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18 March 2024

Strategy & Resources Committee
Tuesday, 26th March, 2024 at 7.30 pm
Council Chamber - Council Offices
Agenda

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 January 2024 (Pages 5 - 16)

To confirm as a correct record (the appendices to these 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, 22nd March 2024 [2 working days before the meeting] and comply with all other aspects of Standing Order 30 of the Council's Constitution.

5. Quarter 3 2023/24 Budget Monitoring - Strategy & Resources Committee (Pages 17 - 50)

6. Quarter 3 2023/24 Key Performance Indicators - Strategy & Resources Committee (Pages 51 - 70)

7. Future Tandridge Programme update (Pages 71 - 106)

8. Summary of Debt Write Offs 2023-24 (Pages 107 - 116)

9. 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).

10. To consider the following resolution to exclude the press and public:

To consider passing the following resolution:

RESOLVED – that members of the press and public be excluded from the meeting for the following item of business under Section 100A (4) of the Local Government Act 1972 (as amended) on the grounds that:

- (i) it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act; and
- (ii) for the item, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Item No.	Nature of Exempt Information
11	Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 <i>(information relating to individuals)</i>

11. Proposed Debt Write-Offs Requiring Committee Approval (Pages 117 - 126)

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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 January 2024 at 7:30pm.

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

ALSO PRESENT: Councillors Allen, Sue Farr and Nicholas White

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

APOLOGIES FOR ABSENCE: Councillors Black, Bloore and Alun Jones

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

These minutes were confirmed and signed as a correct record.

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

Staff turnover KPI (SR7)

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

Implementing the new telephony system

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

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

225. INVESTMENT SUB-COMMITTEE - 19TH JANUARY 2024

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

COUNCIL DECISION
(subject to ratification by Council)

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

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

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

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

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

RESOLVED – that:

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

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

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

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

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

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

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

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

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

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

COUNCIL DECISIONS
(subject to ratification by Council)

RECOMMENDED – that:

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

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

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

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

228. RISK MANAGEMENT STRATEGY

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

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

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

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

229. CLIMATE CHANGE MITIGATION UPDATE

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

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

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

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

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

RESOLVED – that:

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

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

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

230. PAY POLICY STATEMENT 2024/25

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

COUNCIL DECISION
(subject to ratification by Council)

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

231. POLLING DISTRICT AND POLLING PLACE REVIEW 2023/24

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

An amended polling scheme was proposed which included:

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

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

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

RESOLVED – that:

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

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

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

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

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

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

COUNCIL DECISIONS

(subject to ratification by Council)

RECOMMENDED – that:

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

1. Amendment to item (ii):

Financial programmes for overall revenue and capital expenditure, including the medium term financial strategy and, as part of the annual budget setting process, the level of Council Tax and Prudential Indicators *(subject to the Committee being able to resolve rephasing of budgetary provision within the Council's capital programme to the next or subsequent financial years where this does not increase overall Council borrowing)*.

2. Amendment to item (iv):

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

3. Amendments to item (v):

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

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

4. Addition of a new item (vi):

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

... with subsequent items renumbered;

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

1. Amendments to item (iii):

Decisions on whether or not to proceed with freehold disposals of General Fund assets worth between £250,000 and up to £1 million (the Chief Executive can determine freehold disposals of assets worth less than £250,000 in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution).

2. Amendments to item (iv):

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

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

(Authority is delegated to the Chief Executive, in consultation with Members in accordance with Standing Order 46 of Part B of the Constitution, to approve leasehold disposals of General Fund assets of up to 16 years and with an annual rental valuation of up to ~~£75,000~~ £100,000).

3. Deletion of Item (v):

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

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

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

... with subsequent items renumbered.

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

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

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

Addition of externally funded schemes to the capital programme;

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

Rising 10.04 pm

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Quarter 3 2023/24 Budget Monitoring

Strategy & Resources Committee Thursday, 26 March 2024

Report of: Director of Resources (S151)

Purpose: To note the 2023/24 Quarter 3 / Month 9 (December) financial position of the Committee and the Council overall, and take associated decisions.

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report presents the 2023/24 Quarter 3 / Month 9 (December) financial position for both revenue and capital budgets for the Committee and the Council overall.

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

Contact officer Mark Hak-Sanders, Director of Resources (S151)
mhaksanders@tandridge.gov.uk

Recommendation to Committee:

- A. That the Committee notes the forecast revenue and capital budget position as at Quarter 3 / Month 9 (December) 2023.
 - B. That the Committee approves a budget virement of £85k between Community Services Committee, Strategy & Resources Committee and Corporate Items to realign budgets to the current management structure, as set out in Paragraph 17.
-

Reasons for recommendations:

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

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

Finance have committed to bringing quarterly financial monitoring updates to each Committee to ensure that all Members are aware of the financial position of the services within their remit, as context for decisions needed to mitigate any variance to budget and in terms of the effect on the approved budget for 2024/25.

Updates to the other three Policy Committees were submitted during March 2024.

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

Introduction and background

1. The 2023/24 Strategy & Resources Committee Revenue budget was approved at £6,080k by Full Council on 9th February 2023, excluding the distribution of a budget for the approved pay award.
2. When the overall budget was set, a £230k budget was held in Corporate Items pending the approved pay award. Following the approved pay award and associated approved virement (budget transfer) for 2023/24 the budget for the Strategy & Resources Committee increased by £108k to £6,187k (after rounding).
3. The Council's overall budget stands at £11,935k, unchanged from the budget approved by Council on the 9th February 2023.
4. The 2023/24 Strategy & Resources Committee Capital Budget was approved at £1,822k by Council on 9th February 2023 having been considered by S&R Committee on the 31st January 2023.
5. This was adjusted to £917k by:
 - £295k of Digital Transformation Budget approved by Strategy & Resources on 30th March 2023.
 - £1,217k of carry-forwards from 22/23 approved by Strategy & Resources on 29th June 2023.
 - (£2,417k) rephasing of schemes to future financial years approved by Strategy & Resources on the 28th September.

6. The overall Capital Programme was set at £19,212k by Council on 9th February 2023. The budget adjusted to £19,793k as follows:
 - £295k of Digital Transformation Budget approved by Strategy & Resources on 30th March 2023.
 - £9,149k of carry-forwards from 2022/23 approved by Strategy & Resources on 29th June 2023.
 - Revisions to the phasing of schemes of (£8,864k) approved by Committee on the 29th September.

This report sets out the current forecast against the £19,793k revised budget.

Revenue Headlines

7. The key headline at Month 9 / December is a forecast revenue overspend of £521k (increased by £160k from £361k at Month 6) for the Council overall, before corporate contingencies of £721k. Section 18, below and Page 4 of Appendix A sets out the available contingencies. In light of the contingencies, a balanced outturn is expected, i.e. with no need to call on general reserves.
8. Irrespective of contingencies, the final quarter needs to be carefully managed to deliver the best possible year-end position. The following activities remain under way:
 - A review of inflation allocations in the 2023/24 budget. Because a prudent approach was taken to inflation, opportunities to renew contracts and licences at a lower rate than expected may result in improvements in the final quarter. This includes the electricity and gas contract which could generate further underspends, depending on final bills for the year.
 - Commercial discussions and negotiations with suppliers to identify savings where possible.
 - Close monitoring of expected income across the Council to ensure it is performing in line with expectations.
9. Despite this, risk remains around inflation, temporary accommodation costs and planning appeals that need to be managed. Further details of the variance are included in Appendix A and below.
10. Savings delivery remains on-track with £1,253k of the £1,654k savings target rated achieved or green for delivery. £255k of the savings target is currently rated as amber and this is expected to be achieved over the course of the year. A further £146k is rated either red or unachievable (improved from £186k at Quarter 2).
11. The following sections set out the £521k forecast overspend by Committee. Further detail is included in Appendix A.

Community Services - £85k underspend

12. At Month 9 a full-year revenue underspend of £85k is forecast. The change from Month 6 is an improvement of £26k. The main reasons for the variance and the change from Month 6 are set out below:

- **(£48k) Salaries underspend** – No change from Q2/M6. Variance due to £10k overachieved vacancy factor in Waste Services, and (£38k) underspend in Handyman Services (offset in Ops Services by £22k new contract costs), as service being realigned with the Housing contract for DFG and Aids and Adaptions. (Note Handyman Service delivery model change has led to a net saving to CS of £16k).
- **(£3k) Car Parking Off-street underspend** – Change (£4k) improvement from Q2. Variance due to reduced income of £4k in car parks excluding Ellice Road, (£16k) release surplus budget on Business Rates offset by increased costs of broadband and data charges £6k and cash collection costs £3k for the car parks.
- **£4k Hackney Carriages** – Change £4k from Q2: due to decrease in fees as volumes have decreased.
- **(£23k) Leisure & Community Grants underspend** – Change (£4k) improvement from Q2: due to savings on a contingency budget no longer needed.
- **(£29k) Environmental Services underspend** – Change (£2k) improvement from Q2. Variance due to (£36k) saving for 1 FTE vacant, expected to fill in February / March 2024 and £7k less income from various licences.
- **(£50k) Waste Services underspend**, - Change (£33k) improvement from Q2: due to (£27k) savings from Bring Banks, (£12k) wheelie bins sales offset by £16k lower garden waste income, £12k lower bulky waste income, additional costs of £12k for garden waste admin, £4k collection of medical waste and £1k other small variances.
- **£11k Cesspool Services** – Change (£4k) improvement from Q2. Variance due to income down by £32k offset by (£15k) savings in disposal costs and (£6k) compensation for lease vehicle being off the road.
- **£30k All Operational Services** – Change £3k from Q2: due to £7k reduced quantities of scrap metal income, £16k recharges of costs of mechanic (post vacant since July 2023), £22k increase in costs - Handyman changes in services delivery from in-house to outsourcing model, offset by (£14k) increased cemetery fees.
- **£26k Parks & Open Spaces** – Change £23k from Q2: due to (£1k) savings re NNDR no longer due on toilets, (£9k) additional income, (£24k) release from unauthorised encampment budget, (£6k) leased vehicle budget not required, offset by £4k unachievable budget for rent and wayleaves and new in month £56k for preliminary costs in mobilising new GM agreements.
- **(£3k) Streets & Public Conveniences underspend**, - Change (£13k) from Q2: due to (£6k) savings for property charges now exempt, (£10k) savings on water charges, (£2k) savings road tax, (£3k) Cesspool budget no longer required. Offset by additional £15k

costs of repair of sweeper, increased diesel costs £4k and £5k unachievable third-party income.

Housing General Fund - £26k overspend

13. At Month 9 a full-year revenue overspend of £26k is forecast. The change from Month 6 is a deterioration of £2k. The main reasons for the variance and changes from Month 6 are set out below:
- **£15k Meadowside Mobile Homes** – No change from M6, reassessment for increased costs for planned repairs and tree works.
 - **£11k Private Sector Enabling** – change £2k from M6. Variance due to £10k additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services) and £3k additional costs of employees provided by Mole Valley Partnership, offset by (£2k) release of unspent budgets on various small budgets.
14. Alongside the known variance on Meadowside, risks are being managed within the budget, particularly in respect of Homelessness which is very sensitive to changes in temporary accommodation costs. Spend to-date is in line with expectations, but a small increase in numbers can have a significant impact on the budget. Temporary Accommodation costs can also have a knock-on impact on Housing Benefit (although a reserve exists to mitigate the impact on the latter).

Planning Policy Committee - £533k overspend

15. At Month 9 a full-year revenue overspend of £533k is forecast. The change from Month 6 is a deterioration of £114k. The main reasons for the variance and changes from Month 6 are set out below:
- **£129k Planning Application and Advice** adverse variance at year end predicted (M6 £93k adverse) based upon the following:
 - £230k overspend on salaries (M6 £222k over) due to reliance on contract staff for longer than originally anticipated.
 - £54k overspend on running costs (M6 £42k over) related mainly to third party external consultant advice including retail impact assessments and highways matters.
 - (£155k) surplus (M6 £171k surplus) on planning application fee and expected planning performance agreement income. It is expected that fee income will be supported by income from some major sites where planning applications are anticipated, as well as future fee increases.
 - **£159k Enforcement** overspend (M6 £133k) predicted. £168k salary overspend (M6 £144k over) due to reliance on contract staff offset by one off lower running costs (£9k in M9, M6 £10k under) and a small amount of income.
 - **£182k Appeals** overspend (M6 £130k over) due to a change in provisions, based on operational Planning records, and application of the prior provision where associated expenditure is realised in year.

- **£52k Gatwick DCO** overspend (unchanged from M6) associated with consultant commission for bespoke assessment of air quality and noise impacts on Tandridge arising from Gatwick Airport Northern Runway project. Approved by Planning Policy Committee in March and September 2023.
- **£11k overspent (unchanged from M6) Land Charges and Street Naming & Numbering.** Land Charges income worse than budget caused by transient external pressures of rising inflation and high interest rates. Officers will closely monitor search numbers/income whilst delivering new initiatives to improve and promote the service. Includes a Government grant of £20k to facilitate Land Charges LLC1 data migration to Central Government.

Use of Planning Reserves

16. At quarter 3 / M9 (December) Planning Policy Committee is forecasting a £71k use of Planning Reserves as described by:

- **£69k Planning Policy & Local Plan Earmarked Reserve.** Use of reserve to fund overspend due to salary and wages expenditure, associated with full year use of interims and seconded officers to manage Planning Policy Team function.
- **£2k Neighbourhood Plan Reserve.** Use of reserve to fund overspend associated with Tatsfield Neighbourhood Plan, examination and on going progression of Neighbourhood Plan.

Strategy & Resources – £6k underspend

17. At Month 9 a full-year revenue underspend of £6k is forecast. The change from Month 6 is a deterioration of £102k. The main reasons for the variance and the changes from Month 6 are set out below:

- **£7k Legal Services overspend at year end.** Improvement of (£31k). Variance primarily due to improvement in salary from £19k over in M6 to (£2k) better in M9, due to staff churn and changes in working patterns in the team (including more part time staff). Running costs over by £15k which are recovered in income. (£6k) income surplus at M9 (M6 was £19k worse than budget). Legal Services Team is recharging costs to other funds (eg Capital) for certain services.
- **(£70k) Information Technology** favourable variance at year end. Change from M6 £18k mainly due to a reduction in amount of salary capitalised. (£70k) one off favourable variances in corporate software, department software, telephony and network maintenance due to (i) delays to the implementation of software (ii) one off licence fee and software expenditure funded by grants, and (iii) realisation of the benefits of contracts agreed for greater than one year suppressing inflation impacts for the Council, offset by reduction in capitalised salaries.

- **(£30k) Human Resources** favourable variance at year end. Unchanged from M6 due to salaries (staff churn).
- **£11k Customer Services** overspend at year end. Unchanged from M6. £10k Primarily due to vacancy factor not predicted to be realised, and one-off salary overspend due to staff savings linked to digital tools delivery timescales. £1k other minor variances. Mitigation sought from changing culture around use of postage and any other underspends across the budget although these are likely to be minimal.
- **(£14k) Policy and Communications** underspend at year end Unchanged from M6, due to ongoing salary underspend from revised restructure of combined team following outcome of FTP programme.
- **(£25k) Office Services** underspend at year end. Unchanged from M6, due to one off utility underspend offset by interim staffing costs being more expensive than permanent equivalents. Note that the Council has the option to select green or brown energy for its electricity contract for 2023/24. In 2022/23, the contract specified green energy only. Officers are continuing with a green energy tariff, despite it being c.£18k more expensive than the brown energy equivalent. The positive outturn position expected does not require the Council to move away from its previous choice of a green energy tariff.
- **£115k Financial Services (Audit Fees)**. Change in external audit fees, due to additional audit burdens imposed by the Financial Reporting Council and other stakeholders. This change is driven by the Public Sector Audit Appointments (PSAA) procurement, the results of which were announced in November. £32k is charged to the HRA, showing as a variance under Corporate Items.

Corporate Items

£53k Net overspend: Change : (£32k) since M6.

- **£85k Management Restructuring** : Variance due to a portion of the management structure saving being reinvested into Planning.
- **(£32k) increase in Support Recharges**, being HRA's share of increased external audit fees reflected in S&R Financial Services.
- Performance against interest receivable is likely to exceed budget and it is assumed that any surplus will be transferred to reserve, subject to discussion with and approval by Investment Sub-Committee and Strategy & Resources.
- The budget for Corporate Items has increased by £85k in order to distribute a savings target and align management budgets following the restructure in 2023. The £85k budget is distributed as follows:

- £45k to Community Services – Rationalisation of management across Operational Services and Environmental Services.
 - £40k to Strategy & Resources – Rationalisation of management across services in the Resources Directorate.
- These changes realign the management budgets to match the structure that has been in place since December 2023. The report includes a recommendation to approve these budget adjustments. The relevant Committee chairs were consulted on the 25th January 2024 and provided with details on the individual posts involved.

Available contingencies

18. Offsetting the deficit identified are contingencies as follows:
- £371k base budget contingency (£445k total contingency less £74k set aside for cost-of-living pressures)
 - £550k set aside in 2022/23 outturn.
 - Less £200k carried forward to 2024/25 as approved in the 2024/25 Budget.
 - Totalling £721k – a balanced outcome is therefore deemed to be achievable.

However, it is of key importance that mitigating actions continue. Whilst contingencies appear adequate at this point in the year, the Council faces risks which cannot be quantified, including planning appeals and the impact of financial pressures on existing suppliers, which will need to be managed and monitored closely. This includes specific, live examples which are commercially sensitive but where the potential financial risk could be significant.

