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To: MEMBERS 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 January 2023

Dear Sir/Madam

STRATEGY & RESOURCES COMMITTEE TUESDAY, 31ST JANUARY, 2023 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:

- any Disclosable Pecuniary Interests (DPIs) and / or
- other interests arising under the Code of Conduct

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

- 3. Minutes of the meeting held on the 1st December 2022 (Pages 3 - 24)**
To confirm as a correct record
- 4. To deal with any questions submitted under Standing Order 30**

5. **Investment Sub-Committee - 20th January 2023** (Pages 25 - 34)
To receive the minutes of this meeting and to consider the recommendation in Item 4 regarding the adoption of a proposed Capital Investment and Treasury Management Strategy for 2023/24
6. **Wellbeing Prescription Contract 23-24** (Pages 35 - 44)
7. **Strategy & Resources Committee – 2023/24 Draft General Fund Budget and Medium Term Financial Strategy** (Pages 45 - 72)
8. **Final budget 2023/24 and Medium-Term Financial Strategy including Future Tandridge Programme Update** (Pages 73 - 156)
9. **Pay Policy Statement 2023/24** (Pages 157 - 166)
10. **Timetable of Meetings for 2023/24** (Pages 167 - 172)
11. **Outside body appointments - Gatwick and High Weald AONB** (Pages 173 - 176)
12. **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).

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 1st December 2022 at 7.30pm.

PRESENT: Councillors Langton (Chair), Crane (Vice-Chair), B.Black, Bloore, Botten, Caulcott, Cooper, Gillman, Hammond, Pursehouse and Sayer (substitute in place of S.Farr)

ALSO PRESENT: Councillors Allen, Swann and N.White

ALSO PRESENT (Virtually): Councillors C.Farr and Moore

APOLOGIES FOR ABSENCE: Councillors S.Farr and Jones

177. MINUTES OF THE MEETING HELD ON THE 29TH SEPTEMBER 2022

These minutes were confirmed and signed as a correct record.

178. COUNTY DEAL WORKING GROUP - 1ST NOVEMBER 2022

Councillor Sayer updated the Committee regarding item 2 of the minutes of this meeting. She confirmed that a joint proposal from the eleven Surrey Districts / Boroughs, for inclusion within a County Deal submission to Government, had been sent to the Leader of Surrey County Council (Councillor Tim Oliver) on the 17th November. This included all the points identified by Tandridge Members (minutes of the Working Group's meeting on 9th August refer) plus suggestions from elsewhere. A further meeting of the District / Borough Leaders and Councillor Oliver was expected to take place shortly. Councillor Oliver had also requested views on what powers should be devolved from central government to SCC under a County Deal.

Furthermore, District / Borough Leaders were considering a draft response to SCC's 'Surrey strategy for accommodation, housing and homes' to be sent in advance of its 'Housing Summit' on the 7th December.

RESOLVED – that the minutes of the County Deal Working Group meeting held on the 1st November 2022, attached at Appendix A, be received.

179. CHIEF OFFICER SUB COMMITTEE - 1ST NOVEMBER 2022

RESOLVED – that the minutes of the Chief Officer Sub-Committee held on the 1st November 2022, attached at Appendix B, be received.

180. INVESTMENT SUB COMMITTEE - 4TH NOVEMBER 2022

RESOLVED – that the minutes of the Investment Sub-Committee held on the 1st November 2022, attached at Appendix C, be received.

181. QUARTER 2 (2022/23) BUDGET MONITORING

An analysis of forecast expenditure against the Council's overall revenue budget of £11,351k, as at the end of September 2022 (Month 6) was presented. A £447k overspend was forecast, split between the four policy committees as follows:

- Community Services: £324k overspend
- Housing (General Fund): £44k underspend
- Planning Policy: £86k overspend
- Strategy & Resources: £111k overspend
- corporate items: £31k underspend

This represented a £126k improvement from Quarter 1. The Chief Finance Officer confirmed that the £484k contingency provision made a balanced budget achievable, without the need to draw upon underlying reserves. However, he emphasised the importance of taking mitigating actions to preserve those contingencies for 2023/24 and beyond, given the likely emergence of additional budgetary pressures.

The Chief Finance Officer also confirmed that:

- the savings plan was on track, with 88% of the £1.1m savings target having already been achieved or set to be delivered
- regarding debt management:
 - sundry debt had increased since Q1, largely reflecting the cost of living crisis
 - efforts to recruit an accounts receivable officer in line the Debt Improvement Plan had not been successful to date, although an alternative staffing strategy was now being pursued, together with a more holistic approach to debt recovery by in-house teams, and a potential County Council initiative to assist Districts and Boroughs with the collection of Council Tax and Business Rates
- net slippage of £1,272k within the capital programme was forecast, predominantly relating to Community Infrastructure Levy and council house building expenditure.

RESOLVED – that the forecast revenue and capital budget positions as at Quarter 2 / M6 (September) 2022 be noted.

182. DRAFT BUDGET 2023/24 AND FUTURE TANDRIDGE PROGRAMME UPDATE

The Committee was presented with a draft budget for 2023/24 and a medium-term financial strategy to 2024/25. The draft budget had been prepared based on a 'neutral scenario', which assumed the same level of funding as 2022/23, with reductions in government support offset by increases in Council Tax and, potentially, business rates income. The position would be clarified by the provisional local government finance settlement expected later in the month. At this stage, a budget gap of £0.25m remained. Although the savings plan was broadly unchanged since the previous meeting, budget pressures had increased from £1.7m to £1.9m, primarily due to inflation and concerns regarding the delivery of budgeted fee income. Therefore, unless external funding increased, further savings would be required to balance the budget, the final version of which would be submitted to Full Council on 9th February 2023 following further consideration by policy committees in January.

The draft budget report included commentary on funding assumptions, with reference to anticipated future Government reforms; the gross Council Tax base for 2023/24; and collection fund performance. A Council Tax increase of £5 (2.2%) for households in Band D properties had been assumed, notwithstanding the Government's recent decision to raise the District Council ceiling for such increases to 3%. The report also confirmed the need to augment reserves (in the context of the CIPFA resilience index) and the intention to resubmit a capitalisation request to the Government for this purpose.

The following updates were provided on the Future Tandridge Programme which underpinned the draft budget:

- the progress of service reviews and a proposed savings plan for 2022/23 and 2023/24;
- business cases for the future delivery of 'communications' and 'assets & facilities management' services
- the 'operations, locality and waste services' and 'digital / customer services' workstreams.

In response to the debate, the Chief Finance Officer confirmed that efforts had focused on developing tailored, achievable saving targets for each service area, as examined at the various Member workshops during the previous month. However, it was accepted that the service reviews and associated business cases were at varying stages of progress. This prompted discussion about the wording of Recommendation C to the report. Some Members said they were unhappy to "approve" the business cases, but would accept "to note". The Chair and Leader made it very clear that, although the business cases had reached different levels of maturity, simply noting them would not provide the required foundation on which TDC could base the 2023/24 budget. They added that, having had the opportunity via the workshops for Members to comment and contribute to these business cases, it was now unacceptable to consider them as not fit for purpose. The discussion concluded with the Chair proposing wording for an amendment which Councillors Botten and Caulcott developed, the result then being seconded by Councillor Pursehouse:

"Approve the following ~~business cases and updates~~ to form the basis of the budgets to be finalised during the January 2023 committee cycle ..."

Upon being put to the vote, this amendment was agreed. Other issues raised by Members during the debate included:

- the need to assess the impact of emerging savings plans upon staff and residents

- a desire to explore the potential for partnership initiatives with Parish Councils to mitigate the impact of savings which the District Council would have to make
- arguments for and against the case for generating additional income from parking charges.

RESOLVED – that:

- A. the draft budget for 2023/24 and medium-term financial strategy to 2024/25, set out in Appendix A to the report (to form the basis of reports to Committees in January 2023) be approved;
- B. 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, be determined at 38,904.9 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes, be approved;
- C. the following be approved to form the basis of the budgets to be finalised during the January 2023 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 to the report)
 2. the ‘assets & facilities management’ 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 to the report)
 3. the direction of travel for the operations and localities service review, as provided to the Community Services Committee on 18th October 2022 and updated in Appendix F to the report)
 4. the updated direction of travel for digital transformation (set out in Appendix G to the report)
 5. the overall savings plan (set out in section 7 and Appendix B to the report) noting that further consideration may be required pending the local government finance settlement;
- D. the progress to date on delivering the Future Tandridge Programme, the direction of travel for the service reviews and associated savings targets included in section 7 and Appendix C to the report, be noted;
- E. it be noted 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. the intention to re-submit the request for a capitalisation direction (from the Department for Levelling Up, Housing and Communities) to use the part of the receipt from the Redstone House property to replenish general fund reserves, be noted.

183. REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES 2023/24

The Committee considered a report of the Independent Remuneration Panel which had been convened to review the Members' Allowances Scheme in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. The report acknowledged that, in normal circumstances, the Panel would be advocating an increase in allowances. However, given the financial context and following feedback from Group Leaders, the Panel had recommended that rates be maintained at current levels, index linked to the annual staff pay award process. The Chair, seconded by Councillor Crane, proposed that this recommendation be adopted.

The Regulations required Members' Allowances to be reviewed every four years. Nevertheless, in view of the Future Tandridge Programme and the electoral review being conducted by the Boundary Commission, the Panel had recommended that a further review be conducted in the second half of 2024.

COUNCIL DECISION (subject to ratification by Council)

RECOMMENDED – that, in accordance with the recommendations of the Independent Remuneration Panel:

- A. with effect from the beginning of the 2023/24 Municipal Year:
 - 1. the Basic Allowance be retained at the current level (£4,317) and remain index linked to staff pay awards
 - 2. Special Responsibility Allowances be retained at the current level and remain index linked to staff pay awards
 - 3. travel and subsistence expenses and Dependents' Carers' Allowance be retained at the current level
- B. a full review of Members' Allowances be undertaken in Autumn 2024.

184. REVIEW OF THE REDUNDANCY POLICY

A report was submitted with an option to reduce the impact of redundancy payments on the Council's finances.

Under the statutory minimum redundancy scheme, payments were calculated according to an employee's age, length of continuous service and weekly pay with reference to a ready reckoner. At present, such calculations were capped in respect the years of service (i.e. 20) and weekly pay (i.e. £571). The Council's current policy was to enhance redundancy payments by removing the weekly pay cap and multiplying weekly pay by a factor of 1.5. It was standard practice for Councils to enhance the statutory scheme in this way although, as evidenced by benchmarking against other Surrey Boroughs and Districts, weekly pay multipliers varied. The report presented an option for the 1.5 multiplier to be removed, which would reflect the schemes in place at Epsom & Ewell and Reigate & Banstead.

Since the publication of the report, the Administration had prepared an alternative option having considered representations from staff, including concerns expressed at the staff briefing (attended by Councillor Sayer) on the 24th November. Representations from UNISON had also been sent to Members on the day of the meeting. Councillor Langton, seconded by Councillor Botten, proposed the alternative option (resolution at A below). During the debate, reference was made to the Council's obligations under equalities legislation concerning age. Nonetheless, it was acknowledged that the alternative proposal reflected Surrey County Council's redundancy policy which had been in place for over a year. Upon being put to the vote, the alternative option was agreed.

RESOLVED – that:

- A. with immediate effect, regarding the calculation of redundancy pay:
- (i) the Council offers a multiplier of 1.5 to existing employees in the event that the individual, at the date of leaving, is not entitled to immediate payment of pension benefits
 - (ii) the Council offers a multiplier of 1.0 to existing employees in the event that the individual, at the date of leaving, is entitled to immediate payment of pension benefits
 - (iii) in any event, the Council will offer a multiplier of 1.0 to all new employees
- B. the Chief Executive, in consultation with the Chair of the Committee, make any necessary amendments (relating to resolution A above) to paragraph 8 of the Council's Pay Policy Statement (which references a multiplier of 1.5) and any change to the current redundancy policy.

Note: In accordance with Standing Order 25 (3), Councillors Bloore, Cooper and Hammond wished it recorded that they abstained from voting on A and B above.

185. ENERGY REBATE PAYMENT - CONFIRMATION OF DECISION TAKEN UNDER URGENCY POWERS (STANDING ORDER 35)

On 3rd January 2022, the Government announced the £150 energy rebate payment for most households in Council Tax Bands A to D, plus those in Band E in receipt of a Disabled Band Reduction. A discretionary energy rebate scheme (not applicable for recipients of the other scheme) of up to £150 was announced at the same time.

A report was presented regarding the way in which the discretionary scheme had been implemented by the Council. This advised that £284,850 had been received for local distribution. The report outlined the principals of the scheme, including eligibility criteria, which had been implemented under the urgency provisions of Standing Order 35. The Chief Finance Officer confirmed that the £284,850 had been fully allocated following a second tranche of payments to original recipients to utilise the remaining balance before the prescribed deadline.

RESOLVED – 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.

186. FREEDOM LEISURE UPDATE

The Committee resolved to consider this matter following the exclusion of the press and public in accordance with Section 100A (4) of the Local Government Act 1972 (as amended) on the grounds that:

- (i) the item involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act; and
- (ii) the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Freedom Leisure had requested financial support to offset increases in the cost of utilities needed to run their facilities. A report, which had been prepared in light of this request, was discussed.

RESOLVED – that the report be noted.

187. QUADRANT HOUSE, CATERHAM AND OTHER ACTIONS ARISING FROM 4TH NOVEMBER 2022 INVESTMENT SUB-COMMITTEE

The Committee resolved to consider this matter following the exclusion of the press and public in accordance with Section 100A (4) of the Local Government Act 1972 (as amended) on the grounds that:

- (i) the item involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act; and
- (ii) the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

A report was presented regarding the Council's development of Quadrant House (Croydon Road, Caterham). This included:

- information about funding arrangements, including the contribution from the Coast to Capital Local Enterprise Partnership
- details of the Phase 1 and 2 refurbishments which had been completed by September 2022
- estimates of the associated overspends against the £5.64m budget and explanations about why they had occurred.

Members were also informed of confidential actions agreed by the Investment Sub-Committee on 4th November 2022 in respect of Quadrant House and other properties. A further discussion on some of those matters ensued.

Members acknowledged the positive impact of the Quadrant House project and the efforts undertaken to secure its delivery. However, the size of overspend, its relatively late discovery and the implementation delays had all highlighted the need to publish the lessons learnt from this project so that progress from the resulting actions can be reviewed and future re-occurrences prevented.

RESOLVED – that:

- A. the report be noted; and
- B. it be noted that decisions in relation to Gryllus Properties are made by the Gryllus board of directors, but that comments and questions from Councillors (made either directly or via the Investment Sub-Committee) are welcomed.

Rising 9.48 pm

TANDRIDGE DISTRICT COUNCIL

COUNTY DEAL WORKING GROUP

Minutes of the meeting of the Working Group held in the Lyndsay Narcisi Room, Council Offices, Station Road East, Oxted, 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 Annexes 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 complex 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

Summary of Investments and Borrowing

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			1,137,000
Over/(under) budget			(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			1,639,600
Over/(under) budget			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

Carrying Value	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	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

Market Value	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	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

Surplus/(Deficit)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	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)

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

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

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

Gross Revenue Yield	Yield	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	2020/21	2021/22	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%	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%	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%	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%	48,871	2.39%
Total	508,691		488,040		513,473		507,679		456,847		456,847	

Surplus/(Deficit)- Capital Value	Surplus/ (Deficit)	Surplus/ (Deficit)	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	2020/21	2021/22	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%	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%	(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%	(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%	90,639	4.43%
Total	(36,146)		(37,327)		(938,874)		747,459		548,946		548,946	

Net Yield	Net Yield	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	2020/21	2021/22	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%	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%	(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%	(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%	139,510	6.82%
Total	488,556		450,713		(425,401)		1,255,138		1,005,793		1,005,793	

Peer to Peer Investment Note 1** Funding Circle	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£	£
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	81,201	76,633	77,070	87,136	0
Provisions for future losses	0	(10,000)				
		3.95%	4.19%	8.93%	13.89%	0.00%

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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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 20th January 2023 at 10.00am.

PRESENT: Councillors Booth, Cooper, Crane (in place of Langton), C.Farr and Jones

IN ATTENDANCE (Virtually): David Green (Arlingclose Limited)
Hayley Woollard (in-house Treasury Management Team)

APOLOGIES FOR ABSENCE: Councillors Botten, Hammond and Langton

1. ELECTION OF CHAIR FOR THE MEETING

Councillor Chris Farr was elected Chair of the meeting in the absence of Councillor Langton.

2. MINUTES OF THE MEETING HELD ON THE 4TH NOVEMBER 2022

These minutes were approved and signed as a correct record.

3. SUMMARY INVESTMENT AND BORROWING POSITION AT 31ST DECEMBER 2022

The investment analysis at Appendices A and B was presented. This confirmed that, as at 31st December 2022:

- total long term financial investments (over 12 months) amounted to £10.9 million (a reduction of £643k since 30th September 2022 arising from a fall in the capital value of the CCLA Property Fund due to prevailing market conditions)
- short term investments (less than 12 months) amounted to £22.8 million (an increase of £6.2 million since 30th September 2022 due to increased balances invested in money market funds)
- the Council held £21 million in non-financial investments, comprising capital loans to specific service providers and limited companies (a reduction of £79k since 30th September 2022, representing the value of loan repayments from Freedom Leisure)
- the total amount of Public Works Loan Board loans was £102.3 million, comprising £43.4 million General Fund loans and £58.9 million Housing Revenue Account loans (unchanged from 30th September 2022).

Investment income for 2022/23 was forecast to be £433k over budget due to higher interest rates on the balances held in money market funds. Deployment of that surplus, which had not been factored into the General Fund revenue budget, would be considered by the Strategy & Resources Committee in due course.

It was confirmed that, following the consultation exercise referred to at the previous meeting, the Government had extended the 'IFRS 9 statutory override' until March 2025. Consequently, the General Fund would continue to be insulated from gains and losses in the capital value of investments. The Chief Finance Officer confirmed the need for a strategy to be in place before March 2025 for dealing with 'fair value' investment fund losses in the event of the override ceasing to apply thereafter.

The Chartered Institute of Public Finance and Accountancy's Prudential and Treasury Management Codes required authorities to self-regulate the affordability, prudence and sustainability of their capital expenditure and borrowing plans. In that respect, updated estimates and limits for the Council's Prudential Indicators were also presented.

RESOLVED – that the following be noted:

- A. the Council's investment and borrowing position at 31st December 2022, as set out in Appendices A and B;
- B. the outcome of the IFRS 9 statutory override; and
- C. the updated estimates and limits in the Council's Prudential Indicators set out in Appendix C to the report (and included within the Capital, Investment and Treasury Management Strategy referred to in item 4 below).

4. CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGY FOR 2023/24

This updated strategy sought to provide a framework for delivering the Council's capital programme. It summarised how the Council's capital expenditure plans (as agreed by the respective policy committees) were to be financed, along with the governance arrangements for managing the programme. It included:

- an 'Annual Minimum Revenue Provision policy statement' which defined how the revenue budget would be used to repay capital borrowing
- a treasury management strategy statement regarding the management of the Council's cash flows, borrowing, investments and the approach to risk
- an investment property strategy statement.

New content within the treasury management strategy included the ability for the Housing Revenue Account to borrow surplus cash from the General Fund as opposed to the Public Works Loan Board (PWLB). Information had also been added about the 'liability benchmark' which compared the amount of current borrowing with that needed to fund the capital programme over the longer term. This measure indicated that borrowing from external sources may be required within the next two years.

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

- explained the intention to avoid borrowing in advance of need and to seek advice from Arlingclose about how to manage 'in-year' cash surpluses more effectively (the advantages of:
 - participating in the inter-authority lending market; and
 - continuing to make short term investments in managed 'money market funds'were highlighted in this respect)
- acknowledged that the future presentation of capital expenditure plans could be enhanced by including funding source breakdowns for each scheme, i.e. the respective external sources, together with the proportion of the total cost to be financed by the Council in accordance with the treasury management strategy
- confirmed that borrowing from the PWLB was still relatively unconditional, provided levels were within previously declared overall borrowing forecasts and that borrowing would be used to fund capital projects, and not used to fund investment solely intended to generate a financial return
- explained the difference between General Fund reserves and cash balances
- confirmed that a further application would be made to the Department for Levelling Up, Housing and Communities seeking permission to use capital receipts to bolster General Fund reserves (i.e. for 2023/24).

RECOMMENDED – that the [Capital Investment and Treasury Management Strategy 2023-24](#), as at Appendix 1 to the report, be approved, subject to ratification by Full Council.

5. 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.

Latest information was circulated about the commercial investment properties owned by the Council and its subsidiary company, Gryllus properties. The properties concerned were:

TDC properties:

Quadrant House, Caterham Valley

Details of recent lettings were provided, together with an update on the ongoing work to arrive at the final capital cost for the refurbishment works. Progress regarding the marketing of vacant units and prospective future use types were also discussed.

Village Health Club, Caterham on the Hill

Options for the future use of the building were discussed.

Gryllus properties:

30-32 Week Street, Maidstone

The temporary tenant would vacate in February 2023. Prospective arrangements for the subsequent use of the building were discussed.

Castlefield House, Reigate

The next critical timeline was the rent review due on 25th March 2024. The current intentions of the existing tenant were noted.

80-84 Station Road East, Oxted

The current lease would expire on 17th September 2023.

Rising 11.32 am

Investment	Investment Amount 31/03/22 £	Net Asset Value 31/12/22 £	Yield Rate Note 1 %	Forecast Return 2022/23 £
<u>Non - Specified (Financial Investments)- Long Term (over 12 mths)</u>				
CCLA Property Fund	4,888,056	4,098,139	4.23	173,184
Schroders Bond Fund	2,775,151	2,550,808	5.75	146,567
UBS Multi Asset Fund	2,639,592	2,203,110	7.14	157,323
CCLA Diversification Fund	2,046,513	1,856,251	3.29	61,150
Funding Circle (Note 2)	391,191	236,668	-	-
Sub Total Non-specified (Financial Investments)	12,740,503	10,944,976		538,224
<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)	481,140	435,857	5.50	31,963
Freedom Leisure- Loan (de Stafford)	372,431	279,321	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)	21,175,571	21,037,179		965,699
Total Non-Specified Investments	33,916,074	31,982,155		1,503,922
<u>Specified Investments-Short Term (less than 12 mths)</u>				
Notice Accounts	1,995,487	1,991,685	1.75	34,800
Money Market Funds	13,260,000	20,800,000	1.88	390,000
Total Specified Investments	15,255,487	22,791,685		424,800
Total Non- Specified and Specified Investments	49,171,561	54,773,840		1,928,723
Total Investment Income Budget 2022/23				1,495,700
Over/(under) budget				433,023

Borrowing	Loan Amount	Interest	Forecast Cost 2022/23
	£	%	£
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			1,137,000
Over/(under) budget			(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			1,639,600
Over/(under) budget			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 31/12/2022

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 31.12.2022
	£	£	£	£	£	£
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 31.12.2022
	£	£	£	£	£	£
CCLA Property Fund(mid-market value)	4,276,854	4,276,005	4,188,063	4,158,183	4,888,056	4,098,139
Schroders Bond Fund	2,912,837	2,865,130	2,539,938	2,908,911	2,775,151	2,550,808
UBS Multi Asset Fund	2,918,160	2,868,479	2,520,713	2,777,398	2,639,592	2,203,110
CCLA Diversification Fund(indicative market value)	1,921,257	1,982,167	1,804,193	1,955,874	2,046,513	1,856,251
Total	12,029,108	11,991,781	11,052,907	11,800,366	12,349,312	10,708,308

	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) 31.12.2022
	£	£	£	£		
CCLA Property Fund	276,854	276,005	188,063	158,183	888,056	98,139
Schroders Bond Fund	(87,163)	(134,870)	(460,062)	(91,089)	(224,849)	(449,192)
UBS Multi Asset Fund	(81,840)	(131,521)	(479,287)	(222,602)	(360,408)	(796,890)
CCLA Diversification Fund	(78,743)	(17,833)	(195,807)	(44,126)	46,513	(143,749)
Total	29,108	(8,219)	(947,093)	(199,634)	349,312	(1,291,692)

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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 31.12.22	
Yield	Yield
2022/23	2022/23
£	%
173,184	4.23%
146,567	5.75%
157,323	7.14%
61,150	3.29%
538,224	

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 31.12.22	
Surplus/ (Deficit)	Surplus/ (Deficit)
2022/23	2022/23
£	%
(789,917)	-19.28%
(224,343)	-8.79%
(436,482)	-19.81%
(190,262)	-10.25%
(1,641,004)	

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 31.12.22	
Net Yield	Net Yield
2022/23	2022/23
£	%
(616,733)	-15.05%
(77,776)	-3.05%
(279,159)	-12.67%
(129,112)	-6.96%
(1,102,780)	

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 '31.12.22	
	£	%	£	%	£	%	£	%	£	%	£	%
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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Wellbeing Prescription Contract 23-24

Strategy & Resources Committee Tuesday, 31 January 2023

Report of: Julie Porter

Purpose: To update Members on the proposal of the Wellbeing prescription service to extend the current contract by 1 year and set out the plans for the future of the service.

