be given a written offer stating:

- the type of work and job description;
- the related training necessary;
- the location and hours of work;
- the salary and other conditions of service;
- the length of any trial period, (minimum of four weeks) allowing for related training to be undertaken; any extension to the trial period must be in writing setting out the start and finish of the trial period and the employee's terms and conditions after it ends;
- any other terms and conditions of employment relating specifically to the post into which they are being deployed.

Any redeployed employee will be given appropriate training in the responsibilities of the new job. A job description for the post must be supplied to the employee. It is not to be expected they will be able to perform the full range of duties immediately.

There may be occasions where a particular qualification, although normally required, should not be regarded a pre-condition of redeployment if the employee could be reasonably expected, within an agreed period, to undertake the duties of the post to an acceptable standard. It may be reasonable to make it condition of redeployment that the employee studies for a recognised qualification.

If an employee works beyond the end of the four-week trial period without having already given notice to terminate the employment during the trial period, the employee will be deemed to have accepted the new employment and any redundancy entitlement will be lost.

During the trial period the employee is free to terminate the new contract. If the employee's reasons for termination of the trial period are considered unreasonable, they will forfeit their right to any redundancy payment as this will be considered a resignation. There is an automatic right to appeal (see the Council's appeal process).

If the trial is unsuccessful, the employee will return to the Redeployment Pool which may result in redundancy and if this was the case it would be on the same terms that applied at the end of the former contract.

7.1.4 Employee Rejection of Suitable Alternative

In accordance with statutory requirements, where an offer of suitable alternative employment is unreasonably refused, the employee will forfeit their right to a statutory redundancy payment. The right to enhanced redundancy payments and any pension purchased on their behalf will also be forfeited if an offer of suitable alternative employment has been made and, in the opinion of the Council, the refusal is unreasonable.

Pay protection during redeployment

Please refer to section 6. of the Management of Organisational Change Procedure

Appendix A — Employee procedure for voluntary redundancy

1 Procedure expressions of interest for voluntary redundancy

If as an employee, you wish to consider expressing interest in voluntary redundancy the first step is to request an estimate of the compensatory benefits which may be paid if voluntary redundancy is approved.

Requests for an estimate based on current age and continuous service are made by emailing the HR@tandridge.gov.uk

If, after obtaining an estimate you wish to pursue an expression of interest in voluntary redundancy, you should discuss this with your manager prior to completing the request for voluntary redundancy form. After completion of the form, you should forward the request to your manager.

EOI (VR) requests must be submitted within the fixed time period disclosed at the start of the consultation period

The manager should request the following information from HR and once received complete as follows;

- potential severance payment costs;
- the capital cost of releasing pension early if the employee is a member of the Local Government Pension Scheme and age 55 or over;
- the on-costs for the current role such as employer national insurance contributions, employer pension costs, allowances.

Once the EOI (VR) form is fully completed the manager will send it to hr@tandridge.gov.uk The HR team will acknowledge receipt of the form.

The expression will be reviewed by the relevant Head of Service and EMT.

By the end of the consultation period at the latest, the Head of Service will confirm to the volunteer(s), explaining whether they have been accepted or not for voluntary redundancy.

There is no right to appeal if an expression of interest for voluntary redundancy is declined.

If an individual is selected for voluntary redundancy, they will have a final consultation meeting and a consideration period of no less than five working days before being issued with a notice of dismissal on grounds of redundancy.

Where an application is accepted, notice of redundancy will be issued confirming the redundancy payment and, if relevant, pension figures based on the confirmed leaving date.

Notice will be issued in line with the employee's contractual entitlement.

An employee will be expected to work their notice period. If the employee wishes to leave early, then it may be possible to agree an early release, but they will waive the remainder of their paid notice period.

In exceptional circumstances, any offer of payment for voluntary redundancy may be withdrawn where an offer of suitable alternative employment is made and unreasonably refused by the employee prior to the date of termination.

2 Severance payments

Full details regarding redundancy payments can be found at section 5.5.