Capital Programme Update

19. Overall the Capital Programme is forecasting £93k of net slippage at M9/December 2023. A net of £941k of this relates to the General Fund and CIL schemes, and acceleration of £847k in the Housing Revenue Account. This is the aggregate of a number of increases and decreases, further details of which are reported in Appendix A.
20. Phasing for future years will be updated at outturn when carry forwards are put forward for approval.

Key implications

Comments of the Chief Finance Officer

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

Comments of the Head of Legal Services

22. It is essential, as a matter of prudence, that the financial position of services continues to be closely monitored. In particular, Members must satisfy themselves that sufficient mechanisms are in place to ensure both that savings are delivered and that new expenditure is contained within the available resources. Accordingly, any proposals put forward must identify the realistic measures and mechanisms to produce those savings.
23. Under S28 of the Local Government Act 2003, a local authority must review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget. This report satisfies this statutory requirement.

Equality

There are no equality implications associated with this report.

Climate change

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

Appendices

Appendix A – Committee’s Quarter 3 / M9 (December) 2023 Financial Report and supporting data

Background papers

- 2023/24 Quarter 1 Budget Monitoring - Strategy & Resources Committee 28 September 2023
- 2023/24 Quarter 2 Budget Monitoring - Strategy & Resources Committee 16 November 2023
- 2023/24 final budget and MTFS - Strategy and Resources Committee 31st January 2023
- 2022/23 Budget – Outturn Report – Strategy and Resources Committee 29th June 2023

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Quarter 3 - 2023/24 Finance Update Report

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Mark Hak-Sanders
Director of Resources (S151)

26th March 2024

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- Executive Summary
- Revenue Summary
- Saving Plans Update
- Capital Position

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Annex

- Revenue Position - Committee Detail
- Financial Risks and Opportunities
- Capital Position - Committee Detail

Executive Summary - Month 9 (September 2023)

Revenue Forecast at M9 Q3

	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k
Community Services	4,528	4,613	(85)
Housing General Fund	739	713	26
Planning Policy	1,871	1,338	533
Strategy & Resources	6,181	6,187	(6)
Corporate Items	(863)	(916)	53
General Fund- Services	12,456	11,935	521
Central Funding	(11,935)	(11,935)	0
General Fund	521	0	521

Overall, at M9 Q3, the Council is forecasting a net £521k overspend, containable within contingencies to deliver a balanced outturn

- Community Services: £85k underspend – 1.8% of committee budget
- Housing General Fund: £26k overspend – 3.6% of committee budget
- Planning Policy: £533k overspend – 39.8% of committee budget
- Strategy & Resources: £6k underspend – 0.1% of committee budget
- Corporate Items: £53k overspend – 5.8% of committee budget

M9 headlines are set out on the next slide, with full details in the Annex

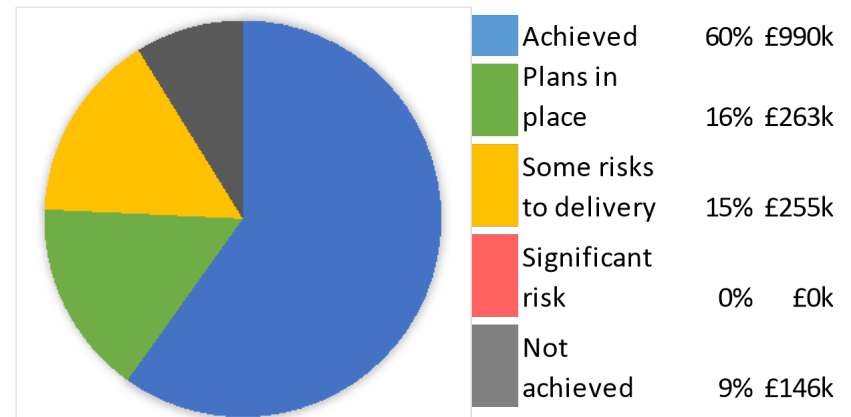
Capital Programme Forecast at M9 Q3

Net Forecast Underspend £93k

	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k
Community Services	1,740	827	(913)
Housing General Fund	503	488	(15)
Strategy & Resources	917	1,152	235
Planning Policy	500	253	(247)
General Fund	3,660	2,719	(941)
Housing Revenue Account	16,133	16,980	847
Total	19,793	19,699	(93)

Further detail is set out on Slide 6

Savings Plan at M9 Q3 - £1.65m



Unachievable amount is due to a shortfall in Community Services – Regulatory Services (£26k), Resources – IT (£35k) and Senior Management restructure savings (£85k)

Revenue Summary by Committee M9-Q3

2022/23 Outturn £k	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change Qtr2 £k	One-off events £k	Ongoing Pressures £k
4,156 Community Services	4,528	4,613	(85)	(26)	(81)	(4)
462 Housing General Fund	739	713	26	2	0	26
1,259 Planning Policy	1,871	1,338	533	114	215	318
5,952 Strategy & Resources	6,181	6,187	(6)	102	(107)	101
(589) Corporate Items	(863)	(916)	53	(32)	0	53
11,240 General Fund- Services	12,456	11,935	521	160	27	494
(11,351) Central Funding	(11,935)	(11,935)	0	0	0	0
(111) General Fund	521	0	521	160	27	494

Available contingencies

Offsetting the forecast deficit identified are contingencies as follows:

- £371k base budget contingency (£445k total contingency less £74k set aside for cost-of-living pressures)
- £550k set aside in 2022/23 outturn
- Less £200k carried forward to 2024/25

Totalling £721k – a balanced outcome is therefore deemed to be achievable

Key Messages:

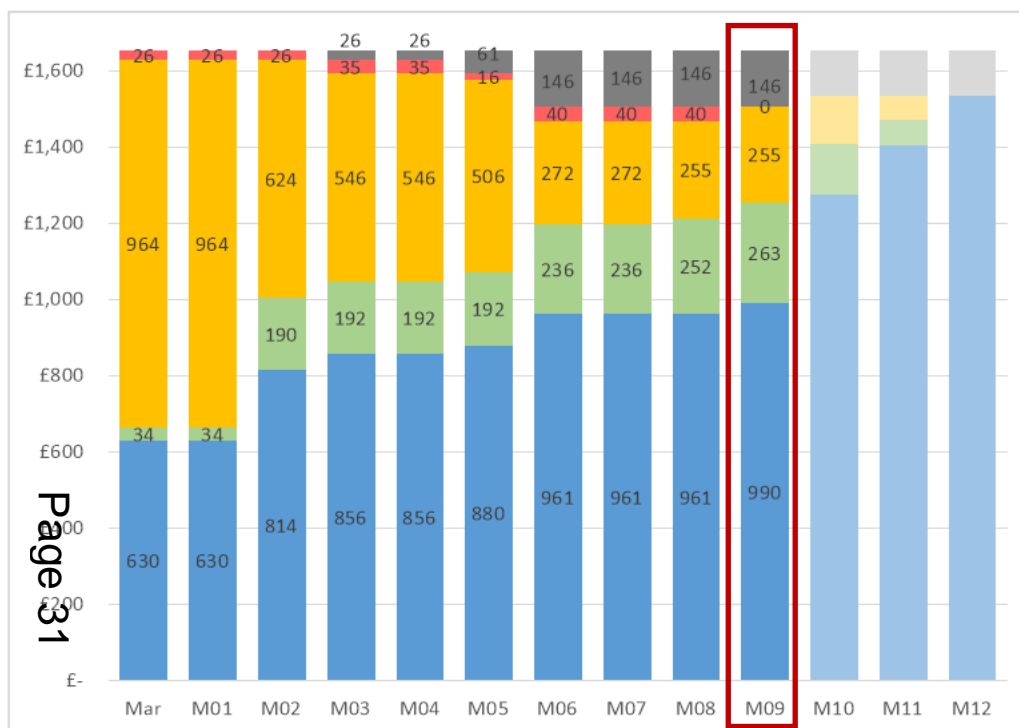
Committees are projecting a full year **£521k overspend in Q3**.

- **Community Services: £85k underspend** – Change (£26k) from Q2 mainly to do (£33k) Waste Service improvements. M9 underspend due mainly to a change in the Handyman Service (realigning with Housing team contract for DFG and Aids and Adaptions) which has led to a net saving to CS of (£16k), (£56k) re Waste Services lower than budget, (£29k) savings in Environmental Services from vacant posts, offset by £26k in Parks and Open spaces – mainly for preliminary costs in mobilising new GM agreements.
- **Housing General Fund: £26k overspend** – Change £2k from Q2. Overspend due mainly to £15k Meadowside additional costs of surveying the site and £11k due to additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services)
- **Planning Policy: £533k overspend** – Change £114k from Q2 mainly due to extension of Enforcement interim staff and provision changes. Overspend is mainly due to Enforcement: £159k, due to reliance on contract staff, appeals provisions £182k, planning applications and advice: £129k, mainly due to overspend on salaries £230k, offset by favourable planning applications fees (£155k).
- **Strategy and Resources: £6k underspend** – Change £102k from Q2 mainly due to £115k change in external audit fees. Variance mainly: £115k external audit fees (offset by £32k charge to HRA in Corporate Items), (£70k) Information Technology, one-off favourable variances in corporate & departmental software, telephony and network maintenance, £11k vacancy factor not being delivered, (£30k) in HR due to staff turnover and (£25k) one-off utility underspend.
- **Corporate Items: £53k overspend** - Change (£32k) from Q2: Variance due to a portion of the management structure saving being reinvested into Planning and an increase in recharge to HRA for its portion of the change in External Audit fees, reported above.

Whilst at Q3, an overspend of £521k is forecast, there are risks and opportunities that will need to be managed as the year progresses. There is a particular risk to the planning appeals and homelessness budgets which may cause volatility later in the year, although the risk is diminishing as year end approaches.

Saving Plans Delivery

Summary and Projection



Commentary

Total plan of £1.65m - forecasting c£1.5m (91%) delivery

Unachievable:

- £26k in Regulatory Services marked as unachievable in 2023/24, due to a change in the management leads at TDC and MVDC 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 MVDC.
- £35k in IT, marked as unachievable in 2023/24, due to savings being reprofiled into late 2023/24 with full-year effect in 2024/25.
- £85k variance due to a portion of the management structure saving being reinvested into Planning.

Red Items changed from Qtr 2 - £40k for Legal and £16k for Customer Services changed to green as these savings will be delivered during 2023/24.

Further details for each saving can be found in the March 2024 FTP- S&R Overall Report.

Delivery by Committee

Committee	Target	Complete	Green	Amber	Red	Black
Community Srvcs	388	198	164	-	-	26
Housing GF	210	60	-	150	-	-
Planning	70	60	10	-	-	-
S&R	844	530	89	105	-	120
Corporate Items	142	142	-	-	-	-
Total	1,654	990	263	255	-	146

Key:

- Black** – Savings target will not be met this year
- Red** – Significant risks to delivery, delivery plan yet to be agreed
- Amber** – Some risks to delivery, or detailed delivery plan still in development
- Green** – Clear plans, realistic timescales
- Blue** – Savings delivered

Capital Summary by Committee M9-Q3

	Annual Budget 2023-24	Forecast M9 2023/24	Variance M9 2023/24	Variance Overspend/ (Underspend)	Variance Acceleration/ (Slippage)	Change from M6
	£k	£k	£k	£k	£k	£k
Community Services	1,740	827	(913)	0	(913)	(257)
Housing General Fund	503	488	(15)	68	(83)	68
Strategy & Resources	917	1,152	235	0	235	235
Planning Policy	500	253	(247)	0	(247)	149
General Fund	3,660	2,719	(941)	68	(1,009)	194
Housing Revenue Account	16,133	16,980	847	0	847	949
Total	19,793	19,699	(93)	68	(161)	1,143

Capital – Net Variance: £93k slippage mainly due to:

- **Community Services: Net Slippage of (£913k) less than budget**, across various capital schemes, significant areas as noted below (require re-profiling into 2024/25) :-
 - Parks, Playgrounds and Open Spaces - (£642k)
 - Community infrastructure and assets - (£346k)
 - Waste and Recycling - £75k spend accelerated from 2024/25, adjustment to previous reprofiling
- **Housing General Fund: Net (£15k) less than budget**, £83k Slippage, surplus capital grant, reprofiled into 2024/25 and £68k delayed signing off for Social Housing Grant funding which was approved by Housing Committee in 2021/22.
- **Strategy & Resources: £235k more than budget**. Acceleration of IT Hardware / Infrastructure spend.
- **Planning Policy – Community Infrastructure Levy: £247k less than budget**. Slippage, surplus reprofiled into 2024/25.
- **Housing Revenue Account : Net £847k more than budget**, net £1,081k on Council House Building of which (£1,499k) Slippage at Bronzeoak, Auckland Road & Windmill Close and Buy-Backs and £2,581k acceleration for acquisitions of new development sites. (£192k) Slippage mainly on Aids and Adaption capital scheme. Surplus capital grant, reprofiled into 2024/25, (£42k) Slippage on HRA IT renewals.

Additional Information

Debt as at 31st December 2023

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

Red – deteriorates by over 10% against target;

Amber – deteriorates by less than 10% against target

Green – improves against target

Sundry Debt, HBOP and HRA:

Type	Q4 21/22	Q4 22/23	Q1 23/24	Q2 23/24	Q3 23/24	Outcome
Sundry Debts	£282k	£249k	£227k	£322k	£280k	G
HBOP	£1,144k	£1342k	£1259k	£1074k	£1113k	A
HRA	£444k	£525k	£565k	£748k	£752k	A

Debt in general has increased given cost of living impacting on residents and tenants prioritising which bills to pay. The debt recovery team continues to work with debtors to help manage outstanding bills.

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

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

	YTD	YTD	O	Monthly		YTD
	Qtr 1	Qtr 2		N	D	Qtr 3
Business Rates 19/20	33.0%	60.5%	8.8%	8.2%	8.6%	86.2%
Business Rates 22/23	30.8%	62.3%	9.4%	3.3%	8.6%	83.6%
Business Rates 23/24	32.0%	59.3%	9.3%	9.1%	9.5%	87.2%
Outcome	G	A	A	G	G	G
Council Tax (19/20)	35.8%	63.6%	9.3%	9.3%	8.6%	90.8%
Council Tax (22/23)	34.9%	61.7%	8.8%	9.3%	8.9%	88.7%
Council Tax (23/24)	34.5%	61.5%	9.1%	9.0%	8.9%	88.5%
Outcome	A	A	G	A	G	A

Additional Information (2)

Vacancy Factor – Q3 Update

Area	Posts	FTE	Staff	Vacancies	%	Temps	%	Total	%	Previous	Difference
Communities	45.0	43.7	35.7	8	82%	6	14%	41.7	95%	90%	5%
Planning	58.0	56.5	37.5	19	66%	15	27%	52.5	93%	95%	-2%
Housing	69.0	68.4	57.4	11	84%	4	6%	61.4	90%	92%	-2%
Strategy & Resources	122.0	110.9	88.9	22	80%	8	7%	96.9	87%	87%	0%
Total	294.0	279.5	219.5	60	79%	33	12%	252.5	90%	90%	0%

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ANNEX

DETAILED REVENUE AND CAPITAL

- M9 Forecast – Committee Detail (slides 9 to 15)
- Financial Risks and Opportunities (slide 16 - 17)
- M9 Capital Budget – Committee Detail (slide 18 - 22)

Revenue Commentary- Community Services

Community Services: (£85k) Underspend – Change (£26k)

from Q2. Variance mainly due to: (£48k) Salaries underspend – No change from Q2. Variance due to £10k overachieved vacancy factor in Waste Services, and (£38k) underspend in Handyman Services (offset in Ops Services by £22k new contract costs), as service being realigned with the Housing contract for DFG and Aids and Adaptions. (Note Handyman Service delivery model change has led to a net saving to CS of £16k).

2022/23	Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn £k	Qtr 3 £k	Budget £k	Variance £k	from Qtr2 £k	events £k	Pressures £k
1,206 Salaries	1,250	1,298	(48)	0	(10)	(38)
(31) Car Parking-On Street	0	0	0	0		
30 Car Parking-Off Street	37	40	(3)	(4)		(3)
(19) Hackney Carriage/Private Hire	(15)	(19)	4	4	3	1
201 Leisure & Community Grants	237	260	(23)	(4)		(23)
290 Environmental Services	282	311	(29)	2	(35)	6
2,245 Waste Services	2,275	2,325	(50)	(33)		(50)
(36) Cesspool Services	(48)	(59)	11	(4)	(7)	18
(199) All Operational Services	(100)	(130)	30	3	(14)	44
400 Parks and Open Spaces	608	582	26	23	(26)	52
69 Streets & Public Conveniences	2	5	(3)	(13)	8	(11)
4,156 Community Services	4,528	4,613	(85)	(26)	(81)	(4)

(£3k) Car Parking Off-street underspend – Change (£4k) from Q2: due to reduced income of £4k in car parks excluding Ellice Road, (£16k) release surplus budget on Business Rates offset by increased costs of broadband and data charges £6k and cash collection costs £3k for the car parks.

£4k Hackney Carriages – Change £4k from Q2: due to decrease in fees as volumes have decreased.

(£23k) Leisure & Community Grants underspend – Change (£4k) from Q2: due to savings on a contingency budget no longer needed.

