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To: MEMBER OF THE STRATEGY & RESOURCES
COMMITTEE
Councillors Elias (Chair), Cooper (Vice-Chair), Botten,
Bourne, Caulcott, Cooper, Davies, Duck, Langton, Lee,
Milton and N.White

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Substitute Councillors: Bloore, Lockwood and Orrick

C.C. All Other Members of the Council

1 July 2020

Dear Sir/Madam

STRATEGY & RESOURCES COMMITTEE THURSDAY, 9TH JULY, 2020 AT 6.30 PM

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

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

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Elaine Jackson', written over a light grey rectangular background.

Elaine Jackson
Acting Chief Executive

AGENDA

- 1. Minutes of the meeting held on the 19th May 2020** (Pages 3 - 6)
- 2. Apologies for Absence (if any)**
- 3. Declarations of Interest**

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

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

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

4. **To deal with questions submitted under Standing Order no. 29(1.2)**
5. **Revenue Budgets and Capital Programme - 2019/20 outturn** (Pages 7 - 30)
6. **Strategy & Resources Committee - Performance & Risks - Quarter 4 progress report** (Pages 31 - 38)
7. **Investment Sub-Committee - minutes of the 21st May 2020 meeting** (Pages 39 - 42)
8. **Council Budget Monitoring 2020/21** (Pages 43 - 76)
9. **Council Improvement Plan** (Pages 77 - 96)
10. **Proposed amendments to the Constitution** (Pages 97 - 108)
11. **Outside Body appointments - Le Personne Benevolent Trust and Gatwick Airport Noise Executive Board** (Pages 109 - 112)
12. **Chief Officer Sub-Committee report** (Pages 113 - 114)
13. **Any other business which the Chairman is of the opinion should be considered at the meeting as a matter of urgency**
14. **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 the paragraph detailed below of 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
15	Paragraph 3 (“ <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i> ”).

15. **CIL Bid - Burstow Road Safety Scheme, Smallfield** (Pages 115 - 132)

TANDRIDGE DISTRICT COUNCIL

STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the virtual meeting of the Committee held on the 19th May 2020 at 6.30 p.m.

PRESENT: Councillors Elias (Chairman), M. Cooper (Vice Chairman), Botten, Bourne, Caulcott, D. Cooper, Davies, Duck, Jecks, Langton, Lee, Milton, and N. White.

ALSO PRESENT: Councillors Allen, Bloore, Connolly, Gray, Farr, Fitzgerald, Lockwood, Pursehouse, Ridge, Morrow, Sayer, Swann, Vickers, C. White and Wren.

9. MINUTES

The minutes of the meeting held on the 3rd February 2020 were agreed and will be signed by the Chairman at the earliest opportunity.

10. DECLARATIONS OF INTEREST

The following Councillors declared non-pecuniary interests in respect of Minute 14 below:

- (i) Councillor Bloore (member of Freedom Leisure - user of the de Stafford leisure centre)
- (ii) Councillor M. Cooper (his wife and daughter are members of Freedom Leisure)
- (iii) Councillor Morrow (member of Freedom Leisure - user of the de Stafford leisure centre)

COMMITTEE DECISIONS *(Under powers delegated to the Committee)*

11. COUNCIL BUDGET MONITORING 2020/21

The Chief Finance (Section 151) Officer presented a report regarding actual expenditure and income against budgets for the first month (April) of the 2020/21 financial year. This provided an early forecast of the Council's financial position in light of the Covid-19 pandemic and its severe impact upon the economy.

The report explained:

- the government's stated intentions to support local authorities through the crisis and the lobbying being undertaken by the Local Government Association and the District Councils' Network
- the government's measures to support small businesses, namely:
 - a business rates holiday for the retail, hospitality and leisure sectors, facilitated by grants to Councils (£6.8 million to Tandridge)
 - business support grants (in order to increase take up, councillors were assisting officers with attempts to contact businesses listed within their Wards)
- that the Council had received government grants of £25,698 and £872,252 to help alleviate the financial impact of the crisis

- that, notwithstanding the government’s support, the crisis was likely to have a substantial negative impact upon TDC’s finances, including the effect of reduced council tax and business rates income upon cashflow, given the obligations to make precept payments to Surrey County Council and Surrey Police (however, SCC had indicated a willingness to be flexible in terms of the timing of precept payments and the Section 151 Officer confirmed that preceptors also shared in the bad debt pool resulting from non-payment of council tax and business rates)
- that three scenarios were being modelled regarding the impact of the crisis upon the Council’s financial outturn for 2020/21 (realistic / optimistic / pessimistic)
- that projected year-end budget variances were projected according to the ‘realistic’ scenario:

Fund	Budget (if applicable)	Projected outturn
General Fund revenue	£10,559,732	£3,878,461 overspend
HRA revenue		£156,643 overspend
Capital Programme	£81,972,800	£34,922,000 underspend

The Section 151 officer highlighted Appendix C to the report which showed a major reduction in the projected cost of temporary staff and contractors from £1,923,957 for the 2019/20 year to £347,250 for the 2020/21 year.