Publication status:

Wards affected: All

Executive summary:

A detailed report about the Wellbeing Prescription service was considered in January 2022 by this Committee. The current contract funded by Surrey Heartlands Integrated Care System (ICS) is due to end in March 2023.

The future model of the service is being reviewed as part of a longer-term Social Prescribing offer across East Surrey Place partners. This report provides an overview of opportunities to develop the service and seeks agreement to extend the current contract for one year to enable all partners to make recommendations to the new model.

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

Contact officer Julie Porter Head of Communities and Partnerships
JPorter@tandridge.gov.uk –

Recommendation to Committee:

- A. that the extension of a one-year contract with Surrey Heartlands ICP, until 31st March 2024 be agreed

- B. that the future work of the Wellbeing Prescription Service be supported, to develop an East Surrey Place Social Prescribing development plan including Primary Care, District and Boroughs, health and social care providers. This will then inform a new contract proposal to be implemented from April 2024.

Reason for recommendation:

The continued delivery of the Wellbeing Prescription Service supports the Council's strategic priority of building a better Council. The service is one of the most direct examples of how the Council positively influences the health and wellbeing of residents across the district.

Introduction and background

1. Social Prescribing is about connecting people with health problems to practical, social and emotional support within their community. This can be anything from help or advice with employment, housing, or benefits, to taking part in social or leisure activities.

2. The Wellbeing Prescription Service has been supporting both Tandridge and Reigate and Banstead residents since 2015. It allows GPs and other local services to refer residents to a trained Wellbeing Advisor who can help them improve their health and wellbeing. Residents living in East Surrey can also self-refer to the service.

3. The Wellbeing Advisor meets with clients for up to an hour to discuss their needs, providing expert advice, encouraging behavioral change and signposting to local or national services. More recently the team have been delivering more group sessions and carrying out outreach work in the community. Examples of these include workshops on Introduction to Sleep, Mood and Food, Healthy eating and Cholesterol, Mental wellbeing and managing the effects of the cost-of-living crisis.

4. The service is offered to all 18 East Surrey GP Surgeries. The highest number of referrals last quarter came from Warlingham Green Medical Practice, Greystone House Surgery, Oxted Health Centre and Tandridge Council Officers.

5. The main reasons for a referral to the service include helping the client get active, lose weight, meet new people, stay mobile and prevent falls, maintain independent living or improve their emotional wellbeing. In Q3 22/23 The most common reason for referral was Emotional Wellbeing (40.6%), with Weight Management/Healthy Eating sitting at (39.0%). This is the first time that the need for emotional wellbeing has been the highest priority for residents. Which reflects the current need impacted by the cost-of-living crisis.
6. On average, clients are offered three appointments with an advisor, with a variety of appointment types; face to face at home, in a GP practice or public setting, via video or phone and group workshops.
7. The team have promoted the service and engaged with residents through their outreach work. They have worked in a number of community settings such as:
 - Freedom Leisure Caterham - Wellbeing Walk
 - Horley Health Club- ABC Health checks
 - Lingfield Community Centre
 - Westway Community Centre Action for carers
8. Through this work residents did not need to visit their GP practice as they would have done.

Performance and Monitoring

9. In the year 2021/22 the service received over 2800 referrals. In 2022/23 YTD the number of referrals has been 2316 (for Q1 -Q3)) and the forecast referrals for the full year 22/23 is 3080 showing and increase of 10% on 21/22
10. In 21/22 the most common reason for referral was weight management/eating well (53%) followed by support for emotional wellbeing (36%).
11. The majority of appointments were by telephone (75.7%), followed by home visits (13.3%) and digital/online (6.1%).
12. All referrals are responded to within 5 working days, with clients opting for a video or telephone appointment predominantly offered with a first appointment within 2 weeks. Clients requiring a home visit are also provided with a first appointment within 4 weeks, however to mitigate the increased waiting time for home visits, two additional staff have been trained to complete home visits.

Outcome Measures

13. The use of Elemental software within the Wellbeing Prescription service allows advisers to measure the range of outcomes experienced by clients referred to the service.
14. Using the software 'MYCaw' clients identify their main concerns and then rate how worried they are about each concern using a standardised severity scale. Most recent data (2021/22) demonstrated that of the cohort 75% and 72% recorded a reduction in severity of concern for their 1st and 2nd concern respectively.
15. User feedback from the service is also positive demonstrating the wide range of interventions and touchpoints to other services that clients are able to access with support from the team.
16. Examples of the work of the wellbeing prescription team

Example 1

Background: Male client, referred from GP- Five home visits completed. Client wanted support with:

- maintaining independent living,
- support with housing,
- Information on finance and benefits.

Client has Type 1 Diabetes, which is managed well, but his risk of foot ulcers had increased, and he'd been advised to avoid walking. During the first appointment, he shared he felt totally alone, he didn't know who to turn to for help and was worried about how to manage a move from his private rented accommodation to somewhere purpose built and more suitable for his needs. He was also very concerned about his finances as his work was impacted by being unable to walk.

Support and referrals: *The first appointment predominantly focussed on building trust and rapport, he shared he struggled with trusting professionals, due to past poor experiences. His priority was on moving from his current unsuitable 1st floor flat. He did not have any experience of social housing and how to navigate this and was at risk of losing his property. A referral was made to Parashoot, Surrey Fire Safe and Well and Surrey Disability Register. Discussed options for mobility aids and a wheelchair for his future home.*

The Advisor arranged with GP surgery to have his medical records coded as housebound, enabling his COVID booster to take place at home and medication deliveries.

Outcome: *The Parashoot referral led to a Housing Officer being appointed, which helped move the client into a band where he will get the next available suitable property. The Housing Officer is in contact with the client on a regular basis reducing his feelings of isolation*

Example 2

Female client referred by Community Matron

Reason for Referral: *Maintaining independent living, carer support, finance and benefits and falls prevention.*

Circumstances: *Client lives with son, in rented accommodation. Type 2 diabetes, history of heart attack, broke hip, broke shoulder. Mobility poor. Son is not working as now his mother's carer. Receives no benefits other than state pension, both living off this, therefore, struggling to pay bills.*

Signposting/Referrals:

- *Red cross Wheelchair*
- *OT referral*
- *East Surrey Rural Transport*
- *Westway Community Centre*
- *Benefits Galore*

Outcome:

- *Since receiving her wheelchair the client has been able to get out of the house and has been able to go on trips on buses.*
- *OT assessment has been completed*
- *Benefit Galore has helped with applications for attendance allowances, carers allowances and universal credit.*

Feedback

Stakeholder satisfaction

17. A partner and stakeholder satisfaction survey was circulated to all referrers to the wellbeing service in April 2022.
 - 96% stated they felt well informed about the service
 - 75% were likely to recommend the Wellbeing Prescription Service
 - Suggested improvements included: additional appointments in the community, improvements in communication with stakeholders about client progress, more regular updates from advisors and the creation of a newsletter.

Client Satisfaction

18. Two customer satisfaction questionnaires have been created one is disseminated to clients who have just one appointment or those unable to answer long questionnaires. A second longer questionnaire is shared with clients that have completed their final follow up appointment. The survey can be completed electronically on any device and if this isn't possible, such as for house bound clients, a paper version will be left with the client with a prepaid envelope. In quarter two 135 responses were received, 77% gave a promoter score of 9 out of ten.
19. Some recent client feedback included the following comments;

"I would sincerely recommend this service to anyone as being comforting, supportive and offering practical help in many different areas."

“This service should be rolled out to all families struggling to know how to best support relatives with difficult terminal conditions such as dementia. Our advisor helped me shortcut days of research to find social options for my parents and advised on applications which will save my parents thousands of pounds which they will eventually need to cover care costs. Her recommendations have made their home safer and future-proofed against health and fire emergencies. She did all this with clarity, care and incredible responsiveness.”

“The Advisor was so helpful and gave us so much information that we needed, and we could use. This has helped us to connect with lots of useful services ie transport, hearing aids, social and many more services we required”

“Very happy with the help I received. And very thankful for the help and advice I received to get the best out of the future. Wished I had been referred before or realized that this service was available. Thank you so much.”

20. Patient feedback was completed via the East Surrey Place Citizen Steering Group in July 2022. The following recommendations were summarised as:

- Recommended a change in marketing images to attract younger people to the service
- Stressed the importance of quality checked services
- Open -ended referrals – to allow more time to action tasks
- Offer additional activities such as basic cooking, online/at home gym sessions
- Additional communication via leaflet as online can be confusing and
- Increase access (currently 9-5) options for evening and after school appointments.
- Transport is a barrier to accessing activities
- Limited options for onward referral to services specifically for those with a disability (visual and physical impairment)

All of the above are being looked at with the new service plan for 2023/24. Discussions have already started with The Westway centre and Lingfield Community Centre to look at delivering workshops to meet some of these needs. In addition, the team are working with East Surrey Rural Transport to improve community transport links.

Resource and funding

21. The team consists of 8.5 FTE and is overseen by the Head of Customer Engagement and Partnerships. The current contract is funded through the East Surrey Better Care fund. This contract is due to expire in March 2023. It is envisaged that the contract sum will remain the same as 2022/23.

22. All direct costs of the service, including staffing, equipment, training and specialist software is covered by the ICP's external funding.

23. On the basis that the support costs for 23/24 are calculated on a similar basis to 22/23, the estimated support cost budget would be £161,000. This includes HR and Payroll support along with leadership team, Information technology, financial services, office services and secondary pension. These will be met from the Wellbeing reserve balance (not general reserve), which is from previous years underspends of Wellbeing grant. Neither is coming from TDC's revenue expenses. We have now taken a more commercially sustainable approach and moving forward when a new contract is negotiated all grants will have to cover 100% of the costs.
24. As the employing authority, if the contract was not extended past 31/3/24 for any reason, the Council would need to minimize any risk for cessation costs e.g. redundancy and enhanced pension costs. An Memorandum of Understanding will need to be entered with Reigate and Banstead Borough Council in order that they too share this responsibility.
Tandridge contribution would be £64,000. This contingency has been factored into the wellbeing reserve fund.

Well-Being Prescription Service – Looking forward

25. The proposal for the future of the service is to supplement the Wellbeing Prescription service with additional social prescribing link work roles based within GP surgeries to work alongside the advisors and deliver localised demand specific wellbeing services. (Paragraph 20 refers to some of the demands)
26. The idea will be for a single Social Prescribing model across East Surrey to unite a range of providers under the 'Wellbeing Service' banner allowing access to centralised case management software (Elemental). Social Prescribing Link Workers, Wellbeing Coaches, Health Advisers, can be employed by partner organisations but be matrix managed by the Wellbeing Service providing a network of support, training opportunities, including motivational interviewing and behaviour change, and clinical supervision.
27. To accommodate the proposed changes the service will need to be re-commissioned and this is not achievable in the existing timescales (current contract expiration March 23). It is therefore recommended that the current contract is extended for 1 year (April 2023 to March 2024) to allow for re-organisation of the service across East Surrey.

Risks

28. Loss of the Wellbeing Prescription from April 2023 will have a negative impact on residents' health and wellbeing who currently use the service – or will potentially use the service over next few years.
29. Reputational, withdrawing a service from residents and our partner agencies without consultation
30. The service is a partnership service with established partnerships networks which means it can deliver services in an integrated, transparent and low-cost way.
31. Without the income from the extension of the contract, the Council would need to reduce £161,000 of HR and Payroll support, leadership team, information technology, financial services, office services and secondary pension expenses. Alternatively, the Council could seek £161,000 of new sources of income to replace the gap left by the cessation of the Surrey Heartlands ICP grant.

Key implications

Comments of the Chief Finance Officer

Although significant progress has been made to improve the Council's financial position the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding.

In addition to these immediate challenges, the medium term financial outlook beyond 2023/24 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. 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.

The Council has a duty to ensure its expenditure does not exceed the resources available. Wellbeing contingency reserves held by the Council provide confidence that the 1 year contract extension can be funded at this stage without a general fund pressure. Financial control is maintained in year through the budget monitoring process, whilst mitigating actions will be taken to reduce the risk of expenditure exceeding available funding. As such, the Section 151 Officer supports the recommendations.

Comments of the Head of Legal Services

Given that the Wellbeing Service is being reviewed by East Surrey Place partners and that there is little time to conduct a compliant procurement process before the current contract comes to a natural end in March 2023, extending the current service provisions through a new one-year contract does appear to be the only viable option. Therefore, without the requested extension for one year and exemption from CSOs, this may lead to a gap in services with detrimental impact on resident's health and well-being as well as a negative impact on the reputation of the Council to carry out duties to deliver these services.

Equality

The proposals within this report demonstrate a fully inclusive approach in that the service is accessible to all and addresses the needs of the more vulnerable members of the community.

Climate change

This report contains no proposals that would negatively impact the Council's climate change ambitions.

Appendices

None

Background papers

None

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Strategy & Resources Committee – 2023/24 Draft General Fund Budget and Medium-Term Financial Strategy

Strategy & Resources Committee Tuesday, 31 January 2023

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

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The purpose of this report is to present the proposed Budget for 2023/24 and Medium-Term Financial Strategy (MTFS), including the Capital Programme, for this committee.

Members are requested to agree the recommendations below. These recommendations are consolidated into the overall position, which form part of the Council-wide budget setting process (to be ratified by Full Council on 9th February 2023).

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 (Section 151)
mhaksanders@tandridge.gov.uk

Recommendations to Committee:

The approved Strategy & Resources budget will form part of the Council-wide budget setting process (to be ratified by Full Council on 9th February 2023). This report focusses on the budgets for Strategy & Resources Committee including Corporate Items, and recommends that that the Committee:

- A) **Agree the Strategy & Resources Committee – Proposed Revenue Budget for 2023/24 of £6.080m**, as shown in **Appendices A and C**, taking account of the pressures and savings to the committee. Note that further allocations will be made to distribute an amount equal to the agreed Council pay award, subject to approval at Full Council.
- B) **Agree the Fees and Charges for Strategy & Resources as set out in Appendix D**
- C) **Agree the Strategy & Resources Committee’s Final Capital Programme** for 2023/24 being the sum of £1.822m for 2023/24, as shown in **Appendix E**
- D) **Agree the Corporate Items – Draft Revenue Budget for 2023/24 of (£0.685m)** as shown in **Appendices A and C**, noting that the amount set aside for a pay award is £230k, the equivalent of a 3% increase, and will ultimately be distributed to committee budgets.
- E) **Note the Subjective Revenue Budgets in Appendix C**, noting movements from 2022/23 to 2023/24 and an estimated movement to 2024/25.

Reason for recommendations:

Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. It is a legal obligation that the Council sets a balanced budget for 2023/24.

1. Introduction and background

- 1.1 The proposed budget for 2023/24 has been collated through an extensive process over the past six months, beginning with a report to Strategy & Resources Committee on the 30th June 2022 which set out the timetable, process and key milestones. Throughout the process, the budget has been developed with an expectation that a savings target of £1.7m (with a range up to £2m) would be required in order to balance the Council’s overall budget.

- 1.2 The results of the budget process were captured in the *Draft Budget 2023/24 and Future Tandridge Programme Update* report to Strategy & Resources Committee on the 1st December 2022. The report set out the full £1.7m savings plan, itemised budget pressures and a high-level assessment of the impact of inflation.
- 1.3 The Draft Budget was presented with significant uncertainty on whether Government funding would be sufficient to allow the budget gap to be closed with the existing £1.7m savings plan. On the 19th December 2022, the Government released the provisional Local Government Finance Settlement, which set out funding for each Council. Although the final settlement is not expected until later in January, it is highly unlikely that funding allocations will materially change. This Council's allocation was sufficient to balance the budget for 2023/24 based on the £1.7m savings set out in the Draft Budget, and so the Strategy and Resources element of the savings plan is re-presented here for approval. The budget will only balance if the £1.7m savings plan is approved, so any proposed alteration to savings proposals would need to be met by approval of an increased target elsewhere.
- 1.4 The savings plan has been drawn together through a programme of rigorous service reviews, directed and coordinated through the Future Tandridge Programme, which has been subject to ongoing reporting to Strategy & Resources Committee – and to each Policy Committee for updates relevant to their service areas. Appendix B sets out the savings resulting from the service reviews at summary level, following the detail that has been reported previously. The savings plan is subject to ongoing review to provide assurance on deliverability; however it is inevitable with the extent of changes required that delivery risks will need to be managed. Whilst the wider Council's corporate budget includes a modest contingency, it is imperative that the savings are delivered or alternate measures identified where they cannot be. A robust governance approach through the Future Tandridge Programme has been mobilised to oversee delivery and manage these risks.
- 1.5 Along with the savings plan, the report also allocates funding to the Strategy and Resources Committee for a number of budget pressures, set out in Appendix A. These are based on the pressures included in the Draft Budget, but also include allocations for staff increments and inflation (previously held corporately) as well as an adjustment to reflect a review of the allocation of salaries between the Housing Revenue Account and the General Fund.
- 1.6 The overall budget has been drawn together on the following principles:
- A balanced revenue budget with the use of General Fund Reserves avoided. Unforeseen pressures should be met from reduced spend in the first instance or contingency if other avenues have been exhausted;

- 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.

1.7 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.

1.8 The remainder of this report sets out the detail for Strategy and Resources and Corporate Items.

2. Strategy & Resources Committee Overview

- 2.1 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.
- 2.2 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.
- 2.3 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.
- 2.4 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 now recognised in the budget). While both are deemed to be ongoing issues, they are reflected in the proposed 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.
- 2.5 Corporate Items is forecasting a net surplus of £31k at outturn. Even though this is a small variance, there are corporate pressures for 2023/24 as detailed in Appendix A.

- 2.6 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.
- 2.7 Services within the Committee also aim to realise better customer experience and efficiency through digital innovation. 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.
- 2.8 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 £1.1m, or approximately 18% 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.

3. Revenue Budget – Strategy & Resources Services

- 3.1 The **revenue budget for Strategy & Resources Services totals £6.080m. Appendix C(i)** shows the detailed budget for this element of the Committee, taking account of the changes set out in this report
- 3.2 **Financial savings totalling £641k / 10%** have been included in the proposed Budget for this committee. **Appendix A** itemises savings and pressures and further details on savings are in **Appendix B**.
- 3.3 The savings have been identified through the Future Tandridge Programme and include:
- Reduced spend across all S&R services,
 - Opportunities for working with Local Government partners, particularly in Revenues and Benefits, and
 - A £325k management structure saving, of which £155k in S&R and £170k currently held in Corporate Items pending the next phase of restructure.

3.4 **Financial pressures excluding a pay award (totalling net £491k / 8%)** have been included and summarised as follows:

- **Staffing costs of £33k, comprising:**
 - £33k - Staffing incremental progression, offset by a reduction in the employer's national insurance rate. This does not include an allowance for a pay award, which will be held in corporate items until approved by Strategy & Resources committee and full Council.
- **Inflation Demands of £413k, comprising:**
 - Inflation on contract costs based on 11% CPI except where contractual obligations require an alternate rate, offset by inflation on income budgets.
- **Service Demands of £45k, comprising:**
 - £20k TDC Elections Funding - Budget Review
 - £25k Move from no designated Health and Safety provision in TDC to a shared H&S role with Elmbridge BC

3.5 The pay award allocation will be distributed from Corporate Items when it has been agreed by Full Council.

3.6 **Appendix A** is an extract from the MTFs for this committee which details the pressures identified and details the overall budget position against the budget envelope.

4. Revenue Budget – Corporate Items

4.1 The **revenue budget for Corporate Items totals (£0.685m)**. **Appendix C** shows the detailed budget for this Committee, taking account of the changes set out in this report.

4.2 **Financial savings totalling £415k** have been included in the proposed Budget for this committee.

The main items included are:

- **Corporate recharges; £212k;** review of all recharged, including those assigned to the Housing Revenue Account, and Southern Building Control Partnership.
- **Increased investment property income of £33k,** part of a wider £50k saving to increase property income, the remainder of which is in Strategy and Resources.
- **FTP Management Structure 170k;** part of a wider savings target of £325k, of which £155k is in Strategy and Resources committee, to be delivered through a management restructure to ensure cost effective management and clear accountability for delivering services.

4.3 **Financial pressures excluding a pay award of £477k** have been included and summarised as follows:

- **Minimum Revenue Provision - £188k**; increase to fund 2022/23 capital programme
- **Redstone Receipt (£188k)**; Assume the use of Capital Receipts to offset MRP increases for 2023/24 by limiting borrowing in 2022/23
- **Corporate Allocations £150k**; Review Housing Revenue Account and General Fund allocations
- **Contingency & Reserves £327k**

4.4 An allocation for a pay award of £230k has been included in Corporate Items. Although this is based on a straightforward 3% uplift in salaries, it does not necessarily need to be deployed as a blanket percentage uplift. Subject to approval of the overall budget at Council, the deployment of this pay award will be determined in discussion with Staff Conference and Members.

4.5 **Appendix A** is an extract from the MTFs for this committee which details the pressures identified and details the overall budget position against the budget envelope.

5. Review of Fees and Charges

5.1 Charges for services for a key part of the mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council Taxpayer must pay for the difference.

5.2 It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2023/24 will be a challenging year with ongoing uncertainty relating to inflation and cost of living. This is exacerbated by the significant uncertainty with funding from Central Government over the medium-term. The Spending Review and the provisional settlement has only provided us with surety for one year.

5.3 There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by this Committee.

5.4 Fees and charges have been reviewed by service managers with support from Finance, taking into account factors such as anticipated demand, comparison with competitors and other Councils, previous levels of performance and inflation.

5.5 As a result, it is proposed fees and charges are uplifted in accordance with the detail set out in **Appendix D**:

6. Capital Programme

- 6.1 The proposed Capital Programme for this Committee is shown at **Appendix E**. The programme covers a three-year period but will be reviewed and updated annually. The Appendix shows the current agreed programme, revisions to existing schemes and any new schemes added and the proposed programme after all revisions.
- 6.2 Included in the Appendix is a narrative description of each scheme.

7. Consultation

- 7.1 Consultation on the budget has been restrained in recent years as a result of Covid-19 and time-restrictions in setting the 2022/23 budget, caused by the aftermath and investigation of budgeting errors in previous years.
- 7.2 Similarly, the scale of the £1.7m savings plan required for 2023/24 leaves very little room for extensive consultation and so this year's approach will follow last year's; i.e. communicating the emerging budget to residents and businesses in January to provide an opportunity for comment and feedback in advance of the finalisation of the budget by Council on the 9th February 2023.
- 7.3 A more extensive programme of consultation is planned alongside the 2024/25 budget, linked to the refresh of the Council's Strategic Plan and priorities. Early consultation will allow for more meaningful engagement with residents and businesses on the allocation of funding to priorities.