(£29k) Environmental Services underspend – Change (£2k) from Q2: due to (£36k) saving for 1 FTE vacant, expected to fill in February / March 2024 and £7k less income from various licences.

(£50k) Waste Services underspend, - Change (£33k) from Q2: due to (£27k) savings from Bring Banks, (£12k) wheelie bins sales offset by £16k lower garden waste income, £12k lower bulky waste income, additional costs of £12k for garden waste admin, £4k collection of medical waste and £1k other small variances.

£11k Cesspool Services – Change (£4k) from Q2: due to income down by £32k offset by (£15k) savings in disposal costs and (£6k) compensation for lease vehicle being off the road.

£30k All Operational Services – Change £3k from Q2: due to £7k reduced quantities of scrap metal income, £16k recharges of costs of mechanic (post vacant since July23), £22k increase in costs - Handyman changes in services delivery from in-house to outsourcing model, offset by (£14k) increased cemetery fees.

£26k Parks & Open Spaces – Change £23k from Q2: due to (£1k) savings re NNDR no longer due on toilets, (£9k) additional income, (£24k) release from unauthorised encampment budget, (£6k) leased vehicle budget not required, offset by £4k unachievable budget for rent and wayleaves and new in month £56k for preliminary costs in mobilising new GM agreements.

(£3k) Streets & Public Conveniences underspend, - Change (£13k) from Q2: due to (£6k) savings for property charges now exempt, (£10k) savings on water charges, (£2k) savings road tax, (£3k) Cesspool budget no longer required. Offset by additional £15k costs of repair of sweeper, increased diesel costs £4k and £5k unachievable third-party income.

Revenue Commentary – Housing General Fund

2022/23 Outturn £k	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr2 £k	One-off events £k	Ongoing Pressures £k
601 Salaries	865	865	0	0		
(141) Meadowside Mobile Homes	(109)	(124)	15	0		15
50 Westway	0	0	0	0		
75 Private Sector Enabling	93	82	11	2		11
(84) Housing of the Homeless	(179)	(179)	0	0		
51 Other Housing Renewal Functions	12	12	0	0		
0 Syrian & Afghan Refugees	25	25	0	0		
(45) Ukraine Placements	0	0	0	0		
4 Redstone House	0	0	0	0		
(69) Housing Benefits	31	31	0	0		
21 Other variances less than £10k	1	1	0	0		
462 Housing General Fund	739	713	26	2	0	26

Housing General Fund overspend £26k – Change £2k from M6, mainly due to :-

- **£15k Meadowside Mobile Homes** – No change from M6, reassessment for increased costs for planned repairs and tree works.
- **£11k Private Sector Enabling – change £2k from M6**, due to £10k additional work through the Home Improvement Agency contract (offset by reductions in the costs in Community Services) and £3k additional costs of employees provided by Mole Valley Partnership, offset by (£2k) release of unspent budgets on various small budgets.

Alongside the known variance on Meadowside, risks are being managed within the budget, particularly in respect of Homelessness which is very sensitive to changes in temporary accommodation costs. Spend to-date is in line with expectations, but a small increase in numbers can have a significant impact on the budget. Temporary Accommodation costs can also have a knock-on impact on Housing Benefit (although a reserve exists to mitigate the impact on the latter).

Revenue Commentary – Planning Policy Committee

2022/23		Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn		Qtr 3	Budget	Variance	from Qtr2	events	Pressures
£k		£k	£k	£k	£k	£k	£k
409	Planning Applications & Advice	520	391	129	36	4	125
324	Planning Strategy & Policy Guidance	332	332	0	0		
259	Enforcement	398	239	159	26	159	
-	Appeals	262	80	182	52		182
95	Tree Preservation & Advice	100	100	0	0		
-	Community Infrastructure Levy (CIL)	2	2	0	0		
182	Local Development Plan - Evidence	178	178	0	0		
2	Gatwick Airport DCO	52	0	52	0	52	
(11)	Land Charges and Street Naming	27	16	11	0		11
1,259	Planning	1,871	1,338	533	114	215	318

Note – the forecast currently assumes that the budgets for the local plan and other planning policy team matters are spent in full in 2023/24 or remain ringfenced to the local plan if not. Conversely, additional spending on planning policy team matters will be met from the reserve where they exceed the annual budget.

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

Planning Policy Committee overspend £533k : deterioration of £114k from M6 .

The variance mainly comprises of:

- **£129k Planning Application and Advice** adverse variance at year end predicted (M6 £93k adverse) based upon the following:
 - £200k overspend on salaries (M6 £222k over) due to reliance on contract staff for longer than originally anticipated. £54k overspend on running costs (M6 £42k over) related mainly to third party external consultant advice including retail impact assessments and highways matters.
 - (£155k) surplus (M6 £171k surplus) on planning application fee and expected planning performance agreement income. It is expected that fee income will be supported by income from some major sites where planning applications are anticipated, as well as future fee increases.
- **£159k Enforcement overspend (M6 £133k)** predicted. £168k salary overspend (M6 £144k over) due to reliance on contract staff offset by one off lower running costs (£9k in M9, M6 £10k under) and a small amount of income.
- **£182k Appeals overspend (M6 £130k over)** due to a change in provisions, based on operational Planning records, and application of the prior provision where associated expenditure is realised in year.
- **£52k Gatwick DCO overspend (unchanged from M6)** associated with consultant commission for bespoke assessment of air quality and noise impacts on Tandridge arising from Gatwick Airport Northern Runway project. Approved by Planning Policy Committee in March and September 2023.
- **£11k overspent (unchanged from M6) Land Charges and Street Naming & Numbering.** Land Charges income worse than budget caused by transient external pressures of rising inflation and high interest rates. Officers will closely monitor search numbers/income whilst delivering new initiatives to improve and promote the service. Includes a Government grant of £20k to facilitate Land Charges LLC1 data migration to central government.

Use of Planning Earmarked Reserves

Use of Planning Earmarked Reserves	
	Forecast change in Reserve £ k
Planning Policy & Local Plan Reserve	69
Neighbourhood Plan Reserve	2
In year change in Earmarked Reserves	71

Use of Earmarked Reserves described by:

- £69k Planning Policy & Local Plan Earmarked Reserve** use of reserve to fund overspend due to salary and wages expenditure, associated with full year use of interims and seconded officers to manage Planning Policy Team function.
- £2k Neighbourhood Plan Reserve** use of reserve to fund overspend associated with Tatsfield Neighbourhood Plan, examination and on going progression of Neighbourhood Plan.

Local Plan and Planning Policy Team Funds Available in 2024/25 :

Funding for the Local Plan in 2024/25 is limited and will require robust management. The maximum funding available for all Planning Policy matters, including the Local Plan, is £1,489k. This consists of £979k in reserves and £510k in-year budget. The Local Plan is likely to span multiple years, meaning that use of the reserve should be carefully considered. Other matters are unpredictable and are likely to further place further constraints on the budget.

Revenue Commentary – Strategy and Resources

Strategy & Resources net underspend of (£6k) : Change £102k deterioration from M6.

Variance mainly due to:

£7k Legal Services overspend at year end.

Improvement of £31k. Variance primarily due to improvement in salary from £19k over in M6 to (£2k) better in M9, due to staff churn and changes in working patterns in the team (more part timers). Running costs over by £15k which are recovered in income. (£6k) income surplus at M9 (M6 was £19k worse than budget). Legal Services Team is recharging costs to other funds (eg Capital) for certain services.

2022/23	Forecast	Annual	Outturn	Change	One-off	Ongoing
Outturn	Qtr 3	Budget	Variance	from Qtr2	events	Pressure
£k	£k	£k	£k	£k	£k	£k
398 Legal Services	464	457	7	(31)	7	
595 Democratic Services	587	587	0	0		
1,117 Information Technology	1,331	1,401	(70)	18	(70)	
359 Human Resources	325	355	(30)	0	(30)	
587 Customer Services	464	453	11	0	11	
341 Policy and Communications	397	411	(14)	0		(14)
158 Emergency Planning & Community Safety	340	340	0	0		
284 Office Services	357	382	(25)	0	(25)	
138 Asset Management	152	152	0	0		
291 Leadership Team	243	243	0	0		
1,066 Financial Services	1,147	1,032	115	115		115
455 Revenues and Benefits	374	374	0	0		
166 Communities Executive Projects	0	0	0	0		
5,953 General Fund	6,181	6,187	(6)	102	(107)	101
(1) Wellbeing Prescription	0	0	0	0		
5,952 Strategy & Resources	6,181	6,187	(6)	102	(107)	101

(£70k) Information Technology favourable variance at year end. Change from M6 £18k mainly due to a reduction in amount of salary capitalised. (£70k) one off favourable variances in corporate software, department software, telephony and network maintenance due to (i) delays to the implementation of software (ii) one off licence fee and software expenditure funded by grants, and (iii) realisation of the benefits of contracts agreed for greater than one year suppressing inflation impacts for the Council, offset by reduction in capitalised salaries.

(£30k) Human Resources favourable variance at year end. Unchanged from M6 due to salaries (staff churn).

£11k Customer Services overspend at year end. Unchanged from M6. £10k Primarily due to vacancy factor not predicted to be realised, and one-off salary overspend due to staff savings linked to digital tools delivery timescales. £1k other minor variances. Mitigation sought from (i) changing culture around use of postage and any other underspends across the budget although these are likely to be minimal.

(£14k) Policy and Communications underspend at year end Unchanged from M6, due to ongoing salary underspend from revised restructure of combined team following outcome of FTP programme.

(£25k) Office Services underspend at year end Unchanged from M6, due to one off utility underspend offset by interim staffing costs being more expensive than permanent equivalents.

£115k Financial Services. Change in external audit fees, due to additional audit burdens imposed by the Financial Reporting Council and other stakeholders. This change is driven by the PSAA procurement, the results of which were announced in November and £32k is charged to the HRA, showing as a variance under Corporate Items.

Revenue Commentary - Corporate Items

2022/23 Outturn £k	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr2 £k	One-off events £k	Ongoing Pressures £k
1,163 Interest Payable	1,163	1,163	0	0		
(1,495) Interest Receivable & Investment Income	(1,495)	(1,495)	0	0		
(745) Property Income	(777)	(777)	0	0		
(2,048) Non GF Support recharges & Bank charges	(2,530)	(2,498)	(32)	(32)		(32)
1,161 Minimum Revenue Provision (MRP)	1,179	1,179	0	0		
1,488 Pension - Actuarial top up, Added Years, & Compensation	1,485	1,485	0	0		
(42) Write Offs and Bad Debt Provision	22	22	0	0		
(201) Cost of Collection	(270)	(270)	0	0		
116 Contingency	445	445	0	0		
15 Contributions to / (Drawdown from) Earmarked Reserves	0	0	0	0		
0 Management structure saving held corporately	(85)	(170)	85	0		85
(589) Corporate Items	(863)	(916)	53	(32)	0	53

Corporate Items - £53k Net overspend: Change : (£32k) since M6.

- £85k Management Restructuring : Variance due to a portion of the management structure saving being reinvested into Planning.
- (£35k) increase in Support Recharges, being HRA's share of increased external audit fees reflected in S&R Financial Services.

Performance against interest receivable is likely to exceed budget and it is assumed that any surplus will be transferred to reserve, subject to discussion with and approval by Investment Sub-Committee and Strategy & Resources.

Revenue Commentary – Housing Revenue Account

	Forecast Qtr 3 £k	Annual Budget £k	Outturn Variance £k	Change from Qtr2 £k	One-off events £k	Ongoing Pressures £k
Salaries	2,027	2,149	(122)	(152)	(125)	3
Services Costs	1,470	1,865	(395)	(477)		(395)
Corporate Support Service	1,572	1,572	0	(2)		
Repairs and Maintenance	3,568	3,636	(68)	(68)	(68)	
Interest Changes on Loan	2,045	2,045	0	0		
Rental Income Dwellings	(15,973)	(15,973)	0	0		
Rental Income Garages	(385)	(385)	0	0		
Other Income	(179)	(136)	(43)	(26)		(43)
Total Revenue Movement before Tfr to Reserves	(5,855)	(5,227)	(628)	(725)	(193)	(435)
Transfer to Reserves	5,855	5,227	628	725	193	435
HRA	0	0	0	0	0	0

Housing Revenue Account – (£628k) net underspend – Change (£725k) from Q2, mainly due to :-

- **(£122k) Salary Costs** – Change (£152k) from Q2, due to additional reinvestment in the Building Surveyors team to cover Health and Safety and other priority areas.
- **(£395k) Service Costs** – Change (£477k) from Q2, due to releasing (£350k) electricity & gas, (£50k) Assisted Purchase, (£27k) consultancy fees and (£80k) trees budgets no longer required offset by £30k increase costs of voids for Council Tax and £28k new fraud contract with R&B. Projected £60k increased costs on Orchard MRI Housing Management Software linked to upgrading to a new hosted version.
- **(£68k) Repairs and Maintenance** – Change (£68k) from Q2: due to releasing (£42k) external decorations, (£4k) internal decorations, (£22k) costs for fuel, servicing of vehicles, (£10k) tenant redecoration allowances budgets no longer required, offset by £10k additional costs for skip hire.
- **Corporate Support Services** – Change £2k from Q2, due to the HRA 30-year plan advisor contract increasing support to the Housing Development team.
- **(£43k) Other Income** - Change (£26k) from Q2, due to increase in income from private house lease extensions.

Revenue Risks

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

Committee	Outline of Risk	Mitigation	Range Max - Min £k
Community Services	Trees - Throughout the District Ash dieback continues to be a potential risk. Also trees near railway lines will cost more to manage as specialist contractors have to be engaged and also potentially railway line closure, speed restrictions and H&S issues may become a bigger issue.	Ensuring tree management is programmed to be flexible enough to allow any arising risks to be dealt with in a timely basis.	
Housing	Demand for Social accommodation is on the rise with lack of availability of LA's being able to house families and individuals. The use of Bed and Breakfast accommodation is on the rise not only in Tandridge but throughout the UK.	Keeping a watching brief on the costs Tandridge are incurring. The government have released additional grant of £154k in 2023/24 to help with the additional costs and also Tandridge hold funds within the Homelessness reserve which we expected will cover any additional costs.	
Planning	The need for externalising work may increase now that the Local Plan has been found unsound with more appeals requiring external legal output.	Monitor and report, taking commensurate actions where opportunities arise	
Planning	Unexpected fall of in planning application fee income, driven by the national economic situation	Monitor and report, taking commensurate actions where opportunities arise	
Planning	Planning Guarantee ; The planning guarantee is defined by Government as "a policy that no application should spend more than a year with decision-makers, including any appeal." The policy sits alongside statutory time limits for decision making, subject to the potential to agree extensions. The Council has no control over the timing of Appeals. Linked to this is a risk that current planning fees become repayable if secured extensions of time are exceed in certain circumstances.	Extensions of time will be sought where appropriate.	
Resources	Escalating external legal costs related to specialist employee matters are a possible cost pressure within HR.	Officers are looking at reviewing options to economically and effectively source ad-hoc advice on complex / sensitive employment matters.	
Resources	External employment market is buoyant for professional Legal staff. Any further reduction of staff is a risk to service provision	Outsourcing of Legal work would reduce the legal compliance risks to the Council, but increase cost pressures	
Resources	Council continues to seek tenants for available Council office space to increase rent income.	The Council has extended the security hours related to the offices to further develop interest in the rental.	
Corporate Items	Possibility of higher empty properties due to business revaluating workspaces and impact on investment / property income (above current forecast)	Asset Manager will review all opportunities to maximise investments and market all opportunities (for finding new tenants).	£0-100k

Revenue Opportunities

These opportunities have not been included in the budget monitoring position

Committee	Outline of Opportunity	Any blockers to achievability	Range Max - Min £k
Community Services	Waste and Garden waste contract indexation rate used in the Budget 2023/24 may now not be as high as anticipated. If this happened then the Council would incur less costs on both the Waste and Garden waste contracts.	The UK inflation rates stay high and drive up the cost of living.	
Resources	IRIS contribution reduction. The Surrey Police managed Identification and Referral to Improve Safety ("IRIS") programme is a training and support programme which enables GPs to identify patients affected by domestic violence and abuse and refer them to specialist services. The Council contributes funding to this programme	Council is exploring options to seek alternative funding for the IRIS programme.	£0-19k
Corporate Items	Improved temporary lending rates due to Bank base rate increases (affects Interest Receivable)	BoE decisions and investment market reaction	£0-£200k

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Capital Budget – Community Services

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Community Services						
Waste and Recycling	19	93	75	0	75	(0)
Parks, Playgrounds and Open Spaces	1,086	444	(642)	0	(642)	(61)
Community infrastructure and assets	635	289	(346)	0	(346)	(196)
Total Community Services	1,740	827	(913)	0	(913)	(257)

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- The Capital Budget was approved by Full Council on 9th February 2023 at £990k.
 - The request for Capital carry forwards of £1,087k from 2022/23 was approved in the S&R Committee on 29th June 2023, with a revised phasing reported during the September 2023 Committee cycle.
 - At Q1, approved at the S&R Committee in September 2023, the total capital requirement for 2023/24 was re-set at £1,740k, with £337k carried forward into 2024/25.
 - At Q3, the total capital forecast is £827k. The variance of (£913k) is due to below:-
 - £75k – Acceleration for Waste Bins. Further work has established the previous reprofiling was too restrictive.
 - (£642k). Slippage on Parks, Playgrounds and Open Spaces. All of the slippage amounts sums removed are to be reprofiled into 2024/25. The slippages are broken down into schemes below-
 - (£495k) - Childrens Playgrounds.
 - (£105k) - Park Pavilions.
 - (£42k) - Playground Match Funding.
 - (£346k) Community Infrastructure and assets, (£384k) slippage relates to Public Conveniences and £38k acceleration Vehicle Fleet Renewals for the purchase of a new Sweeper.
 - The change from Q2 is (£257k) due to further slippage (£61k) Children Playgrounds and (£234k) Public Conveniences. Offset by £38k acceleration Vehicle Fleet Renewals.
 - It should be noted that an interim resource has now been recruited and will start in April 2024. The resource will help with managing the capital spend particular in Playgrounds and Public Conveniences.
 - Spend across the Committee's schemes is c.£134k (16%) at Q3.

