

Strategy & Resources Committee **Tuesday, 30th January, 2024 at 7.30 pm** **Council Chamber - Council Offices**

Agenda

The agenda for this meeting is set out below.

Members of the Strategy & Resources Committee

Councillor Chris Langton (Chair)	Councillor Mike Crane (Vice-Chair)
Councillor Bryan Black	Councillor Robin Bloore
Councillor Chris Botten	Councillor Michael Cooper
Councillor Peter Damesick	Councillor Jeffrey Gray
Councillor Liam Hammond	Councillor Alun Jones
Councillor Jeremy Pursehouse	Councillor Catherine Sayer

Substitute Members

Councillor Martin Allen	Councillor Chris Farr
Councillor Matthew Groves	Councillor Anna Jones
Councillor Colin White	Councillor Judy Moore

If a member of the Committee is unable to attend the meeting, they should notify Democratic Services. If a Member of the Council, who is not a member of the Committee, would like to attend the meeting, please let Democratic Services know by no later than noon on the day of the meeting.

If any clarification about any item of business is needed, contact should be made with officers before the meeting. Reports contain authors' names and contact details.

David Ford

Chief Executive

Information for the public



This meeting will be held in the Council Chamber, Council Offices, Oxted and the public are welcome to attend. Doors for the Council Offices will open 15 minutes before the start of the meeting.



The meeting will also be broadcast online at tinyurl.com/webcastTDC. In attending this meeting, you are accepting that you may be filmed and consent to the live stream being broadcast online and available for others to view.



Information about the terms of reference and membership of this Committee are available in the Council's Constitution available from tinyurl.com/howTDCisrun. The website also provides copies of agendas, reports and minutes.



Details of reports that will be considered at upcoming Committee meetings are published on the Council's Committee Forward Plan. You can view the latest plan at tinyurl.com/TDCforwardplan.

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Tandridge District Council, Council Offices, 8 Station Road East, Oxted, Surrey, RH8 0BT

AGENDA

1. Apologies for absence (if any)

2. Declarations of interest

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

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

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

3. Minutes of the meeting held on the 30th November 2023 (Pages 5 - 14)

To confirm as a correct record (the appendices to the minutes are not reproduced within this agenda pack).

4. To deal with any questions submitted under Standing Order 30

Questions must be sent via email or in writing to Democratic Services by 5pm on Friday, 26th January 2024 and comply with all other aspects of Standing Order 30 of the Council's Constitution.

5. Investment Sub-Committee - 19th January 2024 (Pages 15 - 26)

To receive the minutes of this meeting and to consider the recommendation in Item 3 regarding the adoption of a proposed Capital Investment and Treasury Management Strategy for 2024/25

6. Strategy and Resources Committee – 2024/25 Proposed General Fund Budget and Medium Term Financial Strategy (Pages 27 - 50)

7. 2024/25 Final Budget and Medium Term Financial Strategy (Pages 51 - 150)

8. Risk Management Strategy (Pages 151 - 166)

9. Climate Change Mitigation Update (Pages 167 - 174)

10. Pay Policy Statement 2024/25 (Pages 175 - 184)

11. **Polling District and Polling Place Review 2023/24** (Pages 185 - 206)
12. **Review of delegation of powers to the Strategy & Resources Committee** (Pages 207 - 220)
13. **Any urgent business**

To consider any other item(s) which, in the opinion of the Chair, should be considered as a matter of urgency – Local Government Act 1972, Section 100B(4)(b).

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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 30th November 2023 at 7:30pm.

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

ALSO PRESENT: Councillors Allen, Evans, Chris Farr, Sue Farr, Gaffney, Nicholas White and Wren

ALSO PRESENT (Virtually): Councillors Bloore, Booth and Smith

182. MINUTES OF THE MEETING HELD ON THE 28TH SEPTEMBER 2023

These minutes were confirmed and signed as a correct record.

183. CHIEF OFFICER SUB-COMMITTEE - 30TH NOVEMBER 2023 - DIRECTOR OF RESOURCES POST

The Chair was pleased to confirm that, at the Sub-Committee's meeting earlier in the evening, Mark Hak-Sanders (currently the Chief Finance Officer) had been appointed to the new Director of Resources post as part of the senior management restructure. The appointment would become effective on the 1st December 2023.

184. QUARTER 2 2023/24 BUDGET MONITORING - STRATEGY & RESOURCES COMMITTEE

An analysis of forecast expenditure against the Council's overall revenue budget of £11,935K as at the end of September 2023 (Month 6) was presented.

A £361K revenue overspend was forecast, split between the policy committees as follows:

- Community Services: £59K underspend
- Housing (General Fund): £24K overspend
- Planning Policy: £419K overspend
- Strategy & Resources: £108K underspend
- Corporate Items: £85K overspend

While contingencies totalling £921K meant that a balanced outturn was still expected, the report emphasised the need for mitigating actions to continue, especially in light of unquantified risks such as the impact of financial pressures on existing suppliers.

The capital programme was forecasting £1,237K of net slippage, comprising £1,135K General Fund and CIL schemes and £102K Housing General Fund items.

In response to questions during the debate, the Chief Finance Officer clarified that:

- any proposals to reduce discretionary spend would be taken in consultation with Members; and
- managers sought to fill staff vacancies as quickly as possible and that 'vacancy factor targets' included in the budget did not require managers to delay recruitment.

RESOLVED – that the forecast revenue and capital budget positions as at Quarter 2 / M6 (September) 2023 be noted.

185. QUARTER 2 2023/24 KEY PERFORMANCE INDICATORS - STRATEGY & RESOURCES COMMITTEE

An analysis of performance against the Committee's key indicators for the second quarter (July to September 2023) for 2023/24 was presented along with 'committee' and 'corporate' risk registers.

The Chief Executive confirmed that the Management Team was focused on ensuring that staffing resources were allocated appropriately to manage risks.

Particular attention was drawn to indicators SR5 and SR10:

SR5: The number of working days / shifts lost due to sickness absence (long and short-term) was off target by 1.14 days, although this was an improvement since the previous quarter and the overall trend was down (the target was 7.1 days). It was explained that the figures were impacted by a small number of long-term absences but that the situation was mitigated by a 'return to work' policy.

SR10: The percentage of calls answered within 60 seconds by Customer Services was off target by 31.84% at 48.16% (the target was 80%). This was an improvement on the previous quarter and more staff had been recruited to replace those who had moved to other teams, although time needed to train new staff impacted response rates. Data for average times taken to answer calls; average call handling times; and average time delays prior to calls being abandoned was also presented.

Discussion focused on the implementation of a new telephony system, now scheduled for late January 2024 which, it was hoped, would enable call handling performance to improve and better quality data to be extracted. The Committee was advised that:

- additional staffing resources would be deployed in Customer Services on a temporary basis to provide resilience during the implementation phase;
- Members (via the FTP Member Reference Group) would be briefed about when the new system is about to go live.

Action	Responsible Person	Deadline
Clarification of if / how interim staff are factored into the calculation of turnover statistics. (This question was raised during the debate).	Mark Hak-Sanders	22 nd January 2024

RESOLVED – that the Quarter 2 (2023/24) performance indicators and committee / corporate risks be noted.

186. 2024/25 DRAFT BUDGET AND FUTURE TANDRIDGE PROGRAMME UPDATE

A report was submitted which included:

- (i) progress against the 2024/25 budget preparation timetable, including a draft budget report and an updated medium-term financial strategy to 2026/27
- (ii) service review updates
- (iii) the outcome of the recent senior management restructure, including the creation of a Director of Resources post and a Transformation Programme Director post
- (iv) details of an emerging commercial strategy and the development of a commissioning and continuous improvement cycle
- (v) updates regarding the digital transformation and grounds maintenance workstreams
- (vi) reference to the initiation of a voids and housing repairs project
- (vii) presentation of the latest programme risk register.

Further discussion took place regarding the implementation of the new telephony system, including the reasons for the slippage from November 2023 to late January 2024 and the risks associated with the project.

It was confirmed that the ‘chatbot’ initiative was part of the more substantive digital transformation project to be implemented in June 2024. As far as that project was concerned, it was confirmed that:

- ‘users’ were being engaged to shape processes;
- a freeze in changes to in-house Salesforce applications had been imposed to provide capacity to deliver the project, although the Chief Finance Officer would consider (in consultation with the IT team and Extended Management Team) any requests from Members to make exceptions.

The Chief Finance Officer set out the key elements of the Draft Budget for 2024/25 and the Medium-Term Financial Strategy, drawing particular attention to the pressures, savings and funding on which the budget was based. Attention was also drawn to the principles on which the budget was developed, including the need to avoid the use of the General Fund reserve in all but the most exceptional of circumstances. The Chief Finance Officer also highlighted the likelihood of further developments prior to the finalisation of the budget, including the need to review the budget for Planning Policy Committee, and the potential for funding to change in the Local Government Finance Settlement, due from Government in December.

In response to comments on the draft 2024/25 budget, the Chief Finance Officer:

- acknowledged the possibility that a further New Homes Bonus allocation would be forthcoming from Central Government for 2024/25, if only as a final one-off provision
- explained the rationale for the estimated 'collectability level' of Council Tax
- referred to on-going dialogue with the County Council about the scope for a financial contribution towards TDC's heightened efforts to maximise Council Tax debt recovery.

A discussion also took place regarding the commentary on the work of the Housing Committee within the draft 2024/25 budget report. This debate reflected upon the Council's house building programme and the challenges associated with the scarcity of Council owned land to enable an on-going supply of affordable homes.

Action	Responsible Person	Deadline
<p>Regarding the forthcoming implementation of the new telephony system:</p> <ul style="list-style-type: none"> • further information be provided to Members, including the associated risks and mitigation strategy • Members' views be sought about the proposed scope of an engagement session so that the itinerary can be tailored accordingly. 	Mark Hak-Sanders	31 st December 2023

RESOLVED – that:

in respect of the draft budget:

- A. the draft budget for 2024/25 and medium-term financial strategy to 2026/27 (to form the basis of reports to each Policy Committee in January 2024) be noted:
- B. the following elements be approved to form the basis of the budgets to be finalised during the January 2024 committee cycle:
 - the budget pressures (set out in section 6 and Appendix B of the report)
 - the overall savings plan (set out in section 7 and Appendix B of the report) noting that further consideration may be required pending the Local Government Finance Settlement or if any further budget pressures emerge

- C. the gross Council Tax Base for 2024/25 be approved, determined at 39,603.3 after taking account of the Council's agreed Council Tax Support Scheme, and the net Council Tax Base for 2024/25 be determined at 39,128.0 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes.

in respect of the wider Future Tandridge Programme:

D. progress to date be noted on:

- developing a commercial strategy and activities to support commercial opportunities
- developing an approach to commissioning and continuous improvement
- delivering the Future Tandridge Programme, the direction of travel for the service reviews and associated savings targets for 2023/24 included in Appendix C and section 4 of the report.

187. EMERGENCY PLANNING AND BUSINESS CONTINUITY – THE COUNCIL'S PLANS AND RESPONSE ARRANGEMENTS

In accordance with a recommendation arising from an internal audit in 2022, a report was presented to inform Members about the Council's preparedness to respond to an emergency in accordance with statutory requirements. The report outlined:

- the provisions of the Civil Contingencies Act 2004 which classified the Council as a 'Category 1 responder' with the full range of civil protection duties, including the preparation of emergency / business continuity plans and collaboration with other local responders, businesses and voluntary organisations
- the role of the Surrey Local Resilience Forum (SLRF) of which the Council was a member
- the Extended Management Team duty rota and training arrangements to enable strategic and tactical level responses to major and other incidents, including 24/7 access to senior officers and activating / staffing a District Emergency Centre for duration of an incident
- the main risks and threats identified by the Surrey Community Risk Register
- staffing and budgetary resources for fulfilling the Council's civil contingency duties, and related achievements and activities during the previous 18 months.

The report was accompanied by a list of the Council's emergency plans and others maintained by the SLRF, along with a full copy of the TDC's Corporate Business Continuity Plan.

The effective approach to engaging Parish Councils and community groups during the Covid pandemic was acknowledged during the debate. Arising from the discussion, the Emergency Planning Specialist confirmed his willingness to attend Parish Council meetings to advise about the development of local resilience arrangements. Clarification was also provided about the collaborative functions of the SLRF and the fact its members included representatives of the emergency services and a host of other key public bodies.

RESOLVED – that the Council’s arrangements for responding to and planning for an emergency be noted.

188. WELLBEING PRESCRIPTION SERVICE – FUTURE PLANS

The Wellbeing Prescription service allowed GPs and other local services to refer residents to a trained adviser to help improve their health and wellbeing. The service was staffed by the Council and funded by grants from the Surrey Heartlands Integrated Care Board (via the East Surrey Better Care Fund) and covered the Tandridge and part of the Reigate & Banstead Council areas. The current contract between the Council (as the employing authority) and the Surrey Heartlands ICB was due to expire at the end of March 2024 following the one-year extension approved by the Committee in January 2023.

A report was considered which advocated a further contract extension to 31st March 2025. The report:

- explained the benefits of the service (which had been provided since 2015) with performance and monitoring information since 2022/23 and the current means of service delivery
- detailed current staffing and resourcing arrangements, i.e. a team of 9 Full Time Equivalents overseen by the Head of Communities with direct costs covered by the Better Care Fund and support costs paid by TDC (the latter estimated to be approximately £161K for 2024/25, to be funded from a combination of the ‘wellbeing reserve balance’ comprising previous years’ underspends and the current year’s wellbeing grant)
- referred to the Memorandum of Understanding with Reigate & Banstead Borough Council whereby cessation costs arising from a non-renewal of contract (e.g. redundancy and enhanced pension costs) would be shared (TDC’s approximate liability being £64,000 which had been factored into the ‘wellbeing reserve balance’)
- explained the intention to incorporate the service within the ‘Integrated Neighbourhood Teams’ initiative in partnership with health, social care and voluntary sector partners.

Members supported a further contract extension and welcomed the enhanced monitoring regime which enabled more comprehensive assessments of the outcomes experienced by users of the service.

RESOLVED – that an extension to the current contract with Surrey Heartlands Integrated Care Board (for the Wellbeing Prescription Service) to 31st March 2025 be approved.

189. REVIEW OF STANDING ORDERS

Various suggested revisions to ‘Standing Orders for meetings and general governance’ (which formed Part B of the Council’s Constitution) were presented.

Amendments were moved as follows:

- (i) Councillor Groves argued against the suggested removal of the provision to vote on the Annual Policy Statement at the Annual Council meeting (delivered by the incumbent Administration under Standing Order 6(2)). He proposed that the provision be retained. Upon being put to the vote, this amendment was lost.
- (ii) Councillor Pursehouse argued against the suggested revision to Standing Order 12(1) whereby Members who attended meetings ‘on-line’ could propose or second motions. He moved that SO 12(1) be redrafted to state that only Members physically present in the meeting room can propose or second motions. Upon being put to the vote, this amendment was carried.
- (iii) Councillor Pursehouse proposed a further revision to Standing Order 11 to clarify that once a Member speaks to a committee minute at Full Council, the Chair shall open the debate to any other Member who may then also wish to speak. Upon being put to the vote, this amendment was carried.
- (iv) Councillor Pursehouse proposed that the suggested provision to require parent committees to “*endeavour to make their Working Groups politically balanced*” (new Standing Order 21(5)) be further qualified by the words, “*Unless there are practicable reasons not to do so, ...*”. Upon being put to the vote, this amendment was carried.
- (v) Councillor Sayer proposed that the constitution be amended so that when a Committee had a choice between approving or rejecting a proposal to dispose of an asset (either by freehold or by leasehold) that a consistent approach to the decision be taken, and the matter either be resolved by the Committee or recommended to Full Council, regardless of the outcome. It was agreed that this matter should be addressed as part of a separate review of the Council’s scheme of delegation to committees (Part E of the Constitution).

Action	Responsible Person	Deadline
The Council’s scheme of delegation to committees be reviewed during the January 2024 cycle of committee meetings.	Vince Sharp	As per the relevant report writing deadlines as part of the agenda preparation timetables for the relevant meetings

COUNCIL DECISION
(subject to ratification by Council)

RECOMMENDED – that the amendments to Standing Orders attached at Appendix A, reflecting the amendments at (ii) to (iv) above, be adopted.

190. TIMETABLE OF MEETINGS FOR 2024/25

A draft timetable of Council and Committee meetings for 2024/25 was considered.

COUNCIL DECISION
(subject to ratification by Council)

RECOMMENDED – that notwithstanding the scope for additional meetings to be convened in consultation with relevant Committee chairs, the 2024/25 timetable of meetings attached at Appendix B be adopted.

191. INVESTMENT SUB-COMMITTEE - 3RD NOVEMBER 2023

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

192. PROPOSED NEW SHOP LETTING AT QUADRANT HOUSE

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

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

The Investment Sub-Committee, following consideration of this matter on 3rd November 2023, had recommended that the offer from the prospective tenant be declined.

The original report to the Investment Sub-Committee was re-produced and supplemented with a summary of the arguments for and against the letting, together with the outcome of officers' subsequent dialogue with the prospective tenant.

The Committee was presented with the following options:

Option A: adopt the Investment Sub-Committee's recommendation that the lease not be taken forward; or

Option B: make a recommendation to full Council on 14th December that the letting be approved (the report explained that, in light of the Council's scheme of delegation regarding the disposal of leasehold assets, the Committee was not empowered to determine the proposed tenancy).

The Committee debated the matter following a presentation by the Principal Asset Manager, which included the latest information about the Quadrant House estate.

Councillor Sayer proposed an amendment to Option B whereby the letting would be subject to "*improvements to the service road being negotiated before final agreement to mitigate any traffic issues*". This amendment was agreed by virtue of the Chair's casting vote.

Councillor Cooper wished it recorded that he voted against the amended Option B and that he favoured Option A.

COUNCIL DECISION
(subject to ratification by Council)

RECOMMENDED – that the letting be approved, subject to improvements to the service road being negotiated before final agreement to mitigate any traffic issues.

Rising: 11.20 p.m.

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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 19th 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 31st 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 Annex 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
	£	£	£	%	£	£
Treasury Investments (Non-specified)- Long Term (over 12 mths)						
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
Sub Total Non-specified (Treasury Investments)	12,000,000	10,848,020	10,809,957		527,773	545,299
Treasury Investments (Specified)-Short Term (less than 12 mths)						
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
Total Specified Investments		5,994,226	20,495,710		671,482	432,037
Total Treasury Investments		16,842,246	31,305,667		1,199,255	977,336
Non-Treasury Investments (Non-Specified)- Long Term (over 12 mths)						
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	-	-	-
Sub Total Non-Treasury Investments		16,700,314	16,461,922		945,634	965,699
Total Investments (Treasury & Non-Treasury)		33,542,561	47,767,589		2,144,890	1,943,035
Total Investment Income Budget 2023/24					1,495,700	1,495,700
Over/(under) budget					649,190	447,335

Borrowing	Balance as at 30/09/23	Interest	Forecast Cost 2023/24	Period to maturity	Previous Year Cost
	£	%	£	(years)	£
General Fund Borrowing					
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
Sub Total General Fund Borrowing	43,426,078		1,136,366		1,136,366
Total GF PWLB Budget 2023/24			1,137,000		1,137,000
Over/(under) budget			(634)		(634)
HRA Borrowing					
Public Works Loan Board	55,989,000	2.72	1,520,196	13	1,596,258
Sub Total HRA Borrowing	55,989,000		1,520,196		1,596,258
Total HRA PWLB Budget 2023/24			1,639,600		1,639,600
Over/(under) budget			(119,404)		(43,342)
Total Borrowing	99,415,078		2,656,562		2,732,624
Total Budget 2023/24			2,776,600		2,776,600
Total Over/(under) budget			(120,038)		(43,976)
Net borrowing balance at 31 December 2023 (Total Borrowing less Treasury Investments)	82,572,832				

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
Total	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	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
Total	12,029,108	11,991,781	11,052,907	11,800,366	12,349,313	10,705,622	10,661,191

	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)
Total	29,108	(8,219)	(947,093)	(199,634)	349,313	(1,294,378)	(1,338,809)

Annexe 'B'

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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%
Total	508,691		488,040		513,473		507,679		456,847		525,050	

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%
521,402	

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%
Total	(36,146)		(37,327)		(938,874)		747,460		548,946		(1,643,691)	

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%
(44,431)	

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%
Total	472,545		450,713		(425,401)		1,255,139		1,005,794		(1,118,641)	

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%
476,971	

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
	£	%	£	%	£	%	£	%	£	%	£	%
Carrying Value	2,075,341		2,056,664		1,831,028		863,160		391,191		142,398	
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	
Net Yield	114,838	5.53%	81,201	3.95%	76,634	4.19%	77,070	8.93%	87,136	7.12%	20,249	4.03%
Provisions for future losses	0		(10,000)									

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

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
Total	16.4	19.2	19.8	25.5	29.1	74.4

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
Total CFR	108.5	119.1	114.0	122.1	135.0

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	-	-	-	-	
Total debt	99.4	99.4	150.0	140.0	

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%	
Total			100%	

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

Strategy & Resources Committee – 2024/25 Proposed General Fund Budget and Medium-Term Financial Strategy

Strategy & Resources Committee Tuesday, 30 January 2024

Report of: David Ford – Chief Executive
Mark Hak-Sanders - Director of Resources (Section 151)

Purpose: For decision

Publication status: Unrestricted
Wards affected: All

Executive summary:

The purpose of this report is to present the proposed Budget for 2024/25 and Medium-Term Financial Strategy (MTFS), including the Capital Programme, for this Committee.

Members are asked to agree the recommendations below. These recommendations are consolidated into the overall position, which forms part of the Council-wide budget setting process (to be ratified by Full Council on 8th February 2024).

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

Contact officer Mark Hak-Sanders Director of Resources (Section 151)
mhaksanders@tandridge.gov.uk

Recommendations to Committee:

The approved Strategy & Resources budget forms part of the Council-wide budget setting process (to be ratified by Full Council on 8th February 2024). This report focusses on the budgets for this Committee including Corporate Items, and recommends that Members:

- A) **Agree the Strategy & Resources Committee – Proposed Revenue Budget for 2024/25 of £6.214m** as shown in **Appendices A and B**, taking account of the pressures and savings allocated to the Committee. Note that further allocations will be made to distribute an amount equal to increments and the agreed Council pay award, subject to approval at Full Council.

- B) **Agree the Fees and Charges for Strategy & Resources as set out in Appendix C.**
- C) **Agree the Strategy & Resources Committee’s Final Capital Programme** for 2024/25 being the sum of £2.9m, as shown in **Appendix D**, subject to approval at Full Council.
- D) **Agree the Corporate Items – Proposed Revenue Budget for 2024/25 of (£0.485m)** as shown in **Appendices A and B**, noting that the amount set aside for a pay award, pensions and increments is £417k, which will ultimately be distributed to Committee budgets, with virements subject to approval by Strategy & Resources Committee.
- E) **Note the Subjective Revenue Budgets in Appendix B**, setting out movements from 2023/24 to 2024/25 and an estimated movement to 2025/26.

Reason for recommendations:

Section 151 of the Local Government Act 1972 requires all councils in England and Wales to make arrangements for the proper administration of their financial affairs. It is a legal obligation that the Council sets a balanced budget for 2024/25.

1. Introduction and background

- 1.1 The proposed budget for 2024/25 has been collated through an extensive process over the past six months, beginning with a report to Strategy & Resources Committee on the 29th June 2023 which set out the timetable, process and key milestones. Throughout the process, the budget has been developed with an expectation that a savings target of £0.75m (with a range from £0.5m up to £1.4m) would be required to balance the Council’s overall budget.
- 1.2 The results of the budget process were captured in the Draft Budget 2024/25 and Future Tandridge Programme Update report that was presented to the Committee on the 30th November 2023. The report set out a draft £0.6m savings plan for the Council overall, which at that point was sufficient to balance the budget, along with, itemised budget pressures and a high-level assessment of the impact of inflation.
- 1.3 The Draft Budget was presented with significant uncertainty on whether Government funding would be sufficient to allow the budget to remain balanced with the existing £0.6m savings plan. On the 18th December 2023, the Government released the provisional Local Government Finance Settlement, which set out funding for each Council. Although the final settlement is not expected until later in January 2024, it is highly unlikely that funding allocations will materially change. This Council’s allocation was sufficient to balance the budget for 2024/25 based on the £0.6m

savings set out in the Draft Budget, and so the Strategy & Resources element of the savings plan is re-presented here for approval. The budget will only remain balanced if the £0.6m savings plan is approved, so any proposed alteration to savings proposals would need to be met by approval of an amended target elsewhere.

- 1.4 The 2024/25 savings plan has been designed to deliver tactical savings whilst the Council finalises the implementation of key elements of the Future Tandridge Programme, including the Digital Programme, the renewed Grounds Maintenance service, key commissioning reviews (including Voids and Housing Repairs) and the People Plan. Savings have not been identified beyond 2024/25 as yet, but will be required to close the Medium-Term budget gap. A Transformation Programme Director resource is currently out to recruitment and their main focus will be to work with the Council to shape and deliver its future plans within available resources. Whilst the wider Council's corporate budget includes a modest contingency of £445k and a service capacity fund of £200k (more details of which included in the Council's consolidated budget report), it is imperative that the savings are delivered or alternate measures identified where they cannot be. A robust governance approach through the Future Tandridge Programme continues to oversee delivery and manage these risks.
- 1.5 The report allocates funding to the Committee for a number of budget pressures, set out in Appendix A. These are based on the pressures included in the Draft Budget, but also include allocations for non-pay inflation previously held corporately.
- 1.6 The overall budget has been drawn together on the following principles:
 - A balanced revenue budget with the use of General Fund Reserves avoided in anything but unforeseen circumstances that cannot be met from contingencies or reduced spend elsewhere;
 - Maintaining and ideally building the contingency to provide further medium-term financial resilience and to mitigate risk;
 - Supporting and enabling the Council to fund the Future Tandridge Programme and associated improvements to its services;
 - Continuing to explore options to build resilience of General Fund Reserves;
 - Completing the Future Tandridge Programme within available resources, delivering services with appropriately set budgets;
 - Producing evidence-based savings plans which are owned/delivered, tracked, monitored and reported monthly; and
 - Ensuring that managers are accountable for their budgets.
- 1.7 The principles more specifically relating to setting sustainable medium-term budgets are:
 - Developing multi-year plans, integrated with capital investment across the Council;

- Application of a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Committee budget envelopes, backed by formal reporting to Committee;
- Envelopes validated annually based on realistic assumptions;
- Evidence bases used to underpin savings proposals and investments;
- Assurance that all savings, pressures and growth are managed within budget envelopes to ensure accountability for implementation;
- Pay and contract inflation allocated to Service budgets to be managed within budget envelopes; and
- A corporate contingency held centrally to mitigate risk.

1.8 The remainder of this report sets out the detail for the Committee.

2. Strategy & Resources Committee Overview

- 2.1 The Committee's primary purpose is to enable and support frontline services with resource functions including Legal, Information Technology, Finance, Human Resources, Customer Services, Policy and Communications.
- 2.2 There are a small number of statutory services delivered in the Committee including Democratic Services, Emergency Planning and Revenues and Benefits and some discretionary services including Wellbeing Prescription and Asset Management.
- 2.3 The Committee is also responsible for the Corporate Items section of the budget which supports the whole Council. These include:
- Ensuring support costs are charged to ring-fenced business areas (HRA, Southern Building Control Partnership, Gryllus Ltd, Wellbeing Prescription, CIL and Land Charges).
 - Managing investments and borrowing, including interest receivable, interest payable and investment property income.
 - Setting aside the appropriate revenue provision when investing in capital assets.
 - Reviewing pension fund performance against the pension funding position to assess the primary (part of salaries budgets) and secondary rate of contributions to cover the cost of new benefits.
 - Accounting for the bank charges, bad debt provision movements/write-offs on sundry debts, and movements in reserves and contingency.
- 2.4 The budgetary position for the current financial year shows that Strategy and Resources support costs are forecast to underspend by £108k.
- 2.5 Corporate Items is forecasting a net shortfall of £85k at outturn.
- 2.6 Even though these are small variances, there are significant corporate pressures for 2024/25 as detailed in Appendix A.

- 2.7 Services within the Committee aim to realise better customer experience and efficiency through digital innovation, subject to an ongoing project to transform the Council's digital capability. This is intended to help deliver a step change in the effectiveness of our services and to improve the support we provide to other policy Committees. Delivering this programme, with a focus on our responsiveness to customer needs will be one of the key priorities into 2024/25.
- 2.8 A project will shortly commence to support the creation of the Resources Directorate as part of the recent management restructure. This will set out a development plan to reflect the principles of business partnering, digital transformation and responding to the needs of services, balanced with delivering value for money support services across the organisation. The plan will sit alongside service plans and individual appraisals to ensure effort is coordinated.
- 2.9 As part of the Future Tandridge Programme, the Committee is continuing to pursue improvements to the delivery of its services and savings to the revenue budget. 2024/25 will see savings of £343k for this Committee, or approximately 59% of the total savings plan. This reflects a continuing desire to target savings toward support services wherever possible and maintain delivery of services to residents.

3. Revenue Budget – Strategy & Resources Services

- 3.1 **The proposed revenue budget for Strategy & Resources Services totals £6.214m. Appendix B(i)** shows the detailed budget for this element of the Committee, taking account of the changes set out in this report.
- 3.2 **Financial savings totalling £205k / 3%** have been included in the proposed Budget for this Committee. **Appendix A** itemises savings and pressures.
- 3.3 The savings include:
- **Commercial Opportunities £56k** - Additional rental income at Quadrant House, and Oxted Council Offices, based on achieving an additional lease at a similar value to recent lettings at Oxted.
 - **Full year effect of FTP savings £22k** - Ongoing salary and running cost savings in Policy & Communications following previous restructure.
 - **Process reviews and early digital gains £83k** - Process reviews across Resource services including Finance, Exchequer and HR.
 - **Commissioning £19k** - Reconfiguration of IT support following software upgrades transferring to cloud based solutions.
 - **Commissioning £25k** - Full year effect of savings made through Revenues and Benefits Joint Working Agreement, including commercial opportunities.

3.4 **Financial pressures excluding inflation, increment and pay award (totalling net £174k / 3%)** have been included and summarised as follows:

- **Service Pressures of £174k, comprising:**
 - £88k – General Fund element of External Audit costs. Additional, unavoidable, external audit fees caused by enhanced Financial Reporting Council requirements. Overall audit fees for the Council have increased by £138k over existing budget, across the main accounting audit and the Housing Benefit audit.
 - £71k - Appointment of Commercial Finance Business Partner to support the Council’s emerging commercial strategy.
 - Inflation of £15k estimated on non-staff costs across the Committee.

3.5 The increment and pay award allocation will be distributed from Corporate Items when it has been agreed.

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

4. Revenue Budget – Corporate Items

4.1 **The revenue budget for Corporate Items totals (£0.485m).**

Appendix Bii shows the detailed budget for this element of the Committee, taking account of the changes set out in this report.

4.2 **Financial savings totalling £138k** have been included in the proposed Budget for this element of the Committee.

The main items included are:

- **Commissioning £125k;** Full review of how Services are resourced to deliver Government initiatives including 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 £0.5m new burdens reserve exists to smooth potentially volatile funding streams and it is likely this funding will continue.
- **Review Funding Levels £13k;** Debt management costs will subject to a small reduction if a proportion of the Warren Lane Depot site is transferred to the HRA.

4.3 **Financial pressures excluding inflation, increment and pay award of £85k** have been included and summarised as follows:

- **Service Pressures £85k;** 2023/24 Management structure saving re-invested in Planning. (The budget for this saving was held corporately). This pressure acknowledges that this saving cannot now be distributed from Corporate Items.

- 4.4 A corporate allocation for inflation of £73k (remaining after allocating inflation to Policy Committees), and an increments and pay award budget of £417k has been included in Corporate Items. Subject to approval of the overall budget at Council, the deployment of this pay award will be determined in discussion with Unison and Members.
- 4.5 A £200k Service Capacity Fund is also included in Corporate Items. This is designed to provide flexibility to meet service pressures emerging after the budget has been set, and will be subject to Member approval. Further details are included in the Council's consolidated budget report.
- 4.6 **Appendix A** is an extract from the MTFs for this committee which details the pressures identified and details the overall budget position against the budget envelope.

5. Review of Fees and Charges

- 5.1 Charging for services forms a key part of the overall mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council taxpayer must pay for the difference.
- 5.2 It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2024/25 will be a challenging year with ongoing uncertainty relating to inflation and cost of living. This is exacerbated by the significant uncertainty with funding and policy from Central Government for 2025/26 and over the medium-term. The Spending Review and the provisional settlement has only provided us with surety for one year.
- 5.3 There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by this Committee.
- 5.4 Fees and charges have been reviewed by service managers with support from Finance, taking into account factors such as anticipated demand, comparison with competitors and other Councils, previous levels of performance and inflation.
- 5.5 As a result, it is proposed that fees and charges are uplifted according to the detail set out in **Appendix C**. Fees and charges were discussed with Members at an all-Member workshop on the 19th December 2023, with these proposals reflecting the discussion.
- 5.6 Court costs are retained at the same level because Revenues and Benefits have indicated that courts will not allow any increase. This position been tested with Finance prior to inclusion in the budget. The court clerk consulted indicated it would be highly unlikely that magistrates would

consider an increase in fees in the foreseeable future due to the current cost of living pressures being experienced by the public and businesses.