Key implications

8. Comments of the Chief Finance Officer

- 8.1 With no clarity over Government funding from 2024/25 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.
- 8.2 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 income 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.

8.3 The Section 151 Officer confirms that the proposed 2023/24 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.

9. Comments of the Head of Legal Services

- 9.1 Section 151 of the Local Government Act 1972 places a general duty on local authorities to make arrangements for 'the proper administration of their financial affairs'. The Local Government Act 2003 places a duty on the Council's Chief Finance Officer to advise on the robustness of the proposed budget and the adequacy of reserves.
- 9.2 The report updates Members with the MTFs for this Committee. This is a matter that informs the budget process, is consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a MTFs. Members have a duty to seek to ensure that the Council acts lawfully and produce a balanced budget. Members must not come to a decision which no reasonable authority could come to; balancing the nature, quality, and level of services which they consider should be provided against the costs of providing such services.
- 9.3 The report provides information about risks associated with the MTFs and the budget. This is, again, consistent with the Council's statutory obligation to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 9.4 Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in any original budget calculations. The Council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
- 9.5 The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) which includes a duty to consult. Having a MTFs therefore contributes to achieving this legal duty.
- 9.6 The Council is required to obtain approval by Full Council of its MTFs.

10. Equality

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 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.
- 10.5 Officers have reviewed proposed budget changes against the initial equalities screening and have nothing to report.

11. Climate Change implications

- 11.1 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 the business case process.

Appendices

- Appendix A – Summary of Pressures and Savings
- Appendix B - Detailed Savings Plan
- Appendix C – Subjective Detailed Budget Analysis
- Appendix D – Proposed Fees and Charges
- Appendix E – Proposed Capital Programme
- Appendix F - Glossary

Background papers

Strategy and Resources Committee – 1st December 2022 - Draft Budget 2023/24 and Future Tandridge Programme Update

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Appendix A(i) – Summary of Pressures and Savings – Strategy & Resources Services

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	6,222	6,080	

Virements (Budget adjustments between committees)

Theme	Description	Virement		
		2023/24 £000	2024/25 £000	Total £000
Budget sustainability	Review of Housing Revenue Account staffing	7		7
Total Virements		7	0	7

Pressures

Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Inflation	Inflation on contract costs based on 11% CPI except where contractual obligations require an alternate rate, offset by inflation on income budgets	413	207	620
Staff costs	Staffing incremental progression, offset by a reduction in the employers national insurance rate. This does not include an allowance for a pay award, which will be held corporately until approved by Strategy & Resources committee and full Council	33	49	82
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		491	256	747

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP Service Review	Customer Services	(128)	0	(128)
FTP Service Review	Human Resources	(65)	0	(65)
FTP Service Review	IT	(35)	0	(35)
FTP Service Review	Revs & Benefits	(100)		(100)
FTP Service Review	Democratic Services	(8)		(8)
FTP Service Review	Asset Management	(79)	0	(79)
FTP Service Review	Comms	(47)	0	(47)
FTP Service Review	Legal	(24)	0	(24)
FTP Service Review	Management Restructure	(155)	0	(155)
Total Savings		(641)	0	(641)

Net movement for committee budget	(142)	256	113
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Indicative Budget Requirement	6,080	6,335
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Appendix A(ii) – Summary of Pressures and Savings – Corporate Items

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	(602)	(685)	

Virements (Budget adjustments between committees)

Theme	Description	Virement		
		2023/24 £000	2024/25 £000	Total £000
Budget sustainability	Review of Housing Revenue Account corporate allocations	(375)		(375)
Total Virements		(375)	0	(375)

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	(188)	0	(188)
Corporate items	Review Housing Revenue Account and General Fund	150	0	150
Reserves	Contingency & Reserves	327	0	327
Corporate Items - subtotal		477	0	477
Pressures held on behalf of other committees				
Staff Costs	Staffing pay award - allowance pending approval of the distribution mechanism, with an indicative value for 2024/25 planning purposes	230	237	467
Service Demands	Assumption of service pressures in 2024/25	0	600	600
Pressures held on behalf of other committees - subtotal		230	837	1,067
Total Pressures		707	837	1,544

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP - Management Structure	Management restructure	(170)	0	(170)
Fees and Charges	Increase in Investment Property Income	(33)		(33)
Corporate Recharges	Annual review of all recharges to and from the General Fund	(142)	0	(142)
Corporate Recharges	Southern Building Control Hosting, IT Development and cost sharing	(70)	0	(70)
Total Savings		(415)	0	(415)
Net movement for committee budget		(83)	837	753
Indicative Budget Requirement		(685)	151	

Appendix B - FTP- Detailed Savings Plan
Strategy and Resources inc Corporate Items
Services
January 2023

FTP – Strategy and Resources - Detailed Savings plan

Service Area	Saving £k	Proposal	Impact on residents	Impact on council
Strategy and Resources committee				
Assets and FM	£112	<ul style="list-style-type: none"> Corporate Landlord Model £42k Transferral of responsibility for assets / maintenance £20k Increased rental income from strategic assets £50k (of which £33k in Corporate Items) 	<ul style="list-style-type: none"> Single point of contact and accountability Clear centralised objectives and reduced duplication to drive introduce efficiencies 	<ul style="list-style-type: none"> Bringing teams together reduces duplication and provides clearer service provision
Communications	£47	<ul style="list-style-type: none"> Internal team changes to make savings. Proposal to engage with members on target model, using outcome- based service approach. Results of member engagement, outcome-based model proposal 	<ul style="list-style-type: none"> Engagement with members will result in consideration of residents’ needs across the district 	<ul style="list-style-type: none"> Reduced costs Clear service objectives based on agreed outcomes
Customer Services	£128	<ul style="list-style-type: none"> Outline business case including options for channel shift – Chatbots, website redesign Outsourcing of print/mail. Savings to be made by switching to Digital channels 	<ul style="list-style-type: none"> Drive down demand on the phones and in person by channel shift – linked to the digital workstream, making it easier to contact the Council Rationalise communication channels Residents have access to channels 24/7 Improved service Allows more resource to focus on digitally excluded 	<ul style="list-style-type: none"> Savings will be delivered in two parts. The first due to the two vacancies not being filled and Phase 1 restructure The second will be dependent on the delivery and implementation of the digital tools.
Democratic Services	£8	<ul style="list-style-type: none"> Tactical savings delivered. Future consideration given to moving to paperless agenda and provision of tablets. 	<ul style="list-style-type: none"> Reduction in costs 	<ul style="list-style-type: none"> Potentially reduced cost of less printing, providing digital service.

FTP – Strategy and Resources - Detailed Savings plan

Service Area	Saving £k	Proposal	Impact on residents	Impact on council
Digital	£35	<ul style="list-style-type: none"> Options appraisal on digital tools including customer account, channel shift and self-service New operating model with indicative financials, i.e, Costs/ROI 	<ul style="list-style-type: none"> Increases ability to self-serve Provides ability to check on request/service status without needing to make contact Improves quality of customer experience/user journey Enhances awareness regarding services available and service provision 	<ul style="list-style-type: none"> Streamlines call-handling Reduces customer contact Automates workload across the council Enhances revenue collection Reduces technology spend, improves efficiency and resilience (these are specific to the Azure migration)
Human Resources	£65	<ul style="list-style-type: none"> Agreement of new operating model and proposed savings. 	<ul style="list-style-type: none"> Greater efficiency in recruitment will maximise positive engagement with applicants. 	<ul style="list-style-type: none"> Services will manage some of the current volume of demands across the council – allow HR to focus on key functions
Legal	£24	<ul style="list-style-type: none"> Tactical savings to be delivered in advance of the business case – based on rationalising external legal spend and reviewing structures 	<ul style="list-style-type: none"> Ensure SLAs put in place across all services to ensure response times are aligned with agreed resident requirements 	<ul style="list-style-type: none"> Transparency on Legal costs Reduced costs Reduction in contact with multiple legal services
Revs and Bens	£100	<ul style="list-style-type: none"> Business case for Debt Recovery provided to S&R on 30th June 2022, in progress (£50k), Tactical restructure (£25k) and shared service potential subject to future business case (£25k) 	<ul style="list-style-type: none"> Opportunities for efficiencies from realisation of self-service and channel shift in citizen portal – greater opportunities for self service Pursue opportunities from sharing service or parts of with Reigate and Banstead / or others leading to a more resilient and responsive team Exploration of shared resilience in Finance / Exchequer / Revs and Bens / Customer Services / IT, leading to a more resilience and responsive team Increase in revenue from debt recovery work / Single Person Discount review / counter fraud initiative with Reigate and Banstead, reducing the cost to the Council Single Person Discount Review to ensure accurate claims. 	<ul style="list-style-type: none"> Housing Benefit and HRA budget issues resolved. Aligns with partner appetite for sharing 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

FTP – Strategy and Resources - Detailed Savings plan

Service Area	Saving £k	Proposal	Impact on residents	Impact on council
Building Control	£70	<ul style="list-style-type: none"> £70k saving presented in SBCP board papers to be agreed with partners. A further KLOE to investigate alternate delivery models or productivity improvements is continuing. 	<ul style="list-style-type: none"> Improved IT delivery, using TDC Salesforce lighting system. Increase in cost of service with new fees raised from April 2023. Potential for reduced service levels due to vacancies being unfilled. 	<ul style="list-style-type: none"> TDC to pay revised lower charges as hosting council. The IT project will enable TDC IT Team to benefit from skills of SBCP IT role being shared which will bring resilience to the team.
Management restructure	£325	<ul style="list-style-type: none"> Review of senior management across the council in preparation for implementation of the new operating model and embedding of best practice commissioned services whether in-house or external 	<ul style="list-style-type: none"> Preparing the Council's management structure for the future delivery model, ensuring clear and cost effective accountability for services. 	
Corporate service support recharge	£142	<ul style="list-style-type: none"> Annual review of all recharges to and from the General Fund 		
Total Saving	£1,056			

Appendix C(i) – Subjective Detailed Budget Analysis – Strategy and Resources

Service	2022/23 Current Budget £k	2023/24 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2024/25 £k
		Pay £k	Non-Pay £k	Income £k			
Legal Services	465	516	24	(75)	464	(0)	472
Human Resources	408	205	169	(25)	349	(60)	351
Management Team	283	147	94	0	241	(42)	245
Information Technology	1,238	372	1,019	(4)	1,387	149	1,485
Democratic Services	555	208	352	0	561	6	573
Communications and Policy	443	329	63	0	392	(52)	394
Financial Services	1,062	839	179	0	1,018	(44)	1,023
Corporate Landlord	500	146	720	(339)	528	28	640
Revenues & Benefit Services	482	415	54	(108)	361	(121)	370
Customer Services	568	351	96	0	447	(121)	447
Emergency Planning & Community Safety	217	244	88	0	332	115	336
Wellbeing Prescription	0	403	115	(518)	0	0	0
Strategy & Resources	6,222	4,174	2,974	(1,068)	6,080	(141)	6,335

Appendix C(ii) – Subjective Detailed Budget Analysis – Corporate Items

Service	2022/23 Current Budget £k	2023/24 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2024/25 £k
		Pay £k	Non-Pay £k	Income £k			
Interest Payable	1,163	0	1,163	0	1,163	0	1,163
Interest Receivable & Investment Inc	(1,495)	0	0	(1,495)	(1,495)	0	(1,495)
Property Income	(745)	0	0	(777)	(777)	(33)	(777)
Support Recharges & Bank Charges	(2,071)	0	0	(2,497)	(2,497)	(425)	(2,497)
Minimum Revenue Provision (MRP)	1,179	0	1,179	0	1,179	0	1,179
Pension - Actuarial top up, Added Ye	1,485	1,485	0	0	1,485	0	1,485
Write Offs and Bad Debt Provision	22	0	22	0	22	0	22
Cost of Collection	(270)	0	0	(270)	(270)	0	(270)
Contingency	117	0	445	0	445	327	445
Contributions to / (from) Reserves	15	0	0	0	0	(15)	0
Management structure saving	0	(170)	0	0	(170)	(170)	(170)
Pay award held for other committees	0	230	0	0	230	230	467
Indication of future years pressures	0	0	0	0	0	0	600
Corporate Items	(601)	1,545	2,809	(5,039)	(685)	(86)	151

Fees and Charges - Strategy & Resources 2023/24

Fees and Charges	Statutory / Discretionary	Current Charges 2022/23	Proposed Charges 2023/24	Proposed Variance (inc. rounding)	Proposed Actual % Increase 2023/24 (inc. rounding)	Budgeted Income 2022/23	Expected Out-turn 2022/23 (based on 6mth data)	Proposed Budget 2023/24
		£ Inc VAT	£ Inc VAT	£	%	£	£	£
Legal Charges (Per Hour) *								
Head of Legal & Monitoring Officer	Discretionary	280.00	294.00	14.00	5.0%			
Deputy Head of Legal	Discretionary	272.00	286.00	14.00	5.1%			
Principal Solicitor, Assistant Solicitor, Senior Lawyer (Per Hour)	Discretionary	264.00	278.00	14.00	5.3%			
Clerical Assistant, Legal Assistant (Per Hour)	Discretionary	196.00	206.00	10.00	5.1%			
Legal Assistant / Interns/ Case Officers	Discretionary	108.00	114.00	6.00	5.6%			
Support Officer / Apprentices	Discretionary	54.00	57.00	3.00	5.6%			
Drafting a simple licence	Discretionary	547.00	575.00	28.00	5.1%			
Drafting a simple wayleave agreement/ lease	Discretionary	1,310.00	1,376.00	66.00	5.0%			
Renewal of simple licence	Discretionary	328.00	345.00	17.00	5.2%			
Renewal of simple wayleave agreement/ lease	Discretionary	765.00	804.00	39.00	5.1%			
Right to Buy; Request for a management pack	Discretionary	219.00	230.00	11.00	5.0%			
Lease Notice	Discretionary	108.00	114.00	6.00	5.6%			
<i>*Note - Charities/ Community Groups may be eligible for a 50% discount on legal fees</i>								
Total Budgeted Income - Legal Charges						62,000	73,213	76,874
Court Costs (subject to confirmation from courts)								
Council Tax Summons Charges	Discretionary	62.50	62.50	0.00	0.0%			
Council Tax Liability Order	Discretionary	30.00	30.00	0.00	0.0%			
NDR Summons Charges	Discretionary	102.50	102.50	0.00	0.0%			
NDR Liability Order	Discretionary	20.00	20.00	0.00	0.0%			
Total Budgeted Income - Court Costs						139,770	86,000	86,000
Total Budgeted Income - Strategy & Resources						201,770	159,213	162,874

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Appendix E – Proposed Capital Programme

COMMITTEE SCHEMES	Current Programme 2022/23 £	Estimated Programme 2023/24 £	Estimated Programme 2024/25 £	Estimated Programme 2025/26 £	Total Programme 2022-26 £
Strategy & Resources					
Current Continuing Programme					
Council Offices Major Works Programme	50,000	25,000	25,000		100,000
IT - Hardware/infrastructure/Projects	542,400	155,500	257,000		954,900
Quadrant House	2,628,100	400,000	0		3,028,100
Land / Asset Development	181,000	0	0		181,000
Croydon Road Regeneration	1,439,700	0	0		1,439,700
Total Current Continuing Programme	4,841,200	580,500	282,000	0	5,703,700
Revisions and New Bids					
Council Offices Major Works Programme				25,000	25,000
IT - Hardware/infrastructure/Projects		91,100	92,900	94,800	278,800
Quadrant House					0
Land / Asset Development					0
Croydon Road Regeneration		1,000,000			1,000,000
Quadrant House - Solar Panels & Suite Refurb		150,000	100,000	50,000	300,000
Total Revisions and New Bids	0	1,241,100	192,900	169,800	1,603,800
Proposed Programme					
Council Offices Major Works Programme	50,000	25,000	25,000	25,000	125,000
IT - Hardware/infrastructure/Projects	542,400	246,600	349,900	94,800	1,233,700
Quadrant House	2,628,100	400,000	0	0	3,028,100
Land / Asset Development	181,000	0	0	0	181,000
Croydon Road Regeneration	1,439,700	1,000,000	0	0	2,439,700
Quadrant House - Solar Panels & Suite Refurb	0	150,000	100,000	50,000	300,000
Total Proposed Programme	4,841,200	1,821,600	474,900	169,800	7,307,500

CAPITAL PROJECT SUMMARY - STRATEGY & RESOURCES

Title of Scheme	Council Offices Major Maintenance Programme
Description of Scheme	A 25 year planned maintenance programme to enable compliance with legislative and health and safety requirements, achieved through replacement or refurbishment of the major components of the Council Office in line with their deterioration and new compliance requirements.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This scheme will include the progression of decarbonising the Council Offices.

Title of Scheme	IT - Hardware/Infrastructure Projects - GF
Description of Scheme	The Customer First project envisaged significantly enhancements & development of the existing IT systems. However, Customer First was implemented before the technology solutions, in particular on line capability, were put in place. This has been one of the issues which has led to the performance and staffing issues following the implementation. Consequently, the savings expected under Customer First were removed from the budget prior to the technology being available. Additional projects outside the original scope of Customer First have been identified as essential due to failing software/hardware, system modules bought 3 years ago but not implemented and further possible savings resulting from automation.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	<p>It is necessary to invest in a number of areas :-</p> <ol style="list-style-type: none"> 1. Disaster recovery solution 2. Replacement cycles for laptops, desktops, servers, switches, firewalls on a cyclical basis (2021/22 onwards) 3. Automation of book and pay 4. Planning – end to end migration from one salesforce org to another (completed) 5. Civica disposal module and licence to comply with GDPR 6. Orchard – implementation of Promaster, Asset Go, DLO AND Service Charge models 7. Replacement of outdated telephony which is not fit for purpose 8. Northgate – cloud-based on line solution for Revenues, benefits and NNDR 9. Replacement of Adelante and implementation of automated bank reconciliation <p>An IT Strategy Board has been formed to develop the Council's IT Strategy and to agree the development and implementation of specific IT schemes to improve service delivery and reduce staffing costs if possible. The IT Strategy Board will be officer based and will report to the Council's Improvement Working Group. The commissioning of each project will be based on a detailed business case being approved by the IT Strategy Board.</p>

Title of Scheme	Quadrant House
Description of Scheme	Phase 1 - refurbishment of common parts (lobbies, WCs, communal kitchens, lifts, stairwells, corridors) and setup of a Business Hub. Phase 2 - refurbishment of the exterior and the vacant suites and a package of environmental improvements. Phase 2 includes improvements to the external fabric including better insulation and decoration, replacement roof coverings and fire escape route upgrades, a green wall for the Croydon Road elevation, a roof terrace for the third floor in Quadrant South, refurbishment of vacant suites to include heat pump VRF heating cooling technology (gradual phasing out of reliance on gas boilers) and, if budget allows, photovoltaic panels on the flat roof.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	The works at Quadrant House will deliver a significantly improved building which will be more sustainable, both economically and environmentally and which is a key project for Caterham regeneration. The direct benefits of the works include ability to let vacant suites and generate higher rental returns as well as contribute to our carbon reduction objectives. Phase 1 (internal common parts refurbishment) took place throughout 2021. Phase 2 (living wall, roof terrace, new lifts, new escape stairs, improved wall and roof insulation, refurbishment of some vacant office suites with heat recovery AC and renewed services) commenced in autumn 2021 and is anticipated to complete in autumn 2022.

Title of Scheme	Land/Asset Development
Description of Scheme	Capital budget for refurbishment works as required to the property portfolio, to maximise revenue.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This scheme is to ensure that sufficient budget is available to refurbish commercial space that becomes vacant during the year, and requires modernisation in order to attract a new tenant. The office market in particular is demanding high specifications. Poor quality space is not letting. Tenants are demanding top quality space. Failure to achieve this is likely to lead to lengthy void periods and failure to generate income from lettings, which would have a significant impact on revenue budgets.

Title of Scheme	Croydon Road Regeneration
Description of Scheme	Improvements to the Croydon Road streetscape including provision of better amenity space such as parklets and seating, more greenery including trees and planting, improved road safety, new surfacing materials for pavements and parking areas, cycle parking and so forth.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	Key benefits including: helping to revitalise the local economy, in conjunction with other investment that is going into the town; encouraging new businesses into the town and inspiring existing businesses to improve their premises; introducing greenery into the town centre, reducing street clutter, renewing materials, slowing traffic speeds, thereby improving the quality of the environment for shoppers, visitors and workers, encouraging greater wellbeing, longer dwell times and higher spend; encouraging active travel and redressing the current imbalance that favours car users over pedestrians & cyclists; attenuating excess surface water via trees and new planting thus contributing to a wider flood mitigation strategy for the town; providing a small amount of good quality public realm space e.g. parklets and some outdoor licensable space for businesses. Stage 1 highways design is complete; stage 2 highway design (detailed design) is scheduled to commence Jan 2022 and is expected to last approximately 6 months; construction is expected to last approx 6 months and timing will need to be sympathetic to the needs of the businesses i.e. may commence in early 2023 rather than late 2022. Contractor to be procured on conclusion of detailed design and achievement of highways approval to proceed. SCC placemaking and transport development planning teams to be closely involved, together with Caterham BID.
Title of Scheme	Quadrant House Solar Panels & Suite Refurbishment
Description of Scheme	Installation of solar panels and refurbishment of remaining unrefurbished suites
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	<p>1) Installation of solar panels on the roof of Quadrant House. The roof was upgraded recently as part of the refurbishment. A solar array was designed but had to be omitted due to budgetary constraints. Installation of the solar array would reduce energy costs and carbon emissions, which in turn will reduce occupational costs and help to attract and retain tenants. This work could be done in 23/24 and would have an immediate benefit in reducing occupational costs and carbon emissions. Budget cost £50k which includes inflation and contingency</p> <p>2) Refurbishment of non-refurbished vacant areas to remove perimeter radiators and introduce heat recovery heating and cooling. Also, installation of partitions in 2nd floor central section to sub-divide the large suite to better suit size requirements in the local market. This work could be done in 23/24 or in 24/25. Budget cost £100,000, which includes for inflation and contingency</p> <p>3) New balustrade, waterproofing and lighting for rear walkway at retail unit level. The balustrade was due to be replaced as part of the recent refurb but had to be taken out due to budgetary constraints. Temporary repairs were made to make it safe, but a replacement is needed. The walkway also needs re-waterproofing and better lighting. Budget cost £100,000 to which waterproofing and lighting, inflation and contingency have been added. This work could be done in 23/24 or 24/25</p> <p>4) upgrade insulation to basement soffit (this would reduce heating costs for ground floor units).</p>

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Appendix F – Glossary

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews
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.
Reserves: General Fund balances and contingency	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
Saving	Known budgeted expenditure reductions and income increases which result due to the following: <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 Optimising sources of income.

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Final Budget 2023/24 and Medium-Term Financial Strategy including Future Tandridge Programme Update

Strategy and Resources Committee Thursday, 31st January 2023

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

Purpose: For decision

Publication status: Unrestricted
Wards affected: All

Executive Summary:

This report sets out the proposed Budget for 2023/24 and Medium-Term Financial Strategy, accompanied by an update on the Future Tandridge Programme ('FTP').

It provides:

- Progress to date in delivering Service Reviews, with updates on key developments since the Draft Budget was brought to Committee.
- The consolidated Council Budget for 2023/24 and Medium-Term Financial Strategy, based on the reports presented to the four Policy Committees, including the preceding agenda item.
- Proposals on the level of Council Tax (the precept) to be set by Tandridge District Council
- The Council's 'Section 25' report, providing confirmation on the robustness of estimates and the adequacy of reserves.

The final budget, resulting from this agenda item, will be presented for approval by Full Council on the 9th February 2023.

The report proposes a balanced budget without significant reduction in services to residents and without the use of reserves. The level of contingency has been increased by a modest amount by comparison to the previous year's budget to deal with external factors such as the volatile economy and continuing impact of inflation.

