

## TANDRIDGE DISTRICT COUNCIL

### STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber - Council Offices on the 30<sup>th</sup> January 2024 at 7:30pm.

**PRESENT:** Councillors Langton (Chair), Crane (Vice-Chair), Botten, Cooper, Damesick, Chris Farr (Substitute in place of Black), Gray, Groves (Substitute in place of Bloore), Hammond, Pursehouse and Sayer

**ALSO PRESENT:** Councillors Allen, Sue Farr and Nicholas White

**ALSO PRESENT (Virtually):** Councillors Gaffney, Moore and O'Driscoll

**APOLOGIES FOR ABSENCE:** Councillors Black, Bloore and Alun Jones

## 224. MINUTES OF THE MEETING HELD ON THE 30TH NOVEMBER 2023

These minutes were confirmed and signed as a correct record.

Regarding the actions in respect of minutes 185 and 186, the Director of Resources confirmed the following:

#### Staff turnover KPI (SR7)

Interim staff were not factored into this KPI, which only related to permanent and fixed term staff. This would be explained within the Quarter 3 performance report to the Committee on 26th March 2024.

#### Implementing the new telephony system

The migration of officers' direct dial numbers to the new system was underway. The next phase would involve external calls to Customer Services and, following recent consultation with the Member Reference Group (MRG), would be the subject of a briefing note to all Councillors prior to the provisional 'go live' date of 14th February 2024. The main risk mitigation measure was to ensure adequate staffing levels for Customer Services during the switch over period. Furthermore, support for the existing telephony system would remain in place for at least six months pending assurance that the new system is operating effectively. Contingency measures were in place to revert to the existing system should the new one fail to perform as planned.

Dialogue with the MRG had begun regarding the longer-term strategy for customer engagement, including options presented to callers upon dialling the main Council number; communication channels for contacting the Council; and wider digital solutions, the design of which would be the subject of ongoing Member engagement.

## 225. INVESTMENT SUB-COMMITTEE - 19TH JANUARY 2024

**RESOLVED** – that the minutes of this meeting, attached at Appendix A, be received.

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

**RECOMMENDED** – that, in respect of Item 3 of the Sub-Committee minutes, the Capital Investment and Treasury Management Strategy 2024-25 be approved.

## 226. STRATEGY AND RESOURCES COMMITTEE – 2024/25 PROPOSED GENERAL FUND BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

A proposed draft 2023/24 revenue budget and capital programme for services falling under the remit of the Committee, together with a revenue budget for corporate items, was presented. Paragraph 1.6 of the accompanying report identified the principles upon which the overall Council budget were being prepared, including a balanced revenue budget without a call on General Fund reserves. It was noted that the Committee is responsible for delivering 59% of the Council's overall savings plan for 2032/24.

In response to Members' questions, the Director of Resources confirmed that:

- opportunities to generate additional rental income from the Oxted Council offices were being pursued; and
- the Commercial Finance Business Partner post had now been made permanent and would, therefore, be funded from the core revenue budget from 2024/25 onwards (the post had, initially, been funded from the Future Tandridge Programme budget for 2023/24).

**RESOLVED** – that:

- A. the Strategy & Resources Committee's proposed revenue budget for 2024/25 of £6.214m, as shown in Appendices A and B to the report and taking account of the pressures and savings allocated to the Committee, be agreed and it be noted that further allocations will be made to distribute an amount equal to increments and the agreed Council staff pay award, subject to approval at Full Council;
- B. the fees and charges for the Strategy & Resources Committee, as set out in Appendix C to the report, be agreed;
- C. the Strategy & Resources Committee's final capital programme for 2024/25 in the sum of £2.9m, as shown in Appendix D to the report, be agreed, subject to approval at Full Council;
- D. the corporate items proposed revenue budget for 2024/25 of (£0.485m), as shown in Appendices A and B to the report be agreed, noting that the amount set aside for a staff pay award, pensions and increments is £417k, which will ultimately be distributed to Committee budgets, with virements, subject to approval by the Strategy & Resources Committee; and

- E. the subjective revenue budgets in Appendix C to the report, setting out movements from 2023/24 to 2024/25 and an estimated movement to 2025/26, be noted.

## **227. 2024/25 FINAL BUDGET AND MEDIUM TERM FINANCIAL STRATEGY**

A report was presented with a proposed Council-wide budget for 2024/25 and Medium-Term Financial Strategy to 2026/27. This followed consideration by the other policy committees of their respective elements of the budget and included:

- confirmation that the development of a new corporate plan, to be aligned with the budget setting process in future years, was underway
- key guiding principles upon which the budget and medium-term financial strategy is based, including balancing the budget with no use of general fund reserves
- revenue budget headlines and changes since the draft budget, including an additional investment of £338k for the Planning Policy Committee by comparison to the draft budget, with a £479k increase overall by comparison to the Planning Policy Committee's 2023/24 budget
- an analysis of budget pressures and the 2024/25 savings plan
- an update on the delivery of key milestones and saving targets within the Future Tandridge Programme, including 'next steps'
- the proposed creation of a £200k Service Capacity Fund to be held as a corporate resource, with its distribution subject to Member approval as and when proposals emerge for supplementing service budgets
- proposals on the level of Council Tax (the precept) to be set by the Council
- the Council's 'Section 25 report', providing confirmation on the robustness of estimates and the adequacy of reserves, subject to the need for reserves to increase in future to provide the Council with some flexibility and resilience in its medium-term financial planning.

The Director of Resources referred to the challenges associated with delivering priorities throughout the medium term from 2025/26 amidst a projected funding gap. In that respect, it was confirmed that a Transformation Programme Director would be joining in April 2024 to focus on shaping and delivering the Council's future plans within available resources. Work to identify savings would continue without let up, despite the 2024/25 budget being balanced.

The Committee was also informed that the Council was expecting a share of additional government funding for local authorities. However, confirmation of the amount (likely to be in the region of £120,000) and conditions of expenditure were still awaited and, therefore, the necessary adjustments to the 2024/25 budget would be made in due course.

In response to Members' questions, the Director of Resources:

- outlined potential risks to the delivery of the savings plan, including the potential for income shortfalls and reduced government grants, both of which were mitigated by earmarked reserves;
- explained the intention to enhance the resilience and efficiency of support services in the context of avoiding impacts upon 'resident facing services'
- explained the work currently in place to enhance cyber security
- advised that the £578k capital provision for playground improvements in 2023/24 included carry forwards from previous years and that the provisions for 2024/25 (£132k) to 2026/27 (£137k) did not represent reduced funding
- confirmed that the scope for joint working with Reigate & Banstead Borough Council for the management of off-street parking services was being pursued
- clarified that increases in the number dwellings would not necessarily translate directly into additional Council Tax income due to the impact of the Council Tax Support Scheme
- confirmed that the requirement for District Councils to undertake Council Tax referenda would be triggered if increases exceeded 2.99% (or £5 if greater) but that no statutory limits applied to Parish Council precepts.

Action	Responsible Person	Deadline
Confirmation of the percentage element of staff costs within the General Fund budget	Mark Hak-Sanders	28.02.2024

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

**RECOMMENDED** – that:

- A. it be noted that, for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in Council Tax is not such as to trigger a referendum (i.e. not greater than the higher of £5 or 2.99%);
- B. it be noted that the Local Council Tax Support Scheme is unchanged for the financial year 2024/25;
- C. the Parish Councils' precept requirements for 2024/25 be noted by Full Council;
- D. it be noted that unavoidable external risks to the budget are mitigated through the retention of a general contingency of £0.445m per annum (held at the same level as 2023/24);
- E. the financial strategy to build the General Fund reserve from the current level of £2.8m using unused contingency be noted;

- F. the net revenue budget requirement be set at £12.799million (net cost of services after service-specific government grants) for 2024/25 (Appendices B and C), subject to confirmation of the Final Local Government Financial Settlement;
- G. the final budget envelopes for each Committee, including the allocation of pressures and savings targets for 2024/25 at Appendices B and C, be approved;
- H. the £74.8 million proposed three-year Capital Programme at Appendix D be approved (comprising £7.9m General Fund; £5.6m Community Infrastructure Levy; and £61.3m Housing Revenue Account) of which £25.5m capital budget is for 2024/25;
- I. the total Council Tax Requirement be set at £9.6 million for 2024/25, based on a Council Tax increase of 2.99% to cover Council services (Appendix E); and
- J. Tandridge District Council sets its precept for Band D Council Tax at £244.99 which represents a £7.11 / 2.99% uplift, equating to 14 pence per week – a full list of bands is as follows:

<b>Valuation Band</b>	<b>Annual Amount (£)</b>
A	163.33
B	190.55
C	217.77
D	244.99
E	299.43
F	353.87
G	408.32
H	489.98

- K. the Flexible Use of Capital Receipts Strategy for 2024/25 to meet the statutory guidelines for the use of such receipts to fund transformation (Appendix F) be approved; and
- L. in respect of the wider Future Tandridge Programme, progress be noted on:
- delivering the Future Tandridge Programme, the direction of travel for the Service Reviews and associated savings targets for 2023/24
  - developing a Commercial strategy and activities to support commercial opportunities
  - developing a consistent approach to continuous improvement and commissioning across the Council.

## 228. RISK MANAGEMENT STRATEGY

A revised risk management strategy was presented which sought to provide a clear framework for managing risk through the four stages of identification; evaluation / assessment; response / action; and monitoring / reporting. The strategy also reflected 'roles and responsibilities' and provided commentary on risk management training, risk appetite and risk governance.

**RESOLVED** – that, subject to the 3<sup>rd</sup> and 4<sup>th</sup> bullet points of Section 3 (Objectives) being reversed as follows:

- *Ensure senior staff understand and manage the risks relating to their activities and the impact on the Council's key strategic risks*
- *Ensure staff are aware of and understand the risk strategy and the risk framework, as well as how these apply to their own roles and responsibilities*

... the proposed Risk Management Strategy at Appendix A to the report be approved.