3 Access to Local Government Pension Scheme (LGPS)

If the employee is aged 55 or over and is a member of the Local Government Pension Scheme, they will receive the pension benefits due to them in accordance with the scheme regulations

Appendix B - Support available for employees covered by the provisions of the Redeployment Procedure

1 Introduction

- 1.1 When it is identified an employee's role is likely to be deleted from the Council's structure this gives rise to a potential redundancy situation. If you are in a role affected as 'at risk' you will have access to a range of support, training and advice.

The support includes:

- Information about redundancy figures and, where appropriate, pension estimates;
- Access to the Council's Employee Assistance Programme (EAP);
- Advice in finding alternative work including practical assistance; with writing CVs and handling interviews;
- Reasonable paid time off to find alternative work;
- Training for alternative employment outside the Council;

- 1.2 You may choose to be accompanied at meetings by a Staff Conference representative, work colleague or union representative.

2 Support from the Head of Service and your manager

- 2.1 The Head of Service will confirm your admission to the redeployment pool. They will be available to discuss the situation with you and will be working with your manager and HR to identify alternative employment opportunities.

3 Support from the HR Team

- 3.1 A member of HR will meet with you once you have been admitted to the redeployment pool. The initial meeting will give you the opportunity to discuss the situation in confidence and talk about any issues or concerns you have.

- 3.2 HR will discuss any questions you may have about the process and will advise you about the financial implications of the situation. It will also be an opportunity to discuss potential job opportunities, internally or externally.

- 3.3 HR will discuss your qualifications, skills, experience and areas of work in which you are interested. These details and your CV will be held on record to refer to if internal vacancies occur. HR will review your CV and redeployment profile details against the person specification of any vacancy approved for recruitment, determining whether there is the potential for redeployment into the vacancy.

- 3.4 The HR team will signpost you to support and advice throughout the period you are on the Redeployment Pool. Following the initial meeting, further meetings will be arranged based on individual needs. HR can provide advice on job search, and signpost to organisations who can help with CV presentation.

4 Priority access to internal vacancies similar to your current role

- 4.1 Where a vacant role is deemed to be “the same or similar” in nature or level to your current role, recruitment will be frozen while details of the role are discussed with you.
- 4.2 Where there is a redeployment opportunity, a selection process will be run against the specification for the post to include an interview with recruiting manager and a member of the HR team, to ensure suitability for the role .

5 Information relating to pension

- 5.1 You can access information about your pension by logging onto the Surrey Pensions Portal [Welcome - Altair Member Self-Service \(surreycc.gov.uk\)](https://www.surreycc.gov.uk) or e-mail myhelpdeskpensions@surreycc.gov.uk Tel 0300 2001031. If further information is required HR may be able to assist.

6 Time off to job search

- 6.1 You may be granted reasonable time off to look for alternative work. Examples include time off to attend interviews, time at work to undertake online job search or to complete applications for roles. You will need to agree the time with your manager.

7 Counselling support

- 7.1 If you find that you would like to speak with a counsellor in confidence about your situation at any point then this will be available to you and can be accessed via the Council’s EAP, details can be found on the Hub..

8 Communication about other internal vacancies

- 8.1 When a new vacancy occurs HR team will circulate to all individuals on the Redeployment register.

9 Training

- 9.1 If you have identified skills gap the Council may be able to provide training or source a course to support you, depending on cost, relevance and timescales. An example is excel/IT training. Once you have considered the potential training which may help you secure a role let the HR Team know by raising a Salesforce case or e-mailing hr@tandridge.gov.uk

10 Actions for you to take

- 10.1 It is helpful before the initial meeting with HR if you send through your CV if you already have one prepared. Alternatively, if you don’t have a CV then prepare a summary of your career experience, outlining your qualifications and training courses undertaken and a short statement of your particular strengths and skills.
- 10.2 You are encouraged to proactively look at vacancies arising within the Council. If you wish to put yourself forward for an internal post that is not considered to be the same or similar to your existing post, then this will fall outside the protection of the Redeployment Procedure. This means that you would be invited to apply for it in the normal way and you would not have priority over other candidates.