Achieving a robust and balanced budget in these circumstances is a significant achievement, given the acute impact of inflation on Council services and continued uncertainty, and real-terms reduction in overall funding.

The delivery of the Future Tandridge Programme has commenced, with the first phase of staff consultation under way and progress being made on key lines of enquiry to deliver the planned savings.

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

Recommendations to Committee:

That Members recommend that Full Council:

Notes the following:

1. That for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in Council tax is not such as to trigger a referendum (i.e. not greater than the higher of £5 or 2.99%);
2. The Local Council Tax support scheme (**para 8.14**) is unchanged for financial year 2023/24;
3. The Parish Councils' precept requirements for 2023/24 (**Appendix G – TO FOLLOW FOR FULL COUNCIL**);
4. That unavoidable external risks are mitigated through the retention of a general contingency of **£0.445m** per annum (increased by £327k from 2022/23). Held within the contingency, £74k generated by the ability to raise Council Tax by 2.99% / £6.90 rather than the previous £5 limit will be earmarked as a Cost of Living Fund, to ensure that the Council has an allocation to help residents in need with targeted support as required.
5. The financial strategy to build the General Fund Reserves using unused contingency. Prior to a decision from DLUHC on the capital dispensation, the General Fund balance at 31st March 2024 is projected to stand at to **£2.8m (Appendix I)**;

Approves the following:

6. The net revenue budget requirement be set at **£11.935million** (net cost of services after service specific government grants) for 2023/24 (**Appendix B and D**), subject to confirmation of the Final Local Government Financial Settlement;
7. The Final Budget Envelopes for each Committee including the allocation of pressures and savings targets for 2023/24 (**Appendices B, C and D**);

8. The **£40.4** million proposed three-year Capital Programme (comprising £7.1m General Fund, £1.2m Community Infrastructure Levy (CIL) and £32.1m Housing Revenue Account (HRA)) of which £19.2 million Capital Budget is for 2023/24 (**Appendix E**);
9. The Flexible Use of Capital Receipts Strategy for 2023/24 to meet the statutory guidelines for the use of such receipts to fund transformation (**Appendix H**);
10. That the total Council Tax Requirement be set at **£9.3 million** for 2023/24. This is based on a Council tax increase of 2.99% to cover core Council services (**Appendix F**);
11. That Tandridge District Council set its precept for Band D Council Tax at **£237.88**, which represents a 2.99% uplift. This is a total rise of £0.13p a week from the 2022/23 precept of £230.98.

A full list of bands is as follows:

Valuation Band	Annual Amount £
A	158.59
B	185.02
C	211.45
D	237.88
E	290.74
F	343.60
G	396.47
H	475.76

For Full Council, there will be additional recommendations incorporating Surrey County Council and Surrey Police and Crime Commissioner's precepts to meet with legislative requirement when approving the Council Tax for 2023/24. Given the timing of the Surrey's Full Council meeting being on 7th February, the precept information will be sent to Members on 8th February in advance of Tandridge's Full Council meeting on 9th February. Surrey's precept information is required before TDC's precept information can be finalised.

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 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 was presented at the December committee meeting. The proposed final budget is set out in Appendix A.
- 1.2. An update on progress made on the Future Tandridge programme is provided in Section 6 of Appendix A.

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 complete. 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.
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, with a workshop scheduled in December.

1st December 2022	2023/24 Draft Budget and Capital Programme, including Tax Base to S&R	Complete
December 2022	Expected publication of Local Government Finance Settlement – finalisation of funding estimates	Provisional Local Government Finance Settlement published on the 19 th December, sufficient to balance budget.
December 2022 to January 2023	Engagement with Members on 2023/24 Final Budget Engagement with residents and Business Rate payers on 2023/24 Budget	Member workshop on 21 st December confirmed external funding and proposed fees and charges. Budget details communicated to residents and businesses for comment.
January 2023	Committee Cycle – 2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy	Complete at time of S&R Committee
31st January 2023	2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy to S&R Committee	Appended to this report
9th February 2023	2023/24 Final Budget, Capital Programme and Medium-Term Financial Strategy to Council	Awaiting final precept information from SCC, SPCC and Parish Councils

3. Content of the Budget and Medium-Term Financial Strategy

The proposed Final 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. National Funding Context
8. Local Funding Assumptions
9. Reserves Update, Section 25 Report and CIPFA Resilience Index
10. Flexible use of Capital Receipts
11. Proposed Capital Programme
12. Medium Term Financial Strategy Update
13. 2022/23 Financial Performance
14. Fees and Charges
15. Next Steps

4. Comments of the Chief Finance Officer (s151)

- 4.1. With no clarity over Government funding from 2024/25 onwards, 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.
- 4.2. 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, after the application of increased funding. 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
- 4.3. 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 approved for 2023/24 at Full Council on 9th February 2023.

5. Comments of the Head of Legal Services

- 5.1. The report updates the revised medium-term financial strategy. This is a matter that informs the budget process and may be viewed as a related function. It is, in any event, consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a medium-term financial strategy.
- 5.2. Members should have regard to the personal duties placed upon the Chief Financial Officer (CFO). The CFO is required by section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Council's financial affairs. The CFO must therefore exercise a professional responsibility to intervene in spending plans in order to maintain the balance of resources so that the authority remains in sound financial health.
- 5.3. The Local Government Finance Act 2013 requires the CFO-s151 to also report on the robustness of the estimates for calculations and the adequacy of Reserves to the Authority and that the Authority must take these matters into account when making decisions on matters before it. By law a local authority is required under the Local Government Finance Act 1992 to produce a 'balanced budget'.

- 5.4. The report provides information about risks associated with the medium-term financial strategy and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 5.5. The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) which includes a duty to consult. Having a medium-term financial strategy therefore contributes to achieving this legal duty.

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 continue to review proposed changes against the initial equalities screening tool prior to final implementation and take mitigating action if necessary.

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 Tandrige Programme](#)
- Strategy & Resources Committee 7th April 2022 - [Budget – Tranche 2 Pressure and Savings Distribution](#)
- Strategy & Resources Committee 30th June 2022 – [2023/24 Budget Setting Process](#)
- Strategy & Resources Committee 29th September 2022 – [Future Tandrige Programme Update](#)
- Community Services Committee 18th October 2022 – [Community Services Committee – Future Tandrige Programme Update](#)
- Housing Committee 4th October 2022 – [Future Tandrige Programme Update](#)
- Strategy & Resources Committee 1st December 2022 [Draft Budget 2023/24 and Future Tandrige Programme Update](#)

- Committee Budget Reports to:
 - Community Services Committee 17th January 2023
 - Planning Policy Committee 19th January 2023
 - Hosing Committee 24th January 2023
 - Strategy & Resources Committee 31st January 2023

Final Budget 2023/24 and Medium-Term Financial Strategy to 2024/25**1. Introduction**

- 1.1 The Final Budget for 2023/24 and Medium-Term Financial Strategy (MTFS) 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 The Draft Budget for 2023/24 and Medium-Term Financial Strategy to 2024/25 was presented to Strategy & Resources Committee on 1st December 2022 as the starting point for this document. The report set out the proposed £1.7m savings plan, itemised budget pressures and a high-level assessment of the impact of inflation. Much of this report replicates the Draft Budget, since subsequent developments have reconfirmed the expectations set out in December.
- 1.3 The Draft Budget was collated with significant uncertainty on whether Government funding would be sufficient to allow the budget gap to be closed with the existing £1.7m savings plan. On the 19th December 2022, the Government released the provisional Local Government Finance Settlement, which set out funding for each Council. Although the final settlement is not yet published at time of writing, it is highly unlikely that funding allocations will materially change. This Council's allocation was sufficient to balance the budget for 2023/24 based on the £1.7m savings set out in the Draft Budget, and so the full savings plan is re-presented here for approval. The plan is unchanged, but further work has been undertaken to provide assurance on and begin to deliver the savings proposals, as set out in Section 6. The budget will only balance if the £1.7m savings plan is approved, so any proposed alteration to savings proposals would need to be met by approval of an increased target elsewhere.
- 1.4 The savings plan has been drawn together through a programme of rigorous service reviews, directed and coordinated through the Future Tandridge Programme, which has been subject to ongoing reporting to Strategy & Resources Committee – and to each Policy Committee for updates relevant to their service areas. Appendix C sets out the savings resulting from the service reviews at summary level, following the detail that has been reported previously. The savings plan is subject to ongoing governance to provide assurance on deliverability; however it is inevitable with the extent of changes required that delivery risks will need to be managed. Whilst the Council's corporate budget includes a contingency, it is imperative that the savings are delivered or alternate measures identified where they cannot be.

- 1.5 A robust governance approach through the Future Tandridge Programme (FTP) has been mobilised to oversee delivery and manage these risks. This report provides an updated on key developments in the FTP since the last report.
- 1.6 Along with the savings plan, the report also allocates funding to Committees for a number of General Fund budget pressures, set out in Appendix B. These are based on the pressures included in the Draft Budget, but also include the distribution of allocations for staff increments and inflation (previously held corporately) as well as an adjustment to reflect a review of the allocation of salaries between the Housing Revenue Account and the General Fund.
- 1.7 At the equivalent point in the 2022/23 budget setting process, staffing increments, inflation and £450k of unidentified savings were held corporately pending further consideration. The final savings target was not distributed until 30th June 2022. It is a measure of the continued financial recovery of the Council that the 2023/24 savings plan is allocated in full and that robust plans exist for the delivery of the savings target. This represents a return to business as usual in terms of timetable. For 2024/25, officers will continue to develop the approach to savings plan development and reporting to build on the level of assurance and confidence already provided to Members.

2. Strategic Context

- 2.1 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 neutral 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.

- 2.2 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.
- 2.3 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.
- 2.4 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.
- 2.5 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.

- 2.6 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.
- 2.7 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

- 3.1 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

- 3.2 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.

3.3 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.

3.4 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

3.5 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.

3.6 There are several significant capital programmes that will need to be delivered in 2023/24 including:

- Playground refurbishment and replacement; and
- Public conveniences.

3.7 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

3.8 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.

- 3.9 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.
- 3.10 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.
- 3.11 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).
- 3.12 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.
- 3.13 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 and Disabled Facilities Grants are administered. 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.

- 3.14 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.
- 3.15 The Housing Department continues to seek opportunities for shared services with neighbouring authorities. 2022/23 saw the introduction of the Afghan Resettlement 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

- 3.16 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
 - Enforcement against planning breaches
 - All transport-related issues
 - Co-operation and liaison with agencies outside the Council in respect of conservation, heritage, economic development and other planning related issues.
- 3.17 Progress on the Local Plan was subject to a report to Planning Policy Committee on 22nd September 2022. 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.

- 3.18 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.
- 3.19 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.
- 3.20 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.
- 3.21 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.
- 3.22 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.
- 3.23 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.
- 3.24 Tandridge District Council has a 35% share in the partnership and holds a ringfenced reserve to meet any deficit that may arise.
- 3.25 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 budget pressures are set out in Appendix B. These are funded by an increased allocation to the Committee's budget.

Strategy and Resources Committee

- 3.26 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.

- 3.27 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.
- 3.28 The Committee is also responsible for the Corporate Items section of the budget (2022/23 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.
- 3.29 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.
- 3.30 Corporate Items is forecasting a net surplus of £31k at outturn. Even though this is a small variance, there are corporate pressures for 2023/24 as detailed in Appendix B.

- 3.31 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.
- 3.32 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.
- 3.33 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 £1.1m, or approximately 18% 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

- 4.1 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. Unforeseen pressures should be met from reduced spend in the first instance or contingency if other avenues have been exhausted
 - 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
 - Ensuring that managers are accountable for their budgets.
- 4.2 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
 - A corporate contingency held centrally to mitigate risk.

5. Revenue Budget Headlines

- 5.1 The Final Budget is balanced, with a modest increase to the previous year's level of contingencies, commensurate with the increased risks associated with volatile inflation, cost of living, interest rates and wider economic performance.
- 5.2 The overall budget position at the Draft Budget stage was a gap remaining to close of £0.259m. The provisional Local Government Finance Settlement published on the 19th December 2022 closed the gap with additional funding of £510k and provided certainty that the proposed savings plan will be sufficient to balance the budget. This avoided the need for further measures to close the budget gap and allowed for an increase to the Council's contingency. Further details of contingencies and reserves are set out in section 9.
- 5.3 In addition to the increase in central funding, Government confirmed that District Councils can raise their Council Tax by 2.99%, rather than the previous limit, which in this Council's case was £5. The Draft Budget assumed a £5 / 2.2% increase.

- 5.4 An additional £74k of funding is generated by opting for a 2.99% increase. The additional element would equate to an annual cost of £1.90, or 4 pence per week on a Band D property. The budget proposes that this element of the funding be held within contingency as an earmarked Cost of Living fund.
- 5.5 The fund will provide the Council with a specific allocation to call on to help residents in need with targeted support as required, without adding additional pressure to the revenue budget. Decisions on the deployment of the fund would be made by Strategy and Resources Committee.
- 5.6 The overall summary is set out in Table 1, below with detail on each Committee's movements in Appendices B and D.

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

Service	2022/23 Current Budget £k	2023/24 Proposed Budgets			Total Movements £k	Total 2023/24 Budget £k	Estimate for 2024/25 £k
		Virements £k	Pressures £k	Savings £k			
Community Services	4,051	23	824	(338)	509	4,560	4,840
Housing General Fund	476	345	122	(260)	208	684	693
Planning	1,204	0	93	0	93	1,297	1,320
Strategy & Resources	6,222	7	491	(641)	(142)	6,080	6,335
Corporate Items	(601)	(375)	707	(415)	(83)	(685)	151
Total	11,351	0	2,238	(1,654)	584	11,935	13,340

Budget Pressures

- 5.7 Total spending pressures of £1.9 plus £0.3m of increased contingency are as follows, with further detail in Appendix B.

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

Committee	Pressure		
	2023/24 £000	2024/25 £000	Total £000
Inflation	973	487	1,460
Staff costs	280	328	608
Service demands	337	600	937
Income pressures	171	0	171
Corporate items	150	0	150
Subtotal Spending Pressures	1,911	1,414	3,325
Contingency	327	0	327
Total Pressures	2,238	1,414	3,652

Inflation of £973k

Funding distributed to committees to cover inflation on contract costs, offset by an expectation that some fees and charges will increase and mitigate the impact of inflation on net budget. Fees and charges increases have been set out to individual committees for approval. An example of inflation is in electricity, where we expect the cost (c.£225k for the General Fund in 2022/23) to double to £450k in 2023/24. Further allocations include £560k in Community Services to cover increases in contract and other costs across Operations and Localities and £188k to cover contract costs in S&R.

Staff costs of £280k

Including:

- £91k of increments
- £230k allowance for a pay award based on a 3% uplift (subject to ongoing discussion on how this should be distributed)
- (£41k) offset by a reduction in Employer's National Insurance contributions.

Service Demands of £337k

Increased costs of delivering services, including:

- £67k increased Regulatory Services costs from staff and other costs in the partnership
- £10k O-Licence costs at the Depot
- £75k in tree health and safety costs including ash dieback
- £100k restructuring of the Housing Benefit budget to reflect the fact that Government funding is insufficient to recover the full cost of benefits
- £40k additional allowance for appeal costs in Planning Policy
- £25k to secure a dedicated Health and Safety resource, shared with a partner authority
- £20k to reflect the full cost of elections in S&R.

Income pressures of £171k

Pressures from a reduction either due to a change in behaviour resulting from Covid-19 and cost of living issues, or in some cases Government policy changes, including:

- £70k reduction in parking income
- £50k reduction in cesspool income
- £30k reduction in Local Land Charge information provision, as Government now provide this service
- £11k reduced expectation of bulky waste collection income
- £10k reduced expectation of Meadowside sales.

£150k Review of Charges to the Housing Revenue Account – A

completed review of 2023/24 staffing allocations shows that charges to the HRA for officer time should be reduced by £150k in 2023/24, as the balance of work for some posts has shifted to the General Fund. This shows as a £375k additional staff allocation to the Policy Committees, as set out in the virements column in Table 2, offset by an increase in Corporate Recharges.

£327k increase to 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. A savings plan as complex as the Future Tandridge Programme will also inevitably require a degree of headroom, however it is the intent of officers to concentrate efforts on delivering savings.

- 5.8 Budgetary control, and close working between Finance and Heads of Service is essential to ensure the budget is delivered. Work is under way to strengthen this, including the transformation of Finance and the introduction of the Finance Business Partnering Agreement in 2022. The Tandridge Finance Transformation Programme included an action to introduce Budget Accountability Statements, through which Heads of Service and Management Team (who are responsible for budgets) explicitly sign up to the expectations of them as managers. Officers are developing the Budget Accountability Statement for 2023/24, and a working draft is presented for Member comment in **Appendix J**.

Recommendation 6: The net revenue budget requirement be set at £11.935million (net cost of services after service specific government grants) for 2023/24 (Appendix B and D), subject to confirmation of the Final Local Government Financial Settlement;

Recommendation 7: The Final Budget Envelopes for each Committee including the allocation of pressures and savings targets for 2023/24 Appendices B, C and D.

6. Future Tandridge Programme Update

- 6.1 The future Tandridge programme has now moved into the next phase and delivery activities are in progress. Significant progress has been made since the December report, as set out in more detail below.

Operations, Locality Services and Waste

- 6.2 As a result of the Operations, Locality and Waste service review and the business case taken to committee in October 2022, the Operations Transformation workstream is now progressing the following areas:
- Market engagement exercise underway to ascertain marketplace appetite to both the scale of the operation and the procurement process/timescales available.
 - Working with existing suppliers to explore potential savings that could be made by altering service provision
 - Collating asset data to prepare an in-house option followed by financial modelling during January and February to inform the specification/affordability of service levels, enable modelling of an internal DSO comparator option and ultimately inform any tender information to market.
 - Phase 1 staffing restructure launched.

The Operations Transformation workstream will bring a business case to committee in March, which will make recommendations and ask for approval on the future Operations delivery model.

Wider Service Reviews

- 6.3 The Digital and Customer Services workstream is progressing with the business case, which will be brought to the committee in March for approval. This business case will focus on the following areas:
- Channel shift – Chatbots, website redesign and potential savings to be made by switching to Digital channels
 - A 6 year TDC Technology roadmap including a cost benefit analysis
 - Outsourcing of print/mail to a third party
- 6.4 As a result of the service reviews carried out in 2022, there are two phases of service restructures planned for 2023. The restructures that have been identified by heads of service will deliver savings in 2023/2024. Phase 1 of the Restructure began on 17th January, with the following areas included:
- Communications
 - Customer Services
 - Housing
 - Localities
 - Revenues and Benefits

6.5 Phase 2 of the restructure is being planned for June 2023 and will focus on the following service areas:

- Operations
- Assets and FM
- HR
- IT
- Revenues and Benefits Phase 2

This second phase is expected to be implemented by October 2023.

6.6 Following the Communications business case approved in December, the team is now engaging with members to develop a new model which will consider the outcomes required by members and the council when building the new model. An update will be presented to the S&R committee in June 2023.

6.7 Commissioning discussions are now taking place to shape the Tandridge commissioning framework, these discussions will be developed with the EMT and updates provided in future committee papers.

6.8 The Legal team are reviewing the Legal spend across the council and will be carrying out a review of current budget/actuals and considering an alternative centralised approach of managing the legal budget and engaging with legal third parties.

Risk update

6.9 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. Programme risks are updated with latest actions against agreed mitigating action. The latest FTP programme risk register is provided in Appendix K.

7. National Funding Context – Background

7.1 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.

7.2 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.

- 7.3 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.
- 7.4 From a Local Government perspective the level of turmoil gave local authorities very little certainty over the contents of the Local Government Finance Settlement (LGFS), with spending constraint expected for all Government departments. This uncertainty led to a £259k funding gap in the Draft Budget. The funding position has improved by £510k based on the LGFS, with a further £74k improvement by increasing Council Tax by 2.99% (£6.90) instead of £5. The £584k additional funding allows a modest increase to contingencies, which is vital to provide assurance over the overall stability of the 2023/24 budget.
- 7.5 Alongside the political turmoil, between December 2021 and December 2022 the Bank of England (BOE) has increased its base rate at 9 consecutive meetings, taking the base rate from 0.1% to 3.5% 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%. Further increases are expected in 2023. This impacts favourably on the Council's investment returns, but also increases the cost of borrowing. The impact of this is 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 and set aside any surpluses to guard against volatility in the market value of investments.

8. Funding for 2023/24

- 8.1 The most significant influence on the Council's medium-term funding is the long-awaited implementation of fundamental Government funding reform; particularly any changes to the retention of Business Rates, Grant Funding and New Homes Bonus. The LGFS has confirmed that this fundamental reform will now **not** take place in this spending review period – i.e. until at least 2025/26. In the meantime, significant uncertainty remains over the future of funding streams, notwithstanding the resolution of Government funding for 2023/24.
- 8.2 For the final budget, funding is confirmed at **£11.935m** for 2023/24. This represents the Draft Budget position of £11.351m, with the following changes:
- £510k Government Funding improvement, largely the introduction of what Government are terming a 'funding guarantee' of £505k,
 - £74k Increased Council Tax income from applying 2.99% rather than £5 as previous assumed.

Despite the increase from the Draft Budget position, overall funding has increased by 5% year-on-year; significantly less than inflation (currently running at 11% for CPI). Furthermore, the Government's additional funding guarantee has only been included in the LGFS for 2023/24 (and is therefore

effectively one-off), with the LGFS also explicitly stating that funding for lower-tier authorities would need to be reviewed for 2024/25, despite fundamental reform being delayed to the next spending review period. This potential cliff edge in Government funding for 2024/25 means that taking advantage of the full 2.99% Council tax flexibility is the most prudent course of action. It also is likely to be seen as a pre-requisite to any application to DLUHC for a capitalisation direction.

Table 3 – Summary Funding Across 2021/22 to 2023/24

	2021/22 £000	2022/23 £000	2023/24 £000	Change £000	Comments
Council Tax Precept	8,690	8,937	9,255	317	Band D rate at 2.99%
Business Rates, Levy and Funding Guarantee	1,719	1,633	2,369	736	Includes £505k funding guarantee
Other Grant Funding	1,178	785	416	(370)	Reduction in New Homes Bonus & Services Grant
Funding before collection fund	11,587	11,355	12,039	684	
Council Tax Collection Fund	(32)	(5)	(104)	(100)	Allowance for impact of cost of living
Total Funding	11,295	11,351	11,935	584	

Council tax funding £9.3m

Core Council tax funding increase

- 8.3 Previously, the Council could increase its Council Tax charge by 1.99% or £5 (if higher) without the need for a referendum. The LGFS confirmed that the percentage limit would increase to 2.99%, with the £5 limit remaining. The Council can increase Council Tax by the higher of the two figures. The Budget assumes a £6.90 (2.99%) increase, resulting in an additional £0.3m funding in 2023/24.

Council Tax base

- 8.4 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.
- 8.5 The tax base is then adjusted for an estimate of collectability. Due to the economic climate, the collectability adjustment remains at 1.2% in the budget, despite ongoing work to increase collectability. This includes efforts with the County and other Districts to share best practice and review cost of collection.

- 8.6 Changes to the tax base results in an increase in funding of £0.05m in 2023/24. The tax base was approved at Strategy & Resources on 1st December 2022.