6. Capital Programme

- 6.1 The proposed Capital Programme for this Committee is shown at **Appendix D**. The programme covers a three-year period but will be reviewed and updated annually. The Appendix shows the current agreed programme, revisions to existing schemes and any new schemes added and the proposed programme after all revisions.
- 6.2 Included in the Appendix is a narrative description of each scheme. Some schemes, as indicated in the appendix, will be subject to further member approval before spend goes ahead.

7. Consultation

- 7.1 In the January 2024 Council newsletters, residents and business have been asked for their comments on the Draft Budget approved by Strategy & Resources Committee on the 30th November 2023. Any comments received will be incorporated into the final budget presented to Full Council on the 8th February 2024.

Key implications

8. Comments of the Chief Finance Officer

- 8.1 With no clarity over Government funding from 2025/26 onward, our working assumption is that financial resources will continue to be constrained. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium-term.
- 8.2 It is a legal obligation that the Council sets a balanced budget for 2024/25. This relies on the identification of sufficient savings to meet spending pressures and any income reductions. Drawing on already low General Fund reserves to cover a shortfall in savings is not a sustainable option and would only be used as an absolute last resort. The Council needs to build, rather than draw on reserves to safeguard its medium-term financial stability.
- 8.3 The Section 151 Officer confirms that the proposed 2024/25 Budget and MTFs is based on reasonable assumptions, taking into account all known material, financial and business issues and risks and is confident that if the principles and recommendations set out in this report are adopted that a balanced budget can be set for 2024/25.

9. Comments of the Head of Legal Services

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

10. Equality

- 10.1 The Council has specific responsibilities under the Equality Act 2010 and Public Sector Equality Duty. Part of this is to ensure that the potential

effects of decisions on those protected by the equalities legislation are considered prior to any decision being made.

- 10.2 Section 149 of the Equality Act 2010, provides that a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA;
 - advance equality of opportunity between persons who share a relevant protected characteristic (as defined by the EA) and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 10.3 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 10.4 Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.
- 10.5 Officers have reviewed proposed budget changes against the initial equalities screening and have nothing to report.

11. Climate Change implications

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

Appendices

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

Background papers

Strategy and Resources Committee – 30th November 2023 – 2024/25 Draft Budget and Future Tandridge Programme Update

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

APPENDIX A(i) STRATEGY AND RESOURCES

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

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
Total Virements		58	0	0	58

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
Total Pressures		174	15	15	204

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)
Total Savings		(205)	0	0	(205)
Net movement for Committee budget		27	15	15	57
Indicative Budget Requirement		6,214	6,229	6,244	

APPENDIX A(ii) - CORPORATE ITEMS

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Brought forward budget	(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)
Total Virements		(6)	0	0	(6)

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
Corporate Items - Service Pressures		85	500	500	1,085
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
Corporate Items - Pressures held for other Committees		490	504	526	1,520
Total Pressures		575	1,004	1,026	2,605

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)
Total Savings		(138)	0	0	(138)
Net movement for Committee budget		431	1,004	1,026	2,461
Indicative Budget Requirement		(485)	519	1,545	

Appendix B(i) – Strategy and Resources - Subjective Analysis

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
Strategy & Resources	6,188	4,085	3,338	(1,209)	6,214	27	6,229

Appendix B(ii) – Corporate Items - Subjective Analysis

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)	
Corporate Items	(916)	1,902	280	(2,667)	(485)	431	519	

Appendix C – Strategy & Resources - Fees and Charges

Fees and Charges	Statutory / Discretionary	Current Charges 2023/24	Proposed Charges 2024/25	Proposed Variance (inc. rounding)	Proposed Actual % Increase 2024/25 (inc. rounding)	VAT excluded in these figures			
		£ Inc VAT	£ Inc VAT	£	%	Budgeted Income 2023/24	Actual Income 2022/23	Forecast 2023/24 (based on Act / 6mth FC data)	Proposed Budget 2024/25
						£	£	£	£
Legal Charges*									
Head of Legal & Monitoring Officer (Per Hour)	Discretionary	294.00	312.00	18.00	6.1%				
Senior Solicitor (Per Hour)	Discretionary	286.00	304.00	18.00	6.3%				
Solicitor (Per Hour)	Discretionary	N/A	282.00	N/A	0.0%				
Clerical Assistant, Legal Assistant (Per Hour)	Discretionary	206.00	219.00	13.00	6.3%				
Legal Assistant / Interns/ Case Officers (Per Hour)	Discretionary	114.00	121.00	7.00	6.1%				
Support Officer / Apprentices (Per Hour)	Discretionary	57.00	61.00	4.00	7.0%	123,000	126,035	107,325	123,000
Drafting a simple licence	Discretionary	575.00	610.00	35.00	6.1%				
Drafting a simple wayleave agreement/ lease	Discretionary	1,376.00	1,459.00	83.00	6.0%				
Renewal of simple licence	Discretionary	345.00	366.00	21.00	6.1%				
Renewal of simple wayleave agreement/ lease	Discretionary	804.00	853.00	49.00	6.1%				
Right to Buy; Request for a management pack	Discretionary	230.00	250.00	20.00	8.7%				
Lease Notice	Discretionary	114.00	121.00	7.00	6.1%				
<i>*Note - Charities/ Community Groups may be eligible for a 50% discount on legal fees.</i>									
Total Budgeted Income - Legal Charges						123,000	126,035	107,325	123,000
Court Costs (subject to confirmation from courts)									
Council Tax Summons Charges	Discretionary	62.50	62.50	0.00	0.0%				
Council Tax Liability Order	Discretionary	30.00	30.00	0.00	0.0%				
NNDR Summons Charges	Discretionary	102.50	102.50	0.00	0.0%				
NNDR Liability Order	Discretionary	20.00	20.00	0.00	0.0%				
Civil Court - Issue Fee	Statutory	355.00	355.00	0.00	0.0%	154,170	155,733	154,170	154,170
Civil Court - General Applications	Statutory	275.00	275.00	0.00	0.0%				
Civil Court - Civil Enforcement Proceedings	Statutory	59.00	59.00	0.00	0.0%				
Civil Court - Bailiff Service of Order	Statutory	119.00	119.00	0.00	0.0%				
Civil Court - Service of Schedule of Dilapidations	Statutory	1,000.00	1,000.00	0.00	0.0%				
Total Budgeted Income - Court Costs						154,170	155,733	154,170	154,170
Total Budgeted Income - Strategy & Resources						277,170	281,768	261,495	277,170

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CAPITAL PROGRAMME 2023/24 TO 2026/27 - Strategy & Resources

COMMITTEE SCHEMES	Current Programme 2023/24 £	Estimated Programme 2024/25 £	Estimated Programme 2025/26 £	Estimated Programme 2026/27 £	Total Programme 2023-27 £
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Strategy & Resources

Current Continuing Programme

Council Offices Major Works Programme	38,500	25,000	25,000		88,500
Digital FTP	295,000	0			295,000
IT - Hardware/infrastructure/Projects	383,210	511,590	94,800		989,600
Croydon Road Regeneration	50,000	2,255,500			2,305,500
Quadrant House Solar Panels & Suite Refurb	150,000	100,000	50,000		300,000
Total Current Continuing Programme	916,710	2,892,090	169,800	0	3,978,600

Revisions and New Bids

Council Offices Major Works Programme				25,000	25,000
Digital FTP					
IT - Hardware/infrastructure/Projects			114,200	212,000	326,200
Croydon Road Regeneration					0
Quadrant House - Solar Panels & Suite Refurb					0
Total Revisions and New Bids	0	0	114,200	237,000	351,200

Proposed Programme

Council Offices Major Works Programme	38,500	25,000	25,000	25,000	113,500
Digital FTP	295,000	0	0	0	295,000
IT - Hardware/infrastructure/Projects**	383,210	511,590	209,000	212,000	1,315,800
Croydon Road Regeneration	50,000	2,255,500	0	0	2,305,500
Quadrant House - Solar Panels & Suite Refurb**	150,000	100,000	50,000	0	300,000
Total Proposed Programme	916,710	2,892,090	284,000	237,000	4,329,800

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

CAPITAL PROJECT SUMMARY - STRATEGY & RESOURCES

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

Title of Scheme	Digital FTP
Description of Scheme	As part of the Future Tandridge Programme a business case was submitted and approved to introduce new digital engagement channels into the Council. This introduction of these additional digital engagement channels will alleviate some of the current issues that service users experience and also support the wider savings objectives by reducing the cost per interaction.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	<p>The new digital engagement channels being introduced as follows:</p> <p>MyTandridge Account Chatbot</p> <p>To enable these new channels it is also necessary for us to look at the existing data interconnectivity and data sharing.</p> <p>The decision was made in the digital business case to utilise Salesforce and specifically the following additional licenses to the existing Service Cloud licenses being used by TDC:</p> <ul style="list-style-type: none"> - Experience Cloud – This will provide the MyTandridge Account - Einstein Chat - This is an Artificial Intelligence Chatbot - Mulesoft – This is a powerful API engine that will connect salesforce with existing back office systems to service data. <p>To provide a good end user experience it is necessary to carry out a website redesign and rebuild to give an enhanced user experience.</p> <p>To deliver these engagement channels and improvements we are utilising the services of a number of professional partners. These are as follows;</p> <ul style="list-style-type: none"> - Smarter Digital Services – Insights and website redesign - Aspire CRM – Salesforce Implementation Partner - Purple Creative – Website development company <p>It is anticipated that the full delivery of these project will be completed by September 2024 with incremental delivery milestones along the way.</p>

Title of Scheme	IT - Hardware/Infrastructure Projects - GF
Description of Scheme	Allocation to fund enhancements & development of the existing IT systems, subject to future Member approval.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	<p>It is necessary to continue investment in a number of areas, potentially including but not limited to:-</p> <ol style="list-style-type: none"> 1. Replacement cycles for hardware including servers, switches, firewalls on a cyclical basis 2. SBCP line of business application build in TDC Salesforce 3. Civica document disposal module and licence to comply with GDPR and migration of image server to the cloud 4. Replacement of outdated telephony which is not fit for purpose 5. Upgrade of Adelante as existing version is obsolete. <p>An IT Strategy Board has been formed to develop the Council's IT Strategy and to agree the development and implementation of specific IT schemes to improve service delivery and reduce staffing costs if possible. The IT Strategy Board will be officer based and will report to Extended Management Team. The commissioning of each project will be based on a detailed business case being approved by the IT Strategy Board.</p>

Title of Scheme	Croydon Road Regeneration
Description of Scheme	Improvements to the Croydon Road streetscape including provision of better amenity space such as parklets and seating, more greenery including trees and planting, improved road safety, new surfacing materials for pavements and parking areas, cycle parking and so forth.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	Key benefits including: helping to revitalise the local economy, in conjunction with other investment that is going into the town; encouraging new businesses into the town and inspiring existing businesses to improve their premises; introducing greenery into the town centre, reducing street clutter, renewing materials, slowing traffic speeds, thereby improving the quality of the environment for shoppers, visitors and workers, encouraging greater wellbeing, longer dwell times and higher spend; encouraging active travel and redressing the current imbalance that favours car users over pedestrians & cyclists; attenuating excess surface water via trees and new planting thus contributing to a wider flood mitigation strategy for the town; providing a small amount of good quality public realm space e.g. parklets and some outdoor licensable space for businesses. Stage 1 highways design is complete; stage 2 highway design (detailed design) is scheduled to commence Jan 2022 and is expected to last approximately 6 months; construction is expected to last approx 6 months and timing will need to be sympathetic to the needs of the businesses i.e. may commence in early 2023 rather than late 2022. Contractor to be procured on conclusion of detailed design and achievement of highways approval to proceed. SCC placemaking and transport development planning teams to be closely involved, together with Caterham BID.

Title of Scheme	Quadrant House Solar Panels & Suite Refurbishment
Description of Scheme	Installation of solar panels and refurbishment of remaining unrefurbished suites
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	Subject to future business case approval where further investment in the asset will result in increased tenancies, or future sustainability of the asset.

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Appendix E - Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
Contingency	Funding held to meet known risks within the budget, offering assurance that the overall budget is deliverable. Contingencies are held corporately and only distributed if Committees cannot meet emerging risks from within their own budgets.
Pressure	Known budgeted expenditure increases and income reductions due to the following: <ul style="list-style-type: none"> • Growth factors – e.g. demographic, inflation and/or increased demand for services; • Full year effects – to take account of changes to expenditure or income which have taken effect in-year and need to be accounted for in future years as they are of an ongoing nature, e.g. ongoing changes to car parking income due to the pandemic; and/or • Other increases in expenditure or reduction in income as a result of strategic, governance, funding or policy changes e.g. additions to the organisational structure or additional service activities undertaken and not budgeted for as they occur after the budget is set and have ongoing implications.
Reserves: General Fund balance	Money set aside for emergencies or to cover any unexpected costs that cannot be met within budget or by contingencies.
Reserves: Earmarked Reserves	Funds set aside by Council for a particular purpose, such as buying or repairing equipment or the maintenance of public parks or buildings or equalising over time a particular income stream.
Saving	Known budgeted expenditure reductions and income increases which result due to the following: <ul style="list-style-type: none"> • Containing additional costs of Inflationary increases in contracts or pay; • Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money; • The delivery of new or additional services; and/or Optimising sources of income.
TOMDG	Target Operating Model Development group – a governance group within the Future Tandridge Programme. This group sets the direction for the service reviews and agrees the principles that will drive the organisational change.

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2024/25 Final Budget and Medium-Term Financial Strategy to 2026/27, including Future Tandrige Programme Update

Strategy and Resources Committee

Tuesday 30 January 2024

Report of: Chief Executive
Director of Resources (S151 Officer)

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive Summary:

This report sets out a final Budget for 2024/25, accompanied by an update on the Future Tandrige Programme (FTP).

The final budget will be approved by Full Council on 8th February 2024. Details of budget pressures and savings proposals are set out in this report.

The report also discusses the national and local context for the budget setting process, organisational and Committee updates, an overview of reserves and details of budget assumptions and principles.

In respect of the budget, the report provides:

- The consolidated Council Budget for 2024/25 and Medium-Term Financial Strategy, based on the reports presented to the four Policy Committees, including the preceding agenda item.
- Proposals on the level of Council Tax (the precept) to be set by Tandrige District Council.
- The Council's 'Section 25' report, providing confirmation on the robustness of estimates and the adequacy of reserves.

In respect of the Future Tandrige Programme, the report provides:

- An update of progress in Operations since the report to the Community Service Committee in September.

- An update on Digital Transformation and the work being carried out to deliver the scope in the business case approved in June 2023.
- An update on the Corporate Plan.
- An update on the Commercial Strategy and commercial activities being developed.
- A view of resources required to deliver FTP and additional transformation activities over the coming year.

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

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Mark Hak-Sanders – Director of Resources (Section 151 Officer)

mhaksanders@tandridge.gov.uk

Recommendations to Committee:

In respect of the Final Budget

Committee recommends that Full Council **note** the following:

1. That for the purpose of section 52ZB of the Local Government Finance Act 1992, the Council formally determines that the increase in Council tax is not such as to trigger a referendum (i.e. not greater than the higher of £5 or 2.99%).
2. The Local Council Tax support scheme (**Appendix A – section 8.12**) is unchanged for financial year 2024/25.
3. The Parish Councils' precept requirements for 2024/25 (**Appendix F – TO FOLLOW FOR FULL COUNCIL**).
4. 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).
5. The financial strategy to build the General Fund reserve from the current level of **£2.8m** using unused contingency (**Appendix A – section 9**).

Committee recommends that Full Council **approve** the following:

6. 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.
7. The Final Budget Envelopes for each Committee including the allocation of pressures and savings targets for 2024/25 (**Appendices B and C**).

8. The **£74.8 million** proposed three-year Capital Programme (comprising £7.9m General Fund, £5.6m Community Infrastructure Levy (CIL) and £61.3m Housing Revenue Account (HRA)) of which £25.5 million Capital Budget is for 2024/25 (**Appendix D**).
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 Council services (**Appendix E**).
10. That 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.

A full list of bands is as follows:

Valuation Band	Annual Amount £
A	163.33
B	190.55
C	217.77
D	244.99
E	299.43
F	353.87
G	408.32
H	489.98

Note that for Full Council, there will be additional recommendations incorporating Surrey County Council and Surrey Police and Crime Commissioner's precepts, to meet with legislative requirements when approving the Council Tax for 2024/25.

The County and Police precept information is required before TDC's precept can be finalised.

Given the timing of Surrey County Council's Full Council meeting on 6th February, it is anticipated that the precept information will be sent to Members on 7th February, in advance of Full Council on 8th February.

11. 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 G**).

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

12. Notes the progress to date 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.

Reason for recommendations:

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

The Council is legally obliged to set a balanced budget for 2024/25 which includes details of the proposed savings and pressures.

This report builds on the papers presented to Council on 9th February 2023 and to this Committee on 29th June 2023, 28th September 2023 and 30th November 2023.

The Future Tandridge Programme, service reviews and the continuous improvement and commissioning programme are the mechanism for delivering value for money, providing assurance that services are specified to deliver to an agreed quality within available funding.

Developing the Council's commercial strategy will enable a mechanism for prioritising and delivering commercial initiatives.

1. Introduction

- 1.1. The proposed 2024/25 Final Budget and Medium-Term Financial Strategy to 2026/27 is set out in Appendix A, supported by Appendices B-H.
- 1.2. The report also provides the regular update to Committee on progress in delivering the Future Tandridge Programme.

2. Budget Timetable

- 2.1 The 2024/25 Budget Process will be completed on 8th February 2024, when Council is scheduled to discuss and approve the budget and MTFs. The Constitution determines that Strategy & Resources Committee (S&R) "shall consider the aggregate of all Committee estimates and, after making such amendments as it thinks fit, submit the aggregate estimates to the Council for approval, together with recommendations as to the Council Tax to be levied for General Fund expenditure."
- 2.2 An indicative timetable leading up to Council was set out in June, including plans to engage informally with Members and formally through the four Policy Committees. This report represents the culmination of that process.

3. Budget Executive Summary

- 3.1 The Final Budget for 2024/25 and Medium-Term Financial Strategy to 2026/27 is set out in Appendix A, with further accompanying appendices.

The key headlines included in the budget are:

- The final revenue budget is balanced, with no call on General Fund reserves. Robust principles have been applied to developing the budget. (Section 4)
- The total net budget is £12.799m, increased by £0.864m from £11.935m in 2023/24. (Sections 5 and 6)

- A £0.2m Service Capacity Fund has been proposed, to allow the Council flexibility to meet service spending needs arising after the budget has been set. Use of the fund will be subject to Member approval, but it is intended to strengthen and support service delivery. (Section 5)
- The savings plan has been finalised at £0.586m. Savings plans have been designed to have no impact on resident facing services, continuing a strategy as part of the Future Tandridge Programme to maintain and strengthen service delivery. (Section 7)
- The budget will only remain balanced if the £0.586m savings plan is approved, so any proposed alteration to savings proposals would need to be met by approval of an amended target elsewhere.
- Contingency, to mitigate risks within the budget, is retained at the same level as 2023/24, at £445k. Unused contingency at year end can be used to support the General Fund reserve. (Section 9).
- Work through the Future Tandridge Programme to identify further savings and generate income to support service delivery will continue throughout the year. This is crucial to prepare the Council for future financial challenges and preserve funding for service delivery. There will be no complacency despite a smaller savings target for 2024/25.
- Funding from Flexible Use of Capital Receipts will be necessary to take forward this work, but future Committee approval will be sought for spending commitments (Sections 10 and 12).
- A three-year Capital Programme has been proposed, investing £75m over three years in Housing, Community Services, Community Infrastructure Levy and retaining sustainable Council Infrastructure (Section 11). Staffing resources to deliver the programme are being strengthened.

For reference, Appendix A includes the following sections:

1. Introduction
2. Strategic context
3. Committee overviews
4. Budget principles
5. Revenue budget headlines and changes since the Draft Budget
6. Budget pressures
7. Savings
8. Funding
9. Reserves Update and Financial Resilience – The Section 25 Report
10. Flexible Use of Capital Receipts
11. Final Capital Programme
12. Medium Term Financial Strategy Update
13. 2023/24 Financial Performance
14. Next steps

4. Future Tandridge Programme

This section summarises progress on delivering the Future Tandridge Programme. Further detail is provided in Appendix I.

To deliver the benefits outlined in the Future Tandridge programme, key outcomes have been identified and a number of workstreams defined with responsibility for delivering these outcomes. Below is a table that details the key outcomes, the progress made so far to deliver these outcomes, future deliverables and their respective milestones.

Programme outcomes and key milestones table (1)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Vision and strategy	D Ford G Valenza TOMDG	Corporate Plan. Service planning and delivery embedded, linked to Corporate Plan	Corporate plan	Stakeholder meetings, Member workshop, residents survey, initial draft prepared	Draft plan for review – Jan 2024 Stakeholder consultation plan agreed and to commence – Feb 2024 March 2024 – review service plans and objectives Launch new plan June 2024	
Leadership	D Ford TOMDG	Fewer, more capable managers. Structure clearly linked to Corporate Plan.	Clear Senior Management Structure to deliver Council priorities	Phase 1 – December 2022 Phase 2 – Consultation launched September 2023 Implementation 1 December 2023	Complete	
Organisational development	Mark Hak-Sanders TOMDG	Smaller, more agile organisation. Capabilities are defined, invested and developed. Talent is identified and developed	People plan Skills matrix Job description review	Appraisals for all staff – March 2023 EMT behaviours now in place and cascaded to staff as part of appraisal process – March 2023 JDs reviewed in each successive restructure.	Engage Org Design resource. through potential shared role with RBBC - Jan-March 2024 Skills matrix developed with Key Officer Forum	

Programme outcomes and key milestones table (2)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Culture	D Ford EMT TOMDG	'One team' Council. Pay and reward linked to performance. Modern, agile ways of working	Develop pay and reward scheme – integrated into appraisal process Performance management - Training and development Staff forum set-up	Key officer forum in place – April 2023 Staff forum in place – July 2023 One team training for EMT, KOF and cross section of staff Staff Awards 2023	Pay and reward scheme review to be undertaken (potentially jointly with RBBC)– March 2024 Performance management - Training and development. One Team activities to continue to support culture change	
Operations Transformation	T Pearson-Rose Prog Delivery & benefits board	Delivering operations, localities and waste in the most cost effective and best way for residents as detailed in the business case approved in September 2022	GM Options appraisal Waste review Long term strategic plan for playgrounds, pavilions and toilets	Grounds maintenance options appraisal – options finalised and taken to committee for approval – September 23 Grounds Maintenance Market engagement complete and outcomes being assessed November 23	Lot structures being designed and specifications underway in preparation for tender process. Update to community services committee in March 2024 Engagement with legal and procurement stakeholders. Delivery model timetable for Nov 2024 implementation in development. Street Cleansing/HRA – review of structure in progress	

Programme outcomes and key milestones table (3)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Digital and Customer Transformation	M Hak-Sanders Prog Delivery & benefits board	Resident / customer self-service / online access. Integrated systems across key functions such as Planning, Housing and Customer Services	Website redesign MyAccount resident self-service including Planning, Housing and Customer service functions Integrated internal Council line of business systems ChatBot for residents Upgraded telephony system	Business case approved – March 2023 Digital project manager in place – April 2023 Implementation partner selected – August 2023 - Telephony solution selected – August 2023 - Licences agreed with Salesforce – August 2023 - Implementation partner engaged – September 2023	Upgraded Telephony system – Jan/Feb 2024 MyAccount – June 2024 Chatbot for residents – Sep 2024 Integrated internal Council line of business systems using Mulesoft - TBC Internal Testing and user acceptance testing. Dependency items – data cleansing, chatbot scripts, website refresh - planning in progress	
Commercial strategy	Mark Hak-Sanders EMT TOMDG	Increased income generation to support service delivery	Commercial strategy Commercial plan Commercial opportunities	EMT and KOF held workshops to collate new and existing key lines of enquiry and commercial initiatives. Commercial matrix criteria and scoring agreed in December 2023	EMT scoring of agreed commercial initiatives to agreed relative ranking and priorities Jan 2024 Review resource requirements Jan 2024 Member engagement – Mar 2024 Development of individual commercial business case on Commercial proposal work – ongoing	

Programme outcomes and key milestones table (4)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Process and Data	Lead to be identified	More routine processes are simpler and automated. Data is used to drive insight and improvement.	Data insights strategy Service specifications for all services Data usage across services	Reviewing service specifications as part of Continuous improvement process.	Data insights strategy – tbc Service specification data as part of continuous improvement approach – date tbc Develop customer experience and insight data – date tbc	
FTP Phase 2 - Service reviews	D Ford M Hak-Sanders Prog Delivery & benefits board	New Target Operating Model	Continuous improvement approach including commissioning best practice Develop intelligent client skills and capabilities	Service improvements implemented as reported in Appendix I of this report	Further service review improvements – March 2024	
24/25 Savings	Mark Hak-Sanders TOMDG	Achieve savings target approved in January 2024 final budget	Savings target delivered, regular monitoring.	Scoped and agreed across services during Q2 2023 . Savings plan set out for approval.	Review of resource requirements underway. Jan 2024	

Programme outcomes and key milestones table (5)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Continuous improvement/ Commissioning	D Ford M Hak-Sanders TOMDG	All internal and external services operate to clear specifications with performance metrics which are actively managed, developed and improved Commissioning structure fully in place and operational	Continuous improvement including commissioning process and business partnering	Continuous improvement approach drafted including Principles proposed Guides, templates and processes defined – July – present Ongoing analysis of shared service opportunities (market analysis data) – Sept-Dec 2023 Skills and capabilities analysis – Oct 2023	Key Officer Training – beginning Jan - Mar 2024 Timetable in place – Mar 2024 - Training and behaviours rollout – beginning Jan 2024 Define roles and governance - Feb 2024 Intelligent client model defined – Mar 2024	
Support services	D Ford M Hak-Sanders EMT TOMDG	Service Plans identify needs in advance. Resources are directly linked to requirements. Business Partnering is the norm.	Business partnering across all support services.	Continuous improvement approach drafted, business partnering will be a part of the delivery model improve phase. Business Partnering embedded for Finance	Business partnering approach being drafted as part of intelligent client - beginning Dec 2023 Part of the continuous improvement rollout Jan 2024 onwards	

This table will be regularly updated to reflect progress and provided in future Strategy & Resources Committee papers.

5. FTP Savings Delivery and Risk update

- 5.1 Savings delivery for 2023/24 is tracked monthly by the programme team in conjunction with Finance and Heads of Service. A recent internal audit review on the Council's arrangements for savings delivery provided 'substantial' assurance. The audit is being repeated in the current financial year.
- 5.2 The table, below, is the key indicator of progress in delivering the savings. The position has improved since the previous update to Committee in November. Whilst £255k remains amber, £220k of this relates to homelessness costs (£150k) and rental income (£70k) where certainty will only be gained much closer to year-end.

RAG status	RAG rating determination	November	January			Variance
		Total Nov 2023 £000	Staff savings 23/24 £000	Non-Staff savings 23/24 £000	Total Jan 23/24 £000	Movement Nov to Jan £000
	Savings delivered	£961	£553	£408	£961	£0
	Clear plans, realistic timescales	£235	£68	£184	£252	£17
	Some risks to delivery or detailed delivery plan still in development	£272	£0	£255	£255	(£17)
	Significant risks to delivery, delivery plan yet to be agreed	£40	£16	£24	£40	(£0)
	Savings target will not be met this year	£146	£120	£26	£146	£0
	Totals	£1,654	£757	£897	£1,654	£0

Full details are set out in Appendix I.

- 5.3 As part of the governance on the Future Tandridge programme, all programme and project level risks are recorded in a risk register. Programme risks are reviewed and updated regularly. Fortnightly meetings are also in place with the EMT stakeholders to review progress and discuss and agree mitigating actions against risks to delivery highlighted by the EMT.

Key projects maintain their project level risks in project RAID logs, where risks, actions, issues and decisions are logged.

The latest programme risk register can be found in Appendix J.

6. Next Steps

- 6.1 Delivery of the Future Tandridge Programme will remain a key focus of Management activity until the outstanding programme activities are completed and the savings target for 2023/24 and 2024/25 is delivered.

- 6.2 Simultaneously, work will continue to prepare for the next phase of improvement activity and savings planning, gearing up for the 2025/26 budget process. Member engagement will continue throughout this process.

7. Comments of the Chief Finance Officer (S151)

- 7.1 With no clarity over Government funding from 2025/26 onwards, our working assumption is that financial resources will continue to be constrained. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium-term.
- 7.2 It is a legal obligation that the Council sets a balanced budget for 2024/25. This relies on the identification of sufficient savings to meet spending pressures, after the application of increased funding. Drawing on already low General Fund reserves to cover a shortfall in savings is not a sustainable option and would only be used as an absolute last resort. The Council needs to build, rather than draw on reserves to safeguard its medium-term financial stability.
- 7.3 The Section 151 Officer confirms that the 2024/25 Budget and MTFS is based on reasonable assumptions, taking into account all known material, financial and business issues and risks and is confident that if the principles and recommendations set out in this report are adopted that a balanced budget can be approved for 2024/25 at Full Council on 8th February 2024.
- 7.4 Increasingly the focus for the Council is on the medium term from 2025/26 onwards and the work that will be needed to ensure that the Council can continue to deliver priorities within increasingly constrained resources. The next key milestone in this work will be the recruitment of the Transformation Programme Director, followed by the work they will take forward to engage with Members on this point in advance of next year's budget setting.

8. Comments of the Head of Legal Services

- 8.1 The financial planning process ensures that the Council's finances align to the delivery of the Council's priorities and its obligation under section 151 of the Local Government Act 1972.
- 8.2 Ensuring the robustness of the Council's 2024/25 budget and its MTFS is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable. As the MTFS report is primarily financial in its nature, comments of the Director of Resources have been contained throughout the report.
- 8.3 The Local Government Finance Act 2013 requires the Director of Resources (S151 Officer) to also report on the robustness of the estimates for calculations and the adequacy of reserves to the Authority and that the Authority must take these matters into account when making decisions on matters before it. By law a local authority is required under the Local Government Finance Act 1992 to produce a 'balanced budget'.

- 8.4 The report provides information about risks associated with the medium-term financial strategy and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 8.5 The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) which includes a duty to consult. Having a medium-term financial strategy therefore contributes to achieving this legal duty.
- 8.6 In view of the conclusion reached by the Director of Resources above on the ability to set a balanced budget for 2024/25 and the comments throughout the report, there is no reason why Members cannot adopt the Recommendations in this report.

9. Equality

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

- 9.5 Officers will review proposed budget changes against the initial equalities screening tool prior to finalisation.

10. Climate Change implications

- 10.1 There are no specific environmental impacts in this budget report, although elements of the Capital Programme contribute to the delivery of climate change objectives and net zero carbon. Climate change implications will be assessed as part of any changes to service provision.

Background Papers

None

Budget Appendices

Appendix A - 2024/25 Budget and MTFS

Appendix B – Summary of Pressures and Savings

Appendix C – Subjective Detailed Budget Analysis

Appendix D – Proposed Capital Programme

Appendix E – Council Tax Requirement Statement

Appendix F – Parish Council Tax Precepts [To follow for Council]

Appendix G – Flexible Use of Capital Receipts

Appendix H – Projected Earmarked Reserves 2022/23 to 2024/25

Future Tandridge Programme Appendices

Appendix I – FTP Background and Progress updates

Appendix J - FTP Risk Register

Appendix K – FTP Road Map

Appendix L - Transformation resource forecast

Appendix M – Glossary

Appendix A

Final Budget 2024/25 and Medium-Term Financial Strategy to 2026/27

1. Introduction

- 1.1 The Final Budget for 2024/25 and Medium-Term Financial Strategy (MTFS) to 2026/27 sets out the strategic context for the Council, an overview of the Committees and the key elements of the 2024/25 budget, including:
 - Budget Pressures
 - Savings Plans
 - Funding Projections
 - Reserves and Resilience
 - The Capital Programme
 - The Medium-Term Outlook
- 1.2 The Council's proposed budget for 2024/25 has been collated through an extensive process over the past six months, beginning with a report to Strategy & Resources Committee on the 29th June 2023 which set out the timetable, process and key milestones. Throughout the process, the budget has been developed with an expectation that a savings target of £0.75m (with a range from £0.5m up to £1.4m) would be required to balance the Council's overall budget.
- 1.3 The results of the budget process were captured in the Draft Budget 2024/25 and Future Tandridge Programme Update report that was presented to Strategy & Resources Committee on the 30th November 2023. The report set out a draft £0.6m savings plan for the Council overall which, at that point, was sufficient to balance the budget. The report included itemised budget pressures and a high-level assessment of the impact of inflation.
- 1.4 The Draft Budget was presented with significant uncertainty on whether Government funding would be sufficient to allow the budget to remain balanced with the existing £0.6m savings plan. On the 18th December 2023, the Government released the provisional Local Government Finance Settlement, which set out funding for each Council. Although the final settlement is not expected until later in January 2024, it is highly unlikely that funding allocations will materially change. This Council's allocation was sufficient to balance the budget for 2024/25 based on the £0.6m savings set out in the Draft Budget. The budget will only remain balanced if the £0.6m savings plan is approved, so any proposed alteration to savings proposals would need to be met by approval of an amended target elsewhere.
- 1.5 The 2024/25 savings plan has been designed to deliver tactical savings whilst the Council finalises the implementation of key elements of the Future Tandridge Programme, including the Digital Programme, the renewed Grounds Maintenance service, key commissioning reviews (including Voids and Housing Repairs) and the People Plan. Savings have

not been identified beyond 2024/25 as yet, but will be required to close the Medium-Term budget gap. A Transformation Programme Director resource is currently out to recruitment and their main focus will be to work with the Council to shape and deliver its future plans within available resources.