## 229. CLIMATE CHANGE MITIGATION UPDATE

The Committee received an update about the Council's approach to climate change mitigation and work taking place to support it. This included reference to:

- the Policy and Sustainability Specialist post which was filled at the end of July 2023 (as part of a restructured Policy and Communications team) the remit of which includes co-ordinating and overseeing the climate change work taking place across service areas, and ensuring the Council takes a more active role in county wide groups
- the Ecologist post to support Biodiversity Net Gain work.

The report also outlined climate change mitigation measures being pursued by the Council, including:

- work being undertaken with Surrey County Council and Connected Kerb Ltd with a view to entering into a contract for the installation of electric vehicle charging points across the district
- the aim for all council vehicles to be powered by electric or other low carbon alternatives by 2030
- partnership working with Action Surrey and Solar Together to help secure energy efficiency improvements for Tandridge households, along with other joint working initiatives
- other measures to increase the energy efficiency of the Council's housing stock.

Arising from the debate, it was agreed that a Task & Finish Working Group be established to enable Members to guide the preparation of a draft climate change strategy and action plan. This would be informed by the activities described above, together with the scope for specific objectives, examples of which were suggested during the debate. Discussion took place regarding the need for the action plan to be financially viable given the Council's limited resources.

**RESOLVED** – that:

- A. the report be accepted and noted; and
- B. a Task & Finish Working Group be established to prepare a draft climate change strategy and action plan for future consideration by the Committee, comprised as follows for the remainder of the current municipal year (Group Leaders to notify Democratic Services of their Group’s representatives):

Residents’ Alliance	2
Liberal Democrats	2
Conservatives	2
Independent Group	1

In accordance with Standing Order 25(4), Councillor Cooper wished it recorded that he abstained from voting.

## 230. PAY POLICY STATEMENT 2024/25

The Localism Act 2011 required Councils to publish annual pay policy statements. A proposed 2024/25 statement for Tandridge was submitted. The Chair reflected on the importance of linking pay progression to performance and achievement of objectives.

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

**RECOMMENDED** – that the annual Pay Policy Statement for 2024/25, as attached at Appendix G, be adopted from 1st April 2024.

## 231. POLLING DISTRICT AND POLLING PLACE REVIEW 2023/24

A report was submitted regarding this review (required every five years by Section 18C of The Representation of the People Act 1983) which commenced on 6<sup>th</sup> November 2023. The report explained the Council’s statutory duties for ensuring the provision of accessible voting facilities and set out the responses to a public consultation regarding current arrangements.

An amended polling scheme was proposed which included:

- consequential changes following the recent electoral review conducted by the Local Government Boundary Commission for England (LGBCE);
- changes to polling district references to reflect new ward boundaries and to ensure all such references presented a more logical reflection of relevant wards
- new polling districts in Warlingham West and Oxted to take account of the changes to parish wards in those areas following the LGBCE electoral review.

During the consultation, representations had been submitted in favour of potential alternative polling places for the Godstone Central, Horne and Warlingham East polling districts. However, following consideration of the suggested locations, it was concluded that the existing venues should remain unchanged.

The report confirmed that some voters would be assigned new polling stations in light of the boundary review and that explanatory letters (plus e-mails if electors had agreed to share e-mail addresses) would be sent to affected households in March 2024. Members were advised that, where Parish and District ward boundaries are not co-terminus, electors would still be able to cast their votes in the one polling station. The Committee was also informed that Parish boundaries could only be made to realign with District wards via community governance reviews. Given the significant resource requirements of such reviews, they would have to be undertaken after the next General Election and could only be effective for subsequent parish polls.

**RESOLVED** – that:

- A. consequential changes be made to the polling district scheme to reflect the outcome of the Local Government Boundary Commission for England electoral review of Tandridge, namely:
  - (i) the polling place for polling district EC (recommended reference LNC2) be Lingfield & Dormansland Community Hall
  - (ii) a new polling district (ON2) be created to reflect the boundary changes between Oxted North and Oxted South, and that the polling place be Oxted Community Hall
  - (iii) polling districts in Caterham be amended to reflect the new Portley & Queens Park and Westway wards
  - (iv) a new polling district (WAW2) be created to reflect the boundary changes between Warlingham West and Whyteleafe;
- B. polling district references be amended to reflect the ward they are within; and
- C. no further changes to polling districts or polling places be made.



## 232. REVIEW OF DELEGATION OF POWERS TO THE STRATEGY & RESOURCES COMMITTEE

Members considered suggested amendments to the Committee's terms of reference and scheme of delegation (Part E of the Council's constitution) together with corresponding revisions to delegation arrangements for other committees.

The report advocated an uplift in the financial threshold for leasehold disposals of General Fund and Housing Revenue Account assets for lease periods between 16 and 99 years, i.e.:

	From	To
Council decision if rental value exceeds ...	£75,000 plus premium	£100,000 plus premium
Committee decision if rental value is up to ...		

The same uplift was recommended for leasehold disposals for lease periods of up to 16 years which required a committee decision. The uplifts were intended to take account of the impact of inflation since the threshold was originally set in 2018. Councillor Gray, seconded by Councillor Groves, moved an amendment to the respective recommendations that that the threshold should remain at £75,000. Upon being put to the vote the amendment was lost.

### **COUNCIL DECISIONS**

*(subject to ratification by Council)*

**RECOMMENDED** – that:

- A. Clause B, “*Prepare and annually review a Committee Service Plan*” be deleted from the Terms of Reference section for this Committee and those for the Community Services, Housing and Planning Policy Committees;
- B. the following amendments be made to the list of matters reserved for this Committee to recommend to Full Council:

1. Amendment to item (ii):

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 *(subject to the Committee being able to resolve rephasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing)*.

2. Amendment to item (iv):

*Decisions on whether or not to proceed with* freehold disposals of General Fund assets worth over £1 million.

## 3. Amendments to item (v):

Decisions on whether or not to proceed with 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~~ £100,000 plus premium.

## 4. Addition of a new item (vi):

Individual purchases of land or buildings within or outside the District (including by means of a loan to a Local Authority owned company) via the Council's General Fund

... with subsequent items renumbered;

## C. the following amendments be made to the list of matters reserved for the Committee to resolve:

## 1. Amendments to item (iii):

Decisions on whether or not to proceed with 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).

## 2. Amendments to item (iv):

Decisions on whether or not to proceed with leasehold disposals of General Fund assets for:

- periods between 16 and 99 years if the annual rental valuation is up to ~~£75,000~~ £100,000 plus premium; and
- periods up to 16 years if the annual rental valuation is more than ~~£75,000~~ £100,000

(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~~ £100,000).

## 3. Deletion of Item (v):

~~Individual purchases of land or buildings within or outside the District at or above £10 million (including by means of a loan to a Local Authority owned company).~~

4. Amendment to item (vii) (to be renumbered (vi)):

The seeking of ~~deemed planning consents~~ planning permission by, or on behalf of, the Council

... with subsequent items renumbered.

5. Addition of the following clause (to be numbered (xiii)):

Rephrasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing.

6. Addition of the following clause (to be numbered (xiv)):

Addition of externally funded schemes to the capital programme;

- D. the amended thresholds from £75k to £100k regarding the leasehold disposals of General Fund assets (Recommendations B3 and C2 above) be also applied to the corresponding clauses within the lists of matters reserved for the Housing Committee to recommend and resolve regarding leasehold disposals of Housing Revenue Account assets; and
- E. the extra clause, "*Addition of externally funded schemes to the capital programme*" be also added to the delegation schemes of the Community Services; Housing; and Planning Policy Committees within the lists of matters reserved for those committees to determine.

Rising 10.04 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 19<sup>th</sup> January 2024 at 10:00am.

**PRESENT:** Councillors Langton (Chair), Booth, Chris Farr, Hammond and Alun Jones

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

**APOLOGIES FOR ABSENCE:** Councillors Botten and Cooper

#### 1. MINUTES OF THE MEETING HELD ON THE 3RD NOVEMBER 2023

These minutes were confirmed and signed as a correct

#### 2. SUMMARY INVESTMENT AND BORROWING POSITION AT 31ST DECEMBER 2023

A report with the investment analysis at Annexes A to C was presented, together with commentary from Arlingclose (the Council's treasury advisors) on the external context for treasury management activity. The report confirmed that, at 31st December 2023:

- (i) total long term treasury investments (over 12 months) amounted to £10.8m
- (ii) short term investments (less than 12 months) amounted to £20.5m
- (iii) the Council also held £16.5m 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 was £99.4m, comprising £43.4m General Fund loans and £56m Housing Revenue Account loans.

Regarding the Council's four investment funds (listed below), investment income was forecast to be £649k in excess of budget in 2023/24, although market values represented a carrying loss of £1.3m, a £0.2m improvement from the previous quarter.

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

The 2023/24 surplus had not been factored into the draft General Fund budget and the option of using it to increase the Investment Performance Equalisation Reserve (for mitigating the risk of carrying losses should the 'IFRS 9 statutory override' be removed) would have to be considered in due course. Arlingclose were asked to consider advice on the appropriate level to be held in the reserve. This will be considered by Sub-Committee as part of the 2023/24 Outturn reporting. A government decision on the future of the override was not expected until after the next general election.

The report also:

- explained that the CCLA were proposing to merge its Diversified Income Fund (DIF) with another existing fund under its management, the Better World Cautious Fund (BWCF) - Arlingclose did not foresee any major changes in the risk or return as a result of the conversion; and
- commented on the discounted Public Works Loan Board interest rate for the HRA, and that fact that, at present, the Council was able to finance HRA loans via internal borrowing.

**RESOLVED** – that the following be noted:

- A. the Council's investment and borrowing position at 31<sup>st</sup> December 2023 as set out in Annexes A and B;
- B. the Council's actual performance against the indicators set within the Treasury Management Strategy for 2023/24 in Annexe C;
- C. the commentary from Arlingclose on the external context for treasury management; and
- D. the update on the performance of the Council's long-term treasury investments.