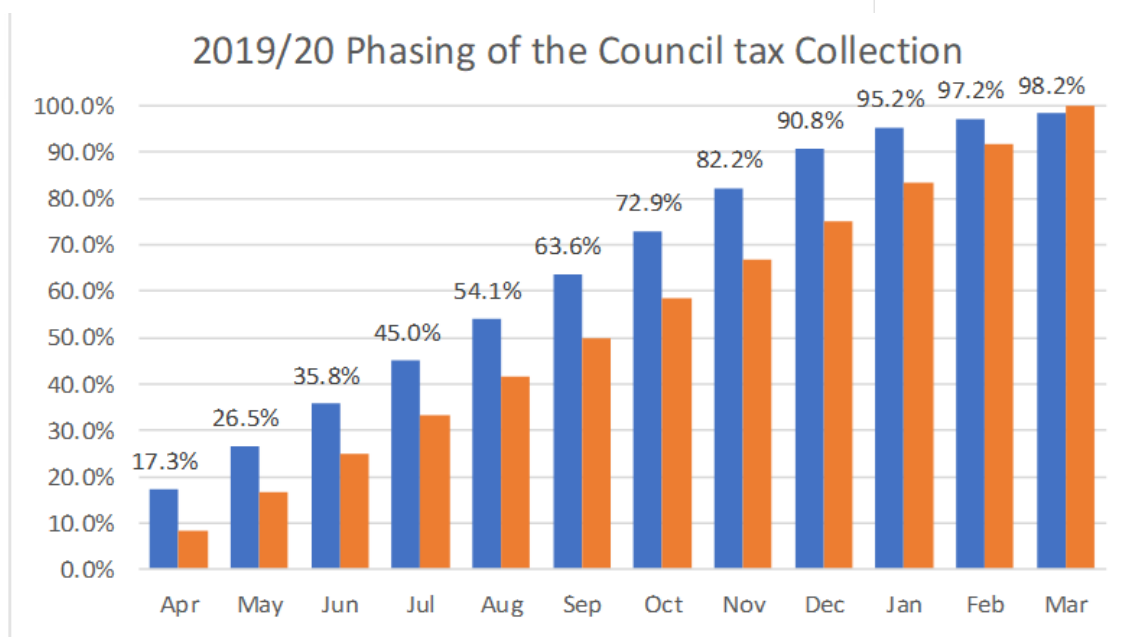
Recommendation 11: That Tandridge District Council set the precept for Band D Council Tax at £237.88, which represents a 2.99% uplift.

Collection Fund Performance

- 8.7 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]

- 8.8 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.
- 8.9 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 events in Ukraine on energy costs and trade issues.
- 8.10 With the implementation of the NEC 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.

8.11 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.

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

Council Tax discounts and exemptions

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

Local Council Tax Support

8.14 Under the Local Government Finance Act 2012, Councils are required to agree their Local Council Tax support scheme and make any changes as appropriate.

8.15 For 2023/24 it is proposed to make the prescribed requirement changes as set out in the Council Tax Reduction Schemes (Prescribed Requirements) (England) (Amendment) Regulations 2023, which makes a number of amendments to the working age statutory scheme and to the pension scheme (non-dependant deductions and personal allowances). The existing scheme will continue to be based upon the existing Council Tax Reduction Scheme England Regulations 2012. Local Tax support will be calculated using 100% of the Council Tax liability for both working age and pension age claimants.

8.16 The number of claimants receiving Council Tax support is currently 3,489 compared to 3,619 in 2021/22 (being the last full financial year of data).

8.17 A report was provided in September 2020 requesting approval to conduct a public consultation with residents on a new scheme. Unfortunately, due to increased volume of work due to COVID-19 and the implementation of Northgate, the new Revenues and Benefits system, there was insufficient time to conduct a consultation process for the 12-week statutory period. We are now at a point we can use a scheme modelling tool on our new Revenues and Benefits system, and we can go out for public consult with residents on the proposed changes to the scheme from its current default scheme to a banded scheme. Consultation is due to begin after the End of Year process is finalised in April 2023. Once the consultation period has ended, a detailed report will be made to for future meetings of the Committee to approve any changes.

8.18 The Council receives funding and adjusts through its Council Tax base for Council Tax Support and therefore costs are already accounted for this scheme. Any further reforms or legislative changes to the scheme will be reported to future meetings of the Committee as appropriate.

Recommendation 2: The current Local Council Tax support scheme is adopted for financial year 2023/24.

Business Rates, Levy and Funding Guarantee £2.4m

8.19 Business Rates funding is a headline term incorporating several separate elements, as set out below. The Government's funding guarantee of £0.5m has been included in this section because it works in a similar way to the existing system of business rates top-ups and tariffs, i.e. providing for a set level of funding:

- **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£6.8m** - 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 **Funding Guarantee:** A **£0.5m** Core Spending Power adjustment announced in the LGFS as a one-off increase in Council funding;
 - o Leaving an amount of funding for Council services equal to the **c£2.4m**.

8.20 £2.4m of overall Business Rates funding represents a net increase of £0.7m on the 2022/23 projection. This increase is based partly on the Government's funding guarantee and partly on the total of core business rates and S31 grants, at £10.2m 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 £6.8m. (£1.6m 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.

To provide additional assurance, the 2023/24 total rates have also been validated against external advice provided by LG Futures, external Local Government funding advisors, in updates provided following the settlement. They are also consistent with the Core Spending Power documents published by Government, providing additional external evidence that they are accurate. The pooling gain from 2021/22 has yet to be finalised, but when confirmed will mitigate funding across the MTFS.

Grant Funding

- 8.21 Final Grant Funding for 2023/24 is £416k. This represents a like-for-like reduction of £370k on 2022/23. The breakdown of grants is set out below. Government have stated that although fundamental funding reform will not take place until 2025/26 at the earliest, there is still material uncertainty on the future of New Homes Bonus beyond 2023/24.

Table 5 – Grant Funding from 2021/22 to 2023/24

	2021/22 £000	2022/23 £000	2023/24 £000	Change £000	Comments
New Homes Bonus	341	618	359	(259)	Future remains uncertain
Services Grant	0	102	57	(46)	Reduced due to Employer's National Insurance reduction
Covid-19 Grant Funding	498	0	0	0	One off for 2021/22
Lower Tier Grant	340	65	0	(65)	One-off for 2022/23
	1,178	785	416	(370)	

9. Reserves Update and CIPFA Resilience Index – Section 25 Report

- 9.1 Section 25 of the Local Government Finance Act 2003 requires the Council's Section 151 Officer to state an opinion on the adequacy of the proposed financial reserves, that Members should have regard to when considering the budget for 2023/24, along with the robustness of estimates in setting the budget.
- 9.2 The Council's Section 151 Officer confirms that the budget is based on robust estimates and that the level of reserves as set out in Appendix I is at an acceptable level, but one that requires increasing in the future to provide the Council with some flexibility and resilience in its financial planning in the medium term. The reasons for this view are that:
- The General Fund reserve remains stable over the MTFS, with no planned use – it was increased by a marginal amount at 2021/22 outturn.
 - Further reserves are held for funding volatility and investment income volatility.

- The CIPFA resilience index shows some improvement from previous years, with further work to arrive at a position comparable with statistically similar authorities.
- The full savings target has been allocated to committees in advance of the financial year, with a robust system of governance to deliver.
- The expected pooling gain for 2021/22 has not been fully factored into the MTFs, providing a potential additional increase to reserves. The Council is also part of the 2023/24 business rates pool.
- A general fund contingency of £445k is programmed in for 2023/24, (commensurate with the current forecast overspend in 2022/23).

9.3 This is offset against risks in the operating environment which are increased from 2022/23:

- Volatile impact of inflationary increases to contracts;
- Impact of inflationary increases on providers, threatening their financial viability;
- Impact of increasing interest rates on borrowing costs (offset by an increase in investment income);
- Uncertain appetite for commercial properties owned by the Council and its subsidiaries;
- The need to deliver a significant savings plan for 2023/24.

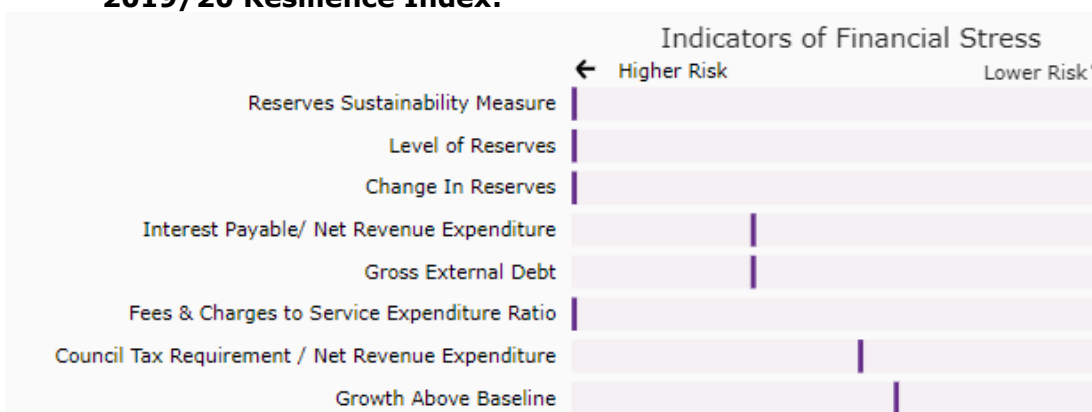
9.4 These risks have been captured in the budget where a reasonable value can be attached, particularly in respect of the impact of inflation. However it is inevitable that the Council will face further pressures over the course of the year. Further detail on the level of reserves is set out below and in Appendix I.

9.5 General Fund Reserves in the 2022/23 budget were set at £2.8m with further amounts set aside for funding (£0.3m) and income equalisation (£0.2m). Although 2021/22 was completed with a surplus of £458k, the majority of this was set aside as additional contingency or for approved spending need. The 2022/23 current forecast of a deficit of £447k (offset by £484k of overall contingencies and counter measures) means that underlying reserves are likely to remain at c£2.8m for 2023/24. This is an achievement given the volatile economic pressures and unexpectedly high inflation; however it leaves the Council in the same overall position of needing to increase its reserves resilience.

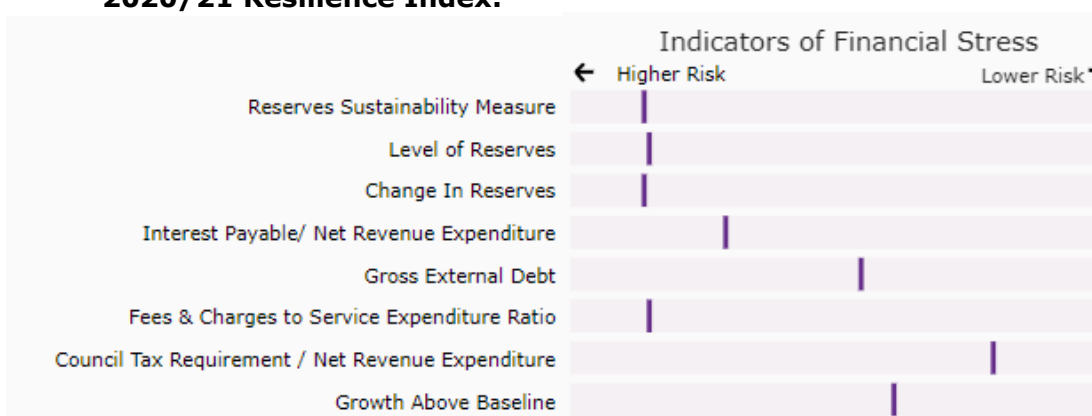
9.6 As part of the 2022/23 budget setting process, Council approved a request to DLUHC for a capitalisation direction to fund the transformation programme and replenish reserves. This was to be funded by the anticipated sale of the Redstone building.

- 9.7 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."
- 9.8 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.
- 9.9 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 imminently.
- 9.10 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:



9.11 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.

9.12 2021/22 data on the level of reserves has not yet been released.

Recommendation 4: Unavoidable external risks to the budget are mitigated through the retention of a general contingency of £0.445m per annum (increased by £327k from 2022/23) Held within the contingency, £74k generated by the ability to raise Council Tax by 2.99% / £6.90 rather than the previous £5 limit will be earmarked as a Cost of Living Fund, to ensure that the Council has an allocation to call on where targeted support for residents is required.

10. Flexible Use of Capital Receipts

- 10.1 In the Spending Review 2015, the Chancellor of the Exchequer announced that to support Local Authorities in delivering more efficient and sustainable services, the Government would allow them to spend up to 100% of their capital receipts on the revenue costs of transformation projects. Initially this flexibility on the use of capital receipts was limited to those received between 1 April 2016 and 31 March 2019. However, the 2018/19 Local Government Finance Settlement extended these flexibilities for a further three years to March 2022.
- 10.2 This flexibility was extended again on 4th April 2022 for use up to and including financial year 2024/25. The new flexibilities include a limitation that prevents receipts being used to cover discretionary element of redundancy costs; i.e. that anything beyond the statutory minimum must be covered by alternate means. The Council has a £75k reserve to cover any payments offered under the current redundancy policy (which has recently been made less generous). This reserve may require additional funding, potentially at 2022/23 outturn. An alternate would be to increase savings targets to cover the initial redundancy cost; the requirement for this will need to be kept under close review.
- 10.3 To take advantage of the potential for this flexibility, Local Authorities are required to produce a strategy which discloses the individual projects that will be funded, or part funded, through flexible receipts; this must be approved by Full Council (**Appendix H**).
- 10.4 The overall strategy for applying capital receipts to transformation is to meet one-off or time-limited costs necessary to deliver a medium-term benefit for the revenue budget without diverting vital revenue funding from service delivery. The benefit to the revenue budget will come either in reducing current costs or avoiding increases in future costs. This strategy does not allow for the use of one-off funding to subsidise the ongoing costs of delivering core services and the flexibility does not extend to using capital receipts to support General Fund reserves.
- 10.5 On 1st December 2022, the Committee noted the intention to re-submit the request for a capitalisation direction from Department of Levelling Up, Housing and Communities ('DLUHC') to use part of the receipt from the Redstone property to replenish general fund reserves. Now that the provisional Local Government Finance Settlement has been received and is deemed inadequate to allow a contribution to reserves, this request will be re-submitted for a value up to £500k.
- 10.6 The current position of general fund capital receipts is an estimated opening balance for 2023/24 of £0.6m. Loan repayments from the Leisure provider are classed as capital receipts and this will enhance the position by £0.3m in 2023/24. Against this, projected spend of £0.3m on the FTP is set out in the appendix. Therefore, the estimated position at the end of 2023/24 is £0.7m of residual receipts.

- 10.7 If the capital dispensation is not approved the residual receipts would have to be applied only to capital schemes.

The capital receipts reserve position is set out as part of Appendix I

Recommendation 9: The Flexible Use of Capital Receipts Strategy for 2023/24 to meet the statutory guidelines for the use of such receipts to fund transformation.

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

- 11.1 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 was undertaken to review proposed allocations in advance of presenting this Final Budget Report, ensuring finalised costs of borrowing are included in the revenue budget. 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.
- 11.2 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).
- 11.3 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 reviewed as part of developing the final budget and is unchanged from the draft.
- 11.4 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 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.

- 11.5 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.
- 11.6 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 was included in the Capital, Investment and Treasury Strategy presented to Investment Sub Committee on 20th January 2023.
- 11.7 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.

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 6: 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

11.8 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 and Rural England Prosperity Fund - £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

11.9 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

11.10 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)

11.11 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

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

Table 7 – 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

11.13 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.

11.14 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.

- 11.15 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.

Recommendation 8: The £40.4 million proposed three-year Capital Programme (comprising £7.1m General Fund, £1.2m Community Infrastructure Levy (CIL) and £32.1m Housing Revenue Account (HRA)) of which £19.2 million Capital Budget is for 2023/24 (Appendix E)

12. Medium Term Financial Strategy

- 12.1 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 Budget can only sensibly comment on the potential gap for 2023/24 and the following financial year.
- 12.2 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 2.99% increase in the Band D rate, offset by further reductions to Government funding.
- 12.3 The outlook for 2024/25 assumes further cost pressures (corporate and service) of £1.4m, 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 £1.4m savings programme would therefore be required in 2024/25 in broad alignment with previous years.
- 12.4 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.

13. 2022/23 Financial Performance

- 13.1 **Revenue Performance as at Month 6 (September) was reported to S&R committee on the 1st December 2022:** 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.

- 13.2 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. A £484k contingency is held in 2022/23 to address this deficit.
- 13.3 The current forecast position is subject to final checks before circulation but is not expected to change materially from M6. The ongoing pressures reported at M6 are reflected in increased allocations to committees set out in Appendix B. Furthermore, the contingency for 2023/24 has been increased to £445k; meaning that a similar degree of unanticipated issues could be managed for 2023/24.

Table 8: Month 6 Financial 2022/23 Performance

	2022/23			One-off events £k	Ongoing Pressures £k
	Forecast	Annual	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. Fees and Charges

- 14.1 Charges for services form a key part of the mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council Taxpayer must pay for the difference.
- 14.2 It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2023/24 will be a challenging year with ongoing uncertainty relating to inflation and cost of living. This is exacerbated by the significant uncertainty with funding from Central Government for 2024/25 and over the medium-term. The Spending Review and the provisional settlement has only provided us with surety for one year.
- 14.3 There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by Committee.

- 14.4 Fees and charges have been reviewed by service managers with support from Finance, taking into account factors such as the impact of increases on residents, anticipated demand, comparison with competitors and other Councils, previous levels of performance and inflation.
- 14.5 The results of the review were discussed with Members at an all-Member workshop on the 21st December 2022, with the outcomes reported to each of the policy committees for approval as part of the January committee cycle.

15. Next Steps

- 15.1 Subject to any comments from this Committee, the budget will be presented to Full Council for approval on the 9th February 2023. In the meantime, final precept information will be obtained from:
- Surrey County Council (to be approved on the 7th February 2023)
 - Surrey Police and Crime Commissioner (to be confirmed w/c 6th February 2023)
 - Parish Councils (Deadline of 17th January but a number outstanding at time of writing).
- 15.2 Following approval, officers will populate the financial system with the final budget, and distribute Budget Accountability Statements for agreement by budget holders.
- 15.3 Savings delivery will be managed through the Future Tandridge Programme and reported to each Policy Committee on a quarterly basis.
- 15.4 Planning will begin imminently for the 2024/25 Budget and refreshed Medium-Term Financial Strategy.

Further Appendices

- Appendix B – Summary of Pressures and Savings
- Appendix C – Detailed Savings Plan
- Appendix D – Subjective Detailed Budget Analysis
- Appendix E – Proposed Capital Programme
- Appendix F – Council Tax Requirement Statement
- Appendix G – Parish Council Tax Precepts [To follow]
- Appendix H – Flexible Use of Capital Receipts
- Appendix I – Projected Earmarked Reserves 2021/22 to 2024/25
- Appendix J – Budget Accountability Statement
- Appendix K - FTP Risk Register
- Appendix L - Glossary

Appendix B – Summary of Pressures and Savings

COMMUNITY SERVICES

		2023/24 £000	2024/25 £000	Total £000
Brought forward budget		4,051	4,560	
Virements (Budget adjustments between committees)				
		Virement		
Theme	Description	2023/24 £000	2024/25 £000	Total £000
Budget sustainability	Review of Housing Revenue Account staffing allocations	23		23
Total Virements		23	0	23

Pressures

		Pressure		
Theme	Description	2023/24 £000	2024/25 £000	Total £000
Inflation	Inflation on contract costs based on 11% CPI except where contractual obligations require an alternate rate, offset by inflation on income budgets	560	280	840
Staff costs	Staffing incremental progression, offset by a reduction in the employers national insurance rate. This does not include an allowance for a pay award, which will be held corporately until approved by Strategy & Resources committee and full Council	(12)	10	(2)
Service demands	O Licence for Depot Vehicles - This is an £800per month new requirement.	10		10
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		75
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
Total Pressures		824	290	1,114

Savings (Further detail provided in Appendix B)

		Saving		
Theme	Description	2023/24 £000	2024/25 £000	Total £000
FTP Service Reviews	Regulatory services	(26)	(10)	(36)
	Operational and Locality Services	(239)		(239)
	Waste Services - Bring Banks	(50)		(50)
	Waste Services - Garden Waste Charges	(23)		(23)
Total Savings		(338)	(10)	(348)
Net movement for committee budget		509	280	789
Indicative Budget Requirement		4,560	4,840	

HOUSING GENERAL FUND

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	476	684	

Virements (Budget adjustments between committees)

Theme	Description	Virement		
		2023/24 £000	2024/25 £000	Total £000
Budget sustainability	Review of Housing Revenue Account staffing allocations	345		345
Total Virements		345	0	345

Pressures

Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Staff Costs	Staffing incremental progression, offset by a reduction in the employers national insurance rate. This does not include an allowance for a pay award, which will be held corporately until approved by Strategy & Resources committee and full Council	5	9	14
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		122	9	131

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
External Funding	Deploy Homelessness Funding to meet legitimate costs in Housing General Fund	(210)	0	(210)
MTFS Savings Approved Feb 2022	Communities and Partnerships - Westway Funding	(50)	0	(50)
Total Savings		(260)	0	(260)

Net movement for committee budget	208	9	217
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Indicative Budget Requirement	684	693
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PLANNING POLICY

		2023/24 £000	2024/25 £000	Total £000
Brought forward budget		1,204	1,297	
Pressures				
		Pressures		
Theme	Description	2023/24 £000	2024/25 £000	Total £000
Staff costs	Staffing incremental progression, offset by a reduction in the employers national insurance rate. This does not include an allowance for a pay award, which will be held corporately until approved by Strategy & Resources committee and full Council	23	23	46
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 be a loss of income to TDC	30	0	30
Service demands	Allowance for planning appeals	40	0	40
Total Pressures		93	23	116
Net movement for committee budget		93	23	116
Indicative Budget Requirement		1,297	1,320	

STRATEGY AND RESOURCES

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	6,222	6,080	

Virements (Budget adjustments between committees)

Theme	Description	Virement		
		2023/24 £000	2024/25 £000	Total £000
Budget sustainability	Review of Housing Revenue Account staffing	7		7
Total Virements		7	0	7

Pressures

Theme	Description	Pressure		
		2023/24 £000	2024/25 £000	Total £000
Inflation	Inflation on contract costs based on 11% CPI except where contractual obligations require an alternate rate, offset by inflation on income budgets	413	207	620
Staff costs	Staffing incremental progression, offset by a reduction in the employers national insurance rate. This does not include an allowance for a pay award, which will be held corporately until approved by Strategy & Resources committee and full Council	33	49	82
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		491	256	747

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP Service Review	Customer Services	(128)	0	(128)
FTP Service Review	Human Resources	(65)	0	(65)
FTP Service Review	IT	(35)	0	(35)
FTP Service Review	Revs & Benefits	(100)		(100)
FTP Service Review	Democratic Services	(8)		(8)
FTP Service Review	Asset Management	(79)	0	(79)
FTP Service Review	Comms	(47)	0	(47)
FTP Service Review	Legal	(24)	0	(24)
FTP Service Review	Management Restructure	(155)	0	(155)
Total Savings		(641)	0	(641)

Net movement for committee budget	(142)	256	113
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Indicative Budget Requirement	6,080	6,335
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CORPORATE ITEMS

	2023/24 £000	2024/25 £000	Total £000
Brought forward budget	(602)	(685)	

Virements (Budget adjustments between committees)

Theme	Description	Virement		
		2023/24 £000	2024/25 £000	Total £000
Budget sustainability	Review of Housing Revenue Account corporate allocations	(375)		(375)
Total Virements		(375)	0	(375)

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	(188)	0	(188)
Corporate items	Review Housing Revenue Account and General Fund	150	0	150
Reserves	Contingency & Reserves	327	0	327
Corporate Items - subtotal		477	0	477
Pressures held on behalf of other committees				
Staff Costs	Staffing pay award - allowance pending further	230	237	467
Service Demands	Assumption of service pressures in 2024/25	0	600	600
Pressures held on behalf of other committees - subtotal		230	837	1,067
Total Pressures		707	837	1,544

Savings

Theme	Description	Saving		
		2023/24 £000	2024/25 £000	Total £000
FTP - Management Structure	Management restructure	(170)	0	(170)
Fees and Charges	Increase in Investment Property Income	(33)		(33)
Corporate Recharges	Annual review of all recharges to and from the General Fund	(142)	0	(142)
Corporate Recharges	Southern Building Control Hosting, IT Development and cost sharing	(70)	0	(70)
Total Savings		(415)	0	(415)
Net movement for committee budget		(83)	837	753
Indicative Budget Requirement		(685)	151	