- 1.6 Whilst the wider Council's corporate budget includes a modest contingency of £445k and a service capacity fund of £200k (more details of which in section 5), it is imperative that the savings are delivered or alternate measures identified where they cannot be. A robust governance approach through the Future Tandridge Programme continues to oversee delivery and manage these risks.

2. Strategic Context

2.1 New Corporate Plan 2024-2028

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

- 2.2 From 2024, the new Corporate Plan will be aligned to the budget setting process. Annual reviews of the plan's objectives will coincide with budget setting and service planning, which will in turn inform staff appraisals. This year's budget has been built around the existing objectives of the Committees, with emerging priorities in mind.

- 2.3 The development of the new Corporate Plan is underway, Workshops have been held with councillors, staff and external stakeholders to consider emerging themes and help identify priorities. The Residents' Survey 2023 also included questions designed to inform the plan.

- 2.4 Annual service planning has been re-introduced, with all services producing a plan to set out priorities for 2023/2024, underpinned by resourcing considerations and key performance indicators. These plans have been discussed and agreed at Extended Management Team (EMT). These plans have helped identify staff objectives in appraisals, which were also re-established.

3. Committee Overviews

- 3.1 This section provides a high-level overview of the activities, challenges and opportunities for each Committee. It is intended to provide brief context to the budget pressures and savings set out in the draft budget, for the benefit of external readers who may be unfamiliar with the Committees' work.

Community Services

- 3.2 Community Services is the Council's largest service Committee in terms of spend and is responsible for the Council's policies in respect of leisure, community grants, community safety, environmental health, licensing, waste and amenity management.
- 3.3 The Committee is pursuing the following key developments for 2024/25
- Work with Freedom Leisure to design a leisure/wellbeing strategy;
 - Work with partners and community groups to identify youth provision opportunities to improve the District's anti-social behaviour hot spots;
 - Continue to support the response to the Ukraine crisis through community engagement and support to guests;
 - Develop an anti-social behaviour strategy to enhance reporting and monitoring of cases;
 - Adoption of the *SEP (Surrey Environmental Partnership) 2025 - A partnership approach to waste prevention and recycling* document;
 - Commissioning the delivery of grounds maintenance for parks / opens spaces and housing sites;
 - Continuing the playground refurbishment / replacement scheme;
 - Delivery of the public conveniences capital programme; and
 - Developing a strategic approach to deal with Ash die-back across the District.
- 3.4 The key risks identified in 2024/25 include:
- Inflationary pressure on external contracts;
 - Tree management including Ash die back disease;
 - Under-recovery of income from car parking and cesspool emptying;
 - Monitoring and managing the impact of inflationary and other costs pressures on external contractors delivering services on behalf the Council; and
 - The increase in domestic homicide reviews cases which will put pressure (which cannot be quantified at this stage) on resources and budgets.
- 3.5 Significant pressures include:
- Inflation, which impacts the cost of external contracts which are subject to annual increases based on inflationary indices. The Council has little influence on these external forces and as such this represents a significant pressure over the medium-term;
 - The under-recovery of income from car parking, which has continued since the pandemic, exacerbated by the County Council removing the agency agreements for on-street parking enforcement; and
 - Ash die-back and general management of trees, which is a risk area for the Council both in terms of health and safety and financially as more work will need to be carried out on the Council's trees and woodlands. A more strategic approach to managing Ash die-back needs to be developed.

- 3.6 There are several capital programmes that will need to be delivered in 2024/25 including:
- Playground refurbishment and replacement; and
 - Public conveniences.

During 2023, an options appraisal has been carried out by Officers on grounds maintenance service provision, to determine the most suitable method of delivering these services to residents. During the remainder of 2023/24, market engagement, services specifications and procurement activities will progress, working towards agreeing a delivery model and contract for November 2024 onwards.

Housing Committee

- 3.7 This section sets out an overview of the Housing Committee's activities. Some of these are funded from the Housing General Fund, part of the Council's overall General Fund budget, and some from the ring-fenced Housing Revenue Account. The Housing General Fund budget forms part of this General Fund budget report. The Housing Revenue Account Budget is summarised as part of Appendix C, having been approved by Housing Committee on the 23rd January 2024, subject to Full Council approval.
- 3.8 The Committee is responsible for formulating and reviewing the Council's policies for the management including repair, maintenance, improvements, sale, acquisition, allocation and control of all the Council's housing stock. In addition, the Committee has the vital role of looking at the private sector housing conditions including standards of condition and the provision of a housing advisory service to prevent homelessness within the district.
- 3.9 As part of the FTP several key lines of enquiry were identified and have since been completed. Most prominent is ensuring appropriate use of Government Homelessness Prevention Grant to offset legitimate service expenditure. This action was completed in 2023/24 and with grant funded expenditure now under continuous review. A second action was the introduction of a new housing structure and ensuring compliance with new and upcoming legislation. A new staff structure has been in place since February 2023 with changes to some roles to ensure compliance with ever changing statutory regulation and increasing consumer standards. In addition to this, a Tenant and Leaseholder Engagement Strategy has been approved with actions continuing to be completed on both the Housing, and Homelessness and Rough Sleeping strategies. Processes for aids and adaptations in both Council owned and private sector housing have been streamlined and are now delivered through the Housing Improvement Agency Millbrook Care Ltd. Other actions such as review of IT systems within the service, income maximisation and the feasibility review of Meadowside Park are either in progress or due to commence in Q4 of 2023/24.

- 3.10 In addition to this work, a review of the delivery of responsive repairs and void maintenance in Council owned homes is currently underway. The aim of this review is to review the existing delivery model and consider alternative future delivery models. This is with the aim of improving value for money, performance and resident satisfaction. This project is scheduled to complete mid 2024/25.
- 3.11 Mindful of the Council's responsibilities in respect of climate change, work is commencing to ensure costings for future efficiencies through 'retrofitting' existing stock or demolition and redevelopment of stock that is uneconomical to maintain is being completed. This complements the move towards a future carbon zero position. Two bids for government grant funding have been unsuccessful, one a sole application and the second made via a Surrey consortium. An application for round three is now being drawn up with support of external consultants to support our bid.
- 3.12 Other activity in 2023/24 included the tendering of a new contract to deliver the Disabled Facilities Grants and adaptations to Council housing through a Home Improvement Agency. This again has been completed and a contract award has been made with a contract start date of 1 April 2024.
- 3.13 Ongoing resilience of the Council's Housing Service is vital to be able to support our ongoing programme to provide a direct supply of new Council owned homes. Construction materials and labour costs have risen significantly as the industry suffers from the cumulative effect of Covid-19, Brexit and the war in Ukraine. The housing programme is still subject to delay as a result of market conditions and a previous lack of resources within the development team. The original council house building programme commenced in 2015 and consisted of 142 units. There have been 86 completions to date including 10 buybacks. There are 4 remaining schemes onsite. Two are due to complete this year, and two in early 2024/25.
- 3.14 The need for affordable homes continues to grow in the district. The Council seeks to develop and extend the programme of Council house building in the next year alongside working with Housing Associations to improve the flow of supply. The buy-back programme has been a success, and a further extension of the scheme has been agreed. The continued supply of Council owned homes to meet the growing demand will require the Council to pursue opportunities for open market land purchase as well as developing on existing land. 'Buy backs' of Council properties are also progressing.
- 3.15 In addition to the current house building programme work is ongoing to complete on 7 purchases under the LAHF scheme before 30th November 2023. 6 purchases have completed with the final purchase due to complete by the end of the month. Officers are now in the process of securing 6 more properties under the LAHF round 2 following this

Committee's approval in September. Two properties are already under offer with viewings ongoing.

- 3.16 The Council's Investment Partner application has been approved by Homes England along with £1.5m of grant funding to-date.
- 3.17 The Housing team carries out extensive support work for all residents of Tandridge not just Council tenants. Housing Needs are assessed, the Council's Housing and Homelessness strategies are being progressed, Disabled Facilities Grants are administered, and a handyperson service is provided via the Home Improvement Agency. Administration of Housing Benefit is brought to the Housing Committee. Much of the work is governed and dictated by legislation, with considerable statutory returns required throughout the year.
- 3.18 The Housing Department continues to seek opportunities for shared services with neighbouring authorities. 2023/24 saw the continuation of the Syrian Refugee, Afghan Relocation and Homes for Ukraine Schemes. Joint working between internal teams and partnership working with colleagues from neighbouring authorities has led to the success of the implementation and ongoing management of these schemes. This work will continue into and most likely beyond 2024/25. Joint working relationships have been established with Reigate and Banstead Borough Council in relation to fraud management within the housing service. This service allows investigation of housing register and homelessness applications, housing benefit fraud and the investigation of all Right to Buy applications.

Planning Policy Committee

- 3.19 The Planning function is a key statutory function of the Council. The Planning Policy Committee is responsible for influencing and controlling development and use of land throughout the district in its role as Local Planning Authority. This includes:
- The preparation, adoption and review of all Statutory Development Plans;
 - All transport and infrastructure related issues;
 - Allocation of Community Infrastructure Levy; and
 - Co-operation and liaison with agencies outside the Council in respect of conservation, heritage, economic development and other planning related issues.
- 3.20 Progress on the Local Plan was subject to a report to Committee on 16th November 2023. On 19th October 2023, Full Council asked the Inspector to write his final report on the emerging Local Plan and bring the Examination to a close. The Council has been advised that the Inspector will find the emerging local Plan unsound in his report. The remaining Local Plan funding will be treated as ringfenced for policy matters whilst the future spending need on preparing a new local plan and for other policy related workstreams is established. Any amounts not spent in each financial year will be preserved for future use.

- 3.21 Transformation of the Planning function started in 2021 and has continued into 2024. Development Management are actively seeking to move towards a full-time complement of staff with significantly reduced reliance on contract staff. This should reduce budgetary pressures moving forward into the 2024/25 financial year however some reliance on interim staff will remain. Changes are also being progressed in working practices to improve efficiency and to allow staff more time to work on processing and determining planning applications.
- 3.22 The Chief Planning Officer and Director of Resources have jointly defined a piece of work to review the software used by the Planning service to determine whether improvements can be made, and assess longer-term options for the future of the service's IT estate. This review was discussed and agreed with the Chairs of the Planning Policy and Planning Committees and will be taken forward as soon as possible, with updates provided to Members.
- 3.23 The pre-application service is bringing in additional income as part of the overall budget for the Committee. There is potential for Planning Performance Agreements to also provide additional income streams.
- 3.24 The Land Charges service is undergoing a digital transformation which is being funded by Government Grant.
- 3.25 A separate statutory function for which the Planning Policy Committee is responsible is the oversight of Building Control, which can be broadly split as follows:
- Fee Earning service. These functions are those elements of the service for which the organisation can charge a fee; and
 - Non-Fee Earning Work.
- 3.26 Building Control is delivered by the Council as the host of a shared service in partnership with Reigate and Banstead Borough and Mole Valley District Councils under the name Southern Building Control Partnership (SBCP).
- 3.27 The partnership member authorities require that the partnership sets a balanced budget which ensures that its costs are covered by income from its chargeable services. The draft for 2024/25 includes items based on a revised staff structure and the completion of an IT project to upgrade the partnership's Salesforce platform and bring the IT support under the umbrella of Tandridge's IT team.
- 3.28 There is no change in the level of support service recharges paid to the Council in respect of its role as host authority.
- 3.29 Following a revision in the Inter Authority Agreement and a review of application numbers, Tandridge District Council's share in the partnership has been reduced from 35% to 31%. The Council holds a ringfenced reserve to meet deficits that may arise.

Strategy and Resources Committee

- 3.30 The Committee's primary purpose is to enable and support frontline services with resource functions including Legal, Information Technology, Finance, Human Resources, Customer Services, Policy and Communications.
- 3.31 There are a small number of statutory services delivered in the Committee including Democratic Services, Emergency Planning and Revenues and Benefits and some discretionary services including Wellbeing Prescription and Asset Management.
- 3.32 The Committee is also responsible for the Corporate Items section of the budget which supports the whole Council. These include:
- Ensuring support costs are charged to ring-fenced business areas (HRA, Southern Building Control Partnership, Gryllus Ltd, Wellbeing Prescription, CIL and Land Charges).
 - Managing investments and borrowing, including interest receivable, interest payable and investment property income.
 - Setting aside the appropriate revenue provision when investing in capital assets.
 - Reviewing pension fund performance against the pension funding position to assess the primary (part of salaries budgets) and secondary rate of contributions to cover the cost of new benefits.
 - Accounting for the bank charges, bad debt provision movements/write-offs on sundry debts, and movements in reserves and contingency.
- 3.33 The budgetary position for the current financial year shows that Strategy and Resources support costs are forecast to underspend by £108k. Corporate Items is forecasting a net shortfall of £85k at outturn. Even though these are small variances, there are significant corporate pressures for 2024/25 as detailed in Appendix B.
- 3.34 Services within the Committee aim to realise better customer experience and efficiency through digital innovation, subject to an ongoing project to transform the Council's digital capability. This is intended to help deliver a step change in the effectiveness of our services and to improve the support we provide to other policy Committees. Delivering this programme, with a focus on our responsiveness to customer needs will be one of the key priorities into 2024/25.
- 3.35 A project will shortly commence to support the creation of the Resources Directorate as part of the recent management restructure. This will set out a development plan to reflect the principles of business partnering, digital transformation and responding to the needs of services, balanced with delivering value for money support services across the organisation. The plan will sit alongside service plans and individual appraisals to ensure effort is coordinated.

- 3.36 As part of the Future Tandridge Programme, the Committee is continuing to pursue improvements to the delivery of its services and savings to the revenue budget.
- 3.37 2024/25 will see savings of £343k for this Committee, or approximately 59% of the total savings plan. This reflects a continuing desire to target savings toward support services wherever possible and maintain delivery of services to residents.

4. Budget principles

- 4.1 The Council continues to ensure that the budget setting process adheres to the following guiding principles, unchanged from those used successfully in 2023/24:
- A balanced revenue budget with the use of General Fund Reserves avoided in anything but unforeseen circumstances that cannot be met from contingencies or reduced spend elsewhere;
 - Maintaining and ideally building the contingency to provide further medium-term financial resilience and to mitigate risk;
 - Supporting and enabling the Council to fund the Future Tandridge Programme and associated improvements to its services;
 - Continuing to explore options to build resilience of General Fund Reserves;
 - Completing the Future Tandridge Programme within available resources, delivering services with appropriately set budgets;
 - Producing evidence-based savings plans which are owned/delivered, tracked, monitored and reported monthly; and
 - Ensuring that managers are accountable for their budgets.
- 4.2 The principles more specifically relating to setting sustainable medium-term budgets are:
- Developing multi-year plans, integrated with capital investment across the Council;
 - Application of a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Committee budget envelopes, backed by formal reporting to Committee;
 - Envelopes validated annually based on realistic assumptions;
 - Evidence bases used to underpin savings proposals and investments;
 - Assurance that all savings, pressures and growth are managed within budget envelopes to ensure accountability for implementation;
 - Pay and contract inflation allocated to Service budgets to be managed within budget envelopes; and
 - A corporate contingency held centrally to mitigate risk.

5. Revenue budget headlines and changes since the Draft Budget

- 5.1 The Final Budget is balanced, retaining the previous year's level of contingencies of £445k, commensurate with the continuing risks of inflation, interest rate uncertainty and wider economic performance.
- 5.2 The overall position at Draft Budget stage was balanced, with a savings plan of £0.6m. The provisional Local Government Finance Settlement published on the 18th December 2023 confirmed that the savings plan was sufficient and provided funding of £340k beyond the amount expected.
- 5.3 In addition to the increase in central funding, Government confirmed that District Councils can raise their Council Tax by 2.99%. The Draft Budget assumed this increase.
- 5.4 The Draft Budget referenced significant uncertainty regarding the sufficiency of the Planning Policy Committee's budget, with particular issues set out below.
- The unsound Local Plan, consequent appeal costs, and the cost of a new Local Plan;
 - The cost of implementing the new Enforcement Policy adopted on 22 June 2023;
 - The impact of national fee increases;
 - The impact of locally set fees, including the introduction of Planning Performance Agreements;
 - Workload for the Planning Policy team;
 - The impact of Biodiversity Net Gain;
 - The ability to recruit permanent staff; and
 - Resourcing implications from Gatwick.
- 5.5 Despite these uncertainties, there are clear pressures that the Planning Policy Committee's budget needs to address, including the impact of appeals and the additional cost of interim staff. The budget is subject to ongoing review, but the settlement allowed further investment in the Committee, with a further detailed review to follow.
- 5.6 In addition, despite increasing national planning fees, the Secretary of State for Housing and Communities & Minister for Intergovernmental Relations, The Rt Hon Michael Gove MP, set out in a statement on the 19th December 2023 that "local authorities are obliged to spend these [increased] fees on planning services, and ... there should be no decrease in authorities' spend on planning from their general fund."¹
- 5.7 For these reasons, the 2024/25 budget continues to protect the Planning Policy Committee from savings, with the focus instead being on providing

¹ <https://questions-statements.parliament.uk/written-statements/detail/2023-12-19/hcws161>

an improved and more robust planning service, financial stability whilst the service achieves a sustainable staffing model.

5.8 Since the Draft Budget was presented, an additional investment of £338k for the Planning Policy Committee has been proposed, in discussion with the Committee Chair and the Member Reference Group. Along with the Draft Budget allocations of £102k and an inflationary allocation of £39k, this brings the total increase to £479k. The additional investment responds to the pressures set out above and reflects the 2023/24 projected overspend of £419k.

5.9 **Service Capacity Fund**

The proposed Corporate Items budget now includes a £200k Service Capacity Fund. This fund recognises the financial pressure faced by services across the Council, particularly Planning, some of which will not become clear until after the budget is set. The fund will be held Corporately initially and distribution will be subject to Member approval as and when proposals are put forward for its use. It differs fundamentally from the contingency fund in as much as it is expected that the Council *will* draw down the Service Capacity Fund and deploy it to supplement service budgets, once the need is clear. Contingency remains reserved for risk management.

5.10 **Summary changes to the Draft Budget:**

The 2024/25 Draft Budget was set at a net of £12.459m and has since increased by £0.340m to £12.799m. Detailed final funding is set out in section 8, below.

As part of considering the requirement to invest in Planning and provide flexibility to meet service pressures through the Service Capacity Fund, attention was given to the funding of Planning appeal costs. These are expected to be one-off or time-limited in nature and are therefore most appropriately funded from one-off resources.

The budget includes £0.2m to meet the potential costs of Planning appeals and other similar legal costs. Having reviewed overall funding and contingencies, it is proposed to fund this provision from prior-year contingencies carried forward, therefore matching one-off funding with what are anticipated to be one-off or time-limited costs.

Funding appeals in this way releases a further £0.2m of General Fund Budget for 2024/25. Prior to 2024/25, total contingencies of £0.921m are available, currently offsetting a forecast overspend of £0.361m in 2023/24. This headroom of £0.56m means that carrying forward £0.2m of the £0.921m is a reasonable measure. The longer-term impact of appeals will need to be monitored.

When added to the £0.340m of additional funding, this provides £0.540m of additional revenue budget overall, as set out in Table 1, below.

Table 1 – Summary of changes to Draft Budget

	Additional Investment of £540k	Prior-year contingency of £200k applied to appeals provision	Budget Movements from Draft to Final
Draft Budget			£12.459m
Additional investment in Planning	£0.338m		£0.338m
Service Capacity Fund	£0.200m		£0.200m
Minor adjustment to inflation provision*	£0.002m		£0.002m
Prior-year contingencies funding the potential cost of Planning appeals		(£0.200m)	(£0.200m)
Final Budget			£12.799m

*£2k adjustment to corporate inflation allocation, to balance

- 5.11 The overall budget position for the Final Budget is balanced with no draw on the General Fund reserve. Summary budget movements are set out in Table 2, below. The indicative budget for each Committee is set out in Table 3.

Table 2 – Overall Budget Movements for 2024/25 to 2026/27

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Brought forward budget	11,935	12,799	14,064	
Movements				
Total Pressures	1,450	1,265	1,287	4,001
Total Savings	(586)	0	0	(586)
Net Increase / Decrease	864	1,265	1,287	3,416
Indicative Budget Requirement	12,799	14,064	15,351	

Table 3 - Indicative budget for 2024/25 by Committee

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				
Community Services	4,613	1,252	6,069	(2,747)	4,574	(39)	4,781	
Housing General Fund	713	943	18,604	(18,869)	678	(35)	678	
Planning	1,338	2,241	2,149	(2,572)	1,817	479	1,856	
Strategy & Resources	6,188	4,085	3,338	(1,209)	6,214	27	6,229	
Corporate Items	(916)	1,902	280	(2,667)	(485)	431	519	
Total	11,935	10,424	30,439	(28,064)	12,799	864	14,064	

The above tables are expanded in Appendices B and C respectively.

The net Budget Requirement is £12.799m. The projected funding to meet this is set out in Section 8.

6. Budget pressures

- 6.1 Total pressures are as follows, with further detail in Appendix B. Note that £490k of the corporate pressures are temporarily held on behalf of other Committees (including inflation allocations and pay provision).

Table 4 – Summary of pressures for 2024/25 to 2026/27

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
Total Service Pressures	874	261	261	1,396
Corporate Items - Service Pressures	85	500	500	1,085
Subtotal Service Spending Pressures	959	761	761	2,481
Corporate Items - Pressures held for other Committees (Pay award & inflation)	490	504	526	1,520
Total Pressures	1,450	1,265	1,287	4,001

2024/25 Service Pressures - c£0.7m, including:

- **£693k Service demand changes** – notably £320k Planning Investment, £120k for Planning appeals, £85k for Planning management, £88k for audit fees, and £71k to recruit a Commercial Finance Business Partner.
- **£25k Loss of Income** – consisting of £19k Land Charges income, and £5k of recycling credits.

2024/25 Council-wide Pressures – c£0.7m:

- **£316k Inflation** – An allowance to cover the net inflation on contract costs, offset by an expectation that some fees and charges will increase. The underlying assumption on inflation is based on 5% (down from 11% at the equivalent point in 2022) - based on recent CPI, however there are a number of areas where contracts are subject to their own inflation pressures which have been factored into the total. £73k of inflationary allowance has been retained corporately for future distribution, with the remainder being allocated to the Policy Committees.
- **£417k Pay, Pensions and Increments** – This allows for a future discussion with Members and the union on the appropriate level of pay award for 2024/25, which should be held after the Final Local Government Finance Settlement, when affordability constraints are clearer.

7. Savings

- 7.1 The 2024/25 savings plan has been designed to deliver tactical savings whilst the Council finalises the implementation of key elements of the Future Tandridge Programme, including the Digital Programme, the renewed Grounds Maintenance services, key commissioning reviews (including Voids and Housing Repairs) and the People Plan. Savings have not been identified beyond 2024/25 as yet, but will be required to close the Medium-Term budget gap as projected in section 12. A Transformation Programme Director resource is currently out to recruitment to work with the Council to shape and deliver its future plans within available resources.

The table below summarises the savings currently identified for 2024/25 by Committee and by category. Full detail of the savings plan is set out in Appendix B. 59% of the savings target is allocated to Strategy & Resources as part of a strategy to ensure that front-line services are protected from savings wherever possible. The savings in Community Services and Housing are delivered without service impact, relating mainly to increased income, centralisation of contingencies or applying Government grant to fund existing spend. There are no savings in Planning Policy Committee. An initial savings target for the year of £750k was communicated to Committee in June and September however the Local Government Finance Settlement was sufficient to allow the Draft Budget savings plan to progress for approval unmodified.

Table 5 – Summary Savings for 2024/25

Committee	2024/25 £000
Community Services	(208)
Housing GF	(35)
Planning Policy	0
Strategy & Resources	(205)
Corporate Items	(138)
Total Savings	(586)

Saving type	2024/25 £000
Review funding levels	(186)
Commercial opportunities	(126)
Process reviews and early digital gains	(83)
Full year effect of FTP savings	(22)
Total Savings	(586)

8. Funding

8.1 The table, below, sets out a summary of projected funding for 2024/25, amounting to £12.799m. The table also shows the increase from previous years.

Table 6 – Summary Funding for 2024/25

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Change £000	Comments
Council Tax Precept	8,690	8,937	9,255	9,586	331	Band D rate at 2.99%
Business Rates, Levy and Funding Guarantee	1,459	1,633	2,369	2,883	514	Includes Government funding guarantee
Other Grant Funding	1,178	785	416	234	(182)	New Homes Bonus Continues for 2023/24/25
Funding before collection fund	11,327	11,355	12,039	12,703	664	
Collection Fund	(32)	(5)	(104)	96	200	The Council holds a reserve to accumulate prior-year surpluses on business rate funding which can be released to manage the volatility in funding.
Total Funding	11,295	11,351	11,935	12,799	864	

Council Tax - £9.586m

8.2 The Council Tax Base was approved by Strategy & Resources Committee on the 30th November 2023 as the basis for budget setting in 2024/25. The tax base has increased by 0.57% from 38,904.9 Band D equivalent properties to 39,128.0 Band D equivalent properties.

8.3 Council Tax income is assumed to increase by £331k to £9,586k. This is based on the following increases:

- Council Tax for 2023/24: £9.255m
- Tax Base Growth (confirmed): £0.053m
- 2.99% increase of Band D Rate to £244.99 (subject to approval): £0.278m
- **Total: £9.586m**

Table 7: Council Tax collection performance over the last four years. 2019/20 is provided as a comparator, being the last year before Covid-19 began to impact.

	April %	September %	March %
2019/20	17.3	63.6	98.2
2020/21	16.4	61.8	97.3
2021/22	16.9	63.6	97.4
2022/23*	16.6	61.7	96.8
2023/24	16.5	61.5	

*This shortfall, linked to cost of living pressures, was anticipated and the actual amount collected was in line with budget.

- 8.4 Collectability rates are still lower than pre-Covid years. This reflects both the residual impact of Covid-19 and the subsequent effect of cost-of-living pressures.
- 8.5 Given that 2023/24 performance is broadly in line with 2022/23 (the last full year), the intention is to maintain the estimated overall collectability rate of 98.8%, subject to a budgeted deficit as set out in section 8.6. However due to the ongoing impact of inflation and cost-of-living pressures, this will need to be carefully managed during the year.
- 8.6 Based on the above, the assumed collection fund deficit for 2024/25 is **£0.1m**, again consistent with previous years. Whilst the 2022/23 collection rate may suggest a larger deficit, in reality, Council Tax generated in 2022/23 was equivalent to the amount expected in the budget. Because the budget is set based on the actual tax base in October, the shortfall in collection performance is offset by a subsequent growth in tax-base during the year.
- 8.7 The collection fund deficit is also offset in 2024/25 by a proposed **£0.2m** release from collection fund smoothing reserves, which in total stand at £1.1m. This is a prudent release of surpluses collected in previous years. The reserve is held to even-out business rates and council tax performance (reflected in the Collection Fund) across financial years and allay the risks of economic downturn. Subject to audit, it is expected that the reserve will be supplemented by the 2021/22 pooling gain of £0.6m to show a net £0.4m improvement in 2024/25.
- 8.8 **Recommendation 1: To note 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%);**

- 8.9 **Recommendation 9: That Council approve 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 (Appendix E)**
- 8.10 **Recommendation 10: That Council approve that 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.**

Council Tax discounts and exemptions

- 8.11 There are no changes to any of the discounts, premiums and exemptions to Council tax for 2024/25.

Local Council Tax Support

- 8.12 Under the Local Government Finance Act 2012, Councils are required to agree their Local Council Tax support scheme and make any changes as appropriate.
- 8.13 For 2024/25 it is proposed to make any prescribed requirement changes as set out in the Council Tax Reduction Schemes Regulations, expected in February. The existing scheme will continue to be based upon the existing Council Tax Reduction Scheme England Regulations 2012. Local Tax support will be calculated using 100% of the Council Tax liability for both working age and pension age claimants.
- 8.14 The number of claimants receiving Council Tax support is currently 3,347 compared to 3,436 in 2022/23 (being the last full financial year of data).
- 8.15 A report was provided in September 2020 requesting approval to conduct a public consultation with residents on a new scheme. Unfortunately, due to increased volume of work due to COVID-19 and the implementation of Northgate, the new Revenues and Benefits system, there was insufficient time to conduct a consultation process for the 12-week statutory period. Discussions and consultation on the new scheme are due to begin during 2024/25. Once the consultation period has ended, a detailed report will be made to for future meetings of the Committee to approve any changes.
- 8.16 The Council receives funding and adjusts through its Council Tax base for Council Tax Support and therefore costs are already accounted for this scheme. Any further reforms or legislative changes to the scheme will be reported to future meetings of the Committee as appropriate.

Recommendation 2: Note that the current Local Council Tax support scheme is adopted for financial year 2024/25.

Business Rates and Funding Guarantee - £2.883m (increase of £0.162m from Draft Budget)

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

- **Directly retained Business Rates income** - Local businesses pay Business Rates net of reliefs and discounts directly to TDC (**expected c£19.480m for 2024/25**). This is adjusted as follows:
 - o **Retention:** The amount retained after Surrey County Council (10%) and Central Government (50%) are allocated their shares. The remaining 40% - **c£7.792m** - is allocated to the Council;
 - o **Reliefs:** Nationally set Business Rate reliefs subsidised by Central Government through Section 31 grants - This refers to Section 31 of the Local Government Act 2003 which enables Government to reimburse Local Authorities for the cost of subsidising Business Rates eg: Retail Reliefs. For the Council S31 grants equate to approximately **£3.199m**;
 - o **Tariff and Levy:** A tariff is then applied because the Council generates more funding than Central Government calculate we require (**c£9.092m**)
 - o **Funding Guarantee £0.984m**– a Government intervention to ensure that Core Spending Power increased by a minimum of 3% in 2024/25 (assumed to continue)
 - o Leaving an amount of funding for Council services equal to the **c£2.883m**.

8.18 £2.9m of overall Business Rates funding represents a net increase of £0.5m on the 2023/24 projection. Within this movement, increases are based largely on the total of core business rates, S31 grants and Funding Guarantee, at £12.0m against the 2023/24 estimate £10.8m. The increase consists of:

- o S31 grant projections, which have increased from £3.1m to £3.2m,
- o Underlying rates increasing from £7.2m to £7.9m
- o Funding Guarantee, which has increased from £0.5m to £1.0m.

Offsetting the increase, the Tariff payment has increased from £8.6m to £9.1m along with minor other adjustments.

These changes are based on the Council's Government Return for business rates (NDR1) for 2023/24.

The 2024/25 total rates have also been validated against advice provided by LG Futures, external Local Government funding advisors, in an update provided on 3rd January 2024.

The Council took part in the Surrey business rates pool in 2021/22 and 2023/24. Pooling membership is based on the best overall outcome for Surrey authorities and varies from one year to the next. The pooling gain from 2021/22 has yet to be audited, but is expected at £0.6m, and 2023/24 is in progress. When confirmed, any gains will be available to mitigate risks in the budget.

Grant Funding (Increase of £0.178m from Draft Budget)

8.19 The Draft Budget for 2024/25 was formulated on the basis that grant funding reduced to a residual £57k for the services grant, where no change has been assumed from 2023/24. It was assumed that other grants including New Homes Bonus would cease. Whilst grant funding has reduced, the reduction has not been as severe as expected in the Draft Budget, with funding confirmed at £234k:

Table 8: Grant funding projections

	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Change £000	Comments
New Homes Bonus	341	618	359	128	(231)	Now confirmed, at a reduced level.
Revenue Support Grant	0	0	0	97	97	Reintroduced through funding formula.
Services Grant	0	102	57	9	(48)	Reduced in provisional settlement.
Covid-19 Grant Funding	498	0	0	0	0	One off for 2021/22
Lower Tier Grant	340	65	0	0	0	Removed after 2022/23
	1,178	785	416	234	(182)	

Recommendation 6: That Council approve that the net revenue budget requirement be set at £12.799million (net cost of services after service specific government grants) for 2024/25 (Appendix B and C), subject to confirmation of the Final Local Government Finance Settlement;

Recommendation 7: That Council approve the Final Budget Envelopes for each Committee including the allocation of pressures and savings targets for 2024/25 (Appendices B and C).

9. Reserves Update and the Office for Local Government (Oflog) resilience statistics (Section 25 Report).

9.1 Section 25 of the Local Government Finance Act 2003 requires the Council's Section 151 Officer to state an opinion on the adequacy of the proposed financial reserves, that Members should have regard to when considering the budget for 2024/25, along with the robustness of estimates in setting the budget.