### **3. CAPITAL, INVESTMENT AND TREASURY MANAGEMENT STRATEGY FOR 2024/25**

This strategy provided a high-level overview of how capital expenditure, capital financing and treasury management activity contribute towards the delivery of the Council's priorities, along with an explanation of how risk, security and liquidity are managed. It comprised:

- capital and investment overviews
- a treasury management strategy statement for 2024/25
- an investment property strategy for 2024/25
- an (unchanged) Minimum Revenue Provision (MRP) policy statement for 2024/25
- a statement of principles of corporate governance for the capital programme.

The Chief Finance Officer confirmed that the strategy was fundamentally the same as for 2023/24, subject to the relatively minor amendments outlined in Section 5 of the covering report.

David Green (Arlingclose) gave an overview of relevant national economic issues, namely:

- GDP and inflation analysis
- current Government consultations regarding:
  - proposed new rules for Minimum Revenue Provision, to ensure its application across the entire Capital Financing Requirement from 2024/25 (the Council's approach to MRP was already in line with the proposals); and
  - a call for views on increased flexibility for the use of capital receipts.

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

**RECOMMENDED** – that that the [Capital Investment and Treasury Management Strategy 2024-25](#), as at Appendix 1 to the report, be approved, subject to ratification by Full Council.

## 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 properties concerned were:

### **Gryllus properties:**

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

A new lease with the existing tenant was being negotiated.

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

Terms had been agreed on a new letting.

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

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

### **TDC properties:**

#### **Quadrant House, Caterham Valley**

Following ratification by Full Council of the letting to McDonalds, information was provided about work being undertaken to mitigate potential impacts. The Principal Asset Manager responded to questions and acknowledged that certain issues regarding the wider management of the building (regardless of the McDonalds letting) needed to be resolved. It was agreed that the Principal Asset Manager would circulate a briefing note regarding draft Heads of Terms (to be prepared during the coming weeks) to members of the Sub-Committee and that a meeting would be arranged (the formalities of which to be advised) to enable those Councillors to comment. However, it was clarified that authority to sign off the Heads of Terms rested with Officers.

Arising from the previous meeting, it was confirmed that proposals for the lease of the Workary had been accepted.

Details of a vacated unit and the termination of a lease were reported. The Principal Asset Manager requested details of issues raised at the meeting regarding the marketing of vacant units.

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

It was confirmed that a £197k grant from Sport England's Swimming Pool Fund would be paid to Freedom Leisure to offset increased energy costs.

**Council Offices, Oxted**

Local agents had been instructed to market surplus space.

Rising 11.07 am



## Summary of Investments and Borrowing

Investment	Original Value Long Term Treasury Investments	Net Asset Value 31/03/23	Net Asset Value 31/12/23	Yield Rate Note 1	Forecast Return 2023/24	Previous Year Actual Return
	£	£	£	%	£	£
<b>Treasury Investments (Non-specified)- Long Term (over 12 mths)</b>						
CCLA Property Fund	4,000,000	4,082,278	3,949,303	4.87	192,303	173,997
Schroders Bond Fund	3,000,000	2,550,204	2,693,929	4.91	132,221	149,038
UBS Multi Asset Fund	3,000,000	2,208,433	2,093,694	6.50	136,031	145,657
CCLA Diversification Fund	2,000,000	1,864,707	1,924,265	3.16	60,847	56,357
Funding Circle (Note 4)		142,398	148,766	-	6,371	20,249
<b>Sub Total Non-specified (Treasury Investments)</b>	<b>12,000,000</b>	<b>10,848,020</b>	<b>10,809,957</b>		<b>527,773</b>	<b>545,299</b>
<b>Treasury Investments (Specified)-Short Term (less than 12 mths)</b>						
Liquidity Plus Funds		1,994,226	1,995,710	5.25	104,787	37,475
Money Market Funds		4,000,000	18,500,000	5.01	566,695	394,562
<b>Total Specified Investments</b>		<b>5,994,226</b>	<b>20,495,710</b>		<b>671,482</b>	<b>432,037</b>
<b>Total Treasury Investments</b>		<b>16,842,246</b>	<b>31,305,667</b>		<b>1,199,255</b>	<b>977,336</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)		387,429	242,143	5.50	21,309	31,963
Freedom Leisure- Loan (de Stafford)		248,286	155,179	7.58	18,820	28,230
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		994,100	994,100	-	-	-
<b>Sub Total Non-Treasury Investments</b>		<b>16,700,314</b>	<b>16,461,922</b>		<b>945,634</b>	<b>965,699</b>
<b>Total Investments (Treasury &amp; Non-Treasury)</b>		<b>33,542,561</b>	<b>47,767,589</b>		<b>2,144,890</b>	<b>1,943,035</b>
<b>Total Investment Income Budget 2023/24</b>					1,495,700	1,495,700
<b>Over/(under) budget</b>					<b>649,190</b>	<b>447,335</b>

<b>Borrowing</b>	<b>Balance as at 30/09/23</b>	<b>Interest</b>	<b>Forecast Cost 2023/24</b>	<b>Period to maturity</b>	<b>Previous Year Cost</b>
	<b>£</b>	<b>%</b>	<b>£</b>	<b>(years)</b>	<b>£</b>
<b>General Fund Borrowing</b>					
Gryllus Loan	3,420,000	2.46	84,132	44	84,132
Freedom Leisure Loan	2,225,000	2.45	54,513	44	54,513
Village Health Club	938,678	2.38	22,341	44	22,341
Linden House	4,175,000	2.69	112,308	25	112,308
Linden House	254,000	2.42	6,147	26	6,147
Quadrant House	15,340,000	2.41	369,694	45	369,694
Quadrant House	800,000	2.28	18,240	46	18,240
Gryllus - 80-84 Station Road	724,400	2.28	16,516	46	16,516
Gryllus - Castlefield	15,549,000	2.91	452,476	46	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 2023/24</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	2.72	1,520,196	13	1,596,258
<b>Sub Total HRA Borrowing</b>	<b>55,989,000</b>		<b>1,520,196</b>		<b>1,596,258</b>
<b>Total HRA PWLB Budget 2023/24</b>			<b>1,639,600</b>		<b>1,639,600</b>
<b>Over/(under) budget</b>			<b>(119,404)</b>		<b>(43,342)</b>
<b>Total Borrowing</b>	<b>99,415,078</b>		<b>2,656,562</b>		<b>2,732,624</b>
<b>Total Budget 2023/24</b>			<b>2,776,600</b>		<b>2,776,600</b>
<b>Total Over/(under) budget</b>			<b>(120,038)</b>		<b>(43,976)</b>
<b>Net borrowing balance at 31 December 2023 (Total Borrowing less Treasury Investments)</b>	<b>82,572,832</b>				

**Notes:**

1. Yield Rate:

For Specified and Non specified Investments, this is the forecast return divided by net asset value as at 31/12/23;  
For Specified investments, this is the forecast return divided by the average investment value during the year

2. Gryllus share capital comprises of equity shares arising from loans granted

3. The period to maturity included for HRA borrowing is the weighted average for all loans outstanding.

4. The Funding Circle balance reflects the balance and yield as at 30 September 2023

# Annexe 'B'

## Market Value of Long Term Investments as at 31/12/2023

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Carrying Value	Carrying Value	Carrying Value	Carrying Value	Carrying Value	Carrying Value	Carrying Value	Carrying Value
	31.3.2018	31.3.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.12.2023
	£	£	£	£	£	£	£
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	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total</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>	<b>12,000,000</b>

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
	31.3.2018	31.3.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.12.2023
	£	£	£	£	£	£	£
CCLA Property Fund(mid-market value)	4,276,854	4,276,005	4,188,063	4,158,183	4,888,056	4,082,278	3,949,303
Schroders Bond Fund	2,912,837	2,865,130	2,539,938	2,908,911	2,775,151	2,550,204	2,693,929
UBS Multi Asset Fund	2,918,160	2,868,479	2,520,713	2,777,398	2,639,592	2,208,433	2,093,694
CCLA Diversification Fund (indicative market value)	1,921,257	1,982,167	1,804,193	1,955,874	2,046,513	1,864,707	1,924,265
<b>Total</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>	<b>10,661,191</b>

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Surplus/(Deficit)	Surplus/(Deficit)	Surplus/(Deficit)	Surplus/(Deficit)	Surplus/(Deficit)	Surplus/(Deficit)	Surplus/(Deficit)	Surplus/(Deficit)
	31.3.2018	31.3.2019	31.03.2020	31.03.2021	31.03.2022	31.03.2023	31.12.2023
	£	£	£	£	£	£	£
CCLA Property Fund	276,854	276,005	188,063	158,183	888,056	82,278	(50,697)
Schroders Bond Fund	(87,163)	(134,870)	(460,062)	(91,089)	(224,849)	(449,796)	(306,071)
UBS Multi Asset Fund	(81,840)	(131,521)	(479,287)	(222,602)	(360,408)	(791,567)	(906,306)
CCLA Diversification Fund	(78,743)	(17,833)	(195,807)	(44,126)	46,513	(135,293)	(75,735)
<b>Total</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>	<b>(1,338,809)</b>

# Annexe 'B'

Gross Revenue Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield	Yield
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23
	£	%	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	193,758	4.53%	183,989	4.30%	185,240	4.42%	179,910	4.33%	158,867	3.82%	173,997	4.26%
Schroders Bond Fund	105,413	3.62%	120,508	4.21%	124,418	4.90%	125,529	4.32%	128,455	4.42%	149,038	5.84%
UBS Multi Asset Fund	146,788	5.03%	116,513	4.06%	137,531	5.46%	140,171	5.05%	120,654	4.34%	145,657	6.60%
CCLA Diversification Fund	62,732	3.27%	67,030	3.38%	66,284	3.67%	62,069	3.17%	48,871	2.50%	56,357	3.02%
<b>Total</b>	<b>508,691</b>		<b>488,040</b>		<b>513,473</b>		<b>507,679</b>		<b>456,847</b>		<b>525,050</b>	