- 10.3 You are also encouraged to look more widely and externally at potential employment opportunities which sit with your skills' set and interests.

11 Trial period

- 11.1 There is a statutory right to a trial period where an offer of redeployment is made during an employee's notice period and the employment is to commence at the end of the notice period. The trial period will be included in the offer letter.
- 11.2 A trial period may be extended beyond four weeks to enable retraining, where appropriate.
- 11.3 If you are redeployed and should either you or the Council find that the role is not suitable the arrangement can be ended by the giving of one week's notice on either side. If the trial period proves unsuccessful or unsatisfactory, the employee will revert to being 'at risk' of redundancy.

12 Notice

- 12.1. If no suitable alternative employment is identified, then you will be issued notice. This will confirm the date at which your employment with the Council will cease. The period of notice to which you are entitled is dependent on your grade and length of service. Further details can be found on Sharepoint (link).
- 12.2 Throughout the notice period efforts to secure alternative work will continue to try to avoid the redundancy. The HR team will help you to identify any new vacancies or opportunities that may be suitable.

13 Redundancy payments' modification orders

- 13.1 It may not be a redundancy if you secure a role with another Local Government employer within four weeks of employment with Tandridge District Council ending. If you receive an offer of employment from another authority or body covered by the Redundancy Payments' Modification Orders and the new employment will start within four weeks of the current employment finishing, you must inform HR as a redundancy payment may not apply in these circumstances. The four weeks referred to may be extended by a weekend. If this is relevant to your situation, you are advised to seek further clarification from a member of the HR team.

14.0 Pension

- 14.1 Employees who are made redundant and who are aged 55 and over at the effective date of termination and who have Local Government Pension Scheme membership of at least three months, are able to access their pension benefits. Pension benefits may not be actuarially reduced because of early access in these circumstances.

15.0 Entitlement to a redundancy payment

- 15.1 All employees who are dismissed for reasons of redundancy and who have two years continuous service or more at the effective date of dismissal are entitled to a redundancy payment in accordance with the Tandridge redundancy scheme.

Appendix C Redundancy Payment Ready Reckoner

If an employee is made redundant and has at least two years continuous service, they will receive the number of weeks' pay shown in the Redundancy Ready Reckoner. This number is worked out based on employees age and length of continuous service.

Service (Years)																				
Age (Yrs)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
17	1																			
18	1	1½																		
19	1	1½	2																	
20	1	1½	2	2½	-															
21	1	1½	2	2½	3	-														
22	1	1½	2	2½	3	3½	-													
23	1½	2	2½	3	3½	4	4½	-												
24	2	2½	3	3½	4	4½	5	5½	-											
25	2	3	3½	4	4½	5	5½	6	6½	-										
26	2	3	4	4½	5	5½	6	6½	7	7½	-									
27	2	3	4	5	5½	6	6½	7	7½	8	8½	-								
28	2	3	4	5	6	6½	7	7½	8	8½	9	9½	-							
29	2	3	4	5	6	7	7½	8	8½	9	9½	10	10½	-						
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½	-					
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½	-				
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½	-			
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½	-		
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	-	
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½	
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½	
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19	
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½	
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24	
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½	
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25	
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½	
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26	
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½	
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27	
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½	
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28	
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½	
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29	
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½	
61	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30	

Please note: The above table ends at age 61. This is due to payments being capped at 61 years of age.

Strategy and Resources Committee 29 September 2022 – Energy Rebate Payment - Confirmation of decision taken under urgency powers (Standing Order 35)

Report of: Mark Hak-Sanders - Chief Finance Officer (Section 151)

Purpose: To note the decision taken under urgency powers in accordance with Standing Order 35 of the Constitution to approve the Energy Rebate Payment Discretionary Scheme

Publication status: Unrestricted

Wards affected: All

Executive summary:

As part of the Government's ongoing support to rising fuel costs, on the 3rd February 2022 the Government announced the £150.00 Energy Rebate Payment for most households in Council Tax Bands A to D plus Band E properties in receipt of a Disabled Band Reduction. The Government also announced the Discretionary Energy Rebate Scheme of up to £150.00.