9.2 The Council's Section 151 Officer confirms that the budget is based on robust estimates and that the level of reserves as set out in Appendix H is at an acceptable level, but one that requires increasing in the future to provide the Council with some flexibility and resilience in its financial planning in the medium term. The reasons for this view are that:

- The General Fund reserve remains stable over the MTFS, with no planned use – it was increased by a marginal amount (£16k) at

2021/22 outturn and may increase at 2023/24 outturn if the contingency is not fully deployed;

- Further reserves are held for funding volatility and investment income volatility;
- The full savings target has been allocated to committees in advance of the financial year, with a robust system of governance to deliver;
- The expected pooling gain for 2021/22 of £0.6m has not been factored into MTFS funding, providing a potential additional increase to reserves (pending audit). The Council is also part of the 2023/24 business rates pool;
- A general fund contingency of £445k is programmed in for 2024/25, (commensurate with the current forecast overspend in 2023/24).

9.3 This is offset against risks in the operating environment which are similar to those apparent in 2023/24:

- Volatile impact of inflationary increases to contracts;
- Uncertain income levels, particularly where national fees have changed;
- Impact of inflationary increases on providers, threatening their financial viability;
- Impact of increased interest rates on borrowing costs (offset by an increase in investment income);
- Uncertain appetite for commercial properties owned by the Council and its subsidiaries;
- The need to deliver the savings plan for 2024/25 and plan for savings from 2025/26 onwards.

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

9.5 General Fund Reserves in the 2023/24 budget were set at £2.8m. Although 2022/23 was completed with a surplus of £111k, this was set aside as additional contingency for potential spending pressures in 2023/24. Depending on the 2023/24 outturn position, elements of the £921k contingency may be added to General Fund Reserves for 2024/25.

9.6 As part of the 2023/24 budget setting process, the Council resubmitted its request to DLUHC for a capitalisation direction to fund the transformation programme and replenish reserves. This was to be funded by the sale of the Redstone building.

9.7 As reported to Committee in September, on the 12th September 2023, Government wrote to the Chief Executive and the Leader of the Council to confirm that the Council's request had not been approved, citing the Council's improved financial position. The letter concluded as follows:

“The department recognises and commends the Council’s efforts to grip and manage its budget pressures, and the successful steps taken to deliver the transformation and savings programme in 2022/23 and in 2023/24. Should the Council have concerns about its ability to manage its budget in future, the offer from the department to speak to councils in this situation remains open.”

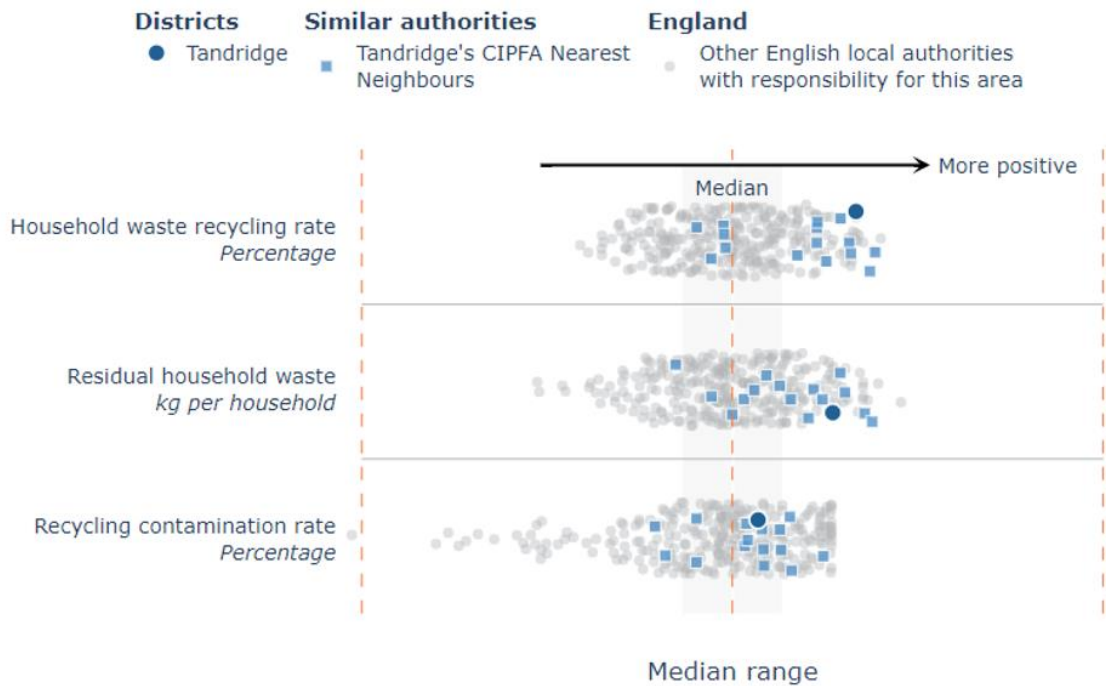
- 9.8 In the meantime, sector-wide flexibility to use capital receipts to fund transformation programmes remain in place, so plans to fund the Future Tandridge Programme remain as previously set out.
- 9.9 The Office for Local Government (Oflog) was launched on 4th July 2023 and with the intention of providing authoritative and accessible data about the performance of Councils.
- 9.10 At present, the data collated covers four areas,
- Adult skills
 - Adult social care
 - Finance
 - Waste

The latter two are the ones that are relevant to a district council such as Tandridge.

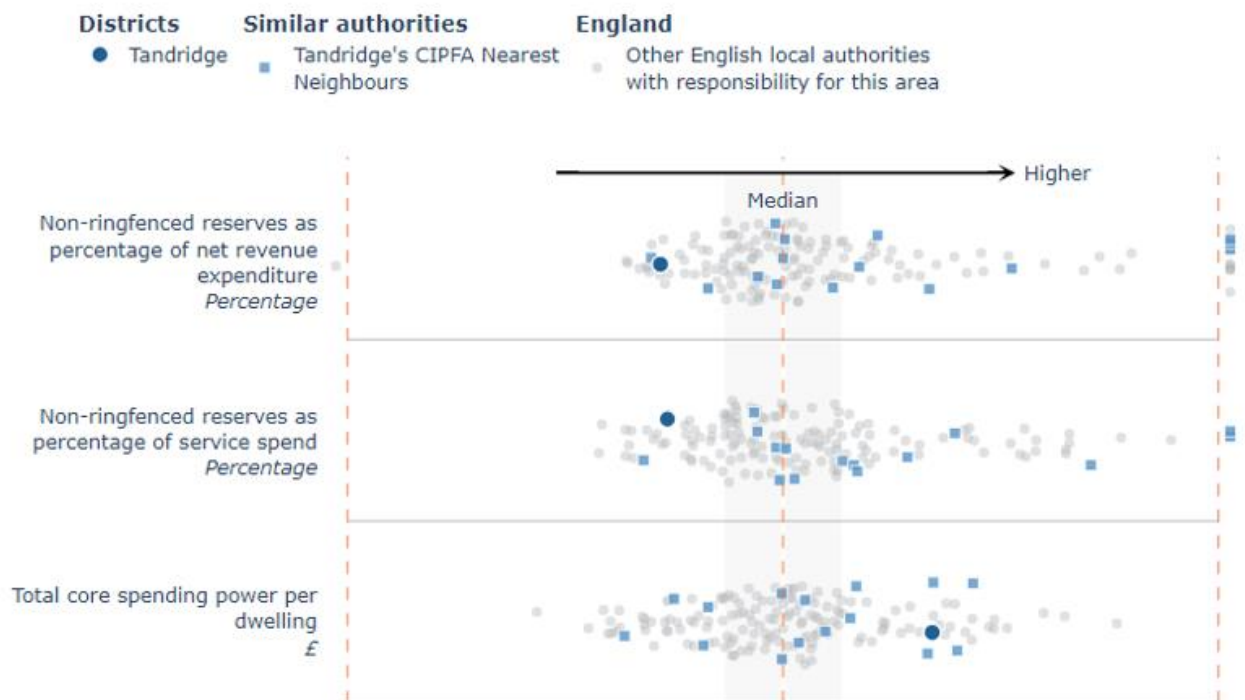
Data for the Oflog indicators is taken from the same source as that used for the CIPFA Resilience Index and so it is proposed to refer to these Government endorsed statistics in future, although they are problematic (as set out below).

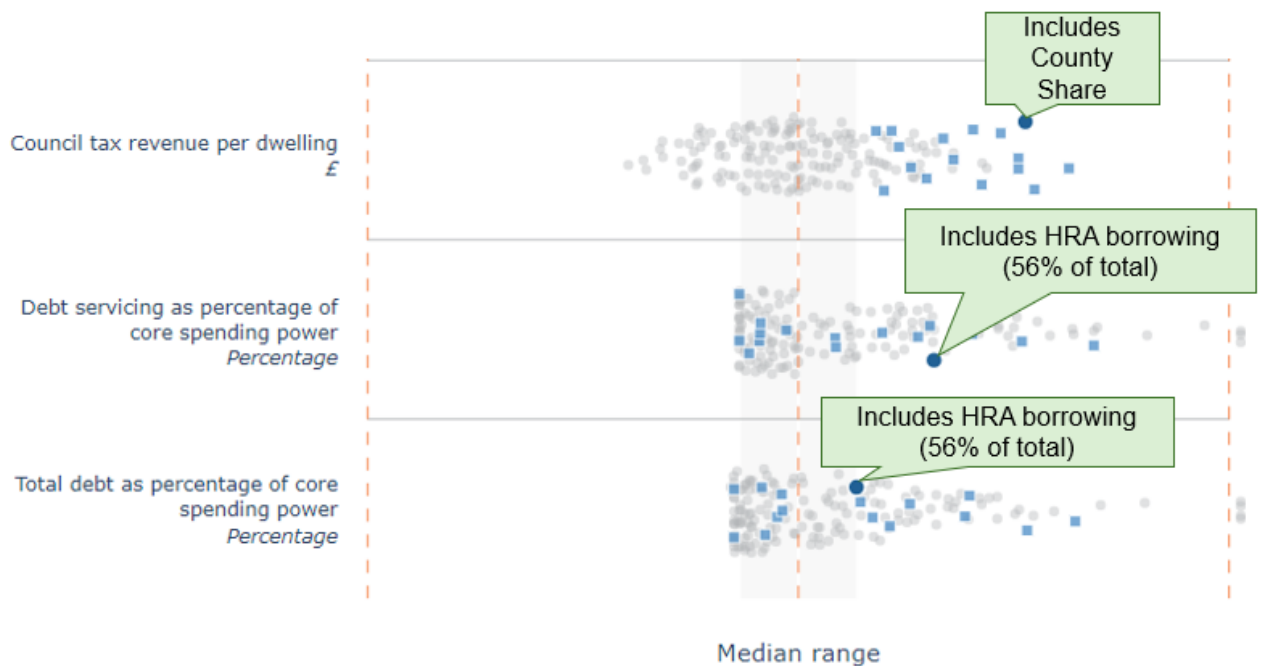
Below are Oflog graphs that demonstrate TDC performance against similar authorities. It can be seen that TDC performs strongly for Waste metrics:

Waste Metrics



Finance Metrics – Similar Authorities





- 9.11 As can be seen in the Finance charts above, the Council has low levels of reserves by comparison to similar authorities, but in other respects is not an outlier. This reconfirms earlier analysis in the CIPFA Resilience Index.
- 9.12 The Council has a relatively high Core Spending Power by comparison to other similar authorities. The fact that we are deemed by Government to be relatively well funded should be seen as a warning sign for future Government funding reviews.
- 9.13 The Government's use of the remaining indicators is problematic. They are included here for completeness as they feature prominently in the published Oflog data. As an example, the Council Tax revenue per dwelling figure which is high for TDC, includes the County and Police precept which make up 88% of the total. This indicator, therefore, does not accurately reflect the Council Tax levels that TDC can influence.
- 9.14 The two debt indicators are set out above exactly as published by Oflog. This is included for completeness but ignores the fact that 56% of our total borrowing is HRA related. Officers from the Council along with other authorities with HRAs are lobbying Oflog to review this presentation to make it comparable with non-HRA authorities.
- 9.15 A full breakdown of reserves is reported in Appendix H. There is no intention to reduce the General Fund balance as part of these budget proposals. Growth of the reserve will depend on the extent to which the 2023/24 contingency of £921k remains unused.
- 9.16 The base-budget contingency of £445k currently remains unchanged as part of these draft budget proposals. It is recommended to retain a substantial contingency to guard against unforeseen spending pressures.

Recommendation 4: Note 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).

Recommendation 5: Note the financial strategy to build the General Fund Reserves using unused contingency from the current level of £2.8m.

10. Flexible Use of Capital Receipts

- 10.1 In the Spending Review 2015, the Chancellor of the Exchequer announced that to support Local Authorities in delivering more efficient and sustainable services, the Government would allow them to spend up to 100% of their capital receipts on the revenue costs of transformation projects. Initially this flexibility on the use of capital receipts was limited to those received between 1 April 2016 and 31 March 2019. However, the 2018/19 Local Government Finance Settlement extended these flexibilities for a further three years to March 2022.
- 10.2 This flexibility was extended again on 4th April 2022 for use up to and including financial year 2024/25. The current flexibilities include a limitation that prevents receipts being used to cover discretionary element of redundancy costs; i.e. that anything beyond the statutory minimum must be covered by alternate means. The Council has a £75k reserve to cover any payments offered under the current redundancy policy (which has recently been made less generous). The requirement for this will need to be kept under close review.
- 10.3 To take advantage of the potential for this flexibility, Local Authorities are required to produce a strategy which discloses the individual projects that will be funded, or part funded, through flexible receipts; this must be approved by Full Council and is set out at **Appendix G**.

The overall strategy for applying capital receipts to transformation is to meet one-off or time-limited costs necessary to deliver a medium-term benefit for the revenue budget without diverting vital revenue funding from service delivery. The benefit to the revenue budget will come either in reducing current costs, generating income, or avoiding increases in future costs. This strategy does not allow for the use of one-off funding to subsidise the ongoing costs of delivering core services and the flexibility does not extend to using capital receipts to support General Fund reserves.

On 28th September 2023, the Future Tandridge Programme Update report set out to Committee that indicative capital receipt funding of c.£500k would be required in 2024/25 to:

- Deliver the 2024/25 Savings Programme of £0.6m (although given the straightforward nature of most savings), only modest resources will now be required for this.

- Develop medium-term plans to address likely reductions in funding and ensure that the Council can continue to deliver priorities whilst retaining the financial stability achieved in recent years.
- Provide initial investment for Commercial Opportunities.

Out of the £500k indicative requirement, S&R approved the recruitment of a Transformation Programme Director, with an indicative cost of c.£90k for one year. Recruitment to this post is well progressed and it is anticipated a preferred candidate will be in post for 1st April 2024. Further core resources were set out, totalling £250k, as set out below. Since September, the Commercial Finance Analyst funding has been moved into the General Fund Budget to reflect the ongoing need for commercial finance capacity. Spending requirements will continue to be reviewed and will be subject to further Committee approval.

Table 9: 2024/25 Transformation Programme Resource

2024/25 Transformation Resource	
	1-year
	£000
Programme Management	90
PMO	50
Programme Support	40
Commercial Finance Analyst	70
Sub-total - baseline transformation resource	250
External Support	150
Contingency	100
Additional indicative amounts - to be approved as necessary	250
	500

- 10.4 The current position of general fund capital receipts is an estimated opening balance for 2024/25 of £0.8m. Loan repayments from the Leisure provider are classed as capital receipts and this will enhance the position by £0.3m in 2024/25. Against this, projected spend of £0.5m on the FTP is set out in the appendix (subject to future Member approval). Therefore, the estimated position at the end of 2024/25 is £0.6m of residual receipts.

The capital receipts reserve position is set out as part of Appendix H on overall reserves. Longer-term sustainability of transformation funding will need to be a consideration for 2025/26.

Recommendation 11: That Council approve 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 G).

11 Capital Programme 2024/25 to 2026/27

- 11.1 This section of the report provides an overview on the development of the Council's Capital Programme for 2024/25 to 2026/27, taking into account work that has been carried out by officers in recent weeks. The Capital Programme is developed following a review of spending need to deliver on the Council's objectives and key priorities. Members will be consulted

where new proposals, if any, require further detailed business cases to support their affordability, deliverability and need.

- 11.2 The Capital Programme sets out the Council's expenditure plans and how it will pay for them over a three-year period. The current three-year Capital Programme was approved by Council in February 2023. The Capital Programme has been refreshed as part of developing the Final Budget.
- 11.3 The Capital Programme is funded from a combination of external and internal resources. External funding is mainly in the form of Central Government grants and Community Infrastructure Levy (CIL). Internal funding takes the form of locally raised funds such as borrowing and capital receipts, as well as contributions from revenue budgets. There are significant constraints on the availability of internal funds, particularly capital receipts, which are finite in nature and depend upon identifying surplus assets for sale or disposal.
- 11.4 Councils are permitted to borrow to fund capital expenditure, as long as that borrowing is deemed affordable, prudent and sustainable. Borrowing to fund the Capital Programme has an impact on the revenue budget in the form of interest payments and Minimum Revenue Provision (MRP) payments. The more that is borrowed to fund the Capital Programme, the greater the impact on the revenue budget. MRP is the minimum amount which the Council must charge to its revenue budget each year, to set aside a provision for repaying both external borrowing (loans) and internal borrowing. This is an annual revenue expense in the Council's budget. The cost of MRP to the 2024/25 budget is estimated to be £1.1m, pending confirmation of final borrowing figures for 2023/24. The MRP cost for 2024/25 is likely to be less than originally assumed, however the budget has been retained to offset income risk in the Council's investment properties.
- 11.5 The Council's current MRP policy was approved by Council in February 2023. The annual charge is currently calculated using the annuity method, where MRP is the principal element for the year of the annuity required to repay borrowing over the asset's useful life. The policy for 2024/25 is included as part of the Capital, Investment and Treasury Strategy and is unchanged.
- 11.6 All borrowing for capital schemes takes place within agreed prudential limits which establishes a benchmark for affordability and sustainability. A range of indicators are maintained to demonstrate this. These indicators are maintained within the Council's Capital, Investment and Treasury Management Strategy and are monitored and reported to the Investment Sub Committee and Council on a regular basis. The Capital, Investment and Treasury Management Strategy demonstrates how the borrowing requirement will be managed.

The table below shows the three-year General Fund Capital Programme and how it is planned to be funded for 2024/25 to 2026/27.

Table 10: Summary General Fund & CIL Capital Programme

	2024/25 £000's	2025/26 £000's	2026/27 £000's	Total Programme £000's
Planning	1,619	1,150	2,864	5,633
Community Services	1,400	1,079	718	3,196
Housing General Fund	420	420	420	1,260
Strategy & Resources	2,892	284	237	3,413
Total Capital Programme	6,331	2,933	4,239	13,502

	2024/25 £000's	2025/26 £000's	2026/27 £000's	Total Programme £000's
External Funding/Grants	2,101	795	420	3,316
Community Infratsructure Levy	2,569	1,150	2,864	6,583
Capital Receipts	0	0	0	0
Borrowing	1,661	988	955	3,603
Total Capital Programme	6,331	2,933	4,239	13,502

Community Services

11.7 The proposed three-year Capital Programme 2024/25 to 2026/27 for Community Services is £3.2m. The schemes comprise of:

- UK Shared Prosperity Fund – Delivery of Open Space Strategy - £0.8m;
- Garden Waste, Recycling, Food Waste and Refuse bins - £0.6m;
- Public Conveniences - £0.5m
- Children’s Playground Improvements - £0.4m;
- Vehicle Replacement Programme - £0.4m;
- Parks, Pavilions and Open Spaces - £0.4m;
- Car Park Equipment Replacement Programme - £0.1m; and
- Projects collectively below £0.1m: Replacement litter bins, Land Drainage Works, Plant and Machinery Replacement Programme, Roads and Pathways.

Housing General Fund

11.8 The proposed three-year Capital Programme 2024/25 to 2026/27 for the Housing General Fund is £1.3m. This is the Disabled Facilities Grants (DFG) programme which is funded from DFG.

Strategy and Resources

11.9 The proposed three-year Capital Programme 2024/25 to 2026/27 for Strategy and Resources is £3.4m. The schemes comprise of:

- Croydon Road Regeneration - £2.3m
- IT Hardware and Infrastructure Projects - £0.9m; and
- Quadrant House works - £0.2m

Planning Policy (Community Infrastructure Levy)

11.10 The proposed three-year Capital Programme 2024/25 to 2026/27 for Planning Policy is £5.6m. This is made up of grants and contributions to third parties for capital projects and are funded from CIL. The phasing of expected contributions is to be reviewed and is unlikely to fall entirely in 2024/25.

Housing Revenue Account

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

Table 11 – HRA Capital Programme

	2024/25 £000's	2025/26 £000's	2026/27 £000's	Total Programme£000's
HRA	19,135	26,150	15,968	61,253
HRA Capital Receipts/Reserves	11,521	12,819	8,781	33,121
Borrowing	7,614	13,331	7,187	28,132
Total HRA Funding	19,135	26,150	15,968	61,253

11.12 The proposed three-year Capital Programme 2024/25 to 2026/27 for the Housing Revenue Account is £61.3m. This is made up of:

- Council House Building Programme - £49.4m;
- Improvements to Housing Stock - £11.8m; and
- IT Hardware and Infrastructure Projects - £0.1m.

11.13 The HRA will fund its Capital Programme from capital receipts, reserves and borrowing. The HRA has three separate reserves it can draw upon; the New Build Reserve, Repairs Reserve and Major Repairs Reserve. The HRA is also able to use retained receipts from Right-to-Buy sales to fund part of the expenditure on building new HRA stock. The HRA can also borrow to fund its Capital Programme using the rental income to cover the cost of interest and principal repayment. There is no requirement for the HRA to make MRP payments. Future bidding to the Homes England capital grant fund is also planned, with £1.5m being secured to-date.

11.14 In general, uncertainty remains over the economic backdrop. Inflation remains at comparatively high levels and a continued upward trend will drive up costs of scheme delivery. Uncertainty on the path of interest rates continues, though the Council's Treasury Management advisors Arlingclose project rate cuts in the second half of 2024. Any further increases in rates would create further pressure on revenue financing costs that the Council would need to manage.

Recommendation 8: That Council approve the £74.8 million proposed three-year Capital Programme (comprising £7.9m General Fund, £5.6m Community Infrastructure Levy (CIL) and £61.3m Housing Revenue Account (HRA)) of which £25.5 million Capital Budget is for 2023/24 (Appendix D)

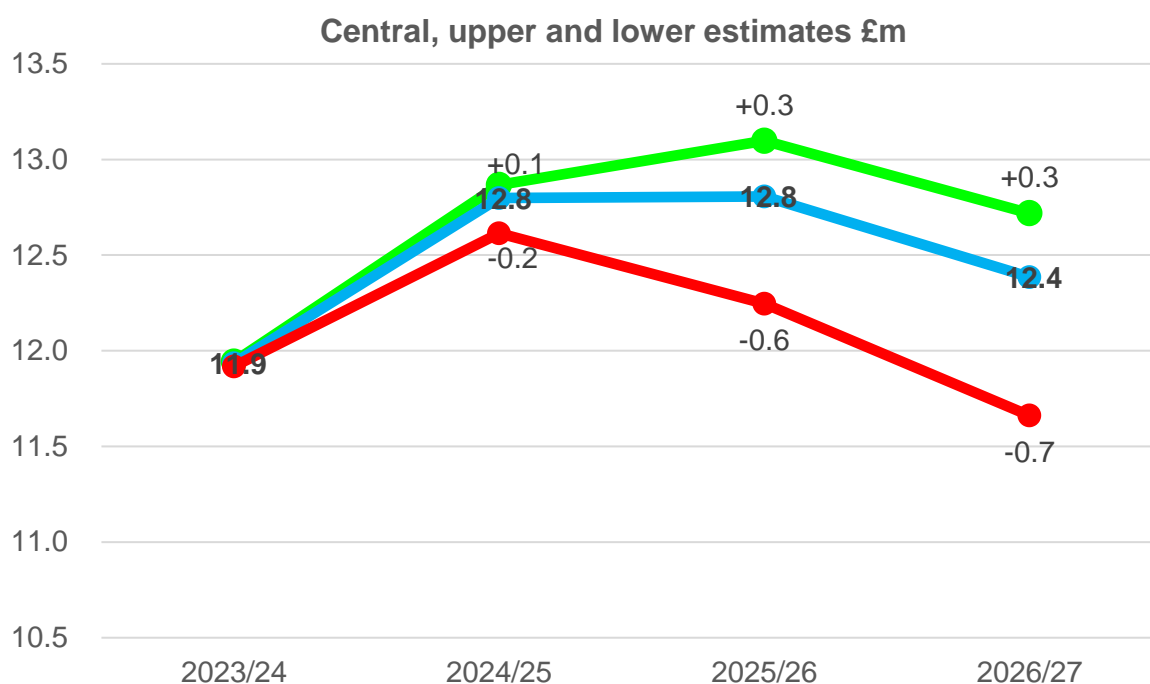
12 Medium Term Financial Strategy

- 12.1 After presenting two-year Medium Term Financial Strategies in recent years in light of volatile funding and the impact of Covid-19, 2024/25's Draft Budget sees a return to a three-year outlook, in-line with best practice.
- 12.2 Section 8 sets out the 2024/25 funding position in detail. It is anticipated that funding will stay broadly flat into 2025/26, with fundamental review of Government funding commencing in 2026/27. This is based on an increase in Tax Base, a 2.99% increase in the Band D rate, offset by further reductions to Government funding through the Business Rates system.
- 12.3 The outlook for 2025/26 and 2026/27 assumes further cost pressures (corporate and service) of £1.3m, including inflation, allowance for a further pay award and a £0.5m allowance for service pressures yet to be quantified. Assuming funding does remain flat for 2025/26, a £1.3m savings programme would therefore be required. Funding reductions projected at £0.4m in 2026/27 could see a further savings programme of £1.7m, totalling £3.0m over two years. This level of savings would require a further fundamental review of the Council's finances, and a Transformation Programme Director is being recruited to work with Management Team to determine the Council's approach. The potential medium-term gap is summarised in the table, below:

Table 12 – Medium Term Budget Gaps

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Comments
Brought forward budget	11,351	11,935	12,799	14,064	
Pressures	2,238	1,450	1,265	1,287	See Table 2 in section 6
Identified Savings	(1,654)	(586)	0	0	See Table 3 in section 7
Projected Spending Requirement	11,935	12,799	14,064	15,351	
Funding	(11,935)	(12,799)	(12,799)	(12,399)	
Gap	0	0	1,265	2,952	

The chart, below, shows scenarios for funding change over the medium-term. It is possible that 2026/27 funding will not reduce by the amount expected, but much will depend on Government policy following the next general election.



12.4 The Council's strategy will be to continue to pursue savings to deliver a sound and balanced budget, rather than rely on reserves. In light of the significant economic challenges affecting the operating environment, particularly inflation and a suppression of income from fees and charges, the intent should be to avoid depleting reserves and grow where possible.

13 2023/24 Financial Performance

13.1 **Revenue Performance as at Month 6 (September):** An £11.935m General Fund expenditure budget was approved in February 2023.

13.2 Against this revised budget, the forecast as at M6 was £12.296m; a forecast deficit before contingencies of £361k. As set out in Section 5, contingencies of £921k are available to meet this (reducing to £721k if £200k is carried forward to provide for future appeal costs). A balanced outturn is therefore expected. This is set out below in summary form, with full details in the Q2 Budget Monitoring report. The ongoing effect of these pressures have been built into this budget where analysis deems them to have a 2024/25 impact that cannot be addressed within existing budgets.

13.3 Further work is necessary, as set out above, to ensure the Planning Policy Committee's budget is set at an appropriate level.

Table 13: Month 6 Financial 2023/24 Performance

2022/23 Outturn £k	Forecast Qtr 2 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr 1 £k	One-off events £k	Ongoing Pressures £k
4,156 Community Services	4,554	4,613	(59)	(59)	(62)	3
462 Housing General Fund	737	713	24	9	0	24
1,259 Planning Policy	1,757	1,338	419	222	189	230
5,952 Strategy & Resources	6,079	6,187	(108)	(146)	(113)	5
(589) Corporate Items	(831)	(916)	85	85	0	85
11,240 General Fund- Services	12,296	11,935	361	111	14	347
(11,351) Central Funding	(11,935)	(11,935)	0	0	0	0
(111) General Fund	361	0	361	111	14	347

13.4 Financial performance is reported to Committee quarterly, with the next formal report expected in March 2024. However, monthly management reviews show an improvement to the overall Q2 position of £18k. Although not a major change, this demonstrates stability in the 2023/24 forecast.

14 Next Steps

- 14.1 Subject to any comments from this Committee, the budget will be presented to Full Council for approval on the 8th February 2024. In the meantime, final precept information will be obtained from:
- Surrey County Council (to be approved on the 6th February 2024)
 - Surrey Police and Crime Commissioner (to be confirmed w/c 5th February 2024)
 - Parish Councils (Deadline of 17th January 2024 but a number outstanding at time of writing).
- 14.2 Following approval, officers will populate the financial system with the final budget, and distribute Budget Accountability Statements for agreement by budget holders.
- 14.3 Savings delivery will be managed through the Future Tandridge Programme and reported to each Policy Committee on a quarterly basis.
- 14.4 Planning will begin imminently for the 2025/26 Budget and refreshed Medium-Term Financial Strategy.

Further Budget Appendices

- Appendix B – Summary of Pressures and Savings
- Appendix C – Subjective Detailed Budget Analysis
- Appendix D – Proposed Capital Programme
- Appendix E – Council Tax Requirement Statement and Council Tax Base
- Appendix F – Parish Council Tax Precepts [To follow for full Council]
- Appendix G – Flexible Use of Capital Receipts
- Appendix H – Projected Earmarked Reserves 2022/23 to 2024/25

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APPENDIX B - OVERALL PRESSURES & SAVINGS

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

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
Total Service Pressures	874	261	261	1,396
Corporate Items - Service Pressures	85	500	500	1,085
Subtotal Service Spending Pressures	959	761	761	2,481
Corporate Items - Pressures held for other Committees (Pay award & inflation)	490	504	526	1,520
Total Pressures	1,450	1,265	1,287	4,001

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)
Total Savings	(586)	0	0	(586)

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

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Brought forward budget	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)
Total Virements		(52)	0	0	(52)

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
Total Pressures		221	207	207	635

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)
Total Savings		(208)	0	0	(208)

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

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

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)
Total Savings		(35)	0	0	(35)
		0			
Net movement for Committee budget		(35)	0	0	(35)
Indicative Budget Requirement		678	678	678	

PLANNING POLICY

		2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Brought forward budget		1,338	1,817	1,856	
Pressures					
		Pressures			
Theme	Description	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
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
Total Pressures		479	39	39	557
Net movement for Committee budget		479	39	39	557
Indicative Budget Requirement		1,817	1,856	1,895	

STRATEGY AND RESOURCES

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

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
Total Virements		58	0	0	58

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
Total Pressures		174	15	15	204

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)
Total Savings		(205)	0	0	(205)
Net movement for Committee budget		27	15	15	57
Indicative Budget Requirement		6,214	6,229	6,244	

CORPORATE ITEMS

	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Brought forward budget	(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)
Total Virements		(6)	0	0	(6)

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
Corporate Items - Service Pressures		85	500	500	1,085
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
Corporate Items - Pressures held for other Committees		490	504	526	1,520
Total Pressures		575	1,004	1,026	2,605

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)
Total Savings		(138)	0	0	(138)
Net movement for Committee budget		431	1,004	1,026	2,461
Indicative Budget Requirement		(485)	519	1,545	

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
Community Services	4,613	1,252	6,069	(2,747)	4,574	(39)	4,781

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
Housing General Fund	713	943	18,604	(18,869)	678	(35)	678

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
Planning	1,338	2,241	2,149	(2,572)	1,817	479	1,856

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
Strategy & Resources	6,188	4,085	3,338	(1,209)	6,214	27	6,229

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)
Corporate Items	(916)	1,902	280	(2,667)	(485)	431	519
Council Overall	11,935	10,424	30,439	(28,064)	12,799	864	14,064

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
275,600	PROVIDING PEOPLE WITH HOMES	64,700	106,500	171,200	(40,800)	130,400	180,200	0	310,600	35,000
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
4,785,700	IMPROVING THE QUALITY OF HOUSING	991,900	4,017,600	5,009,500	(322,300)	4,687,200	508,000	0	5,195,200	409,500
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
8,135,700	MANAGING THE SERVICES EFFECTIVELY	934,000	1,748,000	2,682,000	(70,100)	2,611,900	565,200	5,227,100	8,404,200	268,500
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)
449,200	COMMUNITY SERVICES	336,300	111,400	447,700	(396,800)	50,900	383,500	0	434,400	(14,800)
(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)	RENT INCOME	0	0	0	(18,073,800)	(18,073,800)	0	0	(18,073,800)	(1,716,000)
(2,711,600)	NET COST OF SERVICES	2,326,900	5,983,500	8,310,400	(18,903,800)	(10,593,400)	1,636,900	5,227,100	(3,729,400)	(1,017,800)
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
2,711,600	Capital Charges and HRA support for capital	0	2,178,500	2,178,500	1,550,900	3,729,400	0	0	3,729,400	1,017,800
0	SURPLUS / DEFICIT FOR THE YEAR	2,326,900	8,162,000	10,488,900	(17,352,900)	(6,864,000)	1,636,900	5,227,100	0	0
0	Transfer to HRA Working Balance	0	0	0	0	0	0	0	0	0
0	HRA Budget	2,326,900	8,162,000	10,488,900	(17,352,900)	(6,864,000)	1,636,900	5,227,100	0	0

Appendix D – Proposed Capital Programme

Proposed Capital Programme	2023/24	2024/25	2025/26	2026/27	Total 2024-27
Housing HRA					
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
TOTAL HRA	16,132,900	19,135,100	26,150,000	15,967,800	61,252,900
Housing GF					
Disabled Facilities Grant	502,800	420,000	420,000	420,000	1,260,000
Total- Housing GF	502,800	420,000	420,000	420,000	1,260,000
Community Services					
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
Total- Community Services	1,740,200	1,399,700	1,078,600	717,600	3,195,900
Resources					
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
Total- Resources	916,710	2,892,090	284,000	237,000	3,413,090
Planning Policy					
Capital Contributions from CIL	500,000	1,619,300	1,150,000	2,863,900	5,633,200
Total-Planning Policy	500,000	1,619,300	1,150,000	2,863,900	5,633,200
TOTAL GENERAL FUND	3,659,710	6,331,090	2,932,600	4,238,500	13,502,190
Total Capital Programme	19,792,610	25,466,190	29,082,600	20,206,300	74,755,090

* 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 30th 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
Total Parishes	39,128.0

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 30th 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		
39,377.4	Gross Tax Base						39,603.3
- 472.5	Less adjustment for losses in collection 1.2%						- 475.2
38,904.9	Net Tax Base						39,128.0

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

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

Note: For Full Council, there will be additional recommendations incorporating the Surrey County Council and Surrey Police and Crime Commissioner's precepts to meet with legislative requirement when approving the Council Tax for 2024/25. Given the timing of the Surrey's Full Council meeting being on 6th February, the precept information will be sent to Members on 7th February in advance of Tandridge's Full Council meeting on 8th February. Surrey's precept information is required before TDC's precept information can be finalised.