Capital Budget – Housing General Fund

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Housing General Fund						
Social Housing Grants	0	68	68	68	0	68
Disabled Facilities Grants	503	420	(83)	0	(83)	0
Total Housing General Fund	503	488	(15)	68	(83)	68

- The Capital Budget was approved by Full Council on 9th February 2023 at £503k.

The request for Capital carry forwards of £139k from 2022/23 was approved in the S&R Committee on 29th June 2023, with a revised phasing to be reported during the September 2023 committee cycle.

At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £503k with £139k carried forward into 2024/25.

- At Q3, the total Capital Forecast for HGF is £488k. The variance is (£15k) is due to below-
 - Social Housing Grants overspend of £68k. A grant was awarded in 2021/22 to the partnership Transform Housing and Support under the Government's Rough Sleeper Programme. The nominations and the grant agreement have been delayed in getting completed and until this was done the grant could not be settled.
 - DFG slippage of (£83k), mainly due to surplus capital grant, reprofiled into 2024/25.
- Spend across the Committee's schemes is c.£151k (31%) at M9. Activity has greatly increased in the last quarter of the year many projects in the pipeline to start this financial year the capital programme is on track to achieve the forecasted spend.

Capital Budget – Planning Policy Committee (CIL)

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	

Planning Policy						
Capital contributions to third parties from CIL	500	253	(247)	0	(247)	149
Total Planning Policy	500	253	(247)	0	(247)	149

- The Capital Budget was approved by Full Council on 9th February 2023 at £500k.
- The request for Capital carry forwards of £2,108k from 2022/23 was approved in the S&R Committee on 29th June 2023.
- The total available budget for 2023/24 was therefore £2,608k.
- Due to match funding and project delivery delays, £2,108k slippage in the projected scheme expenditure was requested to be carried forward to 2024/25. This is normal practice with grant allocations. This was approved in the S&R committee on 28th September 2023.
- The budget 2023/24 now stands at £500k.
- The budget has been reviewed for deliverability at M9 with a forecast variance - slippage of (£247k)

Capital Budget – Strategy and Resources

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Strategy & Resources						
Croydon Road Regeneration	50	50	0	0	0	0
Quadrant House Solar Panels & Suite Refurb	150	150	0	0	0	0
Council Offices Buildings	39	39	0	0	0	0
Digital FTP	295	295	0	0	0	0
GF IT - Hardware/Infrastructure	383	618	235	0	235	235
Total Strategy & Resources	917	1,152	235	0	235	235

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- The Capital Budget for S&R was approved by Full Council on 9th February 2023 at £1,822k.
 - The request for Capital carry forwards of £1,217k from 2022/23 was approved in the S&R Committee on 29th June 2023, with a revised phasing reported during the September 2023 committee cycle.
 - During the year, £295k was approved as an addition for the Digital project in Future Tandridge Programme.
 - The total available budget for 2023/24 was therefore £3,334k.
 - At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £917k with a carry forward of £2,417k into 2024/25.
 - The budget has been reviewed for deliverability at M9 with a forecast variance of £235k Acceleration for GF IT –Hardware and Infrastructure.
 - Spend across the Committee’s schemes is c.£343k (30%) at M9.

Capital Budget – Housing Revenue Account

Service	Annual Budget 2023-24 £k	Forecast M9 2023/24 £k	Variance M9 2023/24 £k	Nature of Variance		Change from M6 £
				Variance Overspend/ (Underspend) £k	Variance Acceleration/ (Slippage) £k	
Housing Revenue Account						
Council House Building	11,244	12,325	1,081	0	1,081	995
Improvements to Housing Stock	4,648	4,456	(192)	0	(192)	(5)
HRA IT - Hardware/Infrastructure	241	199	(42)	0	(42)	(42)
Vehicle Fleet Renewals - HRA	0	0	0	0	0	0
Total Housing Revenue Account	16,133	16,980	847	0	847	949

- The Capital Budget was approved by Full Council on 9th February 2023 at £15,398k.
- The request for Capital carry forwards of £4,597k from 2022/23 was approved in the S&R Committee on 29th June 2023, with a revised phasing reported during the September 2023 committee cycle.
- At Q1, approved in the S&R Committee in September 23, the total capital requirement for 2023/24 was re-set at £16,133k with £3,862k carried forwards to 2024/25.
- At Q3, the total Capital Forecast for HRA is £16,980k, with Acceleration Variance of £847k, mainly due from
 - Council House Building – variance £1,081k. (£1,499k) Slippage at Bronzeoaks, Auckland Road & Windmill Close and Buy-Backs. £2,581 Acceleration for acquisitions of new development sites.
 - Adaptations for the Disabled – slippage (£192k).
 - HRA IT – Hardware / Infrastructure – slippage (£42k)
- Spend across the Committee’s schemes is c.£8,576k (51%) at M9 although will accelerate as stalled schemes at Uplands and Bronzeoak are re-started and the LAHF purchases are completed.

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Quarter 3 2023/2024 Key Performance Indicators - Strategy & Resources Committee

Strategy & Resources Committee Tuesday 26 March 2024

Report of: Head of Policy and Communications

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

This report's appendices contain data about the committee's key performance indicators (KPIs) for quarter 3 2023-2024 and the risk registers to enable the committee to monitor how the Council is delivering services.

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:

To review and note the Quarter 3 2023-2024 performance indicators, as well as committee and corporate risks.

Reason for recommendation:

To support the committee to monitor and manage its performance.

Introduction and background

1. The performance management framework supports the Council's strategic priorities by monitoring performance against key outcomes in the corporate and service plans. Performance data is presented to the Extended Management Team each quarter for discussion.
2. Performance and risk register reports are presented to policy committees each quarter. This committee also receives the corporate risk register. Please see Appendix A for the quarter 3 performance indicators, Appendix B for the committee risk register and Appendix C for the Corporate Risk Register.

Performance indicators

3. Three KPIs did not meet their target for the quarter, SR4, SR5 and SR10. The full list is available in Appendix A.
4. SR4: Days to process housing benefit and council tax changes was off target at 15.33 days. The target is 12 days. The target has not been met in this quarter due to an issue in the NEC system, which has now been fixed. As a result, there were a higher number of more complex cases to resolve. The service is currently on target for the current quarter.
5. SR5: The number of working days / shifts lost due to sickness absence (long and short-term) was just off target by .83 days at 7.93 days. This is a slight improvement since the last quarter. The target is 7.1 days. The overall trend is down, for the same quarter last year sickness absence was 11.36%.
6. Long term absence is anything over 20 continuous working days (ie more than four weeks). Short term is any sickness less than 20 days. The number of staff on long term sick leave during this quarter was 18, of which 5 have left the Council.
7. SR10: The percentage of calls answered within 60 seconds by Customer Services was off target at 63.6%. The target is 80%. This was an improvement on the previous quarter.
8. During quarter 3, the average time to answer a call was fairly consistent at under 1.40 minutes, with a call handling time of under 2.5 minutes. Call handling is the actual length of the call. At the end of each call there is a wrap up time allowed for the team to make notes, update cases, send e-mails etc. The abandonment rate varied from 9% to 11% and is measured after seven seconds. More detail about calls is provided in the table below:

Quarter 3	October 2023	November 2023	December 2023
Number of calls	3989	3846	2885
Number of calls answered	2596	3410	2531
Calls abandoned after seven seconds	348 (9%)	389 (10%)	319 (11%)
Average speed of answer (mins)	1.33	1.39	1.36
Average call handling time (mins)	2.27	2.24	2.14

9. The Customer Services team does not just answer calls, the team is responsible for dealing with visitors to the reception area, managing the post service, responding to cases submitted by e-mail or the website, as well as dealing with other administration tasks.

Risk registers

10. Details about any red risks on the committee risk register or Corporate Risk Register are highlighted in this report.
11. There are no red risks on the committee register. Please see Appendix B for details of all risks.
12. There are six red risks on the Corporate Risk Register. These are:
- P1: Lack of up-to-date adopted district wide local plan makes resisting inappropriate green belt applications more challenging.
 - P2: Lack of five year housing land supply, including gypsy and traveller land.
 - P3: Lack of capacity in planning team, difficulty in recruiting permanent staff and issues with IT systems negatively impacts performance.
 - H1: Council fails to deliver the target number of properties in the Council House Building Programme, due to poor performance of the contractor, planning delays, unplanned costs, availability of materials and utility providers.
 - CS2: Loss of Goods Vehicle Operating Licence at the depot (due to lack of resilience).
 - CS3: Delays in monitoring council owned trees and impact of Ash dieback creates greater risk of tree falls.

13. Appendix C has details of actions taken and being taken to mitigate against these risks, as well as details about all the corporate risks.
14. A new [Risk Management Strategy](#) was approved by this committee in January. The risk registers will be updated for the next committee cycle to reflect the agreed changes.

Comments of the Chief Finance Officer

There are no direct finance implications arising from this report.

Comments of the Head of Legal Services

As this report is for noting, there are no direct legal implications arising from this report.

Equality

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

Climate change

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

Appendices

Appendix A: Performance indicators

Appendix B: Strategy and Resources Risk Register

Appendix C: Corporate Risk Register

Background papers

None

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Appendix A – Strategy & Resources Performance Indicators Q3 2023-2024

SR1: Percentage of council tax collected

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Q3 target 73.98%
97.40%	34.90%	61.7%	88.7%%	96.80%	34.50%	61.5%	88.50%	Met

SR2: The percentage of non-domestic (business) rates collected

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Q3 target 73.89%
95.2%	30.80%	62.30%	83.60%	97%	32%	59.3%	87.20%	Met

SR3: Days taken to process Housing Benefit/Council Tax Benefit new claims

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Target 30 days
28	69.20 (to 42 in June)	39.3	56	31	25	28	29	Met

SR4: Days taken to process Housing Benefit/Council Tax change events

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Target 12 days
20	40.09 (10 days in June)	11.6	9.66	5	6.33	11.6	15.33	Not met

Comments

The target has not been met in this quarter due to an issue in the NEC system, which has now been fixed. As a result, there were a higher number of more complex cases to resolve. The service is currently on target for the current quarter.

SR5: The number of working days/shifts lost due to sickness absence (long and short term, rolling 12 month figures)

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Target 7.1 days
10.51	11.36	11.8	11.36	10.67	9.56	8.24	7.93	Not Met

Comments

Long term absence is anything over 20 continuous working days (ie more than four weeks). Short term is any sickness less than 20 days. During this quarter 18 staff were on long term sick leave, of which 5 have left the Council. Where possible, staff are supported to return to work, where this is not possible, their exit is managed sensitively.

38% of absences are attributed to musculoskeletal conditions, 14% to mental health concerns and 5% to Covid related absences. The remaining 43% are related to various reasons ranging from cold/flu, sickness/diarrhoea, headache, migraine, skin disorders, neurological conditions, gynaecological, genitourinary, gastro-intestinal, eye problems, ear, nose and throat (ENT), respiratory problems, heart conditions and cancer.

Musculoskeletal covers a wide range of conditions relating to or denoting the musculature and skeleton together. This includes acute soft tissue injury, ankylosing spondylitis, arthritis, back (cervical, thoracic, lumbar) pain/injury, chronic soft tissue conditions, dislocations, fibromyalgia, broken/fractured bones, gout, investigations (X- ray, MRI), ligament/tendon injury/surgery, polymyalgia, prolapsed disc, repetitive strain disorders/RSI, tendonitis, tenosynovitis etc. This can also include accidents and injuries, as well as planned surgery eg, knee/hip replacement.

10 absences related to musculoskeletal issues were considered work related. This made up 31% of all absences due to musculoskeletal conditions. These were all reported by staff in Operations, Streets, Parks and Recycling & Waste. Regular risk assessments are carried out at the Depot and staff are referred to occupational health (OH) where necessary, including for Hand Arm Vibration risk assessments. Office based staff regularly complete online risk assessments which cover working in an office environment, manual handling, health and safety and home working. Where an issue is identified, staff may be assessed by a specialist company to identify whether a different type of chair or desk is needed. Other aids include special keyboards and mice.

Of the 14% of mental health cases, involving 18 employees, 1 employee considered their condition was work related. The Council provides a range of mental health support for staff to support health and wellbeing. This includes mental health first aiders, Employee Assistance programme, stress risk assessments and referral to OH where necessary.

SR6: The number of working days/shifts lost due to sickness absence (short term only 20 days or less, rolling 12 month figures)

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Target 4.1 days
3.96	4.09	4.42	4.17	3.8	3.61	3.5	3.2	Met

SR7: Staff turnover (rolling 12 month figures excludes interim staff)

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	Target 15%
15.9%	17.60%	17.10%	14.70%	14.50%	15.90%	10.6%	11.70%	Met

SR8: Staff turnover by team (data only)

Jan-Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	12 month rolling total by team
<ul style="list-style-type: none"> • Planning, Planning Policy 4 • Transformation and Business Support 1 • Legal 1 • Policy and Communications 1 • Assets 1 	<ul style="list-style-type: none"> • Wellbeing 1 • Legal 1 • Customer Services 1 • Democratic services 1 • SBCP: 2 • Operations 1 • Housing 2 • Planning 1 	<ul style="list-style-type: none"> • Operations 1 • Planning 1 	<ul style="list-style-type: none"> • Housing: 1 • SBCP: 2 • Legal: 2 • Planning: 2 • Democratic Services: 1 	<ul style="list-style-type: none"> • Planning 8 • Legal 4 • SBCP 4 • Housing 3 • Operations 2 • Democratic services 2 • Transformation and Business Support 1 • Wellbeing 1 • Policy and Communications 1 • Assets 1 • Customer Services 1

SR9: New starters by team (data only)

Jan – Mar 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023	12 month rolling total by team
<ul style="list-style-type: none"> • Operations 2 • Planning 3 • Chief Executives 1 • Transformation and Business Support 1 	<ul style="list-style-type: none"> • Wellbeing 1 • Finance 1 • Legal 2 • Planning 1 	<ul style="list-style-type: none"> • Housing 1 • Policy and Communications 1 • Customer Services 3 • Finance 2 • Revenues & Benefits 1 • Legal 1 • Planning 2 	<ul style="list-style-type: none"> • Property Services 1 • Finance 1 • IT 1 	<ul style="list-style-type: none"> • Planning 6 • Finance 4 • Legal 3 • Customer Services 3 • Operations 2 • Housing 1 • Transformation and Business Support 1 • Wellbeing 1 • Policy and Communications 1 • Chief Executives 1 • Revenues & Benefits 1 • IT 1 • Property Services 1

SR10: The percentage of calls answered within 60 seconds by Customer Services

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-Mar 2023	April – June 2023	July-Sept 2023	Oct-Dec 2023	Target 80%
55%	54.7%	39.70%	58.00%	55.60%	44.03%	48.16%	63.60%	Not Met

There has been a marked improvement in this quarter. This is generally a quieter quarter for Customer Services in terms of calls, in addition the team was more stable in terms of staffing, sickness and annual leave. There is one vacancy in the team.

During quarter 3, 10,720 calls were handled. The average time to answer a call was 1.36 minutes and the average call handling time was 2.21 minutes. Call handling is the actual length of the call. At the end of each call there is a wrap up time allowed for the team to make notes, update cases, send e-mails etc. The abandonment rate varied from 9% to 11% and is measured after seven seconds.

The Customer Services team does not just answer calls, the team is responsible for dealing with visitors to the reception area, managing the post service, responding to cases submitted by e-mail or the website, as well as dealing with other administration tasks.

The benefits and council tax teams close their phone lines in the afternoon to have more time to process claims, answer council tax and business rates enquiries and complete training, when needed. This means the Customer Services Team are sometimes dealing with additional visitors who would normally speak to these teams.

