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To: MEMBERS OF THE STRATEGY & RESOURCES COMMITTEE  
Councillors Langton (Chair), Crane (Vice-Chair), Black, Bloore, Botten, Cooper, Damesick, Gray, Hammond, Alun Jones, Pursehouse and Sayer

for any enquiries, please contact:  
[customerservices@tandridge.gov.uk](mailto:customerservices@tandridge.gov.uk)  
01883 722000

Substitute Councillors: Allen, Groves, Anna Jones and Colin White

C.C. All Other Members of the Council

21 June 2023

Dear Sir/Madam

## **STRATEGY & RESOURCES COMMITTEE THURSDAY, 29TH JUNE, 2023 AT 7.30 PM**

The agenda for this meeting of the Committee to be held in the Council Chamber - Council Offices is set out below. If a member of the Committee is unable to attend the meeting, please notify officers accordingly.

Should members require clarification about any item of business, they are urged to contact officers before the meeting. In this respect, reports contain authors' names and contact details.

If a Member of the Council, not being a member of the Committee, proposes to attend the meeting, please let the officers know by no later than noon on the day of the meeting.

Yours faithfully,

David Ford  
**Chief Executive**

### **AGENDA**

- 1. Apologies for absence (if any)**
- 2. Declarations of interest**

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter:

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

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

- 3. Minutes of the meeting held on the 30th March 2023** (Pages 3 - 10)  
To confirm as a correct record
- 4. Minutes of the meeting held on the 25th May 2023** (Pages 11 - 12)  
To confirm as a correct record

5. **To deal with any questions submitted under Standing Order 30**
6. **Investment Sub-Committee - 16th June 2023** (Pages 13 - 22)  
To receive the minutes of this meeting and to consider the recommendation in item 3 regarding the treatment of surplus investment income
7. **2022/23 Financial Outturn** (Pages 23 - 56)
8. **Future Tandridge Programme update and 2024/25 Budget Setting Process** (Pages 57 - 118)
9. **Rent Subsidy Applications - Hurst Green Community Centre & Furze Corner Playing Field, Tatsfield** (Pages 119 - 204)
10. **Improving Tandridge District Council's Financial Management and Reporting Arrangements** (Pages 205 - 246)
11. **Update on Procurement and Contract Standing Orders** (Pages 247 - 258)
12. **Strategy & Resources Committee - Terms of Reference** (Pages 259 - 264)
13. **Any urgent business**  
To consider any other item(s) which, in the opinion of the Chair, should be considered as a matter of urgency – Local Government Act 1972, Section 100B(4)(b).

## 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 30<sup>th</sup> March 2023 at 7:30pm.

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

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

**ALSO PRESENT (Virtually):** Councillor Moore

**APOLOGIES FOR ABSENCE:** Councillor Gillman

#### **278. MINUTES OF THE MEETING HELD ON THE 31<sup>ST</sup> JANUARY 2023**

These minutes were confirmed and signed as a correct record.

#### **279. REGULATION OF INVESTIGATORY POWERS ACT REPORT**

The Regulation of Investigatory Powers Act 2000 (RIPA) defined how Councils could lawfully deploy surveillance measures as part of their investigations. A report was submitted with proposed amendments to the Council's RIPA policy and officer guidance, including:

- new designations of 'authorising officers'
- website links to Home Office codes of practice
- additional guidance regarding online covert activity
- clarification regarding the duration of authorisations for directed surveillance and the use of juveniles as Covert Human Intelligence Sources (CHIS)

The report also referred to RIPA training delivered by specialist external providers since 2020. In that respect, the Chair commented that such training should be as succinct as possible, focusing on the key issues.

Arising from the debate, it was confirmed that the Council had not exercised surveillance activities under RIPA powers to date. However, in the event of any such activities being pursued in the future, it was agreed that the Leader of the Council should be informed of the circumstances, with provisions to that effect being added to the policy and officer guidance.

Officers also clarified that the use of drones to conduct surveillance would fall under the provisions of the Civil Aviation Act and there was currently no Council policy to cover this. It was acknowledged that drone operators had to be licensed with the Civil Aviation Authority and that the Council would need to undertake due diligence to ensure that any operators acting on its behalf possessed the necessary credentials

Finally, the Committee considered that its decision should be 'to approve' the policy and guidance, as opposed to just noting them.

<b>ACTION:</b>		
<b>Action</b>	<b>Responsible Person</b>	<b>Deadline</b>
RIPA policy and officer guidance to be further amended by the addition of provisions requiring the Leader to be notified of any surveillance activities being undertaken by the Council	Lidia Harrison	14.04.23

**RESOLVED** – that:

- A. the content of the report be noted; and
- B. subject to the addition of provisions requiring the Leader to be notified of any surveillance activities being undertaken by the Council, the updated RIPA policy and officer guidance be approved.

## **280. QUARTER 3 2022/23 BUDGET MONITORING**

An analysis of forecast expenditure against the Council's overall revenue budget of £11,351k, as at the end of December 2022 (Month 9) was presented. A £394k overspend was forecast, split between the four policy committees as follows:

Community Services: £294k overspend  
Housing (General Fund): £8k underspend  
Planning Policy: £126k overspend  
Strategy & Resources: £12k underspend  
corporate items: £22k underspend

This represented a £53k improvement from Quarter 2. Given the availability of contingencies of £484k, a balanced outturn and a contribution to reserves was expected.

In response to matters raised during the debate, Officers advised that:

- although the Development Management team largely comprises permanent, in-house staff, all Planning Policy Officers are currently interims
- a new performance monitoring regime was about to be introduced whereby Members would receive regular reports about performance against KPIs to enable them to monitor the delivery of services under the remit of their committees
- the financial viability of continuing to offer a cesspool emptying service was being assessed
- future reports would refer to the occupancy and any further investment need in Quadrant House (Croydon Road, Caterham)



In response to Members' requests, Officers agreed to:

- supplement future budget monitoring reports with information about the level of vacancy factor
- provide a breakdown of the different sources of parking income shortfalls (e.g. in terms of off-street and on-street)

<b>ACTIONS:</b>		
<b>Action</b>	<b>Responsible Person</b>	<b>Deadline</b>
Include vacancy factor in subsequent budget monitoring reports.	Mark Hak-Sanders	For the June 2023 committee cycle
A breakdown of the different sources of parking income shortfalls be sent to Committee members.	Mark Hak-Sanders	14.04.23

**RESOLVED** – that the revenue and capital budget positions as at Quarter 3 / M9 (December) 2022 be noted.

## 281. FUTURE TANDRIDGE PROGRAMME

The Chief Executive gave an update on the wider Programme, namely:

- the process for enabling the Council to adopt a new Corporate Plan (to replace the current Strategic Plan in the summer of 2024) which would align with annual budget setting and underpin the approach to commissioning and service planning
- organisational development initiatives, including the Leadership Development Programme, establishment of a Key Officer Forum and the return of staff appraisals from 2023/24
- preparations for commissioning services, including liaison with the Local Government Association and other Local Authorities; the need to review workforce skills requirements and to address gaps; and plans for a Members' workshop in June 2023.

It was confirmed that Basingstoke & Deane Borough Council had been identified as having pursued a similar commissioning model and could assist in sharing its experiences with TDC.

The Chief Finance Officer summarised progress against the £1.7m savings target for 2023/24, including the fact that work to deliver £0.63m had been completed. Of the remaining £1.1m, £0.96 had an amber risk-rating with work in progress to transfer the balance to green. He confirmed the need to release the remaining £250k resource investment from capital receipts to ensure the delivery of the programme (Appendix D to the report refers – the first £250k tranche had been agreed by the Committee in September 2022). Members made suggestions for revising FTP analysis in future committee reports.

The Chief Finance Officer also presented proposals for a shared approach to delivering Revenues & Benefit services with Reigate and Banstead Borough Council. This followed an external review of future service delivery options (jointly funded by the two authorities) and aspired to culminate in a joint Centre of Excellence. It was confirmed that RBBC's Members supported the initiative and that the Committee's endorsement of the direction of travel was now requested, pending the submission of a detailed business case to its September 2023 meeting. In response to the debate, the Chief Finance Officer confirmed that monitoring service standards for Tandridge residents remained a priority and would be tracked via the KPI regime and performance monitoring. Such monitoring would need to be incorporated within the legal agreement underpinning any future joint service with RBBC. The debate concluded with Members supporting the direction of travel with a view to it providing much needed resilience for the service and an example of the type of joint working being sought to supplement the emerging commissioning model.

The Head of Transformation and Business Support presented a business case for modernising the way in which residents etc can contact the Council through the introduction of customer accounts, a 'chatbot' facility and other improvements. This section of the FTP report included an analysis of existing communication channels by service; the key future requirements of TDC's customer facing services and associated funding proposals, timelines and risks. The business case identified the need to define a customer contact strategy and favoured the further development of the Council's current case management platform (Salesforce). The strategy would be developed following engagement with Members and other stakeholders and would include measures for identifying and prioritising the most vulnerable residents (e.g. by making 'telephony' and 'face to face' channels more accessible for them via a greater take up of digital alternatives by others). It was confirmed that a Digital Lead officer had been appointed to deliver this transformation project. In response to Members' questions, Officers confirmed that:

- the issue of whether the new customer contact modes would 'go live' for all services simultaneously, or phased in on a service-by-service basis, would be informed by the implementation partner
- innovative customer contact methods deployed by other Councils had been identified for good practice purposes and could be tested from a user perspective
- the 'go-live' date would be after the May 2024 District Elections, probably in July of that year, and the project plan sought to ensure that the Council would have sufficient in-house staffing resources and expertise for the effective delivery and on-going development of the new customer contact strategy.

It was also suggested that Members should be involved in User Acceptance Testing.

<b>ACTIONS:</b>			
		Responsible Person	Deadline
1.	<p>Future FTP analysis for S&amp;R to:</p> <ul style="list-style-type: none"> <li>• cross reference previous relevant decisions made by other committees regarding their services (to enable Members to reconcile such decisions within the Council-wide FTP updates)</li> <li>• include a top-level milestone plan to enable Members to track overall progress at future S&amp;R committee meetings, including the transition of savings targets from 'amber' to 'green'</li> <li>• monitor the spending of the resource investment from capital receipts for delivering the FTP against the forecast at Appendix D to the 30.03.23 S&amp;R report</li> </ul>	Mark Hak-Sanders	29.06.23 S&R Committee
2.	The business case and draft legal agreement for sharing a Revenues & Benefits service with Reigate & Banstead Borough Council (to be submitted to the Committee's September meeting) to include contingency arrangements should either Council wish to terminate the joint working initiative.	Mark Hak-Sanders	28.09.23 S&R Committee

**RESOLVED** – that:

**in respect of the wider Future Tandridge Programme:**

- A. 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;
- B. the progress being made on the Corporate Plan; Organisational Development and Commissioning; and the proposed next steps be noted;
- C. the remaining £250,000 resource investment from capital receipts required for the Future Tandridge Programme (set out in section 6 and Appendix D to the report) to continue the delivery phase of the programme and the delivery of the £1.7m savings forecast for 2023/24 be approved.

**in respect of Revenues and Benefits:**

- D. the development of shared services for Revenues and Benefits with Reigate and Banstead Borough Council, as set out in Appendix B to the report, noting the intention to create a Centre of Excellence across the two Councils, be noted;
- E. it be noted that a full business case, setting out the detailed proposals, will be brought to the Committee for future approval;

**in respect of Digital Customer Contact:**

- F. it be noted that the business case is built around the evidenced principle that savings generated will at least cover the cost of improvement;

- G. subject to the recommendation below regarding the necessary addition to the capital programme, the 'digital investment' (set out in Appendix C to the report) be approved, with total costs over 5 years set out in the 'Implementation Options and Costs' section and the revenue costs of £35,950 in 2023/24 to be met from Future Tandridge Programme resources set out in section 6 of the report and resolution C above;
- H. it be noted that timing differences between initial costs and subsequent savings from 2024/25 onwards will be built into the wider Council's budget process.

**COUNCIL DECISION**  
(subject to ratification by Council)

**RECOMMENDED** – that the sum of £295k to be added to the Capital Programme (£221,250 in 2023/24 and £73,750 in 2024/25) to cover the capital element of the digital investment.

## 282. IT LAPTOP REPLACEMENT

The Committee considered a proposed plan for replacing staff laptops. This reflected the fact that the current laptops would reach the end of their vendor support dates throughout 2023/24. Although the budget had already been approved, Members had requested a more detailed justification for the replacement programme.

Information was therefore provided regarding the age profile of the devices (all would be over 5 years old by the end of 2023/24); the declining reliability of the current stock; the increasing demands of cloud-based applications upon laptops; the need for the Council to upgrade to Windows 11 and the advantage of combining this with a new laptop roll-out. The IT team would identify three potential replacement models followed by a procurement exercise in accordance with Contract Standing Orders. It was also intended to employ a temporary member of staff for up to five weeks to facilitate the new laptop roll-out.

In response to Members' questions, it was confirmed that:

- Microsoft would retire its Windows 10 operating system in October 2025 (not June 2024 as stated within the report)
- the new laptops could be used to make telephone calls
- the introduction of a dedicated on-line IT support service for Members was being considered.

The total estimated cost of the laptop replacement project was £209,500, based on 230 devices with 5-year extended warranties and the above-mentioned temporary staffing appointment. It was agreed that this cost figure should be incorporated within the resolution.

**RESOLVED** – that the replacement of the endpoint hardware during 2023/24, at a cost of £209,500, be approved as follows:

- replace 90% of laptops currently in circulation
- upgrade RAM specification from 8GB to 16GB to support increased usage of Software as a Service (SaaS) applications
- roll out Windows 11 with the device replacement
- purchase extended warranty to cover the devices for 5 years
- use of a temporary resource for asset tagging and device build.

## **283. DEBT IMPROVEMENT PLAN AND SUMMARY OF DEBT WRITE-OFFS**

The Committee considered a report which updated Members on progress towards improving the Council's approach to debt management, together with a summary of write-offs during 2022/23. The report advised that:

- despite repeated attempts, it had not been possible to recruit a suitable temporary staffing resource to progress Phase 1 of the Debt Improvement Plan, and the possibility of utilising the associated £50k provision (agreed at the Committee's 30th June 2022 meeting) for alternative debt management measures now being pursued
- joint working was underway with Surrey County Council and neighbouring Districts / Boroughs to establish measures to improve collection rates for business rates and council tax
- various improvements to debt collection processes had been introduced across the exchequer, finance, legal and corporate debt teams, with further improvement initiatives planned for 2023/24.

The work undertaken during 2022/23 had identified the accumulation of historic debt on the balance sheet. To prevent recurrence, Officers intended to submit annual reports to the Committee towards the end of each financial year to allow scrutiny of the write-offs and to ensure that unrecoverable debts are not allowed to persist on the balance sheet. Although the value of debt written off in 2022/23 was significant, the majority was not General Fund related, and a bad debt provision mitigated any detrimental impact on the revenue budget.

**RESOLVED** – that the Committee notes:

- A. the positive steps being taken and improvements made in the recovery of outstanding debt;
- B. the write offs individually less than £10,000 of £238k, the majority of which relate to debts over 5 years old, with some in excess of 15 years old; and
- C. that two write offs over £10,000, totalling a further £33k, require committee approval (Minute 284 refers).

## 284. HOUSING BENEFIT DEBTS - PROPOSED WRITE-OFFS

The press and public were excluded from this item in accordance with Section 100A (4) of the Local Government Act 1972 (as amended) on the grounds that:

- i) the item involves 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 outweighs the public interest in disclosing the information.

**RESOLVED** – that a write-off for the two debts detailed in Appendix A to the report, amounting to £33,562.06 in the Council's 2022/2023 accounts, be approved.

Rising 9.54 pm

## 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 25<sup>th</sup> May 2023 at 9.13pm.

**PRESENT:** Councillors Black, Bloore, Botten, Cooper, Crane, Damesick, Gray, Alun Jones, Langton, Pursehouse and Sayer

**APOLOGIES FOR ABSENCE:** Councillor Hammond

#### 1. ELECTION OF CHAIR FOR 2023/24

**RESOLVED** – that Councillor Langton be elected Chair of the Committee for the 2023/24 municipal year.

#### 2. ELECTION OF VICE-CHAIR FOR 2023/24

**RESOLVED** – that Councillor Crane be elected Vice-Chair of the Committee for the 2023/24 municipal year.

#### 3. APPOINTMENTS OF THE CHIEF OFFICER AND INVESTMENT SUB-COMMITTEES

**RESOLVED** – that:

A. the Chief Officer Sub-Committee be appointed as follows:

**Residents' Alliance**  
Councillors Chris Farr and Sayer

**Liberal Democrats**  
Councillor Gray

**Conservatives**  
Councillor Bloore

B. the Investment Sub-Committee be appointed as follows:

**Residents' Alliance**  
Councillors Booth, Chris Farr and Langton (substitute: Councillor Crane)

**Liberal Democrats**  
Councillors Botten and Alun Jones (substitute: Councillor Anna Jones)

**Conservatives**  
Councillors Cooper and Hammond (substitute: Councillor O'Driscoll)

Rising 9.14 pm

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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 16<sup>th</sup> June 2023 at 10.00 am.

**PRESENT:** Councillors Booth, Botten, Cooper, Chris Farr, Hammond, Alun Jones and Langton

#### **1. ELECTION OF CHAIR FOR THE REMAINDER OF 2023/24**

Councillor Langton was elected Chair of the Sub-Committee for the remainder of the 2023/24 municipal year.

#### **2. MINUTES OF THE MEETING HELD ON THE 20<sup>TH</sup> JANUARY 2023**

These minutes were approved and signed as a correct record.

#### **3. SUMMARY INVESTMENT AND BORROWING POSITION AT 31<sup>ST</sup> MARCH 2023**

A report with the investment analysis at Appendices A to C was presented. This confirmed that, at 31<sup>st</sup> March 2023:

- (i) total long term treasury investments (over 12 months) amounted to £10.8 million
- (ii) short term investments (less than 12 months) amounted to £6 million
- (iii) the Council also had £16.7 million in non-treasury investments, comprising capital loans to specific service providers and limited companies
- (iv) the total amount of Public Works Loan Board (PWLB) loans at 31st March 2023 was £99.4 million, comprising £43.4 million General Fund loans and £56 million Housing Revenue Account loans (the HRA PWLB balance had reduced by £2.9m since the previous quarter due to the repayment of a PWLB loan that the Council had not yet needed to refinance)
- (v) investment income for 2022/23 totalled £1,495,700, which had exceeded the budgeted income amount by £447,335.

As explained 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 the Council's long-term investments in the following four funds:

- CCLA Property Fund
- Schroders Credit/Bond Fund
- UBS Multi Asset Fund
- CCLA Diversification Fund

The report confirmed that the current capital value of the investments was £1.3 million less than the original £12 million. Therefore, without the statutory override, the General Fund would have had to absorb the £1.3 million as an additional budget pressure. To mitigate against such a risk emerging in 2025/26 (should the override be not further extended) the transfer of the £447,335 surplus income (referred to in (v) above) to an Investment Performance Equalisation Reserve was recommended. This was on the basis that surpluses held in the reserve could be released to the General Fund should confidence in market value of the investment holdings recover. The Chief Finance Officer relayed advice from the Council's consultants, Arlingclose Limited, on the prospects of a full or partial recovery of values by 2026.

During the debate, the rationale for continuing to invest in the four funds was challenged, given that such a portfolio, selected for income generation, would be compromised by having to partly offset returns should IFRS 9 apply. While it would be premature to disinvest at the present time, it was acknowledged that alternative investment options based on 'total returns' may need to be considered for the future.

**RESOLVED** – that following be noted:

- A. the Council's investment and borrowing position at 31st March 2023, as set out in Appendices A and B;
- B. the Council's actual performance against the indicators set within the Treasury Management Strategy for 2022/23, as set out in Appendix C; and
- C. the update on ongoing work to review options following the extension of the IFRS 9 statutory override.

**COMMITTEE DECISION**

*(subject to ratification by the Strategy & Resources Committee)*

**RECOMMENDED** – that the surplus investment income of £447k, as set out in Appendix A, be added to an Investment Performance Equalisation Reserve to offset risks to the market value of assets, and therefore not be reflected in the Council's overall General Fund outturn position.

#### **4. 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 sites concerned were:

**TDC properties:**

**Quadrant House, Caterham Valley**

It was confirmed that a final account figure for the refurbishment scheme had been agreed with contractors. The Chair reflected that those commissioned to advise the Council throughout the project were partly responsible for the overspend.

Details of recent lettings were provided and the progress of discussions with other potential tenants were discussed. It was acknowledged that the building's appeal would be greatly enhanced once the redevelopment of the adjacent site in Croydon Road had been completed.

#### **Village Health Club, Caterham on the Hill**

The Council's approach to managing Freedom Leisure's tenancy was discussed in light of the rent review in February 2023 and Freedom's subsequent request for financial assistance.

#### **Council Offices, Oxted**

Members were advised about two recent lettings. Officers were assessing the scope for further lettings, although a lack of car parking space was a limiting factor.

#### **Gryllus properties:**

##### **80-84 Station Road East, Oxted**

The current lease would expire on the 17<sup>th</sup> September 2023. Details of renewal terms being negotiated with the existing tenant's representatives were discussed.

##### **30-32 Week Street, Maidstone**

The agreed terms of a new letting were presented, together with details of a dilapidations claim being negotiated with the previous tenant. The potential implications of the reduced rental income for both Gryllus and the Council were highlighted.

##### **Castlefield House, Reigate**

The intentions of the existing tenant were noted. Following a question regarding potential, alternative uses of the site, the Principal Asset Manager undertook to clarify the limitations of current permitted development rights.

Rising 11.14 am

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Investment	Original Value - Long Term Treasury Investments £	Net Asset Value 31/03/22 £	Net Asset Value 31/03/23 £	Yield Rate Note 1 %	Actual Return 2022/23 £	Previous Year Actual £
<b>Treasury Investments (Non-specified)- Long Term (over 12 mths)</b>						
CCLA Property Fund	4,000,000	4,888,056	4,082,278	4.26	173,997	158,867
Schroders Bond Fund	3,000,000	2,775,151	2,550,204	5.84	149,038	128,455
UBS Multi Asset Fund	3,000,000	2,639,592	2,208,433	6.60	145,657	120,654
CCLA Diversification Fund	2,000,000	2,046,513	1,864,707	3.02	56,357	48,871
Funding Circle		391,191	142,398	-	20,249	87,136
<b>Sub Total Non-specified (Treasury Investments)</b>	<b>12,000,000</b>	<b>12,740,503</b>	<b>10,848,020</b>		<b>545,299</b>	<b>543,983</b>
<b>Treasury Investments (Specified)-Short Term (less than 12 mths)</b>						
Liquidity Plus Funds		1,995,487	1,994,226	1.88	37,475	3,826
Money Market Funds		13,260,000	4,000,000	0.05	394,562	7,775
<b>Total Specified Investments</b>		<b>15,255,487</b>	<b>5,994,226</b>		<b>432,037</b>	<b>11,601</b>
<b>Total Treasury Investments</b>		<b>27,995,989</b>	<b>16,842,246</b>		<b>977,336</b>	<b>555,584</b>
<b>Non-Treasury Investments (Non-Specified)- Long Term (over 12 mths)</b>						
Gryllus Property Company Loan - Maidstone		2,394,000	2,394,000	5.81	139,023	139,023
Freedom Leisure- Loan (TLP)		674,857	387,429	5.50	31,963	42,631
Freedom Leisure- Loan (de Stafford)		496,571	248,286	7.58	28,230	37,600
Gryllus Property Company Loan - 80-84 Station Rd East		1,012,500	1,012,500	5.43	54,979	54,979
Gryllus Property Company Loan - Castlefield		11,664,000	11,664,000	6.10	711,504	711,504
Gryllus Property Company Share Capital Note 2		5,251,500	994,100	-	-	-
<b>Sub Total Non-Treasury Investments</b>		<b>21,493,429</b>	<b>16,700,314</b>		<b>965,699</b>	<b>985,737</b>
<b>Total Investments (Treasury &amp; Non-Treasury)</b>		<b>49,489,418</b>	<b>33,542,560</b>		<b>1,943,035</b>	<b>1,541,321</b>
<b>Total Investment Income Budget 2022/23</b>					1,495,700	1,515,700
<b>Over/(under) budget</b>					<b>447,335</b>	<b>25,621</b>

<b>Borrowing</b>	<b>Balance as at 31/03/23</b>	<b>Interest</b>	<b>Actual Cost 2022/23</b>	<b>Previous Year Cost</b>
	<b>£</b>	<b>%</b>	<b>£</b>	<b>£</b>
<b>General Fund Borrowing</b>				
Gryllus Loan	3,420,000	2.46	84,132	84,132
Freedom Leisure Loan	2,225,000	2.45	54,513	54,513
Village Health Club	938,678	2.38	22,341	22,341
Linden House	4,175,000	2.69	112,308	112,308
Linden House	254,000	2.42	6,147	6,147
Quadrant House	15,340,000	2.41	369,694	369,694
Quadrant House	800,000	2.28	18,240	18,240
Gryllus - 80-84 Station Road	724,400	2.28	16,516	16,516
Gryllus - Castlefield	15,549,000	2.91	452,476	452,476
<b>Sub Total General Fund Borrowing</b>	<b>43,426,078</b>		<b>1,136,366</b>	<b>1,136,366</b>
<b>Total GF PWLB Budget 2022/23</b>			<b>1,137,000</b>	<b>1,137,000</b>
<b>Over/(under) budget</b>			<b>(634)</b>	<b>(634)</b>
<b>HRA Borrowing</b>				
Public Works Loan Board	55,989,000	2.85	1,596,258	1,632,098
<b>Sub Total HRA Borrowing</b>	<b>55,989,000</b>		<b>1,596,258</b>	<b>1,632,098</b>
<b>Total HRA PWLB Budget 2022/23</b>			<b>1,639,600</b>	<b>1,662,500</b>
<b>Over/(under) budget</b>			<b>(43,342)</b>	<b>(30,402)</b>
<b>Total Borrowing</b>	<b>99,415,078</b>		<b>2,732,624</b>	<b>2,768,464</b>
<b>Total Budget 2022/23</b>			<b>2,776,600</b>	<b>2,799,500</b>
<b>Total Over/(under) budget</b>			<b>(43,976)</b>	<b>(31,036)</b>

**Notes:**

1. Yield Rate:

For Non specified Investments, this is the actual return divided by net asset value as at 31/03/23;

For Specified investments, this is the actual return divided by the average investment value during the year

2. Gryllus share capital comprises of equity shares arising from loans granted - no dividend will be paid in the current year

# Market Value of Long Term Investments at 31/03/2023

# Appendix B

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Carrying Value	Carrying Value 31.3.2017	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 31.03.2023
	£	£	£	£	£	£	£
CCLA Property Fund	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Schroders Bond Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
UBS Multi Asset Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
CCLA Diversification Fund	n/a	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total</b>	<b>10,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>	<b>12,000,000</b>

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Market Value	Market Value 31.3.2017	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 31.03.2023
	£	£	£	£	£	£	£
CCLA Property Fund(mid-market value)	4,082,986	4,276,854	4,276,005	4,188,063	4,158,183	4,888,056	4,082,278
Schroders Bond Fund	2,963,563	2,912,837	2,865,130	2,539,938	2,908,911	2,775,151	2,550,204
UBS Multi Asset Fund	3,018,705	2,918,160	2,868,479	2,520,713	2,777,398	2,639,592	2,208,433
CCLA Diversification Fund(indicative market value)	n/a	1,921,257	1,982,167	1,804,193	1,955,874	2,046,513	1,864,707
<b>Total</b>	<b>10,065,254</b>	<b>12,029,108</b>	<b>11,991,781</b>	<b>11,052,907</b>	<b>11,800,366</b>	<b>12,349,313</b>	<b>10,705,622</b>

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Surplus/(Deficit)	Surplus/ (Deficit) 31.3.2017	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) 31.03.2023
	£	£	£	£			
CCLA Property Fund	82,986	276,854	276,005	188,063	158,183	888,056	82,278
Schroders Bond Fund	(36,437)	(87,163)	(134,870)	(460,062)	(91,089)	(224,849)	(449,796)
UBS Multi Asset Fund	18,705	(81,840)	(131,521)	(479,287)	(222,602)	(360,408)	(791,567)
CCLA Diversification Fund	n/a	(78,743)	(17,833)	(195,807)	(44,126)	46,513	(135,293)
<b>Total</b>	<b>65,254</b>	<b>29,108</b>	<b>(8,219)</b>	<b>(947,093)</b>	<b>(199,634)</b>	<b>349,313</b>	<b>(1,294,378)</b>

Gross Revenue Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
	£	%	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	164,434	4.03%	193,758	4.53%	183,989	4.30%	185,240	4.42%	179,910	4.33%	158,867	3.82%
Schroders Bond Fund	127,340	4.30%	105,413	3.62%	120,508	4.21%	124,418	4.90%	125,529	4.32%	128,455	4.42%
UBS Multi Asset Fund	100,600	3.33%	146,788	5.03%	116,513	4.06%	137,531	5.46%	140,171	5.05%	120,654	4.34%
CCLA Diversification Fund	n/a	n/a	62,732	3.27%	67,030	3.38%	66,284	3.67%	62,069	3.17%	48,871	2.50%
<b>Total</b>	<b>392,375</b>		<b>508,691</b>		<b>488,040</b>		<b>513,473</b>		<b>507,679</b>		<b>456,847</b>	

Full Year outturn at 31.03.2023	
Yield	Yield
2022/23	2022/23
£	%
173,997	4.26%
149,038	5.84%
145,657	6.60%
56,357	3.02%
<b>525,050</b>	

Surplus/(Deficit)- Capital Value	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/	Surplus/
	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)	(Deficit)
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
£	%	£	%	£	%	£	%	£	%	£	%	£
CCLA Property Fund	(92,996)	-2.28%	193,868	4.53%	(849)	-0.02%	(87,942)	-2.10%	(29,880)	-0.72%	729,873	14.93%
Schroders Bond Fund	16,634	0.56%	(50,726)	-1.74%	(47,707)	-1.67%	(325,192)	-12.80%	368,973	12.68%	(133,760)	-4.82%
UBS Multi Asset Fund	36,559	1.21%	(100,545)	-3.45%	(49,681)	-1.73%	(347,766)	-13.80%	256,685	9.24%	(137,805)	-5.22%
CCLA Diversification Fund	n/a	n/a	(78,743)	-4.10%	60,910	3.07%	(177,974)	-9.86%	151,682	7.76%	90,639	4.43%
<b>Total</b>	<b>(39,803)</b>		<b>(36,146)</b>		<b>(37,327)</b>		<b>(938,874)</b>		<b>747,460</b>		<b>548,946</b>	

Full Year outturn at 31.03.2023	
Surplus/	Surplus/
(Deficit)	(Deficit)
2022/23	2022/23
£	%
(805,778)	-19.74%
(224,947)	-8.82%
(431,159)	-19.52%
(181,806)	-9.75%
<b>(1,643,691)</b>	

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
	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
	£	%	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	71,438	1.75%	387,626	9.06%	183,140	4.28%	97,298	2.32%	150,030	3.61%	888,740	18.18%
Schroders Bond Fund	143,974	4.86%	54,687	1.88%	72,801	2.54%	(200,774)	-7.90%	494,503	17.00%	(5,305)	-0.19%
UBS Multi Asset Fund	137,159	4.54%	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	(16,011)	-0.83%	127,940	6.45%	(111,690)	-6.19%	213,751	10.93%	139,510	6.82%
<b>Total</b>	<b>352,572</b>		<b>472,545</b>		<b>450,713</b>		<b>(425,401)</b>		<b>1,255,139</b>		<b>1,005,794</b>	

Full Year outturn at 31.03.2023	
Net Yield	Net Yield
2022/23	2022/23
£	%
(631,781)	-15.48%
(75,909)	-2.98%
(285,502)	-12.93%
(125,449)	-6.73%
<b>(1,118,641)</b>	

Peer to Peer Investment Funding Circle	2016/17	2016/17	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22
	£	%	£	%	£	%	£	%	£	%	£	%
	£	%	£	%	£	%	£	%	£	%	£	%
<b>Carrying Value</b>	<b>2,003,355</b>		<b>2,075,341</b>		<b>2,056,664</b>		<b>1,831,028</b>		<b>863,160</b>		<b>391,191</b>	
Interest Paid by Borrowers	181,892		181,014		184,654		193,170		127,982		66,749	
Less FC Service fee	(19,121)		(19,668)		(19,729)		(19,611)		(12,462)		(6,279)	
Promotions/Transfer payment							470		0		0	
Bad Debts	(58,163)		(61,288)		(111,152)		(127,649)		(80,881)		(36,103)	
Recoveries	8,219		14,780		27,428		30,253		42,431		62,769	
<b>Net Yield</b>	<b>112,827</b>	<b>5.63%</b>	<b>114,838</b>	<b>5.53%</b>	<b>81,201</b>	<b>3.95%</b>	<b>76,634</b>	<b>4.19%</b>	<b>77,070</b>	<b>8.93%</b>	<b>87,136</b>	<b>7.12%</b>
<b>Provisions for future losses</b>	<b>0</b>		<b>0</b>		<b>(10,000)</b>							

31.03.23	
2022/23	2022/23
£	%
<b>142,398</b>	
28,664	
(2,531)	
0	
(20,941)	
15,057	
<b>20,249</b>	<b>4.03%</b>



## Treasury Management Prudential Indicators

### Authorised limit and operational boundary for external debt

The operational boundary is an indicator against which to monitor its external debt position. It is based on the Council's estimate of the most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the CFR and cash flow requirements and is a key management to for in-year monitoring.

The authorised limit is a control on the maximum level of borrowing. It is a statutory limit determined under section 3(1) of the Local Government Act 2003 and is a limit beyond which external debt is prohibited. It is the maximum level of debt that the Council can legally owe.

The Council complied with both indicators in 2022/23.

	<b>2022/23 limit £m</b>	<b>Complied</b>
Authorised limit – borrowing	150	✓
Authorised limit – leases	0	✓
Authorised limit – total external debt	150	✓
Operational boundary – borrowing	140	✓
Operational boundary – leases	0	✓
Operational boundary – total external debt	140	✓

### Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The maturity date of borrowing is the date that the loans are due to be repaid. The Council's debt maturity profile remains within the limits set for 2022/23.

<b>Debt Maturity Profile Limits</b>	<b>Actual as at 31/03/23</b>	<b>Upper Limit 2022/23</b>
	%	%
Under 12 months	0	15
12 months to 2 years	7	15
2 years to 5 years	13	25
5 years to 10 years	20	50
10 years to 20 years	4	50
Over 20 years	56	60
<b>Total</b>	<b>100%</b>	

**Interest rate exposures**

This indicator is set to control the Council's exposure to interest rate risk. The Council's investments and borrowings remained within the limits set for 2022/23.

	Actual for 2022/23 £m	Upper limit 2022/23 £m	Complied
Fixed interest rate exposures	82	285	✓
Variable interest rate exposures	17	60	✓

## 2022/23 Financial Outturn

### Strategy & Resources Committee Thursday, 29 June 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: To note the 2022/23 final financial outturn position of the Council and take associated decisions.

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Publication status: Unrestricted

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Wards affected: All

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#### **Executive summary:**

This report presents the 2022/23 final financial outturn position of both the revenue and capital budgets for the Committee and the consolidated picture for the Council overall.

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

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

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#### **Recommendations to Committee:**

That:

1. the Council's Financial Outturn position for 2022/23 be noted
  2. from the Council's £595k total surplus:
    - a. £550k be approved as an additional contingency to cover external risks to the delivery of the 2023/24 budget
    - b. 45k be approved to meet redundancy costs associated with the Future Tandridge Programme.
  3. Capital carry forwards of £9.1m be approved, with a revised phasing to be reported during the September committee cycle.
-

## **Reason for recommendation:**

The Council has a duty to ensure that its expenditure does not exceed resources available. The medium-term financial outlook remains uncertain, particularly in respect of Government funding, and so the Council must continue to take steps towards growing its financial resilience, including building reserves to a sustainable level. This must be considered against risks to the current year's budget and the need to ensure that underlying reserves are safeguarded.

It is essential, as a matter of prudence that the financial position continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered, and that any new expenditure is contained within the available resources. Finance have committed to bringing quarterly financial monitoring updates to each Committee to ensure that all members are aware of the financial position of the services within their remit, as context for decisions needed to mitigate any variance to budget and in terms of the effect on the budget for 2023/24.

Each Committee has noted their own financial position and the consolidated position is reported to Strategy & Resources in the report below, with further detail in Appendix A.

## **Revenue Budget Headlines**

1. **The final revenue budget position for 2022/23 is a surplus of £595k**, consisting of a £111k (1%) underspend on Committee budgets and £484k unused contingency. This surplus is against the background of a very challenging financial year, including a significant increase in inflation, from 4.2% when the 2022/23 budget was set, to c.10% throughout the year.
2. The overall position is a £505k improvement from Quarter 3. Further details are included in Appendix A and below.
3. Savings delivery was strong with 94% of the £1.1m savings target delivered, despite the challenges of inflation and the impact of cost of living on the wider economy. In addition, a recent internal audit on the savings delivery governance arrangements has provided substantial assurance. This audit will be repeated in 2023/24 to ensure that governance arrangements remain sound.
4. The Council awaits a decision from DLUHC on its application to use £500k from the Redstone receipt to support the General Fund – this remains a key part of the overall tactics to grow reserves.

## 2022/23 Surplus and Financial Strategy

5. This section makes a recommendation on how the surplus of £595k should be deployed, taking into account the Council's overall financial resilience and the risks it faces during 2023/24 and in the future. This should reflect the financial strategy to build General Fund reserves, whilst being cognisant of the risks associated with delivering the 2023/24 budget.
6. The two key options available are to contribute this amount to the General Fund or another earmarked reserve, or to add resilience to the contingencies for the 2023/24 budget.
7. Although General Reserves need to be strengthened to improve underlying resilience, at this early stage in 2023/24, a number of risks remain that warrant a prudent approach. Whilst the Council awaits a decision from DLUHC on its application to reinforce General Fund reserves, the overall position on reserves remains to be determined.
8. The 2023/24 budget includes £445k contingency, £74k of which was set aside to support residents with the cost-of-living crisis. This contingency should be retained to cover risks assumed within the budget and closely monitored throughout the year, particularly the challenging £1.7m savings target. This contingency should also be preserved given the likelihood that as-yet-unknown risks will emerge during 2023/24.
9. A detailed analysis of risks in 2023/24 has been undertaken, including:
  - Planning and building control fee income, which has showed signs of weakening towards the end of 2022/23 and into 2023/24. This has an immediate impact on Development Management and a knock-on impact on Building Control. Scenario planning has highlighted a plausible risk on fee income of up to £274k for DM, although there is equally plausible scope for this to improve.
  - Planning appeals, which are extremely difficult to quantify, may escalate depending on decisions made by the Planning Inspector in respect of the Council's Local Plan. These will require internal resource and involve costs that may would put the £80k current budget under severe pressure. A calculation based on the weighted probability of outcomes is undertaken for each appeal as it identified. Appeals known to-date are covered by balance sheet provisions, however new appeals may appear at any point during the year for unpredictable amounts.
  - Further external and commercial pressures, including safeguarding Council functions against:
    - the impact of inflation, which remains high for longer than expected by the Treasury and Bank of England and may manifest through increased contract costs on renewal or an increase in the cost of day-to-day expenditure;

- continuing economic risk on wider income streams, for example as mortgage rates impact on individual budgets; and
  - pressure on existing suppliers to pass increased costs onto the Council, which will need to be challenged and managed as necessary. This includes specific, live examples which are commercially sensitive but where the potential financial risk could be significant.
10. It is therefore recommended that £550k of the surplus from 2022/23 is held corporately as an additional contingency to cover these emerging external risks and others that may surface. This additional contingency will not be distributed in the first instance and will be subject to future Committee decisions if it is necessary to allocate. Budget holders and those responsible for representing the Council's interests (e.g. in appeals or commercial negotiations) must be aware that use of this contingency is a last resort and all efforts should be made to manage pressures within budget.
  11. Additionally, as the year progresses, Committee may choose to transfer amounts into the General Fund reserve if the risks are mitigated or dissipate. This will be an important discussion point, since growing the underlying General Fund remains a key priority.
  12. It is recommended that the remaining £45k of the surplus is set aside to cover the non-statutory element of redundancy costs which cannot be met from capital receipts. Government flexibility to use capital receipts to fund transformation costs only covers the statutory element of redundancy, and so a provision is needed to cover the enhanced elements of the Council's policy. The £45k proposed refills an amount drawn-down from a £75k allocation in 2022/23.

## **Background and Budgets**

13. The 2022/23 Strategy & Resources Committee Revenue budget was approved at £6,401k on 7th April 2022, including the distribution of budget for staffing increments and vacancy factor (known as the Tranche 2 budget).
14. This was reduced by £450k upon the approval of Tranche 3 savings by the Committee on the 30th June 2022 to £5,951k.
15. On review of the Revenues and Benefits budget, it was determined that £270k of income items held within Strategy & Resources sat better within Corporate Items as part of collection fund management. A virement (budget transfer) between the two budgets to action this change brought the S&R budget to £6,222k.

16. The Council's overall budget stands at £11,351k, unchanged from the budget approved by Council on the 10th February 2022.
17. The 2022/23 Strategy & Resources Capital Budget was approved at £1,784k by Council on 10th February 2022 having been considered by S&R Committee on the 1st February 2022.
18. This was increased to £4,841k by carry-forwards from 2021/22 approved by S&R Committee on 30th June 2022.
19. The overall Capital Programme budget stands at £25,242k, as approved by S&R Committee on 30th June 2022.
20. The following sections set out the final position by Committee. Further detail is included in Appendix A.

### **Community Services - £105k overspend**

21. The full-year revenue outturn is a net spend of £4,156k against the budget of £4,051k. This is a full-year overspend of £105k and improvement of £189k against Quarter 3 / Month 9 forecast outturn. Of this variance, a favourable variance of £154k is one-off for 2022/23, with a £259k net overspend relating to ongoing pressures. These ongoing pressures; predominantly reduced income and the impact of inflation on contract costs, were anticipated in the 2023/24 budget.
22. The key area of revenue variance is in the Waste service, which is overspent by £243k, the majority of which is ongoing. This relates to the impact of inflation on the contract, which outstripped expectations and was driven by national factors, particularly fuel cost increases and consumer price inflation.
23. The increased impact of inflation was anticipated in the 2021/22 financial outturn report to Strategy & Resources Committee on the 30th June 2022, along with other budgetary risks, and amounts were set aside as a corporate contingency to mitigate the risk.
24. As noted in previous Committee Budget Monitoring reports for 2022/23 the full contingency was being held back as it was anticipated that the Committee forecast would improve, and the full contingency not be necessary. As the overall Community Services overspend was £105k the whole contingency was not required. As the Council's overall position for the year is in surplus, the contingency has been released, as set out above.

25. In addition to the variance in Waste, shortfalls in expected income of £167k make up part of the remaining variance, in particular:
- £57k in car parking income
  - £100k in cesspool emptying income
  - £10k in parks and open spaces income
  - £2k in environmental income
26. There were also offsetting underspends of £238k in expenditure notably in:
- £103k salaries savings due to unfilled vacancies in Waste and Streets
  - £50k over and above fee and charges from the cemetery
  - £30k in parks and open spaces trees budget
  - £55k in parks and open space GM contracts
27. Full details of the variances are set in Appendix A.
28. Savings of £157k were delivered, against a target of £177k. This equates to 89% delivery. £20k of savings in Ops and Localities were not achieved, relating to a reduction in the number of mechanical sweepers. Whilst the number of active sweepers will be reduced, the service is awaiting quotes for a scheduled replacement, likely to be next financial year. It is expected that the majority of the saving can ultimately be delivered.

#### **Housing General Fund – (£14k) underspend**

29. The Housing General Fund outturn for 2022/23 is an underspend of £14k. This is a £22k improvement from the Q3 position last formally reported to Committee. The main reasons for the underspend and changes from Q3 are as follows:
- £74k Salaries overspend – new in quarter £45k salary costs reclassified to this budget, which are offset in full by grant funding from the Homes for Ukraine scheme. £15k additional spend due to reduced vacancy factor (an increase in quarter by £6k). This is an overall deterioration from Q3 of £67k.
  - (£7k) Meadowside Mobile Homes – £5k income not achieved on commission on sales of mobile homes (at Q3 this was expected to be £10k). £9k reduced rental income. £17k unbudgeted cost of full site survey offset by savings on other expenses. This is a (£44k) improvement from Q3.
  - (£9k) Private Sector Enabling – £10k unspent consultancy budget. £10k deterioration in quarter resulting from various small changes.



- (£23k) Homelessness: In quarter - £75k net B&B costs have been incurred, offset in year by increased grant income. B&B costs have been gradually rising each month and will be closely monitored in 2023/24. In quarter, £22k of unbudgeted legal costs have been charged. Overall this is a £97k deterioration from Q3.
- (£25k) Syrian & Afghan resettlement – new variance in quarter - unspent budget as grant funding covered all expenditure incurred, including offsetting salary costs.
- (£45k) Ukraine Placements – new in quarter, all £45k offsetting salary costs as noted above.
- £4k Redstone House: £4k security and electricity costs incurred whilst property was empty (No change from Q3).
- Nil variance on Housing Benefit: expenditure in 2022/23 was matched by Government funding. (£80k improvement from Q3 including improved debt position resulting in a lower provision).
- £20k Other - £20k share of legal costs. No change in quarter.

#### **Planning Policy Committee - £126k overspend**

30. Planning Policy Committee is reporting an actual full year variance of £55k overspend, an improvement from £126k in Quarter3 (M9). The overall overspend is mainly due to:

#### **£74k Planning Application and Advice** variance consisting of:

- £84k overspend on salaries. Currently, the Planning Policy service is heavily reliant on contract staff and is going through an organisational change which should lead to some mitigation (£147k overspend in quarter 3). Change primarily due to reduction in Development Management staffing costs, including staff commencing employment later than forecast in quarter 3.
- £43k overspend on specialist recruitment to obtain skilled permanent staff (£32k overspend in quarter 3).
- £1k overspend on specialist legal advice. (£15k overspend in quarter 3). At Q3 the forecast assumed £15k additional legal costs, but the risk of this diminished over Q4 to a £1k overspend at outturn.
- £26k overspend on third party external consultant advice including retail impact assessments & highways matters. (£35k overspend in quarter 3).

Offset by

- (£80k) surplus on planning application fee income (£108k surplus in quarter 3). Change in forecast due to
  - (i) softening in developer demand
  - (ii) deferment of spending government grant to 2023/24
  - (iii) Pre app interim churn has resulted in some pre app income being received in advance of work done, income has been carried to 2023/24

Income levels will continue to be closely monitored in 2023/24.

**£2k Gatwick Airport DCO** overspend due to engagement of specialist consultants to assist with Council response to public consultation - (£22k overspend in quarter 3). Change in timing of operational expenditure between quarter 3 and outturn.

Offset by

**(£1k) Tree Preservation** underspend related to employee expenditure (including mileage) - (£2k overspend in quarter 3).

**(£17k) Enforcement** £29k salary overspend due to use of interim, whilst permanent staff recruited, third party expenditure (£39k) favourable, as appeals risks did not materialise in year and enforcement appeals income (£7k favourable) - (overall (£17k) underspend in quarter 3).

**(£3k) Street Naming** (£3k) income surplus driven by fees from developers - ((£2k) surplus in quarter 3).

31. The service is endeavouring to take mitigating action to reduce overspends in 2023/24 by completing the transition to permanent staff.
32. The outturn position for Planning Policy assumes that the budgets for the local plan and other planning policy matters remain ringfenced to the local plan and are therefore held for future spend. This ensures that funding approved for such matters is retained to meet uncertain future costs and not used to offset overspends elsewhere in the budget. The current unspent balance is £1.047m, with a further £0.5m in the 2023/24 budget for planning policy matters, including the local plan.

## Strategy & Resources – (£269k) underspend

33. Strategy & Resources Services - full year variance is an underspend of (£269k). This is a (£257k) improvement from M9. The variance mainly consists of :

- **£41k Democratic Services overspend**, primarily due to £38k overspend (£35k in M9) associated with running the May 2022 and May 2023 elections & other minor variances to budget. The on-going effect is met by a budget allocation in 2023/24 associated with the statutory function of elections.
- **£18k Policy & Communications overspend** (£27k in M9) – £21k one off salary overspend related to combining Policy & Communications and timing of staff savings (£0 in M9). Staff savings achieved, but delayed until 2023/24. Mitigation delivered from (i) print contract and (ii) printing & stationary underspends.
- **Balanced Office Services position** - Change mainly due to £34k improvement in utilities expenditure, improvements in NNDR expenditure (identification & resolution of miscoded NNDR charge), and building maintenance.

Offset by

- **(£28k) Revenues and Benefits underspend** - (£0 variance in M9). Change mainly due to due to favourable movement in bad debt provision (£16k favourable), and one-off employee related expenditure.
- **(£49k) Human Resources underspend** ((£60k) underspend in M9) – (£20k) on-going staff saving as the Council moves to a more contemporary HR model, where a number of HR tasks become Management responsibilities. (£29k) one-off underspend due to reduced third party expenditure as HR aligns with the timing of organisation development, and recruitment underspends. Change from M9 due to some training expenditure not anticipated in M9 forecast.
- **(£65k) Customer Services underspend** – Largely due to salary (£55k) underspend (M9 (£44K) underspend). Naturally occurring staff vacancies have been held in anticipation of agreed savings for 2023/24.
- **(£67k) Legal services** underspend (M9 £37k underspend) – primarily due to (£20k) one off underspend in salaries from naturally occurring staff turnover. One-off income better than budget by (£42k) driven by volume of recovery of Legal officer time from third parties and capital.