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Appendix G – Flexible Use of Capital Receipts

1. In the Spending Review 2015, the Chancellor of the Exchequer announced that to support Local Authorities in delivering more efficient and sustainable services, the Government will allow them to spend up to 100% of their capital receipts on the revenue costs of transformation projects.
2. Initially this flexibility on the use of capital receipts was limited to those received between 1 April 2016 and 31 March 2019. However, the 2018/19 Local Government Finance Settlement (LGFS) extended these flexibilities for a further three years to March 2022.
3. This flexibility was extended again on 4th April 2022 for use up to and including financial year 2024/25. The new flexibilities include a limitation that prevents receipts being used to cover discretionary element of redundancy costs; i.e. that anything beyond the statutory minimum must be covered by alternate means. The Council has a £75k reserve to cover any enhanced payments offered by the current redundancy policy, which has recently been made less generous. The requirement for this will need to 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 H – Projected Earmarked Reserves 2022/23 to 2024/25

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

General Fund essential Reserves for financial prudencey:

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

General Fund Earmarked Reserves for specific uses

- ii) **Budget Contingency:** Contributions from revenue put aside to cover in-year general unbudgeted pressures in services. Approved as a carry-forward in the 2021/22 and 2022/23 outturn reports.
- iii) **FTP Reserve:** Holds a revenue contribution towards redundancy costs.
- iv) **Income Equalisation Reserve:** Set up to smooth rental income and investment interest income performance across financial years. This Reserve is being built up for use to cover any shortfall in the budget for reductions in rental income due to voids or reductions in the annual amount of investment income interest received.
- v) **Investment Performance Equalisation Reserve:** Holds revenue surpluses on investment income in 2022/23 and expected in 2023/24 (the latter subject to Committee approval at outturn). This is held to mitigate fluctuations in the fair value of investments that may hit the General Fund if Government overrides that protect the General Fund are not extended beyond 2025. The fair value of investment at time of writing is a deficit of £1.3m with £1.1m as the projected closing reserve balance. This gives the Council two years to set aside more investment surpluses before the override comes to an end.
- vi) **Local Taxation Equalisation Reserve (previously Business Rates Equalisation Reserve):** Set up to level out Business Rates and Council tax performance (reflected in the Collection Fund) across financial years and allay the risk of erosion due to the impact of economic downturn and provide for investment in the local economy. Merged with the Section 31 Funding Equalisation Reserve, below, which serves the same purpose.
- vii) **Community Infrastructure Levy Administration Reserve:** To be spent on the administration of the levy.
- viii) **Community Infrastructure Levy Grants:** Holding the balance of grants related to CIL received in previous financial years.
- ix) **Community Infrastructure Levy (CIL):** This Reserve holds the CIL funds received from developers and waiting to be spent. CIL is a charge which can be levied by local authorities on all new development in their area, including new homes, with the aim of

supporting local infrastructure such as such as roads and transport, education, medical, sport and recreation facilities.

- x) **Section 31 (inc Covid-19) Funding Equalisation Reserve –** Holding the balance of Covid-19 and other Section 31 grants to meet future collection fund account movements. This began as a technical reserve provided to hold Government support for the impact of Covid-19 on business rates which was often received a year before the budgetary impact. From 2023/24 onwards, it also holds the balance of the Local Taxation Equalisation Reserve since, following the end of Covid-19 schemes, the two reserves now serve the same purpose.
- xi) **Housing Benefit Equalisation Reserve:** Smooths volatility in Government Housing Benefit Subsidy.
- xii) **Local Plan Reserve -** Planning Reserve to support the delivery of the Local Plan and other general Planning related activities.
- xiii) **Carry Forward Reserve –** An account to hold carry-forwards agreed at year-end which do not fall to General Contingency or other reserves.
- xiv) **Building Control Reserve:** Holds the Council’s share of accumulated surplus on fee-earning building control operations and will be used to offset expenditure in future years in accordance with statutory requirements.
- xv) **Wellbeing Prescription Reserve:** Holds the Council’s share of accumulated surplus on CCG funding and will be used to offset expenditure in future years in accordance with approvals to continue the agreement.
- xvi) **New Burdens:** Government funding received to fund the cost of additional services such as Covid-19 or Cost of Living Support fund – held in reserve to mitigate changing impacts across financial years.
- xvii) **Care & Repair Reserve:** Funds put aside to cover future costs of the Care & Repair service.
- xviii) **Local Land Charges Reserve:** In line with the Lord Chancellor’s amendment to the Local Land Charges Act 1975 (command 7026) the Council sets its fees on a cost recovery basis (over a three-year cycle) with any surpluses held in an earmarked Reserve for this purpose.
- xix) **Neighbourhood Plan Reserve:** Funds put aside to help fund the cost of the Neighbourhood plan in future years.
- xx) **Cyber Security Earmarked Reserve:** Temporarily holds the balance of external funding for Cyber Security.

General Fund Reserves to finance the Capital Programme

- xxi) **Capital Receipts Reserve:** Holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.

- xxii) Revenue Contributions to Capital Reserve:** General Fund Revenue contributions from previous years to be used to support the future capital programme.
- xxiii) Capital Grants and Contributions Reserve:** This Reserve holds grants from Central Government which have been held in Reserve as expenditure in relation to the grant has yet to be incurred.
- xxiv) Disabled Facility Grants (DFG) Reserve:** Holds the balance of ringfenced DFG grant that has been received in previous years but not yet spent.
- xxv) TCS Renewals Fund:** Funding for future vehicle replacements.

Housing Revenue Account Reserves

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

	Opening Balance 2022/23 £000	Transfers £000	Opening Balance 2023/24 £000	Transfers £000	Opening Balance 2024/25 £000	Transfers £000	Closing Balance 2024/25 £000
General Fund							
General Fund Balance	2,787	0	2,787	0	2,787	0	2,787
Sub Total - General Fund Balance	2,787	0	2,787	0	2,787	0	2,787
General Fund Earmarked Reserves for Specific Uses							
Budget Contingency	317	233	550	0	550	0	550
FTP Reserve	75	0	75	0	75	0	75
Income Equalisation Reserve	400	(129)	271	0	271	0	271
Investment Performance Equalisation Reserve		447	447	649	1,096	0	1,096
Local Taxation Equalisation Reserve	255	(255)	0	0	0	0	0
Community Infrastructure Admin	571	(46)	525	0	525	0	525
Community Infrastructure Levy Grants	0	1,055	1,055	0	1,055	0	1,055
Community Infrastructure Levy	5,700	436	6,136	0	6,136	0	6,136
Biodiversity Net Gain Reserve	0	37	37	0	37	0	37
Section 31 (inc Covid-19) Funding Equalisation	3,630	(2,489)	1,141	0	1,141	400	1,541
Housing Benefit Equalisation Reserve	280	(208)	72	0	72	0	72
Local Plan Reserve	803	245	1,048	0	1,048	0	1,048
Carry Forward Reserve	135	(27)	108	0	108	0	108
Building Control Reserve	117	(21)	96	0	96	0	96
Wellbeing Prescription Reserve	150	67	217	0	217	0	217
New Burdens Reserve	369	160	529	0	529	0	529
Care & Repair Reserve	14	0	14	0	14	0	14
Local Land Charges Reserve	23	(23)	(0)	0	(0)	0	(0)
Neighbourhood Plan Reserve	26	0	26	0	26	0	26
Cyber Security Earmarked Reserve	72	(72)	0	0	0	0	0
Sub Total - Specific Reserves	12,936	(590)	12,346	649	12,995	400	13,395
General Fund Reserves to Finance the Capital Programme							
Capital Receipts Reserve	1,078	317	1,395	(566)	829	(183)	646
Revenue Contributions to Capital	63	0	63	0	63	0	63
Capital Grants & Contributions	2,427	(2,094)	333	0	333	0	333
Disabled Facility Grants Reserve	763	201	964	0	964	0	964
TCS Renewals Fund	(0)	0	(0)	0	(0)	0	(0)
Sub Total - General Fund Capital	4,331	(1,576)	2,755	(566)	2,189	(183)	2,006
Sub Total - General Fund	20,054	(2,166)	17,888	83	17,971	217	18,188
Housing Revenue Account Reserves							
HRA Working Balance	750	0	750	0	750	0	750
HRA Capital Grants & Contributions	0	409	409	0	409	0	409
HRA Major Repairs Reserve	0	0	0	0	0	0	0
HRA New Build Reserve	2,039	(2,039)	(0)	0	(0)	0	(0)
HRA Repairs Reserve	1,573	(1,573)	0	0	0	0	0
HRA Capital Receipts Reserve	0	0	0	0	0	0	0
Right To Buy New Provision Receipts	639	(639)	0	0	0	0	0
Sub Total - HRA	5,002	(3,842)	1,160	0	1,160	0	1,160
Grand Total (GF & HRA)	25,056	(6,008)	19,048	83	19,131	217	19,348

The 2022/23 opening Specific Reserves balance included £3.6m of Government Covid-19 funding, provided in prior years for use in 2022/23. Accounting practice required us to treat this as a reserve, but it was effectively a receipt in advance. Excluding the £2.5m reduction on this reserve, Specific Reserves grew by £1.9m.

Appendix I – Future Tandrige Programme Update

1. FTP Background

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

This identified two broad phases:

Phase 1 - mobilisation and design – c6 months

Phase 2 – delivery – c12 months

Phase 2 of the programme was approved by the Strategy and Resources Committee on 29th September 2022 with funding of resources required to deliver the approved programme objectives.

Phase 2 – approach to delivery

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

The development of the leadership and organisational development workstreams are overseen through the **Target Operating Model (TOM) Development Group** along with the overall development of the operating model. This group is chaired by the Chief Executive and sets the guiding principles for the development of the FTP.

As change projects are approved for delivery these are overseen by the **Programme and Benefits Delivery Board** which is chaired by the Director of Resources

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

Leadership

- Senior Management restructure – building a new senior management team equipped to lead and deliver the Future Tandrige Programme and its outcomes.
- Corporate Plan – the development of a new corporate vision and a new Corporate Plan to guide the Council from 2024.

Organisational and Workforce change

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

Operations Transformation

- A project team in place to deliver the recommendations set out in the business case approved in September 2022

Digital and Customer Services Transformation

- A project team established to take forward the recommendations in the Digital and Customer Services transformation project, to deliver the contents of the business case approved in June 2023.

Service Improvement Plans Delivery

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

Further funding to continue Phase 2 was approved in June 2022 and September 2022. This would enable delivery of the Digital and Operations Transformations and the forecasted savings for 2023/24. An update against the total funding for the delivery phase of £500k is provided in Appendix L.

Consideration is now being given to the transfer from delivering changes and improvements within the FTP programme to future Transformation and embedding continuous improvement as BAU including governance arrangements.

2. Progress updates

2.1 Organisational Development

FTP Risk Registers previously reported to the Committee have flagged the Council's difficulty in recruiting an Organisational Development (OD) lead. The most recent proposal is to work jointly with Reigate and Banstead Borough Council, and this is currently with RBBC for review.

Recognising the urgency of developing the Council's People Plan, the Programme Team is now coordinating the workstream, documenting completed, outstanding and planned actions in relation to Organisational Development. An OD status review meeting took place on the 17th January 2024.

Significant improvements have been implemented so far, including reinstatement of appraisals, work to develop the culture of the organisation and the Council's Values and Behaviours, work on the Council's induction process and other elements.

However, work needs to continue quickly on overhauling the Council's approach to recruitment and retention including assessing the suitability of the Council's pay and reward arrangements. Officers are developing a specification for this work and shortlisting suppliers to begin as soon as possible.

2.2 Operations - Grounds Maintenance

Work is now progressing on developing specifications and reviewing the market, in advance of the implementation of a new delivery model in preparation for go-live in October 2024.

Planning is in progress with Procurement and Legal stakeholders to agree an overall joint delivery plan.

To support delivery of Grounds Maintenance and other services, an intelligent client model will be set up at Tandridge, this will provide the following regardless of delivery models:

Intelligent Client model

To support delivery of Grounds Maintenance and other services, an intelligent client model will be set up at Tandridge, this will provide the following regardless of delivery models:

- Strong contract and supplier management
- Mutually agreed service objectives and expected outcomes
- Clearly defined service specifications and expected outcomes
- Trust and good working relationship
- SMART Key Performance Indicators built into the service
- Regular performance reviews
- Actively monitoring work whether internal or externally delivered
- Expectation of check and challenge with supplier
- All above form part of the commissioning and continuous approach being developed by officers.

Developing the intelligent client model will require resourcing in the next phase of transformation investment.

Work is also in progress in Operations to review the HRA delivery model, to understand the future shape of the service. An update will be provided in future Committee papers.

2.3 Digital Transformation

The Digital Transformation programme is continuing at pace, building on the technical elements of the project, and dependencies. For the telephone system, RingCentral final build specifications have signed off for network readiness and analysis work is ongoing.

Dependencies have been identified and working groups established to ensure this ties-in with project objectives:

- Telephony – Initial training has been held with department representatives in December 2023. Testing continues throughout January.
- Data Cleansing – Ongoing work to identify duplications and anomalies to ensure that MyTandridge Account has correctly linked information through Salesforce.
- Website Knowledge Articles – Working with departmental service champions to ensure all knowledge articles and online literature is up to date and relevant for the redesigned website.
- Chatbot – involvement with Service Champions to provide scripts to be initiated after go-live of Telephony.
- Key officer Forum to promote digital first policies and procedures.

Since the update provided in the November 2023 Strategy & Resource Committee paper, the following progress has been made in the Digital workstream:

- The Council's implementation partner is working on the setup and configuration of the new Salesforce technologies.
- External website design consultants have completed their analysis and have identified key areas for improvement.
- MyTandridge Account technical architecture and data structure design is in progress.
- The replacement telephony solution has been built and is currently being tested for functionality and user experience. Expected implementation is February.
- Department representatives have undertaken initial telephony training to be disseminated to a wider audience early in the new year.
- Recruitment of a technical business analyst resource is underway.

2.4 Commercial activities

A Commercial Strategy is being drafted which will provide Heads of Service and officers with a suitably formalised structure to guide their approach to commercialisation.

Three key areas will be explored during development of the Commercial Strategy:

- The way that current services to residents are monitored and evaluated to ensure continuous delivery of business as usual is integrated into the Commercial Strategy
- How current pipeline income generating ideas will be developed
- How new income generating services will be identified and developed

The Commercial Strategy will be developed by EMT, and key officers. Members will then be consulted on key areas of the strategy, in particular their appetite for risk and their view on the emerging opportunities. An update is planned for MRG and committee in March 2024.

In the meantime, the Council is mobilising to take advantage of more immediate and obvious opportunities (such as in Revenues and Benefits and Housing Management Opportunities). This will take place in consultation with Committee Chairs and MRG. Early feasibility work has started in further areas and proposals will be taken to the TOMDG board for consideration before going to MRG and committee.

2.5 Continuous improvement and Commissioning

As part of embedding continuous improvement into all services in the Council, a continuous improvement and commissioning cycle has now been developed by a group of senior officers. This cycle will be used to guide officers through the steps required to review and improve a service, from initial analysis, through specifications for the service, options appraisal and implementation of the selected delivery model. The cycle also covers the review process, managing contracts and internal services and monitoring the performance of services against their objectives. Findings and lessons learned are reviewed as part of the cycle to improve the Council's approach to service delivery.

A key part of the continuous improvement cycle is ensuring that there is a consistent approach to contract and supplier management, whether internally or externally and an intelligent client model is being developed to provide this consistency.

Training will be required to develop officers, firstly EMT, then Key Officer Forum and other officers. All Heads of Service will be responsible for ensuring the approach is embedded and operating correctly in their service areas.

Building the skills internally to manage contracts and relationships with external suppliers will be vital to enable scrutiny and challenge to ensure the best possible outcomes to service delivery.

Familiarisation and training has started with key officers to embed the cycle, approach and behaviours needed across the council with initial focus on service plans and optimising KPIs at service level.

3. Savings and Delivery Risk Overview

Increasingly, the FTP is focussed on the key ongoing elements, including the Organisational Development Workstream, Grounds Maintenance, Digital and Commercial. The report therefore focuses on these activities. However, work continues on all service reviews and in particular the delivery of the 2023/24 savings target. The table below sets out progress towards delivering the 2023/24 savings target of £1.7m with exceptions drawn out in the following paragraphs.

		November	January			Variance
RAG status	RAG rating determination	Total Nov 2023 £000	Staff savings 23/24 £000	Non-Staff savings 23/24 £000	Total Jan 23/24 £000	Movement Nov to Jan £000
	Savings delivered	£961	£553	£408	£961	£0
	Clear plans, realistic timescales	£235	£68	£184	£252	£17
	Some risks to delivery or detailed delivery plan still in development	£272	£0	£255	£255	(£17)
	Significant risks to delivery, delivery plan yet to be agreed	£40	£16	£24	£40	(£0)
	Savings target will not be met this year	£146	£120	£26	£146	£0
	Totals	£1,654	£757	£897	£1,654	£0

This review shows that £961k of savings are marked as complete, i.e. all necessary actions have been taken in order to deliver the saving.

A further £252k is marked as green, this relates to delivery of improvements relating to the Southern Building Control Partnership, ongoing work to develop a shared service with RBBC to deliver Revenues and Benefits to other local authorities, along with an element of savings expected in Customer Services and Operations.

£26k in Regulatory Services is now marked as unachievable in 2023/24, due to a change in the management leads at Tandridge District Council and Mole Valley District Council and the subsequent need for a reset on the savings proposed. This is likely to be offset by other savings within Regulatory Services to achieve a balanced budget, but the longer-term change is still required and will be pursued in 2024/25. The Deputy Chief Executive is actively discussing savings in this area with counterparts at Mole Valley District Council. £35k in IT is also marked as unachievable in 2023/2024, with the saving being rephased into 2024/25.

£85k of Senior Management restructure savings has been marked as unachievable for 2023/24 due to a portion of the management structure saving being reinvested into Planning.

The Red element of £40k relates to the remainder of savings planned in Customer Services and Legal savings of £24k which are now being reviewed and plans will need to be revised. S&R Committee is currently forecasting an underspend overall, despite these changes.

The Amber element of £255k reflects the risks to delivery of savings planned over the remainder of the year. This consists of the following:

- £150k saving from better utilisation of the Homelessness Grant Funding, where certainty will increase over the course of the year as homelessness levels are tracked but it is unlikely that this will be marked as complete until year-end.
- £70k of Assets and FM savings, which are partly dependent on increased lettings at the Council Offices, Oxted and Quadrant House in Caterham and transfer of responsibility for maintenance to leaseholders. Although plans are in place for this, certainty will only come with additional lettings. A reserve exists to mitigate this risk.
- £25k in Revenues and Benefits – marked as amber as relies on working with external partners with plans being progressed in detail.

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

Appendix J – Risk Register

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
1	Organisation Development	The Council will lose key staff that it would prefer to retain resulting in a further deficit of capability and capacity to deliver the Councils priorities.	12	<p>Consider ways of retaining key staff and formulate a plan to prevent/reduce the loss of these key members of staff during the transition, this relates to the Organisational Development/change management stream of work in the FTP.</p> <p>Establish fast track training plans for high staff turnover areas that are due to staff progressing to other departments i.e. Customer Services. Introduce more apprenticeships and professional career grades with associated training and development plans.</p> <p>Determining resource requirements to create a People Plan which will include an approach to retaining and recruiting the right people.</p>	<p>Key staff identified and approach to be developed HR/EMT. Key officer forum set up and meeting regularly. EMT developing a plan to address potential loss of these key staff during the transition. KOF working with EMT on improvement projects.</p> <p>Review of staff turnover and exit interview reasons for leaving.</p> <p>January 2024 - Review of scope in progress. Considering shared role. Scoping for an external piece of work to take forward key elements of the work including Pay and Reward and Recruitment & Retention Review.</p>	In prog	9	David Ford - TOMDG

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
2	Stakeholder engagement	Members are not sufficiently engaged and/or will not support key issues which emerge from the FTP.	12	Engage Committee Chairs in service review emerging proposals.	Early engagement with Leader & S&R Chair / Vice Chair to seek feedback and answer questions in preparation for committee meetings.	Complete	8	
				Member engagement to be considered in each workstream activity in the FTP.	Prog Team to engage Committee Chairs in service review emerging proposals and consider Member engagement in each workstream activity in the FTP.	Complete		
				Based on the approach used in Tandridge Finance Transformation to member engagement, Identify representative group of members to be used for early engagement throughout the duration of the programme.	A Member reference Group has now been created consisting of a small group of members (agreed with the leader of the council). Since set up in October 2022, this group has attended focused briefings on specific areas of interest such as Digital/Customer services and Assets and FM and fortnightly meetings are set to continue. All member briefings will continue to be held on specific areas of interest and in advance of committee updates where required.	Complete (with engagement ongoing)		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
10	Scope Management	Changes such as movement of functions across the Council, will be made without consultation with the TOM group which will impact on the planned changes. This would potentially weaken areas of service delivery internally or in the event of outsource opportunities.	16	Agree and publish scope - reinforce change review group and change log. Change requests to be raised for all additional pieces of work and changes that impact on agreed scope at committee.	Mitigated score reduced to 4 as FTP scope is now finalised and priorities will be designed into the next phase. Any proposed changes such as Team restructures are raised as change requests by Heads of Service and reviewed by the TOMDG.	In prog	4	David Ford EMT
14	Savings 2023/24	Service Reviews will not deliver the budget savings identified in 2023/24	16	Create delivery plan for each service area, whether part of the service improvement workstream, or Digital/Customers, Operations transformation and ensure that all milestones that relate to savings are clearly identified.	Delivery managers recruited into the Digital/Customer Services and Operational Services workstreams. Delivery plans put in place to deliver the savings/benefits. Other service reviews will be monitored by the programme project manager and PMO.	Complete	9	Mark Hak-Sanders Prog Delivery & benefits board
				Monitor plans and milestones closely in weekly meetings and monthly highlight reports, where a risk is arising, this is escalated to the project/ programme board to	Weekly 1-2-1 meetings with heads of service and/or delivery lead to ensure that the plan is in place and credible and is being followed and that any milestones at risk are addressed	In prog		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
				assess actions to mitigate.	promptly to prevent slippage.			
				Set up programme delivery and benefits board review savings milestones and where amber/red agree mitigation and next steps and assign ownership.	Each service to create a plan, with key milestones, which is collated for the programme plan. Fortnightly EMT delivery meetings held where exceptions and risks are discussed with the objective of resolving blockers to achieve the savings.	In prog		
16	Resources	Timelines will be missed if BAU issues require resolution and there is an assumption that programme resources will be used to fix the issues	15	Each service to set out savings delivery plan, including key milestones and dependencies, which will form the collated programme plan.	Service review updates and milestones have been populated by Heads of Service/Stream leads. Planning meetings are being held with heads of service to ensure information is captured consistently to enable dependencies/ slippages to be trackable.	In prog	8	Mark Hak-Sanders Prog Delivery & benefits board
				Individual plans to be baselined within the programme and used as drivers for savings delivery by the EMT / stream leads and Finance/Benefits Programme board. All risks to delivery	Individual plans are to be collated at programme level. Regular EMT delivery board meetings held where all savings at risk are raised and collectively resolved.	Complete		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
				identified by the plan owners are escalated to the Programme delivery board.				
				All plans will include resource requirements to ensure that where BAU/external resources are required, the demand is clear. Where resources are redirected at BAU, plans will need to be adjusted to show the revised schedule. If BAU resources are not sufficiently available, backfilling of roles will need to be considered to free up time.	Key external resources are identified and secured as early as possible, for example, expert advice on Operations workstream.	Complete		
19	People Plan	Organisation Development workstream will not progress as scoped and therefore Tandridge will not be ready for embedding the Transformed services and the new culture.	16	An OD / Change Mgr needs to be put in place to ensure new ways of working/behaviours, such as Digital/ commissioning/continuous improvement are embedded properly across the whole council. Without this, there is a risk that after the programme ends, behaviour will revert to 'old ways' and future benefits/ efficiencies will not be met.	January 2024 Look to secure support for organisation development and change management. Plan the adoption of systems throughout the organisation. August 2023 - Recruitment is in progress but is slow, looking at a FTC and approaching specialist agencies for this role.	In prog	16	Mark Hak-Sanders Prog & Benefits delivery board

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
Page 136				<p>Recruit an OD expert to create a delivery plan to embed the changes needed in behaviour to adopt the changes being introduced across the council.</p> <p>Review objectives including behaviours, ensure behaviours rolled out to all staff as well as EMT. Instigate KOF level - accountabilities and responsibilities</p>	<p>August 2023 Recruitment is in progress but is slow, looking at an interim resource, approaching specialist agencies for this role. Recruit an organisation development and change management specialist, Plan the adoption of systems throughout the organisation, looking at the future model for services and the Council.</p> <p>November 2023 Agreement internally to recruit a joint role with RBBC.</p>			

Risk	Topic	Risk description	Original score	Mitigated approach	Action taken	Mitigation Status	Mitigated score	Owner
20	Digital Transformation	Progress in the Digital/customer services workstream will be slow/unsuccessful which will have a detrimental effect on delivering the business case, providing responsive customer services, and planning and delivery of savings and benefits.	16	<p>Ensure there is an achievable plan - understand resource requirements up front, monitor progress.</p> <p>Detailed plan required, with regular progress reporting against plan, with key milestones flagged and RAG rated.</p> <p>Ensure scope pinned down in PID, any potential additions to scope need consideration via change control.</p>	<p>January 2024 - Detailed planning in place. Roles and responsibilities drafted for service SMEs to clarify ownership of tasks. Additional Customer Services resources approved.</p> <p>November 2023 Review of wider Digital Transformation programme in progress to understand scope and resource requirements.</p> <p>July 2023 Dependencies have been identified, programming the planning and resourcing of these activities. Planning in progress - plan with key milestones required, Monthly highlight reporting and fortnightly project board will monitor progress, spend and risks.</p>	In prog	16	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

Risk	Topic	Risk description	Original score	Mitigated approach	Action taken	Mitigation Status	Mitigated score	Owner
21	Digital Transformation	There will be a delay in delivering Digital Transformation due to dependencies being out of scope of the project, such as data cleansing, chatbot knowledge data build	16	<p>Analysis on all dependencies to understand resources/timings etc, needed for Digital:</p> <p>Review and plan out any key dependencies not included in scope of Digital to ensure clarity on timeline from Digital lead.</p>	<p>January 2024 - Digital programme set up with workstream leads identified, regular catch up and overall plan for review, risk monitoring. Score reduced from 12 to 8 due to sponsorship of plans and visibility of dependencies.</p> <p>TOM review/discussion on in scope/out of scope for Digital held on 19th July, further discussion 8th August.</p> <p>Confirm priorities for Digital Transformation or TDC generally at that meeting.</p> <p>Knowledge scripts required for Chatbot - Customer Services scripts to be reviewed for this purpose.</p> <p>Business Analyst to progress the data cleansing project, to understand objective, scope and create a plan. Revised resources to be reviewed with Digital PM.</p>	<p>In prog</p> <p>January 2024 - Mitigated score reduced from 16 to 12, due to likelihood changing from 4 to 3, due to programme workstreams being owned and managed by sponsor and workstream leads</p>	8	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

24	Operations - Grounds Maintenance	<p>There is a risk associated with timescales to deliver the Grounds Maintenance plan since the implementation date cannot be delayed. July 2024 has been agreed as a go/no-go decision point at which point costs should be clear and next steps will be agreed, however this does not leave much time for contingency/overruns and implementing of an alternative model if needed.</p>	16	<p>Review whether any of the tasks can be run in parallel or shortened leading up to July.</p> <p>Ensure timelines provided by Operations, Legal and Procurement team are reviewed when developing the overall delivery plan.</p> <p>If costs are higher than expected, alternative approach on service specifications may need to be considered.</p>	<p>January 2024 - Detailed plan in place - to be agreed with all owners - i.e. procurement and legal suppliers and ensure all resources are aware of their responsibilities. Regular project board meetings to continue to be held to review progress, risks and issues.</p> <p>Monthly highlight report summarising progress, risks and actions to be owned and reviewed with sponsor and project board. Owners of activities in plan clearly defined and monitored. All slippage addressed. The plan has been reviewed and there are no tasks that can be run in parallel or delivered by other resources.</p>	In prog	16	<p>Simon Mander</p> <p>Prog & Benefits delivery board</p>
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Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
25	Resources	There is a risk that it will not be possible to recruit a Transformation director resource in the required timeframes. Without this role there is a risk that robust development, scrutiny and challenge of the next phase of organisational change over the medium-term will not be developed.	16	<p>Advertise the role in the appropriate publications, such as the MJ (Management journal) for maximum exposure.</p> <p>Ensure that the role is advertised on suitable publications such as the MJ and forums such as LinkedIn are cascaded to people's professional networks.</p>	Job advertised in MJ and usual recruitment channels in early November, with three-week run for the advert.	<p>January 2024 - Reduced likelihood from 3 to 1 due to recruitment being well progressed.</p> <p>New risk raised in November 2023</p>	4	David Ford TOMDG