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Appendix C - FTP- Savings Plan
All Services
January 2023

FTP – Detailed Savings plan

Service Area	Saving £k	Proposal	Impact on residents	Impact on council
Strategy and Resources committee				
Assets and FM	£112	<ul style="list-style-type: none"> Corporate Landlord Model £42k Transferral of responsibility for assets / maintenance £20k Increased rental income from strategic assets £50k (of which £33k in Corporate Items) 	<ul style="list-style-type: none"> Single point of contact and accountability Clear centralised objectives and reduced duplication to drive introduce efficiencies 	<ul style="list-style-type: none"> Bringing teams together reduces duplication and provides clearer service provision
Communications	£47	<ul style="list-style-type: none"> Internal team changes to make savings. Proposal to engage with members on target model, using outcome-based service approach. Results of member engagement, outcome-based model proposal 	<ul style="list-style-type: none"> Engagement with members should result in consideration of residents' needs across the district 	<ul style="list-style-type: none"> Reduced costs Clear service objectives based on agreed outcomes
Customer Services	£128	<ul style="list-style-type: none"> Outline business case including options for channel shift – Chatbots, website redesign Outsourcing of print/mail. Savings to be made by switching to Digital channels 	<ul style="list-style-type: none"> Drive down demand on the phones and in person by channel shift – linked to the digital workstream, making it easier to contact the Council Rationalise communication channels Residents have access to channels 24/7 Improved service Allows more resource to focus on digitally excluded 	<ul style="list-style-type: none"> Savings will be delivered in two parts. The first due to the two vacancies not being filled and Phase 1 restructure The second will be dependent on the delivery and implementation of the digital tools.
Digital	£35	<ul style="list-style-type: none"> Options appraisal on digital tools including customer account, channel shift and self-service New operating model with indicative financials, i.e, Costs/ROI 	<ul style="list-style-type: none"> Increases ability to self-serve Provides ability to check on request/service status without needing to make contact Improves quality of customer experience/user journey Enhances awareness regarding services available and service provision 	<ul style="list-style-type: none"> Streamlines call-handling Reduces customer contact Automates workload across the council Enhances revenue collection Reduces technology spend, improves efficiency and resilience (these are specific to the Azure migration)

FTP – Detailed Savings plan

Service Area	Saving £k	Proposal	Impact on residents	Impact on council
Democratic Services	£8	<ul style="list-style-type: none"> Tactical savings delivered. Future consideration given to moving to paperless agenda and provision of tablets. 	<ul style="list-style-type: none"> Reduction in costs 	<ul style="list-style-type: none"> Potentially reduced cost of less printing, providing digital service.
Human Resources	£60	<ul style="list-style-type: none"> Agreement of new operating model and proposed savings. 	<ul style="list-style-type: none"> Greater efficiency in recruitment will maximise positive engagement with applicants. 	<ul style="list-style-type: none"> Services will manage some of the current volume of demands across the council – allow HR to focus on key functions
Legal	£24	<ul style="list-style-type: none"> Tactical savings to be delivered in advance of the business case – based on rationalising external legal spend and reviewing structures 	<ul style="list-style-type: none"> Ensure SLAs put in place across all services to ensure response times are aligned with agreed resident requirements 	<ul style="list-style-type: none"> Transparency on Legal costs Reduced costs Reduction in contact with multiple legal services
Revs and Bens	£100	<ul style="list-style-type: none"> Business case for Debt Recovery provided to S&R on 30th June 2022, in progress (£50k), Tactical restructure (£25k) and shared service potential subject to future business case (£25k) 	<ul style="list-style-type: none"> Opportunities for efficiencies from realisation of self-service and channel shift in citizen portal – greater opportunities for self service Pursue opportunities from sharing service or parts of with Reigate and Banstead / or others leading to a more resilient and responsive team Exploration of shared resilience in Finance / Exchequer / Revs and Bens / Customer Services / IT, leading to a more resilience and responsive team Increase in revenue from debt recovery work / Single Person Discount review / counter fraud initiative with Reigate and Banstead, reducing the cost to the Council Single Person Discount Review to ensure accurate claims. 	<ul style="list-style-type: none"> Housing Benefit and HRA budget issues resolved. Aligns with partner appetite for sharing 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

FTP – Detailed Savings plan

Service Area		Proposal	Impact on residents	Impact on council
Housing Committee				
Statutory Housing	£210	<ul style="list-style-type: none"> Business case not required for £150k more efficient deployment of Homelessness Grant + £60k of DFG funding for salaries 	<ul style="list-style-type: none"> Residents will benefit from a more traditional housing services structure meaning it will be easier to identify who they need to contact with regard to their enquiries. Increased use of Bed and Breakfast accommodation puts the offset of costs against government grant at risk. Work is currently being undertaken with all Surrey district and borough authorities, with a view to procuring a mechanism to reduce the need on temporary accommodation across the County. Residents to benefit from a consistent approach to aids and adaptations regardless of tenure as a result of the amalgamation of work undertaken by the Home Improvement Agency. 	<ul style="list-style-type: none"> Salary and corporate recharge apportionment work undertaken has led to an increase in HGF budgets. Offset of government grant at risk due to increasing use of B&B accommodation.
Housing landlord services (HRA)		<ul style="list-style-type: none"> Continue to develop Orchard housing management system inline with action plan and forward plan housing service IT provision in accordance with digital strategy Commence with new housing management structure from April 2023 Continue to keep under review salary and recharge apportionments between HRA and HGF Implement Resident Engagement Strategy from April 2023 	<ul style="list-style-type: none"> Increase resource in community surveying team due to outsourcing of council house adaptations work Streamlining of data held on Orchard system with better processing and automation New structure to bring about heightened accountability on staff and to ensure residents know who to contact 	<ul style="list-style-type: none"> New structure to bring about savings to the HRA plus better services to residents Engagement strategy to be introduced to ensure compliance and that tenants and leaseholders are able to shape current and future services Increased income to the HRA through apportionment work meaning greater investment in stock maintenance and development of affordable accommodation

FTP – Detailed Savings plan

Service Area	Saving £k	Proposals	Impact on residents	Impact on council
Community Services committee				
Regulatory Services	£26	<ul style="list-style-type: none"> Future change to the operating model in future will require committee approval. 	<ul style="list-style-type: none"> Minimal impact New licensing and payments portal will deliver improvements to users 	<ul style="list-style-type: none"> Looking to create a single standardised model with Mole Valley and productivity review
Community Partnerships (Budget historically held in Housing General Fund)	£50	<ul style="list-style-type: none"> Reduction in Westway funding already agreed, to be part of January Committee Cycle as part of budget 	<ul style="list-style-type: none"> The Council is working with the Westway in a number of ways to limit the impact to residents:- The Westway have now got a longer term strategic plan and are working on a new business plan. Signing of the lease is due this month. This will allow them to charge sub-tenants rent. Finance officers have been working with the Westway to agree ongoing costs. The Wellbeing prescription team will continue to work in partnership to deliver wellbeing programmes to help with (social isolation, support for carers and living independently). They will offer group and one to one work to local residents at the centre Continue to provide support for our Ukraine guests through our community support officer 	<ul style="list-style-type: none"> The New Asset team member will support with the lease arrangements and any ongoing developments with the buildings. TDC officers will continue to attend monthly Trustees meetings to assist with developing a longer term business plan and promote external funding sources (such as East Surrey Place - Healthy communities fund, Mental Health Investment fund). If the Centre was to close Surrey Social Care and other health partners would work together with officers to ensure services were delivered elsewhere in the area. Lease for 15 years due to be completed by end of January 2023.

FTP – Detailed Savings plan

Service Area	Saving £k	Proposal	Impact on residents	Impact on Council
Operations and Localities	£239	<ul style="list-style-type: none"> Under way now are: Staff restructuring Commercial review and procurement Service improvements, expenditure reviews and early-delivery of savings Detailed asset mapping and record cleansing Improving understanding of financial issues across the service 	<ul style="list-style-type: none"> Restructure of the service with clearly defined roles and responsibilities to enable delivery of services in the most efficient way for residents Reorganisation will reduce service silos and rationalise the current mixed delivery of internal/external services which creates disjointed outcomes Use of robust asset data will enable agreement of new contracts based on servicing the correctly assessed assets 	<ul style="list-style-type: none"> Clearly defined roles and accountability to promote ownership where delivering or managing internally Enhanced budget accountability with a stronger grip on the costs of the service Creating a service level framework will set service levels whether internal or external and allow measurement and monitoring of service to take place Delivering the service in most efficient way to improve value for money
		<ul style="list-style-type: none"> A March committee report will present the results of the review and market engagement for grounds maintenance and street cleansing, considering: <ul style="list-style-type: none"> Externally sourced Internal model Seek approval to proceed with recommended delivery model Review of grounds maintenance and recommendations on savings, such as frequency and configuration of grass cutting 	<ul style="list-style-type: none"> Longer term clarification on service delivered and performance levels that must be achieved Reconfiguration of service to ensure resources are effectively targeted Review and benchmarking against other councils will provide accurate view of accepted service levels and assist external providers to provide value for money 	
Waste	£50	<ul style="list-style-type: none"> Bring bank site removal 	<ul style="list-style-type: none"> The recycling infrastructure is sufficient to meet recycling requirements without the continued need for bring bank sites 	<ul style="list-style-type: none"> This will reduce the costs of collection and cleansing (provided through Operations).

FTP – Detailed Savings plan

Service Area	Saving £k	Proposals	Impact on residents	Impact on council
Waste	£23	<ul style="list-style-type: none"> Increase garden waste charges - The proposed increase of 13.5% will generate income in excess of the £23k savings target, however it is proposed that performance be kept under review before reducing the committee's net budget further 	<ul style="list-style-type: none"> Garden waste collection is not a statutory service, and therefore can be charged back to residents. Increasing the charge by an inflationary amount ensures that increased costs are borne by users of the service, rather than falling to wider council tax payers. A higher increase is proposed to compensate for under-indexation applied in 2022/23 (due to unexpectedly high inflationary increases in-year) 	<ul style="list-style-type: none"> Charges for this service are broadly in line with the average costs for other DCs within Surrey, and other comparators, and will be increased whilst keeping the rates below the upper rates charged by other DCs.
Corporate Savings				
Building Control	£70	<ul style="list-style-type: none"> £70k saving presented in SBCP board papers to be agreed with partners. A further KLOE to investigate alternate delivery models or productivity improvements is continuing. 	<ul style="list-style-type: none"> Improved IT delivery, using TDC Salesforce lighting system. Increase in cost of service with new fees raised from April 2023. Potential for reduced service levels due to vacancies being unfilled. 	<ul style="list-style-type: none"> TDC to pay revised lower charges as hosting council. The IT project will enable TDC IT Team to benefit from skills of SBCP IT role being shared which will bring resilience to the team.
Management restructure	£325	<ul style="list-style-type: none"> Review of senior management across the council in preparation for implementation of the new operating model and embedding of best practice commissioned services whether in-house or external 	<ul style="list-style-type: none"> Preparing the Council's management structure for the future delivery model, ensuring clear and cost effective accountability for services. 	
Corporate service support recharge	£142	<ul style="list-style-type: none"> Annual review of all recharges to and from the General Fund 		
Total saving	£1,654			

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Appendix D - Subjective Detailed Budget Analysis

Service	2022/23 Current Budget £k	2023/24 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2024/25 £k
		Pay £k	Non-Pay £k	Income £k			
Car Parking-On Street	(14)	0	0	0	0	14	0
Car Parking-Off Street	(18)	0	180	(140)	40	58	34
Hackney Carriage/Private Hire	(19)	0	69	(88)	(19)	0	(19)
Leisure & Community Grants	290	0	310	(20)	290	0	290
Waste Services	2,251	262	3,615	(1,290)	2,587	336	2,789
Environmental Services	261	0	426	(127)	299	38	301
Cesspool Services	(37)	74	148	(207)	15	52	15
Operations & Locality Services	1,337	909	1,314	(875)	1,348	11	1,430
Community Services	4,051	1,245	6,062	(2,747)	4,560	509	4,840
Meadowside Mobile Homes	(131)	17	44	(168)	(107)	24	(107)
Westway	50	0	0	0	0	(50)	0
Private Sector Enabling	121	50	215	(131)	134	13	134
Housing of the Homeless	114	422	201	(421)	202	88	206
Other Housing Renewal Functions	65	(0)	12	(3)	9	(56)	9
Syrian Refugees	15	0	15	0	15	0	15
Afghan Refugees	10	0	10	0	10	0	10
Redstone House	0	0	0	0	0	0	0
Housing Benefits	231	347	18,141	(18,110)	378	147	383
Care In The Community	1	0	1	0	1	0	1
Other Variances less than £10k	0	36	0	(36)	0	0	0
Alarm Systems	0	41	0	0	41	41	41
Housing General Fund	476	914	18,639	(18,869)	684	208	693

Service	2022/23 Current Budget £k	2023/24 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2024/25 £k
		Pay £k	Non-Pay £k	Income £k			
Policy Guidance	182	7	178	0	186	4	190
Enforcement	236	221	15	0	236	0	237
Planning Applications	659	1,347	85	(747)	684	25	699
Appeals	40	0	80	0	80	40	80
Tree Preservation & Advice	95	96	0	0	97	1	99
Community Infrastructure Levy	0	118	567	(685)	0	0	1
Land Charges	0	55	88	(121)	23	23	23
Street Naming & Numbering	(8)	0	0	(9)	(9)	(1)	(9)
Planning	1,204	1,845	1,013	(1,562)	1,297	93	1,320
Legal Services	465	516	24	(75)	464	(0)	472
Human Resources	408	205	169	(25)	349	(60)	351
Management Team	283	147	94	0	241	(42)	245
Information Technology	1,238	372	1,019	(4)	1,387	149	1,485
Democratic Services	555	208	352	0	561	6	573
Communications and Policy	443	329	63	0	392	(52)	394
Financial Services	1,062	839	179	0	1,018	(44)	1,023
Corporate Landlord	500	146	720	(339)	528	28	640
Revenues & Benefit Services	482	415	54	(108)	361	(121)	370
Customer Services	568	351	96	0	447	(121)	447
Emergency Planning & Community Safety	217	244	88	0	332	115	336
Wellbeing Prescription	0	403	115	(518)	0	0	0
Strategy & Resources	6,222	4,174	2,974	(1,068)	6,080	(141)	6,335

Service	2022/23 Current Budget £k	2023/24 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2024/25 £k
		Pay £k	Non-Pay £k	Income £k			
Interest Payable	1,163	0	1,163	0	1,163	0	1,163
Interest Receivable & Investment Inc	(1,495)	0	0	(1,495)	(1,495)	0	(1,495)
Property Income	(745)	0	0	(777)	(777)	(33)	(777)
Support Recharges & Bank Charges	(2,071)	0	0	(2,497)	(2,497)	(425)	(2,497)
Minimum Revenue Provision (MRP)	1,179	0	1,179	0	1,179	0	1,179
Pension - Actuarial top up, Added Ye	1,485	1,485	0	0	1,485	0	1,485
Write Offs and Bad Debt Provision	22	0	22	0	22	0	22
Cost of Collection	(270)	0	0	(270)	(270)	0	(270)
Contingency	117	0	445	0	445	327	445
Contributions to / (from) Reserves	15	0	0	0	0	(15)	0
Management structure saving	0	(170)	0	0	(170)	(170)	(170)
Pay award held for other committees	0	230	0	0	230	230	467
Indication of future years pressures	0	0	0	0	0	0	600
Corporate Items	(601)	1,545	2,809	(5,039)	(685)	(86)	151
Council Overall	11,352	8,023	28,692	(24,779)	11,935	584	13,340

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Appendix E – Proposed Capital Programme

Proposed Capital Programme	2022/23	2023/24	2024/25	2025/26	Total 2022-26
Housing HRA					
Structural Works	870,000	830,000	838,300	855,100	3,393,400
Modernisation & Improvements	732,000	511,000	516,100	526,500	2,285,600
Energy Efficiency Works	559,500	546,000	551,500	562,500	2,219,500
Service Renewals	712,500	695,000	702,000	716,000	2,825,500
Void Works	505,000	425,000	429,300	437,900	1,797,200
Health & Safety	225,000	180,000	181,800	185,500	772,300
Adaptations for the Disabled	365,000	250,000	252,500	257,600	1,125,100
Essential Structural Works	185,000	185,000	186,900	185,000	741,900
Communal Services	30,000	30,000	30,300	30,900	121,200
Council House Building	11,516,300	11,680,100	8,949,300	163,000	32,308,700
HRA IT Hardware/infrastructure Projects	255,800	65,500	93,000	25,200	439,500
TOTAL HRA	15,956,100	15,397,600	12,731,000	3,945,200	48,029,900
Housing GF					
Disabled Facilities Grant	460,000	502,800	503,700	504,600	1,971,100
Total- Housing GF	460,000	502,800	503,700	504,600	1,971,100
Community Services					
Children's Playground Improvements	425,700	174,500	131,800	134,400	866,400
Parks, Pavilions & Open Spaces	277,800	114,500	114,500	116,800	623,600
Grange Meadow access works	250,000	0	0	0	250,000
UK Shared Prosperity Fund(Delivery of Open Space	0	250,000	375,000	375,000	1,000,000
Vehicle Fleet Renewals	376,400	122,500	115,100	117,400	731,400
Car Park Equipment/Maintenance	34,900	35,000	35,100	35,800	140,800
Public Conveniences	250,000	150,000	150,000	153,000	703,000
Litter Bins	8,300	8,400	8,500	8,700	33,900
Roads&Paths at St.Mary's Church Cemetery	0	0	7,600	0	7,600
Land Drainage	10,000	10,000	10,000	10,200	40,200
Plant & Machinery Replacement Programme	8,000	10,000	0	10,000	28,000
Garden Waste Bins	37,600	25,000	25,000	25,500	113,100
Recycling, food waste and refuse bins	109,900	90,000	90,000	91,800	381,700
Playground Improvements (Match Funding Pot)	50,000	0	0	0	50,000
Total- Community Services	1,838,600	989,900	1,062,600	1,078,600	4,969,700
Resources					
Council Offices Minor Works Programme	50,000	25,000	25,000	25,000	125,000
IT - Hardware/infrastructure Projects	542,400	246,600	349,900	94,800	1,233,700
Quadrant House	2,628,100	400,000	0	0	3,028,100
Land / Asset Development	181,000	0	0	0	181,000
Croydon Road Regeneration	1,439,700	1,000,000	0	0	2,439,700
Quadrant House Solar Panels and Suite refurb	0	150,000	100,000	50,000	300,000
Total- Resources	4,841,200	1,821,600	474,900	169,800	7,307,500
Planning Policy					
Capital Contributions from CIL	2,146,300	500,000	740,500	0	3,386,800
Total-Planning Policy	2,146,300	500,000	740,500	0	3,386,800
TOTAL GENERAL FUND	9,286,100	3,814,300	2,781,700	1,753,000	17,635,100
Total Capital Programme	25,242,200	19,211,900	15,512,700	5,698,200	65,665,000

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Appendix F – Council Tax Requirement Statement

1. Within the S&R Committee Draft Budget on 1st December 2022, the Council Tax base for 2023/24 was approved. The tax base provided is scaled to the number of Band D equivalents. The total tax base for 2023/24 is 38,904.9 properties, an increase of 0.5% from 2022/23.
2. For dwellings in those parts of its area to which a Parish precept relates as shown below:

Table 1 – Tax Base by Parish

Parish	2023/24 Taxbase
Bletchingley	1,362.8
Burstow	1,977.0
Caterham Hill	5,197.0
Caterham Valley	3,845.0
Chaldon Village	976.1
Chelsham & Farleigh	406.4
Crowhurst	176.4
Dormansland	1,654.1
Felbridge	1,163.4
Godstone	2,530.3
Home	458.8
Limpsfield	2,056.0
Lingfield	1,963.4
Nutfield	1,255.4
Outwood	347.9
Oxted	5,158.7
Tandridge	334.9
Tatsfield	880.2
Titsey	39.6
Warlingham	4,017.8
Whyteleafe Village	1,899.1
Woldingham	1,204.6
Total for Parish	38,904.9

3. Each year, the Council must decide if its proposed Council Tax increase is excessive, a referendum must be held in relation to that amount. Whether the proposed increase is excessive must be decided in accordance with a set of principles determined by the Secretary of State (SoS), referred to as referendum principle.

4. In December 2022 the SoS for Levelling Up, Housing and Communities, The Rt Hon Michael Gove, set a core Council Tax referendum principle of up to 2.99% or £5 if greater for lower tier authorities.
- 5. Recommendation 10: That the total Council Tax Requirement be set at £9.3 million for 2023/24. This is based on a Council tax increase of 2.99% to cover core Council services**
- 6. Recommendation 11: That Tandridge District Council set the precept for Band D Council Tax at £237.88, which represents a 2.99% uplift. This is a rise of £0.13p a week from the 2022/23 precept of £230.98.**
7. The Council Tax precept is the Council Tax requirement divided by the tax base. The Council's own purpose Council Tax requirement (excluding parish precepts) is based on an overall increase of 2.99%.

Table 2: Council Tax Requirement

	£
Gross Expenditure	36,714,474.42
Other Income	(24,779,310.00)
Budgeted Revenue Expenditure	11,935,164.42
Business Rates Income	(2,369,014.52)
Other Government Grants	(415,682.79)
Council Tax Collection Fund Balance	104,230.50
Council Tax Requirement	9,254,697.61

8. The tax base is the number of Band D equivalent properties for precepting purposes. The tax base for 2023/24 is 38,904.9.
9. The tax base for 2023/24 shows an increase of 0.5% on the 2022/23 tax base.
10. The Band D Council Tax precept for 2023/24 is calculated as follows:

$$£9,254,697.61 \div 38,904.9 = £237.88$$
11. The proposed increase is not considered excessive in accordance with the set of principles determined by the SoS. Band D 2023/24 £237.88 – Band D 2022/23 £230.98 = £6.90. £6.90 ÷ £230.98 = 2.99% (referendum principle up to 2.99% (£237.88) or £5, if greater).
12. The proposals result in an overall increase of £6.90 per annum, £0.13 per week, for a Band D dwelling.
13. Details of the Aggregate Council Tax and all valuation bands and Aggregate Council Tax requirements by Parish will be added to this statement for Full Council when we receive the official precept figures for the Parish Councils, Surrey Police and Crime Commissioner and Surrey County Council.

Appendix F – Annex 1 – Council Tax Base 2023/24

[For info only - approved at S&R 1st December 2022 – included for completeness]

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.

Appendix G – Parish Council Tax Precepts [To follow for Full Council]

Details of the council tax requirement by Parish will be added to this appendix for Full Council when we receive the final official precept figures for the Parish Councils.

Note: For Full Council, there will be additional recommendations incorporating the Surrey County Council and Surrey Police and Crime Commissioner's precepts to meet with legislative requirement when approving the Council Tax for 2023/24. Given the timing of the Surrey's Full Council meeting being on 7th February, the precept information will be sent to Members on 8th February in advance of Tandridge's Full Council meeting on 9th February. Surrey's precept information is required before TDC's precept information can be finalised.