- **(£121k) Information Technology** underspend mainly due to staff turnover and more staff working on capital projects (£44k) salary underspend. Software and telephony (£75k) better than budget due to a one off telephony refund, benefits realised from new telephone contract, review of telephone service provision, contracts for 3-year terms delivering savings. Income better than budget by (£2k) due to Cyber Training grant income.

### **Corporate Items - £12k net overspend**

34. Corporate Items has a net overspend of £12k, Change – £34k deterioration from M9, mainly due to:

- **Property Income:** Balanced Position – Change (£106k) improvement from M9, mainly on account of new tenants in Quadrant House.
- **£23k Non GF Support recharges & Bank charges overspend-** Change £5k deterioration from M9. Variance due to £15k less income recharge recovered from HRA than forecast and £8k increased interest costs.
- **(£18k) Minimum Revenue Provision (MRP) underspend -** Borrowing being less than anticipated due to reduced financing in the 2021/22 capital programme, the MRP charge for 2022/23 was less than had been budgeted for.
- **(£65k) Write Offs and Bad Debt Provision underspend –** Change (£65k) improvement from M9; Reduced provision required for Bad Debts as at 31<sup>st</sup> March 2023.
- **£69k Cost of Collection overspend –** No change from M9. Court costs are variable and a deficit against budget has been forecast throughout the year. The position will be kept under review in 2023/24, with variations managed through the S31 funding reserve which holds Government funding to offset post-pandemic volatility in Business Rates
- **Contributions to / (Drawdown from) Earmarked Reserves –** Balanced Position: Change £200k decrease from M9 as a draw-down from the new burdens grant funding to offset pressures elsewhere in S&R is no longer required following the above improvements.

## **Budget Management**

35. The Council's approach to budget management continues to be strengthened. Primarily, this includes the launch of Budget Accountability Statements, as trailed in the 2023/24 Budget report to Strategy and Resources Committee on the 31st January. These clearly set out the expectations on Heads of Service and budget holders in managing their budgets. In addition, further training for officers and Members is planned in 2023/24
36. Finance will continue to closely monitor the budget on a monthly basis and report to Committees quarterly.
37. An update on savings delivery for 2023/24 is included in the Future Tandridge Programme update report to this Committee.

## **Capital Programme Update**

38. At Quarter 4 / Month 12 (March 2023) the final capital programme position is reduced spend of (£8,842k); a net of (£4,407k) from with General Fund and CIL schemes, and (£4,435k) in the Housing Revenue Account. This is the total of a number of increases and decreases, further details of which are reported in Appendix A.
39. In order to ensure the original intentions of the capital programme are delivered, it is recommended that slippage of £9.1m is carried forward, to be rephased across future years and reported back through the September Committee cycle. A scheme-by-scheme breakdown of this is set out in Appendix A.
40. This level of slippage is a concern. Some aspects are unavoidable, particularly given pressures on the construction industry, however the programme will be reviewed between now and the September committee cycle to ensure that the 2023/24 allocations (adjusted for the proposed carry-forwards) are achievable, based on a realistic and justifiable level of resources to deliver the programme.

## **Key implications**

### **Comments of the Chief Finance Officer**

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

## **Comments of the Head of Legal Services**

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

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

## **Equality**

There are no equality implications associated with this report.

## **Climate change**

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

## **Appendices**

- Strategy & Resources Committee 2022/23 Draft Budget and Medium-Term Financial Strategy (MTFS) – 1st February 2022
- 2022/23 final budget and 2023/24 MTFS - Strategy & Resources Committee- 1st February 2022
- Strategy & Resources Committee - 2022/23 Budget – Tranche 2 Pressure and Savings Distribution -7th April 2022
- 2021/22 Budget – Outturn Report – Strategy and Resources Committee 30th June 2022
- Quarter 3 2022/23 Budget Monitoring – Strategy and Resources Committee - 30 March 2023

## **Appendices**

Appendix A – Quarter 4 / Month 12 (March 2023) financial report and supporting data.

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

# 2022/23 Outturn Report

Strategy and Resources Committee  
29<sup>th</sup> June 2023

Mark Hak-Sanders  
Chief Finance Officer (S151)

# Contents

- 2022/23 Financial Overview – Key Messages
- 2022/23 Surplus and Financial Strategy
- Executive Summary
- Revenue Summary
- Saving Plans Update
- Capital Position
- Additional Information
- **Annex**
  - Revenue Position - Committee Detail
  - Capital Position - Committee Detail

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# 2022/23 Financial Overview – Key Messages

- **The final revenue budget position for 2022/23 is a surplus of £595k**, consisting of a £111k underspend on committee budgets and £484k unused contingency.
- This surplus is against the background of a very challenging financial year, including a significant increase in inflation, from 4.2% when the 2022/23 budget was set to c.10% throughout the year.
- The inflationary impact was anticipated when the 2021/22 outturn position was finalised in June 2022, with amounts set aside in corporate contingencies to mitigate the position. It is positive that, despite that impact, the committee position for 2022/23 is effectively balanced with a variance of less than 1% - and contingencies can be released for consideration.
- **94% of the £1.1m savings target was delivered**, despite the challenges of inflation and the impact of cost of living on the wider economy. In addition, a recent internal audit on the savings delivery governance arrangements has provided substantial assurance. This audit will be repeated in 2023/24.
- **It is recommended that £9.1m of capital budget, unused in 2022/23 is carried forward to future years.** The level of slippage is a concern and will be subject to ongoing review in 2023/24 to ensure that capital programme estimates are realistic and that the budget is deployed effectively to meet Council priorities.
- **Debt levels remain broadly stable** with improvements in Housing Benefit and Sundry Debt, offset by increased debt in the HRA relating to former tenant arrears. Renewed focus will be given to this area.

# 2022/23 Surplus and Financial Strategy (1)

- **The report makes a recommendation on how the surplus of £595k should be deployed**, taking into account the Council's overall financial resilience and the risks it faces during 2023/24 and in the future.
- Two key options available are to contribute to the General Fund, or to add resilience to the 2023/24 budget.
- Although the General Fund needs to be strengthened to improve underlying resilience, at this early stage in 2023/24, a number of risks remain that warrant a prudent approach.
- The 2023/24 budget includes £445k contingency, £74k of which was set aside to support residents with the cost-of-living crisis. This contingency should be retained to cover risks assumed within the budget and closely monitored throughout the year, particularly the challenging £1.7m savings target.
- **A detailed analysis of risks in 2023/24 has been undertaken, including:**
  - Planning and building control fee income, which has showed signs of weakening towards the end of 2022/23 and into 2023/24. This has an immediate impact on Development Management and a knock-on impact on Building Control. Scenario planning has highlighted a plausible risk on fee income of up to £274k for DM, although there is equally plausible scope for this to improve.
  - Planning appeals, which are extremely difficult to quantify, may escalate depending on decisions made by the Planning Inspector in respect of the Council's Local Plan. These will require internal resource and involve costs that may would put the £80k current budget under severe pressure. A calculation based on the weighted probability of outcomes is undertaken for each appeal as it identified. Appeals known to-date are covered by balance sheet provisions, however new appeals may appear at any point during the year for unpredictable amounts.
  - Further external and commercial pressures, including safeguarding Council functions against:
    - the impact of inflation, which remains high for longer than expected by the Treasury and Bank of England and may manifest through increased contract costs on renewal or an increase in the cost of day-to-day expenditure;
    - continuing economic risk on wider income streams, for example as mortgage rates impact on individual budgets; and
    - pressure on existing suppliers to pass increased costs onto the Council, which will need to be challenged and managed as necessary. This includes specific, live examples which are commercially sensitive but where the potential financial risk could be significant.

## 2022/23 Surplus and Financial Strategy (2)

- **In light of this, it is recommended that £550k of the surplus from 2022/23 is held corporately as an additional contingency to cover these emerging external risks and others that may surface.** This additional contingency will not be distributed in the first instance and will be subject to future Committee decisions if it is necessary to allocate. Additionally, as the year progresses, Committee may choose to transfer amounts into the General Fund reserve if the risks are mitigated or dissipate.
- **It is recommended that the remaining £45k of the surplus is set aside to cover the non-statutory element of redundancy costs which cannot be met from capital receipts.** This refills the amount drawn-down from a £75k allocation in 2022/23.

# Executive Summary - Month 12 (March 2023)

## Revenue Forecast at Outturn

	2202/23 Outturn £k	Annual Budget £k	Outturn Variance £k
Community Services	4,156	4,051	105
Housing General Fund	462	476	(14)
Planning Policy	1,259	1,204	55
Strategy & Resources	5,952	6,222	(269)
Corporate Items	(589)	(601)	12
<b>General Fund- Services</b>	<b>11,240</b>	<b>11,351</b>	<b>(111)</b>
Central Funding	(11,351)	(11,351)	0
<b>General Fund</b>	<b>(111)</b>	<b>(0)</b>	<b>(111)</b>

**Overall at M12** the Council has £111k surplus on committee budgets (1%) – Change: An improvement of £505k from M9

- Community Services: £105k overspend – 2.6% of committee budget
- Housing General Fund: £14k underspend – 3.0% of committee budget
- Planning Policy: £55k overspend – 4.6% of committee budget
- Strategy & Resources: £269k underspend – 4.3% of committee budget
- Corporate Items: £12k underspend – 1.9% of committee budget

**M12 headlines are set out on the next slide, with full details in the Annex**

## Capital Programme at Outturn

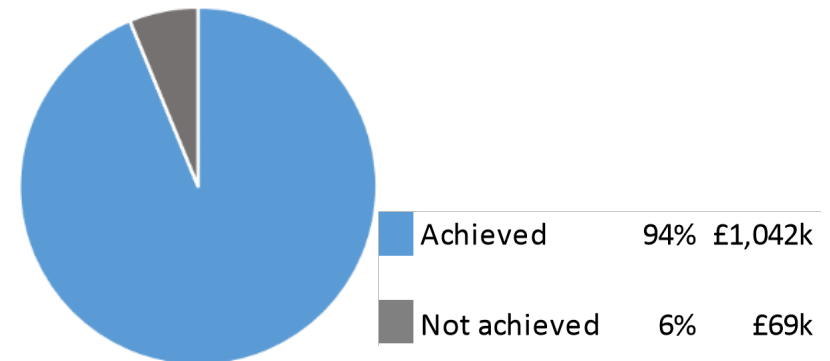
Net Underspend £8,842k - Change: £1,618k reduction from Qtr3-M9

	Budget including Carry Forwards 2022/23 £k	Outturn Variance £k	Change from Qtr3 £k
Community Services	1,839	(1,260)	(149)
Housing General Fund	460	(138)	(78)
Strategy & Resources	4,841	(901)	(55)
Planning Policy	2,146	(2,108)	(23)
<b>General Fund</b>	<b>9,286</b>	<b>(4,407)</b>	<b>(305)</b>
Housing Revenue Account	15,956	(4,435)	(1,313)
<b>Total</b>	<b>25,242</b>	<b>(8,842)</b>	<b>(1,618)</b>

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

Further detail is set out on Slide 8

## Savings Plan at M11 - £1.1m



- Unachievable amount is due to a shortfall in General Fund recharge income (£27k) - (change: 35k increase from M9);
- Other amounts relate to Property income (£10k), Policy & Communications savings (£27k) and reduced income from Meadowside Mobile Home sales (£5k).

# Revenue Summary by Committee - Outturn

2021/22 Outturn £k	2202/23 Outturn £k	Annual Budget £k	Outturn Variance £k	Change from Q3 £k	One-off events £k	Ongoing Pressures £k	
3,762	Community Services	4,156	4,051	105	(189)	(154)	259
458	Housing General Fund	462	476	(14)	(22)	19	(34)
1,332	Planning Policy	1,259	1,204	55	(71)	24	31
5,748	Strategy & Resources	5,952	6,222	(269)	(257)	(310)	41
(463)	Corporate Items	(589)	(601)	12	34	15	(3)
10,837	General Fund- Services	11,240	11,351	(111)	(505)	(404)	295
(11,295)	Central Funding	(11,351)	(11,351)	0	0	0	0
<b>(458)</b>	<b>General Fund</b>	<b>(111)</b>	<b>(0)</b>	<b>(111)</b>	<b>(505)</b>	<b>(404)</b>	<b>295</b>

## £484k contingencies are released:

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

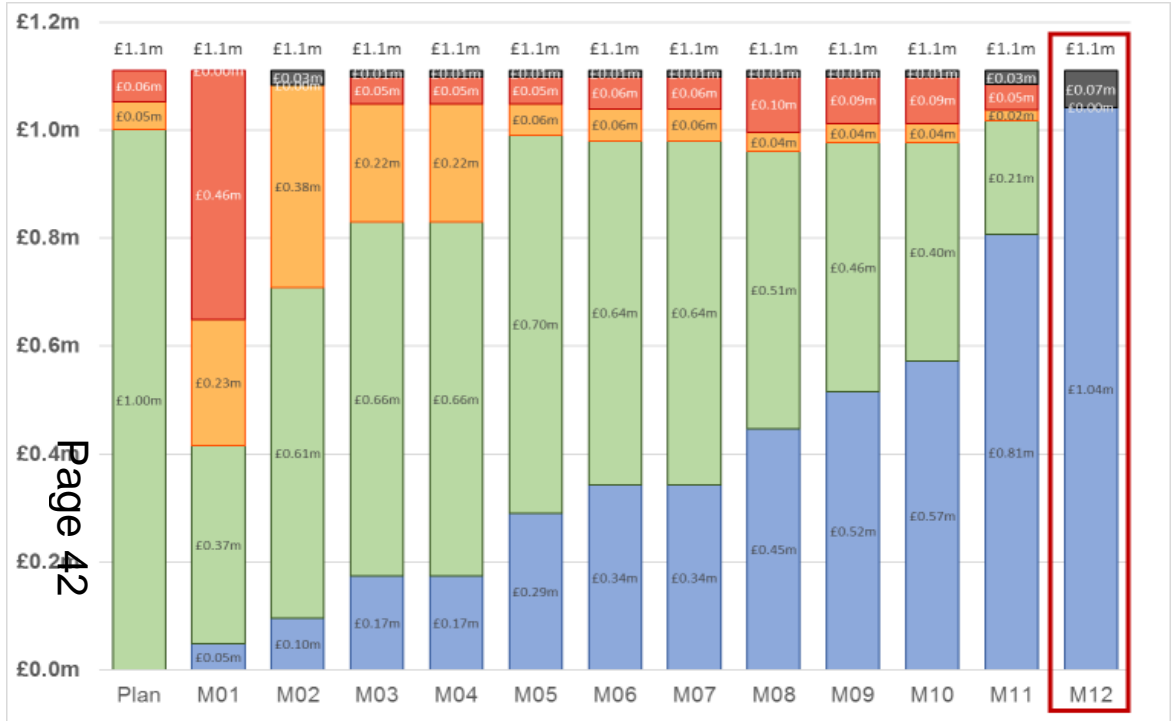
## Key Messages:

The Committee's outturn is £111k underspend – (Change: £505k improvement from M9). Along with £484k unused contingency, this provides a total surplus of £595k. The surplus mainly relates to:

- **Community Services: £105k overspend** – (Change: £189k improvement from M9). Overspend mainly consisting of £243k pressure in Waste Services due to contractual commitments, £72k & £48k reduced income in both Cesspool Services and Off-street Car Parking, £35k in Streets & Public Conveniences, offset by (£137k) improvement in Parks & Open spaces, (£103k) decrease in salaries due to unfilled vacant posts & (£46k) improvement in Operational Services - increased fees & charges.
- **Housing General Fund: (£14k) underspend** – (Change: £22k improvement from M9). mainly due to (£25k) Syrian & Afghan resettlement and (£23k) Homelessness – unspent budget as grant funding covered all expenditure incurred, (£7k) underspend for Meadowside Mobile Homes. Offset by £74k Salaries overspend – £45k salary costs reclassified to this budget, which are offset in full by (£45k) grant funding from the Homes for Ukraine scheme. £15k additional due to reduced vacancies and £20k for share of legal costs.
- **Planning Policy: £55k overspend** – (Change: £71k improvement from M9). Overall variance mainly consisting of £84k overspend on salaries, £43k on associated recruitment costs, £26k overspend on third party external consultant advice offset by (£80k) surplus on Planning Application Fee income and (£17k) in Enforcement due to replacement of interim staff.
- **Strategy and Resources: £269k underspend** – (Change: £257k improvement from M9). Mainly due to £41k overspend for 2022 & 2023 elections, £18k Policy & Communications salaries overspend, offset by (£28k) Revenues and Benefits underspend mainly due to a decrease in bad debt provision, (£65k) in Customer Services and (£49k) underspend in HR (£67k) Legal services underspend, due to staff restructuring and (£121k) underspend in IT mainly due to decreased costs in software and telephony.
- **Corporate Items: £12k net overspend** – (Change £34k deterioration from M9). £23k increased bank charges and less recharge recovered and £69k Cost of Collection deficit offset by (65k) improved Bad Debt provision and (£18k) lower Minimum Revenue Provision

# Saving Plans Delivery

## Summary and Projection



## Delivery by Committee

Committee	Target £k	Blue Achieved	Black - BAU Full Year Forecast
		£k	£k
Community Services	177	157	20
Housing GF	80	76	4
Planning	0	0	0
Resources	717	699	18
Corporate items	137	110	27
<b>TOTAL</b>	<b>1,111</b>	<b>1,042</b>	<b>69</b>

**Key:**  
**Black** – Under target  
**Blue** – Delivered / Achieved

## Commentary

**Total plan of £1.1m – Outturn c£1.042m (94%) delivery**

Unachievable (Black) – £69k, (6%). Change: £57k increased from Qtr3- M9.

- Community Services: Mechanical Sweeper Utilisation £20k
- Housing GF: £10k downturn in Meadowside Mobile Home Sales
- Resources: Use of Town Hall : £10k, dependency to find new tenants for Oxted Offices
- Corporate Items: £27k – due to shortfall in intra authority recharges.

# Capital Summary by Committee

	2022-23 Outturn	Budget incl. Forwards	Carry 2022/23	Outturn Variance	Overspend/ (Underspend)	Acceleration /(Slippage)	Change from Qtr3
	£k	£k		£k	£k	£k	£k
Community Services	579	1,839		(1,260)	0	(1,260)	(149)
Housing General Fund	322	460		(138)	0	(138)	(78)
Strategy & Resources	3,940	4,841		(901)	716	(1,617)	(55)
Planning Policy	38	2,146		(2,108)	0	(2,108)	(23)
General Fund	4,879	9,286		(4,407)	716	(5,123)	(305)
Housing Revenue Account	11,521	15,956		(4,435)	2,201	(6,636)	(1,313)
<b>Total</b>	<b>16,400</b>	<b>25,242</b>		<b>(8,842)</b>	<b>2,917</b>	<b>(11,758)</b>	<b>(1,618)</b>

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

## **Capital – Net Variance: £8,842k (Change: £1,618k reduction from Qtr 3 - M9) mainly due to:**

- **Community Services: Slippage of £1,260k** mainly in Vehicle Fleet Renewals (£307k), Childrens Playground Equipment (£404k) and Public Conveniences Capital Works (£250k).
- **Housing General Fund: (£138k) less than budget.** Slippage due to delayed start in DFG projects.
- **Strategy and Resources : (£901k) less than budget,** mainly due to: Croydon Road Regeneration – (£1,306k) Slippage with major works being deferred to 2023-24, IT – Hardware and Infrastructure: Slippage of (£298k) into 2023-24, Land/Assets Development (£181k) unspent capital programme 2022/23 funds,  
Offset by Quadrant House (QH) Refurbishment – £851k more than in-year budget due to change in scope of work and contract variations. £400k is due to retention monies originally budgeted for in 2023/24 to match expected cash payments on completion of the project. The net overspend for QH is expected to be £270k after £400k is bought forward from the 2023/24 capital programme and £181k unused budget Land/Asset Development is used.
- **Planning Policy CIL: Underspend of £2,108k** mainly due to delays where the budget assumed earlier agreement on grant letters/agreements for The Friends of Limpsfield Common in 22/23. Blanchmans Farm All Weather Disabled Trackway, Warlingham, deferred to 23/24.
- **Housing Revenue Account : Underspend of £4,435k** mainly due to (£1,009k) HRA Housing Stock slippage. £2,201k - additional amounts have been added for potential development sites and inflationary increases, offset by (£5,626k) – Predominately relates to delays on Rochester Gardens and Auckland Road & Windmill Close, Hollow lane and Wolfs Wood & Featherstone. Additional slippages in Uplands.



# 2023/24 Capital Carry Forward Requests

Scheme	Original Budget 2023/24 £000	Carry Forward Proposed £000	Original Budget Incl. Carry Forward 2023/24
<b>General Fund</b>			
Vehicle Fleet Renewals	123	146	269
Car Parking	35	29	64
Childrens Playground Equipment	175	404	578
Land Drainage Capital Works	10	0	10
Park, Pavilions & Open Spaces	115	91	205
Grange Meadow	0	11	11
Playground Improvements Match Funding Pot	0	42	42
Litter Bins	8	0	8
Food Waste bins	115	110	225
Public Conveniences	150	250	400
Plant, Furniture and Equipment (GF)	10	5	15
Disabled Facilities Grants Mandatory	503	139	642
Quadrant House Refurbishment	400	(400)	0
Croydon Road Regeneration	1,000	1,306	2,306
Quadrant House Solar Panel & Suite Refurb	150	0	150
Council Offices Buildings	25	14	39
GF IT - Hardware/Infrastructure Projects GF	247	298	545
UKSP & Rural England PF	250	0	250
<b>Total General Fund</b>	<b>3,314</b>	<b>2,444</b>	<b>5,758</b>
Capital Contributions to third parties from CIL	500	2,108	2,608
<b>Housing Revenue Account</b>			
Council House Building	11,680	3,426	15,106
Council House Improvements	3,652	996	4,648
HRA IT - Hardware/Infrastructure Projects	66	175	241
<b>Total Housing Revenue Account</b>	<b>15,398</b>	<b>4,597</b>	<b>19,995</b>
<b>Total Capital Programme</b>	<b>19,212</b>	<b>9,149</b>	<b>28,361</b>

Note - It is unlikely that a £28.1m capital programme can be delivered in 2023/24, so the phasing of the carry forward requests will be reviewed for the September Committee Cycle and the phasing re-approved.

The carry forward request reconciles to the 2022/23 underspend as follows:

	£000
2022/23 net underspend	8,842
Quadrant House overspend, offset by other allocations	270
Grant funded schemes within the 2022/23 net position	46
Minor other allocations not required	(9)
<b>Proposed carry-forwards</b>	<b>9,149</b>



# Additional Information

## Debt as at 31<sup>st</sup> March 2023

Update to set out the direction of travel for debt recovery.

Direction of travel has been RAG rated as follows;

Red – deteriorates by over 10% against target;

Amber – deteriorates by less than 10% against target

Green – improves against target

### Sundry Debt, HBOP and HRA:

Type	21/22	22/23	Outcome
Sundry Debts	£282k	£249k	G
HBOP	£1,144k	£1,119k	G
HRA	£444k	£525k	R

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

### Collection Fund

	Business Rates	Council Tax
19/20	98.8%	98.2%
20/21	95.6%	97.3%
21/22	95.2%	97.4%
22/23	97.0%	96.8%
Outcome 21/22-22/23	G	A

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## Quadrant House Occupancy:

As reported to Investment Sub Committee, Quadrant House occupancy has increased from 69% to 73% in the last quarter.

Marketing is continuing on both offices and shops. We have recently produced a re-designed brochure with photographs of the refurbished office space, installed new marketing vinyls to the main entrance and carried out a targeted mailshot.

## Vacancy Factor

The Council's 2022/23 budget included an assumption of 4% vacancy factor in areas excluding Planning. This was not a target, and vacancies were not deliberately held to achieve it. The table below shows current vacancies. This is a snapshot in time and work continues to recruit permanently where appropriate.

Area	Posts	FTE	Staff	Vacancies	%	Temps	%	Total	%
Communities	62	61.3	53.3	8	87%	3	5%	56.3	92%
Planning	60	57.9	43.9	14	76%	10	17%	53.9	93%
Housing	38	37.6	36.6	1	97%	0	0%	36.6	97%
Strategy & Resources	126	116.0	91.0	25	78%	6	5%	97.0	84%
<b>Total</b>	<b>286</b>	<b>272.7</b>	<b>224.7</b>	<b>48</b>	<b>82%</b>	<b>19</b>	<b>7%</b>	<b>243.7</b>	<b>89%</b>

# ANNEX

## DETAILED REVENUE AND CAPITAL

- Revenue Outturn - Committee Detail (slides 12 to 17)
- Capital Outturn - Committee Detail (slide 18 - 22)

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# Revenue Commentary- Communities Services

## Communities Services overspend £105k (Change: £189k improvement from M9) mainly due to:

- **(£103k) Salaries** : savings due to unfilled vacancies in Waste and Streets **(£61k) improvement from M9).**
- **(£17k) Car Parking On-Street:** improved PCN revenue in last quarter **(£17k) improvement from M9)**
- **£48k Car parking-On-street:** £57k reduced revenue for Off Street Car Parking, due to reduced reliability in car parking machinery and also some of the car parks no longer having the volume of cars parking. Offset by £9k other small expenses variances. **(£6k) deterioration from M9).**

2021/22	Final	Annual	Outturn	Change	One-off	Ongoing
Outturn	Outturn	Budget	Variance	from Q3	events	Pressures
£k	£k	£k	£k	£k	£k	£k
1,255 Salaries CS	1,206	1,309	(103)	(61)	(103)	
(34) Car Parking-On Street	(31)	(14)	(17)	(17)	(17)	
28 Car Parking-Off Street	30	(18)	48	6		48
(15) Hackney Carriage/Private Hire	(19)	(19)	(0)	(0)		
208 Leisure & Community Grants	201	209	(8)	(8)	(8)	
248 Environmental Services	290	273	17	5		17
1,960 Waste Services	2,245	2,002	243	9	15	228
(69) Cesspool Services	(36)	(109)	72	22		72
(266) All Operational Services	(199)	(153)	(46)	(47)	(22)	(24)
405 Parks and Open Spaces	400	537	(137)	(141)	(69)	(68)
42 Streets & Public Conveniences	69	34	35	42	50	(15)
<b>3,762 Community Services</b>	<b>4,156</b>	<b>4,051</b>	<b>105</b>	<b>(189)</b>	<b>(154)</b>	<b>259</b>

- **£17k Environmental Services** : £9k salary costs. £10k database maintenance less (£2k) minor variances. **(£5k deterioration from M9).**
- **£243k Waste Services** : £226k additional waste (contract inflation offset by variable gate income from SCC), £17k less Income as demand for Bulky Waste Collections has slowed, (£8k) increase price/tonne additional income from clothes and textiles collections, (£7k) less expenses for recycling palm banks collections and new in quarter £15k consultants cost **(£9k deterioration from M9).**
- **£72k Cesspool Services** : £100k reduce income (vehicle was out of use for maintenance in March) and £28k less costs for cesspool emptying. Variance continues from last year as clients lost to aggressive undercutting by other providers. **(£22k deterioration from M9).**
- **(£46k) Operational Service** : multitude of offsetting variances. In quarter a further £20k increase in cemetery fees taking the total annual increase to (£50k). A large proportion of the increase is due to the sale of the reclaimed area for double plots. Once All sold this revenue will return to the normal rate. Also in quarter (£12k) sale proceeds from old and surplus vehicles. Additional £10k costs incurred to ensure the Depot is O licence compliant. £16k depot store changes. **(£47k) improvement from M9).**
- **(£137k) Parks and Open space:** In quarter there have been reductions in trees budget usage by (£30k) due to the difficulties in getting road orders agreed with SCC and lack of capacity of the contractor, (£57k) underspend on GM work partly due to less out of scope work being incurred, (£28k) reduced budget needed for unauthorised encampments and (£12k) land drainage unspent budget (£10k) minor other variances. **(£142k) improvement from M9).**
- **£35k Streets & Public Conveniences:** new in quarter £20k demolition cost of A25 toilets and additional £30k costs for repairs of sweepers. Plus £20k costs for asbestos fly tipping, offset by £6k budget not required for business rates as now exempt and £5k reduced equipment costs. £24k of unspent various budgets **(£42k deterioration from M9).**

# Revenue Commentary – Housing General Fund

2021/22 Outturn £k	Final Outturn £k	Annual Budget £k	Outturn Variance £k	Change from Q3 £k	One-off events £k	Ongoing Pressures £k
509 Salaries HGF	601	527	74	67	74	
(131) Meadowside Mobile Homes	(141)	(134)	(7)	(43)	(20)	12
69 Westway	50	50	0	0		
34 Private Sector Enabling	75	84	(9)	10	(9)	
(186) Housing of the Homeless	(84)	(61)	(23)	97	21	(44)
55 Other Housing Renewal Functions	51	53	(1)	(1)		(1)
15 Syrian & Afghan Refugees	0	25	(25)	(25)	(25)	
Ukraine Placements	(45)	0	(45)	(45)	(45)	
(22) Redstone House	4	0	4	0	4	
113 Housing Benefits	(69)	(69)	(0)	(80)		
1 Other variances	21	1	20	(0)	20	
<b>458 Housing General Fund</b>	<b>462</b>	<b>476</b>	<b>(14)</b>	<b>(22)</b>	<b>19</b>	<b>(34)</b>

**Housing General Fund underspend £14k (Change – £22k improvement from M9).** Variance mainly due to:-:

- **£24k Salaries** : new in quarter £45k salary costs reclassified to this budget, which are offset in full by grant funding from the Homes for Ukraine scheme. £15k additional spend due to reduced vacancy factor (an increase in quarter by £6k). This is an overall deterioration from Q3 of £67k.
- **(£7k) Meadowside Mobile Homes** - £5k income not achieved on commission on sales of mobile homes (at Q3 this was expected to be £10k). £9k reduced rental income. £17k unbudgeted cost of full site survey which was offset by savings on other expenses. This is a (£44k) improvement from Q3.
- **(£9k) Private Sector Enabling** - £10k unspent consultancy budget. £10k change in quarter re various small changes.
- **(£23k) Homelessness**: In quarter - £75k net B&B costs have been incurred, offset in year by the increased grant income. B&B costs have been gradually rising each month and will be closely monitored in 2023/24. In quarter £22k of unbudgeted legal costs have been charged. Overall, this is a £97k deterioration from Q3.
- **(£25k) Syrian & Afghan Refugees** – new in quarter unspent budget as external grant funding covered all expenditure incurred.
- **(£45k) Ukraine Placements** – £45k grant offset salary costs as noted above.
- **£4k Redstone House**: £4k security and electricity costs incurred whilst property was empty. No change from M9.
- **Housing Benefit** - Expenditure in 2022/23 was matched by Government funding.(£80k improvement from Q3 including improved debt position resulting in a lower provision.
- **£20k Other**: £20k share of legal costs. No change from M9

# Revenue Commentary – Planning Policy

2021/22 Outturn £k	Final Outturn £k	Annual Budget £k	Outturn Variance £k	Change from Q3 £k	One-off events £k	Ongoing Pressures £k
816 Planning Applications & Advice	409	335	74	(48)	43	31
294 Planning Strategy & Policy Guidance	316	316	0	0	0	0
50 Enforcement	259	276	(17)	(0)	(17)	0
(2) Tree Preservation & Advice	95	95	(1)	(3)	(1)	0
0 Community Infrastructure Levy (CIL)	0	0	0	0	0	0
174 Local Development Plan - Evidence	182	182	0	(0)	0	0
0 Gatwick Airport DCO	2	0	2	(20)	2	0
9 Transfer to/from Neighbourhood Plan Reserve	8	8	0	0	0	0
0 Southern Building Control	(0)	0	(0)	(0)	(0)	0
(10) Land Charges and Street Naming	(11)	(8)	(3)	(1)	(3)	0
<b>1,332 Planning Policy</b>	<b>1,259</b>	<b>1,204</b>	<b>55</b>	<b>(71)</b>	<b>24</b>	<b>31</b>

**Note** – the outturn position assumes that the budgets for the local plan and other planning policy matters remain ringfenced to the local plan and are therefore held for future spend.

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

**Planning Policy overspend £55k (Change : £71k improvement from M9).** The variance mainly comprises of:

**£74k Planning Application and Advice** variance described by :

- **£80k** overspend on salaries. During the year, the service has been reliant on contract staff and is going through an organisational change which should lead to some mitigation (£147k overspend in M9). Change primarily due to reduction in staffing spend including staff commencing employment later than forecast in M9. £43k one off overspend on third party specialist recruitment to obtain skilled permanent staff (£32k overspend in M9). Change due to further spend on specialist recruitment agencies. £1k Overspend on specialist legal advice (£15k in M9) Expected costs awarded against Council were less than expected in 2022/23, and £26k Overspend on third party external consultant advice including retail impact assessments and highways matters (£35k in M9)
- Offset by (£80k) surplus on planning application fee income (£108k in M9). Change in forecast due to (i) softening in developer demand (ii) deferment of spending government grant to 2023/24, (iii) Pre app interim churn has resulted in some pre app income being received in advance of work done, income has to be carried to 2023/24
- **£2k Gatwick Airport DCO** overspend due to engagement of specialist consultants to assist with Council response to public consultation (£22k overspend in M9). Change in timing of operational expenditure between M9 and outturn.
- Offset by:
- **(£1k) Tree Preservation** underspend related to employee expenses (including mileage) - (£2k overspend in M9)
- **(£17k) Enforcement** £29k salary overspend due to use of interim whilst permanent staff recruited, (£39k) favourable third party expenditure as appeals risks did not materialise in year.(£7k) favourable appeals income - (overall (£17k) underspent in M9).
- **(£3k) Street Naming** £3k income surplus driven by fees from developers ((£2k) in M9).

The service is endeavouring to take mitigating action by transitioning from contract to permanent staff

# Revenue Commentary – Strategy and Resources

## Strategy & Resources underspend

**(£269k):** Change – £257k improvement from M9. Variance due to:

- **£41k Democratic Services** overspend, primarily due to £38k overspend (£35k in M9) associated with running the May 22 and May 23 elections & other minor variances to budget. The on-going effect is met by a budget allocation in 23/24 associated with the statutory function of elections.
- **£18k Policy & Communications** overspend (£27k in M9) – £21k one off salary overspend related to combining Policy & Communications and timing of staff savings (£0 in M9). Staff savings approved, but delayed until 2023/24,

2021/22	Final	Annual	Outturn	Change	One-off	Ongoing
Outturn	Outturn	Budget	Variance	from Q3	events	Pressures
£k	£k	£k	£k	£k	£k	£k
493 Legal Services	398	466	(67)	(30)	(67)	
579 Democratic Services	595	555	41	2		41
1,396 Information Technology	1,117	1,238	(121)	(120)	(121)	
367 Human Resources	359	408	(49)	11	(49)	
612 Customer Services	587	652	(65)	(21)	(65)	
391 Communications	341	323	18	(9)	18	
150 Emergency Planning & Community Safety	158	163	(6)	(8)	(6)	
281 Office Services	284	283	0	(56)	0	
160 Asset Management	138	138	1	3	1	
277 Leadership Team	291	294	(3)	(3)	(3)	
897 Financial Services	1,066	1,063	3	(0)	3	
65 Revenues and Benefits	455	483	(28)	(28)	(28)	
78 Communities Executive Projects	166	158	8	3	8	
<b>5,748 General Fund</b>	<b>5,953</b>	<b>6,222</b>	<b>(268)</b>	<b>(256)</b>	<b>(309)</b>	<b>41</b>
0 Wellbeing Prescription	(1)	0	(1)	(1)	(1)	
<b>5,748 Strategy &amp; Resources</b>	<b>5,952</b>	<b>6,222</b>	<b>(269)</b>	<b>(257)</b>	<b>(310)</b>	<b>41</b>

Mitigation delivered from (i) print contract and (ii) printing & stationary underspends.

- **£0k Office Services** - Change mainly due to £34k improvement in utilities expenditure, improvements in NNDR expenditure (identification & resolution of miscoded NNDR charge), and building maintenance.

Offset by

- **(£28k) Revenues and Benefits underspend** - (£0 variance in M9). Change mainly due to due to favourable movement in bad debt provision (£16k favourable), and recoded one off employee related expenditure.
- **(£49k) Human Resources underspend** ((£60k) underspend in M9) – (£20k) on-going staff saving as the Council moves to a more contemporary HR model, where a number of HR tasks become Management responsibilities. (£29k) one off underspend due to reduced third party expenditure as HR aligns with the timing of organisation development and recruitment underspends. Change due to some training expenditure not anticipated in M9 forecast.
- **(£65k) Customer Services underspend** – Largely due to salary (£55k) underspend (M9 (£44K) underspend). Naturally occurring staff vacancies have been held vacant, in anticipation of agreed savings for 2023/24
- **(£67k) Legal services** underspend (M9 £37k underspend) – primarily due to (£20k) one off underspend in salaries from naturally occurring staff turnover. Income better than budget (£42k) driven by volume of recovery of Legal officer time from third parties & capital.
- **(£121k) Information Technology** underspend mainly due to staff turnover and more staff working on capital projects (£44k) salary underspend. Software and telephony (£75k) better than budget due to a one off telephony refund, benefits realised from new EE telephone contract, review of telephone service provision, contracts for 3-year terms delivering savings. Income better than budget by (£2k) due to Cyber Training grant income.



# Revenue Commentary - Corporate Items

2021/22 Outturn £k	Final Outturn £k	Annual Budget £k	Outturn Variance £k	Change from Q3 £k	One-off events £k	Ongoing Pressures £k
1,153 Interest Payable	1,163	1,163	0	1		
(1,533) Interest Receivable & Investment Income	(1,495)	(1,495)	0	(6)		
(475) Property Income	(745)	(745)	0	(106)		
(1,854) Non GF Support recharges & Bank charges	(2,048)	(2,071)	23	5	8	15
845 Minimum Revenue Provision (MRP)	1,161	1,179	(18)	(0)		(18)
1,379 Pension - Actuarial top up, Added Years, & Compensation	1,488	1,485	3	4	3	
(73) Write Offs and Bad Debt Provision	(42)	22	(65)	(65)	(65)	
150 Cost of Collection	(201)	(270)	69	0	69	
Contingency	116	116	0	0		
(56) Contributions to / (Drawdown from) Earmarked Reserves	(85)	(85)	0	200		
Covid-19	0	0	0	0		
Transformation	0	0	0	0		
(463) General Fund	(689)	(701)	12	34	15	(3)
Contribution to General Fund Balances	100	100	0	0		
(463) Corporate Items	(589)	(601)	12	34	15	(3)

## Corporate Items - £12k Net overspend (£34k deterioration from M9).

The variance and the change from M9 is mainly due to:

- **Property Income** : Balanced Position – Change (£106k) improvement from M9, mainly on account of new tenants in Quadrant House.
- **£23k Non GF Support recharges & Bank charges overspend**- Change £5k deterioration from M9. Variance due to £15k less income recharge recovered from HRA than forecast and £8k increased interest costs.
- **(£18k) Minimum Revenue Provision (MRP) underspend** - Borrowing being less than anticipated due to reduced financing in the 2021/22 capital programme, the MRP charge for 2022/23 was less than had been budgeted for.
- **(£65k) Write Offs and Bad Debt Provision underspend** – Change (£65k) improvement from M9, Reduced provision for Bad Debts as at 31<sup>st</sup> March 2023.
- **£69k Cost of Collection overspend** - No change from M9. Court costs are variable and a deficit against budget has been forecast throughout the year. The position will be kept under review in 2023/24, with variations managed through the S31 funding reserve which holds Government funding to offset post-pandemic volatility in Business Rates.
- **Contributions to / (Drawdown from) Earmarked Reserves** - Balanced Position: Change £200k decrease from M9 as a draw-down from new burdens grant funding to offset pressures elsewhere in S&R is no longer required following the above improvements.

# Capital Budget – Community Services

Scheme Name	Original Budget 2022/23	Carry Forward from 2021/22	Budget incl. Carry Forwards 2022/23	2022-23 Outturn	Outturn Variance	M9 Forecast Variance	Change from Qtr3
	£k	£k	£k	£k	£k	£k	£k
Vehicle Fleet Renewals	204	172	376	68	(308)	(376)	68
Car Parking	35	0	35	6	(29)	0	(29)
Children's Playground Equipment	27	399	426	22	(404)	(385)	(19)
Land Drainage Capital Works	10	0	10	0	(10)	(10)	0
Park, Pavilions & Open Spaces	114	164	278	187	(91)	0	(91)
Grange Meadow Access Works	0	250	250	239	(11)	0	(11)
Playground Improvements Match Funding Pot	0	50	50	8	(42)	(50)	8
Litter Bins	8	0	8	8	(0)	0	(0)
Garden Waste Bins	25	13	38	26	(11)	0	(11)
Public Conveniences Capital Works	150	100	250	0	(250)	(211)	(39)
Plant, Furniture & Equipment (GF)	8	0	8	3	(5)	0	(5)
Refuse, Recycling and Food Waste bins	90	20	110	11	(99)	(78)	(21)
<b>Total Community Services</b>	<b>672</b>	<b>1,167</b>	<b>1,839</b>	<b>579</b>	<b>(1,260)</b>	<b>(1,110)</b>	<b>(149)</b>

- The Capital Budget was approved by Full Council on 2<sup>nd</sup> February 2022 at £672k.
- This was supplemented by £1,167k of carry forwards from 2021/22
- The total budget for 2022/23 is therefore £1,839k
- The Capital Outturn spend across the Committee's schemes was £579k. The total underspend for the year of £1,260k and a change in quarter of £149k. The change in quarter was further underspends in the majority of the capital schemes. Some of the schemes have been put on hold until after the Future Tandridge Programme for the relevant service has been concluded and ensure that the schemes and the programme are aligned.



# Capital Budget – Housing General Fund

Scheme Name	Original Budget 2022/23	Carry Forward from 2021/22	Budget incl. Carry Forwards 2022/23	2022-23 Outturn	Outturn Variance	M9 Forecast Variance	Change from Qtr3
	£k	£k	£k	£k	£k	£k	£k
Disabled Facilities Grants Mandatory	460	0	460	321	(139)	(60)	(79)
<b>Total Capital Programme</b>	<b>460</b>	<b>0</b>	<b>460</b>	<b>321</b>	<b>(138)</b>	<b>(60)</b>	<b>(79)</b>

- The Capital Budget for Planning Policy consists of the Disabled Facilities Grants Mandatory. When the budget was set, this consisted of £460k.
- The Capital outturn for the year is £321 which is an underspend for the year of £139k and a change in quarter of £79k.
- The variance relates to projects being delayed in starting.

# Capital Budget – Strategy and Resources

Scheme Name	Original Budget 2022/23	Carry Forward from 2021/22	Budget incl. Carry Forwards 2022/23	2022-23 Outturn	Outturn Variance	M9 Forecast Variance	Change from Qtr3
	£k	£k	£k	£k	£k	£k	£k
Land/Asset Development	181	0	181	0	(181)	(174)	(7)
Quadrant House Refurb	0	2,628	2,628	3,479	851	887	(36)
Croydon Road Regeneration	1,325	115	1,440	134	(1,305)	(1,290)	(16)
A22 Cycleway	0	0	0	46	46	46	0
Council Offices	50	0	50	37	(13)	0	(13)
IT - Hardware/Infrastructure/Projects	228	314	542	244	(298)	(317)	18
<b>Total Capital Programme</b>	<b>1,784</b>	<b>3,057</b>	<b>4,841</b>	<b>3,940</b>	<b>(901)</b>	<b>(847)</b>	<b>(55)</b>

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- The Capital Budget was approved by Full Council on 2<sup>nd</sup> February 2022 at £1,784k.
- This was supplemented by £3.057m of carry forwards from 2021/22 as part of the outturn report to S&R on 30<sup>th</sup> June 2022
- The total budget for 2022/23 is therefore £4,841k
- The Capital Outturn spend across the Committee's schemes was £3,940k. The total underspend for the year is (£901k) and a change in quarter of (£55k).

# Capital Budget – Planning Policy

Scheme Name	Original Budget 2022/23	Carry Forward from 2021/22	Budget incl. Carry Forwards 2022/23	2022-23 Outturn	Outturn Variance	M9 Forecast Variance	Change from Qtr3
	£k	£k	£k	£k	£k	£k	£k
Capital contributions to third parties from CIL	1,667	479	2,146	38	(2,108)	(2,085)	(23)
<b>Total Capital Programme</b>	<b>1,667</b>	<b>479</b>	<b>2,146</b>	<b>38</b>	<b>(2,108)</b>	<b>(2,085)</b>	<b>(23)</b>

- The Capital Budget for Planning Policy consists of the Capital Contributions for Community Infrastructure Levy. When the budget was set, this consisted of £1,667k, with a further £950k as part of the Croydon Road scheme in S&R.

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Carry forwards agreed as part of the 30<sup>th</sup> June S&R committee have increased this to £2,146k, as set out above.

The Capital Outturn spend across the Committee’s schemes is £38k. The total underspend for the year is £2,108k and a change in quarter of (£23k). As this is CIL funded, there is no General Fund impact.

The variance relates to:

- Third party delays where the budget assumed earlier agreement on Grant letters/agreements.
- The budget also reflects some older CIL Grants which are subject to external fund raising.

# Capital Budget – Housing Revenue Account

Scheme Name	Original Budget 2022/23	Carry Forward from 2021/22	Budget incl. Carry Forwards 2022/23	2022-23 Outturn	Outturn Variance	M9 Forecast Variance	Change from Qtr3
	£k	£k	£k	£k	£k	£k	£k
Council House Building	7,586	3,930	11,516	8,090	(3,426)	(2,648)	(778)
Roof Renewals	520	0	520	536	16	20	(4)
Soundproofing	0	0	0	0	0	0	0
Structural Damage	200	15	215	197	(18)	35	(53)
Roads, Footpaths & Car Parking Areas HRA	60	0	60	59	(1)	0	(1)
Drainage Works	75	0	75	15	(60)	(40)	(20)
Conversion of Shared Facilities	30	0	30	45	15	15	(0)
Bathroom Renewals	380	0	380	27	(353)	(300)	(53)
Kitchen Renewals	322	0	322	11	(311)	(202)	(109)
Window Replacement	500	0	500	354	(146)	(106)	(40)
Thermal Insulation	30	0	30	45	15	6	9
New Central Heating	30	0	30	73	43	20	23
Rewiring HRA Capital Schemes	188	0	188	285	97	84	13
Infrastructure Services	0	0	0	21	21	0	21
Service Renewal Boilers	345	0	345	527	182	239	(57)
Re-Plumbing	180	0	180	26	(154)	(155)	1
Works to Void Properties	425	80	505	383	(122)	(30)	(92)
Fire Precautions	125	35	160	221	61	60	1
DDA Upgrades	15	0	15	0	(15)	(14)	(1)
Removal of Hazardous Materials	50	0	50	33	(17)	(25)	8
Adaptations for the Disabled	250	115	365	152	(213)	(115)	(98)
Boundary Walls & Fences	60	0	60	57	(3)	(20)	17
Garages & Outhouses	125	0	125	105	(20)	(25)	5
TV Aerials/Digital	0	0	0	0	0	0	0
Door Entry Systems	30	0	30	16	(14)	(15)	1
IT - Hardware/Infrastructure/Projects	61	195	256	80	(175)	(141)	(34)
Vehicle Fleet Renewals - HRA	0	0	0	162	162	235	(73)
<b>Total Capital Programme</b>	<b>11,586</b>	<b>4,370</b>	<b>15,956</b>	<b>11,521</b>	<b>(4,435)</b>	<b>(3,122)</b>	<b>(1,313)</b>

- The Capital Budget was approved by Full Council on 2<sup>nd</sup> February 2022 at £11.6m.
- This was supplemented by £4.370m of carry forwards from 2021/22 as part of the outturn report to S&R on 30th June 2022.
- The total budget for 2022/23 is therefore £16.0m
- The outturn spend was £11.521m (72%) of Budget 2022/23. The outturn spend for Housing Development £8.090m (£3.426m net underspend) and Housing Stock £3.431m (£1.009m underspend).
- The Housing Development net underspend of £3.426m was as noted below:-
  - £2.201m - additional amounts having being added for potential development sites and inflationary rises.
  - £5.626m - delays are on Rochester Gardens , Auckland Road & Windmill Road, Hollow Lane and Wolfs Wood & Featherstone. Slippages on Uplands.

## **Future Tandridge Programme Update and 2024/25 Budget Process**

### **Strategy and Resources Committee**

**Thursday, 29<sup>th</sup> June 2023**

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

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Purpose: For decision

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Publication status: Unrestricted

Wards affected: All

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#### **Executive Summary:**

This report sets out an update on the Future Tandridge Programme ('FTP').