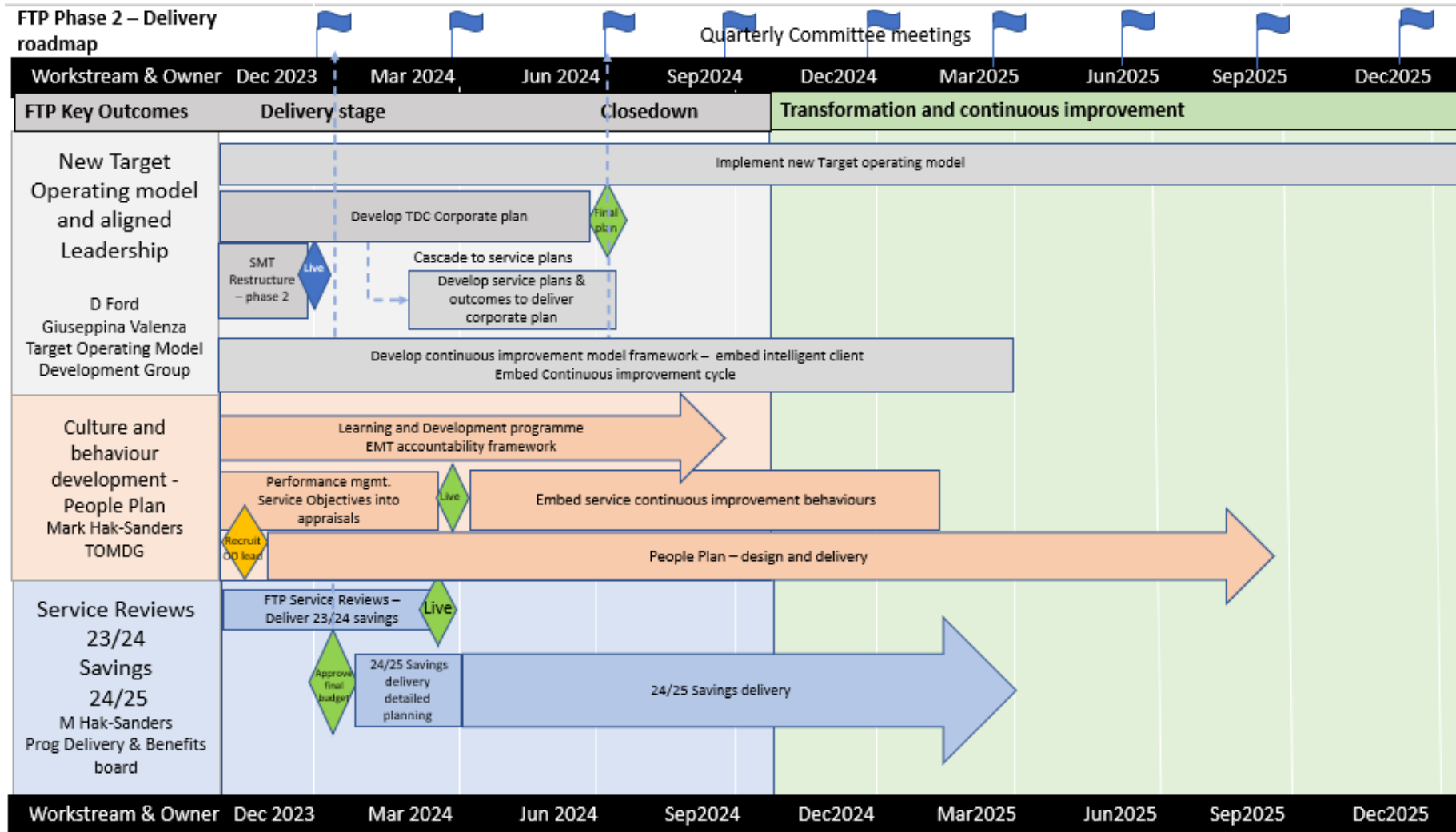
New Risks raised since last Committee paper

Risk	Topic	Risk description. There is a risk that.....	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
26	Operations - Grounds Maintenance	Operations grounds maintenance tender prices submitted may be above budget envelope	12	Revisit budget envelope and review service specifications. Post award, consider contract length and conditions. Look at funding of equipment as an option. Looking for flexibility i.e. specifications and cost in the contract.	Contingency planning at early stages. Discussions with external Procurement expertise on best way to structure the tender.	New	12	Simon Mander Operations GM Project board
27	Operations - Grounds Maintenance	Tenders are not received for all bids offered - if structure of lots means that suppliers do not bid across each work package.	12	Review lot structures for maximum efficiency and least risk. Review cost relating to specifications with Finance relating to savings in GM and impact on other areas. If bids are broken down into much smaller bids, there are more overheads such as higher number of suppliers and contracts and more time spent on day to day monitoring and management.	Review of lot structures is currently underway.	New	12	Simon Mander Operations GM Project board

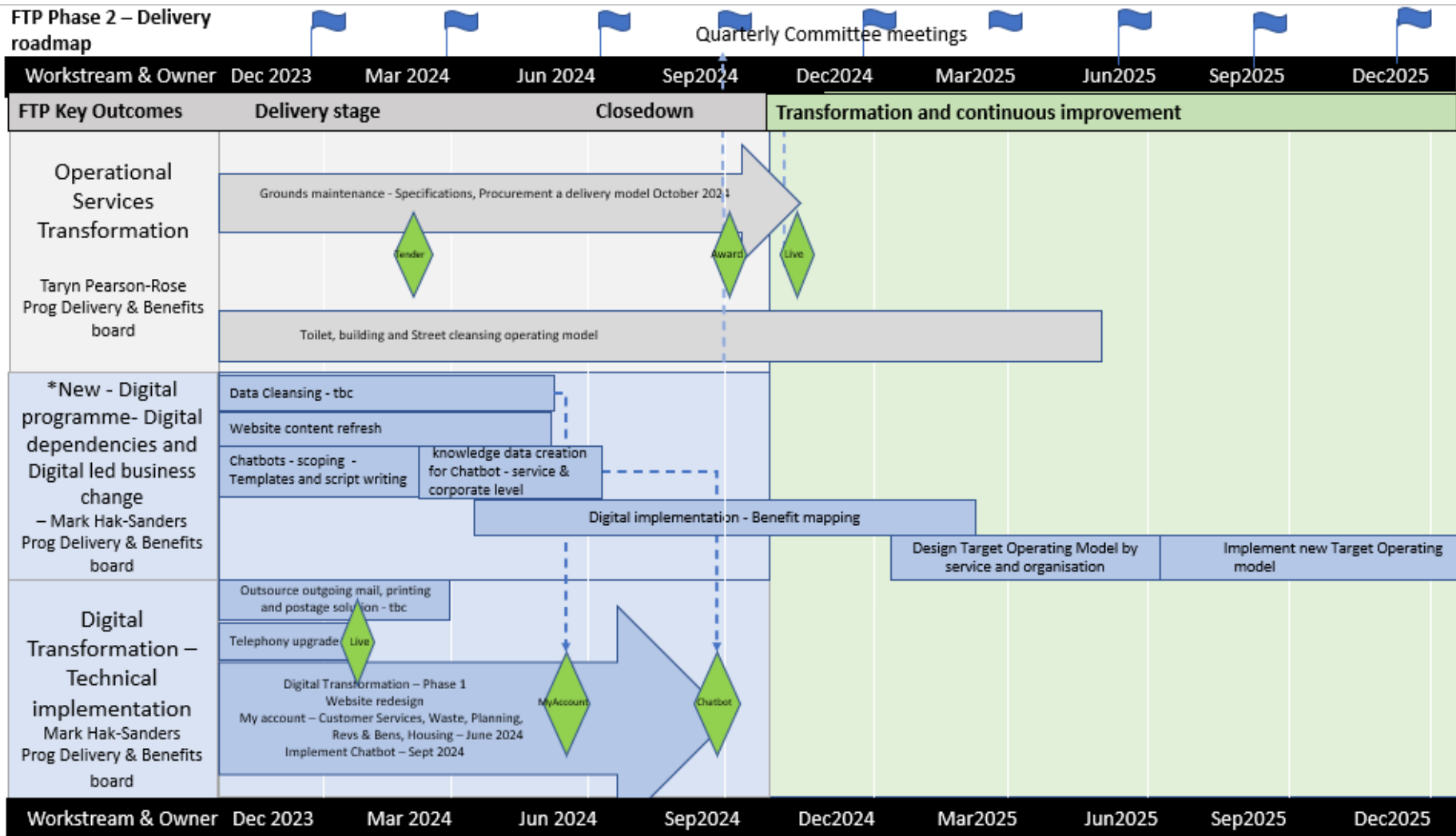
Risks closed raised since last Committee paper

Risk	Topic	Risk description. There is a risk that.....	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
23	Savings 2024/25	24/25 savings plans created by HoS will not be sufficient to achieve forecast savings if further pressures are identified.	16	<p>Key discussions with budget owners/EMT to agree source of savings and follow up on progress and push forwards. Focus on this for the EMT FTP meetings.</p> <p>Driven by FTP team to support, look at skillsets and external support on delivery model and commercial ideas.</p> <p>Ask key questions to push Heads of Service ideas forward.</p> <p>Identify as far as possible all potential pressures across all services.</p>	<p>November 2023 -savings targets agreed and shared with MRG and an all member draft budget report workshop on 31st October.</p> <p>Savings approach split into five pillars, with heads of service to identify savings and where this fits into the five.</p> <p>Details shared in member workshops and included in September 2023 committee papers.</p>	<p>January – closed as no longer a risk.</p> <p>New risk raised in July 2023</p>	8	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

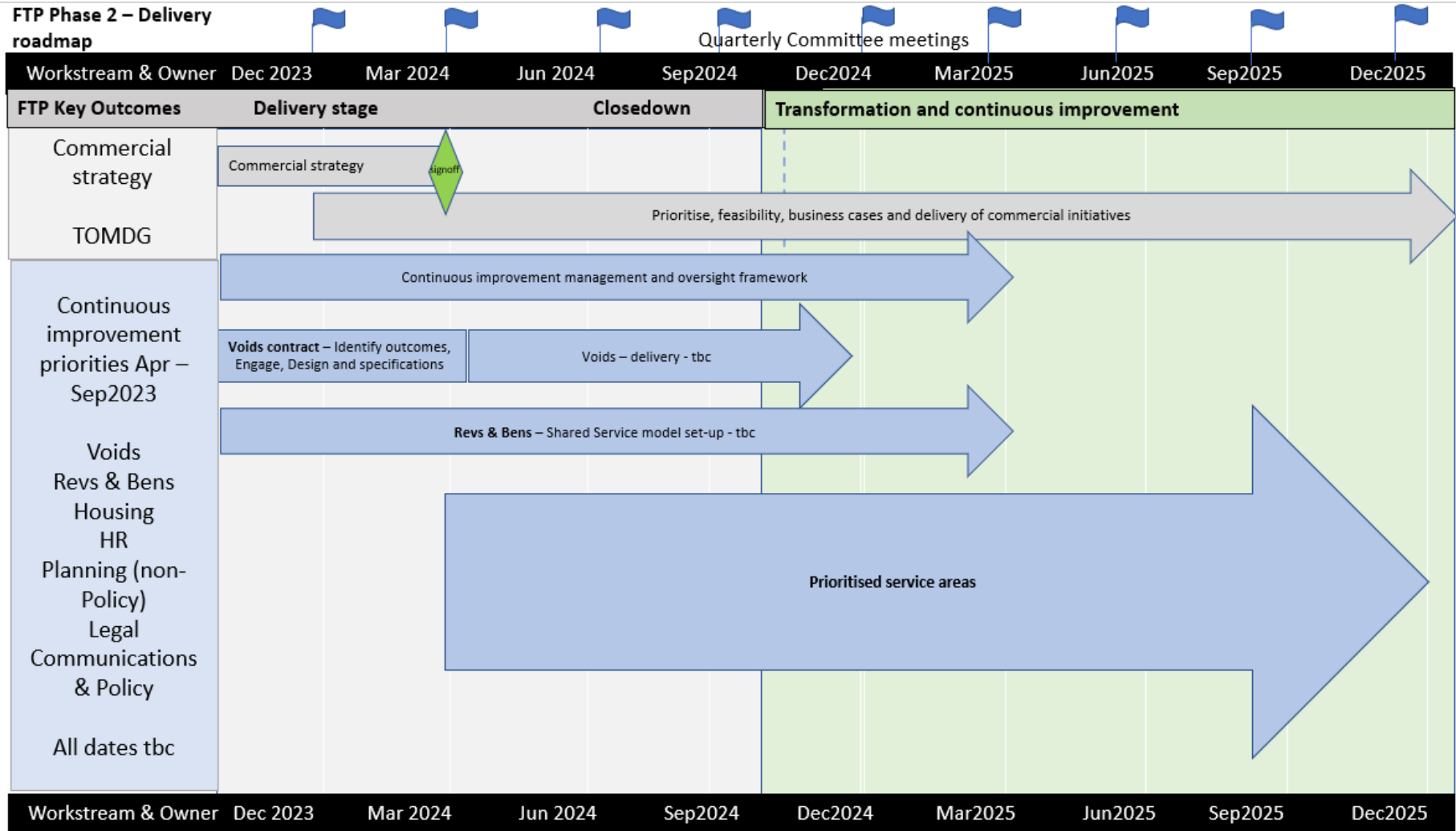
Appendix K – Future Tandridge Programme Roadmap



Appendix K – Future Tandridge Programme Roadmap



Appendix K – Future Tandridge Programme Roadmap



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Appendix L - Programme Resource forecast (Forecast unchanged from September 2023 Committee report). Spend at Q3 against the £500k budget is £427k.

Role	Function and commentary	Approved	Forecast	Variance
Programme Advisory role	Role to support the direction and delivery of the programme. Reduced by a modest amount due to availability constraints on the external project manager. As part of the next phase, dedicated TDC transformation resource is proposed.	£34,500	£27,000	-£7,500
Programme Management Office (PMO) Commissioning support	Maintain overview of progress and ensure consistency in approach, documentation, reporting and interface with sponsors. This has been delivered more efficiently by recruiting a TDC resource.	£78,000	£59,000	-£19,000
Project administration	Administrative support through programme / project delivery – attached to PMO and by service – backfill for TDC provision	£15,000	£18,915	£3,915
HR advisory	Expert HR advice/support on revisions to working practices, employment terms, etc in support of Org development workstream – external support	£20,000	£22,500	£0
Business Analysis	Detailed data, performance and benchmarks, especially during design and options appraisal stages – external recruitment	£70,000	£74,593	£4,593
Org development	Support change management through delivery, with staff and stakeholder engagement – external recruitment Work to appoint to this post continues.	£37,500	£37,500	£0

Role	Function	Approved by S&R	Latest Forecast	Variance
Project delivery management	Manage delivery of individual projects – internal resource	£22,250	£32,000	£9,750
Digital investment	Delivering the implementation of the Digital workstream	£35,950	£35,950	£0
Subject matter expertise (SME)	Support with expert external knowledge through design, options appraisal delivery depending on internal resources availability – external. Note some increase to cover early commercial strategy development.	£40,250	£50,987	£10,737
Operational Services	Operational delivery management to drive improvement plan and market readiness assessment – external support. Work in this area will also form part of the next phase, as the intelligent client function linked to roll out of commissioning best practice is undertaken. Additional cost is expected for legal advice in developing contracts.	£100,000	£120,000	£20,000
Contingency	Reduced to reflect increased certainty on Programme Resourcing	£46,550	£24,055	-£22,495
Total		£500,000	£500,000	£0

Appendix M - Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
Business Rates Levy	A 50% charge of Business Rates growth above the baseline, payable to Central Government; reduced through participation in the Business Rates Pool.
Business Rates Pool	Local authorities can join together in order to retain more growth from the Business Rates system (e.g., pay Government less of a levy against any increase in Business Rates over the Baseline). In Surrey, pool participation is dictated by the expected level of Business Rate retention. Whilst authorities can choose <i>not to</i> take part, they only qualify for inclusion if Business Rates growth indicates maximum gain for the County-area overall. TDC qualified and took part in 2021/22 and again in 2023/24.
Business Rates Tariff	The difference between Baseline funding and retained Business Rates plus s31 grants, payable to Central Government.
Collection Fund	A ring-fenced fund to collect Business Rates and Council Tax and then distribute to the billing and precepting authorities (i.e. Tandridge, Surrey County Council, Surrey Police and Crime Commissioner and Parish Councils)
Collection Fund Surplus and Deficit	The difference between the budget for Business Rate and Council Tax collection and the actuals generated. If actuals are higher than budget, they are distributed in the following financial year. If lower, they are charged in the following year. The Covid-19 deficit in 2020/21 was spread over 2021/22 to 2023/24.
Core Spending Power	The measure DLUHC uses to gauge the extent of local authorities' core revenue funding, including Council Tax and locally retained Business Rates.
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews
Lower Tier Services Grant	Lower Tier Services Grant was a new grant for 2021 to 2022, provided specifically to lower-tier authorities to support funding levels. It is assumed this grant (or more accurately funding of a broadly similar amount) will continue.
Minimum Revenue Provision	An amount of revenue budget set aside each year to repay debt on capital assets. Each year a charge is made to revenue to spread the cost of borrowing over the life of the asset and ensure that cash is set aside to repay loans when they mature.
New Homes Bonus	A grant from Government to reward local authorities for increases to the tax base. The future of NHB has been unclear for a number of years but and the draft budget assumes this will cease.
Pressure	Known budgeted expenditure increases and income reductions due to the following:

	<ul style="list-style-type: none"> • Growth factors – e.g. demographic, inflation and/or increased demand for services; • Full year effects – to take account of changes to expenditure or income which have taken effect in-year and need to be accounted for in future years as they are of an ongoing nature, e.g. ongoing changes to car parking income due to the pandemic; and/or • Other increases in expenditure or reduction in income as a result of strategic, governance, funding or policy changes e.g. additions to the organisational structure or additional service activities undertaken and not budgeted for as they occur after the budget is set and have ongoing implications.
Saving	<p>Known budgeted expenditure reductions and income increases which result due to the following:</p> <ul style="list-style-type: none"> • Containing additional costs of Inflationary increases in contracts or pay; • Driving forward efficiencies in the provision of existing services i.e. providing services in an improved way to deliver better value for money; • The delivery of new or additional services; and/or <p>Optimising sources of income.</p>
Reserves: General Fund balance	A contingency fund - money set aside for emergencies or to cover any unexpected costs that may occur during the year, such as unexpected repairs.
Reserves: Earmarked Reserves	Funds set aside by Council for a particular purpose, such as buying or repairing equipment or the maintenance of public parks or buildings or equalising over time a particular income stream.
TOMDG	Target Operating Model Development group – a governance group within the Future Tandridge Programme. This group sets the direction for the service reviews and agrees the principles that will drive the organisational change.

Risk Management Strategy

Strategy & Resources Committee, Tuesday 30 January 2024

Report of: Head of Policy and Communications

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

As part of the management restructure in 2022, the policy function was reinstated and aligned with communications. Since then work has been ongoing to review and improve policy and governance work across the Council.

A key element of this work was a review of risk management, including an internal audit which reviewed whether risks within the organisation are identified, evaluated and managed efficiently and effectively.

The audit focused on the risk management strategy, as well as the corporate, committee and a sample of project risk registers.

The recommendations from the audit set out the need for a revised risk strategy, as well as other work to improve how risk is managed by the Council.

The revised strategy at Appendix A sets out a clear framework to support officers in managing risk consistently and effectively. Once approved, further work will take place to improve risk management processes, documentation and reporting.

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

Contact officer: Giuseppina Valenza, Head of Policy & Communications, gvalenza@tandridge.gov.uk

Recommendation to committee:

That the proposed Risk Management Strategy at Appendix A is approved.

Reason for recommendation:

Risk management is a key part of corporate governance and it is essential the Council has a consistent approach to managing risk. A robust risk management framework supports the delivery of the Council's strategic and operational objectives.

A risk strategy helps limit the likelihood and impact of anything which has the potential to influence the achievement of the corporate priorities. Following this approach enables the Council to consistently manage risk in accordance with good practice and embed risk management within strategic priorities, business planning, budgeting and reporting processes.

This will help prevent harm, either financial or reputational to the Council, its residents, officers, management, staff and stakeholders, as well as reduce the cost of risk.

The Strategy and Resources Committee has responsibility for approving the Risk Management Strategy.

Introduction and background

1. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. It ensures the continued financial and wellbeing of the organisation.
2. While the Section 151 Officer has overall responsibility for the risk strategy, the Policy and Communications Team oversees the strategy and risk process. All senior officers must take responsibility for risk management and ensure there are regular reviews of risk.
3. The Strategy & Resources Committee is responsible for reviewing and approving the Risk Management Strategy.
4. The current Risk Management Strategy was approved by the Strategy and Resources Committee in July 2021. High level risk training was provided for a small number of officers, but no regular or bespoke training was put in place to ensure corporate understanding of the Council's approach to managing risk.
5. As the strategy was not widely shared with staff responsible for risk, the key principles of the Council's agreed approach to risk have not been embedded in day to day working practices. This has led to an inconsistent approach to risk management, although risk has still been managed.
6. The existing strategy has not been reviewed since 2021, to reflect the changes made to structures and staffing with the arrival of the permanent Chief Executive, which means it includes out of date information and references.

Revised Risk Management Strategy

7. The new strategy at Appendix A provides a clear framework for managing risk which covers roles and responsibilities, the risk management process, risk appetite and tolerance levels, risk scoring methodology and monitoring and reporting arrangements.
8. It sets out how strategic, operational and project risks must be identified, assessed and documented consistently in line with the approved strategy. It details the controls in place to manage risk.
9. The new strategy uses a revised risk matrix, which will rate risk using a 5 by 5 scoring matrix, instead of the current 4 by 4 method.
10. The matrix will be used to assess the risk impact - how severely the Council would be affected if the risk happens and the likelihood - how likely it is the risk will occur and become an event which needs to be managed.
11. All risk registers and risk assessments will be updated to reflect the new matrix and include inherent and residual risk scores. Inherent risk is the risk as it exists currently, ignoring any controls in place to mitigate it. Once any measures are put in place to manage the risk, this is known as the residual risk.
12. Risk registers will include treat, tolerate, transfer, terminate categories to classify each risk. The cost of managing risks must be understood and proportionate to the risk being addressed. Resources need to be prioritised to higher level risks that need active management. More detail about these categories is set out in the strategy.
13. Departmental risk registers will be formally re-established and reported to, discussed and reviewed at monthly departmental leadership team meetings. Any escalating risks will be highlighted for discussion at Extended Management Team meetings. Following this they may be added to the policy committee or corporate risk registers.
14. Officers need to be aware of and understand the risk strategy and the risk framework, as well as how these apply to their own roles and responsibilities. Once the strategy is approved, regular training will be made available to all staff involved in risk management.
15. The strategy will be reviewed annually by the Extended Management Team and any significant changes reported to this committee. The Audit and Scrutiny Committee will monitor the effectiveness of implementation of the strategy.

Key implications

Comments of the Chief Finance Officer

It is important the Council has a robust risk management framework which identifies the key risks it faces, so actions can be taken to reduce the likelihood of occurrence and minimise the impact should they occur.

The Council has to provide assurance in its Annual Governance Statement that its corporate governance is fit for purpose. Risk management is one of the key principles underlying that assurance and must be specifically addressed in the Annual Governance Statement.

There are no direct revenue or capital implications from this report.

Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 place various requirements upon local authorities with regard to risk management. The Risk Management Strategy forms part of the overall framework of corporate governance that facilitates compliance with legislation and in particular the requirement in that a local authority has 'a sound system of internal control which includes effective arrangements for the management of risk.'

Management of risk is essential for the Council to mitigate the risk of legal challenge. The Risk Management Strategy provides an appropriate tool for the identification and management of risk.

Equality

This report contains no proposals that would disadvantage any particular minority groups.

Climate change

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

Appendices

- Appendix A - Draft Risk Management Strategy

Background papers

None.

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

Risk Management Strategy

Contents

1. Introduction
2. Definition and purpose of risk management
3. Objectives
4. How we manage risk
5. Risk Management Process
 - Stage 1: Identifying risk
 - Stage 2: Evaluation and assessment
 - Stage 3: Response and action
 - Stage 4: Reporting and Monitoring
6. Roles and Responsibilities
7. Risk management training
8. Risk appetite
9. Risk governance assurance
10. Review of risk management

Document history

Date	Key changes	Approved by
30.1.2024	Revised strategy	Strategy and Resources Committee

Approval of changes

Major changes	Extended Management Team (EMT) Strategy and Resources Committee
Minor changes	Extended Management Team (EMT)
Next update	February 2025

1. Introduction

All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury, or failure to achieve objectives caused by an unwanted or uncertain action or event.

Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and wellbeing of the organisation.

While the Section 151 Officer has overall responsibility for the risk strategy, the Policy and Communications Team oversees the strategy and risk process. All senior officers must take responsibility for risk management and ensure there are regular reviews of risk.

The Strategy & Resources Committee is responsible for reviewing and approving the Risk Management Strategy.

2. Definition and purpose of risk management

Having a risk strategy is not about avoiding risk, but where possible limiting the likelihood and impact of anything which has the potential to influence the achievement of the corporate priorities. Following this approach enables us to consistently manage risk in accordance with good practice and embed risk management within strategic priorities, business planning, budgeting and reporting processes.

This will help prevent harm, either financial or reputational to the Council, its residents', officers, management, staff and stakeholders, as well as reduce the cost of risk.

Effective risk management ensures:

- We understand the nature of the risks we face - what could go wrong and how these can affect our ability to deliver our corporate objectives.
- We are aware of the extent of these risks - how likely they are to happen and the impact they could have.
- We identify the level of risk the Council is willing to accept.
- We can determine our response to each risk and whether we treat, tolerate, transfer, or terminate the risk.
- We put in place the necessary actions, controls and processes to implement the chosen response to each risk.
- We can do our best to prevent something going wrong and/or minimise the impact.
- We communicate our approach to risk management.

3. Objectives

This strategy's objectives are to:

- Provide staff, councillors and partners with guidance to ensure there is an effective, robust and consistent way of managing risk across the whole Council.
- Set out our approach to risk management and how risk will be identified, mitigated and monitored. This will improve the Council's ability to deliver the corporate priorities and improve outcomes for residents.
- 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.
- Ensure senior staff understand and manage the risks relating to their activities and the impact on the Council's key strategic risks.
- Provide assurance and support the Annual Governance Statement.

4. How we manage risk

We manage risk at three organisational levels, all with associated risk registers.

- **Corporate:** Strategic risks which impact the Council's ability to meet its strategic objectives or statutory duties, are recorded and monitored in the Corporate Risk Register. This is owned and approved by the Management Team and the Strategy and Resources Committee.
- **Committee:** Policy committee risk registers are managed and owned by the head of service for the relevant department and approved by members.
- **Departmental:** Operational risks which impact specific service areas are recorded and monitored in a departmental risk register. This is owned by the relevant head of service. Risks are escalated to the committee or corporate risk register where appropriate.

Programmes and projects have their own risk registers. These are monitored by the project manager and the project sponsor who will be a member of the Extended Management Team. Extended Management Team has oversight of all major projects and escalating risks are added to the departmental, committee or corporate risk registers as necessary.

Risk assessments are also carried out by service areas and these identify any risks which need to be added to the departmental risk registers. These risk assessments cover areas such as lone working, site visits for housing or planning officers, as well as some manual roles.

5. Risk management process

There are four stages in ensuring risks are properly managed and reduced to an acceptable level.

- Stage 1: Identifying risk
- Stage 2: Evaluation and assessment
- Stage 3: Response and action
- Stage 4: Monitoring and reporting

Stage 1: Identifying risk

It is critical we can identify any risks which could prevent the Council from achieving its corporate priorities. These risks can be internal, or external.

- Internal risks come from routine day to day activities such as managing staff, safeguarding, health and safety, financial challenges, or IT systems.
- External risks can have an adverse impact on activities, for example, a cyberattack or extreme weather conditions. External risks are harder to manage as we have less control over them, but we need to be able to anticipate them if possible and put in controls to mitigate their impact.

We need to be able to clearly describe the risk, its cause and effect. This is important when proposing new or significantly revising any projects, policies, or services. The following questions can help identify risks:

- What could prevent us from achieving this objective?
- What could realistically go wrong?
- What do we need to achieve this objective?
- Do we depend on others to succeed?
- What opportunities could arise?

Any identified risks should be recorded in the appropriate risk register so they can be evaluated. Types of risk are listed in Appendix A.

Stage 2: Evaluation and assessment

Once identified, risks need to be analysed, evaluated and prioritised. This helps us understand the threat posed by the risks identified and whether we need to take action to mitigate them.

We need to understand the impact in terms of cost, reputation, service delivery and the likelihood of the risk occurring.

To evaluate and assess risks we use a scoring matrix, based on the likelihood and impact of the risk should it occur. The greater the risk, the more effort required to manage it, where it is within our control and is best use of resources.

During this process, the risk rating will also need to be aligned to our risk appetite, which is set out in section 8.

To ensure risks are rated consistently, a 5 by 5 scoring matrix set out below, is used to assess the:

- **Impact:** This considers how severely the Council would be affected if the risk happens. The potential impact and/or consequences (before and after mitigation)
- **Likelihood:** This considers how likely it is the risk will occur and become an event which needs to be managed.

This initial scoring of risks is known as the inherent risk. This refers to the risk as it exists currently, ignoring any controls already in place to mitigate it.

Once any measures are put in place to manage the risk this is known as the residual risk.

Risk scoring matrix

Likelihood	Impact				
	Minimal	Minor	Moderate	Significant	Major
Will occur	5	10	15	20	25
Likely to occur	4	8	12	16	20
Could occur	3	6	9	12	15
Fairly unlikely	2	4	6	8	10
Unlikely	1	2	3	4	5

Risk score levels

High 15-25	Unreasonable level of risk exposure which requires constant active monitoring and measures to be put in place to reduce risk exposure.
Medium 7-14	Reasonable level of risk exposure, subject to regular active monitoring measures.
Low 1-6	Acceptable level of risk exposure subject to regular passive monitoring measures.

Likelihood guidance

- Will occur: The event is expected to occur in most circumstances.
- Likely to occur: There is a strong possibility the event will occur.
- Could occur: The event might occur.
- Fairly unlikely: Not expected, but there is a moderate possibility it may occur.
- Unlikely: Highly unlikely, but it may occur in exceptional circumstances.

Impact guidance

Below are some examples of types of risk and levels of impact.

Risk	Minimal	Minor	Moderate	Significant	Major
Health and Safety	Incident – no lost time.	Injury – no lost time.	Injury, lost time, short term sick absence.	Extensive, permanent, long-term injury or long-term sick.	Death or life threatening.
Service delivery	Short term service disruption.	Loss of service 1 day.	Loss of service 2 to 3 days. Affects single department.	Loss of service 3 to 5 days. Possible impact on vulnerable. Impact on property or non-vulnerable groups.	Loss of service more than 5 days. Impact vulnerable groups. Affects whole Council.
Reputational	Minor adverse local publicity.	Negative local publicity.	Negative sustained local publicity.	Negative national publicity.	Negative sustained national publicity.
Environmental	Minimal impact.	Minor impact.	Moderate impact.	Serious damage.	Major damage.
Legal	Legal action unlikely.	Minor breach of duty.	Legal action possible. Moderate breach of duty.	Legal action expected. Material breach resulting in damages awarded against the Council	Legal proceedings issued against the Council
Financial	Can be managed within cost centre budget	Can be managed within Head of Service budget.	Can be managed within committee budget	Can be managed within corporate contingency	Cannot be managed within corporate contingency.

Stage 3: Response and action

Once the risk has been identified and its priority determined, the options for managing (mitigating) the risk to either stop it from arising or to minimise the impact should occur. This involves:

- Identifying any existing controls in place.
- Identifying what further controls are required. This will either involve improving existing controls or developing and implementing new ones.
- Accepting it is not possible to eliminate all risk and there are not reasonable mitigations available.
- Mitigating actions should either, minimise the likelihood of the risk event occurring, reduce the frequency or limit the severity of the event should it occur. Residual risk scores should only be reduced when the mitigation is in place.
- Progress in implementing the identified mitigations will be monitored and reported on a quarterly basis.

- The residual risk values need to be determined and recorded, with the controls identified in place.
- If the residual risk value (after mitigation) remains too high and exceeds the risk appetite, further controls need to be identified to ensure the risk is below the risk appetite. If this is not possible, a decision will need to be made about whether the activity can occur.

Once action has been taken to control or mitigate the risks, the next stage is to re-evaluate the impact and likelihood again using the same risk scoring matrix.

The managed risk score is referred to as the residual risk. This gives a better indication of whether the action taken to date is sufficient and if the overall score is within the Council's risk appetite (see Section 8).

Treat, tolerate, transfer, terminate categories

Other control techniques are also applied to manage the risk. These are tolerate, treat, transfer, terminate. The cost of managing risks should be understood and be proportionate to the risk being addressed. Resources should be prioritised to higher level risks that need active management.

- **Treat:** This is the most common way of managing risks. The purpose of treating the risk is to continue with the activity, but at the same time take action to bring the risk score down to a lower, more acceptable level.
- **Tolerate:** This means accepting the likelihood and consequences of the risk. You would typically take this approach when it is not cost effective to act, because the impact of the risk, should it occur is minimal, or not within your control.
- **Transfer:** This means shifting the risk, in whole or part, to a third party. The transfer of risk to another organisation can be used to reduce the financial exposure of the Council and/or pass the risk to another organisation which is more capable of effectively managing it.
- **Terminate:** This means stopping an activity altogether or doing things differently, so the risk is removed.

Stage 4: Reporting and monitoring

All information relating to an identified risk should be recorded in a risk register. As a minimum, this information should include:

- A title or description of the risk.
- The potential impact should it occur.
- The main controls in place to manage the risk.
- A summary of the actions and their progress.
- The risk rating (inherent and residual).
- Comments giving further information and updates on the management of the risk.
- The risk owner.

Each risk register should be reviewed and approved at the right level of management. This should:

- Ensure current controls are effective and do not require further planned actions.
- Ensure identified risks are still relevant and on the correct register.
- Re-assess risks when change happens or new information comes to light, such as new equipment, changes in legislation, or at the start of a new project or procurement.
- Review key project, procurement, contract management and partnership risks and risks which impact outside service areas. This can be when they require more corporate support, increase significantly in score and/or become more strategically important. These risks are escalated to the relevant committee risk register.

Risks are reported and monitored in the following ways:

- **Departmental Risk Registers** are reported to, discussed and reviewed at monthly departmental leadership team meetings. Any escalating risks are highlighted for discussion at Extended Management Team meetings. Following this they may be added to the policy committee or corporate risk registers.
- **Policy Committee Risk Registers** are reported to, discussed and reviewed by Management Team and Extended Management Team each quarter. Any escalating risks which have a wider or more critical impact are added to the Corporate Risk Register. At the end of each quarter the risk registers are reported to the four policy committees and Audit & Scrutiny Committee to provide an update about the Council's most significant risks and assurance about how they are being managed.
- The **Corporate Risk Register** is reported to, discussed and reviewed by Management Team each quarter. Any escalating risks which have a wider or more critical impact are highlighted in a quarterly report taken to the Strategy and Resources Committee to provide an update about the Council's most significant risks and assurance about how they are being managed.