Full Year forecast at 31.12.2023	
Yield	Yield
2023/24	2023/24
£	%
192,303	4.87%
132,221	4.91%
136,031	6.50%
60,847	3.16%
<b>521,402</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)
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23
	£	%	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	193,868	4.53%	(849)	-0.02%	(87,942)	-2.10%	(29,880)	-0.72%	729,873	14.93%	(805,778)	-19.74%
Schroders Bond Fund	(50,726)	-1.74%	(47,707)	-1.67%	(325,192)	-12.80%	368,973	12.68%	(133,760)	-4.82%	(224,947)	-8.82%
UBS Multi Asset Fund	(100,545)	-3.45%	(49,681)	-1.73%	(347,766)	-13.80%	256,685	9.24%	(137,805)	-5.22%	(431,159)	-19.52%
CCLA Diversification Fund	(78,743)	-4.10%	60,910	3.07%	(177,974)	-9.86%	151,682	7.76%	90,639	4.43%	(181,806)	-9.75%
<b>Total</b>	<b>(36,146)</b>		<b>(37,327)</b>		<b>(938,874)</b>		<b>747,460</b>		<b>548,946</b>		<b>(1,643,691)</b>	

Full Year forecast at 31.12.2023	
Surplus/	Surplus/
(Deficit)	(Deficit)
2023/24	2023/24
£	%
(132,975)	-3.37%
143,725	5.34%
(114,739)	-5.48%
59,558	3.10%
<b>(44,431)</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
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23
	£	%	£	%	£	%	£	%	£	%	£	%
CCLA Property Fund	387,626	9.06%	183,140	4.28%	97,298	2.32%	150,030	3.61%	888,740	18.18%	(631,781)	-15.48%
Schroders Bond Fund	54,687	1.88%	72,801	2.54%	(200,774)	-7.90%	494,503	17.00%	(5,305)	-0.19%	(75,909)	-2.98%
UBS Multi Asset Fund	46,243	1.58%	66,832	2.33%	(210,235)	-8.34%	396,856	14.29%	(17,152)	-0.65%	(285,502)	-12.93%
CCLA Diversification Fund	(16,011)	-0.83%	127,940	6.45%	(111,690)	-6.19%	213,751	10.93%	139,510	6.82%	(125,449)	-6.73%
<b>Total</b>	<b>472,545</b>		<b>450,713</b>		<b>(425,401)</b>		<b>1,255,139</b>		<b>1,005,794</b>		<b>(1,118,641)</b>	

Full Year forecast at 31.12.2023	
Net Yield	Net Yield
2023/24	2023/24
£	%
59,328	1.50%
275,946	10.24%
21,292	1.02%
120,405	6.26%
<b>476,971</b>	

Peer to Peer Investment Funding Circle	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2021/22	2021/22	2022/23	2022/23
	£	%	£	%	£	%	£	%	£	%	£	%
<b>Carrying Value</b>	<b>2,075,341</b>		<b>2,056,664</b>		<b>1,831,028</b>		<b>863,160</b>		<b>391,191</b>		<b>142,398</b>	
Interest Paid by Borrowers	181,014		184,654		193,170		127,982		66,749		28,664	
Less FC Service fee	(19,668)		(19,729)		(19,611)		(12,462)		(6,279)		(2,531)	
Promotions/Transfer payment					470		0		0		0	
Bad Debts	(61,288)		(111,152)		(127,649)		(80,881)		(36,103)		(20,941)	
Recoveries	14,780		27,428		30,253		42,431		62,769		15,057	
<b>Net Yield</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>20,249</b>	<b>4.03%</b>
<b>Provisions for future losses</b>	<b>0</b>		<b>(10,000)</b>									

31.12.2023	
2023/24	2023/24
£	%
148,766	
6,519	
(528)	
0	
(4,400)	
4,780	
<b>6,371</b>	<b>8.57%</b>

## Annexe C: Prudential Indicators – Q3 2023/24

The 2021 Prudential and Treasury Management Codes require the Council to report on prudential indicators on a quarterly basis. These indicators report on capital expenditure, borrowing and commercial and service investments in light of overall organisational strategy and resources, and ensure that decisions are being made with sufficient regard to the long-run financing implications and potential risks to the Council.

### **Table 1 – Estimates of Capital Expenditure**

Capital expenditure refers to Council spending on assets such as infrastructure, property or vehicles that will be used for more than one year. In Local Government this includes spending on assets owned by other bodies and loans and grants to other bodies, enabling them to buy assets.

At Month 8 the Council was forecasting total capital expenditure for 2023/24 of £19.8m. This is a variance of £0.6m compared to what was reported in the 2023/24 Capital, Investment and Treasury Management Strategy. This is the result of unspent budget carry forwards from 2022/23 agreed since the Strategy was published, offset by forecast underspends in-year on Council House Building (£3.9m), Croydon Road Regeneration (£2.3m) and capital contributions to third parties from CIL (£2.1m).

	2022/23 Actual £m	2023/24 Estimate (Capital Strategy) £m	2023/24 Forecast £m	2024/25 Budget £m	2025/26 Budget £m	Total – 2023/24 to 2025/26 £m
General Fund services	4.9	3.8	3.7	6.4	2.9	13.0
Council Housing (HRA)	11.5	15.4	16.1	19.1	26.2	61.4
<b>Total</b>	<b>16.4</b>	<b>19.2</b>	<b>19.8</b>	<b>25.5</b>	<b>29.1</b>	<b>74.4</b>

### **Table 2 – Capital Financing Requirement**

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure on service delivery and on investments and reduces with MRP and capital receipts used to replace debt.

The current estimated CFR for 2023/24 is £5.1m lower than what was estimated in the 2023/24 Capital, Investment and Treasury Management Strategy. This is based on forecast capital expenditure at Month 8, and is a result of forecast underspends on capital schemes, including those referenced in Table 1, which reduce the anticipated underlying need to borrow to finance them.

	31/03/2023 Actual £m	31/03/2024 Estimate (Capital Strategy) £m	31/03/2024 Forecast £m	31/03/2025 Budget £m	31/03/2026 Budget £m
General Fund services	46.9	47.6	47.6	48.1	47.7
Council Housing (HRA)	61.7	71.5	66.4	74.0	87.3
<b>Total CFR</b>	<b>108.5</b>	<b>119.1</b>	<b>114.0</b>	<b>122.1</b>	<b>135.0</b>

**Table 3 – Gross Debt and the Capital Financing Requirement**

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

The current estimated level of gross debt is £6.1m less than what was estimated in the 2023/24 Capital, Investment and Treasury Management Strategy. This is based on forecast capital expenditure at M8, and is a result of forecast underspends on the schemes referenced in Table 1 which reduce the anticipated requirement to borrow to finance them.

	31/03/2023 Actual £m	31/03/2024 Estimate (Capital Strategy) £m	31/03/2024 Forecast £m	31/03/2025 Budget £m	31/03/2026 Budget £m	Debt at 30/12/2023 £m
Debt (incl. PFI & leases)	99.4	112.7	109.4	117.0	130.3	99.4
Capital Financing Requirement	108.5	119.1	114.0	122.1	135.0	

**Table 4 – Debt and the Authorised Limit and Operational Boundary**

The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit. These limits were set in the 2023/24 Capital, Investment and Treasury Management Strategy. The Council has complied with the limits at Q3 2023/24.

	Maximum Debt Q3 2023/24 £m	Debt at 30/12/2023 £m	2023/24 Authorised Limit £m	2023/24 Operational Boundary £m	Complied?
Borrowing	99.4	99.4	150.0	140.0	✓
PFI and Finance Leases	-	-	-	-	
<b>Total debt</b>	<b>99.4</b>	<b>99.4</b>	<b>150.0</b>	<b>140.0</b>	

**Table 5 – Net Income from Commercial and Service Investments to Net Revenue Stream**

The Council's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below. This is unchanged from the 2023/24 Capital, Investment & Treasury Management Strategy.

	2022/23 Actual £m	2023/24 Estimate (Capital Strategy) £m	2023/24 Forecast £m	2024/25 Budget £m	2025/26 Budget £m
Total net income from service and commercial investments	1.7	1.7	1.7	1.7	1.7
Proportion of net revenue stream	15%	14%	14%	13%	13%

**Table 6 – Proportion of financing costs to net revenue stream**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The proportion of financing costs to net revenue stream is expected to rise compared to what was reported in the 2023/24 Capital, Investment & Treasury Management Strategy.

	2022/23 Actual £m	2023/24 Estimate (Capital Strategy) £m	2023/24 Forecast £m	2024/25 Forecast £m	2025/26 Forecast £m
General Fund – Financing costs	2.3	2.0	2.4	2.4	2.7
Proportion of net revenue stream	20%	17%	20%	19%	21%

**Table 7 – Maturity Structure of Borrowing**

This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing are as below, all of which the Council complied with at Q3 of 2023/24.

	Upper Limit 2023/24 %	Lower Limit 2023/24 %	Actual at 30/09/23 %	Complied?
Under 1 year	15	-	3%	Yes
1 to 2 years	15	-	3%	
2 to 5 years	25	-	13%	
5 to 10 years	50	-	20%	
More than 10 years	50	-	4%	
Over 20 years	70	-	56%	
<b>Total</b>			<b>100%</b>	

**Table 8 – Long-term Treasury Management Investments**

The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term. The prudential limits on the long-term treasury management limits are as below, and the Council has complied with these as at Q3 of 2023/24.