It provides:

- A review of the progress with the overall Future Tandridge Programme, covering achievements to date, elements still to be delivered and risks
- Progress to date in delivering the Service Reviews, with updates on areas currently in progress
- Assets and Facilities Management proposed high-level structure
- Financial Context - detailing the approach to the 2024/25 budget process and planning 2024/25 savings

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

**Contact officer:** David Ford – Chief Executive [dford@tandridge.gov.uk](mailto:dford@tandridge.gov.uk)

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

[mhaksanders@tandridge.gov.uk](mailto:mhaksanders@tandridge.gov.uk)

## **Recommendations to Committee:**

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

- 1.** Note the approach to developing the Target Operating model and the proposed next steps.
- 2.** Note progress being made on the Corporate Plan and Organisational Development.
- 3.** Note the progress in delivering the service reviews and 2023/24 savings target.

### **In respect of Assets and Facilities Management, that Committee:**

- 4.** Approve the new high-level structure for Assets and Facilities Management, including that the Community Surveying team be integrated into the Housing Structure.

### **In respect of the 2024/25 Budget process, that Committee:**

- 5.** Approve the proposed process and timescale for setting the 2024/25 budget and Medium-Term Financial Strategy (MTFS).
- 6.** Note the approach to be used to develop the 2024/25 savings plan and note the financial context in which it will be prepared.

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### **Reason for recommendations:**

The report provides an update on the Future Tandridge Programme, including an overview on the progress to delivering overall objectives, an update on the service review for Assets and Facilities Management and the delivery of the approved Council-wide savings plan.

The report sets out the timetable and expected process for the 2024/25 Budget and Medium-Term Financial Strategy. It is good practice for Members to be engaged early in the budget setting process and to understand the financial context in which the Council is preparing its budget and MTFS.

Formally setting out this context to the Strategy & Resources Committee ensures that the Committee (which is charged with putting forward the overall budget to Council) is sighted on and has opportunity to shape the manner in which the budget is prepared.

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## **1. Introduction**

- 1.1** This report updates the Committee on the Future Tandridge Plan and provides an update on progress being made on the planned savings for 2023/24.
- 1.2** This report also sets out the process for producing the 2024/25 Budget and Medium-Term Financial Strategy, preparing for Strategy & Resources Committee on the 30<sup>th</sup> January 2024 and Full Council on the 8<sup>th</sup> February 2024.

## **2. Future Tandridge Programme**

### **2.1 Programme rationale and objectives – from 1 February 2022:**

The first phase of the Future Tandridge Programme (FTP) was approved by Strategy and Resources Committee on 1 February 2022.

The overall aim of the programme is:

**To transform the operating model for Tandridge, creating a smaller, more strategic, agile and responsive organisation with resources targeted at Council priorities and where need is greatest, underpinned by a more business-like approach to the way the Council operates.**

To date, the programme has been delivered through a mixture of internal officer resource and external support funded from flexible capital receipts.

Regular updates have been provided to members of Strategy & Resources Committee on progress. For this report, a more detailed overview is provided on progress and work to be done in a relation to the agreed key outcomes below:

### **2.2 FTP - Key outcomes, progress made and next steps**

#### **2.2.1 Vision and Strategy**

*Initial Analysis: Strategic Plan is 'on the shelf' and not linked to service plans so no clear method of delivery*

*End stage: Approved Strategic (Corporate) Plan. Service planning and delivery embedded, linked to Strategic Plan*

## **New Corporate Plan 2024 - 2028**

The Council's current Strategic Plan expires in 2024. Having a Corporate vision and plan is an essential element of the of the Future Tandridge Programme. Successful Councils use them to clearly articulate their priorities to a range of audiences, including residents and external stakeholders, they also support bids for external funding.

From 2024, the new Corporate Plan will be aligned to the budget setting process – annual reviews of the Plan's objectives will coincide with budget setting and service planning, which will in turn inform manager and staff appraisals.

The first stage of the development of the new Corporate Plan is underway and is focused on evidence gathering to inform the Council's future priorities and objectives. An evidence pack has been produced and workshops have taken place with Councillors, Council Managers and external stakeholders to consider emerging themes. The Residents' Survey also includes questions designed to inform the plan.

The external stakeholder workshops were very well attended with the following organisations represented:

Biggin Hill Airport, Caterham Barracks Community Trust, Caterham BID, Churches Together, Department for Work and Pensions, East Surrey College, East Surrey Rural Transport, Environment Agency, Freedom Leisure, Mole Valley District Council, Oxted Health Centre, Reigate and Banstead Borough Council, St. Mary's School, Surrey County Council, Surrey Fire and Rescue, Surrey Police, Tandridge Learning Trust, Tandridge Voluntary Action and a number of Parish Councils

Underpinning this from the external stakeholder holders was a strong desire for more collaborative working between the Council and external partners.

The next phase of the plan's development will be to distil the information gathered into a set of meaningful and achievable priorities and objectives for the Council. This will be a Councillor led process with a view to having a draft plan in place by October to inform budget setting, service planning and appraisals for 2024/25. The 4-year plan will be adopted after the Election in May 2024.

Despite the absence of a Corporate Plan, annual service planning was introduced for April 2024. All services produced a plan to set out their priorities for 2023 / 24 underpinned by resourcing considerations and key performance indicators. These plans were discussed and agreed at Extended Management Team. These plans have formed the basis for individual manager and staff objective in appraisals launched at the same time.

From 2024, the adopted Corporate Plan will inform the development of Service Plans, which in turn will inform manager and staff appraisals.



### **Next steps to 2024**

- New Corporate Plan 2024 – 2028
- Draft Corporate Plan to inform service planning and appraisals, and inform budget setting process for 2024 / 25

### **2.2.2 Management**

*Initial Analysis: 'Top heavy' with too many Heads of Service roles. Ad hoc / no clear link to service delivery*

*End Stage: Fewer, more capable managers. Structure clearly linked to Organisational Strategy. Commissioning structure fully in place and operational*

At the commencement of the Future Tandridge Programme, the senior management structure – incorporating Director and Head of Service level posts – consisted of 18 full-time equivalent posts.

The Chief Executive led on a restructure of the senior management team. The rationale for the restructure was:

- Concern regarding leadership capacity and focus. Interim Chief Executives and loss of Directors replaced by Executive Heads had created challenges in terms of corporate leadership.
- In turn this had impacted on Corporate 'grip' and ownership on the basics of good governance and sound corporate management – the lack of centralised policy development and research, service planning, performance management had been keenly felt
- Customer First (the previous transformation programme) had seen a number of good officers leave and had led to confusion with roles in some areas and a lack of ownership and accountability
- The need to create a structure and accountabilities to support the delivery of the Future Tandridge Programme
- Underpinning this was the need to make savings. From this stage of the restructure, there was a requirement to save £280k

The resulting restructure saw the deletion of seven posts: Executive Head of Corporate Resources; Executive Head of Communities; Head of Strategy; Head of Operational Services; Specialist Services Manager; Case Services Manager; and Locality Services Manager.

Three new posts were created: Deputy Chief Executive; Head of Housing and Head of Operations and Contracts.

- The Deputy Chief Executive post was created to build greater capacity at the senior leadership level within the Council and to bring together the responsibilities for front line, people and place-based services. The post has overall responsibility for driving the Council's evolving commissioning approach to those services.

- The Head of Housing post was created to ensure clear accountabilities for the delivery of housing services, as these (and Revenues and Benefits) were split between Specialist and Case Teams as a result of Customer First.
- The Head of Operations and Contracts is an amalgamation of the deleted Head of Operational Services and Locality Services posts. This post brings together the Council's key commissioned and directly managed environmental services with a view to applying the principles of good commissioning to future delivery options.

The completed structure has been in place since February 2023. The Council's Extended Management Team (incorporating Director-level posts and Heads of Service) is working more effectively with the greater involvement of Heads of Service in corporate working (including the Future Tandridge Programme) and clearer accountabilities established.

There is a further senior management savings target of £170,000 to be delivered during 2023 / 24. Proposals for this next iteration are being developed and will need to align to the emerging target operating model for the Council, which is underpinned by the principles of good commissioning. The challenge will be to ensure any further reduction in senior leadership capacity does not compromise the ability to deliver the Future Tandridge Programme and impact negatively on service delivery.

Next steps to 2024

- Second stage senior management restructure

### **2.2.3 Digital and Customer Front End**

*Initial Findings: Website lacks self-service functionality. Multiple standalone systems. Salesforce not being used to potential. Poorly defined customer front end. Lack of data / metrics/ Customer Strategy. Calls / Contacts routinely double handled*

*End stage: Full resident / customer self-service / online access. Integrated systems across key functions such as Planning, Housing and Customer Services*

The Digital Customer Contact Business Case was approved by Strategy and Resources Committee in March 2023. The digital investment required was also approved on the basis that the savings generated will at least cover the cost of improvement.

Underpinning the business case is the need to transform the resident experience and customer services through digital technology. This has been informed by understanding the types of transactions and traffic that is currently processed by Customer Services and the time and cost of dealing with these, in particular, the high volume of telephone calls.

Developing a digitally focused service to residents will reduce this volume of traffic and allow people to carry out their own transactions online instead, reducing the workload to Officers. In developing digital solutions to address these issues, a key part of the project is to also address digital exclusion, to ensure that residents who cannot access digital channels can continue to contact the Council and resolve their issues through other means.

The proposed outcomes from the Digital Transformation project are:

- Redesign of TDC website completed with Chatbot and telephony solutions in place
- Customer self-service key functions on 'MyAccount'
- A fully prioritised technology development plan
- Full resident / customer self-service / online access with integrated systems across key functions such as Planning, Housing and Customer Services
- Slick customer front end with seamless journeys to other areas, i.e. Planning application enquiry
- Reduced manual work and increased automation across key services in the council

This project is underpinned by two strategies – An Engagement Strategy and a Channel Shift Strategy.

A Digital Project Manager has been recruited and will ensure the scope, management and schedule for the delivery is managed according to the governance arrangements in place. Website redesign and telephony projects are now included in the scope for Digital Transformation due to the relative dependencies and to ensure there is a consistent look and feel for residents using the system. Licensing model discussions and negotiations are underway with Salesforce

The Implementation Partner selection process is in progress – three partners have been interviewed and presented their approach. These are in the process of being evaluated.

Business analysis activities are underway (requirements, use cases, personas etc) working with Housing, Waste, Planning and Revs ad Bens to gather details of current processes and then to map out journeys in the new Salesforce system.

Technical architecture discovery and assessment is in progress, reviewing existing systems and building an understanding of the system requirements of internal and external users.

Next steps to 2024:

- Delivery of project to achieve project outcomes (key milestones)
- Implementation partner selection
- Salesforce licence agreement
- Requirements gathering and business analysis
- Customer account design and build
- Implement Mulesoft to build integrated front end to services
- System and user acceptance testing

#### **2.2.4 Commissioned Services**

*Initial findings: Ad hoc overall approach to commissioned services. Some areas poorly specified. Many areas lack performance data / metrics.*

*End stage: All internal and external services operate to clear specifications with performance metrics which are actively managed, developed and improved*

Applying the principles of good commissioning is underpinning the work to support the development of the target operating model for the Council. This does not mean we need to define ourselves as a 'commissioning council' rather it applies best practice to the way the Council runs its services.

To date, the Service reviews have applied the broad principles of good commissioning by identifying needs, reviewing key processes, assessing existing skills and capabilities and considering future delivery options.

Stage 1 of the Future Tandridge Programme included a baseline review of aims and objectives, performance, resources and potential for savings and efficiencies, as well as an assessment of alternative delivery options. This has resulted in change / improvement projects in Operations, Digital Services and Revenues and Benefits. Stage 1 was also used to identify gaps in the Council's ability to evidence performance

Building on Stage 1, the next steps for the development of the new target operating model are:

- Align to Council priorities through development of the new Corporate Plan
- Create the framework, governance and commissioning function. This will be applying the Local Government Association's (LGA) Commissioning Cycle Best Practice guidelines
- Development of internal skills and capabilities across the Council including development of Intelligent Client function

- Developing the timetable for applying the commissioning process to services, both internal and external, to ensure there is capacity to deliver the programme in a managed way
- Ensuring that the senior management structure supports the delivery of commissioning.

In developing our approach, design principles to be considered will include:

- Detailed specifications and data available to enable most effective decisions to be made regarding value for money delivery models
- Principles of the commissioning cycle embedded including regular reviews of all delivery options to ensure services are delivered in the right way, whether that be internal, external, shared service or other options such as local organisations
- Robust performance management against outcomes and agreed Service Level Agreements /Key Performance Indicators
- Continuous measurement and improvement of services by regular assessments of performance data

There is a need to prioritise, which services are considered when for future delivery options. In addition to the work progressing in Operations and Digital, the following services have been prioritised:

Service	Current status	Rationale for prioritisation
Void Works contract	Delivered in-house with specialist bought-in provision.	The area is overdue for redesign of an unintended hybrid economy which overlaps other depot operations. Could be an early catalyst and inform way forward for Housing Services.
Revs and Bens	S&R Report of 10th March for current position	There is an open dialogue with Reigate and Banstead, presenting as a Shared Service proposal. Sharing will include the aim to generate profit through a centre of excellence and potentially consider different models for elements of processing. We can use specialist resource to validate and test the benefits and the delivery model for the centre of excellence.
Housing Management	This is a resident facing service, that was well-engaged in FTP service reviews.	This is an inhouse operation with sufficient scale to be attractive to provider market, alone or collaborative procurement with a neighbouring LA partner.
Human Resources	Service review partially progressed, due to change in lead	Finalise review - Opportunity to review service, potential efficiencies and service improvements. Current outline discussion with Reigate and Banstead about working together, alignment and adopting business partnering structure and sharing resilience.
Planning (non-Policy activities)	Transformation managed within Planning – outside of FTP	Review of service and opportunities for efficiencies to be explored.
Legal	Service review partially progressed, due to other priorities	Finalise review – identify areas for improvement, centralising Legal spend and Legal engagement with external providers, moving functions to business areas, reduction in admin.
Communications and Policy	Service review partially progressed	Finalise delivery model

#### Next steps to 2024

- Councillor engagement in finalising target operating model framework
- Further exploration of shared service opportunities within context of target operating model principles
- Consideration of skills and capability requirements, including as part of next stage of senior management restructure
- Timetable for prioritised services

## 2.2.5 Support Services

*Initial findings: Back-office functions 'babysitting' front line services. Day to day firefighting at expense of added value. Lacking a 'business partnering' ethos*

*End stage: Service Plans identify needs in advance. Resources are directly linked to requirements. Business Partnering the norm*

The Business Partner model being rolled out in Finance will be applied to other corporate services. For Finance, the next phase of transforming the Council's approach to financial management will reaffirm the focus on accountability and self-service, giving budget managers the confidence and tools to deliver their responsibilities.

This will extend to other areas of service delivery to support the overall objective of developing competencies and accountabilities of managers at all levels within the organisation. This activity will inform the requirement for future support from corporate services and form part of budget setting considerations for 2024/25

Next steps to 2024

- Roll out business partnering model across the Council

## 2.2.6 People

*Initial findings: Job roles and responsibilities poorly defined. Lines of accountability blurred in some areas. Lack of coherent People Plan*

*End stage: Smaller, more agile organisation. Capabilities are defined, invested and developed. Talent is identified and developed*

Changes to the senior management restructure created greater clarity regarding roles and responsibilities for managers and their teams. For Extended Management Team and Managers, clear expectations and accountabilities have been established both in terms of the management of their services and how they work with colleagues.

Within the context of the new target operating model, understanding the extent to which the workforce is equipped to deliver what is going to be required is a key consideration. An analysis of the capability requirements to deliver the new model is underway and to complement this a skills matrix is being progressed, partly to establish the skills gap between what the Council has and what it needs.

To drive forward the change required, a People Plan is being developed to address issues of staff retention, recruitment, training and development.

Next steps to 2024

- Develop People Plan
- Skills matrix
- Implementation of Business Partnering
- Potential review of job descriptions and grading

### 2.2.7 Process and data

*Initial findings: Too much organisation effort in inefficient processes. Many processes don't add value. Data not valued or managed.*

*End stage: More routine processes are simpler and automated. Data is used to drive insight and improvement*

As part of the Digital Transformation project, customer facing journeys are being reviewed and automated where possible as part of the MyAccount function.

Providing an online service to residents, enables the Council to gather information to understand more about their resident's requirements, enabling this to be taken into account when considering future improvements. Building a knowledge database that will be used by AI via the chatbot will enable residents to ask questions and be directed to where they find help online, i.e. reporting a missed bin will be fully automated.

Moving towards a culture of 'continuous improvement' across the council will include valuable service level data in areas such as Housing and Planning such as:

- How is a service currently delivered?
- What are the processes that deliver the service?
- How much time do the processes currently take?
- How much do the current processes cost the council?
- Where is there an opportunity to improve the way the service is delivered?

Next steps to 2024

- Develop data insights strategy, including strategy and governance, standards and data integration taking into consideration:
- Collate service specifications and performance as part of continuous improvement process
- Begin to develop customer experience and insight
- Build the findings from data into future design of the service
- Use data to inform decision making on how services are delivered most effectively

## 2.2.8 Culture

*Initial findings: Lack of shared ownership/ common purpose.  
Performance not measured or managed. Inconsistent values and behaviours.*

*End stage: 'One team' Council. Pay and reward linked to performance.  
Modern, agile ways of working*

A set of values and behaviours were developed by managers and staff and these are being embedded throughout the organisation. The agreed values are:

- **Taking Ownership:** Be proactive, identify problems and own the solution
- **Committed and Supportive:** Focus on the customer and support each other
- **Positive and Flexible:** Working with passion, energy and enthusiasm and being adaptable to change
- **Learning and Development:** Always learning and encouraging others to think differently

Further to the values and behaviours for all managers and staff there are three behaviours required specifically of managers. These are:

- Setting direction
- Leading and developing people
- Delivering results

The values and behaviours are regularly communicated to managers and staff including having prominence on screens when staff log in. The four values are also incorporated into the appraisal process whereby staff are asked to identify examples where they have demonstrated each of the values.

The Extended Management Team has been participating in a leadership development programme with the aim of creating greater cohesion and sense of common purpose to the senior leadership team.

The introduction of service planning and appraisals has introduced a more robust approach to manager and staff accountability and managing performance. With the appraisals happening annually, managers are expected to manage performance through regular check ins and to address issues when they emerge. Coaching and training support has been identified to support managers with managing staff performance.



From 2024 / 2025, the appraisal process will be used to determine how performance will be linked to pay and reward.

Staff Briefings and the introduction of drop-in sessions for staff (including depot staff) to meet with senior managers and discuss any issues they may have continue to ensure internal communications is working effectively.

A Key Officer Forum (KOF) has been set up, bringing Extended Management Team and middle managers together. The purpose of the Forum is to:

- Develop a 'One Team' culture
- Improve engagement and 2-way communication with managers and team leaders
- Ensure a consistent management approach and messaging to staff
- Create opportunities for managers to contribute to the transformation programme and corporate working (this includes a rolling programme of Task and Finish group projects, led by KOF, on key issues – the first two being improving the induction process and the customer experience via the website and customer services)
- Nurture talent by creating opportunities for managers

The KOF are currently participating in a management development programme similar to the one undertaken by Extended Management Team to consider how to work more effectively as one team and to drive effective change. Identifying and nurturing talent from this pool and staff more generally, then considering ways in which we can invest in that, is also being progressed.

Finally, a Staff Forum is being established in July, which will have representatives from all departments on a rolling membership basis. This will be an opportunity for staff across the Council to meet with managers to discuss issues affecting their work and an opportunity for managers to discuss any proposals affecting staff in what is intended to be a safe space.

Next steps to 2024

- Develop pay and reward scheme linked to performance – integrated into the appraisal process
- Further training and development on managing performance
- Set up Staff Forum

Updates on the savings and the Service Reviews are covered elsewhere in this report and in Appendix A.

## 2.3 **Establishment review**

As part of the benefits review, an overview of the establishment is attached, this compares the establishment at the beginning of the Future Tandridge programme compared to the current position, summary figures are shown below:

	<b>Number of posts</b>	<b>FTE</b>
<b>Start of FTP</b>	302	286
<b>Current position</b>	286	273
<b>Change</b>	<b>(16)</b>	<b>(13)</b>

## 3 **Summary of Service Reviews**

### 3.1 **Service Review Delivery Updates**

Phase 2 of the restructure is being planned for July 2023 and will focus on the following service area:

- Assets and Facilities Management including Community Surveyors

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

Further staffing savings are planned in the following service areas, with the consultation dates to be confirmed:

- HR
- IT
- Operations

In respect of Operations, the staffing structure will be determined by the Grounds Maintenance options appraisal which is under way and will be reported for decision through the September Committee cycle.

### 3.2 **Delivery Risk Overview**

Each Service Review and the associated savings are risk assessed and RAG rated on a monthly basis. The latest position is set out in the table, below.

		March	June			Variance
RAG status	RAG rating determination	Total March 2023 £000	Staff savings 23/24 £000	Non Staff savings 23/24 £000	Total June 23 £000	Movement March to June £000
	Savings delivered	£630	£426	£388	£814	£184
	Clear plans, realistic timescales	£34	£42	£148	£190	£156
	Some risks to delivery or detailed delivery plan still in development	£964	£289	£335	£624	(£340)
	Significant risks to delivery, delivery plan yet to be agreed	£26		£26	£26	No chg
	<b>Totals</b>	<b>£1,654</b>	<b>£757</b>	<b>£897</b>	<b>£1,654</b>	<b>£0</b>

This review shows that £814k of savings are marked as complete, i.e. all necessary actions have been taken in order to deliver the saving. This has improved by £184k since the March update.

A further £190k is marked as green, this relates to the Asset & FM relating to a restructured service and changes to be made in the implementation of the Operations operating model in October 2023. This has improved by £156k since the March update.

Only £26k in Regulatory Services is marked as red, due to a change in the management leads at TDC and MVDC and the subsequent need for a reset on the savings proposed.

The amber element of £624k reflects the risks to delivery of savings at this early stage before the start of the new financial year. This has been reduced by £340k since the March update and now consists of the following, with further detail in Appendix A:

- £16.5k in Operations and Localities which is marked as amber whilst the recommendations of Committee on the 9<sup>th</sup> of March are in the process of being fully implemented;
- £170k of Management Structure phase 2 – currently marked as amber as plans are being developed;
- £150k saving from better utilisation of the Homelessness Grant Funding, where certainty will increase over the course of the year as homelessness levels are tracked;
- £70k of Assets and FM savings, which are partly dependent on increased lettings at Oxted and Quadrant, and transfer of responsibility for maintenance to leaseholders. Although plans are in place for this, certainty will only come with additional lettings. A reserve exists to mitigate this risk;
- £50k in Revs and Bens – marked as amber as relies on working with external partners with plans being developed in detail.
- £40k for Southern Building Control Partnership awaiting partner sign-off at time of writing.

- £127k smaller amounts across the remaining reviews; mainly linked to Phase 2 and 3 staffing savings which will become green when the consultation is launched.

Confidence in delivering the Amber savings will grow as the year progresses.

A summary of progress for each of the service reviews is included as Appendix A, along with a RAG assessment of current confidence in delivery of target savings and the quality and depth of the review undertaken.

#### **4 Strategy and Resources Committee**

A summary of those services which fall under this Committee has been set out in Appendix A, along with target savings identified for delivery in 2023/24 and options under consideration for future delivery models.

The Committee are asked to note the direction of travel and the associated savings for these services. Further analysis is required in some areas and, where necessary, proposals will be brought back to a subsequent Committee for approval.

##### **4.1 Assets and Facilities Management (FM)**

As part of the Assets and FM service review, a review of the current service and structure was undertaken. The outcome was a recommendation to change the structure to enable delivery of the service in the most efficient way for officers and residents.

At the Strategy & Resources Committee meeting in December 2022, the Committee S&R approved a single corporate landlord model across HRA and General Fund. Since that point, further work has been undertaken to validate the proposed approach to ensure it delivered value for money and promoted clear line management and accountability.

Under the current structure, Community Surveyors (responsible for the HRA housing stock condition) are reporting to the Chief Finance Officer as an interim measure. It was initially proposed that the surveying team would sit within a combined corporate landlord model with asset management, facilities management, and development teams, however having discussed this approach with both staff and external advisors, it was agreed that a corporate landlord model bridging the HRA and General Fund will not provide value for money due to the need for additional management resource to lead the team.

Also, given the increased focus on compliance and regulation for the management of the Council's housing stock, the joined-up approach to stock management with other housing led services and the funding allocation from the Housing Revenue Account, it is recommended that the Community Surveying team be integrated into the Housing Services structure.

In preparation for this, new role profiles have been designed with a focus on providing surveying expertise across both Housing Revenue Account and the wider Council General Fund assets, with a key focus on compliance, regulation, and resident satisfaction.

The remaining functions will continue to be managed through the corporate landlord structure in Property and Development Services. These include the following main areas:

- Commercial property management
- Management of leases and facilities
- Project delivery
- Housing development
- Garage management
- Utilities management (gas, electricity and water contracts)

### **Health and Safety compliance**

The Community Surveyors team in Housing will use their expertise and knowledge to undertake health and safety compliance management across HRA and General Fund assets. This will be undertaken by means of a clear service level agreement. New role profiles will make the responsibilities for this key area completely clear.

### **Consultation**

As part of the Future Tandridge Programme a formal consultation process will be held with all impacted staff following this Committee. Staff will be given the opportunity to view, comment and challenge the revised structures and amended role profiles in accordance with relevant employment law.

### **Financial Aspects**

The proposed arrangements live within the approved budget, including the £42k savings planned from implementing corporate landlord. The new changes proposed in this report, to have Community Surveyors report into the Head of Housing, reduces the proposed headcount of management within Assets and FM by one, leading to a reduced cost across the General Fund and HRA of £74k. This will be redirected towards asset health and safety compliance and project delivery.

Below are the costings of previous and proposed models:

Previously considered model

- 4 x Management graded posts, single team
- **Total cost £958k, General Fund £221k**

Proposed model to this Committee:

- Two teams – Housing / General Fund and Commercial
- **Total cost £884k, General Fund £202k**
- 3 Management Graded posts (1 of which vacant / potentially not needed)

Other elements of business case in respect of Corporate Landlord refreshed but unchanged.

## **4.2 Digital Transformation**

Following approval of the Digital Transformation business case by Strategy & Resources in March 2023, a digital lead is now in post and work is underway to confirm the detailed scope, develop the detailed plan, timeline and create the benefit realisation plan. A project board has been put in place, led by the sponsor, with representation from across the service areas. This board which meets fortnightly is a decision-making group that will scrutinise and participate in decision making and planning before these are taken to the TOMDG (Target Operating Model Development Group) and MRG for ratification and Committee where approval is required.

The majority of the business benefits relating to the Digital Transformation will be realised after implementation of the system changes and therefore it is important that a benefits realisation function monitors and plans all expected benefits to ensure these are followed up as planned and are achieved by the relevant service areas. This function is included as part of the FTP Programme and Benefits delivery board, however the service this board provides will continue beyond the end of the Future Tandridge programme to ensure any benefits forecast as part of FTP are delivered as planned by the relevant services.

## **4.3 Community Services Committee**

### **Operations and Locality including Waste**

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 has progressed the following areas:

- Market engagement exercise to understand the market appetite and opportunities has completed.
- Continuing to work with existing suppliers to secure savings through altering service provision.
- Collation of asset data has now completed and is being reviewed as part of the options appraisal, to understand the specification/affordability of service levels and enable modelling of different delivery models and will be used to inform any tender information to market.

The Operations Transformation workstream took a paper to Community Services Committee in March, which included updates on the structure of the service and the future Operations delivery model. The recommendations in this report allowed the delivery of at least £296k of the £312k total and these are now marked Green in the savings forecast. The remaining £16.5k will be addressed through outstanding elements of the service review.

The Grounds Maintenance delivery model options appraisal is now in progress and an update will be provided at the September Committee cycle.

- Data collection for the parks and open spaces and HRA grounds maintenance has been completed.
- The Council has a comprehensive asset database of all the grounds maintenance features that are either maintained by the DSO or by the contractor and this dataset will now be maintained on an ongoing basis.
- Street cleansing service – a new operating model is being developed, this will reflect resources available and will be based on productivity levels of a high performing service. There will be a more detailed update to members when the new operating model has been developed and any revisions to street cleansing confirmed.

#### 4.4 Housing Committee

As a result of a review of the Housing service, a new structure has been implemented across the service. This was done in tandem with new role profiles being developed for each post to ensure resources are deployed in the areas with most need and to ensure staff are aware of their role and responsibilities.

At its meeting on 20<sup>th</sup> June 2023, the Housing Committee approved a recommendation that the Community Surveying team be integrated into the Housing Services structure. This is referenced in the Assets and Facilities Management Update above.

Further details can be found in the Housing Committee report dated 20<sup>th</sup> June 2023.

## 5. 2024/25 Budget Setting Process

### 5.1 Financial Context

The 2023/24 Budget of £11,935m and the MTFs to 2024/25 was approved by Full Council on 9<sup>th</sup> February 2023, having been considered by the Strategy & Resources Committee on the 31<sup>st</sup> January 2023.

The 2023/24 Budget was balanced with funding of £11.935m, consisting of the following movements from 2022/23:

<b>Table 1: 2023/24 Budget</b>	<b>£k</b>
2022/23 Opening Budget	£11.351m
Pressures (including £1.0m inflation)	£2.238m
Savings	(£1.654m)
<b>2023/24 Final Budget</b>	<b>£11.935m</b>

The MTFs, as presented to Full Council in February 2023, indicated a gap for 2024/25 of £1.4m. Since then, further work has been done to estimate funding and potential pressures for 2024/25. This is set out in the table below, along with an early illustration of scenarios for 2024/25, illustrating pessimistic, optimistic and neutral assumptions. The detail underpinning each scenario is set out in the following paragraphs.

At this stage it is not the intention for the scenarios to represent robust estimates of the position for next year, but to demonstrate a plausible range in the requirement for additional savings. The scenarios show a range of savings required between £0.5m and £1.4m, with £0.75m as the neutral expectation.



OVERVIEW OF BUDGET POSITION		2024/25 forecast (optimistic) £000	2024/25 forecast (neutral) £000	2024/25 forecast (pessimistic) £000	
<b>Base budget 2023/24</b>		<b>£11,935</b>	<b>£11,935</b>	<b>£11,935</b>	<b>Commentary</b>
Net Funding Movements		(£518)	(£435)	(£130)	Improvement in all three scenarios, see below.
<b>Revised Funding</b>		<b>£12,453</b>	<b>£12,370</b>	<b>£12,065</b>	
Funding	Business Rates	(£352)	(£352)	(£352)	All three scenarios taken from external advisor model.
Funding	Council tax	(£325)	(£242)	(£242)	3% optimistic, £5 neutral and pessimistic
Funding	Grants	£359	£359	£864	Opt and neutral assumes New Homes Bonus removed. Pessimistic assumes 3% funding guarantee also removed
Funding	Collection Fund	(£200)	(£200)	(£400)	The Council holds a reserve to accumulate prior-year surpluses on business rate funding which can be released to manage the volatility in funding.
<b>New Corporate Pressures</b>		<b>£548</b>	<b>£682</b>	<b>£1,027</b>	
Corporate	Staffing pay award	£237	£316	£395	Scenarios allow for a range of assumptions on 2024/25 pay award subject to further discussion.
Corporate	Contract and utilities inflation	£221	£276	£442	Assumed at 4 - 8%, 5% neutral
Corporate	Staffing Increments	£90	£90	£90	The full cost of increments will be determined by the appraisal process and turnover of staff.
Corporate	Capital Financing Costs	£0	£0	£100	Pessimistic assumption assumes a pressure from the deterioration of Gryllus investment property income.
Corporate	Contingency & Reserves	£0	£0	£0	No change to current £445k contingency
<b>Forecast Base Budget Gap</b>		<b>£30</b>	<b>£247</b>	<b>£897</b>	
<b>New Service Pressures</b>		<b>£500</b>	<b>£500</b>	<b>£500</b>	
Service	Allowance for Service Pressures	£500	£500	£500	High level estimate pending further work
<b>Budget Gap before savings</b>		<b>£530</b>	<b>£747</b>	<b>£1,397</b>	
<b>Net Pressures</b>		<b>£1,048</b>	<b>£1,182</b>	<b>£1,527</b>	

## 5.2 Funding

The funding projections above are based on modelling by LG Futures, our external funding advisors and local assumptions supported by the Corporate Finance Team through the Joint Working Agreement. In headline terms it is expected that funding will increase by between £100k and £500k, consisting of:

- Business Rates - £352k increase in each case, supported by detailed external modelling. This increase is partly linked to the Council holding a very pessimistic line on business rate income in recent years, combined with recovery post-pandemic.

- Council Tax – An increase between £242k and £325k. The increase will depend upon a 0.5% expected tax base growth, combined with Member decisions on the percentage increase, to be taken in January 2024.
- Grant – All scenarios assume a reduction in Government Grant of £359k, representing the removal of New Homes Bonus. The pessimistic scenario assumes £864k which assumes both New Homes Bonus and the 3% funding guarantee for 2023/24 are withdrawn and not replaced.
- Collection Fund – it is assumed that surpluses on collection achieved in recent years will be released into the funding for 2024/25, between £200k and £400k depending on the level of other funding.

### 5.3 Pressures

The MTFs reported to Council in February estimated £1.4m of pressures for 2024/25. The scenarios above now suggest a range of pressures (consisting corporate pressures and allowance for increased service spending need) of between £1m and £1.5m. Each of the scenarios include £0.5m of service pressures and the intention will be to manage this down to minimise the size of the savings plan required.

- The **pessimistic** scenario assumes that the pressures itemised at February Council are increased by £0.1m net due to the potential impact of Gryllus investment properties on capital financing costs. In the neutral scenario it is expected that this can be mitigated or managed within existing budgets.
- The **optimistic** scenario works back from the pessimistic scenario, but assumes a lessened impact from inflation, staff costs and the investment property impact set out above.
- The **neutral** scenario assumes that, through a combination of managing inflation and capital financing costs, pressures can be held at a mid-point between the optimistic and pessimistic scenarios.

### 5.4 Savings

As a result of the above, a range of potential savings targets may be required:

- The **pessimistic** scenario assumes £1.4m savings are required, consistent with the most recently approved MTFs.
- The **optimistic** scenario assumes that this requirement is reduced to £500k.
- The **neutral scenario** assumes a mid-point pending a full risk-based review at £750k.

Officer effort will now be focussed on developing a savings plan, in consultation with Members, that meets the neutral scenario, and holds contingency plans for the pessimistic and optimistic outcomes.

As part of early preparation, planning is already underway to determine areas of work that will contribute to the savings plan. The five key elements of the savings plan will be as follows. Each section has an indicative range of potential savings, based on a high-level review of possible opportunities. This is very much an initial estimate based on early development work, and will take more shape as the budget process develops.

FIVE ELEMENTS OF THE SAVINGS PLAN TO BE DEVELOPED				
Full-year effect of 2023/24 savings and remaining service review KLOES	Early commissioning reviews, delivery model assessments and procurement activity	Review funding levels for each service – in which areas do we have discretion to vary the amount we spend or how we fund it, e.g. if there is external funding available	Commercial opportunities to increase or generate new income	Early digital gains & process review in services that are not prioritised for commissioning, including self-service opportunities
Range: £25-£100k	Range: £50-£200k	Range: £75 - £200k	Range: £75 - £150k	Range: £50 – £100k

The range identified currently is between £275k and £750k. This indicates that the neutral savings target is a stretch at this very early point in planning, and that further work will be necessary to identify areas for saving and convert them into deliverable plans. Equally important, as set out above, is to minimise the pressures built into the budget to lessen the need for savings.

Early work and work underway includes:

- An externally-facilitated commercial workshop to begin the creation of a long-list of opportunities, and start the development of a commercial strategy.
- A full review of outstanding lines of enquiry from the 2023/24 service reviews.
- The development of the Council’s approach to commissioning, and prioritisation of services for consideration.
- Process mapping alongside the Digital Project.

Next steps and planned activities against each element are set in Appendix B.

## **5.5 Overall position**

The pessimistic, optimistic and neutral scenarios set out a range of assumptions which will need refinement as the budget process develops. Government funding is unlikely to be confirmed before the Local Government Finance Settlement in December 2023. In the meantime the Council, in common with Local Government as a whole, will lobby the Government for additional funding to meet the impact of high inflation on the cost of delivering services.

## **5.6 2024/25 budget governance**

The FTP and the approach to 2023/24 savings represent the key mechanism to identify the savings needed for 2024/25. All savings will be managed through the FTP Governance model. The Programme Benefits and Delivery Board, part of the overall FTP Governance, will oversee delivery.

Further work is required to pursue areas of potential savings including key lines of enquiry developed from the FTP in context of the likely funding gap for 2024/25 and the likelihood of further constrained funding in 2025/26 and beyond.

## **5.7 Proposed Process**

The 2024/25 Budget Process will culminate on the 8<sup>th</sup> February 2024, when Council is scheduled to discuss and approve the budget and MTFS. The Constitution determines that the S&R Committee "shall consider the aggregate of all Committee estimates and, after making such amendments as it thinks fit, submit the aggregate estimates to the Council for approval, together with recommendations as to the Council Tax to be levied for General Fund expenditure." For 2024/25, S&R is scheduled for the 30<sup>th</sup> January 2024. An indicative timetable leading up to that point is set out below, including plans to engage with the other Policy Committees:

<b>Time Period / Date</b>	<b>Activity / Milestone</b>
<b>29<sup>th</sup> June 2023</b>	<b>2024/25 Budget Process Report to S&amp;R Committee</b>
July – September 2023	Initial estimates of Pressures and Savings developed: <ul style="list-style-type: none"> <li>• Review of fees and charges</li> <li>• Review of commercial opportunities</li> <li>• Early digital gains</li> <li>• Commissioning benefits and associated savings</li> <li>• Savings from service reviews</li> </ul>
August – September 2023	Engagement with Members on 2024/25 initial Pressures, Savings, Fees and Charges
<b>September 2023</b>	<b>Committee Cycle – FTP update and progress on identifying 2024/25 savings</b>
October – November 2023	Engagement with Members on 2024/25 Draft Budget
<b>30<sup>th</sup> November 2023</b>	<b>2024/25 Draft Budget and Capital Programme, including Tax Base to S&amp;R</b>
December 2023	Expected publication of Local Government Finance Settlement – finalisation of funding estimates
December 2023 to January 2024	Engagement with Members on 2024/25 Final Budget  Engagement with residents and Business Rate payers on 2024/25 Budget
<b>January 2024</b>	<b>Committee Cycle – 2024/25 Final Budget, Capital Programme and Medium-Term Financial Strategy</b>
<b>30<sup>th</sup> January 2024</b>	<b>2024/25 Final Budget, Capital Programme and Medium-Term Financial Strategy to S&amp;R Committee</b>
<b>8<sup>th</sup> February 2024</b>	<b>2024/25 Final Budget, Capital Programme and Medium-Term Financial Strategy to Council</b>

## **5.8 Consultation**

Engagement with Members will take place through MRG, informal workshops where needed and ultimately through Committee.

The Council has a statutory obligation to consult with Business Rate payers, and it is good practice to engage residents on the shape of the budget. Alongside the initial work to quantify budget pressures and identify savings through the Future Tandridge Programme, consideration will be given to an appropriate form of consultation with these stakeholders. Consultation will align with the process to develop the new Corporate Plan, and the budget process will need to reflect emerging priorities.

The publication of a Draft Budget in December will form the basis of consultation, in order to shape the final budget to Council in February 2024.

## **6. Next Steps**

Subject to any comments from this Committee on the recommendations and direction of travel, Officers will continue to update their delivery plans for the improvements and savings identified and work towards delivering the benefits documented in the business cases. Where appropriate and necessary, revised business cases will be brought to a future Committee for review.

## **7. Comments of the Chief Finance Officer (s151)**

It is imperative that the Council has robust plans to deliver the agreed savings programme for 2023/24 and to develop realistic savings proposals for 2024/25.

This report updates on the progress to date in delivering the planned savings and identifying opportunities to deliver savings in future. The report sets out next steps and the risks associated with delivery of the programme. At this early stage of the financial year, the position is reasonable. Certainty on the amounts flagged as amber will increase as the year progresses and will be reported regularly to Committee.

The Council should ensure that the investment in the FTP and improvement plans is sufficient to assure successful delivery, whilst looking to make best use of limited resources, primarily funded through one-off capital receipts. The total resource projection is unchanged from the £500k previously reported to Committee, however the 2024/25 budget process is likely to require investment to deliver planned change. This will be quantified and set out in future Committee reports.

## **8. Comments of the Head of Legal Services**

Whilst the FTP represents a significant financial commitment by the Council, this report has no legal implications and the overall programme remains within budget allocation. The delivery of the savings associated with FTP are key to supporting the Council in closing the financial gap in the current and future years. There are a number of proposals within the programme that span several service areas and the FTP is being managed in conjunction with the Council's mainstream savings programme to ensure there is no overlap and that all savings are accounted for only once.

The report outlines that the FTP remains on track to deliver the required outcomes and timelines to cost and budget. However, pressures remain and it will be important to continue to take a robust and consistent approach to governance, but at this time there are no unmitigated major risks.

## **9. Equality**

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

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

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

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

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.

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

## **10. Climate Change implications**

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.

## **11. Background papers**

- Strategy & Resources Committee 1<sup>st</sup> February 2022 - [Future Tandridge Programme](#)
- Strategy & Resources Committee 29<sup>th</sup> September 2022 - [Future Tandridge Programme Update](#)
- Community Services Committee 18<sup>th</sup> October 2022 - [Community Services Committee – Future Tandridge Programme Update](#)
- Housing Committee 4<sup>th</sup> October 2022 - [Future Tandridge Programme Update](#)
- Strategy & Resources Committee 1<sup>st</sup> December 2022 [Draft Budget 2023/24 and Future Tandridge Programme Update](#)
- Community Services Committee 9<sup>th</sup> March 2023 – restricted papers
- Housing Committee 20<sup>th</sup> June 2023 - [Housing Services Structure report](#)
- Audit and Scrutiny Committee 27<sup>th</sup> June 2023 - [Future Tandridge Programme Update](#)

Appendix A – 2023 Service Review updates

Appendix B – 2024/25 savings approach

Appendix C – Programme highlight report

Appendix D – Programme Roadmap

Appendix E – Programme Risk Register



S&R Committee report  
FTP - Service Review update  
Appendix A

June 2023

# Overall assessment of savings delivery – June 2023

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		March	June			Variance
RAG status	RAG rating determination	Total March 2023 £000	Staff savings 23/24 £000	Non Staff savings 23/24 £000	Total June 23 £000	Movement March to June £000
	Savings delivered	£630	£426	£388	£814	£184
	Clear plans, realistic timescales	£34	£42	£148	£190	£156
	Some risks to delivery or detailed delivery plan still in development	£964	£289	£335	£624	(£340)
	Significant risks to delivery, delivery plan yet to be agreed	£26		£26	£26	No chg
	<b>Totals</b>	<b>£1,654</b>	<b>£757</b>	<b>£897</b>	<b>£1,654</b>	<b>£0</b>

\*Red rated areas are in Regulatory Services (£26k)

\*Amber rated staff savings in Assets & FM (£40k), Operations (£17k), Revs and Bens (£25k shared service)

# Service Review Overview – Housing and Communities Committees

Service	Head of Service	Target Savings (000's)	Savings confidence	Operating model review	Delivery model options under consideration	Staff savings
<b>Commissioned externally</b>						
Operations and Localities incl Waste	Simon Mander	£239	On track	Y	Waste - outsourced Operations – models being explored	Y
Waste	Simon Mander	£23	At risk		Garden Waste charges	N
Building Control	Angela Hughes	£70	At risk	Y	Shared Service / Arms length	N
Regulatory Services	Taryn Pearson-Rose	£26	Plan required	N	Shared Service	N
Committee total		<b>£408</b>				
<b>Commissioned internally</b>						
Community Partnerships	Julie Porter	£50	At risk	Y	In house	N
Housing HRA	James Devonshire	Separately funded	At risk	Y	In house (options review September 23)	Y
Housing Statutory	James Devonshire	£210	At risk	Y	Reshaped in house model	Y
Committee total		<b>£260</b>				

Delivered
Plan required
At risk
On track

# Service Review Overview – Strategy and Resources Committee

Service	Head of Service	Target Savings (000's)	Savings confidence	Operating model review	Delivery model options under consideration	Staff savings
<b>Back Office / Enabling</b>						
Assets and FM	Mark Hak-Sanders (Interim)	£112		Y	In house / work with delivery partners	Y
Communications & Policy	Giuseppina Valenza	£47		Y	Reshaped in house short term / Potential outsource	Y
Digital and IT Cross Cutting	Mel Thompson / Vicky Barrett	£35		N	In house BAU / change delivery external / outsource	N
Customer Services	Mel Thompson	£128		Y	Transformed In house	Y
Human Resources	Mel Thompson	£65		Y	Reshaped in house model / shared service / outsource	Y
Democratic Services	Lidia Harrison	£8		Y	In house model	Y
Legal	Lidia Harrison	£24		N	In house / as-is model	N
Revs and Bens	Mark Hak-Sanders	£100		Y	Shared Service / hybrid	Y
Committee total		<b>£519</b>				
		<b>£1,187</b>				

Complete
Plan required
At risk
On track

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Assets &amp; FM</b>		<b>Report date:</b> May 2023		<b>Overall RAG status</b>		<b>AMBER</b>		
<b>Lead Officer:</b>		Mark Hak-Sanders		<b>Committee:</b>	Strategy & Resources			
<b>Summary of Current Status:</b>				<b>Critical areas of focus</b>				
<p>Consideration of a fully integrated Property Service has moved ahead with roles and responsibilities being identified across areas of Asset Management, Facilities, Community Surveyors, Projects and Housing Development. The identification of all property related spend has included consideration of Health and Safety compliance. A draft structure is being finalised with two options initially under consideration: a fully integrated structure, or a structure broadly split into two areas; for HRA and General Fund. External views and guidance was being sought on these options and concluded that the structure with a General Fund / Commercial and separate HRA team was most appropriate. Primarily this ensured clear accountability for the HRA work to the Housing Committee and removed the need for an additional Head-of-Services graded post in the structure. The structured now has TOM and MRG sign-off on 19<sup>th</sup> April and will be taken to committee for approval in June. The structure achieves the £42k staffing savings.</p> <p>The review of c. 140 properties was paused whilst staff changes took place. This will categorise the estate based on the reason for holding. New categories have been used following a matrix produced by People Too: Community, Investment, Redevelopment, Regeneration and Surplus. This will inform review meetings with ward Members which will take place once complete.</p> <p>Space requirements for Civic Offices are being reviewed and consideration of new suites to be created for letting are being costed. New lettings are beginning to occupy the building. One Public Estate funding has been awarded to consider the longer-term future of the site. This will inform the medium-term strategy.</p>				<p>Having arrived at a provisional structure, consultation with staff involved will begin immediately following S&amp;R on the 29<sup>th</sup> June. This will confirm roles and responsibility.</p> <p>Clear accountability and process for Health and Safety compliance management will be defined, with an internal SLA drawn up between the team commissioning and overseeing the work and the team undertaking it.</p> <p>Vacant roles will be recruited to, including ensuring the Development team and project management has sufficient resources, and a new permanent manager of the Assets and FM team is recruited.</p> <p>The review of assets in the General Fund for commercial opportunities, and/or running cost reduction needs to be given renewed attention.</p> <p>Work is underway to document space standards for the Oxted offices, set out a clear strategy for the use of the car park and therefore set out how much further office space can be leased to third parties.</p> <p>The One Public Estate project for the medium-to-long term future of the site is underway.</p>				
<b>Key risks and Issues</b>								
<ul style="list-style-type: none"> <li>Ability to recruit to vacant posts, particularly the management post, may determine that elements of the service may need to be commissioned differently</li> <li>The saving from reducing maintenance exposure and/or increasing commercial opportunities from the asset portfolio has been paused and needs refreshed attention</li> <li>Car parking at the Oxted offices is under pressure and a project is under way to identify alternatives</li> <li>Compliance reviews may identify further investment requirements in the condition of assets</li> </ul>								
<b>Source of savings for 23/24</b>				<b>23/24 saving</b>	<b>Dlvry Qtr</b>	<b>RAG status</b>	<b>24/25 saving</b>	<b>Narrative</b>
Staffing / structure review				£42k	Q1	Green		Subject to Phase 2 consultation in July-September, but savings have been identified and are on track.
Reduction of maintenance exposure / increased commercial opportunities from asset review				£20k	Q3	Amber		Review has been on hold whilst staffing levels resolved.
Oxted Offices / Quadrant increased rental targets				£50k	Q1-4	Amber		Review of parking strategy and office use by TDC staff under way

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Building control</b>		<b>Report date:</b> May 2023		<b>Overall RAG status</b>		Amber		
<b>Lead Officer:</b>		Angela Hughes		<b>Committee:</b>		Planning Policy		
<b>Summary of Current Status:</b>				<b>Critical areas of focus</b>				
Project commenced. Contract drafted but not yet signed by parties. SBCP IT role – person recruited has left the organisation and the post will need to be advertised.				Completion contract formalities  Recruiting a replacement for SBCP IT Role				
<b>Key risks and Issues</b>								
New database needs to be completed in time to give notice of termination of contract to existing supplier otherwise SBCP cannot benefit from reduced IT costs.  The lack of IT specialist in SBCP team is a risk for SBCP but this does not put the first quarter's payment at risk.								
<b>Source of savings for 23/24</b>				<b>23/24 saving</b>	<b>Divry Qtr</b>	<b>RAG status</b>	<b>24/25 saving</b>	<b>Narrative</b>
The £40,000 is the agreed contract cost payable to TDC by SBCP for the provision of a new Salesforce org.				£40	Q1/2/3/4	Amber		

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Communications</b>		<b>Report date:</b> May 2023		<b>Overall RAG status</b>		AMBER		
<b>Lead Officer:</b>		Giuseppina Valenza		<b>Committee:</b>		Strategy and Resources		
<b>Summary of Current Status:</b>				<b>Critical areas of focus</b>				
<ul style="list-style-type: none"> <li>Service review first phase completed.</li> <li>Business case presented to and approved by Strategy and Resources 1 December 2022.</li> <li>Workshop for key stakeholders (councillors and EMT) to identify future outcomes for communications service held 10 January 2023.</li> <li>Communications survey carried out.</li> <li>Staff consultation 17 January-14 February 2023. New Policy and Communications structure in place 1 April 2023.</li> </ul>				<ul style="list-style-type: none"> <li>Explore paperless committees with democratic services team 2023/2024.</li> <li>Review print contract in 2024.</li> </ul>				
<b>Key risks and Issues</b>								
<p>Reduced communications service will impact volume of communications output and outcomes to residents                  Loss of consistency of approach, control and rigour over communications - impact on reputation, quality, branding.                  Reduction in quality, output of messages and less dialogue – may increase contact from customers.                  Impact on website content quality - accessibility issues.</p> <ul style="list-style-type: none"> <li>Reduced communications service will impact ability to support external and internal communications support.</li> <li>Weak/poor internal communications can lead to staff not knowing what is going on, not feeling part of or committed to the organisation and dissatisfied in their work. In turn this can impact service delivery</li> </ul>								
<b>Source of savings for 23/24</b>				<b>23/24 saving</b>	<b>Dlvry Qtr</b>	<b>RAG status</b>	<b>24/25 saving</b>	<b>Narrative</b>
Staffing reductions of two posts.				£47	Q1	Complete		

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## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Communities and Partnerships</b>	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	<b>AMBER</b>
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<b>Lead Officer:</b>	Julie Porter	<b>Committee:</b>	Community Services
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
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<p>Westway lease signed May 2023. A few outstanding issues to resolve with Assets team. Underleases in progress with Solicitors.</p> <p>Anti-Social behaviour project progressing with draft policy awaiting legal input</p> <p>East Surrey Place neighbourhood model of care is developing with two workshops having taken place. This aligns to the submission made as part of the response to the Fuller Stocktake.</p> <p>Wellbeing Prescription Service contract extension now extended until March 24. A future model is now being progressed through the Communities and Partnership board at East Surrey Place.</p> <p>East Surrey Discharge and Welfare team now fully recruited and taking referrals from North Tandridge residents. The team are working closely with the Westway and the wellbeing prescription team.</p> <p>Community and voluntary panel established and agreed 23/24 funding of community grants.</p>	<p>Leisure contract with Freedom Leisure</p> <p>Progression of Wellbeing prescription neighbourhood model</p> <p>Anti-social behaviour and new statutory duties being introduced</p> <p>Alternative funding for Domestic abuse prevention programme (IRIS programme).</p>
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### Key risks and Issues

- With current vacancies within the legal team the Anti-social behaviour project is behind target
- With the increase in Domestic Homicides the need for the IRIS programme has never been so high. Currently the IRIS programme is funded through a partnership agreement with PCC, R&BBC, health and TDC. If TDC can no longer provide funding the programme may not continue. The risk of a DHR happening in Tandridge will result in additional unbudgeted costs for the Council
- With the increase in energy costs Freedom Leisure has had to make significant mitigations including cuts in resources and decrease in pool temperatures. This has had an impact on the service and the Council are seeing an increase in complaints
- Demand continues to increase for the wellbeing prescription team. With reduced staffing and not replacing the admin support officer response times and wait times are increasing due to advisors having to carry out their own bookings.