In addition, Extended Management Team regularly discusses escalating risks and this can lead to the addition of risks to the policy or corporate risk registers.

Programmes and projects have their own risk registers. Extended Management Team has oversight of all major projects.

Identifying when a risk should be escalated is an important part of the monitoring process. There may be instances where further action to mitigate a risk cannot be taken by the current owner and it needs to be escalated, eg from the departmental risk register, or project and programme risk register to the corporate risk register.

Risk reporting should:

- Provide relevant, concise, but sufficient risk information which facilitates decision making and action.
- Ensure the views of the Extended Management Team or committee receiving the risk report are passed to the relevant risk owners.
- Focus on the most significant risks, ensuring adequate responses are put in place.

Few risks and risk registers remain static, they evolve over time: Risk characteristics, priorities and responsibilities change and actions get completed.

6. Roles and responsibilities

Responsibility and accountability for managing risk is assigned at different levels in the organisation. Heads of service are delegated responsibility for managing operational risks in their service areas, including those related to strategic priorities.

Each service manager and other risk owners are responsible for assessing the opportunities and threats to their service areas and projects and providing a comprehensive view of these risks.

Each risk is assigned an owner, who is responsible and accountable for the risk. This should be the person with the knowledge of the risk area and sufficient seniority to enable them to allocate resources to manage the risk and ensure actions required to treat it are completed. If the risk owner does not have budget responsibility, any request for resources will need to be escalated to EMT.

We have the following levels of risk owners.

Risk owners	Responsibilities
Committee level Councillors	<ul style="list-style-type: none"> • Understand the Council's risk management arrangements and corporate risks. • Approve and review the Risk Management Strategy. • Take reasonable steps to consider risk implications during decision making and policy approval. • Proactively participate in and be prepared in advance of committee meetings and hold risk owners accountable. • Ensure the work of policy committees and full council is conducted in accordance with Council policy and procedures for managing risk, with due regard for any statutory provisions set out in legislation.
Corporate level Chief Executive Director of Resources (S151 Officer) Head of Policy and Communications	<ul style="list-style-type: none"> • Overall responsibility for the Council's risk management performance. • Ensure the Council has effective and efficient risk management arrangements in place. • Ensure all decision making is in line with the policies and procedures for management of risk and any statutory provisions set out in legislation. • Adequate resources are made available for the management of risks facing the Council. • Management of risk performance is continually reviewed.
Corporate level Management Team (MT) Extended Management Team (EMT)	<ul style="list-style-type: none"> • Take a lead in understanding, identifying and analysing significant corporate risks and opportunities facing the Council in the achievement of key objectives. • Determine the approach to each risk and sets priorities for action to ensure they are effectively managed and reviewed and updated on a quarterly basis. • Identify, develop, manage and update the corporate risk register on a quarterly basis. • Ensure the risk management process is applied to all key and major decisions made by councillors using risk assessments, with all reports requiring decisions. • Is accountable for escalating/deescalating risks between the different risk registers. • Raises the portfolio of risk management, promoting the benefits to councillors and staff, ensuring everyone is aware of their responsibilities and accountabilities and has training. • Prepare performance and risk committee reports informed by EMT discussions.
Departmental level Key Officer Forum (KOF)	<ul style="list-style-type: none"> • Take primary responsibility for identifying and managing operational risks arising from service activities. • Manage operational risks on a daily basis and input into service and risk discussions. • Carry out risk assessments where appropriate as part of service and operational planning. • Monitor and maintain departmental risk registers. • Allocate mitigating actions to named staff, ensure they are completed. • Provide risk updates at EMT and KOF meetings. • Propose escalation and de-escalation of risks to EMT. • Reports for decisions include comprehensive risk management information to allow effective decisions to be made. • Understand and use the scoring matrix for identifying and assessing risks.

	<ul style="list-style-type: none"> • Ensure teams are aware of the risk assessments appropriate to their activity and staff undertake training.
Project risks Project managers	<ul style="list-style-type: none"> • Develop a project risk register using the scoring matrix. • Ensure these risk registers are closely monitored for all projects and throughout the project lifecycle. • Ensure identified mitigating actions are nominated to specific people and completed. • Evaluate and document any potential risk changes. • Decide whether escalation is necessary. • Work with the EMT to maintain the corporate risk register and to manage the risks identified. • Provide updates to committee, operational and corporate risk registers.
All staff	<ul style="list-style-type: none"> • Comply with the Risk Management Strategy for operational activities and processes. • Comply with mitigating actions identified to reduce risk. • Report potential hazards and risks which cannot be managed to line managers. • Support continuous service delivery and any emergency response. • Work safely to avoid putting themselves, others, or the organisation at risk.
Internal audit	<ul style="list-style-type: none"> • Provide assurance on the implementation of the Risk Management Strategy. • Ensure internal audits coverage is risk based, considering the risks identified within the corporate and operational risk registers. • Provide assurance about the robustness of the Council's management of risks. • Provide assurance about resilience.

7. Risk management training

Training is provided to staff to ensure they understand their roles and responsibilities, as well as develop their knowledge and understanding of risk management.

All staff involved in risk management will be invited to attend training annually, to ensure they are aware of and understand the fundamentals of risk management.

Managers will be responsible for ensuring their staff attend risk management training and records of training are kept.

8. Risk appetite

Risks must be assessed against the Council's risk appetite.

Risk appetite can be defined as the level of risk an organisation is willing to accept, tolerate, or be exposed to in pursuit of its objectives. This is used to set the maximum risk tolerance. This is the maximum level of residual risk the Council is willing to tolerate after controls and mitigating actions for strategic priorities.

We have adopted the government's guidance on definitions of risk appetite. These are set out in the table below.

Risk appetite may vary between services and activity and should be defined as part of service planning.

Risk appetite	Description
Averse (Very low risk)	Avoidance of all risk and uncertainty by selecting approaches with ultra-low levels of residual risk, with no expected reward or return. This will not result in a loss of reputation, credibility, or money. We would rather abandon projects and initiatives than assume risk.
Minimal (Low risk)	Preference for safe options with limited potential for reward or return with a minimal level of residual risk. We accept risk is unavoidable, but will minimise risks as much as possible. All reasonable steps will be taken to manage the risk.
Cautious (Medium risk)	Choice of safe delivery options offering some modest potential for reward and return which have low levels of residual risk. Actions unlikely to result in a loss of reputation or credibility. Possibility of limited financial loss.
Open (High risk)	Willing to consider all options and choose one most likely to be successful while providing an acceptable level of benefit. Innovation supported if clear benefits demonstrated, we are confident in success and steps taken to reduce the risk.
Eager (Very high risk)	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

9. Risk governance assurance

Risk management is a key part of the Council's governance arrangements and the Risk Management Strategy supports the Council's compliance with statutory requirements. Councils must review risk management annually. The Annual Governance Statement, which is part of the annual statement of accounts, details the effectiveness of risk arrangements. The Annual Governance Statement also identifies any significant governance issues which may have resulted from failures in governance and risk management. Risk governance is demonstrated by the following:

- Roles and responsibilities for risk management as set out in Section 6.
- Risk integrated with decision making. Committee reports must include an outline of key risks, along with information about how they are to be managed.
- Risk is embedded at all levels, as in the various risk registers detailed under Stage 4.
- Risks and risk management arrangements are widely discussed at EMT meetings.

In addition to the above, there are several other specific duties the Council is obliged to observe such as responsibilities arising from the Civil Contingencies Act 2004, Health and Safety at Work Act 1974 and equality impact assessments under the Equality Act 2010.

10. Review of risk management

Regular review of risk management needs to be carried out to ensure it is effective and making improvements where necessary.

The service planning and budgetary process is used to set objectives, agree action plans, and allocate resources. Progress towards meeting objectives and the risks inherent in achieving those objectives are monitored regularly. Risk registers provide regular reports about the progress being made in managing risk. This ensures significant risks are identified and evaluated and emerging risks can be added.

Risk management is a continuous and developing process. This is reflected in the annual review of the risk management policy and the implementation of recommendations arising from reviews of risk management arrangements by the internal auditor.

A - Types of risk

Political: These risks include the influence of the external political environment, such as changes in UK government policies which impact the Council, national strikes/fuel shortages, grass roots activism and political criticism. Risks that influence the political priorities of the Council and could lead to failure to deliver.

Economic / Financial: These risks could impact on the ability of the Council to meet its financial commitments or result in a failure to meet expected returns on investment. It covers both internal budgetary pressures, external macro level economic changes and risks associated with insufficient or non-compliant reporting. Examples include cost of living crisis, interest rates, inflation, budget overspend, investment failures, reserve depletion.

Reputational: This is anything which damages public perception of the Council. This could be failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Council, our employees or any third party we are associated with.

Social: These risks arise from not meeting social needs as a result of changes in demographic, residential or socio-economic trends. These risks could lead to a loss of credibility or trust from the community. Examples could include housing supply shortages and failure to meet housing needs, decisions or actions involving treatment of people, staff levels from available workforce; not meeting the needs of an ageing population, not being prepared for bringing all people along when changes occur.

Technology: Risks arising from the use or ineffective use of technology resulting in the inadequate delivery of services whether the failure is due to system, process, or performance. It also includes breaches of data security or system integrity, as well as the capacity of the Council to deal with technological advancements and changing demands. Examples include IT infrastructure; staff needs, security standards, digital poverty, and lack of access to digital services.

Legal/Compliance: These risks are related to legal challenges and being subjected to litigation including non-compliance with legal frameworks whether that is in regard to employment, delivery of statutory services, etc. It includes risks from changing national and international regulations which threaten the Council's operations and processes, data protection breaches and failure to comply with health and safety regulations.

Security risks: Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.

Environmental/ Climate Change: These risks arise from the impact of council services. Risks should be identified from both current operations and projects about how they might impact the environment in terms of resilience to extreme weather (flood defences, drought resistance), the wider context of contributions to climate change (carbon emissions etc) and the ability to adapt to future needs of the population.

Partnership/Contractual: Risks arising from failures of partners or contractors and weaknesses in the process for management of joint ventures and commercial endeavours including supply chains. Examples include contractor fails to deliver; partnership agencies have no common goals, insufficient return on investment, service failure, lack of cost control.

People: Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.

Project and Programme: Risks which change programmes and projects not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.

Climate Change Mitigation Update

Strategy & Resources Committee, Tuesday 30 January 2024

Report of: Head of Policy and Communications

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

On 13 February 2020, the Council declared a climate emergency and agreed to develop a climate change action plan, with targets to cut environmental impact and steps to become carbon neutral by 2030. The Climate Change Action Plan was approved at the end of 2020.

Reduced resources to co-ordinate the work taking place means there has been limited progress in delivering the action plan.

A new Policy and Sustainability Specialist post was created last year. Part of the work of this post is to be responsible for co-ordinating and overseeing the climate change work taking place across service areas, as well as ensuring the Council takes a more active role in the county wide groups.

This report provides an update about the Council's approach to climate change mitigation and the work taking place to support this.

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

Contact officer: Giuseppina Valenza, Head of Policy & Communications
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Recommendation to committee:

The committee is asked to accept and note the report.

Reason for recommendation:

The committee is asked to note the progress made to support the Council's declaration of a climate change emergency.

Introduction and background

1. On 13 February 2020, the Council declared a climate emergency and agreed to develop a climate change action plan, with targets to cut environmental impact and steps to become carbon neutral by 2030.
2. At that time there was no team with responsibility for climate change mitigation and any work was carried out by a policy officer. However, the pandemic began in March 2020 and staff were redeployed to support the Covid-19 response, which meant work in this area was not progressed.
3. A [report](#) was taken to the Strategy and Resources Committee in September 2020 to outline progress and later that year the Climate Change Action Plan was adopted. In January 2022, the climate change work was paused until a new approach to delivering the work was agreed, as well as resource to manage it.
4. The Policy and Communications Team was restructured in 2023 and a new Policy and Sustainability Specialist post created. The role was recruited to, with the officer in post at the end of July 2023. Part of the work of this new post is to be responsible for co-ordinating and overseeing the climate change work taking place across service areas, as well as ensuring the Council takes a more active role in the county wide groups.
5. A review of climate change work is ongoing and a new approach is being developed to draw up a practical, deliverable action plan, which will need to reflect the Council's resources (staffing and financial) and ability to deliver.
6. The Council has also employed an ecologist to support work in biodiversity.

Current climate change mitigation activity

Despite the lack of centralised resources (staffing and budget) there has been some climate change mitigation progress across the Council.

Transport

7. Surrey County Council (SCC) has signed a contract with Connected Kerb Ltd, to deliver on street electric vehicle (EV) charging points across Surrey in 2024. SCC has offered districts and boroughs the opportunity to take

advantage of the terms and conditions of this contract to enable the installation of charging points in car parks and council owned land.

8. The June 2023 Community Services Committee agreed the Council could sign a contract, subject to legal and finance approval. Officers are working with SCC and Connected Kerb Ltd with the aim of signing a contract to enable the installation of charging facilities across the district. Once the contract is signed, locations and numbers of charging points will be finalised. There is also the option for other public sector third parties to make their land available for charging points under the same terms and conditions.
9. Additional grants are available and actively promoted to upgrade diesel vans to electric for business and charities through Surrey's Greener Future Programme.
10. Every new home with parking must have an electric vehicle charging point, which means this is included in housing schemes. 144 EV home charging devices have been installed under the Electric Vehicle Home charge Scheme (EVHS) across the district, with grants totalling £50,400.
11. The Council's aim is for all council vehicles to be powered by electric or other low carbon alternatives by 2030. This includes ensuring the street cleaning and recycling and waste vehicles are energy efficient and ULEZ compliant.

Buildings and heat decarbonisation

12. The Sustainable Warmth local authority delivery (LAD) Home Upgrade Grant (HUG) with Action Surrey has delivered home energy efficiency installations to fuel poor households. This has included underfloor heating, wall insulation and air source heat pumps. The scheme is part of the wider £75m contract for Decarbonisation of Housing in Surrey, awarded to ThamesWey by Surrey County Council.
13. Action Surrey has helped install 45 energy efficiency improvements in 23 Tandridge households at a total cost of £235,989, resulting in an estimated CO2 saving of 28.67 tonnes per year.
14. The Council has worked with Solar Together to support residents to invest in renewable energy to cut carbon emissions. Solar Together is a community group buying scheme to install solar panels for less, with optional battery storage and electric vehicle charging points.
15. Solar panels, better insulation and triple glazed windows have been installed in the housing stock where possible. Bids are being made for funding to help improve the housing stock.
16. All new council properties aim to be net zero carbon. A specialist energy consultant is involved at the design and planning stage of new schemes to make sure the use of renewable energy is maximised, as well as ensuring energy saving measures are in place to reduce emissions.

17. New housing schemes are being delivered with biodiversity net gain, including tree replacement and planting native hedgerows to encourage biodiversity.
18. Retrofitting the Council's existing housing stock is costly and grant funding will be required to enable progress in this area. The Council has made a previous bid and was part of a consortium for funding to improve the housing stock, but was unsuccessful. Support from an external consultant has now been sought to help the Council with its next submission for funding ahead of the 31 January 2024 deadline.
19. Contractors are encouraged to source local materials and appoint local sub-contractors where possible, which reduces their carbon footprint.
20. Quadrant House was refurbished to make it more environmentally friendly, with improved insulation, upgraded windows and energy efficient heating and cooling equipment to reduce carbon dioxide emissions. The living wall makes the road more environmentally sustainable, encouraging biodiversity and improving air quality.
21. Emissions from the Council Offices in Oxted have been reduced with the use of solar panels, LED lighting, sensor lighting and better insulation.

Electricity and energy

22. The Council achieved an increase in renewable generation and managing greenhouse gas emissions, by switching the Council's electricity supply to a green tariff in September 2021.
23. Rural communities have been given the opportunity to apply for the community energy fund grant. The fund aims to help kickstart projects including small scale wind farms, rooftop solar partnerships battery storage, rural heat networks, electric vehicle charging points and fuel poverty alleviation schemes.
24. Action Surrey provides energy efficiency measures for residents including loft, wall and floor insulation, air source heat pumps and solar panels. Action Surrey also administers other government funded schemes such as Home Upgrade Grant (HUG) and Local Authority Delivery Scheme (LAD). These aim to raise the energy efficiency of low income and low energy performance homes.

Recycling and waste

25. The percentage of household waste which is recycled, composted or reused has increased from 53% to 60% in the last six years and the Council has moved from 43rd nationally to 7th and 1st in Surrey for recycling.

26. The Council continues to raise awareness of reduce, reuse and recycle campaigns with residents. This is critical to ensuring residents understand how to recycle correctly to reduce contamination, which can lead to recycling materials being rejected and taken to landfill.

Business and the economy

27. The LoCase, grants scheme for businesses closed in June 2023. Businesses in the district made 81 enquiries, with 23 approved for funding. 20 businesses claimed the funding and a total of £163,158.93 was awarded with 76.21 annual tCO2e saved. Total annual savings by claiming businesses is £38,589.36 across the district.
28. Including social and environmental objectives in procurement policies is being considered, alongside price and cost when tenders are evaluated. Where possible sustainable sourcing of materials and providing supply chain opportunities for local companies will be assessed in future tenders.

Planning, development and biodiversity

29. Caterham and Smallfield have experienced severe flooding in recent years and the effects of climate change will increase the likelihood and severity of flooding. Work to improve Queens Park in Caterham has included flood alleviation measures.
30. Croydon Road in Caterham is being redeveloped to extend the pavement space to encourage more greenery, planting of trees and new rain gardens to absorb water running off the road to help alleviate flooding.
31. The Council has a dedicated officer whose primary focus is ecology and biodiversity. Officers collaborate with partners including Surrey Wildlife Trust, Surrey Hills, High Weald AONBs, Surrey Climate Commission and Surrey Air Alliance to build sustainable strategies and secure funds.
32. The new mandatory biodiversity net gain (BNG) requirement introduced by the Environment Act 2021 is now expected to apply from February 2024 for major developments in the Town and Country Planning Act 1990 (unless they are exempt) and to small sites from April 2024 applying for planning permission. Much of the guidance is still in draft and is being updated regularly.
33. The Council has updated its BNG implementation plan in accordance with the recently released BNG guidance, tools and regulations. Working groups have been set up to process map a case study planning application through the entire application process, through to monitoring and enforcement.
34. A draft validation checklist has been produced, which includes consideration for Biodiversity Net Gain requirements and other general biodiversity updates in accordance with current best practice guidelines. A S106 template for habitat banks has also been produced.

35. The Council aspires to implement a higher than 10% BNG policy requirement for development within the district. It is important the impacts of developing a policy exceeding the 10% mBNG requirement are carefully considered, in particular in relation to impact on 100% affordable housing schemes.
36. Full details of all BNG work underway are available in the Biodiversity Net Gain update report considered by the [Planning Policy Committee](#) on 18 January.

Partnership work

37. The Policy and Sustainability Specialist has been co-ordinating and overseeing the climate change work taking place, ensuring the Council plays a more active role in county wide groups. Joint working has enabled the Council to be able to provide resources, advice and guidance to teams across the Council about climate change activities.
38. The Council is a member of several climate change groups including the Local Government Association's Climate Action Group, Climate Change Officer's Forum, Greener Futures Partnership Steering Group and Decarbonisation Steering Group, which enables officers to be kept up to date with developments across the county and nationally.
39. Emissions from service operations are reported to Surrey County Council by districts and boroughs to monitor progress in reducing the carbon footprint.
40. For the first time since 2020, the Council has provided emissions data which can be used to measure the carbon footprint. Since the last figures were provided, fleet emissions have reduced by 86.2 tCO₂e, electricity emissions by 83 tCO₂e and there have been reduced emissions on business travel in the 2023 reporting. Overall, the Council's emissions have reduced by around 24%, while Surrey County Council's have reduced by 33%.

Looking ahead

41. Since the Policy and Sustainability Specialist has been in post, a review of climate change has been underway, with good progress made to better understand the climate change work taking place across the Council, as well as ensuring the Council can play a more active role in the county wide groups. In addition, more robust data is being gathered to report emissions.
42. Work will continue to monitor council activities and look at ways to reduce carbon emissions and explore offsetting measures. Once the revised action plan is in place this will be regularly reviewed to monitor progress towards achieving carbon neutrality.
43. While there is limited specific budget for climate change mitigation, consideration has been given to key areas in proposing the budget and

capital programme for 2024/2025. Work to achieve net zero carbon is often capital in nature. The current capital programme includes funding for activities which will contribute to the achievement of net zero carbon, for example:

- Energy efficiency works in the housing stock.
- Provision in the council house building estimates to deliver net zero carbon on new builds.
- The Council Offices minor works programme includes provision to increase where possible energy efficiency in the offices.

Further work, including for Biodiversity Net Gain, has been considered as part of the budget setting process for 2024/2025.

44. Work will also continue with partners across the district to deliver objectives through all relevant strategies and plans by drawing on local and global best practice.

Key implications

Comments of the Chief Finance Officer

Financial implications are set out in paragraph 43 of the report.

With no clarity over government funding from 2025/2026 onward, the working assumption is that financial resources will continue to be constrained. This places an onus on the Council to continue to consider issues of financial sustainability as a priority to ensure stable provision of services in the medium-term.

Decisions on future budgets and capital programmes in respect of climate change will need to be taken in this context and efforts to secure external funding should continue.

Comments of the Head of Legal Services

There are no legal implications arising from this report, officers must demonstrate how the Council will deliver its commitment to achieve its net zero target. Climate change is a priority for the Council and this is reflected in the work set out in this report and the future plans for its implementation. Legal Services have assisted with several pieces of work and will continue to be called upon as and when needed.

Equality

This report contains no proposals that would disadvantage any particular minority groups.

Climate change

This report is about the work taking place to minimise the impact of the Council's activities on climate change, as well as work to influence the behaviour of residents, businesses and suppliers.

The ability of the Council to meet its net zero target and to encourage third parties to do what they can to support this impacts climate change, as many solutions are currently still financially prohibitive for the Council and individuals.

In addition, achieving behaviour change is difficult and can take a long time, which inhibits progress.

However, the Council now has some dedicated resource with the introduction of the Policy and Sustainability Specialist role. Work has already begun to ensure there is a better understanding of the climate change work taking place across the Council, ensuring the Council can play a more active role in county wide groups.

Appendices

None

Background papers

None

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Pay Policy Statement 2024/25

Strategy & Resources Committee Tuesday, 30 January 2024

Report of: Chief Executive

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

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

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

The information is set out under headings which have been prescribed by the Localism Act 2011 and relates to the 2024/25 financial year unless otherwise stated.

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

Contact officer Mark Hak-Sanders, Director of Resources (S151)
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Recommendation to Committee:

That the Committee recommends the annual Pay Policy Statement for 2024/25 (attached at Appendix A) to Full Council for adoption from 1st April 2024.

Introduction and background

1. The requirement for local authorities to produce Pay Policy Statements was introduced under the section 38(1) of the Localism Act 2011 ('the Act'). This stated that "A relevant authority must prepare a pay policy statement for the financial year 2012-2013 and each subsequent financial year".
2. The Council (TDC) is required to publish an annual statement which has been considered and approved by Full Council. The information is set out under headings which have been prescribed by the Localism Act and relates to the 2024/25 financial year unless otherwise stated.
3. The Council has opted out of the terms and conditions of employment operated by the National Joint Council (NJC) for Local Government Services and has local terms and conditions of employment.
4. The local pay scales cover all employees of the Council, including, from financial year 2024/25, Chief Officers as follows:
 - Head of Paid Service (Chief Executive Officer)
 - Statutory Officer, Monitoring Officer (Head of Legal Services)
 - Statutory Officer, Section 151 Officer (Director of Resources)
 - Non-Statutory Officer, reporting to Head of Paid Service (Deputy Chief Executive)
5. As required by law, the Council auto-enrols all eligible employees into a pension scheme - the Local Government Pension Scheme (LGPS).
6. Relative to most other parts of the country, the district is expensive to move to and live in.
7. Competition for some specialist posts remains high nationally with our neighbouring local authorities competing for the same skills and experience.
8. The proposed Pay Policy Statement at Appendix has been updated as follow (shown in tracked changes within the appendix):
 - Throughout – update to refer to 2024/25 Financial Year
 - 3.2.1 – Amendment to job title of the Section 151 Officer to Director of Resources to reflect current management structure.
 - 3.3.1 – Replacement with 'National Living Wage' to 'Real Living Wage' correcting terminology used in previous years. This is a terminology correction only and does not reflect a change in practice. Confirmation of 2024/25 Real Living Wage and reference to Unison who have now been recognised by the Council.

- 4.2 – Amend reference from 'Executive Head of Service' to 'Head of Service' to reflect current management structure.
 - 5 and 5.1 - Amendment to heading to make it clear that the following paragraphs apply to all officers, with a new subheading added before section 5.4.
 - 6.1 – Removal of reference to Staff Conference, now replaced by Unison as the negotiating body.
 - 6.2 – Additional reference to the reinstated appraisal process and the requirement to significantly achieve objectives.
 - 6.3 – Reference to job titles updated to latest management structure.
 - 10.1 – Updated amounts to reflect current pay scales.
 - 11.1 – 'Our' replaced by 'The Council's'.
 - 11.2 – Removal of word 'several'.
 - 15.1 – Rewording to reflect change of terminology to the 'Real Living Wage' and updates to amounts.
 - 15.3 – Wording change from 'job's to 'roles'
 - 17.0 – Wording change from 'Authority' to 'Council'.
9. To meet the requirements of the Localism Act 2011, the Council must agree and publish a Pay Policy Statement before each financial year. This report sets out why the Council's Statement is set out in the way it is and contains the information it does. However, it may be necessary to amend this Pay Policy Statement at a later date to reflect any decisions made by this Committee and in particular, to reflect changes such as pay awards agreed for 2024/25.
10. It is proposed that any revised Pay Policy Statement for 2024/25, incorporating any changes, be presented to the Committee at its next meeting.

Key implications

Comments of the Chief Finance Officer

The 2024/25 proposed budget for the Council has been built on the basis of robust costing for pay items, consistent with the contents of this report. The budget includes an allocation for a pay award for 2024/25 and further discussions will take place on how this is to be distributed.

The report updates the policy to reflect changes to pay and other elements of the reward package which have taken place since the equivalent statement for 2023/24.

Comments of the Head of Legal Services

Section 38 of the Localism Act (2011) requires Local Authorities to produce a Pay Policy Statement by 31st March on an annual basis. Regard continues to be

given to any guidance from the Secretary of State in producing this statement and the Local Government Transparency Code (2015).

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

Equality

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

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

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

Climate change

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

Appendices

Appendix A – Tandridge District Council – Pay Policy Statement 2024/25 (amendments from the current Statement shown in tracked changes)

Background papers

None

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

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 2023~~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 Officerss

- 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 24th 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 1st April each year.

7. The use of performance related pay for Chief Officers

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

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

- 8.1 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 31st 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.

Polling District and Polling Place Review 2023/24

Strategy & Resources Committee

Tuesday, 30 January 2024

Report of: Head of Legal Services & Monitoring Officer

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Council is required to complete a review of all polling districts and polling places every 5 years. It has been necessary to undertake this review following the Local Government Boundary Commission for England (LGBCE) electoral review of Tandridge.

This report recommends the polling district scheme be amended with consequential changes necessary following the review. There are no further recommended changes to the scheme.

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

Contact officer Alex Berry, Democratic and Electoral Services Manager
aberry@tandridge.gov.uk, 01883 732968

Recommendations to Committee:

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:
 - a. the polling place for polling district EC (recommended reference LNC2) be Lingfield & Dormansland Community Hall.

- b. 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.
 - c. that polling districts in Caterham be amended to reflect the new Portley & Queens Park and Westway wards.
 - d. 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.
- C. no further changes to polling district or polling places be made.

Reason for recommendations:

The Council has a duty to divide its area into polling districts for the purpose of Parliamentary Elections and designate polling places for these districts. The Council has a similar power to constitute polling districts for local government elections. It has been necessary to update designated polling districts and places following the Local Government Boundary Commission for England (LGBCE) electoral review of Tandridge. The approval of the polling district scheme will ensure voters have the necessary facilities for voting at future elections.

Introduction and background

1. Section 18C of The Representation of the People Act 1983 requires the Council to complete a review of all polling districts and polling places every 5 years. The last review was completed in 2019, and the next one must have taken place between October 2023 and January 2025.
2. The scope of the review is limited to polling districts and polling places and cannot include other electoral areas.
3. The 2023 review commenced on 6 November 2023. A consultation period was held in which councillors, parish councils, county councillors, the MP, the Tandridge Access Group and members of the public were invited to comment on the current arrangements. The consultation period ended on 4 December 2023. The Returning Officer also commented on the current arrangements, and these were published on the Council's website at: www.tandridge.gov.uk/Your-council/Voting-and-elections/Polling-District-and-Polling-Places-review. Consideration of the representations received was undertaken throughout November and December.
4. The Council must exercise its duties with a view to giving all electors such reasonable facilities for voting as are practicable in the circumstances. A polling place for any polling district must be an area in the district unless there are special circumstances which make it desirable to designate an area wholly or partially outside the district.

These powers must be exercised so that electors from any parliamentary polling district can, in the absence of special circumstances, be allocated to a polling station within the parliamentary polling place for that district. The Council is also under a duty to designate as polling places, so far as is reasonable and practicable, only places which are accessible to electors with disabilities.

5. **Definitions:**

- a. A **polling district** is a geographical area created by the subdivision of a Parliamentary constituency. Each Parish is to be a separate polling district.
 - b. A **polling place** is the building or area in which polling stations will be selected by the Returning Officer. A polling place within a polling district must be designated so that polling stations are within easy reach of all electors from the across the polling district.
 - c. A **polling station** is the room or area within the polling place where voting takes place. Polling stations are chosen by the relevant Returning Officer for the election, rather than the local authority.
6. The representations received during the consultation period and officer's comments after consideration of the representations are detailed in appendix A.
7. Appendix B contains the amended polling scheme recommended for adoption. This includes consequential changes made as a result of the LGBCE electoral review. It also contains changes to polling district references to reflect the new ward boundaries and update existing references, so they reflect the name of the ward they are within.
8. The polling scheme also contains 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.
9. Aside from the consequential changes necessary as a result of the LGBCE electoral review, there are no other changes recommended. This follows consideration of the polling arrangements in the below areas, as a result of comments received during the consultation:

Godstone

Consideration was given to using St Stephen's Church Hall instead of the Sports Association Hall for Godstone Central. The church hall building has suitable facilities for use as a polling station. However, concern was raised by ward members and Surrey County Council Highways about the lack of car parking spaces and the impact on the A22. The recommendation is therefore that the polling arrangements remain unchanged.

Burstow, Horne & Outwood

Consideration was given to using Lingfield Cricket Club, West Park Road as a polling station for voters in Horne. Currently they vote at the Centenary Hall, Smallfield. Whilst the facilities at the cricket club would make it suitable for use as a polling station, there are concerns around the safety of vehicles entering from and exiting the club onto the busy West Park Road. There would also be a financial and staffing resource implications. Officers therefore recommend that the polling arrangements remain unchanged.

Warlingham East, Chelsham & Farleigh

Warlingham Sports Club, as an alternative to Warlingham Methodist Church, was considered. However, there are insufficient voters located within a convenient distance to the Sports Club to make it viable. Viability could only be achieved by reducing the number of stations at the church from one to two. However, the location of voters means the majority benefit from a polling station at the church. Therefore, the recommendation is that polling arrangements remain unchanged.

10. The following voters will see a change in their polling station as a result of the outcome of the boundary review.

Lingfield & Crowhurst

Approximately 477 voters in Felcourt will move from St John's Church to Lingfield and Dormansland Community Hall. This is to reflect Felcourt moving into the Lingfield & Crowhurst ward and will mean all voters voting in Lingfield Parish Council elections will do so at the same location.

Oxted South

Approximately 310 voters in Oxted South will be moved into Oxted North as a result of the boundary review. Their polling station will therefore change to Oxted Community Hall.

Caterham on the Hill

Approximately 1,935 voters will see a change in their polling station due to the changes to wards made in Caterham on the Hill. Approximately 1,775 will move from de Stafford School to the Arc as a result of part of Portley moving into Westway. 160 will move from the Arc to Caterham Hill Library as a result of part of a small part of Westway moving to the new Portley & Queens Park ward.

Whyteleafe

Approximately 320 voters in the new Whyteleafe East Parish ward will be moved into Warlingham West as a result of the change to the Warlingham West and Whyteleafe boundary. Their polling station will therefore change to Warlingham Community Library.

We will write out to all properties where there is a change in the polling station in March 2024. Poll cards sent to voters at the end of March 2024 informing them of the May 2024 elections will also contain this information. Election publicity issued by the Council in the lead up to the election will encourage voters to ensure they check where their polling station is located in advance of election day. They will be able to do this on the Council's website. The above figures include absent voters.