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Appendix H – Flexible Use of Capital Receipts

1. In the Spending Review 2015, the Chancellor of the Exchequer announced that to support Local Authorities in delivering more efficient and sustainable services, the Government will allow them to spend up to 100% of their capital receipts on the revenue costs of transformation projects.
2. Initially this flexibility on the use of capital receipts was limited to those received between 1 April 2016 and 31 March 2019. However, the 2018/19 Local Government Finance Settlement (LGFS) extended these flexibilities for a further three years to March 2022.
3. This flexibility was extended again on 4th April 2022 for use up to and including financial year 2024/25. The new flexibilities include a limitation that prevents receipts being used to cover discretionary element of redundancy costs; i.e. that anything beyond the statutory minimum must be covered by alternate means. The Council has a £75k reserve to cover any enhanced payments offered by the current redundancy policy, which has recently been made less generous. This reserve may require additional funding, potentially at 2022/23 outturn. An alternate would be to increase savings targets to cover the initial redundancy cost; the requirement for this will need to be kept under review.
4. To take advantage of this flexibility, Local Authorities are required to produce a strategy which discloses the individual projects that will be funded, or part funded, through flexible receipts; this must be approved by Council and must contain or reduce net revenue costs to the Council.
5. This Appendix represents the strategy, which is only required to state that the projects comply with the current conditions. The following projects are approved for 2022/23 and 2023/24, subject to further reports on detailed spending plans where previously agreed.

6. The phasing between the financial years may change subject to 2022/23 outturn.

Project	Indicative cost to be met from Capital Receipts		Expected benefits for the revenue budget
	2022/23 £000	2023/24 £000	
Planning Transformation Programme	75	0	One-off costs to deliver an efficient Planning Service, as set out above. This investment will allow the service to deliver efficiencies and/or increased income to offset the ongoing costs.
Tandridge Finance Transformation	80	0	Balance of one-off costs to cover Exchequer Transformation and a refreshed approach to fees and charges.
Project	Indicative cost to be met from Capital Receipts		Expected benefits for the revenue budget
	2022/23 £000	2023/24 £000	
Future Transformation Programme – The Council-wide Transformation Programme Design Phase and Bridge Funding	250	0	Proposals to fund future transformation to deliver a leaner and more sustainable organisation will require Capital Receipt financing. The resourcing implications have been reported to Strategy & Resources throughout the year, most recently at 29 th September 2022 S&R. The amount for 2023/24 is subject to further member approval for deployment. The programme is delivering £1.7m savings for 2023/24, on top of the £1.1m total savings plan for 2022/23.
Delivery Phase	250	250	
Statutory element of redundancy costs	TBC	TBC	
Total	655 + Redundancy	250 + Redundancy	
Overall Total		905 + Redundancy	

Appendix I – Projected Earmarked Reserves 2021/22 to 2024/25

The Council holds a number of Earmarked Reserves for various purposes, which are listed below:

General Fund essential Reserves for financial prudence:

- i) General Fund Balance:** A reserve to cover eventualities that are not otherwise mitigated by the specific reserves as set out, below. The intention is for this reserve to be grown over the MTFS period through unused contingencies and by application to DLUHC to use capital receipts to support the balance. It is intended to be used as a last resort.

General Fund Earmarked Reserves for specific uses

- ii) Budget Contingency:** Contributions from revenue put aside to cover in-year general unbudgeted pressures in services. Approved as a carry-forward in the 2021/22 outturn report.
- iii) Income Equalisation Reserve:** Set up to smooth rental income and investment interest income performance across financial years. This Reserve is being built up for use to cover any shortfall in the budget for reductions in rental income due to voids or reductions in the annual amount of investment income interest received.
- iv) Local Taxation Equalisation Reserve (previously Business Rates Equalisation Reserve):** Set up to level out Business Rates and Council tax performance (reflected in the Collection Fund) across financial years and allay the risk of erosion due to the impact of economic downturn and provide for investment in the local economy.
- v) Community Infrastructure Levy Administration Reserve:** To be spent on the administration of the levy.
- vi) Community Infrastructure Levy (CIL):** This Reserve holds the CIL funds received from developers and waiting to be spent. CIL is a charge which can be levied by local authorities on all new development in their area, including new homes, with the aim of supporting local infrastructure such as roads and transport, education, medical, sport and recreation facilities.
- vii) Section 31 (Covid-19) Grant Reserve –** Holding the balance of Covid-19 Section 31 grants to meet future collection fund account movements as the COVID-19 spreadable impact is unwound. This is a technical reserve provided to hold Government support for the impact of Covid-19 on business rates which is often received a year before the budgetary impact.
- viii) Local Plan Reserve -** Planning Reserve to support the delivery of the Local Plan and other general Planning related activities.

- ix) **Carry Forward Reserve** – An account to hold carry-forwards agreed at year-end which do not fall to General Contingency or other reserves.
- x) **Building Control Reserve:** Holds the Council’s share of accumulated surplus on fee-earning building control operations and will be used to offset expenditure in future years in accordance with statutory requirements.
- xi) **Wellbeing Prescription Reserve:** Holds the Council’s share of accumulated surplus on CCG funding and will be used to offset expenditure in future years in accordance with approvals to continue the agreement.
- xii) **New Burdens:** Government funding received to fund the cost of additional services such as Covid-19 or Cost of Living Support fund – held in reserve to mitigate changing impacts across financial years.
- xiii) **Care & Repair Reserve:** Funds put aside to cover future costs of the Care & Repair service.
- xiv) **Local Land Charges Reserve:** In line with the Lord Chancellor’s amendment to the Local Land Charges Act 1975 (command 7026) the Council sets its fees on a cost recovery basis (over a three-year cycle) with any surpluses held in an earmarked Reserve for this purpose.
- xv) **Neighbourhood Plan Reserve:** Funds put aside to help fund the cost of the Neighbourhood plan in future years.
- xvi) **Cyber Security Earmarked Reserve:** Temporarily holds the balance of external funding for Cyber Security.
- xvii) **Disabled Facility Grants (DFG) Reserve:** Holds the balance of ringfenced DFG grant that has been received in previous years but not yet spent.

General Fund Reserves to finance the Capital Programme

- xviii) **Capital Receipts Reserve:** Holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.
- xix) **Revenue Contributions to Capital Reserve:** General Fund Revenue contributions from previous years to be used to support the future capital programme.
- xx) **Capital Grants and Contributions Reserve:** This Reserve holds grants from Central Government which have been held in Reserve as expenditure in relation to the grant has yet to be incurred.
- xxi) **TCS Renewals Fund:** Funding for future vehicle replacements.

Housing Revenue Account Reserves

- xxii) HRA Working Balance:** To cover the day to day working balance requirements of the HRA.
- xxiii) HRA Major Repairs Reserve:** Established as a requirement of HRA legislation. This Reserve is used to fund capital expenditure on repairs and maintenance of the HRA housing stock.
- xxiv) HRA New Build Reserve:** Underspend from HRA revenue are held in this Reserve to help fund future expenditure on the Council House Building Programme.
- xxv) HRA Repairs Reserve:** Established to meet the cost of expenditure on major repairs and enhancement in the HRA. This Reserve is in addition to the Major Repairs Reserve and can be used to fund any unforeseen capital expenditure.
- xxvi) HRA Capital Receipts Reserve:** To hold capital receipts received from the sale of HRA land and buildings for the purpose of funding future capital expenditure.
- xxvii) Right To Buy New Provision Receipts:** To hold Right to Buy receipts that the Council has been permitted to retain provided they are spent on the provision of social housing, are spent within 5 years, and do not constitute more than 40% of the funding of the scheme being developed.

	Opening Balance 2021/22 £000	Transfers £000	Opening Balance 2022/23 £000	Transfers £000	Opening Balance 2023/24 £000	Transfers £000	Closing Balance 2023/24 £000
General Fund							
General Fund Balance	2,771	16	2,787	0	2,787	0	2,787
Sub Total - General Fund Balance	2,771	16	2,787	0	2,787	0	2,787
General Fund Earmarked Reserves for Specific Uses							
Prior-Years Budget Contingency	0	317	317	(317)	0	0	0
Income Equalisation Reserve	400	0	400	(185)	215	0	215
Local Taxation Equalisation Reserve	255	0	255	0	255	0	255
Community Infrastructure Admin	642	(71)	571	0	571	0	571
Community Infrastructure Levy	5,576	124	5,700	0	5,700	0	5,700
Section 31 (Covid-19) Grant Reserve	5,980	(2,350)	3,630	(3,630)	(0)	0	(0)
Local Plan Reserve	682	121	803	0	803	0	803
Carry Forward Reserve	52	83	135	(50)	85	(85)	0
Building Control Reserve	56	61	117	0	117	0	117
Wellbeing Prescription Reserve	0	150	150	0	150	(150)	0
New Burdens Reserve	27	342	369	(369)	0	0	0
Care & Repair Reserve	14	0	14	0	14	0	14
Local Land Charges Reserve	39	(16)	23	0	23	0	23
Neighbourhood Plan Reserve	26	0	26	0	26	0	26
Cyber Security Earmarked Reserve	0	72	72	(72)	0	0	0
Disabled Facility Grants Reserve	686	77	763	0	763	0	763
Sub Total - Specific Reserves	14,435	(1,091)	13,344	(4,623)	8,722	(235)	8,487
General Fund Reserves to Finance the Capital Programme							
Capital Receipts Reserve	1,337	(259)	1,078	(435)	643	70	713
Revenue Contributions to Capital	68	(5)	63	0	63	0	63
Capital Grants & Contributions	201	2,226	2,427	(2,427)	0	0	0
TCS Renewals Fund	29	(29)	(0)	0	(0)	0	(0)
Sub Total - General Fund Capital	1,635	1,932	3,567	(2,862)	706	70	776
Sub Total - General Fund	18,841	858	19,699	(7,485)	12,214	(165)	12,049
Housing Revenue Account Reserves							
HRA Working Balance	750	0	750	0	750	0	750
HRA Major Repairs Reserve	2,045	(2,045)	0	0	0	0	0
HRA New Build Reserve	2,831	(792)	2,039	(2,039)	(0)	0	(0)
HRA Repairs Reserve	1,141	432	1,573	256	1,829	300	2,129
HRA Capital Receipts Reserve	0	0	0	0	0	0	0
Right To Buy New Provision Receipts	2,044	(1,405)	639	(639)	0	0	0
Sub Total - HRA	8,811	(3,809)	5,002	(2,422)	2,580	300	2,880
Grand Total (GF & HRA)	27,652	(2,951)	24,701	(9,907)	14,794	135	14,929

Appendix J – Proposed Budget Accountability Statement

Dear Budget Holder

2023/24 Budget Accountability Statement

Net Revenue 2023/24 Budget: £x

Capital 2023/24 Budget: £x

Whilst we have collectively made progress in stabilising the financial position of the Council and increasing financial resilience over the last two years, financial management arrangements continue to be crucial in ensuring we deliver a balanced revenue budget and, consequently, our priorities as a Council. As an officer responsible for budgets, you are key to successfully building and maintaining financial resilience, working alongside the Finance Service in accordance with our Finance Business Partnering Agreement.

Working together, we aim to achieve:

- A culture of accountability where managers and members take money seriously, and balance this against their other responsibilities and objectives;
- A strong grip on the Council's finances, drawing on high quality financial information (aligned with activity and performance information);
- Strong strategic and operational decision-making, based on sound and credible financial analysis and insight;
- The best use of financial resources in meeting organisational objectives and outcomes;
- Self-reliance among budget managers making use of effective tools, guidance and systems; and
- Strong relationships underpinned by mutually understood roles, constructive challenge and collaborative problem-solving.

The immediate focus is on the delivery of the 2023/24 budget and associated savings, however we need continue to ensure we live within constrained available funding over the medium-term.

The Council is undertaking the Future Tandridge Programme to deliver organisational change and robust services within a fixed budget envelope. It will be everyone's responsibility to engage with the programme (particularly Extended Management Team and budget holders) to ensure we successfully maintain financial resilience and effective delivery of services.

I am sending this Budget Accountability Statement (BAS) to you as a budget holder.

As budget holder and a senior officer of Tandridge District Council, you have overall accountability for a revenue budget or group of revenue budgets. You are ultimately accountable for ensuring effective planning and management of your budgets to deliver your service priorities and outcomes within the agreed budget envelope, whilst reporting any variations and working to rectify them as soon as possible.

You may also have overall responsibility for a capital budget or group of capital budgets and are ultimately accountable for ensuring effective planning and management of your budgets to deliver against the capital budget.

Specifically, your role is to:

- Deliver your service or capital projects within the agreed budget envelope, unless express agreement has been reached with the Chief Finance Officer (and Members where necessary) that a budget variance is required;
- Monitor income and expenditure against the budget on a monthly basis and take corrective action where necessary to keep spending within available resources;
- Develop plans to deliver savings, monitor their progress and adapt plans to maximise achievement of savings;
- Explore and continue to maximise commercial opportunities;
- Regularly check that income and expenditure are posted to the correct budgets;
- Forecast income and expenditure for the full year; and
- Highlight any significant variances and forecast variances as early as possible so mitigating and alternative actions can be developed and implemented.

Your Finance Business Partner and the Finance team will work closely with you to support and enable you to effectively manage your budget.

If you have any questions, please speak to your Finance Business Partner or the Chief Finance Officer, Mark Hak-Sanders at mhaksanders@tandridge.gov.uk

Please reply to this email as soon as possible to confirm your agreement of the accountabilities and the budget envelope set out in this statement.

Appendix K – FTP Risk Register

		Future Tandrige Programme (FTP)			Original scores			Mitigated scores						
Risk ID	Phase	Topic	There is a risk that.....	Imp	Likelihood	Risk	Mitigation Approach	Imp	Likelihood	Risk	Mitigating actions	Risk progress update	Owner	Owning group
FTP_R010	Phase 1 & 2	Scope Management	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 agreed scope at committee.	4	2	8	Any proposed changes such as Team restructures are raised as Change requests by Heads of Service and reviewed by the TOMDG.	No recent proposed changes have been shared, however Team restructures are being addressed as part of the staff restructures which is in progress now and are being looked as a whole to ensure alignment to the programme scope and benefits, such as forecasted savings.	David Ford	EMT
FTP_R002	Phase 1 & 2	Governance	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.	4	2	8	Early engagement with Leader & S&R Chair / Vice Chair to hear feedback and answer questions in preparation for committee meetings.	MRG meetings where updates are provided are held fortnightly and members have early sight of committee paperwork and business cases and provide input to the forward direction of business cases and the target operating model.	David Ford	EMT
FTP_R003	Phase 1 & 2	Communications	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.	Discussions are in progress between FTP and Communications team to agree a way forward on delivering the right communications at the right time to the right audience based on the programme roadmap and areas of interest for staff and councillors.	David Ford	EMT
FTP_R014	Phase 1 & 2	Savings	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.	All identified savings have delivery dates agreed with heads of service. The EMT delivery group are meeting fortnightly to work together to ensure savings are delivered as planned. Savings are RAG rated, so Red and Amber items are called out in the EMT delivery meeting and resolutions agreed. Where it is not possible to resolve, replanning would be carried out and the impact of this measured and addressed in the fortnightly programme benefits delivery board.	Mark Hak-Sanders	Programme Benefits delivery Board

Future Tandridge Programme (FTP)				Original scores			Mitigated scores							
Risk ID	Phase	Topic	There is a risk that.....	Imp	Likeli	Risk	Mitigation Approach	Imp	Likeli	Risk	Mitigating actions	Risk progress update	Own	Owing group
FTP_R017	Phase 2	Resources	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.	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.	The response to the roles advertised before Christmas has been very low, therefore an agency has also been engaged and discussions are in progress with partners to understand whether there are potential candidates. Those areas that require focus, such as restructure savings across all services, have had a dedicated project manager allocated from the programme to ensure the work progresses as planned.	Mark Hak-Sanders	Programme Benefits delivery Board
FTP_R018	Phase 2	Resources	Inability to recruit 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	3	3	9	Potentially diverting resources in the short term and accessing external expertise from existing SME network	The response to the roles advertised before Christmas was low, an agency is engaged to understand whether there are potential candidates available. Conversations are underway with a Commissioning best practice group to help shape the approach and framework and will continue with EMT.	Mark Hak-Sanders	Programme Benefits delivery Board
FTP_R015	Phase 2	Resources	Recruitment of the role 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	In the Interim, a Digital expert is 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.	The response to the roles advertised before Christmas has been low, an agency has also been engaged and TDC are talking to partners to understand whether there are potential candidates available. An interim digital SME is providing support to the Digital team to help with the business case which is due to be presented to the March committee cycle.	Mark Hak-Sanders	Programme Benefits delivery Board
FTP_R016	Phase 2	Resources	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	Service review updates and milestones have been populated by Heads of Service/Stream leads. Planning meetings are being held with heads of service to ensure information is captured consistently to enable dependencies/slippages to be trackable.	Timelines are being tightly managed and if there were to be a capacity issue, in one of the services, with the risk of delay to the savings, this would be flagged very quickly by the head of service to ensure that other options are explored.	Mark Hak-Sanders	Programme Benefits delivery Board

Appendix L – Glossary

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.

Term	Definition
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	Known budgeted expenditure reductions and income increases which result due to the following: <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 Optimising sources of income.
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.

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Pay Policy Statement 2023/24

Strategy & Resources Committee Tuesday, 31 January 2023

Report of: Chief Executive

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

The draft Pay Policy Statement provides the framework for decision making on pay and in particular, senior pay. Preparing and publishing this statement is a requirement under the Localism Act 2011.

The Council is required to publish an annual statement which is to be ratified by Full Council. Pay Policy Statements must be published by 31 March each year to apply to pay decisions during the next financial year.

The information is set out under headings which have been prescribed by the Localism Act 2011 and relates to the 2023/24 financial year unless otherwise stated.

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

Contact officer Mel Thompson Head of Transformation and Business Support
mthompson@tandridge.gov.uk –

Recommendation to Committee:

That the Committee notes the annual Pay Policy Statement for 2023/24, attached at Appendix A, and recommends this to Full Council for adoption from 1st April 2023.

Introduction and background

1. The requirement for local authorities to produce Pay Policy Statements was introduced under the section 38(1) of the Localism Act 2011 ('the Act'). This stated that "A relevant authority must prepare a pay policy statement for the financial year 2012-2013 and each subsequent financial year".
2. The Council (TDC) is required to publish an annual statement which has been considered and approved by Full Council. The information is set out under headings which have been prescribed by the Localism Act and relates to the 2023/24 financial year unless otherwise stated.
3. The Council has opted out of the terms and conditions of employment operated by the National Joint Council (NJC) for Local Government Services and has local terms and conditions of employment.
4. The local pay scales cover all employees of the Council, including, from financial year 2023/24, Chief Officers as follows:
 - Head of Paid Service (Chief Executive Officer)
 - Statutory Officer, Monitoring Officer (Head of Legal Services)
 - Statutory Officer, Section 151 Officer (Chief Finance Officer)
 - Non-Statutory Officer, reporting to Head of Paid Service (Deputy Chief Executive)
5. As required by law, the Council auto-enrols all eligible employees into a pension scheme - the Local Government Pension Scheme (LGPS).
6. Relative to most other parts of the country, the district is expensive to move to and live in.
7. Competition for some specialist posts remains high nationally with our neighbouring local authorities competing for the same skills and experience
8. The proposed Pay Policy Statement at Appendix has been updated as follow (shown in tracked changes within the appendix):
 - Para 3.2.1 removal of references to posts deleted from financial year 23/24
 - Para 3.3.1 – updated salary for TC2 grade
 - Para 4 – amended from Chief Officers to employees – to include all staff
 - Para 4.4 – deletion of reference to 'Cashplan scheme' – this no longer exists

Para 5.3 – amended from ‘satisfactory’ performance to ‘performance in the role’

Para 6 – amended from Chief Officers to employees – to include all staff

Para 6.2 – deletion of ‘satisfactory’ inclusion of ‘and achievement of objectives’

Para 6.3 – inserted ‘substantial’

Para 8.3 – amended to mirror the content of the redundancy policy

Para 8.4 – inclusion of the right to change by Full Council

Para 10.1 – updated salary for TC2 grade

Para 11.1 – deletion of ‘healthcare scheme’ – this no longer exists

Para 11.2 – deletion of ‘childcare vouchers’ – no longer offered to new employees

9. To meet the requirements of the Localism Act 2011, the Council must agree and publish a Pay Policy Statement before each financial year. This report sets out why the Council’s Statement is set out in the way it is and contains the information it does. However, it may be necessary to amend this Pay Policy Statement at a later date to reflect any decisions made by this Committee and in particular, to reflect any budget savings made by Members.
10. It is proposed that any revised Pay Policy Statement for 2023/24, incorporating any changes, be presented to the Committee at its next meeting.

Key implications

Comments of the Chief Finance Officer

The 2023/24 proposed budget for the Council has been built on the basis of robust costing for pay items, consistent with the contents of this report. The budget includes an allocation for a pay award for 2023/24 and further discussions will take place on how this is to be distributed.

The report updates the policy to reflect changes to pay and other elements of the reward package which have taken place since the equivalent statement for 2022/23.

Comments of the Head of Legal Services

Section 38 of the Localism Act (2011) requires Local Authorities to produce a Pay Policy Statement by 31st March on an annual basis. Regard continues to be given to any guidance from the Secretary of State in producing this statement and the Local Government Transparency Code (2015).

This report and the accompanying Pay Policy Statement, once approved and adopted ensures that the Council complies with these requirements.

Equality

The proposed pay policy statement would comply with sections 38 to 43 of the Localism Act 2011 which requires such statements to identify:

- the remuneration of the Council's chief officers relative to that of its lowest paid employees; and
- the Council's policies relating to the remuneration of its chief officers.

The Act also requires annual pay policy statements to be ratified by full Council prior to 31st March of each preceding year.

Climate change

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

Appendices

Appendix A – Tandridge District Council – Pay Policy Statement 2023/24 (amendments from the current Statement shown in tracked changes)

Background papers

None

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

APPENDIX A

TANDRIDGE DISTRICT COUNCIL - PAY POLICY STATEMENT

~~2022/23~~2023/24
(as at 27.05.22)

1. Introduction

Under Section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘Statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013, and guidance issued under the Local Government Transparency Code 2015

~~Section 38(1) of the Localism Act 2011 requires local authorities to produce an annual pay policy statement.~~

~~This Pay Policy Statement provides the framework for decision making on pay and, in particular, senior pay. Preparing and publishing this statement is a requirement under the Localism Act 2011.~~

~~Tandridge District Council (TDC) is required to publish an annual statement which has been approved by full Council.~~

Once approved by Full Council, this policy statement will come into effect on the 1st April 2023 superseding the 2022/22 Statement and will continue to be reviewed on an annual basis. The information is set out under headings which have been prescribed by the Localism Act and relates to the ~~2022/23~~23/24 financial year unless otherwise stated.

2. Background

- The Council is opted out of the terms and conditions of employment operated by the National Joint Council (NJC) for Local Government Services and has local terms and conditions of employment.
- The local pay scales cover all employees of the Council (including Chief Officers).
- As required by law, the Council auto-enrolls all eligible employees into a pension scheme - the Local Government Pension Scheme (LGPS).
- Relative to most other parts of the country, the district is expensive to move to and live in.
- Competition for some specialist posts remains high nationally with our neighbouring Local Authorities competing for the same skills and experience.

3. Definitions

For this Policy the following definitions will apply:

3.1 Pay

The term 'Pay' in addition to salary includes overtime, fees, allowances, benefits in kind, increases in or enhancements to pension entitlements, merit payments, retention payments, redundancy payments, honorariums and termination payments.

3.2 Chief Officer

- 3.2.1 For financial year 2023/24, the Council's Chief Officers are the Head of Paid Service (the Chief Executive), the Monitoring Officer, the Section 151 Officer (Chief Finance Officer) – all whom are the statutory chief officers – and one other non-statutory Officer, the Deputy Chief Executive.

~~The Council's Chief Officers are the Head of Paid Service (the Chief Executive), the Monitoring Officer, the Section 151 Officer (Chief Finance Officer) – all of whom are the statutory chief officers – and three other non-statutory officers: Executive Head of Communities; Chief Planning Officer and Executive Head of Corporate Resources~~

3.3 Lowest paid employees

- 3.3.1 The lowest paid staff employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Councils grading structure (TC2) which is set at the National Living Wage. With effect from January 1, 202~~2~~³ this was £~~18,410~~^{19,100} per annum (£9.~~90~~⁵⁴ per hour).
- 3.2.2 The Council also employs apprentices and trainees who are not included within the definition of lowest paid employees as they are employed under the terms and conditions and pay rates applicable to the relevant career grade scheme. All salaries of these employees are set at or above the National Minimum Wage.