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Alternative funding source for Domestic Abuse Prevention IRIS Programme	19	Q4	Amber		Countywide solution now looking unlikely. Discussions need to be escalated at Surrey Health and Wellbeing board with Health teams
New model for delivering Wellbeing Prescription service across East Surrey Place	-	Q4	Amber		



## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Customer Services</b>	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	<b>AMBER</b>
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<b>Lead Officer:</b>	Mel Thompson	<b>Committee:</b>	S&R
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<ul style="list-style-type: none"> <li>New customer service manager in post</li> <li>Service plan developed and appraisals linked through</li> <li>Two vacancies are frozen</li> <li>KOF tasked with saving £10k in postage over 23/24 – project group being formed</li> <li>Working with the digital implementation team</li> <li>Key stakeholders in the telephony project team</li> </ul>	<ul style="list-style-type: none"> <li>Channel shift strategy – working with the digital lead, starting to building the objectives for the strategy</li> <li>Mapping and analysis of the indexing and redaction process for planning</li> <li>Mapping the support for the Revs &amp; Bens scanning and indexing</li> <li>Start to scope the new ways of working</li> </ul>

### Key risks and Issues

- Reducing the staffing by two has already increased the waiting times on the phones – no more staff savings can be made until the digital tools are implemented

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Reduction in postage costs	10k	Q4	Amber		
Staff savings following the introduction of the digital tools	15K		Amber		Will not be delivered until after the go live date of June 2024
Vacancy factor	£103k		Complete		

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Digital Transformation</b>	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	Green
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<b>Lead Officer:</b>	Lee Osborne	<b>Committee:</b>	Strategy & Resources
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<p>Business case has been approved and budget approved by full committee.</p> <p>Project is now in the inception phase, further business analysis is taking place to identify additional use cases, clarify and document requirements this will then populate the project deliverables and define the final scope.</p> <p>The Project Initiation Document (PID) is being drafted for acceptance and approval. Project board has been established and biweekly meetings are currently taking place.</p> <p>The processes for identifying procuring the services of an implementation partner are underway. Initial meetings and discussions are taking place and financial negotiations with salesforce are underway to achieve the best possible discounts on license costs.</p> <p>Communication and Engagement Strategy is being drafted for approval and distribution.</p>	<p>Selection and appointment of the right Implement Partner to deliver the technical aspects of the project.</p> <p>Negotiating license costs with salesforce to achieve the highest possible level of discounts to ensure economic viability.</p> <p>Project governance and best practice to ensure success.</p> <p>Strategy agreed to give cohesion and strategic direction.</p>

### Key risks and Issues

- Implementation partner selection – there could be a substantial cost or delays if the shortlisted vendors are not suitable
- Salesforce license costs – due to external factors and time elapsed initial indicative pricing may no longer be accurate
- Salesforce account manager changes – change of account manager at salesforce has caused delays and the new account manager has own agenda to sell products that are not relevant

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
No savings are due to be achieved by this workstream in the FY23/24					

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Statutory Housing Services</b>	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	<b>Green</b>
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<b>Lead Officer:</b>	James Devonshire	<b>Committee:</b>	Housing Committee
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<p>Handyperson work activity is now being provided by Millbrook Care Ltd. This contract is due to expire in March 2024 and a contract procurement process is underway.</p> <p>New Staff structure now in place for Housing Needs and Homelessness and Grants and Adaptions activity.</p> <p>A planned programme of works for Meadowside has been designed following the site survey in 2022. This includes maintenance work to trees, parking and fire fighting equipment. Feasibility study of the future management of the site is to take place later in 2023.</p> <p>Consideration is currently being given to the IT used by the statutory housing service with a view to amalgamating software with the Housing Management functions for better staff and cost efficiencies.</p>	<p>Continue to review future management models for Meadowside. New staffing arrangements implemented in March 2023 ensuring more staff visibility across several housing services.</p> <p>Continue to develop IT services to meet statutory requirements and improve data quality across the service.</p> <p>Housing Team away days arranged for June 2023, this will encourage collaborative working across the service area and increased resident satisfaction.</p> <p>Continue to ensure the prevention of homelessness remains a priority for the service and continue to build on measures to prevent (where possible) increasing use of Bed and breakfast.</p>

### Key risks and Issues

- Increased use of bed and breakfast due to lack of private sector and temporary accommodation
- Increasing demand on disabled facilities and aids and adaptions budgets to support independent living and reduce the need to move accommodation or use hospital beds

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Capitalisation of Salary budget	£60k	Q1	Green	£60k	Action complete
Offset of Homelessness Reduction Grant	150k	Q4	Amber		Increased B&B costs may reduce sum to be offset

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Housing Landlord Service HRA</b>	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	Green
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<b>Lead Officer:</b>	James Devonshire	<b>Committee:</b>	Housing Committee
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<p>Council house adaptations work now being undertaken by the Home Improvement Agency. Orchard health check complete, action plan drawn up and tasks allocated.</p> <p>New staff structure now in operation for tenancy management, income management, sheltered housing and leasehold management activity</p> <p>Review of salary and corporate recharge apportionment completed and budgets amended for 2023/ 24</p> <p>Housing Management review currently underway with options being considered in accordance with commissioning cycle.</p> <p>Consideration is currently being given to the IT used by the housing service with a view to amalgamating software with the statutory housing functions for better staff and cost efficiencies.</p>	<p>Tendering of new aids and adaptations contract with DFG and Handyperson work to commence in 2023.</p> <p>Continue to develop Orchard housing management system inline with action plan and forward plan housing service IT provision in accordance with digital strategy</p> <p>Housing Team away days arranged for June 2023, this will encourage collaborative working across the service area and increased resident satisfaction.</p> <p>Continue to keep under review salary and recharge apportionments between HRA and HGF</p> <p>Implement Resident Engagement Strategy in accordance with new legislation and Tenant Satisfaction Measures</p> <p>Integrate Community Surveying team into housing structure subject to committee approval</p>

### Key risks and Issues

- Increased compliance measures following the roll out of new Tenant Satisfaction Measures
- Increase in compliance measures for Council owned stock following introduction of the Building Safety Act and increased fire prevention regulation
- Increase in neighbourhood complaints in relation to tenancy breaches

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Salary and corporate charge apportionment	£150k	Q1	Green		Action complete
Staff re structure	100k	Q1	Green		Action complete

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review:</b> HR	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	AMBER
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<b>Lead Officer:</b>	Mel Thompson	<b>Committee:</b>	S&R
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<ul style="list-style-type: none"> <li>OD Lead role is out to recruitment</li> <li>Appraisal training rolled out and appraisals taking place</li> <li>Reviewing the contract for payroll and Itrent</li> <li>Key Officer forum project nearly completed on induction/onboarding</li> <li>Continuing discussions with R&amp;B on shared HR function</li> </ul>	<ul style="list-style-type: none"> <li>Updating outstanding HR policies</li> <li>Developing car salary sacrifice scheme</li> <li>Finalising a more streamlined recruitment process</li> <li>Preparing for the Phase 2 restructures</li> </ul>

### Key risks and Issues

- The OD Lead role has been out to recruitment for some time, the salary offered may have to increase to attract a suitable candidate

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Reduction in training budget	£20k	Q4	Green		
Staff savings	£45k	Q4	Green	£20k	Savings combined from KM post and the reduction in hours of one HR BP

<b>Service Review: Legal</b>		<b>Report Date: June 2023</b>		<b>Overall RAG status</b>			<b>Amber</b>	
<b>Lead Officer:</b>		Lidia Harrison		<b>Committee:</b>		Strategy and Resources		
<b>Summary of Current Status:</b>				<b>Critical areas of focus (High priority KLOEs)</b>				
<p>The type of requests for Legal support make up a large amount of the work undertaken by the team and as this is not planned out in advance, makes it very difficult for the team to plan ahead and understand their capacity at any given time.</p> <p>The Legal team are considering how to centralise Legal activities and spend, to enable control and management of the spend by TDC and to enable a level of control and planning ahead. Centralising the work and spend will require tighter control of the budget and a much clearer understanding of the type of work undertaken by the Legal team.</p> <p>Stakeholder engagement will be carried out during March and April and a set of recommendations on the findings will be provided to the committee in June.</p> <p>Looking at how to centralise all legal budgets enabling the Head of Legal to have control of the external legal budget for all service departments. There would be enhanced gatekeeping and review of all external legal instructions. Decision will be taken on commissioning effectively: either optimising the use of in-house resources or procuring high quality and value for money on external legal resources where appropriate.</p>				<p>Manage demand from internal client services and improve processes. Some tasks currently delivered by Legal Services are being reassigned to other departments.</p> <p>Review volume of work generated primarily by Planning and Housing and look to address the root cause of this demand and reduce the volume through improved service improvements.</p> <p>Greater control would prevent individual departments from seeking legal external advice</p>				
<b>Recommendations / Improvement areas included in the business case</b>				<b>Key risks</b>				
<p>Reduce work from internal services areas where possible, to work out which documents and processes to automate. For instance, to institute simple processes for officers to follow for straight forward contract renewals with suppliers or lease renewals with third parties.</p> <p>Work has begun on collating a knowledge management system with content on standard legal advice that Officers can refer to as part of their routine activities.</p> <p>All instructions to be sent through to the legal helpdesk. All internal clients have been advised.</p> <p>Review existing staff structure in relation to the case types and volumes generated internally. Look into what work, if any can be externalised.</p> <p>Explore potential for buying in external legal support form other LA's and private company options.</p>				<p>Additional income from supporting other authorities may reduce as the FOI administration passes to Legal Services on 1<sup>st</sup> December. This is being transferred without any additional resources. Saving target may not be reached.</p> <p>It is becoming more frequent that individual teams require significant legal input, say to support a Local Plan or Planning Inquiry, a major contract or a housing prosecution. Fewer legal specialists in post will mean that this work would be externalised.</p> <p>Internal clients receive the benefits of being able to access a greater breadth of experience and skills across the wider Legal team that may not have been available internally before and that would previously have been bought in from external solicitors at a high cost.</p> <p>There is a risk with reducing the team and increasing external support that the Council would be unable to control it's legal spend in the same way that it would do under current arrangements.</p>				
<b>Savings identified for 2023/2024</b>				2023/24	2024/25	<b>Assumptions</b>		<b>RAG</b>
Through centralising all legal budgets				£24k	£0k	Full year effect of staffing savings made in 2022/23		
To monitor performance and continuously drive improvement in Legal Services, making best use of technology, commissioning effectively and ensuring practices and processes are efficient and				£tbc	£tbc	To ensure Legal Services meets its income generating.		

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Operational Services including Waste</b>	Report date: May 2023	Overall RAG status	AMBER
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Lead Officer:	Simon Mander	Committee:	Community Services
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<p>Community Services Committee agreement to remove the bring recycling banks</p> <p>Extension of GM contract in lieu of savings.</p> <p>Restructure of Localities Team into Waste Management and Environmental Enforcement.</p> <p>Community Services agreement to increase garden waste charge</p> <p>Absorbing inflationary impact over 7 years (2015 – 2022) (General Fund Element) having extended the grounds maintenance contract</p>	<p>Completing HRA GM gathering data exercise</p> <p>Undertake the GM options appraisal with Committee report going in September</p> <p>Bring recycling banks to be removed</p> <p>Street Cleansing new operating model to be reviewed.</p>

### Key risks and Issues

- Need to complete GM options appraisal
- Satisfaction with the reduced GM schedule
- Review of reduced schedule for street cleansing

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Removal of bring recycling banks	50,000	Q2	Amber	0	Delays due to local elections
Extension of grounds maintenance contract in lieu of savings and reduction in schedule	41,500	Q1 – Q4	Green	0	Need to review reduced schedule in light of complaints
Garden Waste	23,000	Q1 – Q4	Green	0	Minimum expected
Restructure	34,000	Q1 – Q4	Green	0	
Absorbing inflationary impact over 7 years (2015 – 2022) (General Fund Element)	147,000	Q1 – Q4	Green		

## Future Tandridge Programme - Service Review Highlight report

<b>Service Review: Revs &amp; Bens</b>	<b>Report date:</b> May 2023	<b>Overall RAG status</b>	<b>AMBER</b>
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<b>Lead Officer:</b>	Mark Hak-Sanders	<b>Committee:</b>	Strategy & Resources
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<b>Summary of Current Status:</b>	<b>Critical areas of focus</b>
<p>Phase 1 saving delivered and new structure in place.</p> <p>S&amp;R approval 30.03.2023 for sharing services with RBBC in place – kick-off meeting held 3<sup>rd</sup> May. Detailed project plan being developed for business case to September S&amp;R including:</p> <ul style="list-style-type: none"> <li>- Nature of joint working agreement (i.e. S113 agreement)</li> <li>- Consideration of overheads and recharging mechanism</li> <li>- Consideration of legal vehicle needed to generate surplus for the General Fund</li> <li>- Early commercial opportunities being explored.</li> </ul> <p>Debt recovery / collection increase project under way with £33k of £50k target identified through Single Person Discount Review</p>	<ul style="list-style-type: none"> <li>- Agreeing action plan to deliver savings / surpluses through joint working with RBBC, including focusing on immediate vacancies within the service.</li> <li>- Focussing on increasing income through county-wide collaborative group and initiatives</li> <li>- Improving processes and automation, including promotion of My Account to reduce and manage backlogs</li> </ul>

### Key risks and Issues

- Need to ensure continued alignment with partner appetite for sharing – risk of varying aspirations for the service. Managed through regular progress checks
- NEC contract runs 4 years from October 2022 - this is the key channel to focus on for Revs and Bens and will be a factor in any shared service discussion to align process
- Backlog reduction from Covid-19 and NEC implementation is largely complete but requires ongoing management
- Need to consider most appropriate means of filling any vacancies as they fall due
- Alignment with the Digital Business case critical to ensure common approach to customer contact for Revs and Bens

Source of savings for 23/24	23/24 saving	Dlvry Qtr	RAG status	24/25 saving	Narrative
Phase 1 restructure	£25k	Q1	Complete		
Debt recovery / collection increase	£50k	Q1-4	Amber		£33k has been delivered to date, remainder ongoing
Sharing with RBBC and generating surplus / delivering efficiencies	£25k	Q3-4	Amber		Detailed project plan under development. Early gains being identified.



## Appendix B – 2024/25 savings approach

Element Overview	Commentary	Indicative range
Full-year effect of 2023/24 savings and remaining service review KLOEs	This is a conservative estimate based on likely full year effect of actions taking place in 2023/24 and remaining KLOEs to be explored. Further work is needed to validate these amounts with Heads of Service and avoid double-count with other elements under the investigation.	£25k - £100k
Early commissioning reviews, delivery model assessments and procurement activity	<p>Commissioning will be one of the key pillars of driving savings but delivery in 2024/25 will depend on the lead-in time, appetite of partners, appetite of the market and the ability for internally delivered services to drive savings.</p> <p>A multi-disciplinary commissioning working group with external advice and referencing the work of other councils is finalising proposals. Governance and process will be proportionate to the scale and complexity of the service to allow an agile approach for lower risk/lower spend areas.</p>	£50k - £200k
Review funding levels for each service – in which areas do we have discretion to vary the amount we spend or how we fund it, e.g. if there is external funding available	<p>This review will explore the opportunities for and implications of savings in each area to generate options for Members to consider.</p> <p>The review will focus not only on spending less, but funding activity differently, including whether external funding is available to meet costs. This will cross reference the newly implemented grants register to ensure that the Council fully reflects available grant funding in the budget.</p>	£75k - £200k
Commercial opportunities to increase or generate new income	<p>It is assumed that commercial opportunities will generally have a long lead-in time and come with some degree of risk. However, activity currently in progress to demonstrate opportunities should lead to returns for the 2024/25 budget process.</p> <p>An externally-facilitated workshop on commercial strategy represents the starting point for this project, and work will be undertaken to ensure that opportunities make the most of the Council's strengths and experience without detracting from the delivery of core Council priorities.</p>	£75k - £150k

Element Overview	Commentary	Indicative range
<p>Early digital gains &amp; process review in services that are not prioritised for commissioning, including self-service for internal processes</p>	<p>Through the digital project, processes will be reviewed for inclusion in scope. It is expected that some processes not in scope for digital will present other opportunities for efficiency, i.e. through redesign or by taking opportunities for self-service.</p> <p>Some savings may also be possible through recommissioning telephony, quotes for which are being sought at present. The approach to telephony may require a review of the capital budget allocations against revenue running costs.</p>	<p>£50k - £100k</p>



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## Appendix C – FTP - Programme highlight report – May/ June 2023

# Future Tandrige Programme Programme Highlight report – May 2023

<b>Future Tandrige Programme</b>			<b>Report date:</b> 31 <sup>st</sup> May 2023
SRO	David Ford	Delivery lead	Mark Hak-Sanders
Lifecycle Stage	Delivery	Previous month status:	AMBER
		Current month status:	AMBER

### Headlines

**Operations Grounds Maintenance Options appraisal underway. Digital & Customer Services Transformation engagement strategy and PID in development. Commissioning framework progressing. 2024/25 savings target definition and delivery plan in preparation, for June committee meetings.**

#### Progress update for May 2023

##### Service Reviews – Delivery

**Operations Transformation workstream** - Grounds maintenance Options appraisal workshops held to review four delivery options, officers across Finance, HR, FTP, Operations and Procurement scored the options against agreed criteria for review/moderation, moderation workshops planned during June. All data collation for HRA site measurement has now completed and is being review/input into the pricing model.

**Digital/Customer services Transformation** - Engagement strategy drafted and out for review with EMT, progress update to MRG provided on 31<sup>st</sup> May.

**Savings 2023/24** - Phase 2 of the team restructures progressing. Continue delivery of savings as part of the £1.7m target.

**Savings plan 2024/25** – Five threads identified for 2024/2025 savings target.

**Future Operating model** - Prioritised services for commissioning recommended and agreed with MRG. Key functions identified and working group now developing process and guides required.

**Corporate Plan:** Resident survey sent including questions relating to the Corporate Plan. This corporate plan will set out the council' objectives for the next five years and will provide a clear link between the vision and objectives to staff performance objectives.

**Organisational Development** – Lead role advertised and recruitment process underway.

**Resources** Interviews for the FTP Project support role underway during May.

#### Focus for June 2023

##### Service Reviews – Delivery

**Operations Transformation workstream** - Grounds maintenance Options appraisal – moderation/review workshop to take place during June. Recommendation and engagement with committee members to take place in advance of September committee meetings.

**Digital/Customer services Transformation** - engagement strategy and PID to be reviewed and agreed by EMT and the Digital project board respectively. Channel shift strategy to be drafted for review by project board during June. Final versions of documents to be developed during June.

**Savings 2023/24** - Phase 2 of the team restructures progressing. Continue delivery of savings as part of the £1.7m target.

**Savings plan 2024/25** - Review of savings target for 2024/2025 and agree approach on how this will be delivered, to be included in reporting at June S&R meeting.

**Future Operating model** - continue to develop commissioning framework. Finalise prioritisation process and cycle for Commissioning including delivery model assessment and Legal and Procurement elements. Begin developing approach on training and development plan for staff and agree future governance structure.

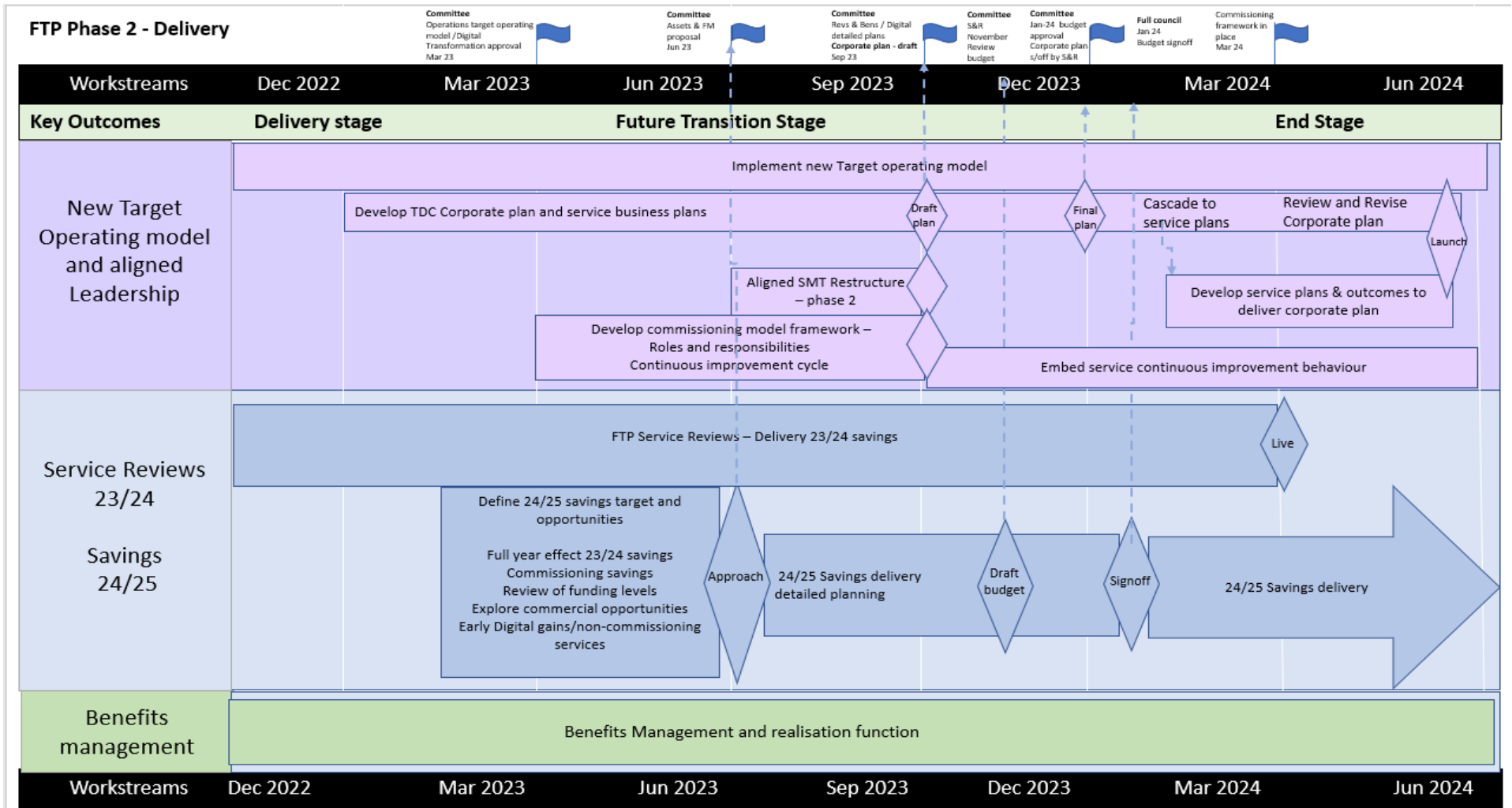
**Corporate Plan:** Corporate plan stakeholder engagement workshops scheduled to take place during June.

**Member engagement** All member workshop to include new members to be delivered during July on the objectives, progress and plans for the Future Tandrige programme and to provide an update on current budget and plans for 2024/25 on the agenda. Member Workshop regarding approach to Commissioning framework to be held August/September.

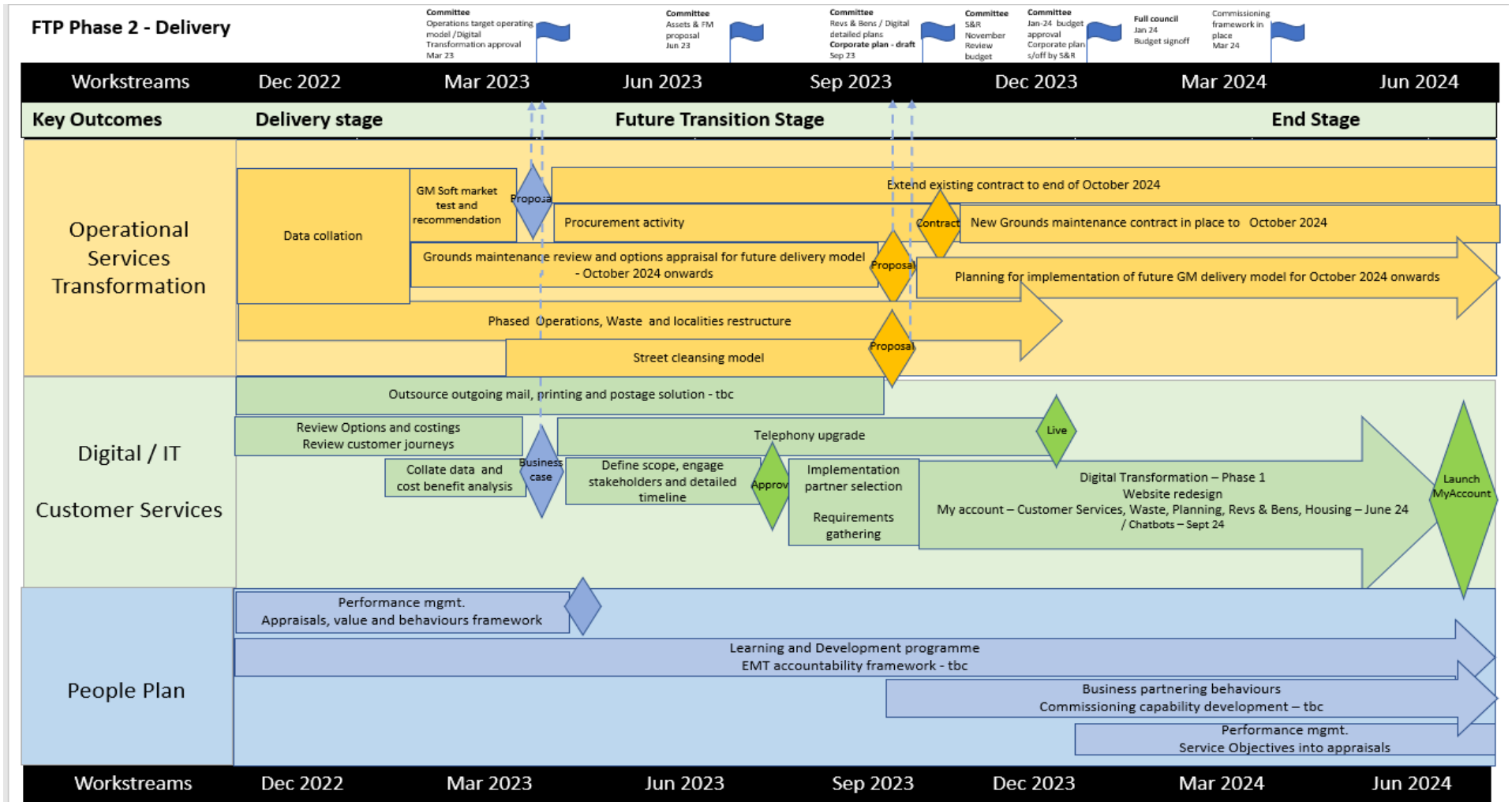
**Committee meetings** FTP updates planned to Housing, Audit and Scrutiny and Strategy and Resources committees on 20<sup>th</sup>, 27<sup>th</sup> and 29<sup>th</sup> June.

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# Appendix D – FTP Roadmap

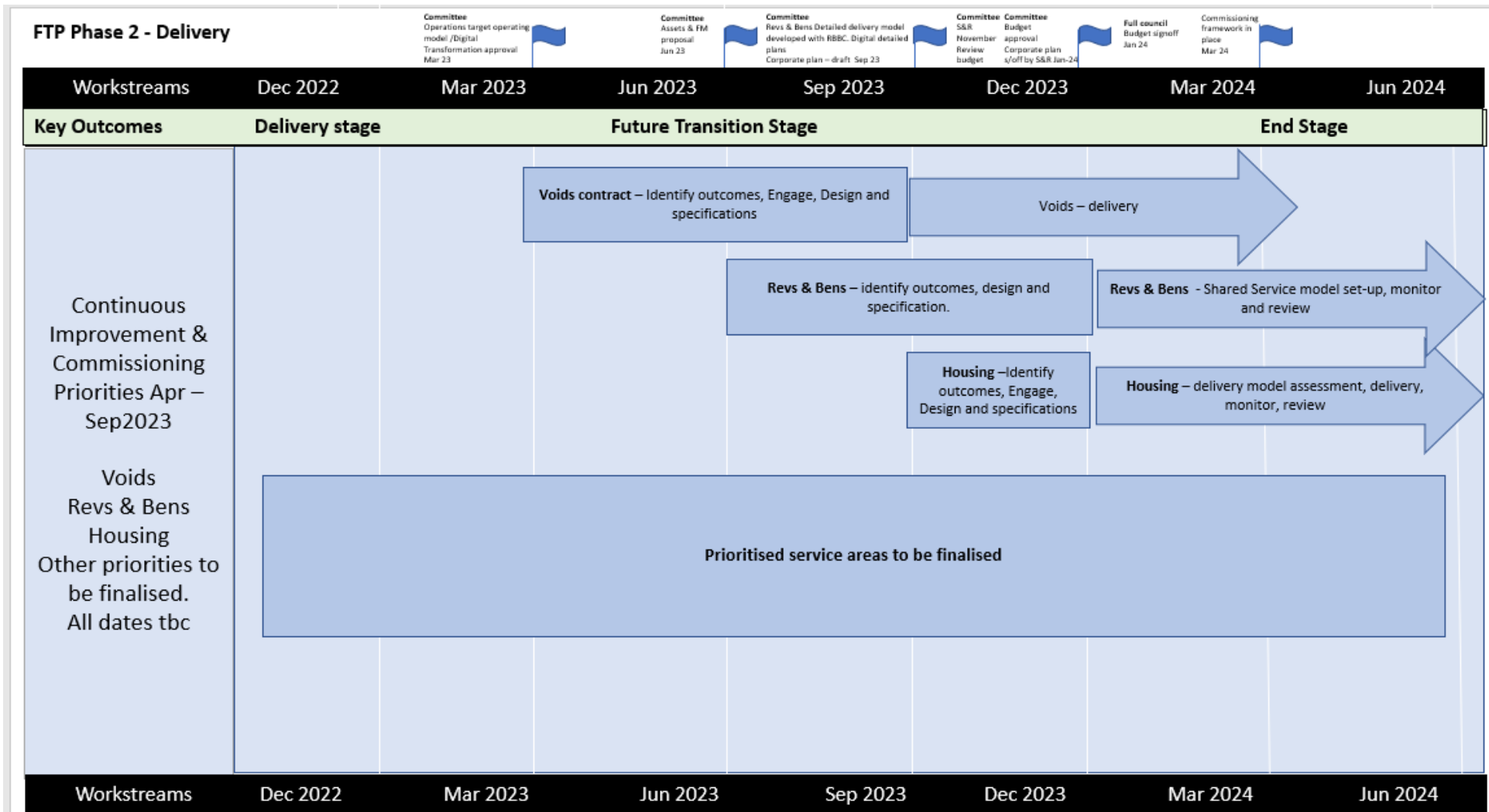


# Appendix D – FTP Roadmap





# Appendix D – FTP Roadmap



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## Appendix E – Programme Risk Register – Resource Risks

Below is the current Risk register in use in the Future Tandridge programme including the latest mitigation action updates.

Future Tandridge Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
17	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	<p>PMO / Project manager to work with individual service leads to develop their service improvement delivery plans that focus on delivery of savings.</p> <p>EMT/Service improvement leads to attend fortnightly Delivery board meetings where plans are reviewed and any risks that are raised are mitigated against as far as possible.</p> <p>Recruitment with SCC assistance to reach a wider audience - FTP to facilitate this approach.</p>	4	2	8	<p>Planning sessions required to work with heads of service to support with development of their plans.</p> <p>Where milestones are amber/red, focus on mitigation and steps to resolve and get delivery back on track.</p>	<p>in prog</p> <p>✓</p>	<p>13th March Agreement to resource focus areas from within the team along with EMT teams working together to deliver the savings.</p> <p>Those areas that require focus, such as restructure savings across all services, have a dedicated project manager allocated from the programme to ensure the work progresses as planned.</p>	<p>Nov22 - Score reduced from 12 to 8 due to focus on amber/red milestones, by EMT and the programme team. A number of savings are now delivered and complete and Amber items will be focussed on by the project manager to move forward with the head of service and achieve the saving.</p>	Mark Sanders	Programme Benefits delivery Board

## Appendix E – FTP Risk Register – Resource Risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Imp	Likelihood	Risk	Mitigating actions	Mitigating act sta	Risk progress update	Score audit trail	Own	Owning org
16	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	Each service to set our their savings delivery plan, including key milestones and dependencies, which will form the collated programme plan.	4	2	8	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.	in prog	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.	Dec22 - Score reduced from 15 to 8. Plans have been developed to ensure savings delivery as forecast. External SMEs are being brought into the areas that need focus/additional expertise to progress, such as Operations, Assets and FM and Digital and Customer Services.	Mark Hak Sanders	Programme Benefits delivery Board
			Individual plans to be baselined within the programme and used as drivers for savings delivery by the EMT / stream leads and Finance/Benefits Programme board. All risks to delivery identified by the plan owners are escalated to the Programme delivery board.				Individual plans are to be collated at programme level. Regular EMT delivery board meetings held where all savings at risk are raised and collectively resolved.	✓				
			All plans will include resource requirements to ensure that where BAU/external resources are required, the demand is clear. Where resources are redirected at BAU, plans will need to be adjusted to show the revised schedule. If BAU resources are not sufficiently available, backfilling of roles will need to be considered to free up time.				Key external resources are identified and secured as early as possible, for example expert advice from PeopleToo on Operations workstream.	✓				

## Appendix E – FTP Risk Register – Business case and Savings risks

Future Tandridge Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
12	Business case	Digital and Customer Services workstream will not deliver a business case within an acceptable return on investment	Looking at options to delivering a solution in the most cost effective way Review what an acceptable return on investment looks like.	4	3	12	Priority resident enquiries and calls have been targeted to understand existing volume and type of processes. Focussing on these areas to create the forward return on investment plan as part of the Digital & Customer Services business case (Housing repairs, Planning, Waste)	✓	Review of data and business case by TOMDG planned 1st February. Business analyst collating data on resident interaction with the council to enable a view on the return on investment when moving to Digital. Review required to understand whether the data being collated and other parts of the business case will cover aspects required to enable committee understanding and approval	Dec22 - Score reduced from 16 to 12 due to targeted data collation relating to specific customer journeys, for the business case to ensure high volume/high impact areas are included in the business case	Mel Thompson	TOMDG group
			Adopting a phased approach to delivery which maximises the return on investment at each phase				Review telephony stats. Review of Revs and Bens chatbot trial against Telephony to understand impact. Monitor incoming emails into service area mailboxes to analyse volume and type of transactions. Analyse customer services front counter stats.	✓				
			Take expert advice on the most cost effective way to deliver the right solution to residents				Peer review of draft business case by recognised external digital transformation expert.	✓				
			Ensure that the timings of the return on investment are clear				Timetable required to understand implementation path.	in prog				

## Appendix E – FTP Risk Register – Business case and Savings risks

Future Tandridge Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
14	Savings	Service Reviews will not deliver the budget savings identified in 23/24	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.	4	3	12	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. However multiple Savings are RAG rated amber and require underlying detailed planning and ownership to move forward. Red and Amber items are called out in the EMT delivery meeting and resolutions agreed. Where it is not possible to resolve, replanning is carried out and the impact of this measured and addressed in the fortnightly programme benefits delivery board.	June - Digital and Operational Services leads in place and scope and plans defined to deliver agreed benefits in business cases. 7th March - Digital lead joining during March. Jan23 - Score reduced from 16 to 12 due to high level plans put in place. Regular 121 meetings with Heads of Service and fortnightly EMT service delivery meetings are regularly taking place. All savings are RAG rated based on external assurance from FTP PMO/Prog lead and in conjunction with Heads of Service. October 22 - Operations SME and lead in place	Mark Hak-Sanders	Program me Benefits delivery Board
			Monitor plans/milestones closely in weekly meetings and monthly highlight reports, where a risk is arising, this is escalated to the project/programme board to assess actions to mitigate.				weekly 1-2-1 meetings with heads of service and/or delivery lead to ensure that the plan is in place and credible and is being followed and that any milestones at risk are addressed promptly to prevent slippage.	✓				
			Set up programme delivery and benefits board review savings milestones and where amber/red agree mitigation and next steps and assign ownership.				Each service to create a plan, with key milestones, which is collated for the programme plan. Fortnightly EMT delivery meetings held where exceptions and risks are discussed with the objective of resolving blockers to achieve the savings.	in prog				

## Appendix E – FTP Risk Register – People and Organisational Development risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
1	Organisation Development	The Council will lose key staff that it would prefer to retain resulting in a further deficit of capability and capacity to deliver the Councils priorities.	Consider ways of retaining key staff and formulate a plan to prevent/reduce the loss of these key members of staff during the transition, this relates to the Organisational Development/change management stream of work in the FTP	3	4	12	Key staff to be identified and approach to be developed HR/EMT. EMT developing a plan to address potential loss of these key staff during the transition. This area is still in need of further work.	in prog	Key staff have been identified and approach being shaped by HR/EMT as part of the key officer forum. EMT developing a plan to address potential loss of these key staff during the transition. This area is still in need of further work.		David Ford	TOMDG group
							HR lead to create a People Plan which will include an approach to retaining and recruiting the right people both during the transition period and in the new structure.	Not started	Awaiting recruitment of HR lead before the People Plan can be developed.			

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
18	People Plan	Organisation Development workstream will not progress as scoped and therefore Tandrige will not be ready for embedding the Transformed services and the new culture	Recruit an Organisation Development expert to create a delivery plan to embed the changes needed in behaviour to adopt the changes being introduced across the council.	3	2	6	Recruit an organisation development and change management specialist, Plan the adoption of systems throughout the organisation, looking at the future model for services and the council.	in prog	May 2023 Recruitment is in progress but is slow - looking at a FTC as well as approaching specialist agencies for this role.	New risk raised in May 2023	David Ford	TOMDG

## Appendix E – FTP Risk Register – Governance and engagement risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Impact	Likelihood	Risk score	Mitigating actions	Mitigating action status	Risk progress update	Score audit trail	Owner	Owning group
10	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	<p>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.</p> <p>All change requests to be reviewed by the TOMDG to ensure the big picture is being considered when implementing any changes.</p>	4	2	8	<p>Any proposed changes such as Team restructures are raised as Change requests by Heads of Service and reviewed by the TOMDG.</p> <p>Review of functions/services across the council by TOMDG to agree where these best fit, such as FOI, Advice on employment law, dog warden activities.</p>	<p>✓</p> <p>in prog</p>	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.	Score reduced from 16 to 8. All changes in scope are reviewed by TOMDG before approval and being actioned.	David Ford	EMT



## Appendix E – FTP Risk Register – Governance and engagement risks

Future Tandrige Programme (FTP)			Mitigated scores									
Risk	Topic	There is a risk that.....	Mitigation Approach	Imp	Likelihood	Risk	Mitigating actions	Mitigating acti stat	Risk progress update	Score audit trail	Own	Owning gro
2	Governance	Members are not sufficiently engaged and/or will not support key issues which emerge from the FTP.	<p>Engage Committee Chairs in service review emerging proposals.</p> <p>Member engagement to be considered in each workstream activity in the FTP.</p> <p>Based on the approach used in Tandrige Finance Transformation to member engagement, Identify representative group of members to be used for early engagement throughout the duration of the programme.</p>	4	2	8	<p>Early engagement with Leader &amp; S&amp;R Chair / Vice Chair to hear feedback and answer questions in preparation for committee meetings.</p> <p>Prog Team to engage Committee Chairs in service review emerging proposals and consider Member engagement in each workstream activity in the FTP.</p> <p>A Member reference Group has now been created consisting of a small group of members (agreed with the leader of the council). Since set up in October, this group has attended focused briefings on specific areas of interest such as Digital/Customer services and Assets and FM and fortnightly meetings are set to continue. All member briefings will continue to be held on specific areas of interest and in advance of committee updates where required.</p>	<p>✓</p> <p>✓</p> <p>✓</p>	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. Workshop schedule discussed and agreed at MRG to provide early sight of proposals and business cases.	Score reduced from 12 to 8. Regular MRG meetings taking place and member workshops scheduled to review specific updates and business cases in advance of committee meetings where feedback is received from members and questions can be answered.	David Ford	EMT

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## Rental Subsidy Applications

### Strategy & Resources Committee Thursday, 29 June 2023

Report of: Chief Finance Officer (Section 151)

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Purpose: For decision

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Publication status: Public

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Wards affected: Oxted South and Tatsfield & Titsey

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#### **Executive summary:**

- The Council has an obligation under S123 of the 1972 Local Government Act to obtain best consideration when letting or selling its land or buildings.
  - Several of the Council's assets are currently let at less than market value reflecting the wider value that their use brings to the community.
  - A Rental Grant Subsidy policy was adopted by the Council in 2015. This policy aimed to provide greater transparency regarding the extent to which the Council subsidises tenant organisations.
  - This report considers Rental Grant Subsidy applications from two tenant organisations Hurst Green Community Centre and Tatsfield Parish Council (Furze Corner Playing Field).
  - The Committee should consider the applications and determine whether a rental grant subsidy will be awarded, and if so, the amount of rental grant subsidy.
- 

#### **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

**Contact officer** Jason Thomas Asset Management Specialist  
jthomas2@tandridge.gov.uk

## **Recommendations to Committee:**

- A. That the Hurst Green Community Association be granted a 100% rent subsidy, to be reviewed at five yearly intervals, on the condition that:
1. The Association is to enter into a new 25-year full repairing and insuring lease of the property. The rent until 20 August 2029 (the expiry date of the existing lease) is to remain at £50 per annum (the passing rent under the existing lease). For the following 5-years (21 August 2029 until 20 August 2034), the Association is to be granted a 100% rent subsidy.
  2. The Association is to seek external grant funding and fundraise to continue to maintain the property and to improve or replace the current building.
  3. If the terms of the new lease – including the rent review provisions - prohibit the Association from obtaining funding for a redevelopment of the property, then the matter will be returned to Committee to reconsider.
- B. That Tatsfield Parish Council be awarded a 100% rental grant subsidy, subject to rent review after the fifth anniversary, on the condition that:
1. The Parish Council enters into a 25-year lease full repairing and insuring lease so that the tenant is fully responsible for all repair and maintenance for the buildings and the grounds within the demise.
  2. The Parish Council seeks external grant funding and fundraise to continue to maintain the property and to improve or replace the current building.
  3. If the terms of the new lease – including the rent review provisions - prohibit the Association from obtaining funding for a redevelopment of the property, then the matter will be returned to Committee to reconsider.
- C. Officers will review Council policy for the grant of rent subsidies and make recommendations to the Committee at the next meeting.

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## **Reasons for recommendations:**

The Council's Strategic Plan acknowledges the importance of local voluntary and community organisations in supporting strong and healthy local communities. It also acknowledges the need to tackle significant financial challenges. The scale of the financial challenge is significant, and it is therefore crucial that applications for subsidies are considered very carefully, so that subsidies are given to those community organisations that bring greatest value to communities, and that assets are revenue raising where organisations do not demonstrate wider community value.

The policy guides the Council to consider whether an organisation can demonstrate that it brings significant benefits to a community, and whether or not these benefits could still be realised without the rent subsidy. Consideration must also be given to any other costs in connection with the asset, and whether these are being met by the Council as landlord, or the tenant.

As part of the Future Tandridge Programme ('FTP'), each service has undergone a robust service review to consider opportunities for service improvement, the potential for services to be delivered through a different delivery model and to identify savings needed to address the Council's significant budget gap in 2023/24. These rental grant subsidy applications are all linked to the granting of longer leases that transfer the Council's current ongoing maintenance responsibilities for these assets to the community and charitable organisations, therefore delivering revenue savings to Council budgets and shifting our relationships with these organisations.

Given that the Council's Rental Grant Subsidy policy has been in place since 2015, a review is now timely, hence Recommendation C above.

## **Introduction and background**

- 1.1 The Council has an obligation under S123 of the 1972 Local Government Act to obtain best consideration when letting or selling its land or buildings.
- 1.2 Several of the Council's assets are currently let at less than market value reflecting the wider value that their use brings to the community.
- 1.3 When considering the extent to which these applications align with the Council's Strategic Plan, it is evident that there may be conflicting priorities. Priority Outcome 1.5 of the Plan states:

*"the Council shall look for opportunities to support better health and wellbeing for local residents"*

and specifically

*"Work with the Voluntary, Community and Faith Sectors (VCFS) to develop proposals to support community resilience in the face of a crisis, building on work during the COVID pandemic"*

*"Maximise wellbeing and opportunities for young people through development of a Youth Strategy in partnership with health and employment partners"*

- 1.4 However, Priority Outcome 1.1 is about agreeing and implementing the financial recovery plan, and states that we should:

*"Explore commercial opportunities within the district"*

- 1.5 A Rental Grant Subsidy policy was adopted by the Council in 2015. This policy aimed to provide greater transparency regarding the extent to which the Council subsidises tenant organisations. The policy was intended for use at lease expiry and rent review dates.
- 1.6 The most recent applications considered by the Council were with respect to the applications for rental grant subsidy by Caterham & Whyteleafe Tennis Club, Lingfield Nature Reserves Association and the Lingfield Sports Association on 29<sup>th</sup> September 2022. All three applicant organisations were awarded a rental grant subsidy, subject to conditions.
- 1.7 This report provides information on three further applications for rental grant subsidy, the tenants have agreed to surrender their current leases in order to enter into longer leases, so that external funding for improvements can be sought.
- 1.8 Income and expenditure associated with both of these properties is part of the General Fund, specifically the Community Services budget. The impact on these budgets will be marginally positive if the recommendations are approved.