In respect of the discretionary scheme, it was up to each individual Local Authority to decide who to pay and the amount, but any property in Band A to E getting the main £150.00 energy rebate would not be eligible for the discretionary scheme. This paper sets out how we used the discretionary funding which due to the timings was a decision under urgency powers.

The Council received £284,850.00 to cover the discretionary scheme.

This report supports the Council's priority of:

Supporting economic recovery in Tandridge

Contact officer Julie Chester – Business & Income Lead Specialist
jchester@tandridge.gov.uk

Recommendation to Committee:

That the decision taken under urgency powers in accordance with Standing Order 35 of the Constitution to approve the Energy Rebate Payment Discretionary Scheme be ratified.

Reason for recommendation:

This grant was to support residents within Tandridge who were struggling to meet the ever-increasing cost of energy.

Guidance states that payments should be paid out as soon as possible from the beginning of April 2022. The main scheme to deliver £150 to houses in band A-D is almost complete. Focus then had to turn to administering the discretionary scheme as attached as detailed below. In order to launch the scheme and pay out funds quickly, the decision was taken under urgency powers and this report represents ratification of the decision.

1. This policy sets out the guidelines under which residents in the District qualified for the discretionary Energy Rebate Payment of £150.00.
2. As part of the Government's ongoing support to rising fuel costs the Government on the 3rd February 2022 announced the £150.00 Energy Rebate Payment for most households in Council Tax Bands A to D plus Band E properties in receipt of a Disabled Band Reduction. The Government also announced the Discretionary Energy Rebate Scheme of up to £150.00.
3. It was up to each individual Local Authority to decide who to pay and the amount but any property in Band A to E getting the main £150.00 energy rebate would not be eligible for the discretionary scheme.
4. The Government guidelines for the Energy Rebate Payment scheme are available at <https://www.gov.uk/government/publications/the-council-tax-rebate-2022-23-billing-authority-guidance/support-for-energy-bills-the-council-tax-rebate-2022-23-billing-authority-guidance>.
4. This document provides a summary of the Council's policy and delivery of the discretionary energy rebate payment. The Council received £284,850.00, covering up to 1,899 households. These guidelines were published on our website. Officers also wanted to make residents aware of how the discretionary energy rebate payment of the £150.00 support package would be delivered, e.g. through providing information on our website and social media to be led by the in-house Communications Team.

Underpinning principles

5. The principles of the Council's Policy for £150.00 Energy Rebate Payment scheme are as follows;

All qualifying households must normally be liable for Council Tax at the 1st April 2022, with certain exemptions as outlined in these guidelines;

- Payments of £150;
 - No payment to anyone in Band A to D getting the main energy rebate of £150;
 - No payment to anyone in Band E getting the main energy rebate of £150 due to the disabled reduction;
 - The following households are eligible:
 - Those whose houses were occupied on 1 April 2022 but not on Valuation List on the 1 April 2022 but subsequently receive an A to D assessment before the 30th September 2022.
 - All households in receipt of Council Tax Support (excluding Council Tax discounts) during April to September 2022 in Council Tax Bands E to H;
 - Households in Council Tax Bands F to H qualifying for the disabled reduction;
 - Households in Council Tax Bands E to H qualifying for Severe Mental Impairment Exemption;
 - Households in Council Tax Bands E to H that qualify for a Carers Discount;
 - Any case that does not meet the above principles that Specialists consider exceptional, will be referred to the Chief Finance Officer for review.
 - Payments to be made for main residences and excludes second homes
 - No more than one payment will be made to any household and these principles remain whilst funds allow.
6. The Council will primarily use their council tax records to verify applications for the energy rebate payment.
 7. The discretionary energy rebate payment should be paid by the end of November 2022. The application process was open until 15th November 2022. Successful applicants have had their Energy Rebate Payment paid quickly after they applied, if they are eligible during the 2022/23 financial year. Payments have been made by BACS.
 8. The Council will maintain a record of rebate payment expenditure under this scheme, through the council tax system and their own local support mechanisms.