	2023/24 £m	2024/25 £m	No fixed date £m
Limit on principal invested beyond year end	16	16	16
Actual principal invested beyond year end	-	-	10.8
Complied?	Yes	Yes	Yes



## APPENDIX B - OVERALL PRESSURES & SAVINGS

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Brought forward budget</b>	<b>11,935</b>	<b>12,799</b>	<b>14,064</b>	

### Movements

#### Pressures

Committee	Pressure			
	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Community Services	221	207	207	635
Housing GF	0	0	0	0
Planning Policy	479	39	39	557
Strategy & Resources	174	15	15	204
<b>Total Service Pressures</b>	<b>874</b>	<b>261</b>	<b>261</b>	<b>1,396</b>
Corporate Items - Service Pressures	85	500	500	1,085
<b>Subtotal Service Spending Pressures</b>	<b>959</b>	<b>761</b>	<b>761</b>	<b>2,481</b>
Corporate Items - Pressures held for other Committees (Pay award & inflation)	490	504	526	1,520
<b>Total Pressures</b>	<b>1,450</b>	<b>1,265</b>	<b>1,287</b>	<b>4,001</b>

#### Savings

Committee	Saving			
	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Community Services	(208)	0	0	(208)
Housing GF	(35)	0	0	(35)
Planning Policy	0	0	0	0
Strategy & Resources	(205)	0	0	(205)
Corporate Items	(138)	0	0	(138)
<b>Total Savings</b>	<b>(586)</b>	<b>0</b>	<b>0</b>	<b>(586)</b>

<b>Net Increase / Decrease</b>	<b>864</b>	<b>1,265</b>	<b>1,287</b>	<b>3,416</b>
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<b>Indicative Budget Requirement</b>	<b>12,799</b>	<b>14,064</b>	<b>15,351</b>
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**COMMUNITY SERVICES**

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Brought forward budget</b>	4,613	4,574	4,781	

**Virements (Budget adjustments between committees)**

Theme	Description	Virement			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Prior year savings	Realignment of Management Structure budgets to reflect the final structure implemented on 1st December 2023.	(45)			(45)
Budget adjustments	Budget review for 2024/25 resulting in minor budget adjustments to reflect current budget ownership.	(7)			(7)
<b>Total Virements</b>		<b>(52)</b>	<b>0</b>	<b>0</b>	<b>(52)</b>

**Pressures**

Theme	Description	Pressure			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Income Pressures	Expected reduction in recycling credits	5			5
Service Pressures	Off-street parking enforcement - exploring options with RBBC	9			9
Inflation	Inflation on contracts and non-staff costs across the Committee	207	207	207	621
<b>Total Pressures</b>		<b>221</b>	<b>207</b>	<b>207</b>	<b>635</b>

**Savings**

Theme	Description	Saving			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Review funding levels	Funding IRIS Domestic Abuse training programme from external Domestic Abuse grant until an alternate funding stream is secure	(19)			(19)
Review funding levels	Remove unallocated community grant budget - allowing the Committee to fund community grants at the 2023/24 level.	(40)			(40)
Commercial opportunities	Garden Waste - Inflationary increase	(70)			(70)
Review funding levels	2023/24 inflation lower than anticipated	(59)			(59)
Review funding levels	Centralisation of contingency for encampment remedial works.	(20)			(20)
<b>Total Savings</b>		<b>(208)</b>	<b>0</b>	<b>0</b>	<b>(208)</b>

<b>Net movement for Committee budget</b>	<b>(39)</b>	<b>207</b>	<b>207</b>	<b>375</b>
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<b>Indicative Budget Requirement</b>	<b>4,574</b>	<b>4,781</b>	<b>4,988</b>
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**HOUSING GENERAL FUND**

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Brought forward budget</b>	<b>713</b>	<b>678</b>	<b>678</b>	

**Savings**

Theme	Description	Saving			Total £000
		2024/25 £000	2025/26 £000	2026/27 £000	
Review funding levels	Better utilisation of Homes for Ukraine funding to cover full costs	(20)	0		(20)
Review funding levels	The Committee's budget for Syrian refugees will not be required as the scheme comes to an end in 2023/24	(15)	0		(15)
<b>Total Savings</b>		<b>(35)</b>	<b>0</b>	<b>0</b>	<b>(35)</b>
			0		
<b>Net movement for Committee budget</b>		<b>(35)</b>	<b>0</b>	<b>0</b>	<b>(35)</b>
<b>Indicative Budget Requirement</b>		<b>678</b>	<b>678</b>	<b>678</b>	

**PLANNING POLICY**

		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Brought forward budget</b>		<b>1,338</b>	<b>1,817</b>	<b>1,856</b>	
<b>Pressures</b>					
		<b>Pressures</b>			
<b>Theme</b>	<b>Description</b>	<b>2024/25 £000</b>	<b>2025/26 £000</b>	<b>2026/27 £000</b>	<b>Total £000</b>
Service Pressures	Increasing the budget for appeals and other legal costs to provide additional contingency. This is based on doubling the current appeals budget with additional allocations for legal costs, and will be subject to continual scenario planning.	120			120
Service Pressures	Investment of £320k in the Planning Policy Committee: as an initial measure to re-base the Committee's budget whilst a line-by-line budget review takes place. This will include strengthening Development Management and Investment in delivering the new Enforcement policy: this policy was adopted in June last year in response to widespread Councillor concern that improved enforcement was needed against breaches of the planning rules.	320			320
Inflation & Land Charge income changes	To cover inflation on non-staff costs across the Committee and changes to income from third parties for providing Land Charges information (eg LLC1 information).	39	39	39	117
<b>Total Pressures</b>		<b>479</b>	<b>39</b>	<b>39</b>	<b>557</b>
<b>Net movement for Committee budget</b>		<b>479</b>	<b>39</b>	<b>39</b>	<b>557</b>
<b>Indicative Budget Requirement</b>		<b>1,817</b>	<b>1,856</b>	<b>1,895</b>	

## STRATEGY AND RESOURCES

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Brought forward budget</b>	<b>6,187</b>	<b>6,214</b>	<b>6,229</b>	

### Virements (Budget adjustments between committees)

Theme	Description	Virement			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Prior year savings	Realignment of Management Structure budgets to reflect the final structure implemented on 1st December 2023.	(40)			(40)
Budget adjustments	Budget review for 2024/25 resulting in minor budget adjustments to reflect current budget ownership.	6			6
Corporate Recharges	Reflecting the HRA recharge element of 2024/25 budget pressures, including audit fees and the Commercial Finance Business Partner	92			92
<b>Total Virements</b>		<b>58</b>	<b>0</b>	<b>0</b>	<b>58</b>

### Pressures

Theme	Description	Pressure			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Service Pressures	Additional, unavoidable external audit fees caused by enhanced Financial Reporting Council requirements and market pressures on the Public Sector Audit Appointments contract, and Housing Benefit Audit assurance work.	88			88
Service Pressures	Appointment of a Commercial Finance Business Partner to support the Council's emerging commercial strategy, maximise fees and charges and to robustly support services with external contractual relationships.	71			71
Inflation	Inflation on contracts and non-staff costs across the Committee	15	15	15	45
<b>Total Pressures</b>		<b>174</b>	<b>15</b>	<b>15</b>	<b>204</b>

**Savings**

Theme	Description	Saving			Total £000
		2024/25 £000	2025/26 £000	2026/27 £000	
Commercial Opportunities	Additional rental income at Quadrant House and Oxted Council Offices, based on a achieving an additional lease at a similar value to recent lettings.	(56)			(56)
Full year effect of FTP savings	Ongoing salary and running cost savings in Communications following a previous restructure.	(22)			(22)
Process reviews and early digital gains	Process reviews across Resources services including Finance, Exchequer and HR	(83)			(83)
Commissioning	Reconfiguration of IT support following software upgrades transferring to cloud-based solutions	(19)			(19)
Commissioning	Full year effect of savings made through the Revenues and Benefits Joint Working Agreement, including commercial opportunities.	(25)			(25)
<b>Total Savings</b>		<b>(205)</b>	<b>0</b>	<b>0</b>	<b>(205)</b>
<b>Net movement for Committee budget</b>		<b>27</b>	<b>15</b>	<b>15</b>	<b>57</b>
<b>Indicative Budget Requirement</b>		<b>6,214</b>	<b>6,229</b>	<b>6,244</b>	

**CORPORATE ITEMS**

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
<b>Brought forward budget</b>	(916)	(485)	519	

**Virements (Budget adjustments between committees)**

Theme	Description	Virement			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Prior year savings	Realignment of Management Structure budgets to reflect the final structure implemented on 1st December 2023.	85			85
Corporate Recharges	Reflecting the HRA recharge element of 2024/25 budget pressures, including audit fees and the Commercial Finance Business Partner	(91)			(91)
<b>Total Virements</b>		<b>(6)</b>	<b>0</b>	<b>0</b>	<b>(6)</b>

**Pressures**

Theme	Description	Pressure			
		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Service Pressures	2023/24 Management Structure Saving reinvested in Planning. (The budget for this saving was held corporately)	85			85
Service Pressures	Placeholder for future service pressures (assumed to be c.£500k per year)		500	500	1,000
<b>Corporate Items - Service Pressures</b>		<b>85</b>	<b>500</b>	<b>500</b>	<b>1,085</b>
Inflation	Inflation on contracts and utilities - this pressure assumes CPI inflation of c.5% for 2024/25, but is reviewed on a contract-by-contract basis.	73	79	91	243
Staff costs	Pressure covers a staff pay award to be negotiated, staff increments and unavoidable pension costs.	417	425	435	1,277
<b>Corporate Items - Pressures held for other Committees</b>		<b>490</b>	<b>504</b>	<b>526</b>	<b>1,520</b>
<b>Total Pressures</b>		<b>575</b>	<b>1,004</b>	<b>1,026</b>	<b>2,605</b>