## **2. Hurst Green Community Centre**

- 2.1 Hurst Green Community Centre was originally constructed in 1978 by local volunteers and is therefore long established within the local community. It is operated by the Hurst Green Community Association. The land is leased from the Council at a rent of £50 per annum until the expiry of the existing lease on 2nd November 2029.
- 2.2 The Association is in the process of applying for a grant of up to £1m from Your Fund Surrey to fund improvements to the building. It is hoped that these improvements will provide greater flexibility and increase accessibility. The proposals are widely supported by the local community. The Association has been in discussions with a number of other organisations, including Oxted Health Centre and Surrey County Council regarding the expansion of services, but is currently constrained by the layout of the building and available space.
- 2.3 In order to qualify for these external funds, the Community Association needs to demonstrate long term security of tenure and has requested a 25-year lease. Heads of Terms for a new 25-year lease and a simultaneous surrender of the existing lease have been agreed. The Association has full responsibility for all buildings and grounds within the demise. The Council will have the ability to break the new lease if the Association is not successful in securing funding to improve the premises.
- 2.4 The application for 100% rental grant subsidy is considered by the Association to be essential to assist its cashflow and support its improvement plans.

2.5 Officers have assessed the market rent of the premises at a guide of £17,000p.a. This assessment was supported by comparable evidence. The Club has requested a 100% rent subsidy. Officers have scored the rental grant subsidy application at 22 out of a possible total of 28 (see Appendix B). The proposals in respect of the application are as per Recommendation A above.

### **3. Tatsfield Parish Council (Furze Corner Playing Field)**

3.1 The Parish Council plans to rebuild the current pavilion to provide modern and accessible facilities that would meet the current needs of the member clubs and also enable the facilities to be opened to a far wider range of community and sports uses. A pitch survey, with recommendations for improving drainage and external surfaces, has also been commissioned.

3.2 External funds in the region of £1.5m are being sought to fund these improvements. Applications are being made to a number of potential funding sources, including Your Fund Surrey, Community Infrastructure Levy and national sports bodies.

3.3 In order to qualify for these external funds, the Parish Council needs security of tenure and has requested a 25-year lease. The incumbent lease has expired. Heads of Terms for the new lease and a simultaneous surrender of the existing lease have been agreed. The Council currently has full grounds maintenance responsibilities and is also responsible for some of the repairs and maintenance of the current pavilion building, which includes paying for statutory compliance, such as legionella testing, fire risk assessments, electrical testing and asbestos management.

3.4 Under the terms of the new lease, the Parish Council has agreed to take full responsibility for all buildings and grounds within the demise. The Council will have the ability to break the new lease if the tenant is not successful in securing funding to improve the premises.

3.5 The application for 100% rental grant subsidy is considered by the association to be essential to assist their cashflow and support their improvement plans, which are essential to continuing and expanding the sports activities at Furze Corner Playing Field.

3.6 Officers have assessed the market rent of the premises at a guide of £8,000 p.a. This assessment was supported by comparable evidence of similar local authority-owned facilities. The Parish Council has requested a 100% rent subsidy. Officers have scored the rental grant subsidy application at 25 out of a possible total of 28 (see Appendix G).

3.7 The proposals in respect of the application are as per Recommendation B above, which would remove the Council's maintenance liabilities for both the grounds and building, therefore having a positive effect on revenue budgets.

## **Key implications**

### **Comments of the Chief Finance Officer**

Local authorities are required to obtain best consideration in the disposal, including by lease, of its land. This generally means obtaining market value. A local authority can, however, grant a lease of more than seven years below market value, if it can demonstrate that the arrangement contributes to the improvement of the social, economic or environmental wellbeing of the area, or its residents. The proposals set out here are therefore consistent with the requirement to demonstrate value for money. The agreements need to strike a balance between adherence to the Council's established policies in this respect, whilst recognising the significant benefit that could come from external investment. In order to ensure that neither of these are compromised, a further Committee decision may be needed if external funding terms are incompatible with the agreements set out in this paper. The proposals have a marginally positive impact on the Council's revenue budget.

### **Comments of the Head of Legal Services**

The report tries to balance the concept of best value under S123 of the Local Government Act recognising with the need and basis to provide rent subsidy via a definitive application process. The process modelling is designed to obviate accusations of unfair subsidies being provided from public funds and ensure a transparent auditable system of rent to be charged. It also avoids potential challenges regarding fairness and equality of the assessment process and subsequent outcomes.

If Members chose to charge rents at market value or reduce any rent subsidy there will be implications for the organisations involved. In terms of the level of support they can provide and might result in the organisations casing to operate with the Council incurring additional cost from taking back the assets or from residents no longer receiving support.

### **Equality**

Community organisations play a key role in supporting equality of opportunity and supporting all protected characteristics. The applications for rental grant subsidy should be considered in this context.

### **Climate change**

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



## **Appendices**

Appendix A – Rental Grant Subsidy Application Hurst Green Community Centre

Appendix B – Assessment Matrix Hurst Green Community Centre

Appendix C – Business Case Hurst Green Community Centre

Appendix D – Draft Accounts HGCA year ending 31 March 2023

Appendix E – HGCA Accounts year ending 31 March 2022

Appendix F - Rental Grant Subsidy Application Furze Corner

Appendix G -Assessment Matrix Furze Corner (Tatsfield Parish Council)

Appendix H – Furze Corner Pavilion Development Plan

Appendix I – Tatsfield Parish Council Accounts year ending 31 March 2022

Appendix J - Tatsfield Parish Council Accounts year ending 31 March 2021

## **Background papers**

None

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**TANDRIDGE DISTRICT COUNCIL - APPLICATION FOR A RENTAL GRANT SUBSIDY**

please complete and return this form, together with your organisation's financial accounts for the last two years (i.e. profit and loss accounts and balance sheets)

Name of organisation*: Hurst Green (Surrey) Community Association	
Description of land / property*: A community centre building owned and operated by registered charity 'Hurst Green Community Association' (HGCA) which is managed by the charity's Trustees. The land plot on which the community centre sits is leased from Tandridge District Council. The address is 4Oak Close, Hurst Green, Oxted Surrey, RH8 0BA	
Annual market rental assessment*: £17,000	
Please complete sections 1 to 5 below	
<b>1. Contact details</b>	
Name:	Karen Joy Sorensen
Position within the organisation:	Lead Volunteer for HGCA YFS Project (Nominated Trustee as of July 2023)
Contact phone number:	██████████
Contact e-mail address:	████████████████████
<b>2. Role of the organisation / membership regime / community links</b>	
2A	Please describe your organisation's objectives and how it utilises the land / buildings leased from the Council.
	The Hurst Green (Surrey) Community Association is a registered charity (Charity Reg No; 272789) which runs the Hurst Green Community Centre to "provide and maintain a facility for the use by the people of Hurst Green for social, recreation and a variety of leisure activities" as described in its charitable purposes.
	Our constitution states that;
	"The objects of the Association are to:
	(1) promote the benefit of the inhabitants of Hurst Green and the neighbourhood without distinction of sex, sexual orientation, race or of political, religious or other opinions, by the associating together the inhabitants and local authorities, voluntary and other organisations in a common effort to provide facilities recreation and leisure-time occupation.

- (2) to maintain and manage the community centre (the centre) in furtherance of these objects.
- (3) promote such other charitable purposes as may from time to time be determined.

The Association shall be non-party in politics and non-sectarian in religion.”

The building was originally constructed by local volunteers in 1976, and has a long association with the local community as its dedicated community centre making it well loved and valued by this community.

Current regular hirers are Little Oaks Pre-school Nursery (daily weekdays) and Mighty Oaks Youth Club offering educational benefits via early learning and through encouraging and improving social and networking skills. Outside groups can attend the youth club to help educate young people via art and craft activities or talks about different topics.

The main hall is hired weekly by local groups and individuals for group exercise activities such as Zumba, badminton, Boostfit, yoga, Taekwon-do and other classes like Kammeo (singing), as well as for weddings, wakes, parties and social events. Voting for local elections is held at the hall.

The smaller Harling Room is used for meetings, craft and other activities.

The various activities both running now and planned, provide safe and supportive opportunities to bring people together.

We have developed an active and well used community garden around the centre, in addition to the secure space which the nursery and youth club use at the rear of the main hall. We are growing fruit and vegetables for the local Community Fridge as well as providing an attractive and welcoming accessible space for local people, especially those without their own gardens, to visit and use.

2B Is your organisation affiliated to a county / regional / national body? (If so, please give details)

No affiliations.

2C How many paid up members does your organisation have?

We do not have a membership arrangement and the centre is open to everyone who wishes to use or hire it, subject to our constitutional values.

We estimate that about 400 people use the hall on an average week. The table below shows an average weekly timetable.

Usage	Number	Frequency
Little Oaks Nursery	34 children + 9 staff = 43	Daily Monday - Friday
Mighty Oaks Youth Club	35 - 40 young people + 7-8 staff = 42 = 48	Weekly evening
Boost Fit exercise class	20 attendees + 1 staff = 21	Weekly evening
Kammeo singing group	5 attendees	Weekly evening
Circuit exercise	9 attendees	Weekly evening
Badminton	16 attendees	Weekly evening
Calm Kids (therapy group)	8 children + 1 staff = 9	Weekly evening

Zumba exercise class	20 attendees + 1 staff = 21	Weekly evening
Taekwondo Do	33 students + 3 staff = 36	Weekly evening
Children's parties	60 people average	Weekends daytime
Music and other events	150 – 180 people (max capacity for fire regulations)	Weekends usually evenings
<b>Total (average) weekly</b>	<b>Circa 400+ people using the hall</b>	

2D Approximately what percentage of the paid up members live in Tandridge?

We do not, as above, have any members, but we know that the majority of users are local people, from within Hurst Green or it's surrounds.

When music events are held, the catchment area may be wider.

2E Are there any restrictions to membership?

There is no membership and therefore no restrictions to the use of the hall, as long as hirers meet our constitutional commitments.

Our facilities are open to all. However, hire charges apply for events for which the organisers are charging. These charges are competitive and we have confirmed that they are similar to facilities elsewhere locally.

2F Please provide details of relevant membership and hire fees and any other charges

There are no membership fees.

Standard Hire Fees are currently as follows;

Full centre hire £25 per hour

Main hall hire £20 per hour

Harling room (small hall) £12 per hour

All events have a refundable deposit-

£50 for parties

£100 for large events

£150-£200 high risk events

All events have a supplement to cover admin and costs (such as cleaning) per event

£25 for smaller events like parties

£50 for large events

2G Are discounts available on the grounds of financial hardship?

The Centre Manager has discretion to vary fees in special circumstances, but hire charges are competitive, as is evidenced by the number of local families who hire the hall for children's parties and other family events.

We run some events at no cost to the 'user' - for example, events run by Creative Community. This allows local people and families to access events which they might not otherwise be able to afford.

Special rates are available to regular hirers who commit to a fixed term hire and those who

provide a social asset. For example, the preschool nursery is a long term client (they have been using the hall for over 40 years) and the only Under 5s nursery in Hurst Green. They benefit from a 40% reduction over the standard hire rate in order to enable them to continue. The youth group also benefit from a reduced hire fee.

2H Are the facilities only available to members or can users 'pay on the day'?

Not applicable as anyone can book and use the facilities.

### 3. Access to facilities and integration with the wider community

3A When are the facilities available for use during an average week?

Little Oaks Nursery uses the hall from 8.30am to 3.30pm Mondays to Fridays in term times. For safeguarding reasons due to the current layout of the building, no other users are permitted to use the centre during this time. This is one of the key reasons we wish to pursue the refurbishment and extension project through a SCC YFS grant.

Other users hire the hall both early and later evenings (usually 2 groups per day) and the hall is hired daytime and evenings on most weekend for children's and adult parties and events.

We are fully booked well ahead and often have to turn down requests for hire.

Our Premises Licence (TAND\PREM\15\003) permits us to hire the hall 365/24/7 and hold licenced activities such as entertainment/ music/plays etc from 9am-midnight all year. However, we are mindful of the needs of local residents in allowing these.

3B Does the organisation do anything to encourage wide ranging community use of the facilities? For example, initiatives to:

- achieve a diverse membership base (besides any membership fee concessions / hardship relief schemes referred to in 2B above); and / or
- allow use by non-members such as community taster sessions; training / coaching development programmes; or via partnerships with local schools

As previously explained, we have no membership criteria, and the use of the hall is open to all local residents.

Our aim is to support people of all backgrounds and ages and also those with disabilities. We work with local groups such as Creative Community and The Accessibility Project to extend the use of the centre to less able and disadvantaged individuals and groups. This allows us to run events at no cost to the user, and we plan to extend this element if we have an improved centre.

TDC is aware of our plans to bid to Surrey County Council's Your Fund Surrey (SCC YFS) grant to make significant improvements to the centre. The renewal of our lease is a pre-condition of this application.

The planned redesign and extension of the centre would make the space much more flexible and user friendly, allowing us to increase both the range of facilities (and therefore the opportunities available) and those who can use it. This would include separate access to

rooms, refurbished and additional toilets (including improved disabled facilities), and an improved and refitted kitchen. This will allow more of our community to enjoy group activities, social support, public information and many other purposes that will enrich the lives of local people.

We want to ensure it meets the requirements of all users, including those with a range of disabilities and special needs, whether individuals or groups by providing improved accessibility to the building.

We want to provide appropriate space and safe facilities for all groups using the centre, including those for whom safeguarding is a particular issue such as the nursery and vulnerable adults.

Our resident's survey shows that of the 300+ respondents, 67% said that they would definitely and 30% maybe use the hall more if these improvements were made, and 94 % of these agreed that an improved facility could have the potential to improve the experience of living in and around Hurst Green.

Only 23% were extremely or very satisfied with the current facilities, particularly wanting improvements on toilets, kitchen, modernisation and flexibility.

**3C** Does the organisation fulfil any wider community roles (e.g. outreach work in schools or participation in community events such as fetes and shows)?

Prior to COVID, the centre regularly ran events such as fairs e.g. Summer, Christmas etc. We have several events planned later in the year including a 'garden party' in the community garden and a Christmas Fair and craft making event.

As noted in 3B, we work with local groups such as Creative Community and The Accessibility Project to extend the use of the centre to less able and disadvantaged individuals and groups.

We have good links with local schools and the community garden team is working with a number of these on planting and growing events.

We have had support from local pubs such as the Diamond Inn in running fundraising events, and have been offered the support of a local Rotary branch with our YFS project.

#### **4. Financial position / sustainability**

**4A** Are financial reserves being accumulated for any particular purpose (e.g. future projects or specific contingencies)?

Additional funds are not being accumulated in the recent economic climate. The existing funds of Hurst Green Community Association (the charity running the community centre) is operational capital required for;

- day to day expenses,

- maintenance of our aged building to current regulatory standards,

- staff

- reserves to safeguard the continued operation of the centre (through unprecedented events, such as closure of the centre during the covid period and the resulting significant

drop in income).

The charity is hoping to run without a financial deficit, but is faced with a significant increase in energy costs and to maintain an aged building in line with current regulations.

The 2022/23 accounts, which are awaiting audit by our accountant, show the significant impact of a range of issues, in particular hugely increased energy bills, on our bottom line.

The provisional financial year result (see attached draft accounts 12 months to 31/3/23) is a loss of £1,241 for the period. This is due to increased costs of various surveys and initial remediation works. We are also faced with the substantially increased utility costs, with the gas bill increasing from £2,000 to £7,500 per annum. February alone was £1,400!

All of these issues contribute to the impossibility of the centre being able to incorporate an increase to £17,000 (340 times our existing ground rent of £50) into our annual budget.

N.B. The centre's gas bill has increased from approximately £2000 per annum to £7500 per annum (we are on a 1-year tariff - being the cheapest option available when we had to renew in February 2023).

4B Please give details of any commercial activities on the site which generates income (e.g. bar / catering operations)

The community centre is hired out for private parties and events at commercial rates to generate income, in order that we can continue to hire the centre to our community based clubs/projects (such as our under 5's nursery, youth club etc) at subsidised rates.

4C Please describe any fundraising activities undertaken by the group during a typical year

The main activities of the entirely voluntary Trustees and Management Committee are taken up in the running of the centre, in order to maintain it for use by local people.

The centre is primarily funded by utilising hire fees to cover expenditure.

We are currently developing a Fundraising Strategy in support of our SCC YFS application which will include a number of large and small fundraising activities. For example, we have held a quiz at a local pub.

We are fortunate to have recently secured the support of a local Rotary branch to help us with this.

4D Does the organisation pursue any funding opportunities from other grant giving bodies?

During the Covid period, when the centre was required to significantly restrict its activities to protect the running of the nursery, we successfully applied for a number of government's Covid support grants to enable this.

We have recently applied to Oxted Parish Council for a grant (£500) to fund new equipment for our community racquet club activities (badminton and Pickleball).

Surrey County Council Your Fund Surrey - A key funding opportunity will be our application to SCC YFS as the proposed renovation and extension of the present facility is going to be subject to an SCC Your Fund Surrey bid. It has passed the Initial Eligibility stage and we are



working on the full bid.

As previously mentioned, the renewal of our lease is a precondition of this application.

We have recently secured a £7,000 grant from the TDC Covid Recovery Fund to allow us to appoint an architect to develop some very initial designs for the proposed scheme.

We have applied to the TDC CIL funds for a further grant to facilitate this application.

Other grant opportunities external to government organisations are also being pursued. We have applied, and continue to apply, to a number of other organisations such as The National Lottery, supermarket chains and utility companies grant opportunities. However, very few grant bodies offer capital funds and many will not permit applications for day to day revenue costs.

## 5. Alignment with the Council's corporate priorities

5A In light of the information provided above, please explain how you think your organisation's activities align with the Council's corporate priorities/Strategic Plan (page 8 also refers).

### Key Corporate Priorities for 2020/21 – 2023/24

- **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services
- Whilst we fully understand that the Council must both seek opportunities for income generation, and ensure that its limited funds are used appropriately, we would argue that the ground rent of £17,000 proposed in this lease is not an appropriate way to promote this aim. By approving this application for a full rental grant subsidy, the council will be ensuring that Hurst Green Community Centre remains at the heart of the community and continues to provide activities and services to the benefit of the community.
- The centre provides a wide range of facilities and events, including a preschool nursery and a teens youth group, as well as other groups which we believe support the council's aim to provide residents with the best possible services. Loss of these would have a significant impact on local families who rely on these.
- **Creating the homes, infrastructure and environment we need** – both now and in the future
- We believe that the community centre contributes to the infrastructure the local community needs, and that the success of the YFS application would contribute further to this aim.
- The provision of support from Early Years (the preschool nursery), through teens (Mighty Oaks) and young/ middle and older age groups (exercise and leisure groups) maximises wellbeing for the whole life cycle/community in its own modest way.
- The community garden enhances the area local to the centre, and is used by many local families and older people, especially those without their own gardens, to visit and enjoy. This encourages people to walk to the garden, increasing their exercise, and

encouraging a closer relationship with nature, plants and wildlife.

- Hurst Green residents have to rely on facilities provided by its large neighbour town, Oxted. However, this is a mile away and over a hill, requiring a car or public transport. The roads are narrow with limited pavement. The Hurst Green population has grown substantially in recent decades with several new housing estates. The centre in its own right remains a key community hub that can be accessed far more easily – for many, on foot.
- **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from
- The continued availability of a low cost centre for groups and families to hire for leisure and other activities contributes to the economic and social recovery from lockdown and the impact of its restrictions.
- If our YFS scheme is successful, we hope to run ‘Access to IT’ workshops, events like Job Clubs and offer the additional space to Citizen’s Advice and other similar support activities based on our community needs assessment.
- **Becoming a greener, more sustainable District** – tackling climate change
- whilst there are limited opportunities for improving sustainability measures within the existing centre, the YFS project has a key focus on incorporating measures such as heat source pumps, solar panels and other energy saving devices into the scheme. This is important both for its impact on the climate, and to ensure the financial viability of the centre in the future. The redevelopment will make it more sustainable for the future, with reduced energy running costs, which will reduce our carbon footprint and allow us to utilise our resources more efficiently.
- We have installed a large water butt in the community garden to utilise rain water for watering, and are incorporating planting that is able to withstand increased temperatures and dry periods as well as encouraging pollinators and insects with our choice of plants, our bug hotels and new bog garden.

## 6. Required subsidy

6A What level of subsidy do you wish to apply for as a % of the annual market rental assessment on page 1 above

We wish to apply for a 100% subsidy. Our current annual ground rent is £50 per annum and this is the level we have factored into our financial projections for future years.

6B What, in your opinion, would be the consequences of the Council not providing the subsidy, both for your organisation and the community at large?

The consequences of the Council not providing the subsidy, both for your organisation and the Hurst Green community in particular would, we believe, be substantial.

Certainly, for Hurst Green Community Centre, raising facility hire fees to fund the full rent would mean most (if not all) existing hirers immediately going elsewhere and potential hirers

heavily dissuaded - we know what other facilities charge and we only just break even today (as evidenced by our accounts provided).

As local indoor facilities are scarce, this may even mean that some hirers could no longer operate. As many of these provide childcare and exercise classes, this would not surely be in the interest of TDC to allow.

As you know, we are applying for a lease extension early because Your Fund Surrey requires landlord commitment to a long lease before any funding is considered for the proposed renovation and extension work. However, as the Community Centre would not be economically viable after 2029 with a £17k annual rental, it would be irresponsible to proceed with the work without first knowing whether a grant subsidy would commence from 2029 - otherwise we'd be committing large public money to a project where the centre would start to lose substantial money from that date and therefore would, in all likelihood, close.

Imposing a £17K market value rent would make the centre immediately unviable and the YFS funding being applied for poor value for money. Consequently, SCC probably would not agree to fund it in the first place.

May I please refer you to an email from Tandridge Council 1<sup>st</sup> July 2021 to Carmen Lambert Singer, Chair HGCA Trustees, as follows;

“Hello Carmen,

Thank you for getting in touch with Alison Boote regarding the proposals and please accept our apologies for taking a while to respond to you due to staff leave.

The Council is very interested in the Association’s plans for the future delivery of services and facilities to the residents of Hurst Green and would like to continue our partnership with you through the Hurst Green Community Centre. We therefore support in principle your application to Your Fund Surrey to improve services through the provision of an improved community building on the site.

We would like to offer a new 25 year lease to the Association to support this ongoing work and maintain the successful partnership. The new lease would continue to be inside the Landlord and Tenant Act 1954. This means that the tenant has the right to renew at the end of the lease.

By taking this route, we would be making a significant investment in the community and guarantee a future for the Association and its partners to continue. By extending this partnership, the Council is also in a strong position to be a safety net for both the Association and the local residents to ensure that Hurst Green Community Centre remains at the heart of the community and continues to provide activities and services to the benefit of the community.

Whilst we are very supportive of your proposals, in order to agree the new lease (which would be subject to obtaining funding, planning and any other applicable consents), we will need to have sight of the full details that you propose. Please supply a detailed Business Plan, which supplies evidence of consultation with the local community and partner organisations highlighting the types of activities and services that will take place, informed by these discussions.

We would also need to see evidence of the partnerships that are considered essential to deliver your vision. Please also supply any cost estimates, architectural plans and surveys and investigations that have been carried out to date.

I look forward to hearing from you and the other trustees to discuss further

Kind regards

Jason Thomas

Asset Management Specialist Tandridge Council”

We believe that TDC is supportive of the community centre in principle, as evidenced previously, and would ask you to demonstrate this by granting this application.

### **Key Corporate Priorities for 2020/21 – 2023/24**

- **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services
- **Creating the homes, infrastructure and environment we need** – both now and in the future
- **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from
- **Becoming a greener, more sustainable District** – tackling climate change

Please see further detail on the Council’s website:

<https://www.tandridge.gov.uk/Your-council/Strategies-and-plans>

Rental Grant Subsidy Scoring Matrix – Hurst Green Community Association

SCORE	4	3	2	1	0	Total	Comments
SCORING CRITERIA	Excellent/Very Good	Good	Acceptable	Marginal	Undesirable		
Intensity of use	Over 100 members or over 30 hours of use per week	Over 75 members or over 25 hours of use per week	Over 50 members or over 20 hours of use per week	Over 25 members or over 15 hours of use per week	Less than 25 members or less than 15 hours of use per week	4	The Centre is actively used for a variety of community activities including Little Oaks Nursery, Mighty Oaks Youth Club, sports and exercise groups and evening hires (e.g. weddings, parties etc). There is also a well-established community garden.
Affordability	Free membership or free use	Membership rates or use/hire rates less than 60% of market rates and/or discounts available on grounds of financial hardship	Membership or use/hire rates at less than 75% of market rates	Membership or use/hire rates at less than 90% of market rates	No discount on market equivalents	4	There is no membership, but the facilities are open to all and available for hire by other organisations. There are approx. 400+ users per week.
Benefit to the wider community / diversity of users/extent of outreach work	Very wide variety of user groups and/or staff/volunteers carrying out outreach work. Multiple letters of support.	Wide variety of user groups and/or staff/volunteers carrying out outreach work.	Some variety of user groups and/or staff volunteers carrying out outreach work.	Limited variety of user groups and/or staff volunteers carrying out outreach work. One or two	Only one user group and no outreach work	3	Wide community use from all ages, abilities and backgrounds. Hire fees are competitive and the Centre applies discretionary rates

<p>Are revenue/funding raising opportunities maximised? E.g. grant funding sought, fund-raiser events undertaken, commercial opportunities maximised where possible e.g. bar income, hire of facilities when not in use.</p>	<p>Opportunities are maximised wherever possible</p>	<p>Opportunities are often maximised</p>	<p>Opportunities are sometimes taken</p>	<p>Opportunities are occasionally taken</p>	<p>Opportunities are not taken</p>	<p>3</p>	<p>and discounts to longer term bookings. The Centre hopes to raise funds improve or redevelop the building so that services can be expanded and accessibility is improved. A recent residents survey showed that 94% agreed that an improved facility could have the potential to improve the experience of living in Hurst Green.</p>
							<p>The Centre plans to raise funds to improve or redevelop the building to improve the range of facilities available. It is proposed that the improvements will be funded through external funding sources including an application to Your Fund Surrey.</p>

To what extent do the group's activities align with TDC corporate priorities?	Very strong alignment with one or more priorities or strong alignment with more than one priority	Strong alignment with one priority or good alignment with more than one priority	Good alignment	Some alignment	Limited or no alignment	4	The Centre is also developing a fundraising strategy. The Council has also committed £7,000 from Covid Recovery grant to support detailed feasibility studies for the improvements.
Does the group reduce TDC revenue costs e.g. by	Yes, the group take full responsibility	Yes, the group pay the majority of costs	The group pay some of the costs	The group only pay a small percentage of	The group do not pay any of the costs	3	The Centre is very active within the community and works with a number of local groups such as Creative Community, The Accessibility Project and local schools.  The project aligns with the Corporate priorities of Building a Better Council, Supporting Economic Recovery and Becoming a Greener More Sustainable District  Under the terms of the new lease, the Centre will take on full

maintaining/repairing the asset and contributing to insurance		associated with the asset	associated with the asset	the costs associated with the asset	associated with the asset		maintenance responsibility for both the building and grounds maintenance.
Does the group have financial reserves or fundraising targets? If so, are these earmarked for improvements to the facilities including improvement of environmental performance, flood resilience and/or biodiversity?	A high percentage (75 to 100%) of reserves are earmarked for improvements	A percentage (50-75%) of reserves are earmarked for improvements	A percentage (25-50%) of reserves are earmarked for improvements	A percentage (up to 25%) of reserves are earmarked for improvements	No reserves earmarked for improvements	1	The Centre is dedicated to this project and will raise funds accordingly. The project aims to improve and expand facilities. Hurst Green Community Association's accounts show a loss of £1,241 for the 2022/23. This is due to increased operating costs.

Total score for Hurst Green Community Centre– 22

Total possible score – 28

78%





## Business Plan Template for Sports Associations, Community Groups and Charities

### About your organisation

1. Name of Organisation: **Hurst Green (Surrey) Community Association (HGCA)**

Charity Number (if applicable) or Status of Organisation: **272789**

Contact name: **Carmen Lambert Singer (Trustee Chairwoman )**

Mobile Telephone: **[REDACTED]**

Email Address: **[REDACTED]**

2. Structure of Organisation

**Registered charity run by 4 Trustees and many local volunteers. Three paid part-time staff – a centre manager, a caretaker and a maintenance man/gardener.**

List the Key Officer roles below

Role	Name	Address
Trustee Chairwoman (unpaid)	<b>Carmen Lambert Singer</b>	<b>[REDACTED]</b>
Trustee Treasurer (unpaid)	<b>James Kent</b>	<b>[REDACTED]</b>
Secretary and Joint Management Committee Chair (unpaid)	<b>Sheila Shaw</b>	<b>[REDACTED]</b>

--	--	--

3. Your organisation's registered address:

[REDACTED]

Contact Name; **Kelly Kent (Centre Manager)**

Contact phone number: [REDACTED]

Email: [REDACTED]

Website (if applicable): <https://www.hgcc-surrey.org.uk/>

4. Address for correspondence:

(if different from above)

**As above**

Contact Name; **Chris Langton (Tandridge District Councillor)**

Contact phone number: [REDACTED]

Email: [REDACTED]

5. What is the main purpose of your organisation?

**Our key charitable objectives are to provide and maintain a facility for use by the people of Hurst Green for social, recreation and leisure activities. The building was originally constructed by local volunteers, and has a long association with the local community as its dedicated community centre making it well loved and valued by this community.**

**About Membership/Participation/Community Use**

How does your organisation benefit the local and wider community? Please give details about any particular user groups who benefit.

**Current regular hirers are Little Oaks Pre-school Nursery and Mighty Oaks Youth Club offering educational benefits via early learning and through encouraging and improving social and networking skills. Outside groups can attend the youth club to help educate young people via art and craft activities or talks about different topics.**

**The main hall is regularly hired by local groups and individuals for group exercise activities such as Zumba, badminton, Boostfit, yoga, Taekwon-do and other classes like Kammeo (singing), as well as for weddings, parties and social events. Voting for local elections is held at the hall.**

**The smaller Harling Room is used for meetings, craft and other activities.**

**The various activities both running now and planned, provide safe and supportive opportunities to bring people together.**

1. How accessible is the service in term of opening hours and physical access?

**We have done our best within the constraints of the existing building to make it as accessible as possible, by creating an access ramp at the side of the building and providing a disabled toilet. However, we want to ensure it meets the requirements of all users, including those with a range of disabilities and special needs, whether individuals or groups by providing improved accessibility to the building and parking. This would be a key element of our aspirations for a refurbishment project.**

**We also want to provide appropriate space and safe facilities for all groups using the centre, including those for whom safeguarding is a particular issue such as the nursery and vulnerable adults. At the moment the current layout prevents us from utilising our daytime opening hours for other groups while the nursery is operating.**

2. What are your membership fees and charges for use and hire (if applicable)?

**Not applicable/no membership**

3. Are concessionary rates offered?

**Special rates are available to regular hirers who commit to a fixed term hire.**

4. How well is the service used by the community? (e.g. breakdown of membership/visitor numbers)

**The main hall is very extensively used. It is in use most of the daytime on weekdays with Little Oaks pre-school nursery, where there are around 34 children. It is also booked most evenings (exercise classes, sports activities, Mighty Oaks youth group, large meetings) with up to 30 people.**

**There are then bookings on most weekends for private parties, weddings, craft fairs.**

**The smaller room is in use by Little Oaks nursery daytime on weekdays and sees periodic evening use for meetings & craft classes (up to 15 people).**

**We often have to turn down bookings for all slots - day time, evenings and weekends. Being able to meet this shortfall, particularly during the day, is one of the key drivers behind our aspirations for refurbishment.**

5. How are diverse groups encouraged?

**The centre is open to all hirers, both groups and individuals and is well used by the local population. There are no restrictions on hire as long as groups or individuals have appropriate safeguarding and health & safety measures in place.**

**As we have outlined above, the existing building has limited provision for disabled people (as detailed by our recent Accessibility Report 2022) and the refurbishment we aspire to would significantly improve this as well as allowing a wider range of groups to access and use the hall.**

6. Are customers/users primarily from within the District?

**Yes, the majority of our hirers are very much local groups and individuals – we can provide evidence of this if required from the list of hirers.**

7. Are the facilities available to those other than members/regular users and what charges are made for their use?

**There is no membership – facilities are open to all. However, hire charges apply. These charges are competitive and similar to facilities elsewhere.**

8. How does the organisation encourage involvement from all sections of the community?

**As previously noted, the centre is open to all hirers, both groups and individuals and is well used by the local population. Hirers include a preschool nursery and a youth club.**

**We are keen to attract users from groups and individuals who would use the centre during the day – older people (social activities and exercise), unemployed (e.g. Job Club), stay at home Mums, health and social support. However, the current design of the centre, does not allow multiple daytime use, for safeguarding reasons.**

**Addressing this is another major driver for change/refurbishment of the centre if we are able to do so.**

9. Is training and skills development available for users?

**Not applicable.**

10. What plans do you have for operating/improving the facilities in the next five to ten years? What do you propose to do the same or to do differently? And how will these plans benefit the local and wider community?

**We have recently carried out a review of our users/hirers, our facilities, our running costs and hire fees. We have also run an online survey which received 300 responses, supporting us in making appropriate plans for the future of the centre.**

**We have been advised of the availability of a substantial capital grant from Surrey County Council's Your Fund Surrey fund, for which we are eligible.**

**This could give us the opportunity to carry out some redevelopment to refurbish and possibly even extend the Hurst Green Community Centre to provide an accessible, flexible and environmentally sustainable centre that is able to meet the very wide range of needs of our local people. It would provide a very welcoming and thriving hub for the community that will be highly valued.**

**However, we are at a very early stage in any plans, and in any event, have been advised that we would require an extension of our existing lease to apply to Your Fund Surrey. The current short term of our lease is also restricting our opportunities to apply for other funds for the project, whether fees or capital funding.**

**Were we to be able to make progress with our plans, we would of course discuss these in detail at a very early stage with Tandridge District Council and in particular the Planning Department, as Tandridge is our landlord for the site.**

11. Do you work with identified partner organisations? Please provide details and any evidence of commitment to the project/organisation.

**We are in early discussions with a number of other partner organisations including The Accessibility Project/Oxted Health Centre/Surrey County Council but are limited by our current space and timing restrictions to act on these in any significant way.**

### **Funding/Finance**

1. What is your current annual income and expenditure? How much do you hold in reserve? Please attach copies of accounts for the last three years. If you cannot provide accounts, please enclose a current bank statement with an explanation about the movement of money, and an estimate of annual income and expenditure.

### **Last 3 years audited accounts attached (up to March 2022).**

2. What sources of funding or potential funding have you identified to help you to carry out the plans referred to above? Has any external funding already been applied for or confirmed? If so, please provide evidence.

**As mentioned in 10. Above, we have been given the opportunity to apply for a capital grant from Surrey County Council's Your Fund Surrey fund. Our proposal has passed the Initial Eligibility stage and we are currently at an early stage of working on our Full Submission application.**

**However, in order to progress to even an outline design, we would need to obtain funding for fees and other costs. Whilst we have had initial discussions with Oxted Parish Council and National Lottery we are not yet in a position to bid for any funding.**

3. What scope is there for your organisation to increase charges for your services or, if a free service, to charge for certain events/activities?

**There is a scale of charges for the hire of both the hall and the small room. These are generally in line with similar facilities elsewhere and so we believe there is limited scope to increase charges.**

**However, we are reviewing our hire fees in the light of increased fuel and other costs.**

**The Little Oaks nursery has a significant number of children funded from government Early Years Funding for which top up fee charges are not permitted. We understand that this is unlikely to be economically viable for those local parents who access this.**

4. What scope is there for you to carry out commercial activity on the premises?

**We want to focus on providing facilities for a wide range of local people to use, rather than to lease out floor space for what would be a limited number of individuals.**

5. Please provide a financial plan for the next three years. The below template is provided for your guidance and is not intended as an exhaustive list. If you prefer to submit the information in a different format, please do so.

Please find attached the spreadsheet Hurst Green Community Association & Centre 3 year Financial Plan September 2022 which details our financial plan for the next three years as requested.

These plans assume hiring carries on as today (i.e. simply extend the current revenue / cost streams).

Were we to be in a position to carry out any SCC YFS funded capital works to the building in the future, we would of course consult on any proposed changes with TDC at all stages.

Increased revenue streams post any refurbishment or extension would provide more floor space/varied and wider time slots (particularly day time availability) and allow more and a wider range of hirers. Even with modest hire fees the increased income would allow the centre to be more financially secure going forward.

#### Declaration

Please sign this declaration which acknowledges your acceptance of the three statements below. Please submit the application form as directed.

- i. To the best of my knowledge the information I have provided on this form is correct.
- ii. I agree to inform the Council of any material changes to the information provided above.
- iii. I agree to Tandridge District Council checking all supplied information for the purposes of informing decision making.

Personal data will not be disclosed without any prior agreement of those concerned, unless required by law. The below link to the Council's website provides information about data protection and freedom of information.

<https://www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Data-protection-and-freedom-of-information>

Signed: 

Name: Carmen Lambert Singer (Chair)

On behalf of: The Trustees of Hurst Green (Surrey) Community Association

Date: 9th February 2023

<b>HURST GREEN COMMUNITY ASSOCIATION</b>					
<b>(Registered Charity No. 272789)</b>					
<b>Receipts and Payments Accounts for the year to 31 March 2023</b>					
<b>DRAFT</b>					
31-Mar-22				31-Mar-23	
£	£			£	£
		<b>Receipts</b>			
27,371		Hall hire		34,678	
5,434		Grants		640	
1,030		Donations		248	
180		Fundraising		651	
0		Misc		51	
	34,015				36,268
	7	Interest received			31
	34,022				36,299
	650	Movement on deposits held			- 130
	<b>34,672</b>	<b>TOTAL RECEIPTS</b>			<b>36,169</b>
		<b>Payments</b>			
50		Ground rent		50	
4,005		Council tax, utilities, phone		5,287	
1,485		Insurance		1,671	
4,123		Maintenance, repairs & renewals		6,286	
10,959		Cleaning and waste removal		11,863	
457		Licences & legal		1,121	
5,733		Administrator		9,750	
0		Bank charges		0	
3,248		Miscellaneous		1,382	
<b>30,060</b>				<b>37,410</b>	
0		Improvements charged to the Porter Fund		0	
	30,060	<b>TOTAL PAYMENTS</b>			37,410
	<b>4,612</b>	<b>NET OF RECEIPTS/(PAYMENTS)</b>			<b>-1,241</b>
Relating to:					
4,610		General Fund		-1,241	
2		Porter/Foster Legacy Fund		0	
0		Mann Legacy Fund		0	
	<b>4612</b>				<b>-1241</b>

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**CHARITY COMMISSION  
FOR ENGLAND AND WALES**

**Independent examiner's  
report on the accounts**

**Section A Independent Examiner's Report**

<b>Report to the trustees/ members of</b>	<small>Charity Name</small> Hurst Green Community Association		
<b>On accounts for the year ended</b>	31 March 2022	<b>Charity no (if any)</b>	272789
<b>Set out on pages</b>	1-3 <small>(Remember to include the page numbers of additional pages)</small>		

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended 31 / 03 / 2022.

**Responsibilities and  
basis of report**

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent  
examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Signed:**  **Date:**

**Name:**

**Relevant professional qualification(s) or body (if any):**

**Address:**

# HURST GREEN COMMUNITY ASSOCIATION

(Registered Charity No. 272789)

## Treasurer/Trustee Report

### 1. Constitution

Hurst Green Community Association is an unincorporated Association and is a registered charity No. 272789.

### 2. Trustees

The following persons acted as trustees during the course of the year:-

C. Lambert-Singer,

R. Lambert-Singer,

B. Harling,

Z. Milanovic, (appointed 10 August 2021)

S. Shaw,

A. Shiner, (appointed 10 August 2021)

P. Sturges,

T. Thomas

No Trustee has been paid any remuneration or reimbursement for travel expenses.

A related party to a Trustee, Mrs Sturges was paid £5,733 during the year for services to the Association.

### 3. Purposes

The object of the Association is to provide a facility for the benefit of the residents of Hurst Green for social welfare, recreation and leisure time activities.

### 4. The accounts have been completed on a receipts and payments basis.

5. The Association has resolved that legacies from the estates of Mr. R.A.J. Porter and Mrs. E.M. Foster together with the attributed interest should be placed in appropriately named funds and should only be used to meet expenditure of a capital nature and not used to meet annual running costs. Drawings from these funds require the authority of the Trustee or Management Committee.

6. The Accounts for the past year show that the Association's finances are satisfactory. The policy of the Association is to derive an income, which will cover the running costs of the Centre. The surplus of the year has been added to the reserves.

7. The present reserves policy is to maintain a general fund reserve of in excess of two years normal expenditure.

8. The Trustees have regard to the guidance by the Charity Commission on public benefit, also we can report that the Charity did not experience any serious incidents that should have been brought to the attention of the Charity Commission but were not.

C. Lambert-Singer

Chair of Trustees.

Date.....20/1/23.

Registered address: [REDACTED]

**HURST GREEN COMMUNITY ASSOCIATION**  
**(Registered Charity No. 272789)**

**Statement of Balances for the year to 31 March 2022**

31 March 2021		31 March 2022
£	£	£      £
	<b>GENERAL FUND</b>	
39072	Balance as at 31 March 2021	44968
5891	Add Surplus for the year	4605
<u>5</u>	Interest received for the year	<u>5</u>
44968	Balance as at 31 March 2022	49578
	<b>PORTER/FOSTER LEGACY FUND</b>	
37172	Balance as at 31 March 2021	22208
30	Interest received for the year	<u>2</u>
<u>37202</u>	Balance as at 31 March 2022	22210
<u>(14994)</u>	Less Improvement expenditure	<u>0</u>
22208		22210
	<b>MANN LEGACY FUND</b>	
1904	Balance as at 31 March 2021	1904
<u>0</u>	Interest received for the year	<u>0</u>
1904		1904
<u>0</u>	Less expenditure	<u>0</u>
1904		1904
<u>69080</u>	<b>Total</b>	<u>73692</u>

Represented by: -

**BANK BALANCES**

1469	Lloyds Bank Current Account	1075
15240	Lloyds Bank Deposit Account	20241
52371	Santander Business Bond	52376
<u>69080</u>		<u>73692</u>

400	Deposits held (returnable) b/f	250
<u>(150)</u>	Movement during the year	<u>650</u>
<u>250</u>	Deposits held (returnable) c/f	<u>900</u>
<u>5850</u>	Hire fees outstanding at year end	<u>2385</u>

Signed on behalf of the Trustees



Name: EARMEN LAMBERT SINGEY  
Date: 20/1/23

**HURST GREEN COMMUNITY ASSOCIATION**  
(Registered Charity No. 272789)

**Receipts and Payments Accounts for the year to 31 March 2022**

31 March 2021				31 March 2022
£	£			£      £
		<b>Receipts</b>		
9967		Hall hire		27371
18907		Grants		5434
265		Donations		1030
0		Fundraising		180
0		Misc		0
<u>          </u>	29139			<u>          </u>
				34015
	35	Interest received		7
	<u>29174</u>			<u>34022</u>
	(150)	Movement on deposits held		650
	<u>29024</u>	<b>TOTAL RECEIPTS</b>		<u>34672</u>
		<b>Payments</b>		
50		Ground rent		50
3854		Council tax, utilities, phone		4005
1065		Insurance		1485
4161		Maintenance, repairs & renewals		4123
8585		Cleaning and waste removal		10959
1168		Licences & legal		457
4043		Administrator		5733
14		Bank charges		0
160		Miscellaneous		3248
<u>          </u>	23100			<u>          </u>
				30060
14994		Improvements charged to the Porter Fund		0
	<u>38094</u>	<b>TOTAL PAYMENTS</b>		<u>30060</u>
	<u>(9070)</u>	<b>NET OF RECEIPTS/(PAYMENTS)</b>		<u>4612</u>
		Relating to:		
5894		General Fund		4610
(14964)		Porter/Foster Legacy Fund		2
0		Mann Legacy Fund		0
<u>          </u>				<u>          </u>
	<u>(9070)</u>			<u>4612</u>

**TANDRIDGE DISTRICT COUNCIL - APPLICATION FOR A RENTAL GRANT SUBSIDY**

please complete and return this form, together with your organisation's financial accounts for the last two years (i.e. profit and loss accounts and balance sheets)

Name of organisation*: TATSFIELD PARISH COUNCIL
Description of land / property*: FURZE CORNER PLAYING FIELD, APPROACH ROAD, TATSFIELD
Annual market rental assessment*: £8,000 plus VAT per annum
Please complete sections 1 to 5 below
<p><b>1. Contact details</b></p> <p>Name: Samantha Head</p> <p>Position within the organisation: Parish Clerk</p> <p>Contact phone number:</p> <p>Contact e-mail address: clerk@tatsfieldpc.org.uk</p>
<p><b>2. Role of the organisation / membership regime / community links</b></p> <p>2A Please describe your organisation's objectives and how it utilises the land / buildings leased from the Council.</p> <p>Tatsfield Parish Council is the local elected Parish authority in Tatsfield.</p> <p>The playing fields, including the pavilion and associated buildings at Furze Corner are our local playing fields providing cricket (summer) and football (winter) pitches as well as amenity for local walkers.</p> <p>The Parish Council plans to raise funds to construct a new pavilion and undertake associated landscaping works and drainage improvements to the sports field.</p> <p>We are supporters of Tatsfield Cricket Club which has been long established in the village and will have use of the field and pavilion.</p> <p>Access is on foot and vehicle via the existing access track where there is some parking available.</p>

<p>3B Is your organisation affiliated to a county / regional / national body? (if so, please dive details)</p> <p>Yes – Tatsfield Parish Council.</p>
<p>3C How many paid up members does your organisation have?</p> <p>1 x salaried (part time) Parish Clerk 7 x elected voluntary Councillors.</p>
<p>3D Approximately what percentage of the paid up members live in Tandridge?</p> <p>100% of Councillors and the Clerk are residents of Tandridge.</p>
<p>3E Are there any restrictions to membership?</p> <p>Parish Councillors are elected, there is no membership.</p> <p>There are no restrictions to membership of Tatsfield Cricket Club.</p>
<p>3F Please provide details of relevant membership and hire fees and any other charges</p> <p>Not applicable to Parish Council (PC).</p> <p>The cricket club have agreed to pay £55 per weekend game to the PC and to provide voluntary help with grass cutting of the cricket square once the lease is signed.</p>

3G Are discounts available on the grounds of financial hardship?

This would be considered by the Cricket Club.

3H Are the facilities only available to members or can users 'pay on the day'?

No the field is accessible to members of the community for walking and informal games when not in use by the Cricket Club.

### 3. Access to facilities and integration with the wider community

3A When are the facilities available for use during an average week?

Dawn to dusk 7 days per week excluding when booked for cricket matches.

3B Does the organisation do anything to encourage wide ranging community use of the facilities? For example, initiatives to:

- achieve a diverse membership base (besides any membership fee concessions / hardship relief schemes referred to in 2B above); and / or
- allow use by non-members such as community taster sessions; training / coaching development programmes; or via partnerships with local schools

This is certainly proposed as part of the Parish Council taking over the lease of this facility. We have included details in our draft development plan.

Response to 3B (continued)

3C Does the organisation fulfil any wider community roles (e.g. outreach work in schools or participation in community events such as fetes and shows)?

Yes – the Parish Council is very active across Tatsfield village and the wider parish.

#### **4. Financial position / sustainability**

4A Are financial reserves being accumulated for any particular purpose (e.g. future projects or specific contingencies)?



A fund-raising campaign will start shortly for the redevelopment project. Tatsfield Parish Council has some financial reserves.

4B Please give details of any commercial activities on the site which generates income (e.g. bar / catering operations)

None at this time.

4C Please describe any fundraising activities undertaken by the group during a typical year

Not yet started.

4D Does the organisation pursue any funding opportunities from other grant giving bodies?

Yes – we will be doing this as part of the development project fundraiser.

**5. Alignment with the Council's corporate priorities**

5A In light of the information provided above, please explain how you think your organisation's activities align with the Council's corporate priorities/Strategic Plan (page 8 also refers).

Our activities are aligned with Tandridge District Council's adopted Wellbeing Space Strategy 2015 and Local Open Space Strategy 2021-2025 encouraging local sport and wellbeing.

Access to high quality open spaces such as parks and sports pitches such as Furze Corner play an important role in helping people to lead healthy lives. Open spaces are recognised in the Wellbeing Space Strategy 2015 as being important to health and wellbeing.

There is significant and growing evidence that access to good quality green space is associated with a range of positive health outcomes including better self-rated health, lower body mass index scores, reduced overweight and obesity levels and improved mental health.

It is essential the district utilises open spaces for health and exercise reasons, to align with the county's priority of empowering its citizens to lead healthier lives.

<b>6.</b>	<b>Required subsidy</b>
6A	What level of subsidy do you wish to apply for as a % of the annual market rental assessment on page 1 above  100%
6B	What, in your opinion, would be the consequences of the Council not providing the subsidy, both for your organisation and the community at large?  The Parish Council would simply not be able to continue with the proposed lease and the field and pavilion which are already in a very poor state would continue to degrade.