SR11: Number of complaints received (data only)

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan-March 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023
30	27	30	30	15	21	29	25

SR12: Number of Freedom of Information requests (FOIs) received (data only)

Jan-Mar 2022	April-June 2022	July-Sept 2022	Oct-Dec 2022	Jan–March 2023	April-June 2023	July-Sept 2023	Oct-Dec 2023
159	147	130	108	226	209	210	234

Appendix B - Strategy and Resources Risk Register

Ref:	Risk cause and event	Risk consequences	Risk owner	L	I	RAG	Mitigating actions and responsibility	Status update	On corporate risk register
SR1	Inability of Council to make savings as identified in the Medium Term Financial Strategy and to delivered a balanced outturn for 2023/2024 and 2024/2025,	<p>Negative impact on the Council's budget.</p> <p>Council exhausts reserves to balance the budget.</p> <p>Reduce services / resources.</p> <p>Section 114 notice required to be issued by Director of Resources leading to cessation of non-essential spend and essential service provision at minimal level.</p> <p>Reputational damage.</p>	Director of Resources & S151 Mark Hak-Sanders	2	4	8	<p>Savings are managed through the Future Tandridge Programme Governance, of which the Chief Executive is Senior Reporting Officer. Savings are also included in regular financial monitoring. Actions in place:</p> <ul style="list-style-type: none"> - Robust budget monitoring and if appropriate, corrective action to ensure spending in line with the budget. - Range of actions (savings and other budget improvement measures) to address current and future financial environment to inform future business and budget planning - Fortnightly Programme and Benefits Delivery Board meetings of EMT chaired by the CFO. - Weekly EMT or MT meeting as escalation point. - Programme Team provides oversight on delivery including action tracking and risk register updates. - Specific governance arrangements for key savings areas. - Named owners for all savings and risks. - Fully allocated savings plan for 2023/2024. - Increased contingency held in the 2023/2024 budget. - Detailed savings plan approved for 2024/2025. 	<p>At outturn, 94% of savings for 2022/2023 were achieved. The Council completed the year with a small 1% surplus on budget.</p> <p>The 2023/2024 savings plan was approved by Council on 9 February at £1.7m. Delivery is tracked monthly and reported to each Strategy and Resources and Audit and Scrutiny. Currently 9% (£146k) is RAG rated Red or Black, with 15% (£255k) rated amber. This profile is typical at this point in the year and the amber value is under continual review.</p> <p>A savings realisation audit for 2022/2023 gave 'substantial' assurance and the audit will be repeated in 2023/2024.</p> <p>Budget planning for 2024/25 is complete, with the budget approved in February 2024, balanced without the use of reserves and with a £0.6m savings plan.</p>	Yes
SR2	Failure to process Housing Benefits in line with targets	<p>Failure of statutory duty.</p> <p>Reduced / delayed support to recipients.</p> <p>Reputational damage.</p> <p>Reduction in administration grant fund.</p>	Director of Resources & S151 Mark Hak-Sanders	3	3	9	<p>New revenues and benefits system in place, with appropriate oversight and risk management in place.</p> <p>Established working protocols.</p> <p>Revenues and Benefits team restructure with clear role profiles.</p> <p>Team resourcing closely monitored and issues reported.</p> <p>Performance monitoring in place.</p>	<p>Joint working with neighbouring authorities being explored.</p> <p>Performance reports produced regularly.</p>	No
SR3	Failure to collect revenue income (eg council tax, business rates, rental) in line with our targets	<p>Failure of statutory duty.</p> <p>Reduced cash flow and impact on budget.</p>	Director of Resources & S151 Mark Hak-Sanders	1	4	4	<p>Established working protocols.</p> <p>Team resourcing closely monitored and issues reported to Extended Management Team.</p> <p>Performance monitoring in place.</p> <p>Project in place to improve recovery rates.</p> <p>Collaborative working with other Surrey authorities.</p>	<p>Income is still impacted by the after effects of Covid-19 and cost of living. Both remain volatile as a result of continuing impact of the economy. Budgets are based on prudent estimates to avoid financial shocks.</p>	No

SR4	Failure to meet rental income targets due to market difficulties of renting out council assets and current business tenants not able to make rent payments.	Increased risk of tenants (private and public) struggling to meet rental obligations. Reduced cash flow and impact on budget. Continued economic uncertainty creating increase in interest rates and inflationary pressures such as energy, workforce costs, supply chain pressures and invasion of Ukraine. Changes in ways of doing business, such as online shopping and increased potential of working from home – less office space needed. Increased vacancies following expiring contracts / insolvencies.	Director of Resources & S151 Mark Hak-Sanders	3	3	9	Close contact with tenants and clear understanding of their cashflow issues. Offering short-term rent free periods and deferred payment schemes for previously strong tenants. Proactive, rational and flexible approach to rents negotiations. Proactively seek new lettings and maximising income from existing assets. Good understanding of the local property market and national movement across all sectors. Positive relationship with private tenants. Proactive relationship with council tenants around debt. Proactive engagement with all tenants identified to be at risk (factors include covenant deterioration, payment history and business sector) Proactively seeking rent deposits and/or guarantors where possible for new lettings	Mitigations are ongoing.	Yes
SR5	Council is subject to a cybersecurity attack	Data breach. Impact on delivery of services Reputational damage.	Director of Resources & S151 Mark Hak-Sanders	2	4	8	Cyber Essentials certification in place. - Access to systems and data strictly controlled and data held securely to ensure it is only available as permitted and not at risk of loss or compromise Regular testing of the ICT security perimeter (firewalls), monitoring for new vulnerabilities of systems and a cycle of ensuring all system versions are up to date is in place. - Regular patching cycle of server and desktop infrastructure and also monthly review of security systems (Proxy server, firewalls, switches, backup software, HCI software) Council information governance, which includes cyber security elements, is reviewed quarterly and formally assessed annually. Information governance Board in place. The IT Acceptable Use Policy (AUP) updated with relevant guidance and information on cyber security risks Scheduled cyber security test exercises. IT staff undertake courses and webinars to keep abreast of emerging trends in cyber security	This is a risk we tolerate because even with the most robust measures it is impossible to fully mitigate against an attack. The team is working with DLUHC to review all procedures and has received funding to support the work.	Yes
SR6	Loss of some ICT systems and data due to disaster recovery solution not being in place	Inability to recover IT services if a potential disaster occurred, severely impacting delivery of most Council business Recovery of IT systems ineffective. Data loss.	Director of Resources & S151 Mark Hak-Sanders	1	4	4	Ongoing journey towards cloud based IT systems Laptops for all staff which enables a work from anywhere environment. A disaster recovery system and process is in place.		No

SR7	Inability to deliver UKSPF according to agreed timescales as a result of lack of clear vision for its use and lack of project management capacity.	Priorities not delivered, grant needing to be returned to government, reputational damage and lost potential for infrastructure investment.	Director of Resources & S151 Mark Hak-Sanders	2	3	6	C2C LEP commissioned to help develop our approach in line with expected governance. Action plan drawn up and agreed by Community Services. Actions starting to be being delivered.	TDC lead is currently interim adding to this risk. Members of the working group have been nominated.	No
SR8	Inability to deliver One Public Estate (OPE) according to agreed timescales as a result of lack of project management capacity and unclear expectations of funding body.	Priorities not delivered, grant needing to be returned to government, reputational damage and lost potential for infrastructure investment.	Director of Resources & S151 Mark Hak-Sanders	2	3	6	Ongoing discussions with Surrey County Council /OPE and partners on expected outcome. Meetings with funding body to be clear on expectations. Tender issued. Contract in place and project under way.	The contract has now been awarded and the project is underway. Regular updates with councillors and the S151 officer are taking place.	No
SR9	Delivering climate change action plan in set timescales.	Delays to reducing operational carbon emissions in line with the 2030 ambition. Negative impact on reputation - Council declared a climate change emergency in 2020. Increased likelihood of flooding impacting properties Extreme weather (heat and cold) impacting vulnerable residents Extreme weather having a greater impact on the day to day delivery of services Detrimental impact on the local environment	Head of Policy and Communications Giuseppina Valenza	3	3	9	Agree to tolerate residual risk as programme is not one of the Council's critical / statutory services. Work underway to co-ordinate and drive forward climate change mitigation activities. Officers involved in various county wide working groups to maintain knowledge and awareness of current activities. EV charging project has been agreed subject to financial and legal sign off. Well rehearsed plans to manage severe weather impact in place.	Services are working to mitigate climate change. Review and co-ordination of activity underway. Cross party councillor working party set up to agree revised strategy and action plan.	Yes

SR10	Organisational capacity to deliver is impacted	<p>If the organisation does not have capacity to deliver services this has implications for statutory services and could lead to service failure.</p> <p>Capacity problems increase turnover and absence and adversely affect wellbeing and productivity levels.</p> <p>Creates impact on service levels and increasing financial cost to the Council.</p> <p>Issues with significant gap between demands on employees and what they can realistically deliver.</p> <p>This can impact:</p> <ul style="list-style-type: none"> • Ability to recruit and retain talented staff • Effective prioritisation of key workstreams • Ability to respond to additional priorities • Managing public expectations of service delivery 	Chief Executive David Ford	3 3	9	<p>Efficient and effective recruitment and retention processes with targeted HR support and advice provided to hiring managers in place.</p> <p>Actions being embedded: Annual service and budget planning process aligned with the capacity of the organisation. Review of recruitment process. Use of skills matrix to identify gaps. Employing apprentices to grow own talent. Training and development of middle managers. Wider cultural change programme underway</p> <p>Actions to be taken Development of People Plan.</p>	<p>Future Tandridge Programme has reduced the size of some teams, which has an impact on capacity.</p> <p>Digital project will impact all staff and require support and engagement from all teams if it is to be successful.</p> <p>It has been difficult to recruit a Human Resources Organisational Development specialist, whose focus would be to lead, drive and deliver the actions detailed. The Council is working with Reigate and Banstead to recruit to that post. Some actions are being delivered, for example there are internal working groups reviewing recruitment. Training and development is being offered to middle managers.</p> <p>While recruitment is underway to various posts, until those posts are filled the likelihood rating remains high. Recruitment is difficult in some areas.</p>	Yes
SR11	Data Protection / Information Governance policies and procedures not in place	<p>Need to make sure personal data is secure and an individual's right to privacy is protected.</p> <p>If we fail to effectively act on and embed standards and procedures that enable us to do this, this could lead to distress and harm for data subjects as well as a loss of public trust and financial penalties to the organisation.</p> <p>This risk is informed by a number of issues, including:</p> <ul style="list-style-type: none"> • Potential data protection breaches, misuse of private information, breaches of European Convention of Human Rights (Article 8) and breaches of confidence enabling access to confidential data • Loss of data, including as a result of malicious cyber security attacks 	Head of Legal Lidia Harrison	2 1	3	<p>Data Protection Policy in place and regularly updated</p> <ul style="list-style-type: none"> - Data Protection training and updates for new and existing staff - Councillor training on responsibilities under appropriate Code of Conduct for new and existing Members - Information Asset Register in place - Records Retention Policy in place and implemented - Data sharing protocols in place and implemented - Data Protection procedures in place to for all new projects and processes - Software systems evaluated for GDPR compliance - Policy in place for compliant use of email by staff/councillors and document management arrangements - Statutory Data Protection Officer and Deputy in place - Data security threats (eg through phishing) addressed 		No

SR12	Corporate Health and Safety polices and procedures not in place	<p>Failing to have good Health and Safety arrangements in place, could lead to loss of service and / or preventable accidents to and ill health of staff, contractors, public or others.</p> <p>This risk is informed by a number of factors, including:</p> <ul style="list-style-type: none"> • Compliance with Health and Safety at Work Act • Continuing to reduce the risk of COVID-19 transmission • Civil Duty • Moral and Public Duty 	Head of Environment Simon Mander	2	3	6	<p>Corporate Health and Safety Policy, arrangements and procedures in place</p> <ul style="list-style-type: none"> - Regular reviews of health and safety arrangements by Health and Safety consultant - Health and Safety action plan in place - Employee induction includes focus on Health and Safety and all employees provided with Health and Safety Guidance with guidance. This includes effective communication and engagement with Staff Hub. Health and Safety Group, and use of external Health and Safety advice - Lone working procedure in place - Fire risk assessments in place for relevant Council properties - Arrangements with partner organisations/contractors to ensure appropriate Health and Safety requirements are in place - IOSH Health and Safety training undertaken. 	Work to improve health and safety is ongoing.	Yes
SR13	Future Tandridge Programme including Digital Transformation Programme	<p>Failure to deliver staff and efficiency savings.</p> <p>Failure of the digital project to reduce direct contact from residents and businesses.</p>	Director of Resources Mark Hak-Sanders	3	2	6	<p>FTP structured into workstreams with clear objectives and owners.</p> <p>Digital Transformation objectives and benefits included in a business case approved in June 2022.</p> <p>Work in progress to deliver the outcomes documented in the business case.</p> <p>Work started to review potential benefits of digital across the organisation and will result in a benefits realisation plan with timeline.</p> <p>Monthly highlight reports.</p> <p>Digital Programme Board set up.</p>	Work continuing on the programme, with regular monitoring of workstreams, monthly highlight reports approved by Sponsors. Savings have been clearly identified and are monitored regularly with owners (EMT). Digital Programme board meets regularly to monitor progress and resolve issues and agree mitigations for risks. A plan has now been shared and a further detailed plan will be created with resource details to enable resource planning across IT and other services.	Yes

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Appendix C - Corporate Risk Register

Ref:	Risk cause and event	Risk consequences	Risk Owner	L	I	RAG	Mitigating actions and responsibility	Status update
SR1	Inability of Council to make savings as identified in the Medium Term Financial Strategy and to delivered a balanced outturn for 2023/2024 and 2024/2025,	<p>Negative impact on the Council's budget.</p> <p>Council exhausts reserves to balance the budget.</p> <p>Reduce services / resources.</p> <p>Section 114 notice required to be issued by Director of Resources leading to cessation of non-essential spend and essential service provision at minimal level.</p> <p>Reputational damage.</p>	Director of Resources & S151 Mark Hak-Sanders	2	4	8	<p>Savings are managed through the Future Tandridge Programme Governance, of which the Chief Executive is Senior Reporting Officer. Savings are also included in regular financial monitoring. Actions in place:</p> <ul style="list-style-type: none"> - Robust budget monitoring and if appropriate, corrective action to ensure spending in line with the budget. - Range of actions (savings and other budget improvement measures) to address current and future financial environment to inform future business and budget planning - Fortnightly Programme and Benefits Delivery Board meetings of EMT chaired by the CFO. - Weekly EMT or MT meeting as escalation point. - Programme Team provides oversight on delivery including action tracking and risk register updates. - Specific governance arrangements for key savings areas. - Named owners for all savings and risks. - Fully allocated savings plan for 2023/2024. - Increased contingency held in the 2023/2024 budget. - Detailed savings plan approved for 2024/2025. 	<p>At outturn, 94% of savings for 2022/2023 were achieved. The Council completed the year with a small 1% surplus on budget.</p> <p>The 2023/2024 savings plan was approved by Council on 9 February at £1.7m. Delivery is tracked monthly and reported to each Strategy and Resources and Audit and Scrutiny. Currently 9% (£146k) is RAG rated Red or Black, with 15% (£255k) rated amber. This profile is typical at this point in the year and the amber value is under continual review.</p> <p>A savings realisation audit for 2022/2023 gave 'substantial' assurance and the audit will be repeated in 2023/2024.</p> <p>Budget planning for 2024/25 is complete, with the budget approved in February 2024, balanced without the use of reserves and with a £0.6m savings plan.</p>
SR4	Failure to meet rental income targets due to market difficulties of renting out council assets and current business tenants not able to make rent payments.	<p>Increased risk of tenants (private and public) struggling to meet rental obligations.</p> <p>Reduced cash flow and impact on budget.</p> <p>Continued economic uncertainty creating increase in interest rates and inflationary pressures such as energy, workforce costs, supply chain pressures and invasion of Ukraine.</p> <p>Changes in ways of doing business, such as online shopping and increased potential of working from home – less office space needed.</p> <p>Increased vacancies following expiring contracts / insolvencies.</p>	Director of Resources & S151 Mark Hak-Sanders	3	3	9	<p>Close contact with tenants and clear understanding of their cashflow issues.</p> <p>Offering short-term rent free periods and deferred payment schemes for previously strong tenants.</p> <p>Proactive, rational and flexible approach to rents negotiations.</p> <p>Proactively seek new lettings and maximising income from existing assets.</p> <p>Good understanding of the local property market and national movement across all sectors.</p> <p>Positive relationship with private tenants.</p> <p>Proactive relationship with council tenants around debt.</p> <p>Proactive engagement with all tenants identified to be at risk (factors include covenant deterioration, payment history and business sector)</p> <p>Proactively seeking rent deposits and/or guarantors where possible for new lettings</p>	Mitigations are ongoing.