**Savings**

Theme	Description	Saving			Total £000
		2024/25 £000	2025/26 £000	2026/27 £000	
Commissioning	Full review how services such as Revenues and Benefits, Customer Services, Finance and HR are resourced to deliver Government initiatives such as cost of living and business rate support. These initiatives have been funded externally for a number of years and additional funding for 2024/25 is likely. A new burdens reserve exists to smooth potentially volatile funding streams.	(125)			(125)
Review funding levels	Debt management costs will be subject to a small reduction if a proportion of the Warren Lane Depot site is transferred to the HRA.	(13)			(13)
<b>Total Savings</b>		<b>(138)</b>	<b>0</b>	<b>0</b>	<b>(138)</b>
<b>Net movement for Committee budget</b>		<b>431</b>	<b>1,004</b>	<b>1,026</b>	<b>2,461</b>
<b>Indicative Budget Requirement</b>		<b>(485)</b>	<b>519</b>	<b>1,545</b>	



## Appendix C – Subjective Detailed Budget Analysis

### Community Services

Service	2023/24 Current Budget £k	2024/25 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2025/26 £k
		Pay £k	Non-Pay £k	Income £k			
Car Parking-On Street	0	0	0	0	0	0	0
Car Parking-Off Street	40	0	191	(140)	51	11	53
Hackney Carriage/Private Hire	(19)	0	69	(88)	(19)	0	(19)
Leisure & Community Grants	290	0	249	(20)	229	(61)	230
Waste Services	2,594	230	3,651	(1,290)	2,591	(3)	2,754
Environmental Services	299	0	426	(127)	299	0	299
Cesspool Services	18	77	148	(207)	18	0	18
Operations & Locality Services	1,391	946	1,335	(875)	1,406	15	1,447
<b>Community Services</b>	<b>4,613</b>	<b>1,252</b>	<b>6,069</b>	<b>(2,747)</b>	<b>4,574</b>	<b>(39)</b>	<b>4,781</b>

**Housing General Fund**

Service	2023/24 Current Budget £k	2024/25 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2025/26 £k
		Pay £k	Non-Pay £k	Income £k			
Meadowside Mobile Homes	(106)	18	44	(168)	(106)	0	(106)
Westway	0	0	0	0	0	0	0
Private Sector Enabling	135	51	215	(131)	135	0	135
Housing of the Homeless	216	436	201	(421)	216	0	216
Other Housing Renewal Functions	9	(0)	12	(3)	9	0	9
Syrian Refugees	15	0	0	0	0	(15)	0
Afghan Refugees	10	0	10	0	10	0	10
Redstone House	0	0	0	0	0	0	0
Housing Benefits	390	359	18,141	(18,110)	390	(0)	390
Care In The Community	1	0	1	0	1	0	1
Other Variances less than £10k	0	36	(20)	(36)	(20)	(20)	(20)
Alarm Systems	42	42	0	0	42	0	42
<b>Housing General Fund</b>	<b>713</b>	<b>943</b>	<b>18,604</b>	<b>(18,869)</b>	<b>678</b>	<b>(35)</b>	<b>678</b>

Planning Policy

Service	2023/24 Current Budget £k	2024/25 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2025/26 £k
		Pay £k	Non-Pay £k	Income £k			
Planning Strategy & Policy Guidance	511	141	411	(40)	511	0	550
Enforcement	239	224	15	0	239	0	239
Planning Applications and Advice	391	1,370	389	(1,368)	391	(0)	391
Appeals and other Legal Costs	80	0	200	0	200	120	200
Tree Preservation & Advice	100	100	0	0	100	0	100
Community Infrastructure Levy	2	86	927	(1,016)	(3)	(5)	(3)
Land Charges	23	0	187	(123)	64	41	64
Street Naming & Numbering	(8)	0	20	(25)	(5)	3	(5)
Planning Service - Additional Investment	0	320	0	0	320	320	320
<b>Planning</b>	<b>1,338</b>	<b>2,241</b>	<b>2,149</b>	<b>(2,572)</b>	<b>1,817</b>	<b>479</b>	<b>1,856</b>

Strategy & Resources

Service	2023/24 Current Budget £k	2024/25 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2025/26 £k
		Pay £k	Non-Pay £k	Income £k			
Legal Services	457	553	28	(123)	457	0	457
Human Resources	355	173	169	(25)	317	(38)	317
Management Team	243	399	64	0	463	220	463
Information Technology	1,401	274	1,022	(7)	1,289	(112)	1,289
Democratic Services	587	215	376	(2)	589	2	591
Policy and Communications	407	316	93	(4)	406	(2)	406
Financial Services	1,032	589	531	0	1,121	89	1,131
Corporate Landlord	534	112	723	(395)	441	(93)	444
Revenues & Benefit Services	374	428	54	(133)	349	(25)	349
Customer Services	456	366	94	(4)	456	0	456
Emergency Planning & Community Safety	340	257	69	0	326	(14)	326
Wellbeing Prescription	0	402	115	(518)	0	0	0
<b>Strategy &amp; Resources</b>	<b>6,188</b>	<b>4,085</b>	<b>3,338</b>	<b>(1,209)</b>	<b>6,214</b>	<b>27</b>	<b>6,229</b>

Corporate Items

Service	2023/24 Current Budget £k	2024/25 Proposed Budgets			Total £k	Movement Year-on- year £k	Estimate for 2025/26 £k
		Pay £k	Non-Pay £k	Income £k			
Interest Payable	1,163	0	1,163	0	1,163	0	1,163
Interest Receivable & Investment Inc	(1,495)	0	0	(1,495)	(1,495)	0	(1,495)
Property Income	(777)	0	0	(777)	(777)	0	(777)
Support Recharges & Bank Charges	(2,497)	0	(2,590)	0	(2,590)	(93)	(2,590)
Minimum Revenue Provision (MRP)	1,179	0	1,166	0	1,166	(13)	1,166
Pension - Actuarial top up, Added Years	1,485	1,536	0	0	1,536	51	1,536
Write Offs and Bad Debt Provision	22	0	22	0	22	0	22
Cost of Collection	(270)	0	0	(270)	(270)	0	(270)
Contingency	445	0	445	0	445	0	445
Contributions to / (from) Reserves	0	0	0	0	0	0	0
Service Capacity Fund	0	0	0	0	200	200	200
Contingencies to fund Appeals	0	0	0	0	(200)	(200)	(200)
Management structure saving	(170)	0	0	0	0	170	0
Pay award held for other committees	0	366	0	0	366	366	791
Non-Pay Inflation Held for Other Committees	0	0	73	0	73	73	152
Indicative Pressures Allocation for Future Years	0	0	0	0	0	0	500
New Burdens Grant Funding	0	0	0	(125)	(125)	(125)	(125)
<b>Corporate Items</b>	<b>(916)</b>	<b>1,902</b>	<b>280</b>	<b>(2,667)</b>	<b>(485)</b>	<b>431</b>	<b>519</b>
<b>Council Overall</b>	<b>11,935</b>	<b>10,424</b>	<b>30,439</b>	<b>(28,064)</b>	<b>12,799</b>	<b>864</b>	<b>14,064</b>

Housing Revenue Account Budget 2024/25

Budget 2023/24	Programme Areas	Employee Costs	Other Running Expenses	Total Gross Expenditure	Income	Net Direct Budget	Support Service Recharge	Charges for Capital	Budget 2024/25	Changes from 2023/24 to 2024/25
10,900	Right to Buy	26,300	2,700	29,000	(9,200)	19,800	14,200	0	34,000	23,100
151,100	Allocations Administration	31,400	28,800	60,200	(31,600)	28,600	132,400	0	161,000	9,900
113,600	Void Properties Management	7,000	75,000	82,000	0	82,000	33,600	0	115,600	2,000
<b>275,600</b>	<b>PROVIDING PEOPLE WITH HOMES</b>	<b>64,700</b>	<b>106,500</b>	<b>171,200</b>	<b>(40,800)</b>	<b>130,400</b>	<b>180,200</b>	<b>0</b>	<b>310,600</b>	<b>35,000</b>
3,969,800	Housing Repairs - Dwellings	709,600	3,972,400	4,682,000	(322,300)	4,359,700	0	0	4,359,700	389,900
815,900	Housing Repairs - Administration	282,300	45,200	327,500	0	327,500	508,000	0	835,500	19,600
<b>4,785,700</b>	<b>IMPROVING THE QUALITY OF HOUSING</b>	<b>991,900</b>	<b>4,017,600</b>	<b>5,009,500</b>	<b>(322,300)</b>	<b>4,687,200</b>	<b>508,000</b>	<b>0</b>	<b>5,195,200</b>	<b>409,500</b>
7,219,100	Housing Administration	491,900	1,569,500	2,061,400	(64,200)	1,997,200	191,500	5,159,400	7,348,100	129,000
103,600	Hostel Management	49,700	6,000	55,700	0	55,700	62,000	0	117,700	14,100
351,600	Rent Collection & Accounting	218,700	44,400	263,100	(5,900)	257,200	167,500	0	424,700	73,100
307,900	Estate Management	173,700	67,300	241,000	0	241,000	121,600	0	362,600	54,700
3,400	Tenant Participation	0	3,400	3,400	0	3,400	0	0	3,400	0
56,900	Other Expenses	0	31,900	31,900	0	31,900	22,600	0	54,500	(2,400)
25,500	Estate Regeneration Schemes	0	25,500	25,500	0	25,500	0	0	25,500	0
67,700	Debt Management Costs	0	0	0	0	0	0	67,700	67,700	0
<b>8,135,700</b>	<b>MANAGING THE SERVICES EFFECTIVELY</b>	<b>934,000</b>	<b>1,748,000</b>	<b>2,682,000</b>	<b>(70,100)</b>	<b>2,611,900</b>	<b>565,200</b>	<b>5,227,100</b>	<b>8,404,200</b>	<b>268,500</b>
410,500	Elderly Persons Dwellings	266,800	2,100	268,900	(155,400)	113,500	323,600	0	437,100	26,600
55,800	Alarm Systems	30,000	18,100	48,100	0	48,100	9,700	0	57,800	2,000
(17,100)	Leasehold Properties	39,500	91,200	130,700	(241,400)	(110,700)	50,200	0	(60,500)	(43,400)
<b>449,200</b>	<b>COMMUNITY SERVICES</b>	<b>336,300</b>	<b>111,400</b>	<b>447,700</b>	<b>(396,800)</b>	<b>50,900</b>	<b>383,500</b>	<b>0</b>	<b>434,400</b>	<b>(14,800)</b>
(15,525,100)	Dwelling Rent Income	0	0	0	(17,279,900)	(17,279,900)	0	0	(17,279,900)	(1,754,800)
(537,000)	Garage Rents	0	0	0	(578,300)	(578,300)	0	0	(578,300)	(41,300)
(725,600)	Service Charges	0	0	0	(775,500)	(775,500)	0	0	(775,500)	(49,900)
429,900	Rent Loss from Voids and Bad Debts	0	0	0	559,900	559,900	0	0	559,900	130,000
(16,357,800)	<b>RENT INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(18,073,800)</b>	<b>(18,073,800)</b>	<b>0</b>	<b>0</b>	<b>(18,073,800)</b>	<b>(1,716,000)</b>
(2,711,600)	<b>NET COST OF SERVICES</b>	<b>2,326,900</b>	<b>5,983,500</b>	<b>8,310,400</b>	<b>(18,903,800)</b>	<b>(10,593,400)</b>	<b>1,636,900</b>	<b>5,227,100</b>	<b>(3,729,400)</b>	<b>(1,017,800)</b>
2,044,900	Interest Payable on outstanding loans	0	2,178,500	2,178,500	0	2,178,500	0	0	2,178,500	133,600
(16,000)	Interest and Investment Income	0	0	0	(84,000)	(84,000)	0	0	(84,000)	(68,000)
682,700	Revenue Contributions to support HRA Capital Ex	0	0	0	1,634,900	1,634,900	0	0	1,634,900	952,200
<b>2,711,600</b>	<b>Capital Charges and HRA support for capital</b>	<b>0</b>	<b>2,178,500</b>	<b>2,178,500</b>	<b>1,550,900</b>	<b>3,729,400</b>	<b>0</b>	<b>0</b>	<b>3,729,400</b>	<b>1,017,800</b>
<b>0</b>	<b>SURPLUS / DEFICIT FOR THE YEAR</b>	<b>2,326,900</b>	<b>8,162,000</b>	<b>10,488,900</b>	<b>(17,352,900)</b>	<b>(6,864,000)</b>	<b>1,636,900</b>	<b>5,227,100</b>	<b>0</b>	<b>0</b>
<b>0</b>	Transfer to HRA Working Balance	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>0</b>	<b>HRA Budget</b>	<b>2,326,900</b>	<b>8,162,000</b>	<b>10,488,900</b>	<b>(17,352,900)</b>	<b>(6,864,000)</b>	<b>1,636,900</b>	<b>5,227,100</b>	<b>0</b>	<b>0</b>