Officers responded to a range of questions concerning the report.

Councillor Botten proposed that a Recovery Working Group be established as soon as practicable with terms of reference to be agreed at the Committee’s next meeting. This was seconded by Councillor Bourne. It was agreed that the Working Group should comprise 10 Councillors (4 Conservative; 3 Independents and OLRG Alliance; and 3 Liberal Democrats). Upon being put to the vote, the motion was agreed.

RESOLVED – that:

A. the report be noted; and

B. a Recovery Working Group be appointed comprising:

- 4 Conservative councillors
- 3 Independents and OLRG Alliance councillors
- 3 Liberal Democrat councillors

... the first meeting of which shall be convened to recommend its terms of reference for consideration by the Committee on 11th June 2020.

12. EXCLUSION OF THE PUBLIC

RESOLVED – that members of the public be excluded from the remainder of the meeting for the consideration of the agenda items covered by Minutes 13, 14 and 15 below as they involve the likely disclosure of “*information relating to the financial or business affairs of any particular person, including the authority holding that information*” (Paragraph 3 of Schedule 12A to the Local Government Act 1972 refers) and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

13. COUNCIL BUDGET MONITORING 2020 / 21 (continued)

The Deputy Section 151 officer responded to a Member question about the Housing Revenue Account.

14. FREEDOM LEISURE - FINANCIAL SUPPORT THROUGH THE COVID 19 EMERGENCY

In April 2018, the Council had entered into a partnership agreement with Wealden Leisure Limited (trading as Freedom Leisure Limited, a not-for-profit organisation) regarding the provision of leisure services in the District. Freedom Leisure provided leisure services for 23 councils in England and Wales across 102 sites. It managed and operated three centres in the District, namely Tandridge Leisure Pool, Oxted; de Stafford Sports Centre, Caterham; and the Village Health Club, Caterham. The Council owned Tandridge Leisure Centre and the Village Health Club. De Stafford Sports Centre was owned by de Stafford School.

A report was submitted in light of a request from Freedom Leisure for urgent assistance with the financial challenges arising from the Covid-19 crisis.

Councillor Botten, seconded by Councillor Jecks, proposed that determination of the matter be deferred until the Committee's meeting on 28th July 2020. It was considered that this would provide the necessary time for Members of all political groups to scrutinise the relevant information; obtain responses to various key questions; and to assess options.

RESOLVED – that determination of the matter be deferred to the Committee's meeting on 28th July 2020.

15. QUADRANT HOUSE (CROYDON ROAD, CATERHAM) - PROGRESS REPORT

At its meeting on the 13th June 2019, the Committee authorised Officers to enter into arrangements with a suitable organisation to provide a business hub within Quadrant House on such terms and conditions as the (then) Strategic Director of Resources and the Section 151 Officer considered appropriate. Authority was also delegated to officers to enter into such contracts for the refurbishment of Quadrant House as the (then) Strategic Director of Resources considered necessary to protect the Council's investment in the property.

The Asset Management Specialist presented a report which advised Members on subsequent progress regarding this initiative. The report explained how officers had undertaken research into business hubs; conducted a soft marketing exercise; shortlisted potential operators and selected and negotiated terms with Wimbletech CIC, who would operate the hub on TDC's behalf.

The report also advised that officers had progressed design work on the common parts refurbishment and were ready to issue an Invitation to Tender for the works. At the June 2019 meeting, an expenditure cap of £800,000 was agreed for this refurbishment. A £225,500 grant had since been secured from the Coast to Capital Local Growth Fund, thereby increasing the total refurbishment budget to £1,025,500.

Officers responded to questions and comments from Members, including a wish for more extensive consultation with local Members in future and the extent to which the Covid-19 crisis was likely to impact on the nature of commercially viable office space.

RESOLVED – that authority be delegated to officers to:

- A. proceed with the launch of the business hub on such terms as the Interim Executive Head of Communities and the Section 151 officer consider necessary; and
- B. enter into contracts for the refurbishment of Quadrant House on such terms as the Acting Chief Executive, in consultation with the Corporate Procurement Board, considers appropriate.

Rising: 9.00 p.m.

REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 9TH JULY 2020 AGENDA ITEM 5	
REVENUE BUDGETS AND CAPITAL PROGRAMME – 2019/20 OUTTURN	
Report of:	Grantley Miles, Chief Finance Officer (Section 151) (Interim) – 07795 441454 gmiles@tandridge.gov.uk
Purpose of Report:	To report to Members upon the provisional outturn position for 2019/20 of the General Fund, Housing Revenue Account and the Capital Programme.
Publication status:	Unrestricted.
Recommendations:	A. the draft financial position of the Council’s outturn for 2019/20 be noted; and B. it is recommended to Council that the Capital Programme be increased by £38,139,248 in 2020/21 and £1,317,500 in 2021/22 to reflect the slippage of capital underspend from the 2019/20 financial year (total slippage of £39,456,748).
Appendices	Appendix A - Comparison of General Fund 2019/20 outturn variations compared with those forecasts reported to Committee throughout the year. Appendix B - Comparison of Housing Revenue Account 2019/20 outturn variations compared with those forecasts reported to Committee throughout the year. Appendix C - Capital outturn and budget slippage.
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 Budget monitoring reports have been presented to Members during the course of 2019-20. This report now discusses the Outturn position for 2019-20. In light of the Coronavirus pandemic, and the additional pressure this has placed on Councils and their finance teams, the deadline for the completion of the 2019-20 Statement of Accounts has been extended. We are now working to a date of 31st July 2020 which we have agreed with our external auditors.
- 1.2 The external audit for 2019/20 is scheduled to commence in early August. This will be the second year that the external audit will be carried out by the Council new auditors, Deloitte LLP. The main audit of the accounts will take place in August and September with the statutory deadline for publishing the accounts revised to 30th November 2020.

1.3 This report is designed to give this committee an overview of the Outturn for 2019/20 and the headline position, rather than a detailed analysis of the accounts which will be presented to this committee at a later date. This report is produced before the Section 151 Officer signs the draft accounts. The outturn position may therefore be subject to change before the accounts are completed or during the external audit process. However it is not anticipated that there will be any further changes to the 2019/20 Outturn prior to signature.

2. General Fund Revenue Account 2019/20

2.1 The revenue outturn position for the General Fund is adverse with a net overspend of £1,990,857. This compares to the position last reported to Members in March 2020 giving the forecast outturn for the in-year budget monitoring to the end of February, where a year end overspend of £1,606,624 was forecast. It should be noted that the February monitoring information was prepared for the Strategy and Resources Committee which was scheduled to take place on the 26th March 2020, but was cancelled due to the onset of the pandemic.

2.2 A summary of the key General Fund variances is also shown in the table below, with explanations of the key variances set out in paragraph 2.3 of this report. **Appendix A** sets out a detailed comparison of General Fund outturn variations compared with those forecasts report to this Committee throughout the year.

Committee/Area	2019/20 Budget	Outturn	Variance (favourable) /adverse	% Variance (favourable) /adverse
REVENUE	£	£	£	%
Strategy & Resources	1,110,150	2,143,638	1,033,488	93%
Community Services	6,472,650	6,913,341	440,691	7%
Housing	809,900	651,737	(158,163)	(20%)
Planning	2,049,270	2,724,111	674,841	33%
General Fund Revenue (Net Total)	10,441,970	12,432,827	1,990,857	19%

2.3 The main items making up the variances in the General Fund by Committee are:-

Strategy & Resources Committee overspend of £1,033,488:

- Salaries overspend of £445,294 – Following the introduction of Customer First this overspend has arisen from the need to maintain the continuity of service provision. The additional costs result from a combination of factors; early departure costs and additional costs following delays in the exit of some permanent staff and from difficulties and delays in recruiting permanent staff. This resulted in the recruitment of temporary staff, agency staff and consultants in order to ensure the maintenance of service provision.
- Additional Treasury Income of £55,013 - Due to acquisition of Castlefield House in December resulting in additional interest income from Gryllus.
- Printing and postage underspend of £46,700 due to lower volume of usage.

- Bad Debt Provision overspend of £51,631 – An increase in the amount of aged debt which is considered to be potentially uncollectable requires additional Bad Debt Provision.
- Collection Fund shortfall in income of £652,101. This is attributable to -
 - a deficit on the Collection Fund in respect of the Council Tax surplus of £87,524 in 2019/20. At the time of budget setting the Councils share of the surplus was estimated at £125,000, however the final position was a surplus of £37,976.
 - a surplus on the Collection Fund in respect of NNDR in of £234,550 in 2019/20. No surplus or deficit was anticipated at budget setting.
 - a shortfall in Section 31 Grant of £630,082
 - an adjustment to S31 Grant in respect of previous years of £169,041

Planning Committee overspend of £674,841 :

- Salaries overspend of £546,640 - Following the introduction of Customer First this overspend has arisen from the need to maintain the continuity of service provision. The additional costs result from a combination of factors; early departure costs and additional costs following delays in the exit of some permanent staff and from difficulties and delays in recruiting permanent staff. This resulted in the recruitment of temporary staff, agency staff and consultants in order to ensure the maintenance of service provision.