4 Level and elements of remuneration for Chief Officers employees

- 4.1 All staff are employed on a ~~TDC~~^{the Council's standard} contract of employment and therefore subject to PAYE. All staff are on local conditions and the pay and reward structure applies to all. The Council has a salary and grading structure (pay scales) for all staff which includes the grades and salaries applicable to Chief Officers. The grade allocated to a post is determined by the duties, level of responsibility and competencies required as outlined in the job description and person specification. The authority has a Grading-grading_Scheme-scheme which is used to evaluate the grade of posts.

- 4.2 In addition to basic pay all officers-staff receive the following benefits:

- ~~If the officer is a member of the LGPS, the agreed employer's contribution (currently 17.1% of gross salary plus any other pensionable pay).~~
- All ~~other~~ employees are entitled to claim a casual mileage allowance when travelling on council business.
- ~~Access to a Cashplan scheme. Employees pay tax on this benefit.~~
- Access to an Employee Assistance Programme (EAP).

- Payment of an annual subscription to one professional institution where this has a clear benefit or is a requisite for the job. In some cases, if role specific, a maximum of two professional subscriptions may be reimbursed, at the discretion of the ~~Head of Corporate Resources~~. [Head of Service](#).

5 Remuneration of Chief Officers on recruitment

- 5.1 ~~TDC~~ [The Council's](#) commitment is to pay appropriately to attract and retain competent and experienced senior staff to lead the organisation.
- 5.2 ~~TDC~~ [The Council's](#) policy is to appoint at the bottom of the salary scale, or near the bottom taking into account the relevant skills and experience of the person appointed.
- 5.3 Progression through the grade, [is](#) subject to ~~satisfactory performance~~ [performance in the role and](#), is on an annual basis each April until the top of grade is reached.
- 5.4 As outlined in the Council's Constitution, Chief Officers (definition in 2.2 above refers) are appointed by the Chief Officer Sub-Committee (COSC), following recommendations from the Chief Executive, which then reports its decision to [Full](#) Council.
- 5.5 Appointments to the post of Chief Executive are made by Full Council following recommendations made by the COSC.

6 Increases and additions to remuneration for ~~Chief Officers~~ [employees](#)

- 6.1 Cost of living pay increases, for all staff, are considered annually and determined through negotiation with Staff Conference, the forum with which Management negotiates and consults with on terms and conditions of employment and other staff related matters.
- 6.2 The Council operates a pay scheme whereby Chief Officers and staff can be awarded a single increment on the salary scale each April. This is dependent on [satisfactory performance and achievement of objectives](#), throughout the year as assessed by the line manager. Once an employee reaches the top of their salary scale there is no opportunity to move into the next grade.
- 6.3 Other salary increases can only be given as a result of [substantial changes](#) in duties and/or responsibilities and any other circumstances which are formally submitted by the Line Manager to the 151 Officer and ~~Executive Head of Corporate Resources~~ [Head of Transformation & Business Support](#) for consideration. These will only be approved in line with the organisational pay policy.
- 6.4 Incremental and cost of living increases are normally paid with effect from the 1st April each year.

7 The use of performance related pay for Chief Officers

Increases in pay for Chief Officers are subject to the process described in paragraph 5 above except that the Chief Executive's performance is assessed by the Leader, Deputy Leader and Chair of the Strategy and Resources Committee.

8 The approach to the payment of Chief Officers on their ceasing to hold office or to be employed by the authority

- 8.1 ~~TDC~~ The Council's Management of Organisational Change Policy sets out a consistent method of calculating redundancy pay which is applied to all redundant employees. The current level of enhanced redundancy pay for employees who are made redundant and are eligible to draw their LGPS pension, is calculated using the statutory system with a multiplier of 1.5 and no cap on weekly earnings. Redundant employees not eligible to draw their pension or not in the pension scheme will benefit from a multiplier of 1.5 and no cap on weekly pay. Staff employed after 1 December 2022 will receive a multiplier of 1 irrespective of whether they are able to access the LGPS pension.

The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment and may be reviewed and adjusted at any time.

- 8.2 Discretionary payments made to officers on **senior management grades** (SM1 and above) in addition to which they are contractually entitled must be authorised by the Chief Officer Sub-Committee.

- 8.3 The Council's Management of Organisational Change and Retirement Policies set out how we will calculate any payments made to support early retirement in the efficiency of the service. Where it is proposed to grant early retirement with no actuarial reduction in the pension payable in respect of a person on a **senior management grade**, this must be authorised by the Chief Officer Sub-Committee. Staff on all other grades must be authorised by the Chief Executive.

- 8.4 Full Council reserves the right to change all discretionary elements.

9 The publication of and access to information relating to remuneration of Chief Officers

~~TDC~~ The Council's annual pay policy statement and the pay scales for all staff are published on the Council's website where it can be easily accessed. Information about Chief Officer remuneration has been published since 2008/09 as part of the Final Statement of Accounts.

10 Pay multiple (ratio) between bottom and top staff

- 10.1 ~~TDC~~ The Council defines the lowest paid employees as those that are on the second grade (TC2) of the pay scales. The lowest salary being paid to members of staff on the TC2 grade as at January 2023~~2~~ was ~~£48,410~~£19,100.
- 10.2 The Chief Executive's salary grade is SM4 on the Tandridge pay scales.
- 10.3 The Council pays all employees including Chief Officers, from the same incremental pay scale structure.
- 10.4 Details of the remuneration paid to all members of the Council Leadership Management Team can be found in the Council's annual statement of accounts.

11 Components of Employee reward package

- 11.1 Our total reward package for all employees (including Chief Officers) includes pay, Local Government Pension Scheme employer contribution, enhanced holiday entitlement (in excess

of statutory requirements), enhanced sick pay (in excess of statutory requirements), ~~basic-level healthcare scheme~~, eye test vouchers and agile/flexible working benefits.

- 11.2 All employees can take advantage of several salary sacrifice schemes including ~~Childcare Vouchers and~~ the Cycle to Work scheme, and benefit from discounts on shopping, entertainment, and holidays through the employee benefits [schemesportal](#).

12 Election fees

These are paid separately for additional duties and responsibilities. All expenditure properly incurred by a Returning Officer in running elections is to be paid by the Council in accordance with the Surrey Fees and Charges Order which is agreed annually. Any expenses paid must not exceed this scale. Elections payments for local elections are the sole responsibility of the Returning Officer and not the Council. The role of the Returning Officer is separate from his/her duties as a local government officer and is directly accountable to the courts as an independent statutory office holder. Fees properly incurred are reimbursed at national elections from central government. The Chief Executive currently acts as Returning Officer for parliamentary elections for the East Surrey constituency and Returning Officer for local elections.

13 Policy on employing someone who has left the Council's employment.

- 13.1 Employees who leave the Council voluntarily without a severance payment are free to apply for jobs that are advertised at their discretion.
- 13.2 Employees who leave the Council with a redundancy payment and no enhancement and subsequently apply and are successful for a position within the Council must repay any redundancy payment, if the appointment is within a month of their termination date.
- 13.3 If the appointment start date is longer than a month the employee can return to work in the position offered but in accordance with the Redundancy Modification Orders, will lose their contractual rights to have their continuous service recognised for all purposes.
- 13.4 Employees who leave the Council with an enhanced severance package will not normally be re-employed or engaged under a contract for services for a period of two years.

14 Policy on employing someone who is also drawing a pension

- 14.1 In line with our Retirement Policy we will consider requests from staff who wish to draw their pension but continue working in a reduced capacity. We would expect to see a reduction in salary through either reduced hours or responsibility which would generate at least £10,000 a year in savings.
- 14.2 Employees who leave the Council on ill-health retirement with the possibility of a return to work under the Local Government Pension Scheme Regulations or who are granted early retirement will be considered on a case by case basis depending upon the circumstances and having due regard to their termination package. The final decision on these cases will be made by the Chief Executive.

15 Policy on lowest paid

- 15.1 With effect from 1st April 2015, a commitment was made by Members that all staff, excluding

apprentices and trainees, would be paid the UK National Living Wage and are therefore paid at or above the bottom point of the TC2 grade. All apprentices and trainees are paid at least the rate for 18-20-year olds under the National Minimum wage rates.

- 15.2 All jobs are evaluated against the Council's Grading Scheme Criteria to ensure that post holders are fairly paid for the duties they carry out.

16 Gender Pay Gap data

GPG data is published on the council website and refreshed on an annual basis to reflect the position as at the 31st March each year.

17 Equal Pay

The Authority carries out an Equal Pay Audit from time to time which also helps to ensure that our pay and rewards for staff are fair and meet legislative and best practice requirements.

18 Equality and Diversity

- 18.1 The council is committed to ensuring that no-one is discriminated against, disadvantaged, or given preference, particularly based on protected characteristics as defined in the Equality Act 2010.
- 18.2 This policy will be applied equally to all employees.

Timetable of Meetings for 2023/24

Strategy & Resources Committee Tuesday, 31 January 2023

Report of: Head of Legal Services & Monitoring Officer

Purpose: For recommendation

Publication status: Open

Wards affected: All

Executive summary:

The purpose of this report is to enable the Committee to recommend a timetable of Committee and Council meetings for the 2023/24 municipal year. The proposed timetable reflects the 2022/23 timetable. The report also explains the key purpose of certain meetings.

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
Vince Sharp, Democratic and Electoral Services Officer,
vsharp@tandridge.gov.uk

Recommendation to Committee:

That, notwithstanding the scope for additional meetings to be convened in consultation with relevant committee chairs, the 2023/24 timetable of meetings, attached at appendix A, be recommended to Full Council for adoption.

Reason for recommendation:

The Authority needs to have the dates of its Council and Committee meetings in place for the next municipal year. The rationale for the suggested meeting dates is explained within the report.

Introduction and background

- 1 The proposed timetable at appendix A has been prepared in light of the following assumptions and conventions:
 - a) the 2022/23 timetable of meetings allowed for the discharge of Committee and Council decisions at appropriate times
 - b) the current committee structure will be retained for 2023/24
 - c) monthly Planning Committees are scheduled, where possible, with a maximum gap of 6 weeks between meetings to avoid the potential for non-determination of applications
 - d) the Investment Sub-Committee will continue to meet on Friday mornings
 - e) August is to be kept free of meetings
 - f) no Policy Committees have been scheduled to meet in the week before Full Council so that the 'Council Book' can be published with the relevant committee minutes included. However, some Planning and Audit & Scrutiny dates fall in 'pre-Council' weeks and, in such cases, the minutes of the relevant meetings will be circulated as a supplement to the Council Book in advance of the imminent Council meeting or stand deferred until the next Council meeting
 - g) as far as practicable, the principle of having only one policy or planning committee in a week, held on a Thursday, has been applied.
- 2 It has not been possible to apply principle 'g' above, on the following occasions:
 - a. The first Planning Policy Committee meeting (20 June 2023) will be on a Tuesday, two days before Housing Committee. This is because the appointment of committees and election of Chairs won't take place until Annual Council on 25 May. The first available 'Thursday slot' following that is 8 June. Planning Committees have been prioritised for 8 June and 6 July in line with convention 'c' above. There are not enough Thursdays in between to accommodate all four Policy Committees.
 - b. The September meeting of the Planning Policy Committee will be on Tuesday 19 September. Housing Committee will meet on Thursday 21 September. There are not enough Thursdays following the August break (convention 'e') and the October Full Council meeting.

- c. Given the expectation that Full Council will set the 2024/25 budget on 8 February 2024 following engagement with policy committees:
 - i. The Community Services and Planning Policy Committees are proposed to meet in the same week (16 January 2024 and 18 January 2024 respectively)
 - ii. The Housing and Strategy & Resources Committees are proposed to meet on the subsequent Tuesdays (23 January 2024 and 30 January 2024) to allow sufficient time for a report to be prepared for 8 February 2024 Full Council.

Consultation

- 3 Consultation on the proposed timetable was undertaken with the Council's Management Team and the four Political Group Leaders prior to consideration by the committee.
- 4 As a result of the consultation, Planning Policy Committees are proposed to meet on Thursdays throughout the year to ensure attendance by senior Officers.

Key implications

Comments of the Chief Finance Officer

For Finance there are two separate processes: Statutory Accounts reporting and Budget Setting and Monitoring.

Statutory Accounts – Audit & Scrutiny Committee approves the Council's annual statements of accounts. Due to delays in the external audit process, the timetable for this is uncertain, however the proposed schedule of A&S meetings provides adequate scope to present the accounts.

Budget Setting and Monitoring – The planned budget setting process would enable officers to engage with Members on the draft Medium Term Financial Strategy. The Autumn Statement and the Member engagement feedback would be incorporated into the draft budget presented in November. The Provisional Settlement information and further refinement on the committee budgets would be presented to policy committees in January 2024. The consolidated final budget report with the Council Tax Precept and balanced revenue budget to Strategy & Resources will be supported by the S151 Officer section 25 Local Government Act 2003 report on the robustness of the estimates and adequacy of reserve. The budget monitoring reporting is currently circulated informally to Members through Group Leaders. Quarterly financial reports are presented to each Policy committee.

This process and proposed committee timetable meets the two key statutory deadlines:

- Approving the Council Tax – tax base deadline is 31st January. This is achieved by taking the tax base as part of the draft budget in November.

- Approving the Council Tax precept – issuing the council tax bills deadline is 1st March. To meet this deadline, the Revenues and Benefits team require the whole precept (Surrey County Council, Surrey Police, Tandridge Parishes and Tandridge’s) to be approved at least 10 working days before. This is achieved by having Council on the 8th February.

Therefore, the proposed committee timetable fits the finance processes.

Comments of the Head of Legal Services

There are no direct legal implications associated with this report. The determination of the calendar of Council and Committee Meetings for the ensuing municipal year will need to be approved by Full Council.

Equality

There are no significant equality implications associated with this report.

Climate change

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

Appendices

Appendix A – Proposed timetable of meetings for 2023/24

Background papers

None.

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

PROPOSED TIMETABLE OF MEETINGS FOR 2023/24 (meetings start at 7.30pm unless otherwise indicated)

MAY 2023	JUNE 2023	JULY 2023	AUGUST 2023	SEPT 2023	OCT 2023	NOV 2023	DEC 2023
1Mon BH	1Thurs	1Sat	1Tues	1Fri	1Sun	1Weds	1Fri
2Tues	2Fri	2Sun	2Weds	2Sat	2Mon	2Thurs P	2Sat
3Weds	3Sat	3Mon	3Thurs	3Sun	3Tues	3Fri ISC 10am³	3Sun
4Thurs Elections	4Sun	4Tues	4Fri	4Mon	4Weds	4Sat	4Mon
5Fri	5Mon	5Weds	5Sat	5Tues	5Thurs P	5Sun	5Tues
6Sat	6Tues	6Thurs P	6Sun	6Weds	6Fri	6Mon	6Weds
7Sun	7Weds	7Fri	7Mon	7Thurs P	7Sat	7Tues	7Thurs P
8Mon BH	8Thurs P	8Sat	8Tues	8Fri	8Sun	8Weds	8Fri
9Tues	9Fri	9Sun	9Weds	9Sat	9Mon	9Thurs CS	9Sat
10Weds	10Sat	10Mon	10Thurs	10Sun	10Tues	10Fri	10Sun
11Thurs	11Sun	11Tues	11Fri	11Mon	11Weds	11Sat	11Mon
12Fri	12Mon	12Weds JCC 5pm	12Sat	12Tues S	12Thurs	12Sun	12Tues
13Sat	13Tues	13Thurs	13Sun	13Weds	13Fri	13Mon	13Weds
14Sun	14Weds	14Fri	14Mon	14Thurs CS	14Sat	14Tues	14Thurs C
15Mon	15Thurs CS	15 Sat	15Tues	15Fri	15Sun	15Weds	15Fri
16Tues	16Fri ISC 10am¹	16Sun	16Weds	16Sat	16Mon	16Thurs PP	16Sat
17Weds	17Sat	17Mon	17Thurs	17Sun	17Tues	17Fri	17Sun
18Thurs	18Sun	18Tues	18Fri	18Mon	18Weds	18Sat	18Mon
19Fri	19Mon	19Weds	19Sat	19Tues H	19Thurs C	19Sun	19Tues
20Sat	20Tues H	20Thurs C	20Sun	20Weds	20Fri	20Mon	20Weds
21Sun	21Weds	21Fri	21Mon	21Thurs PP	21Sat	21Tues	21Thurs
22Mon	22Thurs PP	22Sat	22Tues	22Fri	22Sun	22Weds JCC 5pm	22Fri
23Tues	23Fri	23Sun	23Weds	23Sat	23Mon	23Thurs H	23Sat
24Weds	24 Sat	24Mon	24Thurs	24 Sun	24Tues	24Fri	24 Sun
25Thurs AC	25Sun	25Tues	25Fri	25Mon	25Weds	25Sat	25Mon BH
26Fri	26Mon	26Weds	26Sat	26Tues A&S¹⁰	26Thurs	26Sun	26Tues BH
27Sat	27Tues A&S	27Thurs P	27Sun	27Weds	27Fri	27Mon	27Weds
28Sun	28Weds	28Fri	28Mon BH	28Thurs S&R	28Sat	28Tues A&S	28Thurs
29Mon BH	29Thurs S&R²	29 Sat	29Tues	29Fri	29Sun	29Weds	29Fri
30Tues	30Fri	30Sun	30Weds	30Sat	30Mon	30Thurs S&R⁴	30Sat
31 Weds		31Mon	31Thurs		31Tues		31Sun

JAN 2024	FEB 2024	MAR 2024	APR 2024	MAY 2024
1 Mon BH	1 Thurs P	1 Fri	1 Mon BH	1 Weds
2 Tues	2 Fri	2 Sat	2 Tues	2 Thurs Elections
3 Weds	3 Sat	3 Sun	3 Weds	3 Fri
4 Thurs	4 Sun	4 Mon	4 Thurs	4 Sat
5 Fri	5 Mon	5 Tues	5 Fri	5 Sun
6 Sat	6 Tues A&S¹⁰	6 Weds	6 Sat	6 Mon BH
7 Sun	7 Weds	7 Thurs P	7 Sun	7 Tues
8 Mon	8 Thurs C⁹	8 Fri	8 Mon	8 Weds
9 Tues	9 Fri	9 Sat	9 Tues	9 Thurs
10 Weds	10 Sat	10 Sun	10 Weds	10 Fri
11 Thurs P	11 Sun	11 Mon	11 Thurs A&S¹⁰	11 Sat
12 Fri	12 Mon	12 Tues	12 Fri	12 Sun
13 Sat	13 Tues	13 Weds JCC 5pm	13 Sat	13 Mon
14 Sun	14 Weds	14 Thurs CS⁸	14 Sun	14 Tues
15 Mon	15 Thurs	15 Fri	15 Mon	15 Weds
16 Tues CS⁵	16 Fri	16 Sat	16 Tues P	16 Thurs
17 Weds	17 Sat	17 Sun	17 Weds	17 Fri
18 Thurs PP⁵	18 Sun	18 Mon	18 Thurs C	18 Sat
19 Fri ISC⁶	19 Mon	19 Tues H	19 Fri	19 Sun
20 Sat	20 Tues S	20 Weds	20 Sat	20 Mon
21 Sun	21 Weds	21 Thurs PP	21 Sun	21 Tues
22 Mon	22 Thurs	22 Fri	22 Mon	22 Weds
23 Tues H⁵⁺	23 Fri	23 Sat	23 Tues	23 Thurs AC
24 Weds	24 Sat	24 Sun	24 Weds	24 Fri
25 Thurs	25 Sun	25 Mon	25 Thurs	25 Sat
26 Fri	26 Mon	26 Tues S&R	26 Fri	26 Sun
27 Sat	27 Tues	27 Weds	27 Sat	27 Mon BH
28 Sun	28 Weds	28 Thurs	28 Sun	28 Tues
29 Mon	29 Thurs	29 Fri BH	29 Mon	29 Weds
30 Tues S&R⁷		30 Sat	30 Tues	30 Thurs
31 Weds		31 Sun		31 Fri

KEY TO CODING

AC	Annual Council
A&S	Audit & Scrutiny Committee
BH	Bank Holiday
C	Council
CS	Community Services Committee
H	Housing Committee
ISC	Investment Sub-Committee
JCC	Joint Consultative Committee
P	Planning Committee
PP	Planning Policy Committee
S	Standards Committee
S&R	Strategy & Resources Committee

School holidays

1 = 22/23 treasury investment outturn

2 = 22/23 budget outturn

3 = mid-year treasury investment review

4 = draft Council budget for 24/25

5 = 24/25 budget setting meetings

5+ = including housing rents

6 = capital & investment strategy

7 = to agree the S&R budget envelope and recommend Council Tax & council wide budget for 24/25

8 = community safety review

9 = to set the Council Tax & budget for 24/25

10 = provisional if required

Outside body appointments - Gatwick and High Weald AONB

Strategy & Resources Committee Tuesday, 31 January 2023

Report of: Head of Legal Services & Monitoring Officer

Purpose: For recommendation to Full Council

Publication status: Open

Executive summary:

The Committee is asked to make recommendations to Full Council regarding outside body appointments for positions previously held by former Councillor Liz Lockwood.

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

Contact officer Vince Sharp - Democratic and Electoral Services Officer
vsharp@tandridge.gov.uk

Recommendation:

It be recommended to Council that the following appointments be made for the remainder of the current municipal year to fill the vacancies arising from the resignation of former Councillor Liz Lockwood:

Outside Body	Councillor
Gatwick Airport Consultative Committee	Mick Gillman Sub: Nicholas White
Gatwick – Noise & Track Monitoring Advisory Group (NaTMAG)	Mick Gillman
Gatwick Airport Noise Management Board (EXECUTIVE)	Mick Gillman
Gatwick Airport Noise Management Board (Community Forum)	Mick Gillman
High Weald Area of Outstanding Natural Beauty	Charlotte Swann

Reason for recommendation:

To ensure that the Council continues to be represented on the bodies concerned for the remainder of the current municipal year.

Introduction and background

- 1 Member appointments to outside bodies are dealt with at the Annual Council meeting for the municipal year ahead. At its annual meeting on the 26th May 2022, the Council made appointments to over 50 outside bodies, including:

Outside Body	Councillor
Gatwick Airport Consultative Committee	Liz Lockwood Sub: Mick Gillman
Gatwick – Noise & Track Monitoring Advisory Group	Liz Lockwood
Gatwick Airport Noise Management Board (EXECUTIVE)	
Gatwick Airport Noise Management Board (Community Forum)	
High Weald Area of Outstanding Natural Beauty	

- 2 Following (former) Councillor Liz Lockwood's resignation from the Council on the 17th January 2023, the Committee is invited to consider replacement appointments to above outside bodies for the remainder of the current municipal year. The Administration would like:
- Councillor Gillman to become the principal representative on the Gatwick Airport Consultative Committee, with Councillor Nicholas White as his substitute
 - Councillor Gillman to represent the Council on the other three Gatwick bodies
 - Councillor Swann to represent the Council on the High Weald AONB
- 3 The Council's scheme of delegation (Part E of the constitution) requires such appointments to be ratified by Full Council.

Key implications

Comments of the Chief Finance Officer

There are no financial implications arising from the report.

Comments of the Head of Legal Services

There are no specific legal implications arising from the report, but it is important for individual Councillors appointed to outside bodies to be clear about the nature of the appointment, including whether they have a decision-making role or not. Different duties and responsibilities will apply depending on the individual Councillor's role on the outside body.

Each Councillor, once appointed to the outside body, will need to update their Member's Register of Interests to include the Council appointment. Councillors should also be alert to the possibility of conflicts of interest and take advice from the Council's Monitoring Officer should this appear to be the case.

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

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