## Appendix D – Proposed Capital Programme

Proposed Capital Programme	2023/24	2024/25	2025/26	2026/27	Total 2024-27
<b>Housing HRA</b>					
Structural Works	910,000	838,300	855,100	872,200	2,565,600
Modernisation & Improvements	811,000	516,100	526,500	537,000	1,579,600
Energy Efficiency Works	600,000	566,500	592,500	618,700	1,777,700
Service Renewals	825,000	702,000	716,000	730,300	2,148,300
Void Works	450,000	429,300	437,900	446,700	1,313,900
Health & Safety	320,000	232,400	236,500	240,700	709,600
Adaptations for the Disabled	547,100	500,000	250,000	250,000	1,000,000
Essential Structural Works	185,000	186,900	190,600	194,400	571,900
Communal Services	0	30,300	30,900	31,500	92,700
Council House Building*	11,244,000	15,105,300	22,269,000	12,001,100	49,375,400
HRA IT Hardware/infrastructure Projects**	240,800	28,000	45,000	45,200	118,200
<b>TOTAL HRA</b>	<b>16,132,900</b>	<b>19,135,100</b>	<b>26,150,000</b>	<b>15,967,800</b>	<b>61,252,900</b>
<b>Housing GF</b>					
Disabled Facilities Grant	502,800	420,000	420,000	420,000	1,260,000
<b>Total- Housing GF</b>	<b>502,800</b>	<b>420,000</b>	<b>420,000</b>	<b>420,000</b>	<b>1,260,000</b>
<b>Community Services</b>					
Children's Playground Improvements	578,400	131,800	134,400	137,100	403,300
Parks, Pavilions & Open Spaces	205,200	114,500	116,800	119,100	350,400
Grange Meadow access works	10,600	0	0	0	0
UKSPF and Rural England Prosperity Fund	250,000	375,000	375,000	0	750,000
Vehicle Fleet Renewals	180,000	203,600	117,400	119,700	440,700
Car Park Equipment/Maintenance	30,200	68,700	35,800	36,500	141,000
Public Conveniences**	400,000	150,000	153,000	156,100	459,100
Litter Bins	8,400	8,500	8,700	8,900	26,100
Roads&Paths at St.Mary's Church Cemetery	0	7,600	0	0	7,600
Land Drainage	10,000	10,000	10,200	10,400	30,600
Plant & Machinery Replacement Programme	15,000	0	10,000	10,200	20,200
Waste Vehicles	0	0	0	0	0
Garden Waste Bins	5,200	56,100	25,500	26,000	107,600
Recycling, food waste and refuse bins	5,200	273,900	91,800	93,600	459,300
Playground Improvements (Match Funding Pot)	42,000	0	0	0	0
<b>Total- Community Services</b>	<b>1,740,200</b>	<b>1,399,700</b>	<b>1,078,600</b>	<b>717,600</b>	<b>3,195,900</b>
<b>Resources</b>					
Council Offices Minor Works Programme	38,500	25,000	25,000	25,000	75,000
Digital FTP	295,000	0	0	0	0
IT - Hardware/infrastructure Projects**	383,210	511,590	209,000	212,000	932,590
Quadrant House	0	0	0	0	0
Land / Asset Development	0	0	0	0	0
Croydon Road Regeneration	50,000	2,255,500	0	0	2,255,500
Quadrant House Solar Panels and Suite refurb**	150,000	100,000	50,000	0	150,000
<b>Total- Resources</b>	<b>916,710</b>	<b>2,892,090</b>	<b>284,000</b>	<b>237,000</b>	<b>3,413,090</b>
<b>Planning Policy</b>					
Capital Contributions from CIL	500,000	1,619,300	1,150,000	2,863,900	5,633,200
<b>Total-Planning Policy</b>	<b>500,000</b>	<b>1,619,300</b>	<b>1,150,000</b>	<b>2,863,900</b>	<b>5,633,200</b>
<b>TOTAL GENERAL FUND</b>	<b>3,659,710</b>	<b>6,331,090</b>	<b>2,932,600</b>	<b>4,238,500</b>	<b>13,502,190</b>
<b>Total Capital Programme</b>	<b>19,792,610</b>	<b>25,466,190</b>	<b>29,082,600</b>	<b>20,206,300</b>	<b>74,755,090</b>

\* Council House Building includes expected pipeline expenditure that will be brought to Housing Committee for approval

\*\* These schemes require a business case before the programme can be progressed

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## Appendix E – Council Tax Requirement Statement

1. Within the S&R Committee Draft Budget on 30<sup>th</sup> November 2023, the Council Tax base for 2024/25 was approved. The tax base provided is scaled to the number of Band D equivalents. The total tax base for 2024/25 is 39,128.0 properties, an increase of 0.57% from 2023/24.
2. For dwellings in those parts of its area to which a Parish precept relates as shown below:

**Table 1 – Tax Base by Parish**

Parish	Tax Base 2024-25
Bletchingley	1,362.2
Burstow	1,987.3
Caterham on the Hill	5,268.2
Caterham Valley	3,857.2
Chaldon Village	970.2
Chelsham & Farleigh	407.3
Crowhurst	177.4
Dormansland	1,647.9
Felbridge	1,165.8
Godstone	2,548.6
Horne	456.6
Limpsfield	2,051.4
Lingfield	1,962.6
Nutfield	1,262.0
Outwood	345.4
Oxted	5,190.0
Tandridge	333.2
Tatsfield	880.1
Titsey	39.5
Warlingham	3,977.7
Whyteleafe Village	2,035.3
Woldingham	1,202.1
<b>Total Parishes</b>	<b>39,128.0</b>

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

4. In December 2023 the SoS for Levelling Up, Housing and Communities, The Rt Hon Michael Gove, set a core Council Tax referendum principle of up to 2.99% or £5 if greater for lower tier authorities.
- 5. Recommendation 9: That the total Council Tax Requirement be set at £9.6 million for 2024/25. This is based on a Council tax increase of 2.99% to cover core Council services**
- 6. Recommendation 10: Tandridge District Council set the precept for Band D Council Tax at £244.99 which represents a £7.11 / 2.99% uplift, equating to 14 pence per week.**
7. The Council Tax precept is the Council Tax requirement divided by the tax base. The Council's own purpose Council Tax requirement (excluding parish precepts) is based on an overall increase of 2.99%.