## **Key Corporate Priorities for 2020/21 – 2023/24**

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

Please see further detail on the Council's website:

<https://www.tandridge.gov.uk/Your-council/Strategies-and-plans>

Rental Grant Subsidy Scoring Matrix - Tatsfield Parish Council (Furze Corner)

SCORE	4	3	2	1	0	Total	Comments
SCORING CRITERIA	Excellent/Very Good	Good	Acceptable	Marginal	Undesirable		
Intensity of use	Over 100 members or over 30 hours of use per week	Over 75 members or over 25 hours of use per week	Over 50 members or over 20 hours of use per week	Over 25 members or over 15 hours of use per week	Less than 25 members or less than 15 hours of use per week	4	The field is accessible to members of the community for walking and informal games when not in use by the Cricket Club.
Affordability	Free membership or free use	Membership rates or use/hire rates less than 60% of market rates and/or discounts available on grounds of financial hardship	Membership or use/hire rates at less than 75% of market rates	Membership or use/hire rates at less than 90% of market rates	No discount on market equivalents	3	There are no restrictions to membership of Tatsfield Cricket Club and at all times outside of cricket club, the facilities will be open to all and available for hire by other organisations.
Benefit to the wider community / diversity of users/extent of outreach work	Very wide variety of user groups and/or staff/volunteers carrying out outreach work. Multiple letters of support.	Wide variety of user groups and/or staff/volunteers carrying out outreach work. Several letters of support.	Some variety of user groups and/or staff volunteers carrying out outreach work. A few letters of support.	Limited variety of user groups and/or staff volunteers carrying out outreach work. One or two letters of support.	Only one user group and no outreach work	4	Wide community use from all ages and backgrounds. Tatsfield Cricket Club has been long established in the parish. It also hoped to be able to return football clubs during the winter months. There have been expressions of interest

<p>Are revenue/funding raising opportunities maximised? E.g. grant funding sought, fund-raiser events undertaken, commercial opportunities maximised where possible e.g. bar income, hire of facilities when not in use.</p>	<p>Opportunities are maximised wherever possible</p>	<p>Opportunities are often maximised</p>	<p>Opportunities are sometimes taken</p>	<p>Opportunities are occasionally taken</p>	<p>Opportunities are not taken</p>	<p>3</p>	<p>from local residents and a number of local sports, fitness and community groups.</p>
<p>The Parish Council plans to raise funds to construct a new pavilion and undertake associated landscaping works and drainage improvements to the sports field.</p> <p>It is proposed that the improvements will be funded through various funding sources including an application to Your Fund Surrey, CIL funding, a fund-raising campaign and Tatsfield Parish Council.</p> <p>It is proposed that A Charitable Incorporated Organisation will be created to manage the facilities on behalf of</p>							

To what extent do the group's activities align with TDC corporate priorities?	Very strong alignment with one or more priorities or strong alignment with more than one priority	Strong alignment with one priority or good alignment with more than one priority	Good alignment	Some alignment	Limited or no alignment	4	Tatsfield Parish Council.  The proposed activities are aligned with Tandridge District Council's adopted Wellbeing Space Strategy 2015 and Local Open Space Strategy 2021-2025 encouraging local sport and wellbeing.  Access to high quality open spaces such as parks and sports pitches such as Furze Corner play an important role in helping people to lead healthy lives. Open spaces are recognised in the Wellbeing Space Strategy 2015 as being important to health and wellbeing.  There is significant and growing evidence that access to good quality green space is associated with a
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<p>Does the group reduce TDC revenue costs e.g. by maintaining/repairing the asset and contributing to insurance</p> <p>Does the group have financial reserves or fundraising targets? If so, are these earmarked for improvements to the</p>	<p>Yes, the group take full responsibility</p>	<p>Yes, the group pay the majority of costs associated with the asset</p>	<p>The group pay some of the costs associated with the asset</p>	<p>The group only pay a small percentage of the costs associated with the asset</p>	<p>The group do not pay any of the costs associated with the asset</p>	<p>4</p>	<p>range of positive health outcomes including better self-rated health, lower body mass index scores, reduced overweight and obesity levels and improved mental health.</p> <p>It is essential the district utilises open spaces for health and exercise reasons, to align with the county's priority of empowering its citizens to lead healthier lives.</p> <p>Under the terms of the lease, the Parish Council will take on full maintenance responsibility for both the building and grounds maintenance.</p> <p>The Parish Council is dedicated to this project and will raise funds accordingly. The project aims to improve drainage and</p>
	<p>A high percentage (75 to 100%) of reserves are earmarked for improvements</p>	<p>A percentage (50-75%) of reserves are earmarked for improvements</p>	<p>A percentage (25-50%) of reserves are earmarked for improvements</p>	<p>A percentage (up to 25%) of reserves are earmarked for improvements</p>	<p>No reserves earmarked for improvements</p>	<p>3</p>	



facilities including improvement of environmental performance, flood resilience and/or biodiversity?							the clubhouse will be built to a high level of thermal and environmental performance. The building is proposed to including sustainable energy sources, as sewage treatment plant and rain water harvesting .
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Total score for Tatsfield Parish Council (Furze Corner) – 25

Total possible score – 28

89%

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# Furze Corner, Tatsfield

Pavilion and Sports Fields regeneration

Business Plan



Tatsfield Parish Council

January 2023

## Contents

1	Executive Summary
2	Organisations Information
3	Location & Existing Facilities
4	Rationale for Development
5	Proposed Development
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7	Funding and Project Timeline
8	Business Plan
Appendix A:	Recurrent Funding: Expenditure and Income Model
Appendix B:	Cost plan for the project
Appendix C:	Precedent Projects

## **1 Executive Summary**

The Furze Corner field (not to be confused with the adjacent house called Furze Corner) has long been the base for thriving local amateur sports clubs and fitness at the very heart of the local community in Tatsfield; providing formal and informal sporting opportunities for adults and large numbers of local children.

Tatsfield Cricket Club and Tatsfield Rovers Football Club were both based at Furze Corner in Tatsfield with the open space facilities shared between the two clubs and subject to a lease granted to the Tatsfield Playing Fields Association (Tatsfield PFA) from the freehold site owner, Tandridge District Council.

Up until 2016, the sports fields at Furze Corner were in regular sports use by two senior football teams, a junior football team, a senior cricket team and a junior cricket academy.

It was also in regular use for activities by the Tatsfield Beavers, Cubs, Scouts and Explorers as well as by children from the local nursery and as an amenity for local walkers.

However, over recent years, the football pitches have struggled with poor drainage and waterlogged ground through the winter season and, due to the degradation of the club house and changing facilities, Tatsfield Rovers senior team, who play in the Sevenoaks & District Football League, have now relocated to play outside of the village where better facilities are available.

In 2018, Tatsfield Rovers junior football club also disassembled and many of the local players joined clubs in Westerham or Bromley. As a result, for four winter seasons now, there has been no football at Furze Corner.

The existing pavilion/club house is in an extremely poor state, beyond the end of its useful life and does not provide appropriate facilities by current standards in terms of sanitation, disability access and appropriate changing facilities for mixed sex groups.

Tatsfield Parish Council are fully committed to bringing Tatsfield Rovers and football back to the village for senior and junior teams and extending the take up of cricket to a wider population. extending both inclusion and diversity within membership and participation. Following the successes of the England Women's football team, there has been a surge in interest in girls and women's football.

The replacement of the club house and changing facilities and the improvement of pitch drainage is essential if these objectives are to be achieved.

These objectives are also supported by the Tandridge District Council Open Space Strategy (2021-2025) and the Tatsfield Neighbourhood Plan.

It is therefore proposed to demolish the current club house building and remove the adjacent shipping container used for machinery storage and build a single-storey replacement building that meets current standards and is a sustainable community building that allows Tatsfield to continue to deliver field sporting activities for decades to come. It is also proposed to improve the pitch drainage, access and provide good cycle/car parking arrangements to attract usage from the wider parish.

It is proposed will be funded through a combination of Surrey County Council 'Your Fund Surrey' community grant funding, Tandridge District Council CIL funding and through the village's own resources and possible Parish Council community fundraising.

Tatsfield Parish Council are ambitious about delivering their proposals and looking to complete the project in time for the summer cricket season in 2026.



**Fig. 01: Aerial photo of Furze Corner**

## **2. Organisations Information**

### **Tatsfield PFA**

The Tatsfield PFA was made up of representatives from Tatsfield Cricket Club, Tatsfield Parish Council and other local people. It has however over the past 12-18 months failed to meet and pick up the project opportunity. It is understood by the Parish Council that the lease at Furze Corner playing fields has now expired.

### **Tatsfield Parish Council**

Tatsfield Parish Council are the elected local Parish Council covering Tatsfield village and the wider parish which stretches from the edge of Biggin Hill in the north, down south towards the A25. The Parish Council is a very active authority with 7 elected councillors and leads and supports many activities around the village.

The Parish Council are funded through an annual precept from Council Tax and have a number of building and land assets around the village including the Village Hall, Aileen McHugo Building (AMB), Westmore Green, Tatsfield Green and a number of natural wooded spaces. The Parish Council have a managed income from the AMB and there is a Village Hall committee and support a number of village events each year. The Parish Council employ a part-time Clerk and are financially sound.

### **Tatsfield Cricket Club**

Cricket has been played in Tatsfield for much of its history with the first recorded games being in 1893. Initially playing on the Ship's Field, it moved around during the post war period and to Furze Corner around 1974.

The Club strives to maintain a "village team" ethos and uphold the true spirit of cricket - a competitive yet very social, friendly and inclusive club at the heart of the local community.

The replacement of the current pavilion is the Club's highest priority and is essential for three primary reasons.

Firstly the development plan anticipates growing interest in club cricket amongst the local community including children.



Secondly, a replacement pavilion will have the appropriate facilities to accommodate and make cricket fully accessible to female members and to those with disabilities and will allow the Club to reach out to new potential members in these groups.

Thirdly, it will help the club to use the pavilion facilities for match teas for home games, increasing the ability to host games and offer the opportunity for the club house to be used by other local teams for both cricket and football, generating income.

### **Tatsfield Rovers Football Club**

Though Tatsfield Rovers FC (adult team) are currently playing away from the village, they remain keen to return to Tatsfield and there has also been interest from clubs in Oxted to use the pitches due to a shortage of pitches in the area if facilities can be provided and improved.

### **Other interested clubs/private hire**

There are a number of successful clubs and societies already established within Tatsfield and there is interest for the use of a replacement pavilion at Furze Corner for the following purposes:

- Yoga classes
- LAMDA drama classes
- Pilates
- Fitness training/Martial Arts
- Community group meetings
- Private hire for birthdays, family parties, weddings etc.
- Cub and Scout wide games activities outside of the nearby scout hut
- Not So Young club meetings

### **3 Location & Existing Facilities**

#### **Tatsfield**

Tatsfield village is one of the highest villages within Surrey. It is the principal settlement and the only Defined Village in the parish of Tatsfield. The village is predominantly rural and surrounded by fields and mature woodland.

The following are key features of the setting of Tatsfield village:

- the semi-rural status of Tatsfield Village as a Defined Village within the Green Belt
- the sense that the village marks the transition between town and country and looks out to open countryside from the North Downs
- the initial impact of the village scene at its centre
- its strong links with the natural environment, as shown by well-used village greens, mature trees and innumerable shaws and hedgerows; and conversely, the spaces between them; as well as the network of footpaths, bridleways and unmade roads which criss-cross the village
- its role as a natural wildlife habitat for a number of species
- its unique community spirit and the diversity of its built environment

The administration of Tatsfield is led at Parish, District and County levels by the following authorities:

- Tatsfield Parish Council
- Tandridge District Council
- Surrey County Council

## Local open space provision

Within Tatsfield village and its outskirts, a range of open spaces, greens and wooded corridors or pockets are important in supporting the settlement and in defining the rural village character. Open spaces and greens providing amenity within the village and outer village include:

- Tatsfield Green
- Westmore Green
- The Square, Paynesfield Road
- Furze Corner playing fields
- Park Wood Golf Course
- Fields surrounding Tatsfield Primary School and adjacent to Ship Hill
- The Primary School MUGA

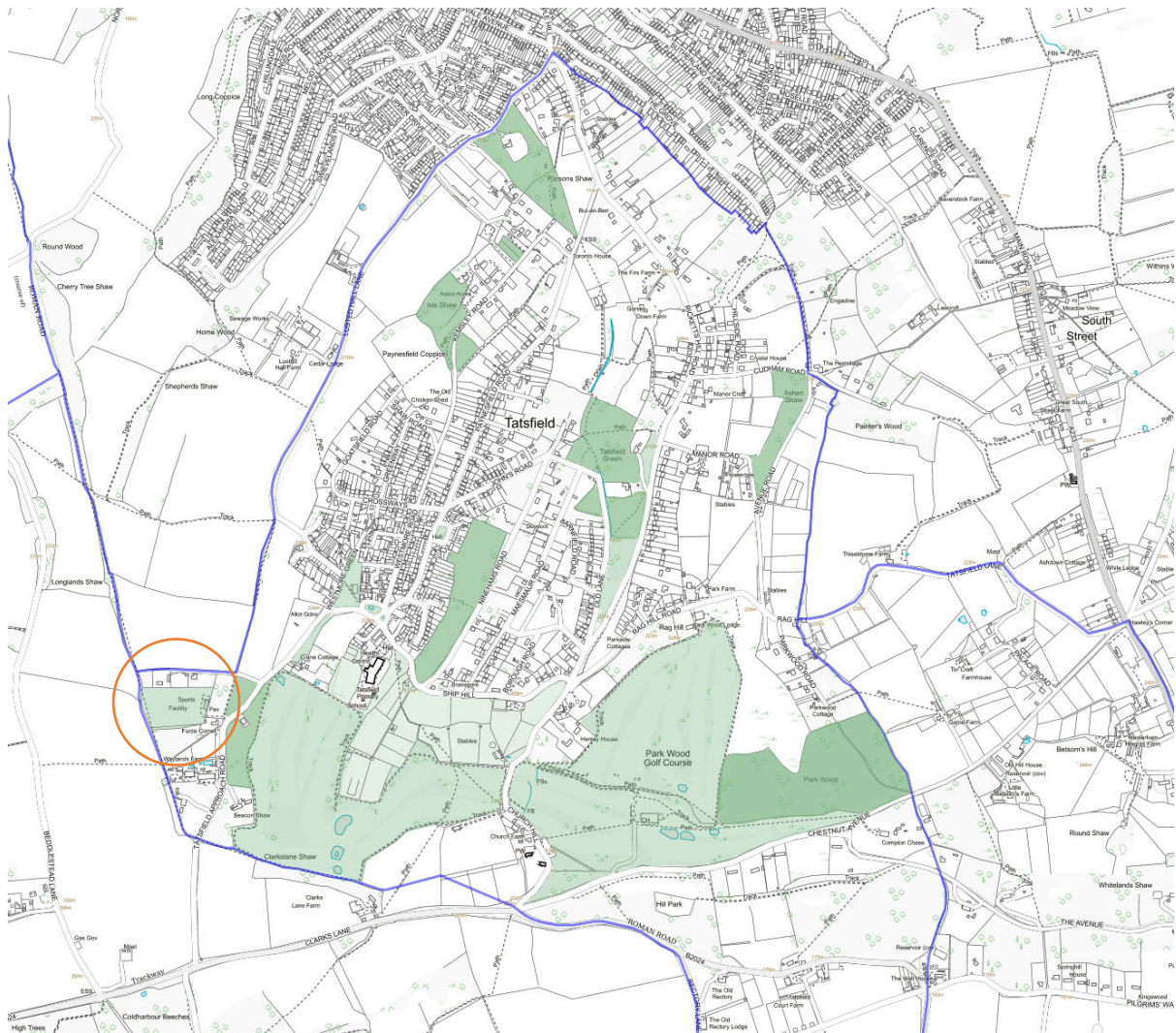


Fig. 02: Local open space provision around Tatsfield Village (with Furze Corner circled)

### **Furze Corner**

Furze Corner is located on the west side of Tatsfield village adjacent to Approach Road, the key entry route into the village from the south and only a short walk from the village Centre at Westmore Green.

It is the only formal publicly accessible outdoor sports space within the parish other than the hard surface MUGA adjacent to Tatsfield Primary School in the centre of the village.

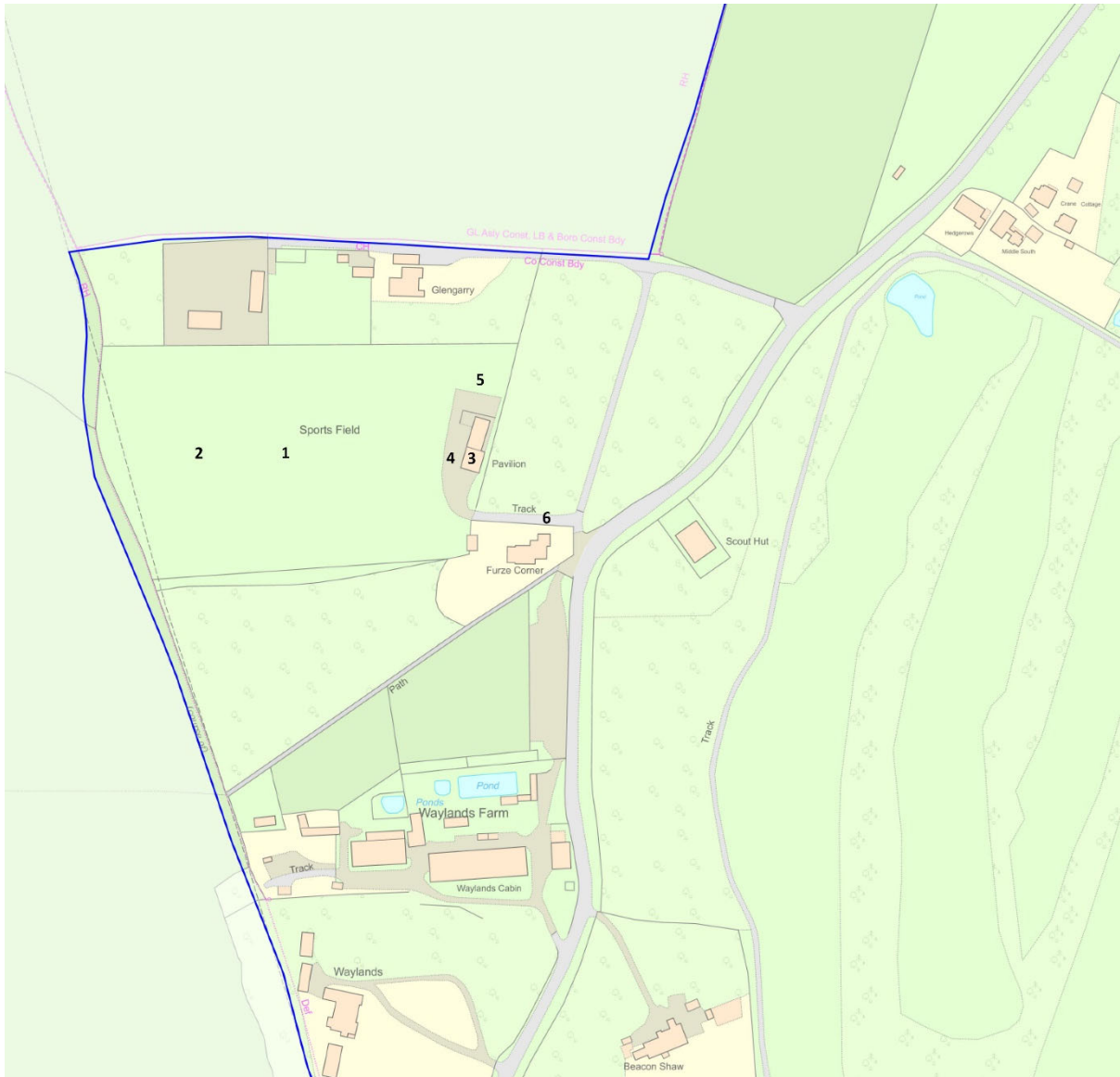
The open space is large enough to accommodate one cricket pitch in the summer months or two football pitches during the winter months either side of the cricket square.

The freehold ownership of the Furze Corner land rests with Tandridge District Council. Currently they grant a lease over the land to the Tatsfield Playing Fields Association (Tatsfield PFA), though that has now expired and has not been renewed as of January 2023.

On the land stands an existing pavilion/club house, cricket practice nets and storage shipping container which are the property of the Tatsfield PFA.



**Fig. 03: The Cricket outfield in summer**



**Fig. 04: Map**

**Key:**

- 1 Cricket square
- 2 Cricket outfield/football pitches
- 3 Pavilion/club house
- 4 Car park
- 5 Practice net
- 6 Access track



## Existing Facilities

The existing off-field facilities for the cricket and football club are a rather dilapidated small wooden pavilion/club house built using cabins left over from building the M25 Clacket Lane service stations.

A shipping container is used for machinery storage. And there is a cricket practice net.



Fig. 05: The club house/outside decking viewed externally



Fig. 06: The shipping container



**Fig. 07: The practice net**

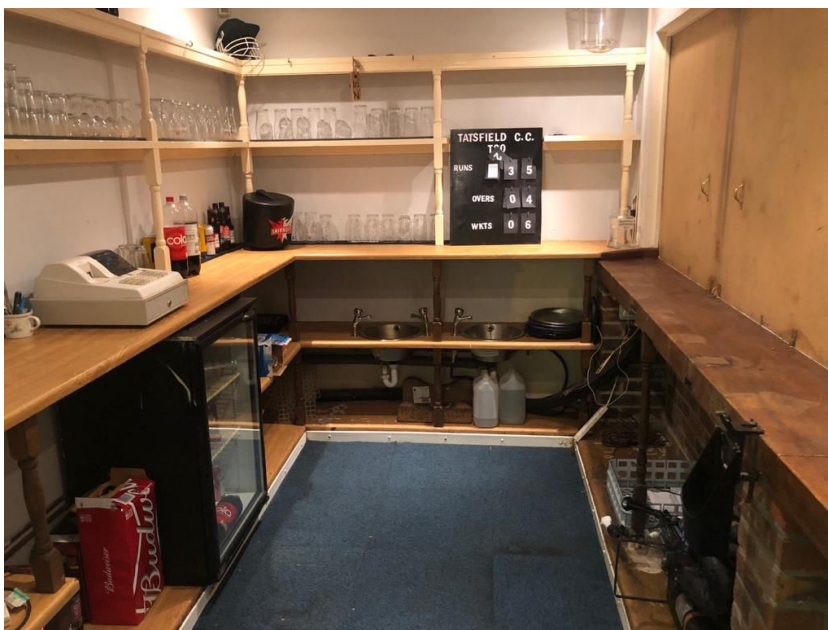


**Fig. 08: Parking area in front of club house**



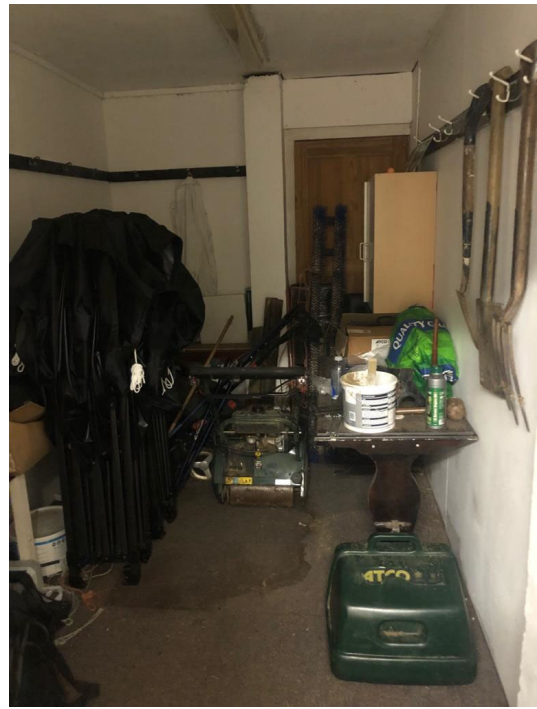


**Fig. 09: The club room**

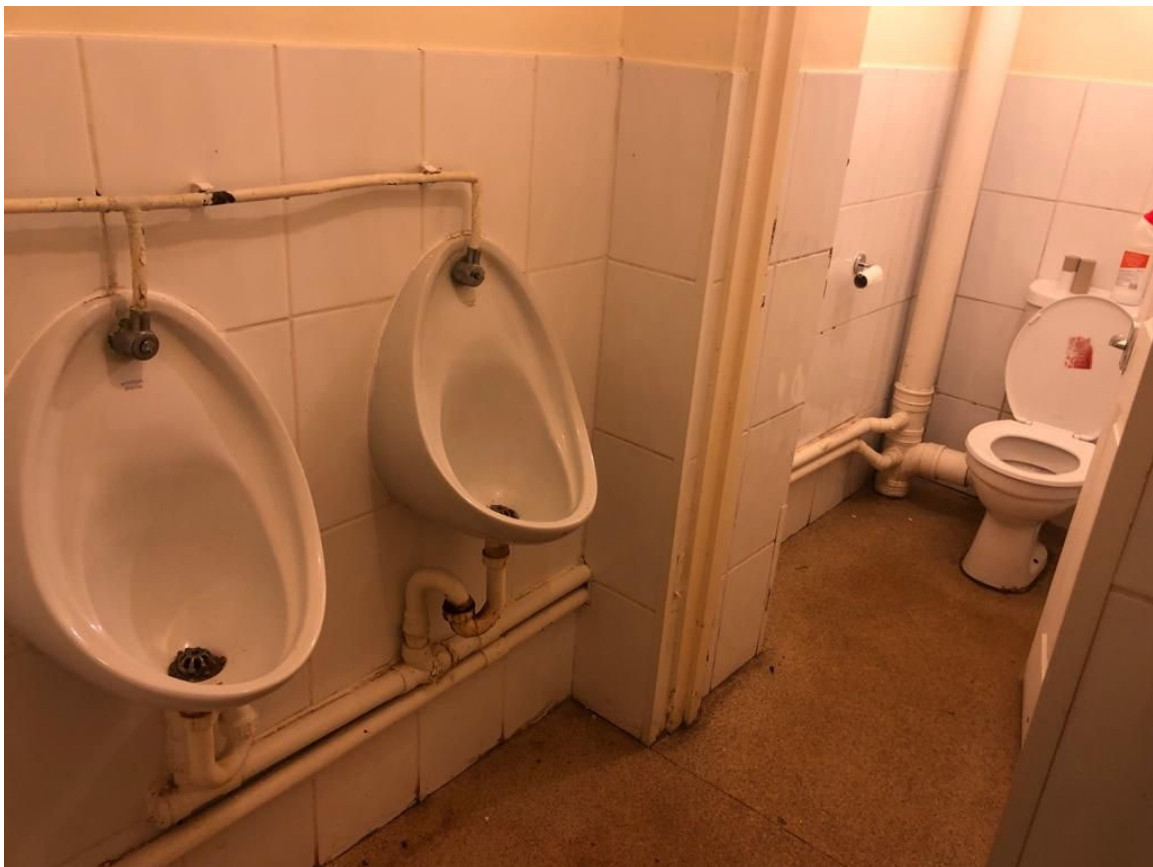


**Fig. 10: The bar area in the club house**





**Fig. 11 and Fig 12: Changing rooms**



**Fig. 13: Male toilets**

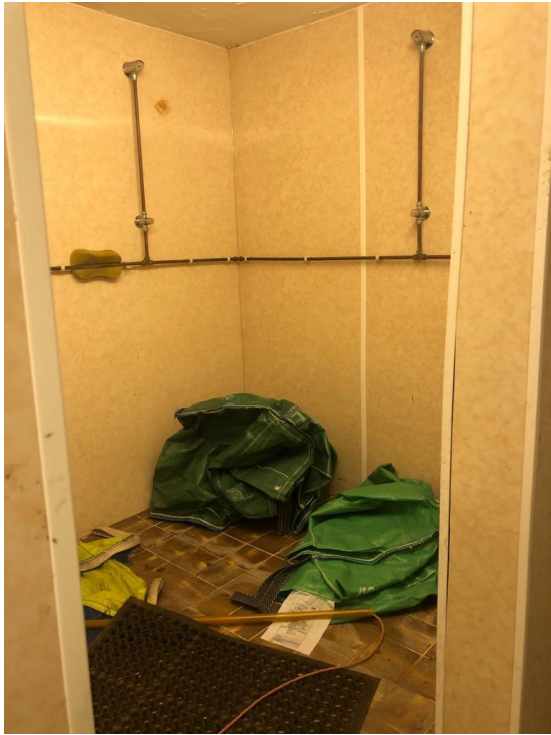


Fig. 14 and Fig 15: Shower facilities and bar storage



Fig. 16 and Fig 17: Wash up facilities and incoming water supply

#### 4 Rationale for Development

The parish of Tatsfield is now well advanced in developing the Tatsfield Neighbourhood Plan with a programme for its adoption in 2023. Furze Corner was identified as one of the facilities in the village that is of poor quality, inappropriate for use and in need of investment to support the local community.

The following issues and opportunities were raised in the community engagement:

- Poor quality and lack of use of Furze Corner Sports Ground and Clubhouse.
- Opportunity to redevelop the old pavilion/clubhouse and make a community asset.
- This could include use for the elderly, young people, a possible satellite medical surgery and any other opportunities – language lessons, fitness sessions etc.
- Scope for redevelopment of the clubhouse to accommodate new clubs and societies.
- Ensure any new facilities have disabled access and address any issues with current facilities.
- Improvement of the pathway to the Scout Hut, with associated external lighting

There are many reasons why the replacement of the current building is now necessary:

i) The current building has simply reached the end of its useful life. The fabric of the building has become increasingly rotten in places making it difficult to control vermin and maintain any reasonable sanitary standards.

ii) The existing building was never intended to be used long term for multi-sex and young people. It was originally just for the cricket club at a time when there was just a single adult team of 11 men.

iii) The existing building does not make adequate provision for female participants or spectators. There is nowhere separate to change, no showers and the female toilet is less than satisfactory. Both the cricket club and the desire to bring back junior football should attract more girls and women into the sports.

iv) The existing building makes no provision for those with special needs, whether participants, parents or spectators. Neither toilet is accessible for wheelchair users. Tatsfield Parish Council are committed to trying to increase participation from young people with special needs – the existing pavilion hinders this ambition.

v) The existing building is too small & insecure to house the grounds keeping machinery much of which is valuable. Consequently, the machinery is currently stored in a steel shipping container located adjacent to the pavilion. This remains an unsatisfactory arrangement. Under the proposed redevelopment the machinery would be housed within secure storage in the new building allowing the removal of the container.

vi) The sanitary facilities within the current building are woefully inadequate for the current number of users and in very poor condition.

vii) The septic tank has been little used for years. The proposed replacement building will have a new sewage treatment plant.

viii) The food preparation facilities and areas are currently very unsatisfactory by modern standards. "Teas" of course form an integral part of any cricket match and the cricket club would like to be able to prepare sandwiches etc on site in hygienic conditions as well as to heat food. The club would also like the pavilion to be able to offer hot drinks and snacks in warm & hygienic conditions to attract football teams and spectators during the winter months and increase the diversity of its use to allow income from other clubs/societies and use for parties/events.

ix) The current building does not provide suitable cover for rain during cricket matches or warm shelter from the elements for children or spectators during the football season in the winter months.

x) The existing building does not facilitate the storage of all the cricket and football equipment both during and outside of the respective seasons. There is no room at all to store children's football goals and balls outside of the soccer season and accordingly these previously had be removed and stored off site. The new building will be designed to allow all the equipment to be conveniently stored on site all year round.

xi) Finally, the new building will be relatively modest in size and will be designed to be sustainable and economical to run and thus will provide a solution that will allow the pavilion and field sports in Tatsfield to thrive for many years to come as an important community resource improving fitness and wellbeing.

## **5 Proposed Development**

### **Existing Pavilion**

The existing pavilion (see Fig. 05) is to be demolished and removed from the site.

### **Storage Container**

The steel storage container (see Fig. 06) will also be removed from the site.

### **Septic Tank & Drainage**

The current building utilises a septic tank for drainage. As the replacement building will be connected a new sewage treatment plant, the existing septic tank will be removed.

### **Replacement Building**

The new pavilion building will be sited on the location of the existing pavilion. It will be of contemporary design and sustainable construction and will offer modern facilities for sports use which is appropriate given the Green Belt location.

The new building will have the following internal features:

- Flexible use club room area
- Home & visiting changing rooms both with WC & showers
- Referee/umpires changing room with integral shower
- Modern kitchen area
- Bar area
- Disabled toilet with hand basin
- Machinery store
- Furniture storage
- Kit storage

Please refer to Appendix B for an example of a similar project.

## **6 Design, Access & Environmental Considerations**

### **Planning History:**

Tandridge District Council are the Planning Authority. There is no history of planning applications on the Furze Corner field site.

Under Detailed Policy 19 in the Adopted Tandridge Local Plan, the Council acknowledges the importance of maintaining a diverse range of community facilities in the District and the contribution that these facilities can make to residents' quality of life.

Core Strategy policy (CSP)13 further seeks to resist the loss of existing community facilities and to safeguard existing sport and recreation facilities. CSP13 also actively encourages the provision of new facilities and services where there is an identified demand that cannot be met through the use of existing facilities. The Council particularly supports the provision of such facilities in highly accessible locations; significantly reducing the number of multi-trips and lowering carbon emissions as a result. Such facilities should be sustainably located in areas which are easily accessible by foot and by bicycle, and the development itself should be accessible to all groups. This policy provides additional detail to complement Core Strategy Policy CSP13.

The new building will be designed to comply with all relevant building regulations and planning policies.

Additionally, the design would take into account the regulations and guidelines of the following:

- Sport England: Pavilions & Clubhouse – design guidance
- England & Wales Cricket Board: Pavilions & Clubhouses v1 2009

In terms of accessibility, the new building will meet the requirements of the Equality Act and facilities for home/away teams, officials and the clubroom will fully DDA compliant.

Environmental considerations are at the forefront of proposed design not least due to the declared Climate Emergency but also due to the location within the Metropolitan Green Belt.

The unsightly existing building and shipping container will be removed and the new building will be designed to be sensitive to its setting and located in the same location as the current building.

It is proposed that photovoltaic solar panels be installed on the roof of the south elevation to help provide sustainable energy and a rainwater harvesting system is installed to provide the building's WC flushing grey water requirements, reducing water consumption. Heating should be provided through a non-fossil fuel electrical source and the building should be designed with high levels of air tightness, thermal insulation and to avoid overheating.

## 7 Funding and Project Timeline

A detailed cost plan has been prepared with benchmarking against other UK sports pavilion projects in recent years. The total cost of the Furze Corner regeneration project will be in region of £1,500,000 including VAT.

Please refer to Appendix C for the detailed cost plan breakdown.

It is proposed that the cost of the project will be funded by a mixture of Surrey/Tandridge community grant funding and led by Tatsfield Parish Council supported by a working group of local people.

Proposed funding sources include a combination of Surrey County Council 'Your Fund Surrey' community grant funding, Tandridge District Council CIL funding and through the Parish Council community fundraising and the village's own resources.

The current projected timeline is as follows:

Q1 2023	Resolution of draft lease with Tandridge District Council
May 2023	Parish Council elections
Q2 2023	Finalise lease with Tandridge District Council
Q3-Q4 2023	Funding applications
Q1 2024	Draft designs and community consultations
Q2 2024	Planning consultation/drawings
Q3 2024	Planning Permission sought & granted
Q4 2024-Q2 2025	Working drawings/tender
Q2 2025	Start of construction
Q3 2026	Completion of construction



## **8 Business Plan**

### **8.1 Potential User Groups**

There is local interest in the Parish about regenerating Furze Corner and bringing the Pavilion back in use. It is important to ensure future viability of the facility that we consider the likely user groups. These include:

- Clubs: cricket and football but also options for table tennis/pool and other internal sports clubs
- Local clubs: local charitable groups such as toddler groups, Not So Young Club, Tatty Knitters, etc.
- Youth Groups: Scouts/Explorers, Cubs, potential to establish a youth club
- Events: weddings, birthday parties, sports nights
- Corporate: small business hire, for example meetings or paid activity groups

### **8.2 Kitchen/Bar and lettings**

The kitchen/bar facilities in the social area are an essential part of keeping the Pavilion active and they will be a valuable source of additional revenue. Vending machines could be installed to cater for changing room users when these facilities are closed. Tatsfield is well served with one public house and the Village Club, but the revenue which is derived by having a bar open for two to three hours after a match or for occasional booked events will satisfy the needs of the visitors without inconveniencing or disturbing the neighbourhood.

### **8.3 Staffing**

Initially the Parish Council will oversee bookings for the facility and the Parish Clerk will take bookings, dealing with users and answering enquiries (as currently for the AMB premises). The café and bar will be run at first on a profit-sharing basis with those who rent the premises. It is not the intention that the Parish Council should be responsible for bar/café consumables or employ bar/café staff in the Pavilion unless and until demand makes such a change cost-effective.

### **8.4 Organisation and Governance**

It is proposed that, following initial opening and establishment, a Charitable Incorporated Organisation (CIO) may be established into which it is then intended to transfer the management of Furze Corner facility on behalf of Tatsfield Parish Council. A management committee and Trustees will be recruited and appointed.

This would follow the Sport England Tier 1 code for sport governance.

[https://www.sportengland.org/media/11193/a\\_code\\_for\\_sports\\_governance.pdf](https://www.sportengland.org/media/11193/a_code_for_sports_governance.pdf) 8

**8.5 Sports pitch charge rates (without changing facilities) (Q1 2023 equivalent):**

Community Organisation - £20 per hour

Commercial Organisation - £30 per hour

**8.6 Sports pitch charge rates (with changing facilities) (Q1 2023 equivalent):**

Community Organisation - £25 per hour

Commercial Organisation - £40 per hour

**8.7 Pavilion only charge rates (Q1 2023 equivalent):**

Tatsfield residents - £15 per hour

Community Organisation - £15 per hour

Commercial - £25 per hour

Weekend evenings (6-11pm) - £150 plus £15 for alcohol licence

**Appendix A – Recurrent Funding: Expenditure and Income Model**

Furze Corner Sports Fields/Pavilion  
 Recurrent Funding: Expenditure and Income Model  
 07/01/2023

	Year 0 (6 mths)	Year 1	Year 2	Year 3	Year 4	Notes	Year 10
	2026	2027	2028	2029	2030		2036
<b>Expenditure</b>							
Lease	£850	£3,700	£3,700	£3,700	£3,700	Fixed lease	£3,700
Grounds maintenance	£1,000	£2,600	£2,750	£2,900	£3,000		£3,250
Building Running Costs	£7,500	£13,500	£14,000	£14,500	£15,000	Later years assume greater use so increased cleaning and utility costs	£16,000
Staffing Costs	£0	£1,500	£2,500	£4,500	£6,000	Evening and weekend (part time) manager with additional time from Parish Clerk in daytimes	£6,500
Subscriptions (Broadband, Sky TV)	£500	£2,500	£2,525	£2,550	£2,580	Sports etc. from Yr 1	£3,000
Office Costs (including depreciation)	£0	£0	£0	£1,100	£1,200	PC to initially provide administration	£1,500
Repairs	£0	£0	£1,000	£1,500	£2,000	Extra wear and tear with increased use	£3,000
<b>Total</b>	<b>£9,850</b>	<b>£23,800</b>	<b>£26,475</b>	<b>£30,750</b>	<b>£33,480</b>		<b>£36,950</b>

	Year 0	Year 1	Year 2	Year 3	Year 4	Notes	Year 10
	2026	2027	2028	2029	2030		2036
<b>Income</b>							
Lease grant (100% from TDC)	£850	£3,700	£3,700	£3,700	£3,700	Paid back via 100% grant from TDC	£3,700
Parish Council grant	£500	£1,000	£1,000	£500	£500	PC Grant from Precept to help early years	£0
Sports use lettings	£800	£2,500	£2,600	£2,700	£2,800		£3,000
Other lettings	£5,500	£12,000	£13,000	£14,000	£15,000		£17,000
Kitchen/Cafe (profit)	£1,000	£3,500	£5,000	£7,500	£10,000		£10,000
Bar (profit)	£1,200	£1,500	£2,000	£3,000	£3,000		£4,000
<b>Total</b>	<b>£9,850</b>	<b>£24,200</b>	<b>£27,300</b>	<b>£31,400</b>	<b>£35,000</b>		<b>£37,700</b>

<b>Surplus/Deficit</b>	<b>£0</b>	<b>£400</b>	<b>£825</b>	<b>£650</b>	<b>£1,520</b>		<b>£750</b>
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**Appendix B – Project Cost plan**

**Furze Corner, Tatsfield  
New Pavilion/Club House**

Outline Project Cost Plan  
Revision 02  
07/01/2023

Works	Cost	VAT	Contingency	Total inc VAT
<b>Package 1 - Electrical Enabling</b>				
UKPN power disconnection and temporary supply	£900.00		£180.00	£1,080.00
Supply of freestanding electrical kiosk	£1,200.00		£240.00	£1,440.00
kiosk base and ducts/temp builders elec	£1,550.00			£1,550.00
<b>Package Total</b>	<b>£3,650.00</b>		<b>£420.00</b>	<b>£4,070.00</b>
Contractors overheads and profit			9.0%	£366.30
Contingency			7.5%	£305.25
<b>Total Package Cost Plan</b>				<b>£4,741.55</b>
<b>Package 2 - Demolitions</b>				
Asbestos survey	£950.00		£190.00	£1,140.00
Demolitions	£32,000.00			£32,000.00
Site clearance around pavilion/removal of container etc.	£6,000.00			£6,000.00
Asbestos removal	£7,500.00			£7,500.00
New services ducts	£300.00			£300.00
Temporary water stand pipe	£450.00			£450.00
Temporary WC hire	£750.00		£150.00	£900.00
Rental/securing/fixing Herras fencing	£2,500.00			£2,500.00
Site security - gates install	£900.00			£900.00
Site security - gates rental	£750.00			£750.00
Replacement water supply from Approach Road	£4,500.00			£4,500.00
<b>Package Total</b>	<b>£56,600.00</b>		<b>£340.00</b>	<b>£56,940.00</b>
Contractors overheads and profit			9.0%	£5,124.60
Contingency			10.0%	£5,694.00
<b>Total Package Cost Plan</b>				<b>£67,758.60</b>
<b>Package 3 - Substructure</b>				
Substructure - foundations, ground slab, dpcs etc.	£65,000.00			£65,000.00
Additional depth on foundations allowance	£6,500.00			£6,500.00
DPC under internal walls	£600.00			£600.00
Dpc and thermal breaks	£750.00			£750.00
First fix drainage installation (excluding septic tank)	£21,500.00			£21,500.00
Water/ducts/utilities/extras	£4,500.00			£4,500.00
Allowance for tree/hedge/planting removal	£2,500.00			£2,500.00
<b>Package Total</b>	<b>£101,350.00</b>		<b>£0.00</b>	<b>£101,350.00</b>
Contractors overheads and profit			9.0%	£9,121.50
Contingency			9.0%	£9,121.50
<b>Total Package Cost Plan</b>				<b>£119,593.00</b>
<b>Package 4 - Timber Frame</b>				
Specialist frame design fees	£8,500.00			£8,500.00
Frame cost	£70,000.00			£70,000.00
Frame installation	£30,000.00			£30,000.00
Frame fixings	£3,000.00			£3,000.00
Scaffold Hire	£8,500.00			£8,500.00
Telehandler hire	£1,200.00			£1,200.00
<b>Package Total</b>	<b>£121,200.00</b>		<b>£0.00</b>	<b>£121,200.00</b>
Contractors overheads and profit			9.0%	£10,908.00
Contingency			9.0%	£10,908.00
<b>Total Package Cost Plan</b>				<b>£143,016.00</b>
<b>Package 5a - Watertight cladding works</b>				
Insulate structural elements	£2,500.00			£2,500.00
Roof finishes incl flashings/upstands etc.	£35,000.00			£35,000.00
Roof flashings/copings	£13,500.00			£13,500.00
Bricks supply	£10,000.00		£2,000.00	£12,000.00
Brickwork including lintels/dpcs	£27,250.00			£27,250.00
Windows and external doors and cills supply	£24,500.00		£4,900.00	£29,400.00
Window Install (based on composite triple glazed)	£12,000.00			£12,000.00
Temporary rainwater works	£1,500.00			£1,500.00
Timber cladding, battens/Tyvek/airtightness tapes	£13,500.00			£13,500.00
Rooflights	£7,500.00			£7,500.00
PV panels on roof	£16,500.00			£16,500.00
Mounts/pattresses for PV panels	£3,200.00			£3,200.00
<b>Package Total</b>	<b>£164,450.00</b>		<b>£6,900.00</b>	<b>£173,850.00</b>
Contractors overheads and profit			9.0%	£15,646.50
Contingency			9.0%	£15,646.50
<b>Total Package Cost Plan</b>				<b>£205,143.00</b>
<b>Package 5b - Main fabric works</b>				
Soffits/terrace finishes	£6,500.00			£6,500.00
External walls - soffit plates and trims etc	£7,000.00			£7,000.00
External balustrades - glass and steel	£6,500.00			£6,500.00
Bicycle parking	£4,500.00			£4,500.00
Wall Insulation (based on Warmcell)	£7,500.00			£7,500.00
Screed and floor insulation to ground floor	£13,500.00			£13,500.00
External security shutters	£7,500.00			£7,500.00

Internal partitions (where not included in frame)	£800.00			£800.00
Internal doors	£4,500.00			£4,500.00
Ironmongery	£1,500.00			£1,500.00
OSB inner lining	£3,500.00			£3,500.00
wall/ceiling boarding and insulation	£7,500.00			£7,500.00
plastering incl trims	£12,000.00			£12,000.00
boxing out in shower rooms and shelves etc.	£2,500.00			£2,500.00
internal tiling walls	£2,000.00			£2,000.00
timber and tiled flooring	£16,000.00			£16,000.00
Internal decorations	£8,500.00			£8,500.00
<b>MEP installations</b>				
Remaining foul drainage pipework and manholes	£5,000.00			£5,000.00
Septic Tank and drain field	£8,500.00			£8,500.00
remaining ducts for services/comms	£1,500.00			£1,500.00
rainwater harvesting tank and parts	£4,500.00			£4,500.00
Remaining surface drainage pipework and soakaways	£2,500.00			£2,500.00
Small power inc builders work	£9,000.00			£9,000.00
Light fittings and dimming	£6,500.00			£6,500.00
Lighting install inc builders work	£4,000.00			£4,000.00
Alarm/communications system	£3,500.00			£3,500.00
Telecoms/data installation	£3,500.00			£3,500.00
TV aerial	£600.00			£600.00
Showers/Wash room and WC fittings and taps	£4,500.00			£4,500.00
Plumbing installation inc builders work	£7,000.00			£7,000.00
Underfloor heating supply incl controls	£5,000.00	£1,000.00		£6,000.00
Heating installation- AS heat pump, cylinder,timer, valves	£18,000.00			£18,000.00
MVHR	£14,000.00			£14,000.00
<b>Fittings/built in joinery</b>				
Bar area joinery	£10,000.00	£2,000.00		£12,000.00
Kitchen units	£9,500.00	£1,900.00		£11,400.00
Kitchen worktops	£4,500.00	£900.00		£5,400.00
Kitchen appliances	£8,000.00	£1,600.00		£9,600.00
Kitchen installation	£4,000.00	£800.00		£4,800.00
kitchen splash back	£750.00	£150.00		£900.00
cloak room/wall panelling	£4,500.00	£900.00		£5,400.00
Changing rooms joinery etc.	£7,500.00	£1,500.00		£9,000.00
Storage cupboards	£6,000.00	£1,200.00		£7,200.00
Package Total	£593,050.00	£25,750.00		£276,100.00
Contractors overheads and profit			9.0%	£24,849.00
Contingency			9.0%	£24,849.00
<b>Total Package Cost Plan</b>				<b>£325,798.00</b>
<b>Package 5 - External Works</b>				
Excavate and lay pitch land drainage including soakaways	£100,000.00			£100,000.00
Top soil and re-seeding of pitches	£20,000.00			£20,000.00
2 x football goals/corners/sockets and lining. Relay cricket square	£18,000.00			£18,000.00
Additional fill to make up levels around pavilion	£5,000.00			£5,000.00
Car Park and access drive finishes (edging, type 2 fill, tarmac)	£40,000.00			£40,000.00
Decking/terrace finishes	£8,500.00			£8,500.00
Bin store and bins	£1,500.00			£1,500.00
Cycle racks	£2,500.00			£2,500.00
Entrance Gates	£3,500.00	£700.00		£4,200.00
Access paving around clubhouse	£7,250.00			£7,250.00
External lighting	£3,500.00			£3,500.00
hedging/plants/trees	£3,500.00			£3,500.00
Package Total	£213,250.00	£700.00		£213,950.00
Contractors overheads and profit			9.0%	£19,255.50
Contingency			9.0%	£19,255.50
<b>Total Package Cost Plan</b>				<b>£252,461.00</b>
<b>Package 6 - Furniture, Fittings and Equipment</b>				
New furniture (chairs/tables/external benching)	£4,000.00			£4,000.00
Bar equipment (taps, glasses, pumps etc.)	£8,500.00			£8,500.00
Curtains/blinds	£3,000.00			£3,000.00
Package Total	£15,500.00	£0.00		£15,500.00
Contractors overheads and profit			9.0%	£1,395.00
Contingency			7.5%	£1,162.50
<b>Total Package Cost Plan</b>				<b>£18,057.50</b>
<b>Project Cost excluding Professional fees</b>				<b>£1,136,568.65</b>
<b>Professional Fees</b>				
Planning fees	£2,500.00	£500.00		£3,000.00
Building Regs application fees	£1,400.00	£280.00		£1,680.00
SAP/airtightness calcs and tests	£3,500.00	£700.00		£4,200.00
Architectural/Project Management fees	£100,000.00	£20,000.00		£120,000.00
Structural Engineer fees	£22,000.00	£4,400.00		£26,400.00
MEP/Sustainability Engineer fees	£18,500.00	£3,700.00		£22,200.00
Construction Insurance	£3,500.00	£700.00		£4,200.00
Legal fees - allowance	£3,500.00	£700.00		£4,200.00
<b>Total Fees</b>	<b>£154,900.00</b>	<b>£30,980.00</b>		<b>£185,880.00</b>
Project Cost including Professional fees at Q1 2023				£1,322,448.65
Construction Inflation to Q2 2025				13.00% £171,918.32
<b>Project Cost including Professional fees</b>				<b>£1,494,366.97</b>
				<b>£1,500,000.00</b>

Current costed VAT £65,090.00  
40% assumed able to reclaim on completion **£26,036.00**

## **Appendix C – Precedent Project(s)**

As Architect's plans have yet to be drawn up for the proposed replacement club house/pavilion, The PFA have benchmarked the cost of the project against four similar facilities delivered in the UK, Two that are broadly similar in size and also one which is larger and one which is smaller.