9. This assistance provided for the energy rebate payment will not affect the eligibility of recipients for other benefits including Council Tax Support.
10. Households will need to apply through an online claim form for the discretionary energy rebate. Help will be available for residents who struggle with the technology. No payment to be made without an application. This electronic form including the declaration must be fully completed with all the required evidence to be considered for an energy rebate payment.
11. The Council were keen to ensure that support is provided as quickly as possible to individuals who are eligible.
12. As this is a discretionary scheme there is no formal appeal against any decision.
13. This application process allows the Council to undertake pre-payment checks to confirm eligibility.
14. The Council will use their discretion in identifying the right households to potentially receive this funding, based on the application process.
15. The Council asked the household to complete a declaration as part of the application process, stating that by accepting the energy rebate payment, they have confirmed they are eligible under the energy rebate payment scheme.
16. As a condition of the funding the Council will expect the household applying to sign a declaration stating that they are not committing any fraud, as well as giving the Council permission to share data to check such compliance and that these guidelines are complied with. The Council will also have to share this data with the Government bodies to check such compliance and for monitoring purposes and by signing the declaration the applicant gives the Council permission to do this and allow Government bodies any access to the data for such checks.

Decision Making Process

17. Applications will be determined by authorised Council Officers, in line with the guidelines.
18. Decisions to be made as soon as possible after all the required information is received, and after pre-payment assurance checks have been carried out.

Payments of the Energy Rebate

19. These payments are Energy Rebate Payments and not loans and therefore will not require repayment, unless paid in error or where fraudulent activity is detected.
20. Energy Rebate Payments income received by a household is not subject to tax.
21. The Energy Rebate will not affect the amount of benefit an individual can or may receive.
22. The Council reserves the right to not award an energy payment if it appears payment should be made to someone else.

Managing the risk of fraud

23. The Council will not accept deliberate manipulation and fraud. Anyone who dishonestly provides false or misleading information in communication with any Council, including verbal communication, will be committing a criminal offence contrary to the Fraud Act 2006 and will be subject to a criminal investigation and criminal proceedings may be taken against them.
24. All information is subject to internal and external audit checks, as well as Government bodies pre and post payment checks and will also be scanned for potential fraud with approved bodies.

Sharing Information

25. By applying for an energy rebate payment all applicants give authority to the Council to share data for efficient system administration (including within their own Authority) and to protect the public purse, subject to Data Protection legislation. This will include sharing data with other local authorities.
26. The Council will be required to share data with Government Departments for monitoring, to protect the public purse and other reasons. By applying for a discretionary energy payment all applicants give authority for this.
27. The Council are also required to provide open data and be transparent about the use of public funding. In accordance with Data Protection Guidelines, this energy payment data may be subject to being published on the Council's website and subject to Freedom of Information requests.

Key implications

Comments of the Chief Finance Officer

The scheme was operated within the confines of funding provided by the Government by the Revs and Bens team. There are wider financial implications for the Council, other than the administrative burden which is being managed within budget.

Comments of the Head of Legal Services

This report essentially sets out the Council's Energy Rebate Payment Discretionary Scheme. Government has also provided guidance entitled "*Support for energy bills – the council tax rebate 2022-23: billing authority guidance*" (hereafter referred to as the "February 2022 Government Guidance") which was issued on 23 February 2022 and that February 2022 Government Guidance covers, amongst other things, the operation and delivery of the discretionary fund, which consists of financial support which is provided by central government to local billing authorities to support households who are in need but are not eligible for the Council Tax Rebate. Paragraph 38 of the February 2022 Government Guidance states that once the discretionary scheme is considered appropriate by elected members, councils should publish their agreed guidelines setting out the eligibility criteria for their scheme to deal with the money it receives from government to operate and deliver the discretionary fund.

The scheme is consistent with the Government guidance in respect of the funding provided. Further, the scheme is consistent with relevant public law principles, in particular it is lawful, fair and rational.

Equality

The process set out above ensures that a consistent set of criteria is used to determine who should receive the grant.

Climate change

There are no significant environmental / sustainability implications associated with this report.

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