Table 2: Council Tax Requirement

Gross Expenditure	40,862,868.09
Other Income	(28,063,920.00)
Budgeted Revenue Expenditure	12,798,948.09
Business Rates Income	(2,883,209.87)
Other Government Grants	(234,000.00)
Council Tax Collection Fund Balance	(95,769.50)
Council Tax Requirement	9,585,968.72

8. The tax base is the number of Band D equivalent properties for precepting purposes. The tax base for 2024/25 is 39,128.0.
9. The tax base for 2024/25 shows an increase of 0.57% on the 2023/24 tax base.
10. The Band D Council Tax precept for 2023/24 is calculated as follows:  

$$£9,585,968.72 \div 39,128.0 = £244.99$$
11. The proposed increase is not considered excessive in accordance with the set of principles determined by the SoS. Band D 2024/25 £244.99 – Band D 2023/24 £237.88 = £7.11.  $£7.11 \div £237.88 = 2.99\%$  (referendum principle up to 2.99% (£244.99) or £5, if greater)
12. The proposals result in an overall increase of £7.11 per annum, £0.14 per week, for a Band D dwelling.
13. Details of the Aggregate Council Tax and all valuation bands and Aggregate Council Tax requirements by Parish will be added to this statement for Full Council when we receive the official precept figures for the Parish Councils, Surrey Police and Crime Commissioner and Surrey County Council.

## Appendix E – Annex 1 – Council Tax Base 2024/25

[For info only - approved at S&R 30<sup>th</sup> November 2023 – included for completeness]

### Introduction and background

1. The Council tax base is one element of the calculations concerned with setting the Council Tax under the Local Authorities (Calculation of Council Tax Base) (England) Regulation 2012.
2. All domestic properties within the District are banded by the Valuation Office in one of eight bands. The tax base calculation includes the estimated number of chargeable dwellings after allowing for discounts and exemptions, appeals and voids for each parish for the period to 31st March 2024. The number of chargeable properties is converted to Band D equivalents by applying the prescribed formula. The Council must set its Council Tax base and notify the precepting authorities by 31st January 2024.
3. There are various factors which have to be taken into account to arrive at the tax base for 2024/25 as set out in the table, below.

Council tax base for 2024/25							
2023/24 Band D Equivalent	Band	Total Dwellings	No of dwellings after applying discounts and premiums	Less adjustment for Council Tax Support	Chargeable Dwellings	Ratio to Band D	2024/25 Band D Equivalent
1.1	A(DR*)	-	4.8	- 0.8	4.0	5/9	2.2
414.5	A	941.0	746.3	- 113.6	632.7	6/9	421.8
1,005.7	B	2,205.0	1,840.5	- 562.8	1,277.7	7/9	993.8
3,448.4	C	5,399.0	4,679.8	- 724.2	3,955.5	8/9	3,516.0
7,396.0	D	9,053.0	8,202.8	- 704.6	7,498.2	9/9	7,498.2
8,384.9	E	7,786.0	7,089.3	- 236.4	6,852.9	11/9	8,375.7
6,479.5	F	4,914.0	4,550.0	- 72.1	4,477.9	13/9	6,468.1
9,864.7	G	6,344.0	5,982.0	- 32.1	5,949.9	15/9	9,916.6
2,382.6	H	1,280.0	1,210.3	- 4.8	1,205.5	18/9	2,410.9
	Total	37,922.0	34,305.5	- 2,451.2	31,854.3		
<b>39,377.4</b>	<b>Gross Tax Base</b>						<b>39,603.3</b>
- 472.5	Less adjustment for losses in collection 1.2%						- 475.2
<b>38,904.9</b>	<b>Net Tax Base</b>						<b>39,128.0</b>

### Adjustments:

4. The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 which affects the calculation of the Council Tax base. These amendments gave powers to determine own discounts and set premiums in certain circumstances.

5. Section 10 of the Local Government Finance Act 2012 imposes an obligation on Billing Authorities to set up a Council Tax Reduction Scheme to replace Council Tax Benefit from 1 April 2013. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 specify that the tax base must be adjusted to take account of the amount to be paid in accordance with the reduction scheme. This adjustment is shown in a separate column in on the above table.
6. In arriving at a net base, allowance must be made for irrecoverable amount, movements as a result of appeals and property base changes (new properties). For this purpose, an allowance of 1.2% is proposed.

## Appendix F – Flexible Use of Capital Receipts

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

Project	Indicative cost to be met from Capital Receipts		Expected benefits for the revenue budget
	2023/24 £000	2024/25 £000	
Delivery Phase (Remainder of £500k for FTP already approved)	397		Remainder of £500k previously approved for FTP delivery (£103k spent in 2022/23)
Placeholder for 2024/25 savings plan delivery and 2025/26 – 2026/27 MTFS savings		500	The 2024/25 savings plan of £0.6m will require a degree of resource to deliver. An indicative MTFS funding gap of £3m has been identified, which will require significant design and delivery effort to address. Further detail will be brought to Committee once the Transformation Programme Director is in post. Indicative spend is set out in Appendix L.
Statutory element of redundancy costs	TBC	TBC	Confirmation that statutory redundancy costs from FTP will be met from the reserve.
Total	397 + Redundancy	500 + Redundancy	
Overall Total		897 + Redundancy	

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## Appendix G

### TANDRIDGE DISTRICT COUNCIL - PAY POLICY STATEMENT ~~2023/24~~2024/25

#### 1. Introduction

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

Once approved by Full Council, this policy statement will come into effect on the 1st April 202~~3~~4 superseding the ~~2022/22~~2023/24 Statement and will continue to be reviewed on an annual basis. The information is set out under headings which have been prescribed by the Localism Act and relates to the ~~2023/24~~2024/25 financial year unless otherwise stated.

#### 2. Background

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

#### 3. Definitions

For this Policy the following definitions will apply:

##### 3.1 Pay

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

##### 3.2 Chief Officers~~s~~

- 3.2.1 For financial year ~~2023/24~~2024/25, the Council’s Chief Officers are the Head of Paid Service (the Chief Executive), the Monitoring Officer, the Section 151 Officer (~~Chief Finance Officer~~Director of Resources) – all whom are the statutory chief officers – and one other non-statutory Officer, the Deputy Chief Executive.

### 3.3 Lowest paid employees

3.3.1 The lowest paid staff employed under a contract of employment with the Council are employed on full time (37 hours) equivalent salaries in accordance with the minimum spinal column point currently in use within the Councils grading structure (TC2) which ~~will be is~~ set at the [National 'Real Living Wage'](#). ~~The Real Living Wage rates for 2024-25 were announced on the 24<sup>th</sup> October 2023. The Real Living Wage is £12 per hour or £23,152 per annum and should be implemented by May 2024. With effect from 1st January 2023, this was £19,100 per annum (£9.90 per hour). The extent to which modifications are required to the lowest grade will depend on the agreed Council pay award which is subject to negotiation with Unison.~~

3.3.2 The Council also employs apprentices and trainees who are not included within the definition of lowest paid employees as they are employed under the terms and conditions and pay rates applicable to the relevant career grade scheme. All salaries of these employees are set at or above the National Minimum Wage.

### 4. Level and elements of remuneration for employees

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

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

- If the officer is a member of the LGPS, the agreed employer's contribution (currently 17.1% of gross salary plus any other pensionable pay).
- All employees are entitled to claim a casual mileage allowance when travelling on council business.
- Access to an Employee Assistance Programme (EAP).
- Payment of an annual subscription to one professional institution where this has a clear benefit or is a requisite for the job. In some cases, if role specific, a maximum of two professional subscriptions may be reimbursed, at the discretion of the ~~Executive~~ Head of Service.

### 5. ~~Remuneration of Chief Officers~~ on recruitment

5.1 The Council's commitment is to pay appropriately to attract and retain competent and experienced ~~senior~~ staff wherever necessary in ~~to lead~~ the organisation.

5.2 The Council's policy is to appoint at the bottom of the salary scale, or near the bottom taking into account the relevant skills and experience of the person appointed.

5.3 Progression through the grade is subject to performance in the role and is on an annual basis each April until the top of grade is reached.



## Recruitment of Chief Officers

- 5.4 As outlined in the Council's Constitution, Chief Officers (definition in 3.2 above refers) are appointed by the Chief Officer Sub-Committee (COSC), following recommendations from the Chief Executive, which then reports its decision to Full Council.
- 5.5 Appointments to the post of Chief Executive are made by Full Council following recommendations made by the COSC.

## **6. Increases and additions to remuneration for employees**

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

## **7. The use of performance related pay for Chief Officers**

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

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

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

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

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

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

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

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

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

## 10. Pay multiple (ratio) between bottom and top staff

10.1 The Council defines the lowest paid employees as those that are on the second grade (TC2) of the pay scales. The lowest salary being paid to members of staff on the TC2 grade as at January 2024 was ~~£21,029~~ ~~£19,100~~. This will be uplifted to match the 'Real Living Wage' once the pay award for 2024/25 has been approved.

10.2 The Chief Executive's salary grade is SM4 on the Tandridge pay scales.

10.3 The Council pays all employees including Chief Officers, from the same incremental pay scale structure.

10.4 Details of the remuneration paid to all members of the Council Management Team can be found in the Council's annual statement of accounts.

## 11. Components of Employee reward package

11.1 ~~Our~~ The Council's total reward package for all employees (including Chief Officers) includes pay, Local Government Pension Scheme employer contribution, enhanced holiday entitlement (in excess of statutory requirements), enhanced sick pay (in excess of statutory requirements), eye test vouchers and agile/flexible working benefits.

11.2 All employees can take advantage of ~~several~~ salary sacrifice schemes including the Cycle to Work scheme, and benefit from discounts on shopping, entertainment, and holidays through the employee benefits portal.

## 12. Election fees

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

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

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

### **14. Policy on employing someone who is also drawing a pension**

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

### **15. Policy on lowest paid**

- 15.1 [The Council has committed to ensuring the pay scales of employees mirror the national 'Real Living Wage' as determined by the Living Wage Foundation, as a minimum level of pay. From 1 April 2024 the minimum pay rate the Council will pay, will be £12.00 per hour. With effect from 1 April 2015, a commitment was made by Members that all staff, excluding apprentices and trainees, would be paid the UK National Living Wage and are therefore paid at or above the bottom point of the TC2 grade.](#)

- 15.2 All apprentices and trainees are paid at least the rate for 18-20 year olds under the National Minimum wage rates.

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

### **16. Gender Pay Gap data**

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

### **17. Equal Pay**

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

**18. Equality and Diversity**

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