APPENDIX C – Corporate Risk Register

<p>SR5</p>	<p>Council is subject to a cybersecurity attack</p>	<p>Data breach. Impact on delivery of services Reputational damage.</p>	<p>Director of Resources & S151 Mark Hak Sanders</p>	<p>2</p>	<p>4</p>	<p>8</p>	<p>Cyber Essentials certification in place. - Access to systems and data strictly controlled and data held securely to ensure it is only available as permitted and not at risk of loss or compromise Regular testing of the ICT security perimeter (firewalls), monitoring for new vulnerabilities of systems and a cycle of ensuring all system versions are up to date is in place. - Regular patching cycle of server and desktop infrastructure and also monthly review of security systems (Proxy server, firewalls, switches, backup software, HCI software) Council information governance, which includes cyber security elements, is reviewed quarterly and formally assessed annually. Information governance Board in place. The IT Acceptable Use Policy (AUP) updated with relevant guidance and information on cyber security risks Scheduled cyber security test exercises. IT staff undertake courses and webinars to keep abreast of emerging trends in cyber security</p>	<p>This is a risk we tolerate because even with the most robust measures it is impossible to fully mitigate against an attack. The team is working with DLUHC to review all procedures and has received funding to support the work.</p>
<p>SR9</p>	<p>Delivering climate change action plan in set timescales.</p>	<p>Delays to reducing operational carbon emissions in line with the 2030 ambition. Negative impact on reputation - Council declared a climate change emergency in 2020. Increased likelihood of flooding impacting properties Extreme weather (heat and cold) impacting vulnerable residents Extreme weather having a greater impact on the day to day delivery of services Detrimental impact on the local environment</p>	<p>Head of Policy and Communications Giuseppina Valenza</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Agree to tolerate residual risk as programme is not one of the Council's critical / statutory services. Work underway to co-ordinate and drive forward climate change mitigation activities. Officers involved in various county wide working groups to maintain knowledge and awareness of current activities. EV charging project has been agreed subject to financial and legal sign off. Well rehearsed plans to manage severe weather impact in place.</p>	<p>Services are working to mitigate climate change. Review and co-ordination of activity underway. Cross party councillor working party set up to agree revised strategy and action plan.</p>

APPENDIX C – Corporate Risk Register

SR10	Organisational capacity to deliver is impacted	<p>If the organisation does not have capacity to deliver services this has implications for statutory services and could lead to service failure. Capacity problems increase turnover and absence and adversely affect wellbeing and productivity levels. Creates impact on service levels and increasing financial cost to the Council. Issues with significant gap between demands on employees and what they can realistically deliver. This can impact:</p> <ul style="list-style-type: none"> • Ability to recruit and retain talented staff • Effective prioritisation of key workstreams • Ability to respond to additional priorities • Managing public expectations of service delivery 	Chief Executive David Ford	3	3	9	<p>Efficient and effective recruitment and retention processes with targeted HR support and advice provided to hiring managers in place.</p> <p>Actions being embedded: Annual service and budget planning process aligned with the capacity of the organisation. Review of recruitment process. Use of skills matrix to identify gaps. Employing apprentices to grow own talent. Training and development of middle managers. Wider cultural change programme underway</p> <p>Actions to be taken Development of People Plan.</p>	<p>Future Tandridge Programme has reduced the size of some teams, which has an impact on capacity.</p> <p>Digital project will impact all staff and require support and engagement from all teams if it is to be successful.</p> <p>It has been difficult to recruit a Human Resources Organisational Development specialist, whose focus would be to lead, drive and deliver the actions detailed. The Council is working with Reigate and Banstead to recruit to that post. Some actions are being delivered, for example there are internal working groups reviewing recruitment. Training and development is being offered to middle managers.</p> <p>While recruitment is underway to various posts, until those posts are filled the likelihood rating remains high. Recruitment is difficult in some areas.</p>
SR12	Corporate Health and Safety policies and procedures not in place	<p>Failing to have good Health and Safety arrangements in place, could lead to loss of service and / or preventable accidents to and ill health of staff, contractors, public or others.</p> <p>This risk is informed by a number of factors, including:</p> <ul style="list-style-type: none"> • Compliance with Health and Safety at Work Act • Continuing to reduce the risk of COVID-19 transmission • Civil Duty • Moral and Public Duty 	Head of Operations Simon Mander	2	3	6	<p>Corporate Health and Safety Policy, arrangements and procedures in place</p> <ul style="list-style-type: none"> - Regular reviews of health and safety arrangements by Health and Safety consultant - Health and Safety action plan in place - Employee induction includes focus on Health and Safety and all employees provided with Health and Safety Guidance with guidance. This includes effective communication and engagement with Staff Hub. Health and Safety Group, and use of external Health and Safety advice - Lone working procedure in place - Fire risk assessments in place for relevant Council properties - Arrangements with partner organisations/contractors to ensure appropriate Health and Safety requirements are in place - IOSH Health and Safety training undertaken. 	<p>Work to improve health and safety is ongoing.</p>

APPENDIX C - Corporate Risk Register

SR13	Future Tandridge Programme including Digital Transformation Programme	Failure to deliver staff and efficiency savings. Failure of the digital project to reduce direct contact from residents and businesses.	Director of Resources Mark Hak-Sanders	3	2	6	<p>FTP structured into workstreams with clear objectives and owners.</p> <p>Digital Transformation objectives and benefits included in a business case approved in June 2022.</p> <p>Work in progress to deliver the outcomes documented in the business case.</p> <p>Work started to review potential benefits of digital across the organisation and will result in a benefits realisation plan with timeline.</p> <p>Monthly highlight reports.</p> <p>Digital Programme Board set up.</p>	<p>Work continuing on the programme, with regular monitoring of workstreams, monthly highlight reports approved by Sponsors. Savings have been clearly identified and are monitored regularly with owners (EMT). Digital Programme board meets regularly to monitor progress and resolve issues and agree mitigations for risks. A plan has now been shared and a further detailed plan will be created with resource details to enable resource planning across IT and other services.</p>
P1	Lack of up-to-date adopted district wide local plan makes resisting inappropriate green belt applications more challenging.	<p>Financial cost to the Council in defending inappropriate planning applications at appeal.</p> <p>Additional pressures on Development Management and policy teams and ability to adequately resource.</p> <p>Additional costs associated with developing a new district wide plan.</p> <p>Potential delay in bringing forward new district wide plan as a result of government slowness in introducing changes to the planning system. Inability to benefit from the use of transitional arrangements for plan making as a result.</p>	Chief Planning Officer	4	4	16	<p>Action already taken:</p> <p>Interim Policy Statement for Housing Delivery in place and is successfully bringing forward a housing supply.</p> <p>Future actions:</p> <p>Develop strategy and work programmes to mitigate impacts of plan being found unsound.</p> <p>Prepare new Local Plan timetable and update evidence base.</p> <p>Retain existing evidence base on website and review to determine which can remain extant and relied on to inform future decision making and what needs updating.</p> <p>Prepare new evidence to support Development Management and policy functions and the preparation of a new Local Plan.</p> <p>Seek support, eg from PAS, to help ensure a robust approach to future plan-making that takes on board latest advice and experience elsewhere.</p>	<p>Received Inspector's final report recommending non adoption of the Local Plan.</p>
P2	Lack of five year housing land supply including gypsy and traveller land	<p>Financial cost to the Council in potentially having to defend inappropriate planning applications at appeal.</p> <p>Increase in pressure to identify and support sites to accommodate traveller and showpeople outside of plan making.</p>	Chief Planning Officer	4	4	16	<p>Call for sites, update Brownfield Register and HELAA.</p> <p>Updating of traveller need and supply evidence.</p> <p>Defend appeals.</p>	<p>Call for sites completed on 17 March and Brownfield Register updated.</p> <p>Prepare Interim Gypsy, Traveller and Travelling Showpeople position statement.</p>

APPENDIX C – Corporate Risk Register

P3	Lack of capacity in planning team, difficulty in recruiting permanent staff and issues with IT systems negatively impacts performance.	Financial pressures due to use of interims. Inability to sustainably maintain desired policy work programme. Difficulty providing non-statutory services which are valued because of prioritisation of statutory services.	Chief Planning Officer	4	4	16	Review of recruitment practices and speeding them up. Reduce reliance on interim staff. Recruit apprentices. Review IT systems.	New round of recruitment for permanent staff. Hiring of junior planner(s) to support senior officers to free up time spent on more administrative tasks. Explore opportunities to share resources with neighbouring authorities.
H1	Council fails to deliver the target number of properties in the Council House Building Programme, due to poor performance of the contractor, planning delays, unplanned costs, availability of materials and utility providers	Inability to meet local housing need and increase in number of households living in unsatisfactory housing conditions. Increase in homelessness and related costs. Failure to meet statutory homelessness duties. Negative impact on resident wellbeing. Negative publicity and reputational damage.	Lead Housing Development Specialist Nicola Cresswell	3	4	12	Active management of contracts via monthly contractor meetings and day to day contact with the project team. Appointment of Employers Agent to manage the contractor on behalf of the Council. Programme includes work to minimise inevitable delays resulting from manufacturing delays, material shortages, sub-contract labour being temporarily shut down. Use of alternative materials to overcome supply shortages, different designs and different finishes and use of materials that are readily obtainable. Early liaison with utility providers by the contractor and the use of mature approved drainage plans within contract documentation. Financial assistance package approved by HC for the contractor at the Caterham on the Hill schemes. Two stage contracts investigated. Initial conversations with a MMC contractor and the CIC Building Better who facilitate procurement options and solutions for MMC. Maximising opportunities to release land for development by seeking sites from other public sector bodies, open market transactions and working with Asset Management to identify suitable land holdings. Completed on purchase of land in Caterham to deliver 16 affordable homes for rent. Extension of the buy-back programme with a strategic focus to enable development as well as providing new homes. Utilised preferential grant rates available in the LAHF programme to increase stock of family sized housing. Achieved Investment Partner status with Homes England to allow for grant funding to subsidise the building programme. £1,450,000 secured to date. Capacity issues in team being addressed with additional members of staff. New Housing Development support Officer started this year. Temporary Project manager in place. Working with TDC ecologist to identify suitable land holdings for off site BNG provision. Early appointment of ecologists to design in BNG from an early stage.	Contractors at both Uplands and Bronzeoak in voluntary liquidation following reports of financial difficulties. Uplands has new contractor and work onsite is ongoing. Handovers expected in both March/April. Financial assistance package approved by HC for the contractor at the Caterham on the Hill schemes. Schemes now progressing well and no current indications of cash flow problems. New homes programme seeing an increase in build costs due to material and energy price rises – and the construction industry being energy intensive. Officers pursuing Continuing investigation into MMC as an option. Consideration of procurement frameworks or Dynamic Purchasing Systems for contractor appointments. Acquisition continues on 2 further land purchases for approx. 20 and 13 homes. One property identified and acquisition in progress. LAHF1 property purchases (x7) completed. LAHF R2 property purchases (x6) to complete by end of March 2024. LAHF 3 to be announced shortly. Bid applications for Windmill/Auckland and wolfs Wood will be submitted shortly. Permanent PM role to commence in April)
CS2	Loss of Goods Vehicle Operating Licence at the depot (due to lack of resilience).	Inability to carry out cess pool services impacting on public health. Reputational impact.	Head of Environment Simon Mander	3	4	12	Agency contacted to provide candidates to cover this role. Discussions with Sevenoaks District Council and Reigate and Bansted Borough Council to see if their transport manager(s) can carry out the work.	An external company has carried out an audit and identified areas for improvement. The interim Transport Manager has left the position.

APPENDIX C – Corporate Risk Register

CS3	Delays in monitoring council owned trees and impact of Ash dieback creates greater risk of tree falls	<p>Risk to life if procedures are not followed.</p> <p>Reputation of the Council if there are any injuries or fatalities.</p> <p>Legal implications if Council does not meet statutory obligations under the Civil Contingencies act.</p> <p>Financial implications due to damage to property / persons.</p>	Head of Environment Simon Mander	3	4	12	<p>A Tree Management Plan is in place which sets out the inspection regime according to high, medium, and low criteria depending on where the trees are situated.</p> <p>There is a planned monitoring schedule for site inspections based on their risk score.</p> <p>Actions to take The Council needs to produce woodland management plans and manage the ash dieback removal project.</p> <p>Recruitment of the a new Tree Officer</p>	<p>The Council has struggled with the continuous employment of a Tree Officer, which has led to fewer inspections, resulting in a backlog of inspections. This has been challenging to catch up on.</p> <p>Currently there are 22 high risk sites overdue their inspection. This is on hold due to the vacant Tree Officer role.</p> <p>Work underway to commission woodland management consultants to produce the woodland management plan is on hold due to the vacant Tree Officer role.</p>
CS5	Failure of Freedom Leisure Contract	<p>Loss of leisure facilities in the district and impact on residents' wellbeing</p> <p>Financial implications as two sites are owned by the Council.</p> <p>Reputational risk if Council seen as unsupportive. Increase in complaints to the Council from residents. Negative impact in Partnership working with Health and Community stakeholders</p>	Head of Communities Julie Porter	3	3	9	<p>Review of the current contract and financial position carried out by an independent consultant.</p> <p>Bid submitted via Sports England for the Swimming Pool support fund to assist with the financial pressures due to the increase in energy costs. The Council was successful with this bid.</p> <p>Energy prices have reduced slightly and cost mitigations have taken place on both sites.</p> <p>Regular monthly meetings with Freedom Leisure, monthly monitoring submitted to Sports England as part of the Swimming Pool support grant monitoring.</p>	<p>The Council was successful with funding for both de Stafford and Tandridge Leisure. Funds are to be put towards the cost of utilities.</p> <p>A Leisure/Wellbeing strategy is being looked at to be published later in 2024/2025 working with in partnership with Freedom Leisure and Active Surrey.</p> <p>The Council was not successful in Phase 2 of the Swimming Pool Support fund.</p>

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Risk matrix

Likelihood	Very Likely	4	4	8	12	16
	Likely	3	3	6	9	12
	Possible	2	2	4	6	8
	Unlikely	1	1	2	3	4
			1	2	3	4
			Low	Medium	High	Very High
Impact						

Future Tandridge Programme Update

Strategy and Resources Committee

Thursday 26th March 2024

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

Purpose: For information

Publication status: Unrestricted

Wards affected: All

Executive Summary:

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

It provides:

- A review of the progress with the overall Future Tandridge Programme, covering activities and key milestones, outcomes to be achieved and progress made to date.
- An update on the Grounds Maintenance Procurement provided to Community Services Committee.
- An update on the Voids contract project provided to Housing Committee.
- A progress update on Digital Transformation.

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

Contact officers:

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Mark Hak-Sanders – Director of Resources (Section 151 Officer)
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Recommendations to Committee:

That the Committee 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:

The Future Tandrige 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

The report provides the regular update to Committee on progress in delivering the Future Tandrige Programme.

2. Future Tandrige Programme

This section summarises progress on delivering the Future Tandrige Programme and a timeline can be found in the programme roadmap in Appendix A.

To deliver the benefits outlined in the Future Tandrige 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	Approved Corporate Plan. Service planning and delivery embedded, linked to Corporate Plan	Corporate plan	Stakeholder meetings, Member workshop, residents survey, Draft plan review – Jan 2024 Consultation with all stakeholders – Feb 2024	June 2024 – begin aligning plan with service plans and objectives Launch new plan- June 2024	Four week Consultation period to 17th March
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		
Continuous improvement	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 – Jan 2024 Timetable in place – Jan 2024 - Training and behaviours rollout – beginning Jan 2024 Define roles and governance- Jan 2024	Intelligent client model defined – Mar 2024	Timetable being developed Feb –March 2024 Agree process – March 2024 Intelligent client function being progressed - model and skills – April 2024

Programme outcomes and key milestones table (2)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Support services	D Ford 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 Mar 2023 Part of the continuous improvement rollout Dec 2023 onwards	
Digital & 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 My account 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 – Sep 23 Upgraded Telephony system – 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. Out of scope dependency items – data cleansing, chatbot scripts, website refresh – Digital programme being monitored. Telephony go-live – 14th Feb 2024	Telephony went live – 14th Feb 2024

Programme outcomes and key milestones table (3)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Operations Transformation	T Pearson-Rose Prog Delivery & benefits board	Delivering operations, localities and Waste in the most cost effective and best way for our 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	
FTP Phase 2 - Service reviews	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 previous committee papers.	Further service review improvements – March 2024	

Programme outcomes and key milestones table (4)

Workstream	Owner	Outcome	Deliverable	Progress to date	Next steps	Changes
Organisational design	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 success restructure.	Engage Org Design resource. through potential shared role with RBBC - ongoing March onwards 2024 Skills matrix in development with Key Officer Forum – tbc Review of appraisals, objectives setting and measurement.	Scope being reviewed, priorities being identified. – Jan-March 24 Appraisal timeline – March 24
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 – starting March 2024 Performance management - Training and development. One Team activities to continue to support culture change Key officer forum progressing improvement projects.	
24/25 savings	Mark Hak-Sanders TOMDG	Achieve savings target approved in January 2024 final budget		Scoped and agreed across services during Q2 2023.	Review of resource requirements underway. Jan 2024 Savings approved at full council- Feb 2024 Planning underway – Feb 2024	

Programme outcomes and key milestones table (5)

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	
Commercial strategy	Mark Hak-Sanders EMT TOMDG		Commercial strategy Commercial plan	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	Draft strategy in development - Jan-June 2024 Member engagement – May 24 Aiming to bring commercial strategy to committee - June 24

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

3. FTP Progress update

3.1 Organisational Development

Recognising the urgency of developing the Council's People Plan, the Programme Team is now coordinating the workstream and documenting completed, outstanding and planned actions in relation to Organisational Development and work is continuing to review scope and agree priorities. The working group is meeting on a fortnightly basis and is pushing forwards to create and deliver an action plan.

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 are shortlisting suppliers to begin as soon as possible. At the moment, options are being explored and the council will work to use external support only where it makes sense to do so and will then implement any changes needed with internal resources.

3.2 Operations - Grounds Maintenance

Work to develop specifications has progressed well and a delivery plan has been agreed with Procurement and Legal stakeholders in advance of the implementation of a new delivery model in preparation for go-live in October 2024.

Recommendations on the commercial structure of the contract and depot provision were taken to the March Community Services Committee for consideration and were approved. A Procurement timetable is now well under way.

A recommendation on the HRA Grounds maintenance approach is being taken to the March Housing committee for consideration.

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.

Work is also now progressing 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.