**Precedent 1: Merrion Cricket Club, Dublin**

Completed: Jun 2014

Floor area: 380 sq.m

Total cost: £605,000



**Precedent 2: Toft Cricket Club, Knutsford, Cheshire**

Proposed Completion: 2024

Floor area: 495 sq.m

Total cost: £750,000 (Estimated)



**Precedent 3: Teddington Cricket Club, Bushy Park, London**

Completed: September 2019

Floor area: 600 sq.m

Total cost: £1.7m





**Precedent 4: Olicanion Cricket Club, Ilkley**

Proposed Construction: 2022

Floor area: tbc. (main room seating for 90 people plus changing/storage)

Total cost: £350,000 - £400,000 (Estimated)



## Section 2 – Accounting Statements 2021/22 for

## TATSFIELD PARISH COUNCIL

	Year ending		Notes and guidance	
	31 March 2021 £	31 March 2022 £		
1. Balances brought forward	65,340	59,943	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.	
2. (+) Precept or Rates and Levies	48,000	51,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.	
3. (+) Total other receipts	40,947	25,416	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.	
4. (-) Staff costs	32,211	20,994	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.	
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).	
6. (-) All other payments	62,133	39,447	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).	
7. (=) Balances carried forward	59,943	75,918	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).	
8. Total value of cash and short term investments	57,578	74,259	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>	
9. Total fixed assets plus long term investments and assets	1,309,955	1,308,800	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.	
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).	
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	N/A	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
	✓			<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

I certify that for the year ended 31 March 2022 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

[Redacted Signature]

Date

11/05/2022

I confirm that these Accounting Statements were approved by this authority on this date:

13/06/22

as recorded in minute reference:

3580/0622

Signed by Chairman of the meeting where the Accounting Statements were approved

[Redacted Signature]

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## Section 2 – Accounting Statements 2020/21 for

## TATSFIELD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	65,783	65,340	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	44,000	48,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	23,523	40,947	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	16,984	32,211	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	50,982	62,133	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	65,340	59,943	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	63,037	57,578	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1,307,128	1,309,955	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
	✓		

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

14/06/21

I confirm that these Accounting Statements were approved by this authority on this date:

14/06/21

as recorded in minute reference:

3355 / 0621

Signed by Chairman of the meeting where the Accounting Statements were approved



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## **Improving Tandridge District Council's Financial Management and Reporting Arrangements**

### **Strategy & Resources Committee 29<sup>th</sup> June 2023**

Report of: Chief Finance Officer

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Purpose: For recommending to Full Council

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Publication status: Unrestricted

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Wards affected: All

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#### **Executive summary:**

Financial Regulations are incorporated as Part C of the Council's Constitution.

This report and the appended draft revised Financial Regulations provides an update to Committee on the finalisation of re-drafted Financial Regulations, further to a previous report of the same title, to Strategy & Resources Committee on 1<sup>st</sup> February 2022.

In the intervening period, work to finalise the Council's management structure has progressed to the point that the Scheme of Delegated Authority for Finance can be implemented, although further iterations may be required as necessary as the Future Tandridge Programme progresses.

The report sets out proposed amendments to the document originally considered on 1<sup>st</sup> February 2022 as well as the Scheme of Delegated Authority for Finance. Changes are marked in track in Appendix A – Draft Financial Regulations.

The main changes in Financial Regulations will have the following effects:

- Clarify the responsibilities of Council and Committees in respect of key strategic financial management activities such as the setting, and monitoring of budgets, the closing of accounts and good governance.
- Make clear the responsibilities of Officers for managing budgets, authorising transactions, safe custody of assets, financial accounting and reporting requirements and similar matters.

- Clarify operational procedures associated with the above responsibilities and increase the accountability of Officers for budgetary control and the effective use and custody of other assets for which they are responsible.

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

**Contact officer** Mark Hak-Sanders, Chief Finance Officer (S151)  
[mhaksanders@tandridge.gov.uk](mailto:mhaksanders@tandridge.gov.uk)

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### **Recommendation to Committee:**

That the Committee recommends to Full Council that the re-drafted Financial Regulations at Appendix A be adopted.

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### **Reason for recommendation:**

Any major organisation needs a set of clearly understood rules and regulations to manage its financial affairs. So, in line with Section 151 of the Local Government Act 1972, the Chief Finance Officer and the Head of Legal and Monitoring Officer have revised the Financial Regulations in line with good practice.

Any such proposed changes to the Constitution (which include the Council's Financial Regulations at Part B) require ratification by Full Council (i.e. they cannot be determined by the Committee alone).

The Committee is invited to consider whether any further amendments to the draft replacement Financial Regulations should be made. If agreed at the meeting, these will be incorporated within the recommendation to Full Council on 20<sup>th</sup> July.

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### **Introduction and background**

1. At its meeting of 1<sup>st</sup> February 2022, Strategy & Resources Committee considered a report setting out a new set of Financial Regulations. The principle of reviewing Financial Regulations was accepted, but a number of concerns were raised which needed to be addressed before the new Financial Regulations were recommended to Council. The recommendation was therefore deferred.
2. This report and the attached draft Financial Regulations address the previous concerns of the Committee and also incorporate minor further amendments and clarification to wording.

3. The concerns raised by Committee were as follows, from the recorded minutes of the meeting:
  - The Head of Legal advised that further amendments would be required, including the reinstatement of the current FR17 which governed the purchase of assets via the Investment & Development Fund and the Housing Revenue Account.
  - Further suggestions were made by Members, including:
    - additional wording for situations where the Council is responsible for spending grants awarded by third parties; and
    - a scheme of delegation to define the limits of expenditure which budget holders are authorised to sign off (in this respect, the Chief Finance Officer advised that all budget holders would be required to sign an annual accountability statement).
  
4. The changes made to the draft Financial Regulations since that point are as follows, with full track changes shown in Appendix A:
  - Clarification of the consequences of not complying with the Regulations for Officers and Members (paragraph 1.5)
  - Clarification that Digital Signatures carry equal weight to a handwritten signature (paragraph 1.8)
  - Additional responsibilities for officers (paragraph 5.15)
  - Removal of references to entering into contracts, to avoid duplication or conflict with Contract Standing Orders (paragraph 6)
  - Clarification of the flowchart for authorising virements (paragraph 9)
  - Clarification that the Regulations do not conflict with the Whistle-Blowing Policy (paragraph 14.7)
  - Removal of references to the Investment and Development Fund (which no longer exists) in respect of General Fund asset purchases. Such matters would now be a decision for Committee in accordance with the Constitution, or urgency procedures if necessary.
  - Reinstatement of the requirements previously covered by Financial Regulation 17 in respect of Asset Purchase (paragraph 17)
  - Clarification on Treasury Management arrangements (paragraph 19)
  - Inclusion of arrangements for situations where the Council is responsible for spending grants awarded by third parties, as required by Committee (paragraph 30)

- A Scheme of Delegated Authority for Finance appended to define limits for financial activity. This is referenced in the Regulations but is controlled by the Chief Finance Officer and can be amended from time-to-time if required to safeguard Council resources or to reflect organisational change. This is set out in Appendix B. This is the Scheme of Delegation requested by Members, but is renamed to avoid confusion with other Constitutional Schemes of Delegation.
5. On the Scheme of Delegation in particular, the Constitution sets powers, duties, and delegation arrangements for each Committee. It authorises Officers within their department to exercise any of their delegated powers. This report makes no changes to the Constitution in this respect. Chief Officers should keep an up-to-date list of all their nominations and authorisations to any other Officers to act on their behalf to undertake any decision, duty, power or function. An example of this is listed below (taken from the Strategy & Resources delegations):

## **DELEGATION TO OFFICERS**

1. To the Chief Executive and other MT Members respectively the power to implement Council/Committee policies and deal with the day-to-day management of services relevant to this Committee, including the discharge of all functions of the Council, except for those which are identified above as reserved for determination by the Council, Committee or Sub-Committee.
  2. The officers referred to in 1. above have the power in turn to delegate to other officers of their choice, the power to deal on their behalf and in their name with any of the above functions. Such delegation shall be in writing and signed by the relevant Chief Officer and may contain such limitations or be subject to such conditions as that Officer shall decide.
6. Clause 1, above, delegates powers where they are not reserved for Council or Committee, to Management Team (currently the four statutory officers). Clause 2 allows those Officers to delegate this power further, in writing. This an essential clause to enable the effective day-to-day business of the Council and means that a Chief Officer may authorise a suitably trained and qualified Officer, on their behalf, to exercise a function that has been delegated to them.
7. Further delegation must be done carefully to ensure that decisions are taken at the right level, and that operational decisions with a financial implication are taken by an Officer with an understanding of the budget.
8. The Scheme of Delegated Authority for Finance sets out a very narrow element of this in respect to key transactional aspects on payments, write offs and procurement cards.
9. This is part of a much wider suite of documents including the Finance Business Partnering Agreement, which defines the roles of Heads of Service in respect of Financial Management.

10. Other elements of the Constitution fetter the powers of delegation set here, by requiring certain Officers to perform particular functions. For example, the Constitution requires procurements of over £5,000 to be approved through Corporate Procurement Board, which consists of Management Team and other Heads of Service. Similarly, contracts can only be signed by:
  - Chief Executive
  - Deputy Chief Executive
  - Section 151 Officer
  - Head of Legal and Monitoring Officer
  - Solicitors
11. In this respect the Constitution works by exception, as it would be impracticable to define every Officer delegation. However, it is a "live document", so items can be put forward for recommendation, if required.

## **Conclusion and Next Steps**

12. The new Financial Regulations represent a major overhaul to existing arrangements, but do not affect Member decision making as set out elsewhere in the Constitution. They provide for Officers and Members to understand the limits of their authorisation and the extent of their responsibilities.
13. The revisions set out in this report and the attached Appendices serve to finalise the new Financial Regulations and bring them to the point that they can be re-presented to Committee for approval.
14. Because this is a major overhaul, inevitably there will be a period when the Regulations are tested in a live environment and further revisions may be necessary to refine. The Regulations provide for regular review. Changes will be brought to this Committee and ultimately Full Council for approval.
15. In the case of genuine urgency, established urgency procedures will be used if a variation to the proposed Regulations is required in advance of the next Committee. These will be reported in the usual manner.
16. The approval limits set out in the Scheme of Delegated Authority will need to be built into the Financial System. This will be done as soon as is practicable and the Chief Finance Officer will communicate to all affected Officers as soon as the changes are implemented and the Scheme is live.
17. In the intervening period, payments above the threshold for Heads of Service approval will be monitored through regular reporting.
18. Communication on the changes will be needed. This will take place at EMT in the first instance and then cascaded to other officers.

## **Other options considered**

19. The Council has no option but to ensure that its Financial Regulations remain fit for purpose through periodic overhaul and regular review.

## **Key implications**

### **Comments of the Chief Finance Officer**

The CFO is fully supportive of the proposal to bring Financial Regulations up to date and in line with CIPFA standards.

Ongoing review of Financial Regulations are essential if the Council is to maintain clear responsibilities and accountabilities of Officers and Members.

The changes in Financial Regulations will also improve the Council's strategic and operational financial management and risk management arrangements. The changes support the Council's plans for transforming Tandridge and are an essential element of the framework for good governance in the public sector.

### **Comments of the Head of Legal Services**

Financial Regulations set out the key rules, regulations and guidance which must be followed to maintain financial controls within the Council. The previous Financial Regulations had been in place for some time without formal review. These regulations have been updated to reflect practical arrangements in place and have been written in a way that is easily understandable and more easily adhered to. As they are part of the Council's constitution they will need to be approved by Full Council following review by this Committee.

### **Equality**

There are no implications for equality arising from this report.

### **Climate change**

There are no implications for climate change arising from this report.

### **Appendices**

Appendix A – Draft Financial Regulations

Appendix B – Scheme of Delegated Authority for Finance

### **Background papers**

None

## TANDRIDGE DISTRICT COUNCIL

## PROPOSED REPLACEMENT FINANCIAL REGULATIONS

**1. Introduction**

- 1.1. The Council is required by law, section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2015, to conduct its business efficiently and to ensure that it has sound financial management policies in place, which are strictly adhered to.
- 1.2. The Local Government Act 1972 (Section 151) makes the Chief Finance Officer (CFO) responsible for the proper administration of the Council's financial affairs. These Financial Regulations ('Regulations') are issued pursuant to these responsibilities and form part of the Council's Constitution (Part C).
- 1.3. The Regulations apply to every Councillor (known as 'Members') and Officer of the Council and to anyone acting on its behalf, including agencies and partnerships with whom the Council does business and for whom the Council is the relevant accounting body.
- 1.4. All Members and Officers have a common duty to abide by the highest standards of integrity and propriety when making decisions about the use of public monies. Further to this, the Council expects honesty, openness, and integrity to be the values which underpin its financial affairs and all those involved with the Council's financesbusiness should work with these values in mind.

1.5. Failure to comply with any part of these Regulations may:-

- For employees, will be constitute misconduct and lead to formal disciplinary action;
- For Members, form part of the Code of Conduct for Members, so a breach will be reported to the Hearing Panel (part of the Standards Committee) which will make an appropriate decision.

~~constitute misconduct and lead to formal disciplinary action.~~

1.5.1.6. Although the Regulations cover all major financial systems and processes (whether electronic or not), regard must also be had to other documents which form part of the Council's Constitution e.g., Contract Standing Orders, Schemes of Delegation, Members' Code of Conduct and Protocol on Member/Officer Relations. Consideration should also be given to the Council's policies relating to Anti-Fraud, Bribery and Corruption, Anti-Money Laundering and Whistleblowing.

1.7. It is not possible to draft regulations that cover every eventuality or circumstance. Consequently, the principles of sound financial management, proper exercise of responsibility, and accountability, as set out in the Regulations, should be applied in

all circumstances, even where any circumstance is not specifically referred to. [Should any doubt arise, you should consult the Chief Finance Officer \(s151 Officer\)](#).

[4.6.1.8. Throughout this document all references to authorisation/signatories apply to both hardcopy and electronic records. A digital signature/authorisation carries no less weight and imposes no less responsibility on the authorising officer than a handwritten signature.](#)

## **2. Responsibilities for Financial Management**

- 2.1. Financial management describes the system of financial control throughout the Council and covers all financial responsibilities for the Council, including budget-setting and integrating medium-term policy planning with financial planning, budget monitoring and closing of the accounts.
- 2.2. The Council is responsible for the stewardship of public money and will plan to safeguard the interests of taxpayers and other stakeholders.

## **3. The Full Council**

- 3.1. The Full Council is responsible for adopting the Council's constitution and Members' Code of Conduct and for approving the policy framework, budget and borrowing within which the Council operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability as set out in its Constitution and is responsible for monitoring compliance with agreed policy and reporting decisions taken.

## **4. Committees**

- 4.1. Audit and Scrutiny Committee is responsible for scrutinising Committee decisions and for holding the Council to account. It also is responsible for reviewing the external auditor's reports, the annual audit letter and the internal audit's annual plan and report.
- 4.2. The Standards Committee is responsible for advising the Council on the adoption and revision of the Members Code of Conduct and for monitoring the operation of the Code.
- 4.3. Strategy and Resources Committee is responsible for proposing the policy framework and budget to Council and for discharging its functions in accordance with the policy framework and budget.

~~The Standards Committee is responsible for promoting and maintaining high standards of conduct amongst Councillors. It has responsibility for advising on the adoption of the Member Code of Conduct, for its operation and its updating.~~



## 5. The Statutory Officers

### Head of Paid Service (Chief Executive)

- 5.1. [Throughout the Regulations the title for the post holder in the Council \(Chief Executive\) is used rather than the statutory definition \(Head of Paid Service\). The Chief Executive as Head of Paid Service](#) is responsible for the corporate and overall strategic management of the Council. S/he must report to and provide information to Strategy and Resources Committee, Council and to other Committees to enable them to fulfil their responsibilities. S/he is responsible for establishing a framework for management direction, style, and standards and for monitoring the performance of the organisation. The Chief Executive is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions.

### Monitoring Officer (Head of Legal Services)

- 5.2. The Monitoring Officer ([also referred to as the](#) 'Head of Legal Services') is responsible for promoting and maintaining high standards of probity and the administration of the Council's political management structures. The Monitoring Officer is also responsible<sup>1</sup> for reporting on any proposal, decision or omission which has or may give rise to contravention of law or maladministration to Full Council. ~~and for ensuring that procedures for recording and reporting key decisions are operating effectively.~~
- 5.3. The Monitoring Officer must ensure that committee decisions and the reasons for them are made public. S/he must also ensure that Members are aware of who has authority to take a particular decision.
- 5.4. The Monitoring Officer is responsible for maintaining a ~~continuous~~ review of the Constitution and submitting any additions or changes necessary to Full Council for approval. -

### Chief Finance Officer (s151 Officer)

- 5.5. The Chief Finance Officer ('CFO') is appointed in accordance with Section 6 of the Local Government and Housing Act 1989. The CFO shall, for the purposes of Section 151 of the Local Government Act, 1972, be responsible for the proper administration of the Council's financial affairs.
- 5.6. In respect of maintaining and upholding the Regulations, the CFO is responsible for:
- [Reviewing and reissuing](#)~~Maintaining and updating~~ these Regulations [as necessary](#). Minor amendments and editing changes, including in year changes necessary to align with new or revised legislation or UK law can be made without committee approval;

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<sup>1</sup> [Section 5, Local Government and Housing Act 1989](#)

- Reviewing and reissuing financial procedures as necessary to support the effective operation of these Regulations
- Reporting, where appropriate, any breaches of these Regulations to Councillors on at least an annual basis; and
- Interpreting and/or arbitrating should any uncertainty or dispute arise pursuant to these Regulations in consultation with the Monitoring Officer.

5.7. CIPFA has described five principles that are critical to the achievement of thesection 151 Officer's (CFO's) statutory responsibilities:

- the CFO is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the council's strategic objectives sustainably and in the public interest;
- the CFO is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and long-term implications, opportunities and risks are fully considered, and alignment with the council's overall financial strategy;
- the CFO leads the promotion and delivery by the whole council of good financial management so that public money is always safeguarded and is used efficiently, effectively, economically and appropriately.
- the CFO must lead and direct a finance function that is resourced to be fit for purpose; and
- the CFO must be professionally qualified and suitably experienced.

5.8. The Council has adopted these best practice principles as they describe in plain terms the role of the CFO and encompass the specific statutory duties set out below.

5.9. The CFO has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. The CFO is responsible for:

- the proper administration of the Council's financial affairs.
- setting and monitoring compliance with financial management standards.
- establishing an adequate and effective system of Internal Audit.
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management.
- providing financial information.
- preparing the revenue budget and capital programme.
- treasury management.
- approving accounting policies, procedures and ensuring that they are applied consistently.

- ensuring that the annual Statement of Accounts is prepared in accordance with the CIPFA/ LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for signing and dating the Statement of Accounts; and
  - the CFO is responsible for determining the accounting and financial procedures and records for the Council, whether they be paper based or electronic.
- 5.10. Section 25 of the Local Government Act 2003 provides that, where a billing authority such as this Council is making calculations for the purposes of setting its Council Tax, the CFO must report to it on the following matters:
- the robustness of the estimates made for the purpose of the calculations; and
  - the adequacy of the proposed financial reserves.
- 5.11. A Section 25 report will either be a separate annex to the Budget report or the constituent parts will be within the Budget report, to assist Members when also requires that an authority to which a report under this section is made shall have regard to the report when making decisions about the premise on which the calculations are based in connection with which it is made.
- 5.12. Section 114 of the Local Government Finance Act 1988 requires the CFO to report to Council and the External Auditor if Council or one of its Officers:
- has made, or is about to make, a decision which involves incurring unlawful expenditure.
  - has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council; and
  - is about to make an unlawful entry in the Council's accounts.
- 5.13. Section 114 of the 1988 Act also requires:
- the CFO to nominate a properly qualified member of staff to deputise should s/he be unable to perform the duties under section 114 personally.
  - the Council to provide the CFO with sufficient staff, accommodation, and other resources – including legal advice where this is necessary- to carry out the duties under Section 114.
- 5.14. The CFO is also responsible for:
- issuing advice and guidance to underpin the Regulations that Members, Officers and others acting on behalf of the Council are required to follow.
  - advising Committees whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:
    - initiating a new policy.
    - committing expenditure in the current or future years above the budget.
    -

5.15. Officers are responsible for:

- complying with the Regulations and any other financial instructions the CFO may issue from time to time
- ensuring that Members are advised of the financial implications of all proposals and that these have been agreed by the CFO.
- entering into contracts on behalf of the Council, in accordance with any procurement regulations.
- ensuring that their service areas are aware of the existence and content of the Regulations;
- ensuring that if a breach of the Regulations comes to light that it is reported immediately to the CFO; and
- ensuring that the services under their control are managed to promote value for money and good standards of financial control and accountability.
- ~~entering into contracts on behalf of the Council, in accordance~~
- ~~with any Procurement Regulations.~~
- ~~ensuring that their service areas are aware of the existence and content of the Regulations; and~~
- ~~ensuring that if a breach of the Regulations comes to light that it is reported immediately to the CFO.~~

## 6. Budget managers

6.1. Budget managers are responsible for specific Revenue and Capital Budgets which provide the financial resource for them to deliver the elements of the service for which they are responsible.

6.2. Budget managers are responsible for:

- ensuring that the Regulations and the Council's Contract Standing Orders are observed in the management of their budgets.
- ensuring the legality and proper control of expenditure and income under their direction, including compliance with the law relating to general taxation, VAT, and the Public Contracts Regulations 2015 (as amended).
- ensuring expenditure and income is within the agreed budget within their control and complying with the budget management framework agreed by the Council.
- ensuring that payments are made in accordance with the Scheme of Delegated authority, comply with the Regulations and Contracting Standing Orders, and are checked for accuracy and appropriateness

- proper, secure and efficient management of assets under their control.
- the management of risk within their sphere of activity.
- the management of capital and specific grant funded projects within their sphere of activity in accordance with these Financial Regulations and the grant conditions.
- notifying the CFO of any loss or shortfall of funds, including any errors or discrepancies; and
- other matters specific to their role.

6.3. The above responsibilities can be delegated, and a written record shall be maintained. Where decisions have been delegated or devolved to another Officer, reference in the Regulations shall be read as referring to them.

## **7. Financial Planning**

### **7.1. Policy and Budget Framework**

- The Council is responsible for agreeing the Council's budget framework, which is proposed by the Strategy and Resources Committee.

7.2. For the purposes of financial planning, the key elements are:

- The Strategic Plan.
- The Medium-Term Financial Strategy.
- The Annual Budget.
- The Capital Strategy and Capital Programme.
- The Treasury Management Strategy.

### **7.3. Medium Term Financial Strategy**

- At least annually, the CFO shall present to the Strategy & Resources Committee, to be made public, a medium-term financial strategy giving at least a three year forward assessment (for the next budget year and the two following years) of revenue commitments based on present levels of service and efficiency and showing the financial implications of changes in Council policy, legislation, service levels, activity and other factors including also decisions already taken on new commitments. The plan will show, in summary, the estimated impact of future spending plans on the General Fund.
- In order that the information requirements of a medium-term financial strategy are satisfied, reports to committees with significant financial implications shall show the full year effect of the proposals and the implications for at least the next three years; and

- The respective Officers and Budget Managers must regularly review the financial implications of changes in their committees and must notify the CFO promptly of the impact on current and future budgets.

#### **7.4. Annual Budgeting**

- The CFO will prepare a budget timetable each year. All budget submissions shall be made in accordance with the timetable.
- The general format of the budget will be approved by the Strategy and Resources Committee on the advice of the CFO.
- The detailed form of the revenue estimates shall be determined by the CFO and must be consistent with the general directions of the Strategy and Resources Committee.
- The CFO, in consultation with the Senior Officers, shall prepare annual estimates, for the ensuing year, of revenue expenditure and income for consideration and approval of Committees.
- Each Senior Officer shall supply the CFO with such information as is necessary to support the annual estimates.
- The Strategy and Resources Committee shall consider the aggregate of all committee estimates and, after making such amendments as it thinks fit, submit the aggregate estimates to the Council for approval, together with recommendations as to the Council Tax to be levied for General Fund expenditure.
- The CFO shall advise the Strategy and Resources Committee and other committees as necessary on budget matters; and
- When approving the annual budget, the Council may set aside specific sums to meet unforeseen eventualities.

#### **7.5. Revenue budget monitoring and control**

- It is the responsibility of each Senior Officer to manage and direct resources to achieve the objectives of the budget. This involves the monitoring of income and expenditure and the regular review of performance. Where budgets are delegated to Budget Managers, they are charged with the same responsibility.
- Senior Officers are authorised to incur revenue expenditure up to the amounts included in the approved Annual Budget.
- If it is proposed to incur expenditure for which no or insufficient provision has been made in the budget and cannot be met by virement then the committee shall not incur such expenditure without the approval of Full Council and following consideration by the Strategy & Resources Committee.

- In circumstances of urgency, some Senior Officers shall be allowed to incur unavoidable expenditure subject to the concurrence of the Chief Executive, the CFO and the Monitoring Officer. A written record of such decisions should be kept. A matter can be deemed urgent if, in the reasonable opinion of the Senior Officer concerned, a delay would seriously prejudice the interest of the Council or of the public and it is not practicable to convene a quorate meeting of the relevant committee in sufficient time to take the decision. The Senior Officer concerned shall also:
  - advise and seek the views of all the Political Group Leaders (if the Council is in no-overall control) and the Chair and Vice Chairs of the appropriate committee at the earliest opportunity; and
  - report the matter to the next scheduled meeting of the appropriate committee.
- The CFO shall make available to each Senior Officer, information relating to statements of income and expenditure under each head of approved estimate, in such format as deemed appropriate together with any other relevant information.
- Reports monitoring expenditure against the Council's current year revenue budgets, including an analysis of any major variances, shall be submitted to Committees on a quarterly basis; and
- Reports monitoring expenditure against the Council's current year revenue budgets, including an analysis of any major variances, shall be submitted to Committees on a quarterly basis.

#### **7.6. Financial Effects of New or Increased Commitments**

- When a committee is considering new or increased financial commitments, information shall be provided by the Senior Officer concerned to show the estimated revenue and expenditure consequences of the decision options over a 3-year period (i.e. the budget year in question and the following two years) and the consequences for any other future year where these are significant.

#### **7.7. Capital Programme**

- Capital expenditure is a key part of the Council's Property Investment Strategy. It should therefore be linked to any asset management plans and be carefully prioritised to maximise scarce resources.
- Each Committee shall annually review the Capital Programme for all schemes.

- The CFO, in consultation with the respective Senior Officer, shall annually prepare estimates for the ensuing year of capital expenditure (including the future revenue implications of each scheme) for consideration and approval by committees prior to their submission (in aggregate) to the Strategy & Resources Committee; and
- Projects that are reliant on the receipt of government or other third-party funding, including central government and other grants, must follow the capital programme procedures.

#### 7.8. Capital Financing Costs

- When a committee is considering any capital expenditure, the Senior Officer must bring this to the attention of the CFO and seek advice on borrowing options and financial implications. Information shall be provided by the CFO in consultation with the Senior Officer to indicate the costs, benefits, risks, and value for money of different financing options.
- The Capital Financing costs of all schemes must be reflected in the Council's budget over the life of the scheme.

#### 7.9. Control of Capital

- Inclusion in the Capital Programme is to be regarded as authority for any scheme to proceed, but any scheme costing £180,000 or more requires the specific approval of the Council on the recommendation of the appropriate committee to which an appraisal of the scheme including the financial implications shall be submitted at the same time as authority is sought for the invitation of tenders.
- If it appears at any time that the approved estimated cost of a capital scheme will be exceeded, then the variation of expenditure may be approved by:
  - the relevant Senior Officer, subject to the concurrence of the CFO where the variation of expenditure does not exceed £30,000 and can be met by virement elsewhere in the Council's budget; or
  - the relevant committee in cases where the expenditure variation exceeds £30,000 but can be met by virement within that Committee.
- The CFO shall make available to each Senior Officer information relating to income and expenditure under each head of approved estimate in such format as deemed appropriate together with any other relevant information.
- Reports monitoring expenditure against the Council's current year capital budgets, including an analysis of any major variances, shall be submitted to policy [committees](#) on a quarterly basis; and



- For capital schemes not completed by 31st March, a schedule of capital budgets to be carried forward will be presented to Strategy and Resources Committee by July.

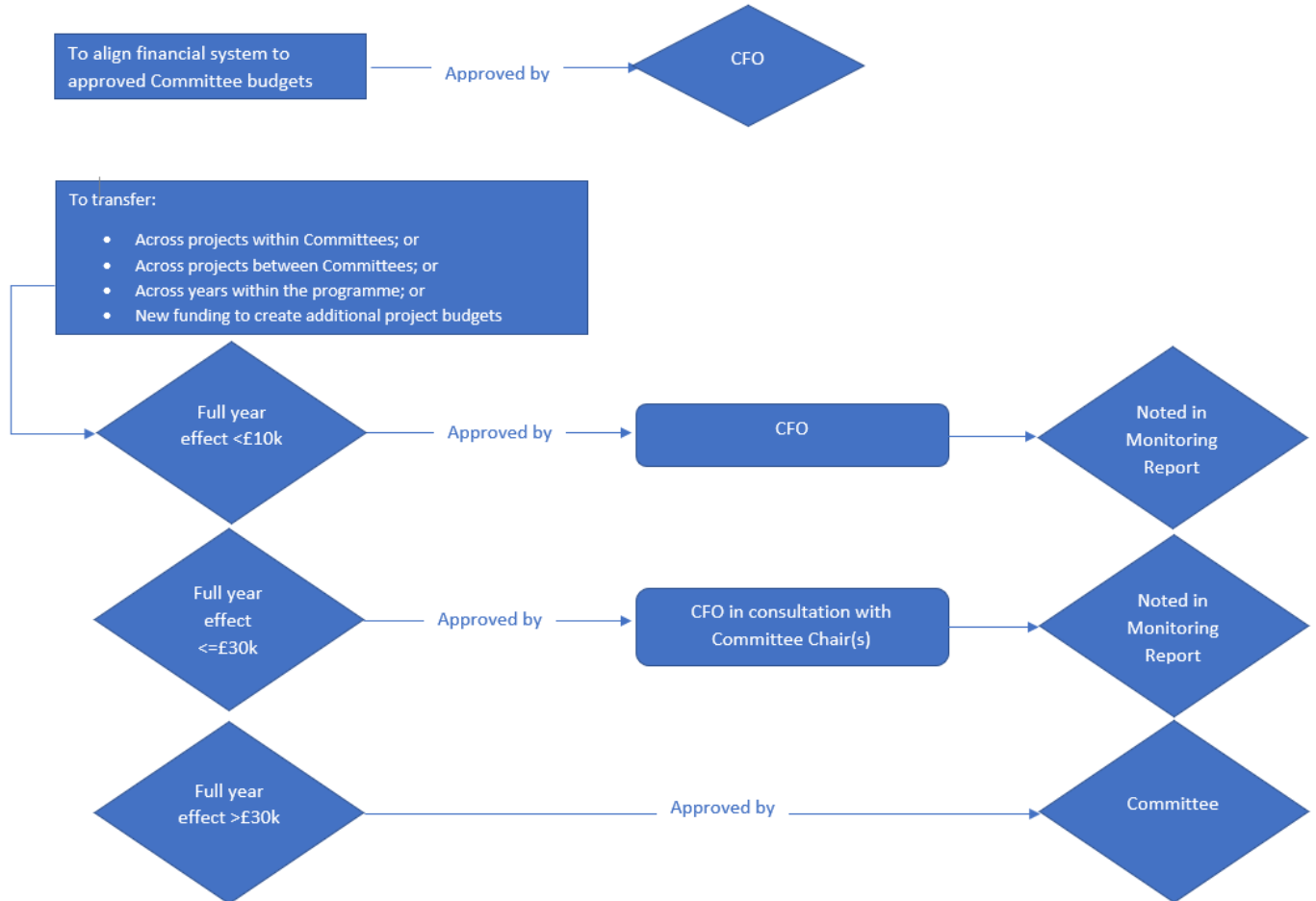
## 8. Reserves and Provisions

- 8.1. It is the responsibility of the CFO to advise and consult with Senior Officers ~~the Strategy and Resources Committee and/ or the Council~~ on prudent levels of reserves and provisions for the authority before reporting to the Strategy and Resources Committee and/ or Full Council.
- 8.2. The CFO is responsible for ensuring that reserves and provisions are established, maintained at appropriate levels and applied only for the purposes for which they were earmarked. Any reserves no longer required for their original purpose shall be returned to the General Fund.
- 8.3. The CFO may, except for the General Fund Reserve, authorise the application of reserves and provisions for their intended purpose and shall report to Strategy & Resources Full Council on the application of those reserves. ~~Full Council~~ Strategy & Resources Committee must approve the application of the General Fund Reserves.
- 8.3.8.4. As part of the Budget paper, the Reserves policy will be reviewed and updated to outline the prudent level for earmarked and general reserves for the Council.

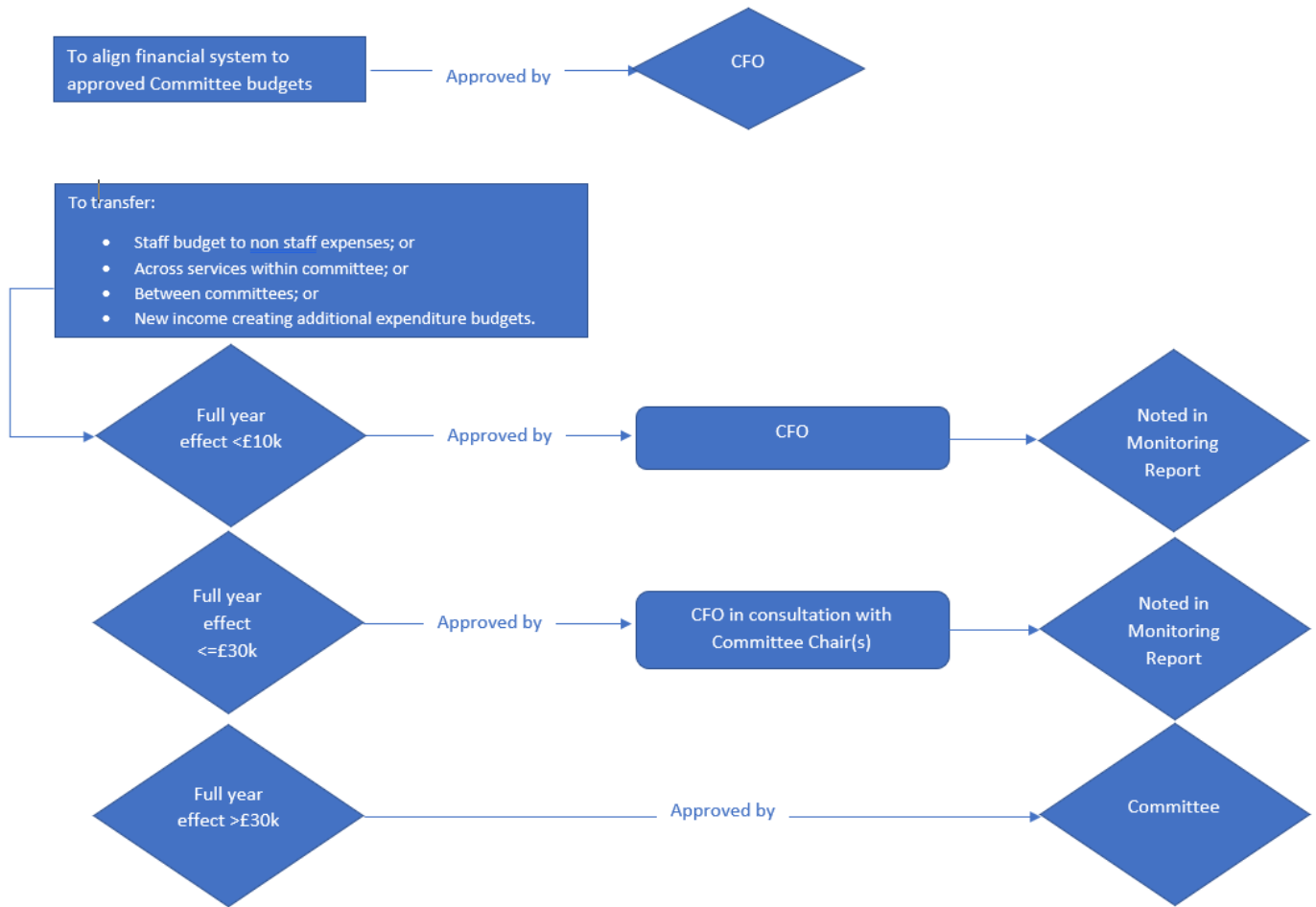
## 9. Virements

9.1. A virement is a transfer of budget from one service to another or one capital scheme to another.

9.1.9.2. A scheme of Virement flowchart for Revenue is shown below:



9.2 A Scheme of Virement flowchart for Capital is shown below:



9.2.9.3. Where there are overspends on a capital project, virement can take place utilising the capital resources under the control of the Senior Officer in conjunction with the CFO and the Chief Executive.

9.3.9.4. Where there may be the need to vire from a project that is funded by borrowing, this must be agreed with the CFO.

9.4.9.5. Any overspend that needs to be funded from an increase in borrowing will require the approval of the respective committee. Full Council approval will be needed if the overall borrowing requirement for the Council increases.

## **10. Risk management and control of resources**

- 10.1. All organisations, whether private or public sector, face risks to people, property, and continued operations. Risk is the chance or possibility of loss, damage, injury, or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation, and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and wellbeing of the organisation.
- 10.2. It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This shall include the proactive participation of all those associated with planning and delivering services.
- 10.3. The CFO is responsible for preparing the Council's Risk Management Strategy and for promoting good risk management practice throughout the Council. Senior Officers must take responsibility for risk management, having regard to advice from the CFO and other specialist officers and ensuring that there are regular reviews of risk within their service units.
- 10.4. [Audit and Scrutiny Strategy & Resources](#) Committee is responsible for reviewing and approving the Council's Risk Management Strategy.

## **11. Insurance**

- 11.1. The CFO is responsible for the effective and efficient procurement and administration of the Council's insurance arrangements. This includes the provision of advice and effective administration of all insurance claims.
- 11.2. The CFO is responsible for maintaining a register of insurances and the risks covered and for maintaining a register of insurance claims made against the Council including those that have yet to be settled.
- 11.3. The responsible Senior Officer is responsible for notifying the CFO of asset disposals for which insurance cover is no longer required and the purchase of new assets, which need to be included within the Council's insurance cover.
- 11.4. The CFO shall periodically review all insurances in consultation with the Heads of Service, Chief Executive, and Senior Officer as appropriate.
- 11.5. Any Officer is responsible for notifying the CFO immediately of any loss, liability or damage that may lead to a claim against the Council together with any information or explanation required by the Council's insurers.

## **12. Internal Control**

- 12.1. Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient, and effective use of resources, ensures that statutory obligations are identified, met, and complied with and that the Council's assets and interests are safeguarded. In addition, the system of internal control facilitates reliable financial reporting and demonstrable compliance with laws and rules.
- 12.2. The CFO is responsible for assisting the Council to put in place an appropriate control environment and effective internal control which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- 12.3. The CFO shall ensure that the Council puts in place effective internal financial controls covering budgetary systems, accounting, financial monitoring, safeguard of assets, segregation of duties, accounting procedures, information systems, risk management systems, authorisation, and approval processes. The Head of Internal Audit is responsible for testing compliance with these internal controls and reporting on any variations to the Audit and Scrutiny committee.
- 12.4. It is the responsibility of Senior Officers to ensure that established controls are being adhered to and to evaluate their effectiveness. Senior Officers should review existing controls considering changes affecting the authority and establish and implement new controls in line with guidance from the CFO.

## **13. Audit requirements**

- 13.1. Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the council's operations. It helps the council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes (Public Sector Internal Audit Standards definition). It contributes an objective opinion to the council's Annual Governance Statement.
- 13.2. The CFO is responsible for ensuring that the Council complies with the Accounts and Audit Regulations 2015. The Accounts and Audit Regulations 2015 require the Council to 'maintain an adequate and effective system of Internal Audit of its accounting records and of its system of internal control in accordance with proper internal audit practices.'
- 13.3. Internal Audit should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom, Public Sector Internal Audit Standards (PSIAS) including the Code of Ethics and with any other statutory obligations and regulations.

- 13.4. Internal Audit (in conjunction with CFO) shall prepare an Audit Plan having due regard to the Council's strategic priorities and the associated risks. The CFO must agree the Audit Plan prepared by Audit. The Head of Internal Audit will present the Audit Plan to The Audit and Scrutiny Committee for discussion and approval. The Head of Internal Audit must report to the CFO or the Audit and Scrutiny Committee if there are insufficient resources or other factors that are limiting the scope of their work and adversely affecting their ability to provide reasonable assurance.
- 13.5. The Head of Internal Audit must investigate promptly any fraud or irregularity of which they become aware and report the matter to the Head of Paid Service, who will consider any legal or disciplinary action to be taken in consultation with the CFO and the Monitoring Officer.
- 13.6. The CFO must ensure that internal audit remains independent in both its planning and operation.
- 13.7. The CFO must ensure that internal auditors have the authority to:
- access authority premises at reasonable times.
  - access all assets, records, documents, correspondence and control systems.
  - receive any information and explanation considered necessary concerning any matter under consideration.
  - require any employee of the authority to account for cash, stores or any other authority asset under his or her control.
  - access records belonging to third parties, such as contractors when required.
  - have direct access to the Chief Executive, the Audit and Scrutiny Committee, the Chair of the Audit and Scrutiny Committee, elected Members and the external auditor.
  - Evaluate and report on the adequacy and effectiveness of internal controls.
- 13.8. Senior Officers are responsible for the following matters.
- Ensuring that internal auditors are always given access and without notice to Council and partners' premises, personnel, records, documents, correspondence, systems and assets that the auditors consider necessary for the purposes of their work.
  - Ensuring that auditors are provided with any information and explanations that they seek in the course of their work.
  - Considering and responding promptly to recommendations in audit reports.
  - Ensuring that actions arising from audit recommendations are carried out in a timely and efficient fashion.
  - Ensuring that new systems for maintaining financial records or records of assets, or changes to such systems are discussed with and agreed by the head of internal audit prior to implementation.

13.9. The Council must also appoint External Auditors and the CFO is responsible for ensuring that the selection of External Auditors is carried out in line with statutory guidance. The basic duties of the External Auditor are governed by the Local Audit and Accountability Act 2014: the auditor must be satisfied:

- that the authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources.
- That the Accounts are prepared in accordance with rules made under section 23 of the 1980 to act and comply with the requirements of all statutory provisions applicable to the Accounts.
- that the Accounts present a true and fair view of the Council's financial position, its income and expenditure for the year in question and complies with legal requirements.

13.10. The External Auditor can identify and report significant deficiencies in any internal controls directly to the Audit and Scrutiny Committee and those charged with governance.

13.11. The CFO is responsible for:

- Ensuring that external auditors are given the same rights of access to premises, personnel, records, documents, systems and assets that are given to Internal Audit.
- Drawing up the timetable and issuing guidance for the production of final accounts and advising staff and external auditors accordingly.
- Ensuring that there is effective liaison between external and internal audit.
- Working with the external auditor and advising the Full Council, Committees and Senior Officers of their responsibilities in relation to external audit.

13.12. Senior Officers are responsible for:

- Ensuring that external auditors are given access at all reasonable times to premises, personnel, documents, and assets which the external auditors consider necessary for the purposes of their work.
- Ensuring all records are up to date and available for inspection.

13.13. The Council may, from time to time, be subject to audit, inspection, or investigation by external bodies such as HM Revenue and Customs who have statutory rights of access.

## **14. Preventing Financial Irregularities, Fraud and Corruption**

- 14.1. The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the Council.
- 14.2. The Council is committed to maintain a strong anti- fraud and corruption culture through its Anti-Fraud, Bribery and Corruption Policy [which are issued to all Members and Officers of the Council](#). This is designed to:
- encourage prevention.
  - promote detection.
  - identify a clear pathway for investigation, and
  - fulfil the requirements of Section 17 of the Crime and Disorder Act 1998.
- 14.3. The Council expects that Members and Officers at all levels will lead by example and act with integrity in ensuring adherence to legal requirements, rules, procedures, practices, and internal controls including internal checks. This includes a duty to report a suspected breach of the Council's Contract Standing Orders and Regulations.
- 14.4. The Council also expects that the individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud and corruption.
- 14.5. Any Officer of the Council suspecting financial irregularity shall immediately inform the CFO. The CFO shall, in consultation with the Chief Executive and the Monitoring Officer, make what investigation s/he thinks proper and if s/he is satisfied that irregularity exists, s/he shall immediately inform the External Auditor. An investigation concerning an allegation or suspicion of fraud must be conducted in accordance with the Council's Anti-Fraud, Bribery and Corruption Policy.
- [14.6.](#) The CFO shall, at his/her discretion and after consultation with the Chief Executive and the Monitoring Officer, report to the Audit and Scrutiny Committee any case of non-compliance with these Regulations.
- [14.7.](#) [As an alternative to the Regulations above, Officers may raise concerns under the Whistle-Blowing Policy confidentially.](#)



## 15. Physical assets and their security

15.1. Senior Officers are responsible for ensuring that:

- records and assets [whether held in a manual or electronic format](#) are properly maintained and securely held.
- contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place [and have been tested in advance where practicable](#).
- proper arrangements exist for the security and care at all times of buildings, stocks, stores, furniture, equipment, cash etc. under their control and shall consult the CFO in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- no authority asset is subject to personal use by an employee without proper authority.
- keys to safes and similar receptacles are always kept securely; loss of any such keys to be reported to the CFO immediately after the loss is discovered.
- the CFO is consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed; and
- [proper security and privacy of information contained in all financial records under their control is maintained, in accordance with the Data Protection Act, having regard to any advice given by the Data Protection Officer.](#)
- [Officers are aware of their responsibilities under Freedom of Information Act 2000 and The Environmental Information Regulations 2004.](#)

15.2. The CFO is responsible for ensuring that:

- an asset register is maintained in accordance with good practice. All assets with either a purchase price (if known) or an approximate replacement value of over £10,000 should be included. Highly desirable portable assets with a low value may also be included. The function of the asset register is to provide the authority with information about fixed assets so that they are:
  - safeguarded.
  - used efficiently and effectively.
  - adequately maintained.
- ensuring that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom

- 15.3. The Asset Management Team shall maintain a property database for all land and property currently owned or used by the Council. Any use of land or property by a service unit should be supported by documentation identifying terms, responsibilities, and duration of use.
- 15.4. The Asset Management Team are responsible for ensuring that:
- lessees and other prospective occupiers of council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by a Senior Officer in consultation with the CFO, has been established as appropriate.
  - title deeds are passed to the Monitoring Officer who is responsible for custody of all title deeds.
  - all service units maintain a register of moveable assets in accordance with arrangements defined by the CFO.
  - that assets are identified, their location recorded and that they are appropriately marked and listed. Information must be provided to the CFO so that appropriate insurance arrangements can be made for the Council's assets.
  - that case holdings on premises are kept to a minimum.
  - assistance with the valuation of assets for accounting purposes to meet requirements specified by the CFO; and
  - that all employees are aware that they have a personal responsibility regarding the protection and confidentiality of information, whether held in manual or computerised records.

## **16. Stocks and stores**

- 16.1. All systems, documents, and records in connection with the receipt, issue and custody of stocks, stores and property shall be approved by the CFO.
- 16.2. It shall be the joint responsibility of the CFO and the relevant Senior Officer to:
- plan for the regular stocktaking of stocks, stores and property held, including items held on inventory, to verify location, review condition and to act in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Council.
  - ensure that all discrepancies are investigated and pursued to a satisfactory conclusion.

- investigate and remove from the authority's records (ie write off) discrepancies of up to £5,000;
- To seek advice from Internal Audit on the treatment of deficiencies in excess of £5,000.
- authorise the disposal or write off redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction unless, following consultation with the CFO, the Audit and Scrutiny Committee agrees otherwise in a particular case. It is acceptable to use electronic auction sites such as eBay, Etsy and equivalent sites if these offer the most appropriate route to disposal; and
- seek Committee approval to the write-off of redundant stocks and equipment more than £5,000.