Consultation

11. Consultation has been undertaken as set out in paragraph 3 of this report. Ward members were consulted during consideration of options detailed in paragraph 9.

Key implications

Comments of the Chief Finance Officer

No funding is available from Central Government to undertake the review. Therefore, all costs associated with the review and its implementation must be contained within the current Democratic Services budget. Costs involved are minimal and consist of a modest amount of officer time.

Comments of the Head of Legal Services

Under s.18C of the Representation of the People Act 1983, the Council has a legal duty to undertake a review of polling districts and places every five years. This requirement was introduced in accordance with the provisions Electoral Registration and Administration Act 2013, with the first review having taken place in November 2014. Each review must be completed within 16 months of 1 October every five years, starting with 1 October 2013.

As Members are aware, the Local Government Boundary Commission for England (LGBCE) reviewed proposals for new ward arrangements in the District which included reviewing the number of wards, their boundaries and the number of councillors per ward. As a result of this review the number of Councillors to be elected at the Local Elections in May 2024 has increased from 42 to 43. There will be 18 wards and 10 three-councillor, five two-councillor, three single-councillor wards. The boundaries of 10 wards will change and 10 will stay the same.

Equality

The Council must seek to ensure that all electors have such reasonable facilities for voting in as are practicable in the circumstances; and so far as reasonable and practicable, polling places are accessible to all electors. The recommendations in this report ensure that this requirement is met. Consultation on the polling districts and polling place was undertaken with the Tandridge Access Group.

An Equalities Impact Assessment (EqIA) has been completed and no potential disproportionate impact has been identified. This is attached as Appendix C to this report.

Climate change

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

Appendices

Appendix A - Representations received during the review and officer comments.

Appendix B – Proposed polling district scheme.

Appendix C – Equality Impact Assessment

Background papers

None.

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

Polling District and Polling Place Review 2023/24 Consultation Responses

Bletchingley & Nutfield	
Bletchingley Village Hall, Nutfield Memorial Hall & Nutfield Village Hall	
Public Comments	
Nutfield Village Hall	Seems to be very well run, never feels crowded. Pretty much ideal, the village hall is central so very convenient
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 1	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 1	No – 0

Burstow, Horne & Outwood	
The Centenary Hall & The Lloyd Hall	
Consultation Comments	
Cllr Mick Gillman	<p>Horne parish council are keen to see the return of a polling station in the parish. Some years ago, a room in The Jolly Farmer public house was used but after the pub closed residents of Horne have to go to Smallfield to vote. While not great distance to travel it does give some residents concern that they unlike Outwood are not given their own polling station.</p> <p>The parish council have suggested using the cricket club building that the parish owns West Park Road. This building has a large carpark adjoining it with good access. There is a small kitchen and toilets in the building and the main hall is large enough to hold several polling booths as well as space for the polling staff. While there is a small step to get into the building the parish council are in the process of changing this this to ensure good access for disabled people.</p> <p>Could you please consider making the Horne parish council building a polling station. I am sure you can arrange with the parish council a visit to the building. I do appreciate the extra cost of an additional polling station but we need to be mindful about the feelings of residents.</p>
Horne Parish Council	Possibility of the use of the Cricket Pavilion in Horne as the Polling Station
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 1	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 1	No – 0
Officer Comments	Officers explored the possibility of using Lingfield Cricket Club, West Park Road. The building itself would be suitable for use as a polling station. It has parking and is of sufficient size for us to be able to accommodate a polling station there. However, there were concerns around the safety off vehicles entering and exiting the club on the busy West Park Road. There would also be a financial and staffing resource issue. Officers therefore recommend that the

Appendix A

	polling arrangements remain unchanged. Ward members were informed of this recommendation and made no comment.
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Chaldon	
Chaldon Village Hall	
Consultation Comments	
No comments received.	
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 1	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 1	No – 0

Dormansland & Felbridge	
St John's Church & Felbridge Village Hall	
Public Comments	
St John's Church	The Centenary Room [at St John's Church] is the most central in the village.
Felbridge Village Hall	Other than the neighbouring Felbridge Primary School, Felbridge Village Hall is the only venue in the centre of the village with easy access for pedestrians and parking for those who come from the outskirts or who are unable to walk. There is step free access and disabled facilities.
	This is a very suitable venue with car parking, toilets and easy access.
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 7	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 7	No – 0

Godstone	
The White Hart Barn, Sports Association Hall & The Foreman Institute	
Consultation Comments	
Cllr Chris Farr	I do wonder if the change in polling arrangements might be simpler to keep as "A-B-C" since knowing the villages it may well be taken that the numbers initially suggest a ranking. I therefore suggest the change from GA, GB and GC to GDA, GDB and GDC please.
Public Comments	
The White Hart Barn	It is an excellent venue at the heart of the village.
Sports Association Hall	The South Godstone polling station is situated at the far end of the village and if it were centrally situated i.e. St Stephens Church hall, it be more accessible for walking to for some of the older residents on the west side of the village this would have the advantage by alleviating more vehicles having to proceed past the village school when parents are dropping off and collecting children plus less pollution.
The Forman Institute	Plenty of parking space provided. Needed as we live well beyond walking distance from the venue.

Appendix A

Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 4	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 3	No – 1
Officer Comments	Officers explored the possibility of using St Stephen’s Church instead of the Sports Association Hall. The facilities at the church would make it suitable for use as a polling station. Ward members expressed concern around parking facilities and safety around the entrance and exit of the car park onto the A22. Surrey County Council Highways also raised concerns about the impact on the A22. Officers therefore recommend no changes to the polling arrangements. Officers also recommend polling district references be as listed in appendix B, to ensure consistency across the District.

Harestone	
The Soper Hall	
Consultation Comments	
Cllr Annette Evans	Soper Hall works well for Harestone.
Public Comments	
The Soper Hall	Soper Hall – excellent
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 2	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 2	No – 0

Limpsfield	
St Peter’s Hall & St Andrew’s Church Hall	
Consultation Comments	
No comments received.	
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 1	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 1	No – 0

Lingfield & Crowhurst	
Lingfield & Dormansland Community Centre, Crowhurst Village Hall & Tandridge Village Hall	
Public Comments	
Crowhurst Village Hall	Easy to park - minimal walking.
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 2	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 2	No – 0

Appendix A

Oxted North	
Oxted Community Hall	
Consultation Comments	
No Comments Received	
Is the polling station you use to cast your vote convenient for you to get to?	
No Comments Received	
When you get to the polling station is it easy to gain entry?	
No Comments Received	

Oxted South	
Hurst Green Community Centre	
Consultation Comments	
Cllr Bryan Black	No major change for my ward so generally happy.
Public Comments	
Hurst Green Community Centre	Ideal. Good access, plenty of room, nice and bright inside.
	I usually have a postal vote but if I needed to vote in person, the Hurst Green community centre is ideal for me.
	Located centrally with parking so easy for everyone to get to and access all on one level. Very spacious. Aggies Hall, Evangelical church, Methodist church possible alternatives.
	Central location. Big enough to get in and around the tables etc easily. Easy parking. Nothing MORE suitable. It's probably the best.
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 4	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 4	No – 0

Portley & Queens Park	
de Stafford School & Caterham Hill Library	
Consultation Comments	
No Comments Received	
Is the polling station you use to cast your vote convenient for you to get to?	
No Comments Received	
When you get to the polling station is it easy to gain entry?	
No Comments Received	

Appendix A

Tatsfield & Titsey	
Tatsfield Village Hall	
Consultation Comments	
Cllr Martin Allen	There really is nowhere else with the same capacity, parking and facilities within the village centre to handle this.
Tatsfield Parish Council	Tatsfield Parish Council wholeheartedly supports the polling place at Tatsfield Village Hall. Not only is this the long standing polling place for the parish but it is of a suitable size, in a central village location and is accessible for all voters.
Public Comments	
Tatsfield Village Hall	Central location - convenient for all Tatsfield residents to use.
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 2	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 2	No – 0

Valley	
Caterham Baptist Church	
Consultation Comments	
No Comments Received	
Is the polling station you use to cast your vote convenient for you to get to?	
No Comments Received	
When you get to the polling station is it easy to gain entry?	
No Comments Received	

Warlingham East, Chelsham & Farleigh	
Warlingham Methodist Church & The Bull Inn	
Consultation Comments	
Honorary Alderman Simon Morrow	I am happy with the recommendations for the two Warlingham wards.
Is the polling station you use to cast your vote convenient for you to get to?	
No Comments Received	
When you get to the polling station is it easy to gain entry?	
No Comments Received	
Officer Comments	Warlingham Sports Club, as an alternative to Warlingham Methodist Church, was considered. However, there are insufficient voters located within a convenient distance to the Sports Club to make it viable. Viability could only be achieved by reducing the number of stations at the church from one to two. However, the location of voters means the majority benefit from a polling station at the church. Officers therefore recommend no changes to the polling arrangements.

Appendix A

Warlingham West	
Warlingham Community Library	
Consultation Comments	
Cllr Robin Bloore	As far as the location for a Polling Place, then the library is ideal as it has only recently been relocated to that venue.
Honorary Alderman Simon Morrow	I am happy with the recommendations for the two Warlingham wards.
Public Comments	
Warlingham Community Library	Yes. I have sent an email to "democratic services" about the potential of Warlingham Sports Club. I am conscious, as a resident, that parking by the Guide Barn is limited, whereas there is plenty at the Sports Club in Church Lane. However, the Sports Club may be in the wrong ward.
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 0	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 0	No – 0
Officer Comments	See officers' comments in Warlingham East section in relation to Warlingham Sports Club, which is located in Warlingham East.

Westway	
The Arc	
Consultation Comments	
No comments received.	
Public Comments	
The Arc	It's a bit small.
Is the polling station you use to cast your vote convenient for you to get to?	
Yes – 1	No – 0
When you get to the polling station is it easy to gain entry?	
Yes – 1	No – 0

Whyteleafe	
St Luke's Whyteleafe	
Consultation Comments	
No Comments Received	
Is the polling station you use to cast your vote convenient for you to get to?	
No Comments Received	
When you get to the polling station is it easy to gain entry?	
No Comments Received	

Woldingham	
Woldingham Village Hall	
Consultation Comments	
No Comments Received	
Is the polling station you use to cast your vote convenient for you to get to?	
No Comments Received	
When you get to the polling station is it easy to gain entry?	
No Comments Received	

Appendix B

Tandridge District Council Polling Scheme

Ward	Bletchingley & Nutfield
BN1	Bletchingley Village Hall (Bletchingley)
BN2	Nutfield Memorial Hall (Nutfield North)
BN3	Nutfield Village Hall (Nutfield South)

Ward	Burstow, Horne & Outwood
BHO1	The Centenary Hall (Burstow)
BHO2	The Centenary Hall (Horne)
BHO3	The Lloyd Hall (Outwood)

Ward	Chaldon
CH1	Chaldon Village Hall

Ward	Dormansland & Felbridge
DF1	St John's Church (Dormansland)
DF2	St John's Church (Dormans Park)
DF3	Felbridge Village Hall (Felbridge)

Ward	Godstone
GD1	The White Hart Barn (Godstone North)
GD2	Sports Association Hall (Godstone Central)
GD3	The Forman Institute (Godstone South)

Ward	Harestone
HA1	The Soper Hall

Ward	Limpsfield
LMP1	St Peter's Hall
LMP2	St Andrew's Church Hall

Ward	Lingfield & Crowhurst
LNC1	Lingfield & Dormansland Community Centre (Lingfield)
LNC2	Lingfield & Dormansland Community Centre (Felcourt)
LNC3	Crowhurst Village Hall (Crowhurst)
LNC4	Tandridge Village Hall (Tandridge)

Ward	Oxted North
ON1	Oxted Community Hall
ON2	Oxted Community Hall

Ward	Oxted South
OS1	Hurst Green Community Centre

Appendix B

Ward	Portley & Queens Park
PQP1	de Stafford School (Portley)
PQP2	Caterham Hill Library (Queens Park)

Ward	Tatsfield & Titsey
TT1	Tatsfield Village Hall (Tatsfield)
TT2	Tatsfield Village Hall (Titsey)

Ward	Valley
VA1	Caterham Baptist Church

Ward	Warlingham East, Chelsham & Farleigh
WCF1	Warlingham Methodist Church (Warlingham)
WCF2	The Bull Inn (Chelsham)
WCF3	The Bull Inn (Farleigh)

Ward	Warlingham West
WAW1	Warlingham Community Library (Warlingham)
WAW2	Warlingham Community Library (Whyteleafe East)

Ward	Westway
WST1	The Arc
WST2	The Arc

Ward	Whyteleafe
WHT1	St Luke's Church

Ward	Woldingham
WOL1	Woldingham Village Hall

Equality impact assessment

The Equality Impact Assessment Form is a public document which the Council uses to demonstrate that it has complied with Equality Duty when making and implementing decisions which affect the way the Council works.

The form collates and summarises information which has been used to inform the planning and decision-making process.

Name of service area	Democratic Services
Lead officer and contact details	Alex Berry, aberry@tandridge.gov.uk
Officer(s) conducting assessment (if different from above)	
Date of assessment	
Purpose of Equality Impact Assessment	To ensure the polling district review is completed in line with the Council's equalities duties.

1. Name of policy, strategy, function or project being assessed

Review of polling districts and polling places.

2. Reason for assessment (what are you trying to do? eg new, updated or revised policy) & description of the policy, strategy, function or project being assessed?

Section 18C of The Representation of the People Act 1983 requires the Council to complete a review of all polling districts and polling places every 5 years.

Appendix C

3. Who are the main stakeholders/beneficiaries and detail any consultation held. (e.g. staff, tenants, residents, voluntary and community groups, service users, faith organisations, other council departments, other public sector and business partners)

Voters, candidates, agents, polling station staff.

Public consultation from 6 November 2023 to 4 December 2023 in which councillors, parish councils, county councillors, the MP, the Tandridge Access Group and members of the public are invited to comment on the current arrangements.

4. Please complete the following table considering the impact of the proposed policy/project/ strategy on all equality groups (including the Protected Characteristics defined within the Equality Act 2010).

(What information data do you have regarding service users/ staff/ residents? What further information do you need? What cross-cutting issues do you need to consider?) **(Please see Appendix 1)**

	Actual or Potential Negative Impact			Reasons/Comments or Gaps in Knowledge (Please expand in Improvement Plan)
	High	Medium	Low	
Race (Please include any actual or potential impacts on any persons due to race, ethnicity, colour or nationality, including refugees and migrants)			X	There are no expected impacts on this equality group.
Sex (Please include any actual or potential impacts on male and female persons)			X	There are no expected impacts on this equality group.

Appendix C

<p>Marriage and Civil Partnership Marriage: a union between a man and a woman, or of the same sex, which is legally recognised in the UK as a marriage. Civil partnership: civil partners must be treated the same as married couples on a range of legal matters.</p>			X	There are no expected impacts on this equality group.
<p>Sexual orientation A person's sexual attraction towards his or her own sex, the opposite sex or to both sexes</p>			X	There are no expected impacts on this equality group.
<p>Gender Reassignment (Please include any actual or potential impact on any person that has or is in the process of transitioning from one sex to another) This includes a person who considers themselves to be trans, transgender, transsexual</p>			X	There are no expected impacts on this equality group.
<p>Pregnancy: being pregnant. Maternity: the period after giving birth linked to maternity leave in the employment context, In the non-work context protection against maternity discrimination is for 26 weeks after giving birth, including as a result of breastfeeding</p>			X	There are no expected impacts on this equality group.

Appendix C

<p>Religion or belief (Please include any actual or potential impact on any person due to religion, faith or recognised belief system. This also includes Atheism)</p>			X	There are no expected impacts on this equality group.
<p>Disability (Please include any actual or potential impact on any person with a physical or mental impairment which has a substantial and long-term adverse effect on their ability to carry out normal day-to-day activities. This includes mental health; physical disability; hearing impairment or deaf; visual impairment or blind; dyslexia; or any hidden impairments such as HIV/AIDS or sickle cell)</p>			X	The review will be conducted in accordance with Electoral Commission guidance, which has a focus on this equality group.

<p>Age (Please include any actual or potential impact on any specific age group, e.g. any person who is under 21 or over 60 years of age)</p>			X	There are no expected impacts on this equality group.
<p>Child Poverty and other socio-economic impacts (Please include short and long term implications for eradicating child poverty; actual or potential implications for residents who are living on a low-income or are unemployed; and economic prosperity of Tandridge overall)</p>			X	There are no expected impacts on this equality group.

5. What positive impact could there be overall, on different equality groups, and on cohesion and good relations?

The review will seek to ensure that, wherever possible, voters within each equality group have the same access to the voting process.

6. What negative impact could there be overall, on different equality groups, and on cohesion and good relations?

There are no expected negative impacts to the polling district review on any equality group.

7. The Improvement Plan needs to list specific steps/actions which set out how equality and cohesion issues that have been identified will be addressed. For example:

- Steps/ actions taken to enhance positive impacts identified in section 6.
- Steps/ actions taken to mitigate against the adverse/negative impacts identified in section 7.
- Steps/ actions taken to improve information and evidence about a specific client group, e.g. at a service level and/or at a Council level by informing HR/relevant service.

Actions from this Improvement Plan should be included as part of the final report and implementation taken forward as a part of that process.

ISSUE IDENTIFIED	ACTION(S) TO BE TAKEN	LEAD OFFICER	TIMESCALE	COMMENTS
Ensuring disability matters are taken into account.	<ul style="list-style-type: none"> • Seeking representations from such persons as the Council thinks have particular expertise in relation to access to premises or facilities for persons who have different forms of disability. • Considering advice from local disability groups • Encouraging responses from any person or body with expertise in access for persons with any type of disability. 	Alex Berry	6 November – 4 December 2023	Electoral Commission guidance will be followed.

8. Describe the recommended decision?

To proceed with the review, as legally required, ensuring the Electoral Commission guidance is followed.

Annex 1

The Council is committed to improving equality and making the district a place for everyone. This means ensuring all actions taken by the Council contribute to equality. This report provides an EIA of the impact of the proposed (*please state proposal*) as set out in the Equality Act 2010.

The Equality Act 2010 updates and combines all previous discrimination legislation to reduce socio-economic inequalities by ensuring that certain groups with Protected Characteristics are supported and protected. Protected Characteristics are:

- Age
- Disability;
- Gender reassignment;
- Pregnancy and maternity;
- Race;
- Religion or belief;
- Sex;
- Sexual orientation; and
- Marriage and civil partnership (applicable only to the need to eliminate unlawful discrimination).

The Act also establishes the Public-Sector Equality Duty, which Tandridge District Council, as a public body, is required to follow. The Duty requires that in the exercise of its functions, Tandridge has due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a Protected Characteristic and those who do not; and
- Foster good relations between people who share a Protected Characteristic and those who do not.

Having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by persons who share a relevant Protected Characteristic;

Appendix C

- Taking steps to meet the needs of people who share a relevant Protected Characteristic that is different from the needs of people who do not share it; and
- Encouraging persons who share a Protected Characteristic to participate in public life or in any other activity in which their participation by such persons is disproportionately low.

Review of delegation of powers to the Strategy & Resources Committee

Strategy & Resources Committee Tuesday, 30 January 2024

Report of: Head of Legal & Democratic Services (Monitoring Officer)

Purpose: To enable the Committee to make recommendations to Full Council.

Publication status: Open

Wards affected: All

Executive summary:

Following an Officer review of the scheme of delegation to Committees, this report proposes amendments regarding this, and other Committees' powers to recommend / resolve.

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

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

Recommendations:

It be recommended to Council 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.

1. Background

- 1.1 Arrangements for the delegation of powers to Committees are set out in Part E of the Council's constitution, including, for each committee:
 - (i) terms of reference
 - (ii) matters reserved for the Committee to recommend to Full Council
 - (iii) matters reserved for the Committee to resolve
- 1.2 Subject to statutory provisions, Officers are empowered to determine matters not reserved for Full Council or Committees in (ii) and (iii) above.
- 1.3 At its meeting on the 30th November 2023, the Strategy & Resources Committee agreed an action for the Council's scheme of delegation to Committees to be reviewed during this cycle of meetings (Minute 189 (23/24)). This was prompted by a matter which highlighted that certain financial thresholds had not been revised for several years and that uplifts may be required to take account of inflation.
- 1.4 Consequently, officers have reviewed the delegation scheme and identified potential amendments for relevant Committees to consider.
- 1.5 The suggested revisions for this Committee (and some corresponding amendments for others) are explained in sections 2 to 6 below.

2. Reference to Committee Service Plans

- 2.1 The terms of reference section for all four Policy Committees (i.e. Community Services; Housing; Planning Policy and Strategy & Resources) contain the following clause B:

"Prepare and annually review a Committee Service Plan"

- 2.2 Such plans used to form part of the Council's performance management regime, with progress reports against relevant objectives submitted to Committees on a quarterly basis. The terminology changed in 2019/20 to "*Delivery Plans*" which, in turn, ceased to be produced from 2020/21 following a review of the reporting process.

2.3 Items for future Committee agenda are now managed, in consultation with relevant Chairs, via 'Committee Forward Plans' which are published monthly.

2.4 It is therefore proposed that the above mentioned clause be deleted from the terms of reference of all four Policy Committees.

3. Leasehold disposals

3.1 An uplift is proposed regarding the financial threshold for leasehold disposals of General Fund and Housing Revenue Account (HRA) assets where the period of the lease is 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 ...		

3.2 These uplifts reflect the fact that the £75k thresholds were set in February 2018. Applying inflation during the intervening years would raise that figure to £93k, which has been 'rounded up' to £100k in Recommendations B3 and C2.

3.3 The uplift to HRA assets would require amendments to the corresponding clauses within the scheme of delegation to the Housing Committee, hence Recommendation D above.

3.4 It is also proposed that the leasehold disposal clauses be preceded by the words, "Decisions on whether or not to proceed with ...". This would require refusals (as well as approvals) of leases with £100k+ rental values to be determined by Full Council.

3.5 No changes are considered necessary for other thresholds.

4 Purchase of land and buildings within or outside the District

4.1 The current scheme of delegation provides that "*individual purchases of land and buildings within or outside the District at or above £10 million (including by means of a loan to a Local Authority owned company)*" can be determined by this Committee. By implication, Officers are authorised to enable such purchases for anything up to £10 million. These arrangements are a legacy of the former Investment & Development Fund which is now defunct.

- 4.2 In light of the abolition of that Fund and to support a prudent approach to any such purchases via the Council's General Fund in future, it is recommended that the above mentioned clause be deleted from the Committee's powers 'to resolve' and that the following clause be added to the list of matters which this Committee can only recommend to Full Council:

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

- 4.3 Consequently, only Full Council would be empowered to determine land or property acquisitions, regardless of value. The additional words, "via the Council's General Fund" would not compromise the council house building programme under the auspices of the Housing Committee via the HRA.

5 Seeking of planning permission

- 5.1 The corresponding report to the Planning Policy Committee (18th January 2024) recommended that the clause, "seeking of deemed planning consent" within the 'To Resolve' sections of all four policy committees' delegation schemes be replaced with, "the seeking of planning permission by, or on behalf of, the Council". The Planning Policy Committee supported that recommendation.
- 5.2 As stated within the report to the Planning Policy Committee, the original intention of the "seeking of deemed planning consent" clause is not entirely clear but is believed to relate to planning applications submitted by, on behalf of, the Council. Arising from discussions with the Chief Planning Officer, the amended wording is proposed to make the clause more explicit.

6 Capital budgets

- 6.1 Each June, the Strategy & Resources Committee considers a budget outturn report for the previous financial year. Arising from such reports, it has become customary for the Committee to resolve carry forwards (i.e. 'slippage') of capital budgets, including those held by the other Policy Committees. To reflect this practice, the following additional clause under matters reserved for the Committee 'to resolve' is proposed:

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.

- 6.2 For the avoidance of doubt in connection with 6.1 above, it is also suggested that the following underlined text be added to clause (ii) of matters reserved for this Committee to recommend to Full Council:

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 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).

- 6.3 Finally, the following extra clause is proposed for inclusion within the lists of matters reserved for all four Policy Committees 'to resolve'

Addition of externally funded schemes to the capital programme

Key implications

Comments of the Chief Finance Officer

The recommendations in this report strengthen arrangement for decision making, including uplifting certain limits to reflect inflation in the years since they were last set.

The changes to provisions regarding capital programme approval ensure that Full Council is always involved in decisions which lead to increased borrowing. In addition, the Constitution will be amended to ensure consistency of decision making on whether to approve or reject asset disposals.

Other than this, there are no direct financial implications of the report.

Comments of the Head of Legal Services

There are no specific legal implications arising from this report. The proposed changes help to strengthen the terms and reference for this Committee.

Appendices

Appendix A – a full copy of the terms of reference and delegation of powers to the Strategy & Resources Committee, with the proposed amendments shown with track changes.

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

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DELEGATION ARRANGEMENTS FOR THE STRATEGY & RESOURCES COMMITTEE
proposed amendments shown with track changes**1. TERMS OF REFERENCE**

- A. To be responsible for the general administration and overall policy/financial framework of the Council including:-
- (i) Civic matters (the Appointment of Representatives on Outside Bodies with the exception of the list considered at the Annual Meeting of the Council; Members' Allowances; Conferment of a Title of Honorary Alderman; and Regalia).
 - (ii) Arrangements for the appointment of, and disciplinary action against, Management Team members.
 - (iii) Land and Buildings not within the purview of any other Committee.
 - (iv) The annual budget preparation process and consideration of overall Committee budgets, including the setting of Council Tax and prudential indicators.
 - (v) Formulation and review of the Constitution.
 - (vi) Formulating and reviewing emergency plans.
 - (vii) Publicity/public relations/complaints procedure.
 - (viii) Formulating, implementing and reviewing corporate and financial strategies (e.g. those relating to IT; Data Protection; Debt Management; Risk Management; and Asset Management) which do not fall within the remit of other Committees.
 - (ix) Health & Wellbeing.
 - (x) Administration of Council Tax and benefits.
 - (xi) Treasury management (including strategies for borrowing and investment).
 - (xii) Electoral matters.
 - (xiii) Financial oversight of the procurement process for significant contracts being tendered by the Council (including those for IT and waste collection).
- ~~B. Prepare and annually review a Committee Service Plan.~~
- C-B. Subject to the agreement of the Chief Executive and in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution, to deal exclusively with any matter that also falls within the terms of reference of another Policy Committee / other Policy Committees and to resolve such matters unless reserved for determination by Full Council.

2. TO RECOMMEND

- (i) New policies or changes in policy within the remit of the Committee which would require resources beyond those allocated to the Committee.
- (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 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).
- (iii) Changes of use of Council owned (General Fund) land, subject to consultation with other Policy Committees who may be responsible for services currently operating from the land in question.
- (iv) Decisions on whether or not to proceed with freehold disposals of General Fund assets worth over £1 million.
- (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
- (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.
- (vii) Annual pay policy statements.
- (viii) Civic matters as detailed in 1.A (i) above.
- (viii) Making of Byelaws for Good Rule and Government and the suppression of nuisance within the remit of this Committee.
- (ix) Community Governance Reviews
- (ixi) Significant revisions to the Constitution (subject to other Policy Committees being able to make recommendations direct to Council about proposed changes to their Terms of Reference).
- (xii) Changes to the Committee's Terms of Reference.
- (xiii) Other matters under the Committee's jurisdiction which, by virtue of statutory provision, must be determined by full Council.

3. TO RESOLVE

- (i) New policies or changes in policy within the remit of the Committee which can be accommodated within the Committee's overall allocation of resources.
- (ii) The formation of other subsidiary companies and special purpose vehicles as deemed necessary to support property projects.
- (iii) *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).
- (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).
- ~~(v) Individual purchases of land or buildings within or outside the District at or above £10 million in value (including by means of a loan to a Local Authority owned company).~~
- (vi) The writing off of irrecoverable debts in excess of £10,000 with the exception of a National Non-Domestic Rate liability which is no longer recoverable owing to the business having become Insolvent; the company having dissolved; or the sole trader having been made bankrupt. (**Note:** the writing of off rent arrears is dealt with by the Housing Committee).
- (vii) The seeking of deemed planning consents *planning permission by, or on behalf of, the Council.*
- (viii) Determination of the tax base for Council Tax purposes.
- ~~(ixviii)~~ Rents and charges for services, accommodation and land.
- (ix) Local Land Charges.
- (xi) Street names, house names and street numbering records.
- (xii) Polling District Reviews (subject to the Electoral Registration Officer having authority to change a polling place, in consultation with Ward Members and Group Leaders, when it would not be practicable to seek Committee / Council approval for such a change in time for an election – Minute 268 (2020/21)).

(xiii) Responses to consultations from the Government, other authorities and external agencies where there is a potentially significant impact upon the delivery of services falling under the remit of the Committee.

(xiii) 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.

(xiv) Addition of externally funded schemes to the capital programme.

4. DELEGATION TO THE CHIEF OFFICER SUB-COMMITTEE

4.1 Definition of Chief Officer

For the purpose of this Sub-Committee's terms of reference, the term 'Chief Officer' covers the posts of:

- Chief Executive
- Deputy Chief Executive
- S151 Officer ('S151 Officer')
- Head of Legal Services & Monitoring Officer

4.2 Terms of Reference

To:

- (i) short list and interview candidates for the post of Chief Executive and to recommend such appointments to the Council
- (ii) interview shortlisted candidates for other Chief Officer posts and to determine such appointments
- (iii) consider disciplinary matters in respect of the Chief Executive and other Chief Officers, including the appointment of independent panels in accordance with Schedule 3 of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 (Minute 63, 2015/16 - Resources Committee, 30th June 2015 also refers
- (iv) determine discretionary payments to Officers on senior management grades (SM1 and above) in addition to which they are contractually entitled
- (v) consider and determine proposals to grant early retirement with no actuarial reduction in pension to officers on senior management grades (SM1 and above).

4.3 To Recommend (to full Council):

- (i) the appointment of the Chief Executive
- (ii) dismissal of the Chief Executive, Head of Legal Services & Monitoring Officer or S151 Officer following consideration of the advice, views or recommendations of an independent advisory panel (4.5 (iv) below refers) and other matters specified in Schedule 3 of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015.

4.4 To Resolve:

- (i) the short listing of candidates for the post of Chief Executive
- (ii) appointments to Chief Officer posts (other than the Chief Executive)
- (iii) the appointment of an Independent Investigator to investigate allegations of misconduct against the 'Head of the Authority's paid service (Chief Executive)
- (iv) the appointment of an independent advisory panel in accordance with Schedule 3 of the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 to consider the findings of formal investigations into misconduct allegations against the 'Head of the Authority's paid service (Chief Executive); Head of Legal and Monitoring Officer; and the S151 Officer
- (v) disciplinary action against the Chief Executive, Head of Legal Services & Monitoring Officer or S151 Officer (other than dismissal) following (except in the case of a decision to suspend him/her) consideration of the advice, views or recommendations of the independent advisory panel referred to in (iv) above
- (vi) appeals from Chief Officers (other than those specified in (iv) above) against disciplinary action taken against them by the Chief Executive
- (vii) discretionary payments to Officers on senior management grades (SM1 and above) in addition to which they are contractually entitled
- (viii) the granting of early retirement with no actuarial reduction in pension to officers on senior management grades (SM1 and above).

5. DELEGATION TO THE INVESTMENT SUB-COMMITTEE

To Resolve:

- (i) Annual strategies for the prudent investment of surplus funds held in the Council's accounts (representing income received in advance of expenditure and cash balances and reserves held for future use) having regard to:
 - both the security and liquidity of investments; and
 - the advice of the Council's treasury consultants.... before seeking the highest rate of return.

- (ii) Relevant performance indicators to measure the effectiveness of financial investment strategies.
- (iii) Any modifications to investment policy during the course of the year to reflect the availability of funds and/or prevailing economic circumstances following an assessment of investment performance against the indicators referred to in (ii) above.
- (iv) The following shareholder functions of Council owned holding and property investment companies:
 - approving the Memorandum of Articles of Association
 - approving a Shareholder Agreement between the company and the Council (this agreement will capture how the Council, as shareholder, will exercise its control over the Company and the expectations for performance delivery)
 - approving the Business Plan (this will be developed to cover a rolling 5-year period of investment activity which will include an analysis of the market, investment strategy and outlook, target returns in line with the prevailing market conditions and will outline the company's planned operations and financial forecasts - it will be reviewed annually)
 - appointing a Company Secretary and Auditor
 - appointing a Managing Director and Director(s) to the company (they will be members of the Property Board tasked with the day to day management of the business)
 - approving a Resourcing Agreement regarding the company's use, where required, of Council staff and facilities to further its business objectives
 - approving loan draw down facilities for the company and loan agreements, setting out the funding arrangements between the Council and the company
 - reviewing performance reports.

6. DELEGATION TO OFFICERS

1. To the Chief Executive and other MT Members respectively the power to implement Council/Committee policies and deal with the day-to-day management of services relevant to this Committee, including the discharge of all functions of the Council, except for those which are identified above as reserved for determination by the Council, Committee or Sub-Committee.
2. The officers referred to in 1. above have the power in turn to delegate to other officers of their choice, the power to deal on their behalf and in their name with any of the above functions. Such delegation shall be in writing and signed by the relevant Chief Officer and may contain such limitations or be subject to such conditions as that Officer shall decide.