3.3 Digital Transformation

Since the update provided in the January 2024 Strategy & Resources Committee paper, the following progress has been made in the Digital workstream:

- The Council's implementation partner is continuing to work on the setup and configuration of the new Salesforce technologies.
- Website – The build has progressed well. Initial meetings about design and layout parameters have proved valuable and further meetings are continuing to establish a workable design.
- MyTandridge Account technical architecture and data structure design is in progress. This is how the various components will interact (fetch/send data between systems) and how the source data will be arranged to make it efficient and user friendly.
- Chatbot – flow and chat structure has been built out and it is envisaged that initial testing on its functionality will commence shortly.
- Telephony Go-Live took place on 14th February.
- Telephone training has taken place and has resulted in a successful go-live day in February. Further training is being arranged around reporting functionality.
- A technical business analyst is now in post.

3.3.1 Telephony Go-live

During February, the new telephony system went live, this was conducted in phased stages from the end of January leading up to contact centre changeover on 14th February. This involved working closely with RingCentral and all staff at TDC.

A full lessons-learned exercise will be undertaken as per FTP governance. However, key points from the successful telephony implementation, to take into the wider Digital Project are:

- Ensuring organisational resource is available to support critical pieces of work, reviewing implementation plans in the context of wider pressures and prioritising where necessary
- Setting out a clear delivery plan with critical path items and dependencies highlighted
- Using external expertise where needed
- Ensuring that project teams include key representatives from across the Council so that the project is well understood and supported
- Ensuring that adequate backup / fail-safe arrangements are in place
- Allowing for thorough testing, with adequate resources made available

- Engagement with Members in advance to ensure visibility, scrutiny and consultation
- Clear communication and expectation management with all key stakeholders.

Learnings from projects are stored in a central log for future use by the programme team as part of the continuous improvement framework.

Work is continuing to ensure that the optimal system configuration and ensuring we are ready to port the main telephone numbers across to the new system. We are working towards mid-May, which includes responding to feedback, pre-porting configurations and analysis and arranging further training around reporting systems.

3.3.2 Digital Dependencies

The following dependencies have been identified for the Digital MyTandridge and Chatbot implementations and programme and board established to ensure all project objectives and timelines are aligned:

- Work continues to identify duplications to ensure that Salesforce information is not duplicated within MyTandridge Account. Scoping requires completion to identify the data sets required.
- Most website pages have been checked and updated as necessary and currently on track to be completed in time.
- Knowledge Articles – these are being drafted by subject matter experts in the relevant service areas. Guidance has been provided on what good looks like to formulate a standardised format and tone of voice for knowledge articles.
- Key officer Forum continues to promote digital policies and procedures.

Potential new risks relate to limited specialist resources who have competing time-pressures (for business critical projects with Southern Building Control and Adelante (Income Management Software)). There is a risk of delay to delivery of MyTandridge if there is insufficient resource capacity, although the projects are being sequenced carefully to minimise the risk.

3.4 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. The council are using PeopleToo to provide external expertise to support in this area. Two EMT workshops have been led by them and following that the list of commercial initiatives has been reviewed and scored using criteria agreed in the workshops. Further work is required to review the outcomes and agree priorities. The council have worked jointly on a draft strategy with PeopleToo and there will be further engagement with members before the June committee to explore the overall approach to commercial activity and the risk appetite.

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 June 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.

3.5 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. Work scheduling and performance management will be embedded into future contracts as part of the intelligent client model.

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.

Officers are focussing on the intelligent client function and how this will operate with the corporate plan and procurement function at service and corporate level. This will include a review of the skills required to embed intelligent client at the Council.

3.6 Leadership – Corporate Plan

Work is continuing on the corporate plan, with stakeholder consultation undertaken for four weeks into mid-March. Following this, the plan will be reviewed by members before being brought to Strategy and Resources Committee in June. Approval will be sought at Full Council in July.

Following approval, action plans will be developed by officers to ensure there is a clear link between the corporate plan and service delivery. An annual review of actions will be scheduled to ensure the plan is delivering against its objectives, as well as ensuring it is still reflective of need.

3.7 Voids

The void project continues to take shape; it is hoped that the contract will be able to be awarded in June 2024. To date the following has been completed:

- The PID has been completed.
- Soft market testing is underway.
- Procurement Activity Request form has been submitted to the procurement board to fully assess needs and timelines.
- Permission has been sought regarding delegated decisions at the Housing committee on 19th March.
- Discussions with operatives have taken place regarding the transition from them undertaking void work to them undertaking responsive repairs only.

Currently work is ongoing to ensure that:

- Legal and procurement timeframes are being fully scoped
- Specifications are being finalised to establish void requirements and consistent levels of service.
- Authority to procure a contract and agreement delegated authority to officers to enter into a contract were taken to the March Housing committee.

4. FTP Savings Delivery and Risk update

- 4.1 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.
- 4.2 The table, below, is the key indicator of progress in delivering the savings. The position has improved since the previous update to Committee in January 2024. 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.

		January	February			Variance
RAG status	RAG rating determination	Total Jan 2023 £000	Staff savings 23/24 £000	Non-Staff savings 23/24 £000	Total Feb 23/24 £000	Movement Jan to Feb £000
	Savings delivered	£961	£572	£418	£990	£29
	Clear plans, realistic timescales	£252	£65	£198	£263	£11
	Some risks to delivery or detailed delivery plan still in development	£255	£0	£255	£255	£0
	Significant risks to delivery, delivery plan yet to be agreed	£40	£0	£0	£0	(£40)
	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 £990k of savings are marked as complete, i.e., all necessary actions have been taken in order to deliver the saving.

A further £263k 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.

The position across delivered and green rated savings has improved by £40k since the Quarter 2 report.

£26k in Regulatory Services is 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 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.
- £10k in Customer Services – reviewing outgoing mail, printing and postage savings opportunities.

4.3 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 monthly and monthly 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. High scoring risks are logged in the programme RAID log to ensure they are escalated to the programme manager and receive appropriate attention.

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

5. Next Steps

- 5.1 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.
- 5.2 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. This will gather pace once the Transformation Programme Director starts in April.

6. Comments of the Chief Finance Officer (S151)

- 6.1 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 and service sustainability as a priority in order to ensure stable provision of services in the medium-term.
- 6.2 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.

7. Comments of the Head of Legal Services

- 7.1 There are no significant legal implications associated with this report . 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. Delivering the FTP and an associated commercial strategy will therefore contribute to achieving this legal duty.

8. Equality

- 8.1 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.
- 8.2 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.
- 8.3 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.

- 8.4 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.
- 8.5 Officers will continue to review proposed changes against the initial equalities screening tool prior to final implementation and take mitigating action if necessary.

9. Climate Change implications

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

Background Papers

Strategy & Resources Committee – February 2022 – [Future Tandrige Programme](#)

Strategy & Resources Committee - June 2023 – [Future Tandrige programme and 2024/25 budget setting process](#)

Strategy & Resources Committee - September 2023 – [Future Tandrige programme](#)

Strategy & Resources Committee – November 2023 – [Draft budget and Future Tandrige Programme update](#)

Strategy & Resources Committee – January 2024 – [Strategy & Resources Committee – 2024/25 Proposed General Fund Budget and Medium-Term Financial Strategy](#)

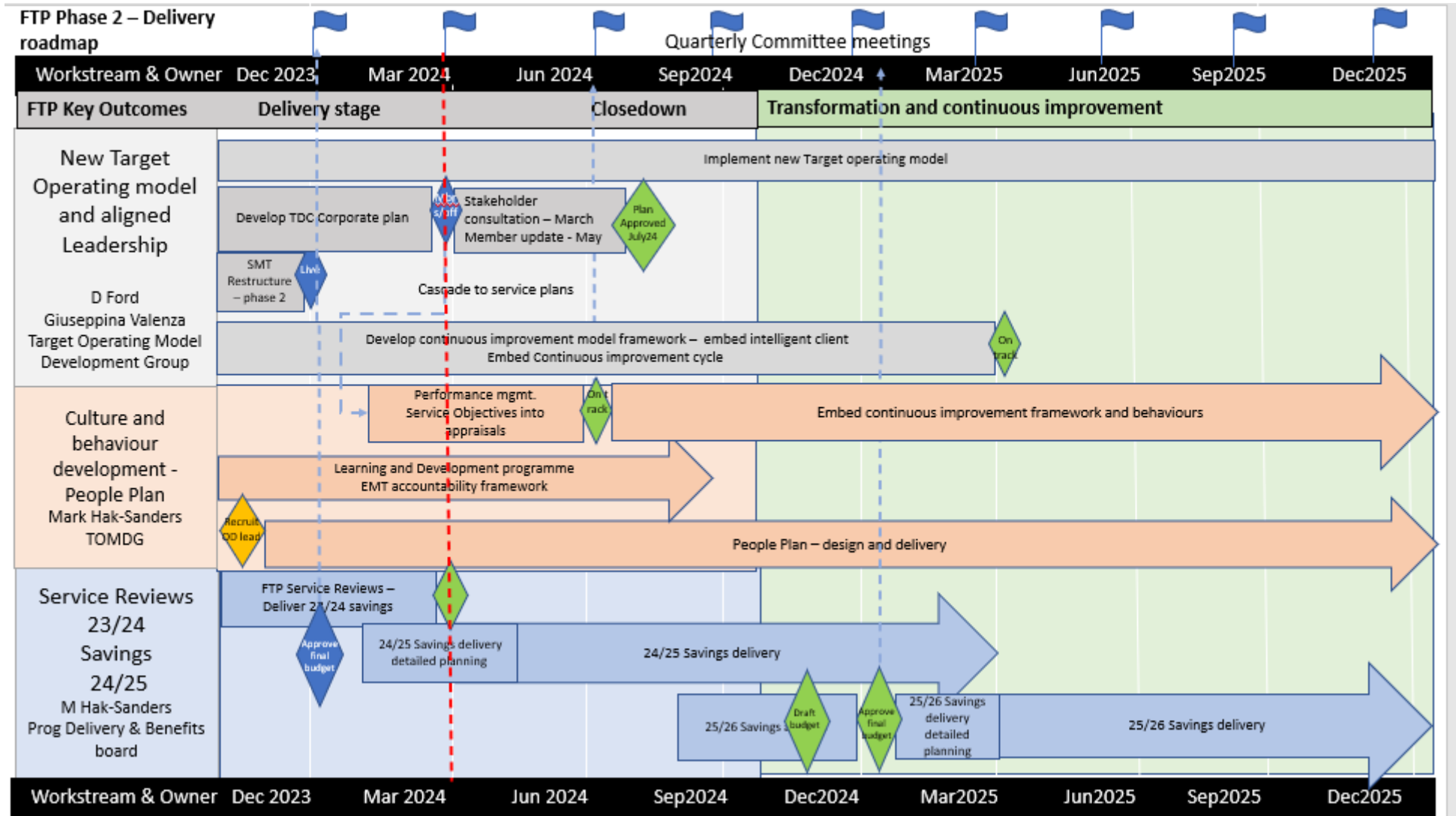
Future Tandrige Programme Appendices

Appendix A – Future Tandrige Programme Road Map

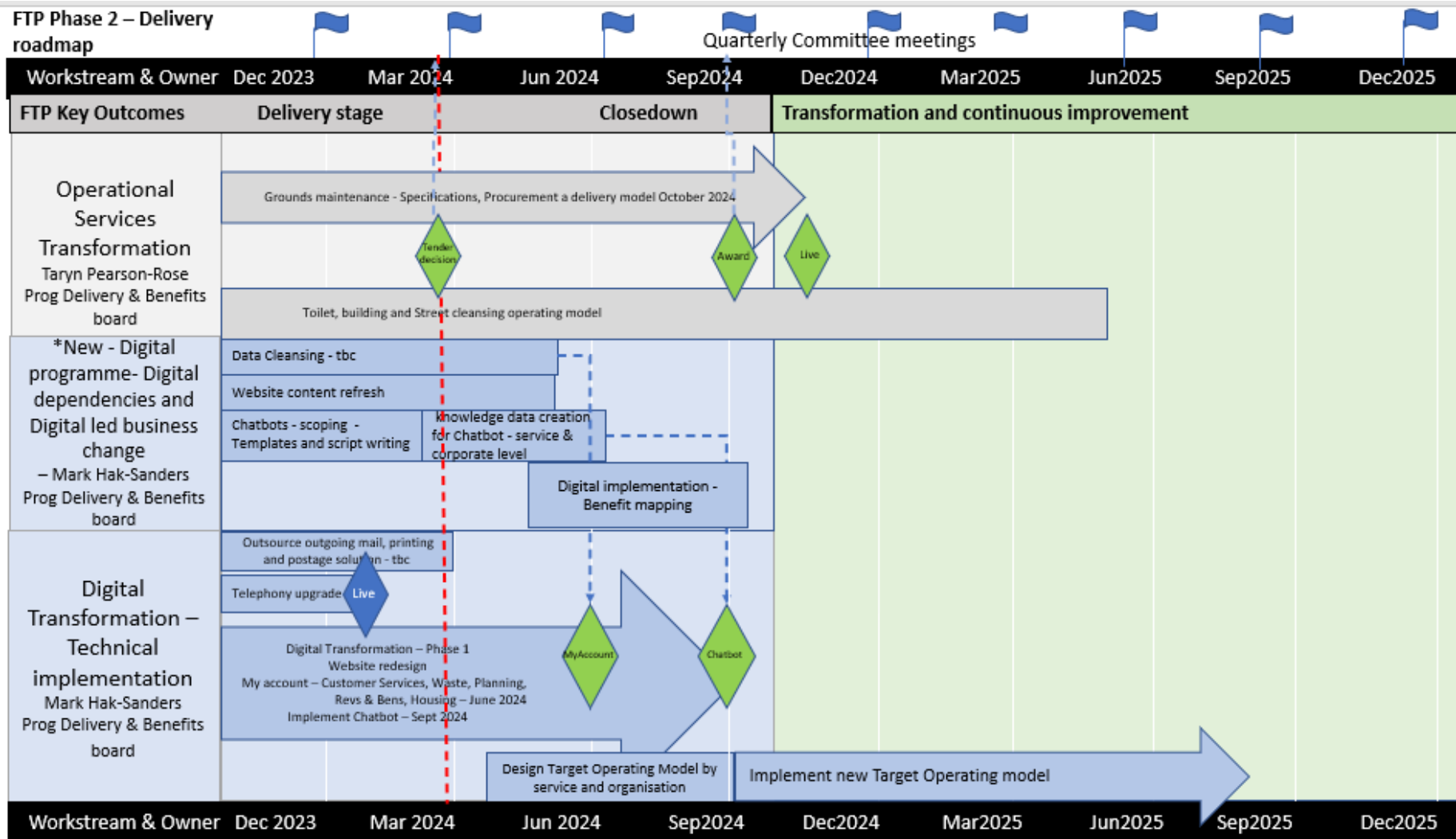
Appendix B - FTP Risk Register

Appendix C – Glossary

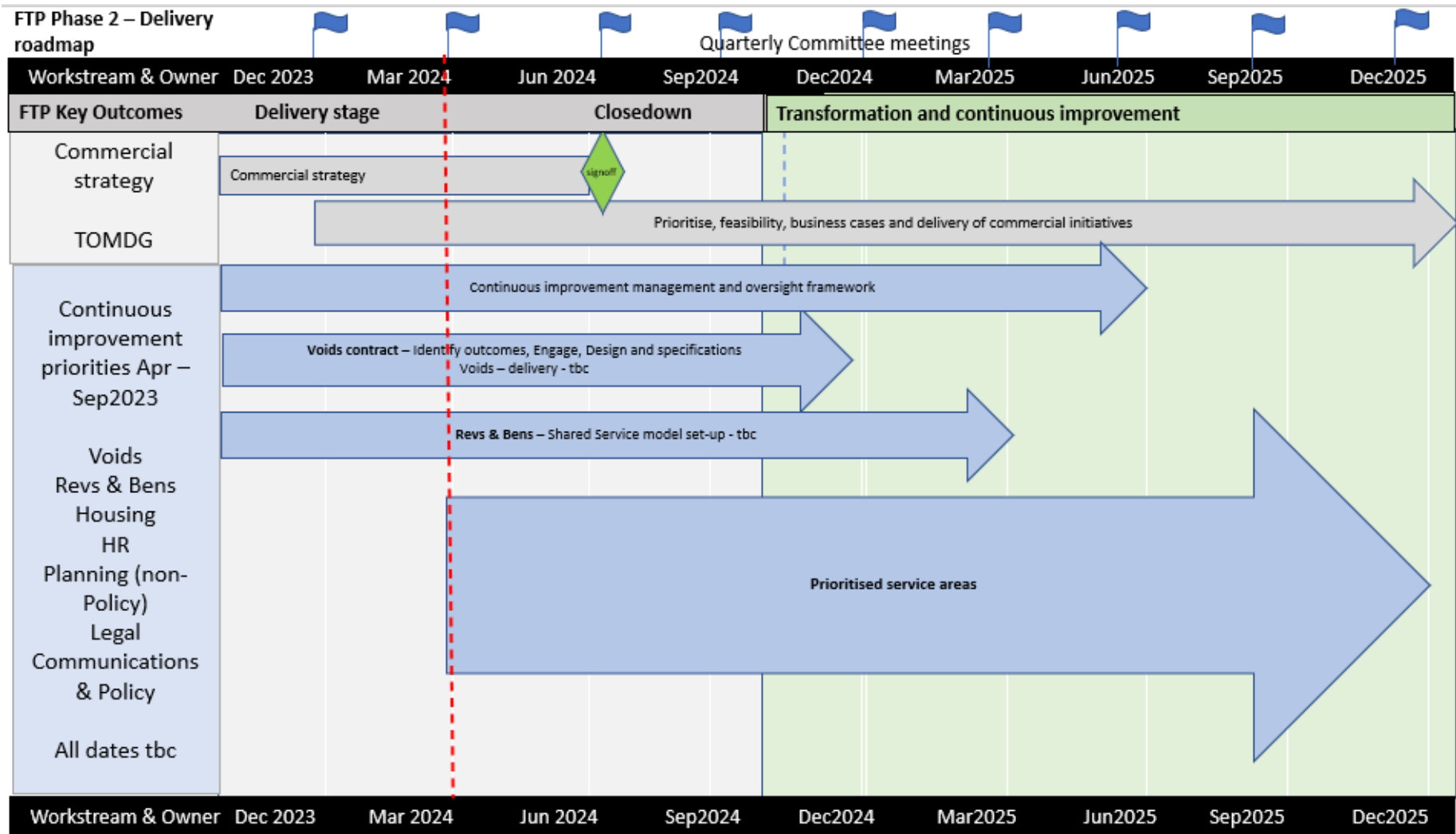
Appendix A - Future Tandridge Programme Roadmap