## 17. Purchase of land and buildings utilising ~~Investment & Development Fund~~ **or the Housing Revenue Account (HRA)**

17.1. Subject to the conditions specified Annex A, the Chief Executive, in consultation with the Leader or Deputy Leader and the Chair or Vice Chair of the Housing Committee, can utilise the Housing Revenue Account, for the purchase of land or buildings in accordance with the Council's general power of competence under the Localism Act 2011, or in the case of the HRA, for the Council's House Building Programme.

## 18. Asset disposal

18.1. The CFO is responsible for:

- issuing guidelines representing best practice for disposal of assets; and
- ensuring appropriate accounting entries are made to remove the value of disposed assets from the authority's records and to include the sale proceeds if appropriate.

18.2. Senior Officers are responsible for:

- complying with guidelines representing best practice for the disposal of assets issued by the CFO.

## 19. Treasury Management

- 19.1. The Council shall comply with CIPFA's Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes (the Code), as described in section 5 of that Code.
- 19.2. The Council will create and maintain, as the cornerstones for effective treasury management:
  - a treasury management policy statement, stating the policies, objectives, and approach to risk management of its treasury management activities.
  - treasury management practices (TMPs) that are compliant with the Code setting out the way the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.
- 19.3. ~~The Full~~ Council delegates responsibility for the implementation and regular monitoring of its ~~treasury management policies~~ TMPs, practices, and strategy, including the operation of its borrowing strategy, to the Strategy and Resources Committee which, in turn, may delegate the function to its Investment Sub-Committee. This will include a mid-year review and annual report in the form prescribed in its TMPs. The execution and administration of treasury management decisions and borrowing strategy is delegated to the officer designated for the purposes of section 151 of the Local Government Act 1972 (i.e., CFO). The CFO will act in accordance with the policy statements, strategies and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.
- 19.4. ~~The Council~~ Strategy and Resources Committee or the Investment Sub Committee will receive reports on its ~~treasury management policies~~ TMPs, ~~practices~~ and activities and ~~will~~ approve the treasury management policy statement and an annual treasury management plan, incorporating strategies for borrowing and investment.
- 19.5. The Council nominates the Strategy and Resources Committee to be responsible for ensuring effective scrutiny of treasury management and borrowing. Should TMPS require scrutinising, the Council nominates Audit and Scrutiny Committee to perform this function.
- 19.6. In respect of adherence to the Regulations on Treasury Management, all money of the Council shall be controlled by the CFO.
- 19.7. The CFO is authorised to approve prudential borrowing, if considered to be the most appropriate funding option, to support asset purchases. The CFO is also responsible for:
  - approving proposals for opening or closing bank accounts;
  - ensuring that all securities that are the property of the Council or its

nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate Senior Officer;

- effecting all borrowings in the name of the authority; and
- acting as the authority's registrar of stocks, bonds and mortgages and maintaining records of all borrowing of money by the authority.

19.8. Senior Officers are responsible for:

- ensuring that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council, following consultation with the CFO.
- arranging for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities etc relating to the trust with the CFO unless the deed otherwise provides.
- arranging, where funds are held on behalf of third parties, for their secure administration, approved by the CFO, and to maintain written records of all transactions; and
- ensuring that trust funds are operated within any relevant legislation and the specific requirements for each trust.

## **20. Financial Systems and Procedures**

20.1. There are many systems and procedures used by Council services in relation to the control of the authority's assets, including purchasing, costing and management systems. The information contained within the Council's financial management information systems must be accurate and the systems and procedures sound. They should contain controls to ensure that transactions are properly processed, and errors detected promptly.

20.2. The key controls for systems and procedures are:

- basic data exists to enable the authority's objectives, targets, budgets and plans to be formulated.
- performance is communicated to the appropriate managers on an accurate, complete and timely basis.
- early warning is provided of deviations from target, plans and budgets that require management attention.
- operating systems and procedures are secure.

## **21. Collection of income**

- 21.1. The CFO is responsible for agreeing arrangements for the collection of all income due to the Council and approval of the procedures, systems and documentation for its collection.
- 21.2. Each Senior Officer is responsible for reviewing fees and charges annually as part of the budget setting process in consultation with their Budget Managers and for operating assessment and collection arrangements in accordance with laws, regulations and good practice guidance.
- 21.3. Any proposal to introduce or vary a scheme of fees and charges shall be considered by the appropriate Committee and then referred to Full Council. The relevant Senior Officer shall report on the financial implications of any such proposal.
- 21.4. Particulars of all charges for work done, goods supplied and services rendered or other sums becoming due to the Council (where an account is due to be raised) shall be notified promptly to the CFO. All accounts for income due shall be rendered by the CFO or in accordance with arrangements approved by him.
- 21.5. The collection of all monies due to the Council shall be subject to control by the CFO. All monies received shall be paid promptly to the CFO or subject to his/her instructions shall be banked without delay to the credit of the Council.
- 21.6. All receipt forms, tickets and other documents of a similar nature shall be in a form approved by the CFO and shall be controlled by him/ her.
- 21.7. Each Senior Officer will ensure that the CFO is notified promptly of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the Council.
- 21.8. The writing-off of debts due to the Council shall be carried out in accordance with an operational procedure issued and maintained by the CFO.

## **22. Official Orders**

- 22.1. Official orders in the form approved by the CFO must be issued for all requirements of the Council except:
  - rents, rates, charges for the supply of electricity, gas and water and other items of an obligatory and continuous nature including telephone rentals and calls.
  - transfer payments; and
  - other items specifically agreed by the CFO for exception.
  -

- 22.2. Every order shall be authorised by the Senior Officer concerned or delegated budget manager in a form approved by the CFO, in accordance with delegation levels agreed with the CFO. They shall include any contractual requirements set out in contract standing orders. The CFO shall determine the authorising process, which will be set out in Procurement Rules.
- 22.3. No order shall be issued unless covered by an approved annual estimate or other financial provision and signatories must ensure that goods and services are appropriate and needed, that Contract Standing Orders have been complied with and that value for money principles have been followed prior to signing or authorising invoices.
- 22.4. The Council's computerised commitment accounting system shall be used unless an exception is agreed in advance by the CFO. Outstanding orders shall be checked by the Senior Officer or their delegate at least quarterly, to ensure management information is accurate.

### **23. Payment of accounts**

- 23.1. The relevant Senior Officer or delegated budget manager issuing an order is responsible for examining, verifying and certifying the related invoice(s) or an electronic Goods Received Note and similarly for any other payment vouchers or accounts arising from sources under his/her control. Such certification shall be in a form approved by the CFO and can be electronic or in manuscript and prepared by or on behalf of the relevant Senior Officer. The names of Officers authorised to sign such records shall be sent to the CFO together with specimen signatures and shall be amended on any change therein.
- 23.2. Before certifying an account, the certifying Officer shall, save to the extent that the CFO may otherwise determine, have satisfied himself that: -
- the work, goods, or services to which the account relates have been received, carried out, examined and approved.
  - the prices, extensions, calculations, trade discounts, other allowances, credits and tax have been compared to the order and are correct.
  - the relevant expenditure has been properly incurred and is within the relevant estimate provision.
  - appropriate entries have been made in inventories, stores records or stock books as required.
  - the account has not been previously passed for payment and is a proper liability of the Council.
  - the account (including any Value Added Tax) has been correctly coded; and

- appropriate checks have been carried out to ensure that the supplier and changes to the supplier details are bona fide and that a check on employment status is carried out prior to entering into a contract with any sub-contractor.
  - All payments, irrespective of method are made under dual control, with one Officer raising the payment and a second approving. Payments, including BACS payments, of above £50,000 are countersigned by 2 authorised signatories from a list maintained by the Treasury Team.
- 23.3. The CFO shall examine as far as he considers necessary certified accounts passed to him/her for payment and pay such accounts which he is satisfied are in order and in accordance with the Financial Regulations and in accordance with the Prompt Payment Code (30 days). The CFO may withhold payment until the resolution of any dispute relating to an invoice.
- 23.4. Budget holders will notify the CFO of the value and detail of all expenditure and income relating to goods or services provided by 31 March but not yet settled, to ensure these are accounted for on an accrual basis.
- 23.5. Use of Council corporate purchase cards, including fuel cards and credit cards shall be in accordance with an operational procedure issued by the CFO and a signed undertaking. Only the CFO shall have authority to obtain corporate purchase cards.
- 24. Works contracts**
- 24.1. All payments to contractors shall be made by CFO based on certificates, or other documentation, in a form approved by him/her and issued and authorised by the appropriate officer.
- 24.2. Any variation of addition to or omission from a works contract duly authorised by the appropriate officer shall be in writing and retained by the relevant Senior Officer.
- 24.3. For the purposes of audit, vouchers, documents, and other information which the CFO may require, shall be made available to him/her.
- 24.4. Where outside professional architects, engineers, quantity surveyors or other consultants are engaged to supervise any works contract, it shall be a condition of their employment that they shall comply with Financial Regulations.
- 25. Banking arrangements**
- 25.1. The CFO is authorised to make arrangements for banking facilities to be provided to the Council. The CFO shall ensure that the bank accounts are operated in an appropriate and proper manner.



- 25.2. All bank accounts shall be in the name of "Tandridge District Council" unless authorised by the CFO.
- 25.3. The CFO may authorise appropriate officers to be 'authorised signatories' on the Council's bank accounts. The CFO shall maintain a list of authorised signatories.
- 25.4. The CFO shall determine and deploy safe and secure procedures for electronic payments and transfers. All electronic payments shall be authorised by the CFO or his/her delegated officer. An up-to-date record of signatures shall be securely and accurately maintained.
- 25.5. Payments made on behalf of the Council can be made as set out below.
- By Bankers Automated Clearing Services order direct to the recipient's personal account.
  - By Faster Payments or CHAPS using the online banking system provided by the Council's bankers.
  - By written instruction, not being a cheque, to the Council's bankers bearing the impressed or manuscript signature of the CFO or any two 'authorised signatories'.
  - Standing orders, direct debits and other regular bank account transfers shall only be set up with the prior written approval of the CFO.
  - By computer generated cheque bearing the facsimile signature of the CFO.
  - The maximum single value of a computer-generated cheque shall be up to £50,000. All payments above £50,000 shall be made by electronic payment only.
  - The maximum single value of a payment requiring two authorised signatories, one of which must be the CFO, is £250,000.
  - Any payment of greater than £250,000 requires the authorisation of the CFO and either the Monitoring Officer or the Head of Paid Service; and
  - The exception shall be transactions for the purposes of Treasury Management, including borrowing from the PWLB, which shall be authorised by the CFO and other authorised signatories in accordance with a written procedure determined by the CFO. This written procedure and its operation shall be subject to regular internal audit at least twice in a financial year. There will be a division of duties established to meet the requirements of the bank.
- 25.6. Each employee-Officer who banks money shall comply with any instructions prescribed by the CFO. All money received on behalf of the Council shall be made to the Council's cashier, approved cash receptacles or to the Council's bank account without delay and always within three working days of collection.

- 25.7. The CFO shall maintain a facility to make emergency payments. Payments will be authorised in line with the limits set out above. Directors shall ensure that all emergency payments made in the event of initiating an approved emergency plan are charged, in the first instance, to the emergency cost code.
- 25.8. Payments received in full and final settlement shall only be accepted if they are sufficient to fully clear the appropriate debt.
- 25.9. Personal cheques shall not be cashed out of the money held on behalf of the Council.
- 25.10. The Council does not currently operate petty cash accounts. The CFO shall determine whether operational circumstances justify maintaining petty cash for the purpose of meeting minor expenditure on behalf of the Council.
- 25.11. Where petty cash is deemed necessary, the CFO shall provide a named officer with an agreed amount of cash and shall prescribe rules for operating the petty cash account.

## **26. Payroll and Payments to Employees and Members**

- 26.1. The CFO [in consultation with Human Resources](#) shall ~~be responsible for~~ [establish arrangements for](#):
- the accurate and timely payment of all salaries, wages, and other payments due to Officers in accordance with their terms and conditions of employment are processed and paid through the Council's payroll system;
  - ~~making arrangements for~~ the accurate and timely calculation of tax, pensions contributions and other deductions made on behalf of employees and for paying sums due to the relevant bodies on a timely basis (e.g. HMRC and Surrey Pension Fund (SCPF));
  - ~~making arrangements for paying~~ Members' basic, special responsibility, travel, or other allowances;
  - ensuring that there are adequate arrangements for administering pensions matters in accordance with the requirements of Surrey Pension Fund.
- 26.2. All Senior Officers shall notify the Human Resources (HR) team and the Finance Business Partner, using the Council's standard forms, on a timely basis of all the following details.
- Appointments, resignations, dismissals, suspensions, secondments and transfers or other relevant changes to contract terms and conditions.
  - Absences from duty excluding normal annual, statutory, or flexible working leave.

- Changes in remuneration excluding normal pay scale increments, pay awards and agreements of general application such as changes in pension contribution rates.
  - Information necessary to maintain records of service such as pension, income tax, national insurance and bank details.
- 26.3. Each Senior Officer is responsible for ensuring there is adequate budgetary provision and written approval from the CFO prior to the recruitment of staff.
- 26.4. Appointments of all Officers shall be made in accordance with the regulations of the Council and the established grades and rates of pay.
- 26.5. Each Senior Officer shall, at least annually, certify the staffing budget for their services as part of the budget setting process.
- 26.6. All claims for payment of car allowances, subsistence allowances, travelling and incidental expenditure shall be submitted, duly certified to the respective Senior Officer for authorisation on a standard form approved by the CFO.
- 26.7. The certification of expense claims shall be taken to mean that each Senior Officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are correctly calculated in line with the Council's terms and conditions.
- 26.8. Members are responsible for submitting claims for their travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end the Monitoring Officer for processing.

## **27. Taxation**

- 27.1. The CFO or their nominee is responsible for:
- All communications with HMRC on all matters relating to taxation. The CFO shall maintain records and accounts sufficient to meet the obligations of the collection agency.
  - maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date; and
  - contacts with HM Revenue and Customs on all matters, including income tax, national insurance, corporation tax, construction industry tax and VAT.
- 27.2. The CFO is responsible for issuing an operational procedure on the application of value added tax rules. Each Senior Officer is responsible for ensuring that transactions within their areas of responsibility comply with the law relating to general taxation and VAT and clarification is sought where necessary from their respective Budget Manager.

- 27.3. All matters of both principle and practice, including any significant errors or discrepancies, shall be referred to the CFO immediately.

## **28. External arrangements**

- 28.1. The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental wellbeing of the District.

## **29. Partnerships**

The Head of Paid Service, in consultation with the Monitoring Officer and the CFO could forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

- 29.1. Each Senior Officer is responsible for assessing the risks and benefits associated with partnerships. Given that these arrangements may be complex in nature, the CFO must approve the financial management arrangements for such partnerships. Each Senior Officer must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies and seek advice at an early stage from the CFO and the Monitoring Officer.
- 29.2. Each Senior Officer is responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to financial transactions with external bodies. The CFO must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and that all grant conditions are met.
- 29.3. The CFO is responsible for ensuring proper arrangements for partnership cost sharing where appropriate. He/she must ensure that risks have been fully appraised before agreements are entered into with external bodies.

## **30. External funding**

- 30.1. External funding can prove an important source of income, but funding conditions must be carefully examined and evaluated for risk before any agreement is entered into to ensure they are compatible with the aims and objectives of the Council. The CFO therefore needs to be involved in preparing for, and approving, any bid for external funding prior to submission of such bids.

30.2. It is the CFO's responsibility to ensure that any match funding or part funding requirements are considered prior to entering into any agreement, that future budgets reflect these requirements, and that any longer-term sustainability costs have been properly assessed.

~~30.1.~~30.3. The CFO is also responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

30.4. Each Senior Officer shall ~~inform the CFO immediately of funding notified by external bodies and any conditions attached and shall ensure that claims for funds, complete~~ensure any conditions attached to the relevant agreement are progressed and in accordance with the agreed project plan. They will also ensure that all expenditure is properly incurred and recorded.

~~and up to date financial records and project progress reports are submitted by the due date in liaison with the CFO.~~

~~30.2.~~30.5. If any new financial obligations are placed upon the Council as a condition of receiving external funding, these obligations must be approved by Strategy and Resources Committee prior to the submission of any bids. In the case of urgency, seek advice from the Monitoring Officer.

## **31. Works for third parties**

31.1. Contractual arrangements to undertake work for third parties must be approved by the relevant service committee in situations where the CFO is of the view that such a contract may cause a significant risk of net cost to the Council, or where the total value of new work in one year will exceed £50,000.

31.2. Where support services and frontline services are to be sold to external customers, due diligence must be undertaken to ensure that services provided are of good quality and to minimise the risk of non-payment.

## **32. Amendments to the Regulations**

32.1. The Regulations are subject to an annual ~~'evolution'~~review which will be approved by Strategy and Resources Committee and will incorporate minor amendments and editing changes.

32.2. For transparency purposes all changes in the annual ~~'evolution'~~review will be flagged using red text, this will enable both experienced and inexperienced users of the Regulations to clearly identify where changes have occurred year on year. Changes from previous years ~~'evolution'~~review will be incorporated into standard text, only the latest ~~'evolution'~~review is shown in red text.

### **33. Scheme of Delegation**

- 33.1. The Scheme of Delegation is detailed in ~~Part E of the Constitution (Annex B)~~ Annex A. Senior Officers are required to maintain a written record where decision making has been delegated to members of their staff, including consultants and interim Officers. Where decisions have been delegated or devolved to responsible budget holders/service managers or other designated officers, references to the CFO in the Regulations should be read as referring to them.
- 33.2. Delegated Authority for officers in respect of the Regulations is held and maintained by the CFO as a Scheme of Delegated Authority for Finance.
- 33.3. The Scheme of Delegated Authority for Finance does not override or take precedence over any clause of the Regulations or wider Constitution and must be read in parallel.
- 33.4. Officers are responsible for ensuring that any financial activity complies with the Regulations, the wider Constitution and the Scheme of Delegated Authority for Finance.

Annex 'A'

**PURCHASE OF LAND & BUILDINGS UTILISING ~~THE INVESTMENT & DEVELOPMENT FUND OR~~ THE HOUSING REVENUE ACCOUNT HRA)**

	Size of funds	Within the agreed Council House Building Programme for the year
(i)	<b>Purpose of funds</b>	To facilitate the Council's House Building Programme.
(ii)	<b>Subject to (iii) to (viii) below, authority is delegated to the Chief Executive, in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution.</b>	Purchase land and buildings* in accordance with the above.  <i>*<del>The Executive Head of Communities Management Team</del> has authority to undertake the necessary investigative, procurement and legal arrangements to facilitate the acquisition and development of any such land, buildings or sites in accordance with the delegation above</i>
(iii)	<b>Requirement to notify local Ward Members, if contactable during the required timeframe</b>	Inform Members if the site concerned is within their Ward.
(iv)	<b>Upper limit on individual purchases</b>	Up to £5 million
(v)	<b>Upper limit on total sum of purchases</b>	Within the agreed Council House Building Programme for the year
(vi)	<b>Purchase criteria</b>	Purchase of such assets and associated income would facilitate or improve the delivery of services to the residents of Tandridge or be of economic benefit to businesses in the Tandridge area
(vii)	<b>Appraisal requirements</b>	(a) an independent R.I.C.S. qualified commercial valuation has been obtained and the purchase price (net of SDLT and VAT): <ul style="list-style-type: none"> <li>• is within the independent R.I.C.S. qualified commercial valuation for the proposed or potential use; or</li> <li>• does not exceed the valuation by more than 15% where an acquisition is being made for future regeneration purposes;</li> </ul> (b) where appropriate, building / mechanical / electrical / lift and environmental surveys (c) the net rental yield (if appropriate) shall represent a reasonable return in light of prevailing market rates; and (d) in order to identify potential Full Life Costs, the valuation has taken account of the condition of the property and where deemed necessary by the Lead Legal Specialist, an independent building condition survey will be commissioned to inform the Net Rental Yield
(viii)	<b>Authority is delegated to the Strategy &amp; Strategy &amp; Resources Committee / Housing Committee to approve the following in accordance with the above criteria ...</b>	Approve individual purchases of land or buildings within the District at or above £5 million in value





**Scheme of Officer Financial Authority**

This does not amend or overrule any clause in the Financial Regulations or wider Constitution, but sets out authority limits for officers once delegated from Committee.

Grade / Role	Purchase Orders and Non-Purchase Order invoices approval	Payment of Grants to Third Parties	Approval for payment terms < 30 days	Clearing House Automated Payments (CHAPS)	Procurement Cards	Write Offs - Council, Business Rates & Housing Benefit	Write Offs - Former Tennant Arrears	Write Offs - Sundry	Approval of Account Receivable Credit Notes	Comments
Chief Finance Officer (specific in addition to Management Team)	Authority to approve spend up to £30k above budget if met from another budget.	Authority to sign grant agreements.	All variations to standard payment terms to be signed off by CFO (S151) or Head of Legal Services in the first instance. Management Team and Senior Finance Business Partner as a substitute.	All CHAPS to be signed off by CFO (S151) in the first instance. Management Team and Senior Finance Business Partner as a substitute.	Chief Finance Officer authorises all increases to Procurement Card limits in the first instance. Management Team and Senior Finance Business Partner as a substitute.  CFO to sign off Chief Executive procurement card spend.	£3,000 to £10,000	£3,000 to £10,000	£3,000 to £10,000	£3,000 to £10,000	CFO as a Member of Management Team will have the delegated approvals of Management Team and specific other delegations.
Head of Legal Services (specific in addition to Management Team)		Authority to sign grant agreements.	All variations to standard payment terms to be signed off by CFO (S151) or Head of Legal Services in the first instance. Management Team and Senior Finance Business Partner as a substitute.							Head of Legal Services as a Member of Management Team will have the delegated approvals of Management Team and specific other delegations.
Chief Executive and Management Team	Payments and Orders £100,000 and over where an approved PAR is in place, up to approved budget (+£30k variance if approved by CFO and met from another budget).	As with other payments in column 1. Subject to grant agreement being signed by CFO or Head of Legal Services.	A member of Management Team or Senior Finance Business Partner can act as a substitute to authorising changes to payment terms.	A member of Management Team or Senior Finance Business Partner can act as a substitute to authorising CHAPS.	A member of Management Team or Senior Finance Business Partner can act as a substitute to authorising increases to Procurement Card limits.  A more senior officer than Procurement Card Holder signs off spend.					All Members of Management Team can substitute for one and other.
Extended Management Team (Heads of Service)	Payments and Orders up to and including £99,999.99 where an approved PAR is in place.	As with other payments in column 1. Subject to grant agreement being signed by CFO or Head of Legal Services.			A more senior officer than Procurement Card Holder signs off spend.	£1,000-£2,999.99	£1,000-£2,999.99	£1,000-£2,999.99	£1,000-£2,999.99	Heads of Service shall have delegated authority to authorise on behalf of another Head of Service in their absence and when urgent, up to the values indicated and subject to clear knowledge and understanding of the payment.

Grade / Role	Purchase Orders and Non-Purchase Order invoices approval	Payment of Grants to Third Parties	Approval for payment terms < 30 days	Clearing House Automated Payments (CHAPS)	Procurement Cards	Write Offs - Council, Business Rates & Housing Benefit	Write Offs - Former Tenant Arrears	Write Offs - Sundry	Approval of Account Receivable Credit Notes	Comments
Delegated Budget Managers	Payments and Orders up and including to £4,999.99.	As with other payments in column 1. Subject to grant agreement being signed by CFO or Head of Legal Services.			Limit as agreed by Chief Finance Officer or substitute.	£0-£999.99	£0-£999.99	£0-£999.99	£0-£999.99	
Exchequer Services Manager or Corporate Debt Manager						£0 to £2,999.99	£0 to £2,999.99	£0 to £2,999.99	£0 to £2,999.99	
Comments	In any event under dual signatory.	In any event under dual signatory.	All contracts are signed by either Head of Legal Services or CFO - this would dictate variations to payment terms.	In any event under dual signatory and Exchequer always involved.	Corporate Procurement Board review Procurement Card Spend.  Exchequer review all Procurement card transactions.	In any event under dual signatory and Corporate Debt Unit always involved.	In any event under dual signatory and nominated officer for Housing Debt always involved.	In any event under dual signatory and Exchequer always involved.	In any event under dual signatory and Exchequer always involved.	

## Update on Procurement and Contract Standing Orders

### Strategy & Resources Committee 29 June 2023

Report of: Procurement Specialist

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Purpose: For decision and for information

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Publication status: Unrestricted

Wards affected: All

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#### **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** John McGeown Procurement Specialist  
jmcgeown@tandridge.gov.uk

#### **Executive summary:**

The purpose of this report is:

- to amend the Council's Contract Standing Orders in accordance with changes in section 5.
- to report against the set of standard Key Performance Indicators ('KPI's) for procurement agreed at the S&R Committee on 2nd February 2021 (section 6)
- to report on the number of and reasons for CSO waivers as agreed at the S&R Committee on 2 Feb 2021 – '**Appendix A**'

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## **Recommendations to Committee:**

That:

- A. it be recommended to Full Council that the Contract Standing Orders ('CSOs') be amended in accordance with the revisions in section 5 of this report;
- B. the procurement performance referred to in section 6 be noted;
- C. the volume and value of Waivers from CSOs at Appendix A be noted; and
- D. the new procurement shared service be noted.

---

## **Reason for recommendations:**

Since the current version of the Contract Standing Orders was approved by this Committee in April 2022, there are some minor amendments required that will improve internal governance and procedures. It is recommended that Members accept the new revised version of the Contract Standing Orders and that they recommend acceptance by Full Council.

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## **CHANGES TO CSOs**

### **Introduction and background**

- 1 Section 135 of the Local Government Act 1972 requires Local Authorities "to make standing orders with respect to the making by them or on their behalf of contracts for the supply of goods or materials or for the execution of works".
2. Contract Standing Orders ('CSOs') form part and are included within the Council's Constitution and set out the minimum obligations and minimum requirements to be followed by Officers when making purchases with third parties. It is one of the core Council's governance documents and should therefore reflect both legal and best value requirements.
3. A requirement of the existing CSO's is that they are reviewed and updated as necessary with any such recommendations made by the Procurement Specialist, implemented by the Legal Services Team and considered by this Committee. Following which, they are to be presented to Full Council for adoption.

4. Changes to the CSOs were agreed at the April 2022 Committee Meeting and included:

- Detailed process for use of external legal advice
- Updated bribery policies to improve governance
- Updated procurement thresholds

5. The proposed amendments to the CSOs are detailed below:

### Proposed Amendments to Contract Standing Orders

PARAGRAPH NUMBER	REASONING FOR PROPOSED AMENDMENT
2.2.3	<p>Clarifies that CSOs do not apply to the awarding of grants provided that no works or services are provided direct to the Council in return for the grant. Definition of a Grant also added to Glossary.</p> <p>2.2.3 would be amended to read:</p> <p>[Section 12-30 of these CSOs do <u>not</u> apply to.....]</p> <p><del>Grants given by the Council either where the Council is giving or receiving a grant</del></p> <p><i>Awarding grants to external organisations provided that no works or services are provided direct to the Council in return for the grant.</i></p>
2.5	<p>Changes reference from Chief Officer to Head of Service in line with new structure, and throughout document.</p> <p>2.5 would be amended to read:</p> <p><i>Under the Local Government (Contracts) Act 1997, local authorities can enter into contracts with third parties in connection with any of their functions. However, first the Chief Officer Head of Service must be able to demonstrate there is a business need for the proposed Contract.</i></p>
2.2.10	<p>Changes to the arrangements for procuring legal advice. There have been occasions where the Council could not obtain accurate specialist legal advice for major projects or those projects or requirements that are high profile, high risk or of strategic importance from firms who are appointed to the Surrey Legal framework. Although, the framework does provide extra benefit such as discounted rates and has several expert and experienced barristers' chambers and legal firms appointed to the framework, the Council has managed in some instances to obtain better rates from off panel firms. Having the flexibility to seek of panel legal advice has both assisted the Council in achieving best value, and enhance delivery of services.</p>

**PARAGRAPH  
NUMBER**

**REASONING FOR PROPOSED AMENDMENT**

2.2.10 would be amended to read:

*External legal advice. The Head of Legal Services and Monitoring Officer commissions all external solicitors, counsel, experts within Legal Proceedings (actual or contemplated) and arbitrators /adjudicators.*

*The engagement of barristers, experts and adjudicators/arbitrators in construction disputes shall be subject to completion of a formal letter, contract of appointment or brief. The barrister, expert or arbitrator /adjudicator or chambers must either be named in the relevant Contract or be on an approved list maintained by the Head of Legal Services and Monitoring Officer for this purpose and the appointment shall be approved by the Head of Legal Services and Monitoring Officer. Where there is no approved list, then the Head of Legal Services and Monitoring Officer will determine the method of selection, likely to be appointed from a list maintained by a third party.*

*The engagement of external solicitor shall be made by formal letter or appointment contract once and approved by the Head of Legal Services and Monitoring Officer. In most cases the Head of Legal Services and Monitoring Officer may will authorise the use of external solicitors on the Surrey Legal Alliance Solicitors Framework. Requests for advice (up to £10k £20k) can be obtained without the need to advertise or seek alternative quotes subject to the Head of Legal Services and Monitoring Officer being satisfied that the appropriate specialism is not obtainable elsewhere and that value for money is achieved.*

*Instructions to, or a brief to external counsel shall be issued in consultation with the Head of Legal in respect of any matter.*

*Before instructing or briefing external counsel or external legal advisor, the Head of Legal or their substitute shall take all reasonable steps to obtain an oral quotation from Counsel's clerk or from the firm's legal director. Where the Head of Legal anticipates that the net value of counsel's fees or external legal advisor will exceed £20k, the Head of Legal shall take all reasonable steps to obtain fee quotations from three (3) different counsels' chambers for counsel or external legal firms of comparable experience and seniority unless, in the opinion of the Head of Legal it is not practicable or appropriate to do so.*

**33.4.4**

Includes reference to the Council's Risk Management Strategy that applies to the management and monitoring of supplier contracts by inserting

33.4.4 would be amended to read:

33.4.        *The responsibilities of the Contract Manager will include:*

33.4.1.     *undertake appropriate risk assessments that have considered service continuity, health and safety, fraud and information management risks*

33.4.2.     *maintain a risk register during the contract period*

33.4.3.     *ensure appropriate contingency measures are in place for identified risks*

**PARAGRAPH  
NUMBER**

**REASONING FOR PROPOSED AMENDMENT**

- 33.4.4. *in line with the Council's Risk Management Strategy:*
- *formally review monthly and regularly monitor and report to the Procurement Specialist on: a Contractor's performance against the agreed level of service; the regularity of meetings held with the contractor; compliance with specification and contract costs and identifying as early as possible any potential over-spends and any Best Value requirements*
  - *monitoring the continuing level of operational and financial risk to which the Council is exposed and to institute controls as appropriate*
- 33.4.5 *facilitating the resolution of issues between the supplier and users of the service*
- 33.4.6 *ensuring prompt payment of invoices and compliance with all financial regulations and CSOs during the lifetime of the Contract*
- 33.4.7 *ensuring that appropriate arrangements are made for the termination or re-letting of the Contract at the appropriate time.*

This content is currently presented as follows:

33.4 The responsibilities of the Contract Manager will include:

- undertake appropriate risk assessments that have considered service continuity, health and safety, fraud and information management risks
- maintain a risk register during the contract period
- ensure appropriate contingency measures are in place for identified risks
- formally review monthly and regularly monitor and report to the Procurement Specialist on: a Contractor's performance against the agreed level of service; the regularity of meetings held with the contractor; compliance with specification and contract costs and identifying as early as possible any potential over-spends and any Best Value requirements
- monitoring the continuing level of operational and financial risk to which the Council is exposed and to institute controls as appropriate
- facilitating the resolution of issues between the supplier and users of the service
- ensuring prompt payment of invoices and compliance with all financial regulations and CSOs during the lifetime of the Contract
- ensuring that appropriate arrangements are made for the termination or re-letting of the Contract at the appropriate time.

## PROCUREMENT PERFORMANCE

### 6 Introduction

6.1 Procurement Performance is measured against several Key Performance Indicators identified by Internal Audit and agreed at the Committee in February 2021.

6.2 KPIs

KPI	Measure	Measured From	Target	Collection Period	Reporting Regime	Performance
						Jan-Dec 2022
1	Savings achieved as a result of a procurement process	In-tend	No Target in year 1	Quarterly	Annual	-£226,312
2	% of procurement transactions greater than £5k captured on in-tend	PAR Library/In-tend	95% in year 1 100% thereafter	Quarterly	Annual	63%
3	% of spend with 100 top suppliers currently compliant with CSOs	Agresso / In-tend	80% in year 1 100% thereafter	Bi-annual	Annual	97%
4	Number of Contract values awarded to within 10% of pre-contract estimated value	In-tend	95% in year 1 100% thereafter	Quarterly	Annual	95%
5	Number/Value of current CSO waivers in force	CSO Library	n/a	Quarterly	Annual	Number = 23 Value = £437,719
6	Number of contracts awarded to local SMEs	In-tend	n/a	Quarterly	Annual	0

6.3 A full breakdown of all Procurement Activity Requests can be found in Background Paper '**PAR Analysis 2022**'.

#### 6.4 Commentary:

1. **Savings.** Refer to '**PAR Analysis 2022**'. This identifies the saving (or overspend) achieved following a procurement exercise against the approved value of the Procurement Activity Request (PAR).



2. **In-tend.** All Requests for Quote and Invitations for Tender should be processed via In-tend (the Council's tendering portal). However, due to the departure of several key procuring officers this has not always been possible. Quotes have been obtained via email instead.
3. **Compliant Spend.** Contracts are in place with all Top 100 suppliers (where relevant). However, there is spend with 4 suppliers (operating under an ongoing SLA) for voids works on empty Council owned properties that was due to be tendered in 2021. However, due to the departure of two key staff managing this spend the procurement exercise was further delayed. A new project team has been created and is working to a target contract start date of 1/4/24 to procure a new voids contract.
4. **Awards within 10%.** It should be noted that where a contract award is greater than the amount approved at the PAR stage the contract award must go back to the Corporate Procurement Board for approval.
5. **CSO Waivers.** As per section 3 below.
6. **Local SMEs.** This refers to the number of contracts awarded to local SMEs during 2022, and not the total number of contracts in place with local SMEs.

## 7. Procurement Board

7.1 The Corporate Procurement Team consists of:

- Deputy Chief Executive
- Chief Finance Officer (S151)
- Head of Legal Services & Monitoring Officer
- Procurement Specialist
- Head of Operations and Contracts
- Head of Housing
- Head of Digital Business Transformation and Democratic Services

7.2 The purpose of the board is to:

- have oversight and scrutiny of the Council's commercial activities, primarily commissioning and procurement;
- review and approve commercial activities at key stages of the commissioning and procurement lifecycle;
- ensure alignment with corporate priorities, corporate objectives and ensure value for money; ensure compliance with CSOs;
- to approve all procurement expenditure over £5k;
- ensure that the procurement of goods and services achieve value for money;
- provide a forum for sharing expertise, learning and good practice between departments.

7.3 The board has met monthly with the following agenda:

- Procurement Activity Request (PAR) for approval
- CSO Waivers for approval
- Progress update on previously approved PARs
- Review of upcoming expiring contracts
- Current contract performance update
- Top100 spend review
- Procurement Pipeline update
- Procurement Card spend review

7.4 The board approved 62 Procurement Activity Requests in the 12 months to December 2022 with a total value of £5,202,690.

7.5 Under the Contract Standing Orders the Procurement Board is the main Officer forum for procurement decisions. The Corporate Procurement Board has the power to waive the CSOs in specific circumstances and agree waiver decisions.

## **8. Procurement Shared Service**

8.1 As of 3rd April 2023 the Procurement Specialist (John McGeown) reduced to working 3 days per week. In order to provide cover for the other 2 days as well as a level of resilience that was previously missing a new arrangement with the Orbis shared procurement service (Brighton & Hove, East Sussex and Surrey County Council) was entered into.

8.2 As part of this new arrangement the Procurement Specialist was seconded to Orbis but remains as a full TDC resource. Orbis provide an 'Onsite Procurement Solution (JM) with a Flexible Transaction Delivery Team' consisting of resources within the Orbis Procurement team.

8.3 This new model will provide:

- Resilience
- Capacity
- Value for Money
- Compliance
- Customer Support
- Simplicity

## **WAIVERS FROM CSOs**

### **9 Introduction**

9.1 The requirement for a report to Members on the number of and reasons for CSO waivers was identified by Internal Audit and agreed at the S&R Committee in February 2021.

9.2 CSO 4 details the permitted exceptions from all or part of CSOs provided that the CPB has given prior approval by means of a CSO waiver. All waivers from CSOs are approved by the CPB.

9.3 As summary of all CSO Waivers approved in 2022 is provided below, the full list is provided in **Appendix A**.

<b>Reason for Waiver</b>	<b>Volume</b>	<b>Value</b>
Extension	10	£171,232
Single Supplier	4	£106,025
Urgency	8	£146,337
Other	1	£14,125
	<b>23</b>	<b>£437,719</b>

### **Key implications**

#### **Comments of the Chief Finance Officer**

There are no direct financial implications from this report.

Note that the savings within this document refer to procurement savings that are identified by comparing current contract value with awarded contract. In some respects, financial and procurement savings are different. Where the service budget in which the contract resides has financial savings to achieve, this can be through a combination of contract and other reductions.

The amendments to Contract Standing Orders and adoption of a set of standard KPI's for procurement will also strengthen current practice.

#### **Comments of the Head of Legal Services**

The purpose of Contract Standing Orders (CSO) is to set clear rules for the procurement of goods, works and services for the Council. The rules should ensure that the Council is fair and accountable in its dealings with contractors and suppliers. The CSOs are also intended to ensure that the Council obtains value for money and that it is taking good care of public funds. These are made in accordance with the requirements of Section 135 of the Local Government Act 1972.

The CSOs are kept under review and when necessary amendments are proposed to this Committee for consideration and recommendation on to Full Council. Additional changes are required to support the introduction of new regulations, technologies, inconsistencies in the current CSO's and minor drafting amendments. There are no legal reasons preventing Members from approving the recommendations in the report.

## **Equality**

When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public-sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public-sector equality duty. This includes, where appropriate, completing an equality impact assessment.

## **Climate change**

The climate change action plan included the development of a new procurement strategy to further sustainability and carbon reduction via the Council's procurement activities. The strategy was approved by the corporate procurement board in April 2021 and includes a sustainable procurement clause that makes specific reference to the use of environmental products and a commitment to environmental construction, biodiversity and recycling.

## **Appendices**

Appendix A – CSO Waivers 2022

## **Background papers**

PAR Analysis 2022

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

APPENDIX A

Waivers from CSOs - 2022

CSO Ref	Name	Reason	Amount	Request Date	Approved Date	Approved by	Duration	Valid Until
22-01	<a href="#">CSO Waiver - Idox January 2022.pdf</a>	Extension	£ 10,278	10/01/22	17/01/22	David Ford	1 year	20/02/23
22-02	<a href="#">CSO Waiver - Telephone System 2022.pdf</a>	Extension	£ 8,672	05/01/22	17/01/22	David Ford	1 year	20/01/23
22-03	<a href="#">CSO Waiver - Arcus Global 2022.pdf</a>	Single Supplier	£ 39,858	26/01/22	09/02/22	David Ford	1 Year	31/03/23
22-04	<a href="#">CSO Waiver - Revs and Bens Annual Billing 22-3.pdf</a>	Extension	£ 28,000	08/02/22	23/02/22	David Ford	1 year	31/03/23
22-05	<a href="#">CSO Waiver - IHS Markit.pdf</a>	Single Supplier	£ 8,667	07/02/22	10/05/22	David Ford	1 year	31/03/23
22-06	<a href="#">CSO Waiver - NEC Processing Service Contract.pdf</a>	Urgency	£ 22,245	31/03/22	31/03/22	David Ford	3 months	30/06/22
22-07	<a href="#">CSO Waiver - Internet Payment Facility Software 2022.pdf</a>	Extension	£ 13,112	28/03/22	04/04/22	David Ford	1 year	01/04/23
22-08	<a href="#">CSO Waiver - Disabled Adaptation 30 Careys Wood.pdf</a>	Urgency	£ 47,746	26/04/22	12/05/22	David Ford	6 months	31/12/22
22-09	<a href="#">CSO Waiver - HFS 22.pdf</a>	Other	£ 14,125	25/05/22	07/06/22	David Ford	1 year	01/07/23
22-10	<a href="#">CSO Waiver - Atkins re LUF.pdf</a>	Urgency	£ 19,389	07/06/22	10/06/22	David Ford	3 months	11/07/22
22-11	<a href="#">CSO Waiver - Agilyx.docx.pdf</a>	Extension	£ 13,500	04/07/22	04/07/22	David Ford	1 year	12/07/23
22-12	<a href="#">CSO Waiver - Idox July 2022.pdf</a>	Extension	£ 25,476	27/07/22	30/07/22	David Ford	2 years	19/01/25
22-13	<a href="#">CSO Waiver - Conga 2022 - approved.pdf</a>	Extension	£ 7,694	18/08/22	31/08/22	David Ford	1 year	16/08/23
22-14	<a href="#">CSO Waiver - NEC - approved.pdf</a>	Extension	£ 6,000	16/08/22	31/08/22	David Ford	3 weeks	30/09/22
22-15	<a href="#">CSO Waiver - HBAP 22-23 - approved.pdf</a>	Extension	£ 22,500	12/08/22	31/08/22	David Ford	2 years	31/08/24
22-16	<a href="#">CSO Waiver - Paper and cardboard collection.pdf</a>	Extension	£ 36,000	18/03/22	20/09/22	David Ford	6 months	31/03/23
22-17	<a href="#">CSO Waiver - Westway Fire Compartmentation.docx</a>	Urgency	£ 9,540	07/10/22	18/10/22	David Ford	One off	18/11/22
22-18	<a href="#">CSO Waiver - Westway Boilers.pdf</a>	Urgency	£ 7,280	08/11/22	22/11/22	David Ford	1 month	22/11/22
22-19	<a href="#">CSO Waiver - EA appointment post WS administration (1).pdf</a>	Single Supplier	£ 32,500	22/11/22	02/12/22	David Ford	one-off	
22-20	<a href="#">CSO Waiver - DAC Planning.pdf</a>	Single Supplier	£ 25,000	06/12/22	12/12/22	David Ford	6 months	01/06/23
22-21	<a href="#">CSO Waiver - WHE - Asset Valuations.pdf</a>	Urgency	£ 10,500	06/12/22	07/12/22	David Ford	1 year	31/12/23
22-22	<a href="#">CSO Waiver - Warden Call System - approved (2).pdf</a>	Urgency	£ 8,557	09/12/22	12/01/23	David Ford	3 months	09/03/23
22-23	<a href="#">CSO Waiver - Site Security - Churchill.pdf</a>	Urgency	£ 21,080	22/08/22	05/09/22	David Ford	8 weeks	17/10/22

<b>Total</b>	<b>£ 437,719</b>
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Reason for Waiver	Volume	Value
Extension	10	£171,232
Single Supplier	4	£106,025
Urgency	8	£146,337
Other	1	£14,125
	<b>23</b>	<b>£437,719</b>

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## Strategy & Resources Committee - Terms of Reference

### Strategy & Resources Committee Thursday, 29 June 2023

Report of: Head of Legal Services & Monitoring Officer

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Purpose: For recommending to Full Council

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Publication status: Open

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Wards affected: All

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#### Executive summary:

This report proposes an amendment to the terms of reference of the Committee in order that it may resolve matters in relation to polling district reviews.

**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

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#### Recommendations to Committee:

That the amendments to the terms of reference for the Committee, as attached at Appendix A, be recommended to Full Council for adoption.

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#### Reasons for recommendations:

The recommendations would enable the Committee to resolve matters relating to polling district reviews. Currently, the Committee can only recommend these matters to Full Council. Amending the terms of reference in line with the proposal at Appendix A will maximise the time available to Officers to implement changes to polling districts following the conclusion of the Local Government Boundary Commission for England (LGBCE) electoral review before the May 2024 elections.

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## **Introduction and background**

1. The LGBCE are conducting an electoral review of the Council. This involves the review of ward boundaries and the proposal of new wards as a result.
2. It will be necessary for the Council to undertake a polling district review after the electoral review has been completed. This is to ensure the electoral register correctly reflects the new ward boundaries and will enable all voters to vote at the correct polling station at the May 2024 elections. A new electoral register will need to be published once these changes have been implemented. This is likely to be around the 1<sup>st</sup> March 2024.
3. The LGBCE will publish their final recommendations on 31<sup>st</sup> October 2023. It will be necessary to undertake a polling district review immediately after this so that the outcome can be presented to this Committee in January 2024.
4. The suggested change to the Committee's terms of reference will allow for the Committee to resolve changes to polling districts, without the need for ratification by Full Council. This will provide officers with the maximum amount of time available to update the electoral register and undertake necessary checks to ensure it is accurate before it is published.
5. It should be noted that any delay in either the electoral review or the polling district review may affect the implementation of the new arrangements before the May 2024 elections.

### Conclusion

6. The Committee is invited to consider the proposed revision to the Committee's terms of reference in relation to polling districts at Appendix A to the report and recommend the amendments to Full Council for approval.

## **Key implications**

### **Comments of the Chief Finance Officer**

There are no significant financial implications associated with this report.

### **Comments of the Head of Legal Services**

The above proposed amendment in conjunction with proposed changes to the Council's Constitution would mean that the Committee would be able to resolve matters relating to polling district reviews. The proposed changes as set out in Appendix A are therefore both reasonable and workable.

## **Appendices**

Appendix A – copy of the relevant terms of reference for the committee with proposed amendments shown with track changes



## 2. TO RECOMMEND

- (i) New policies or changes in policy within the remit of the Committee which would require resources beyond those allocated to the Committee.
- (i) Financial programmes for overall revenue and capital expenditure, including the medium term financial strategy and, as part of the annual budget setting process, the level of Council Tax and Prudential Indicators.
- (iii) Changes of use of Council owned (General Fund) land, subject to consultation with other Policy Committees who may be responsible for services currently operating from the land in question.
- (iv) Freehold disposals of General Fund assets worth over £1 million.
- (v) Leasehold disposals of General Fund assets for:
  - periods over 99 years; and
  - periods of between 16 and 99 years if the annual rental valuation is more than £75,000 plus premium
- (vi) Annual pay policy statements.
- (vii) Civic matters as detailed in 1.A (i) above.
- (viii) Making of Byelaws for Good Rule and Government and the suppression of nuisance within the remit of this Committee.
- (ix) ~~Polling District and Community Governance Reviews (subject to the Electoral Registration Officer having authority to change a polling place, in consultation with Ward Members and Group Leaders, when it would not be practicable to seek Committee / Council approval for such a change in time for an election—Minute 268 (2020/21)).~~
- (x) Significant revisions to the Constitution (subject to other Policy Committees being able to make recommendations direct to Council about proposed changes to their Terms of Reference).
- (xi) Changes to the Committee's Terms of Reference.
- (xii) Other matters under the Committee's jurisdiction which, by virtue of statutory provision, must be determined by full Council.

[return to Part E contents page](#)

### 3. TO RESOLVE

- (i) New policies or changes in policy within the remit of the Committee which can be accommodated within the Committee's overall allocation of resources.
- (ii) The formation of other subsidiary companies and special purpose vehicles as deemed necessary to support property projects.
- (iii) Freehold disposals of General Fund assets worth between £250,000 and up to £1 million (the Chief Executive can determine freehold disposals of assets worth less than £250,000 in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution.
- (iv) Leasehold disposals of General Fund assets for:
  - periods between 16 and 99 years if the annual rental valuation is up to £75,000 plus premium; and
  - periods up to 16 years if the annual rental valuation is more than £75,000

(Authority is delegated to the Chief Executive, in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution, to approve leasehold disposals of General Fund assets of up to 16 years and with an annual rental valuation of up to £75,000).
- (v) Determination of applications by community organisations for rental subsidies in respect of their use of Council owned land.
- (vi) Use of the Investment & Development Fund to purchase assets; develop Council-owned sites; or facilitate other corporate projects in accordance with the criteria specified within Financial Regulation 17.
- (vii) Individual purchases of land or buildings within or outside the District at or above £10 million in value in connection with (vi) above (including by means of a loan to a Local Authority owned company).
- (viii) The writing off of irrecoverable debts in excess of £10,000 with the exception of a National Non-Domestic Rate liability which is no longer recoverable owing to the business having become Insolvent; the company having dissolved; or the sole trader having been made bankrupt. (**Note:** the writing off of rent arrears is dealt with by the Housing Committee).
- (ix) The seeking of deemed planning consents.
- (x) Determination of the tax base for Council Tax purposes.
- (xi) Rents and charges for services, accommodation and land.
- (xi) Local Land Charges.
- (x) Street names, house names and street numbering records.

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(xi) Responses to consultations from the Government, other authorities and external agencies where there is a potentially significant impact upon the delivery of services falling under the remit of the Committee.

~~(xii)~~(xii) -Polling District Reviews (subject to the Electoral Registration Officer having authority to change a polling place, in consultation with Ward Members and Group Leaders, when it would not be practicable to seek Committee / Council approval for such a change in time for an election – Minute 268 (2020/21)).

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