Appendix A – Future Tandridge Programme Roadmap



Appendix A – Future Tandridge Programme Roadmap



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Strategy & Resources March 2024 - Appendix B – 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 Council's 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>February 24 – The next phase of appraisals /objectives is in progress which will focus on developing SMART objectives for all staff that link to the corporate plan objectives and ensure we are acknowledging people for their contribution.</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	David Ford-TOMDG
				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 assess actions to mitigate.	Weekly 1-2-1 meetings with heads of service and/or delivery lead to ensure that the plan is in place and credible and is being followed and that any milestones at risk are addressed promptly to prevent slippage.	In prog		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
				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. Ensure resource requirements are clearly signposted where resources are required for 'change' work enabling them and their managers to plan ahead to accommodate the work. Where this is not possible, options are to replan the project work OR backfill roles where the 'change' is a priority. Where there are risks, such as Salesforce dependency, there are plans being developed to build up our internal knowledge base to reduce	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

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
				the risk of stretching resources too thinly or losing valuable knowledge.				
				Individual plans to be baselined within the programme and used as drivers for savings delivery by the EMT / stream leads and Finance/Benefits Programme board. All risks to delivery identified by the plan owners are escalated to the Programme delivery board.	Individual plans are to be collated at programme level. Regular EMT delivery board meetings held where all savings at risk are raised and collectively resolved.	Complete		
				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		

Risk	Topic	Risk description	Original score	Mitigated approach	Actions taken	Mitigation Status	Mitigated score	Owner
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	<p>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.</p> <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>March 2024 Working group set up to agree scope and priorities and implement an action plan. Key areas are recruit and retain and implementation of appraisals linked to service plans. A pay and reward review is also being planned, with scoping currently in progress. Quotes will be sought from three potential partners before the work goes ahead.</p> <p>January 2024 Look to secure support for organisation development and change management. Plan the adoption of systems throughout the organisation.</p> <p>Looking at the future model for services and the Council – August 2023</p>	In prog	12	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>

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>March 2024 - High level milestone plan walkthrough at Core Digital Programme board, this plan details the key activities for MyTandridge and chatbot implementations. Likelihood reduced from 4 to 3.</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	12	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>
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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>Feb 2024 Score reduced from 12 to 8 due to sponsorship of plans and visibility of dependencies and overall plan in place.</p> <p>January 2024 - Digital programme set up with workstream leads identified, regular catch up and overall plan for review, risk monitoring. 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> <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.</p>	In prog	8	<p>Mark Hak-Sanders</p> <p>Prog & Benefits delivery board</p>
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					Revised resources to be reviewed with Digital PM.			
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Risk	Topic	Risk description	Original score	Mitigated approach	Action taken	Mitigation Status	Mitigated score	Owner
24	Operations - Grounds Maintenance	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.	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. Likelihood reduced from 4 to 3.</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	12	<p>Simon Mander</p> <p>Prog & Benefits delivery board</p>

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 and alternate options will be developed as a fallback if bids are significantly outside the approved budget envelope. Review all submitted bids - we are aware of how much each of the lots should cost for resources and equipment, therefore TDC will have an expectation of the costs of each bid.	In prog	12	Simon Mander Operations Project board
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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
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	<p>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.</p> <p>Multiple lots introduces more overheads such as higher number of suppliers and contracts and more time spent on day to day monitoring and management.</p>	<p>Review of lot structures is currently underway.</p> <p>if no sensible bids received, alternatives would be considered.</p>	In prog	12	Simon Mander Operations Project board

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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
25	Resources	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	16	Advertise the role in the appropriate publications, such as the MJ (Management journal) for maximum exposure.	Job advertised in MJ and usual recruitment channels in early November, with three-week run for the advert.	March 2024 - Propose to close this risk in March risk review.	4	David Ford TOMDG

		medium-term will not be developed.		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.		January 2024 - Reduced likelihood from 3 to 1 due to recruitment being well progressed. New risk raised in November 2023	
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Strategy & Resources March 2024 - Appendix C - Glossary of Terms

Term	Definition
Balanced Budget	Budget pressures fully offset by budget savings and funding changes.
KLOE	Key line of enquiry – areas to be explored as part of the Service Reviews
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>
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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Summary of Debt Write-offs and Debt Improvement Plan

Strategy & Resources Committee – 26th March 2024

Report of: Mark Hak-Sanders (Director of Resources S151)

Purpose: For information and as context for approval of write-offs over £10,000

Publication status: Open

Wards affected: All

Executive summary:

This report sets out an update on the work to improve the Council's approach to debt management, alongside the annual position for write-offs completed during 2023/24.

The report notes the requirement to seek Committee approval for any write-off over the value of £10,000. The write-offs requiring Committee approval have been included in a Part 2 report due to the commercial sensitivity of detailing write-offs in a public forum, including the potential to identify individual debtors.

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

Contact officer Emma Brown, Exchequer Services Manager
ebrown@tandridge.gov.uk

Recommendation to Committee:

That Committee:

- Note the continuing positive steps being taken and improvements made in the recovery of outstanding debt.
- Note the write-offs individually less than £10,000 of £648k.
- Note that six write-offs over £10,000, totalling a further £76k, require Committee approval and are presented as part of a Part 2 paper.

Reason for recommendations:

Across Finance, Exchequer, Revenues and Benefits and Legal Services a significant amount of work has been undertaken to baseline the Council's debt position, strengthen processes and recover outstanding debt. The report sets out the current position in delivering those improvements.

As a result of this work, it is necessary to write-off an element of aged and unrecoverable debt which has accumulated over a number of years. The report also reconfirms the commitment to an annual update on this position to provide Member oversight in future.

Debt Improvement Plan Update

1. In March 2023 the first annual update and write-off report was produced and set out the annual approach that would be taken to report and update on debt across the Council. This report details the improvement work carried out to date and the annual detail of write-offs.
2. In June 2022, the Committee approved a debt improvement plan, with up to £50k available to fund additional resourcing. After previous failed attempts to secure a temporary resource, recruitment has now been successful and fixed-term temporary resource is in place until October 2024.
3. From April 2023, following the Revenues and Benefits restructure, an existing Business & Income Specialist role was redesigned as Corporate Debt Manager. Working alongside the Exchequer Team, this change brings a positive and cohesive approach to the management of debt across the various income streams within the Council.
4. A continuous improvement approach is in place across Exchequer Services, Finance, Legal Services and the Corporate Debt Unit in Revenues and Benefits, with several improvements being delivered in 2023/24:
 - Following the migration from Capita to NEC all historic debts have been reviewed and unrecoverable debts now being presented for write-off.
 - Monthly court hearings agreed with Guildford Magistrates court.
 - Business Rates and Council Tax recovery timetable designed to issues recovery notices monthly to maximise collection rates.
 - Review of aged debt for Business Rates and Council Tax where accounts had stagnated due to recovery officers assisting the Revenues team with backlog of billing work; this review will continue into 2024/25.
 - Legal Services recovered a one-off outstanding Council Tax debt of £72k which involved drafting a winding up petition and threatening to serve it on a developer.
 - Training of staff regarding the raising of invoices and supporting information required to ensure invoices can be paid promptly by customers.
 - Joint working to view customers with more than one debt outstanding to the Council.
 - Weekly review of sundry debt and additional phone calls made to follow up debt over 30 days old.

- Continued discussions with the County Council to seek their support in recovering Council Tax debts which predominantly benefit the precepting authorities.
5. Future improvement planned for 2024-2025
- As part of the work that has taken place during 2022-2024, significant effort has gone into reviewing all outstanding debt to ensure that historic unrecoverable debt is now written off. The Council can now move into a business-as-usual approach and will continue to present an annual debt and write-off report to write-off debts once all recovery options have been exhausted. Ongoing improvement work will include:
- Continued joint working across the Council.
 - Review of software solutions for 'One customer view'.
 - Continuous improvement activity within Agresso, increasing automation where possible.
 - New Enforcement Agent (Bailiff) contract starts with effect from 1 April 2024.
 - The Corporate Debt team will be meeting with Oxted CAB late April to discuss the Council's approach to debt.

Summary of Annual Debt Write-Offs

6. The Council's budget for 2023/24 stands at £11.935m for the General Fund and £16.358m Housing Revenue Account. This gives a total annual budget of £28.293m, providing context to the proposed write-offs. In addition, a further c.£18m of Housing Benefit payments are made each year.
7. The Council has a duty to ensure that all income owed to the Council is collected efficiently and effectively for the benefit of taxpayers and the Housing Revenue Account.
8. The Council categorises its debts using the following headings and each type of debt is managed by the appropriate department:
- Council Tax – Revenue and Benefits Team
 - National Non-Domestic rates - Revenue and Benefits Team
 - Housing Benefit overpayments – Revenue and Benefits Team
 - Council House Rent and Former Tenant Arrears – Revenue and Benefits Team and Housing
 - Sundry Debts – Exchequer Services Team
9. The Council operates a three step best practice approach when collecting debt as set out in the Payments from Customers and Debt Management policy as approved by Strategy & Resources Committee on 1st February 2022:
- Step one: issue requests for payment,
 - Step two: Refer to collection agency,
 - Step three: Issue Legal proceedings.

10. Write-off is only considered as a last resort and when all cost-effective recovery options have been taken.
11. This report covers write-offs in respect of Housing Benefit overpayment, Housing Revenue Account Debt, Council Tax, Business Rates and Sundry Debts.
12. The total number and value of debts to be written-off during 2023/24 is 1,448, totalling £723,680.36. However, these debts have accumulated over many years and are therefore disproportionately high for 2023/24. Of these:
 - £18,556.86 relate to the General Fund sundry debts - This represents 0.2% of the Council's overall budget
 - £245,198.53 relate to Housing Benefit Overpayments – This represents 1.36% of the annual Housing Benefit payments for a single year, however these have accumulated over a number of years with the oldest dating back to 2007
 - £93,117.25 relates to the Housing Revenue Account – representing 0.6% of annual HRA spend
 - £241,515.46 Council Tax of which 11% £26,566.70 impacts TDC
 - £125,292.29 NDR of which 40% £50,116.92 impacts TDC

13. The proposed write-off breakdown is as follows. The Housing Benefit Overpayments and HRA debts have no General Fund impact. All write-offs are generally covered by a bad debt provision to mitigate revenue impact:

Fund	Number of write- offs Under £10k	Value of Write-offs under £10k	Average value per debt	Value of debt to TDC
General	69	£18,556.86	£268.94	£18,556.86
Housing Benefit Overpayments	344	£204,322.65	£593.96	£204,332.65 *
HRA	79	£93,117.25	£104.27	£93,117.25 **
Council Tax	893	£226,952.17	£254.15	£24,964.74 ***
Business Rates	57	£104,612.78	£1,835.31	£41,845.11 ****
Total	1,442	£647,561.71	£475.10	£382,546.60

Fund	Number of write- offs Over £10k	Value of Write-offs Over £10k	Average value per debt	Value of debt to TDC
Housing Benefit Overpayments	3	£40,875.88	£13,625.29	£40,875.88
Council Tax	1	£14,563.29	£14,563.29	£1,601.96
Business Rates	2	£20,679.51	£10,339.76	£8,271.80
Grand Total	1,448	£723,680.36	£499.78	£433,296.30

* Debt relating to claimant or Council error is funded by DWP, when written off. Most debt relating claimant error can also be recovered from the claimant

** HRA Impact, not general fund

*** 11% of write-off impacts TDC

**** 40% of write-off impacts TDC

The total breakdown of write-off reasons and types of debt is set out in Appendix A to the Part 2 report along with the bad debt provision. This is deemed to be commercially sensitive as disclosing the reasons for write-off may influence the behaviour of other debtors.

14. The age profile of these debts is as follows:

Year	General	Housing Benefit Over-payment	HRA	Council Tax	NDR	Total
2002 - 2010		£7,323.07		£1,706.14	£5,525.35	£14,554.56
2011 - 2015	£3,557.80	£48,042.83	£2,567.77	£20,013.40	£4,958.51	£79,140.31
2016 - 2020	£13,722.06	£91,133.94	£55,325.01	£105,101.16	£58,074.77	£323,356.94
2021 - 2024	£1,277.00	£98,698.69	£35,224.44	£114,694.76	£56,733.66	£306,628.55
	£18,556.86	£245,198.53	£93,117.22	£241,515.46	£125,292.29	£723,680.36

15. Writing-off debt is a last resort and a decision taken in the best financial interest of the Council as further recovery work would be uneconomical. The improvement work set out above, including the continuance of an annual report to Strategy & Resources committee, signals that the Council has a tighter grip on its debt position and recovery practices, and intends to do further work to limit the number and value of future write-offs.
16. The equivalent Debt Report for March 2023 included write-offs totalling £272k, predominantly in Housing Benefit. More work has been undertaken in the meantime to continue the review of Housing Benefit and expand into areas of Council Tax and NNDR. As with last year, the write-off will not have a General Fund impact, as the Council makes prudent provision for unrecoverable debt in its budget, and only a small sub-set of the debt is general fund related.
17. Whilst further work is necessary to ensure that all aged-debts are reviewed, and therefore future write-offs may be expected, the situation is gradually returning to business as usual with improved practices and a more robust approach in place.

Key implications

Comments of the Chief Finance Officer

Continuing to improve the debt position, in terms of financial performance and the robustness of reporting, is a key priority in the Exchequer service plan for 2023/24 and 2024/25. Whilst the write-offs for 2023/24 are disproportionately high because they have accumulated over a number of years, the General Fund position is expected to improve overall. This is because aged debt is covered by a bad debt provision and also because the sundry debt position is improving.

Comments of the Head of Legal Services

Council Tax and business rates deliver a critical revenue to enable the Council to deliver its statutory functions. Therefore, write off is considered as a last resort only. Similarly, all other debts are pursued as far as possible as any non-payment has an impact on the Council's financial position. Officers and Members have a duty to ensure that every reasonable avenue is explored before any debt is written off. However, it is inevitable that the Council like any organisation will experience a degree of bad debt. Once that debt becomes persistent then it can start to impact on the Council's overall financial management. Therefore, this report is seeking to write off some aged debts as set out in the recommendations.

The correct accounting practice is to write off debts at the point they are deemed irrecoverable in accordance with CIPFA Code of Practice. The debts as detailed in this report would be more than 6 years old with no prospect of recovery and the appropriate action to take is to write off such debts. It is good financial practice to write off such debts and focus resource collectible debts.

The CIPFA Code of Practice confirms that debts should be written off at the point they are judged to be uncollectible, and so to carry high levels of debt to be written off does not accord with good accountancy practices.

Should the circumstances causing the write off change in any particular case, recovery action should be recommenced with the amount being written back onto the Council's systems and accounts for collection.

Equalities

Before writing off debt, the Council will satisfy itself that all reasonable steps have been considered to collect it and that no further recovery action is possible or practicable. It will consider the age, size, and types of debt, together with any other factors that it feels are relevant to the individual case. All write-offs are dealt with in the same fair and consistent way in line with equality and diversity issues.

Climate change

This report contains no proposals that would impact on the Council's commitment to Climate Change.

Appendices

Appendix A: Performance Tables

Background papers

None.

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

Appendix A

Sundry Debt performance

	Total outstanding debt as at 31 st March £000 *	Total value of Invoices Raised **	Number of Write offs	Value of write offs £000	Bad Debt provision ***	Performance (- equals improvement) ***
2023-2024	1,352	4,618	69	19		
2022-2023	1,623	6,726	111	18	234	-23
2021-2022	2,722	6,701	135	23	258	-85
2020-2021	3,969	7,133	None	None	343	
2019-2020	2,130	8,305	21	5		

Housing Rent Arrears

	Total outstanding debt as at 31 st March £000 *	Number of Write offs	Value of write offs £000	Bad Debt provision **	Performance (- equals improvement) ***
2023-2024		79	93		
2022-2023	825	56	42	538	200
2021-2022	679			338	58
2020-2021	552			280	

Housing Benefit Overpayments

	Total outstanding debt as at 31 st March £000 *	Number of Write offs	Value of write offs £000	Bad Debt provision **	Performance (- equals improvement) ***
2023-2024		344	204		
2022-2023	1342	249	211	1,342	254
2021-2022	1,505			1,088	-121
2020-2021	1,214			1,209	

* 2023 - 2024 based on aged debt report of 4th March 2024

** Based on invoices raised as at 29.02.2024

*** 2023 - 2024 based on aged debt report of 4th March 2024

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