- Planning Applications and Advice overspend of £702,754 -

Legal fees due for the Felbridge Junction appeal of £461,000 have been included in the outturn. Negotiations with one of the parties involved in the final settlement are still ongoing. It is therefore possible a lower figure may be agreed by either before the draft accounts are prepared in which some of provision may be released. However based on current progress at this time this is considered unlikely. There is an overspend in relation to an external contract with Terraquest of £97,000. Terraquest were appointed following Customer First to deal with the planning validation as a result of staffing shortfalls. This contract which was underperforming has been terminated and the work has been taken back in house. This was reported to Members in an earlier cycle. In addition there is an under recovery of income on planning fees of £75,000 and on Developer Pre- Application meetings of £30,754. This is attributable to Brexit uncertainty and the general economic climate. There are also a number of other overspends; an under recovery of income on Members presentations of £12,000 and other minor overspends of £27,000, including consultancy and counsels fees.

- Enforcement underspend of £36,644 - This arises because of a successful bid for additional grant funding from the MHCLG to enable improvements to be made to the Planning Enforcement service. Additional income has also been received from fees for a Planning Enforcement notice.
- Local Plan underspend of £436,991 - This has arisen due to less than expected spend on consultants and counsels fees.

- Neighbourhood Plan underspend of £19,664 - Due to additional grant received.

Community Services Committee overspend of £440,691:

- Salaries overspend of £103,500 – Following the introduction of Customer First this overspend has arisen from the need to maintain the continuity of service provision. The additional costs result from a combination of factors; early departure costs and additional costs following delays in the exit of some permanent staff and from difficulties and delays in recruiting permanent staff. This meant that it was necessary to recruit temporary, agency and consultancy staff in order to ensure the maintenance of service provision.
- Tandridge Commercial Services overspend of £147,672 - This arises following the centralisation of call centre staff as part of Customer First and will mean that Tandridge Commercial Services may lose the recovery of overheads previously charged as part of the overall service costs. Officers will be carrying out an in-depth review of overhead recoveries to ensure that these costs are apportioned accurately between services.
- High risk tree works overspend of £6,300 - It should be noted that in future years the tree spend budget has been increased by £60,000 to an overall budget spend of £110,000.
- Sports and Recreation pavilions overspend of £16,328 - To ensure the Council was compliant with Health and Safety rules, Legionella inspections had to be carried out in all of the Council owned pavilions.
- Additional car parking revenue of £7,800.

Housing Committee underspend of £158,163:

- Salaries overspend of £302,905 - Following the introduction of Customer First this overspend has arisen from the need to maintain the continuity of service provision. The additional costs result from a combination of factors; early departure costs, additional costs following delays in the exit of some permanent staff and from difficulties and delays in recruiting permanent staff which resulted in the recruitment of temporary staff, agency staff and consultants in order to ensure the maintenance of service provision. The closure of the Douglas Brunton Centre has also added additional redundancy costs.
- Housing Benefit Payments & Recovery net underspend of £206,200 - The recovery of Housing Benefits overpayments was below budget by £237,500. However, this was more than offset by a writeback from the overpayment bad debt provision of £387,000. There was a further net underspend of £56,700 on other budgets within this area.
- The Douglas Brunton Centre's budget has been overspent by £30,458. Of this overspend £18,596 is due to a loss of 6 months sales income and the annual membership fees as a result of transferring management to the Westway Centre and £11,862 is due to repairs expenditure to meet Health and Safety requirements prior to handover.

- Meadowside has underspent by £18,068 due to an increase on sales and an underspend on the repairs budget.
- Additional Grant has been received for Syrian refugees resulting in an underspend of £58,709.
- Homelessness has underspent by £170,788 due to additional Central Government grant plus a transfer in from the homelessness reserve.
- There is an underspend on Housing Benefit administration due to additional Government grant.
- Private Sector Housing Enforcement overspend of £18,578 – A charge by Mole Valley for a shared member of staff has resulted in an overspend of £18,578. Provision has been made in the salaries budget for 2020/21 to cover this work.

2.4 Budget managers will review their variations to budget in 2019/20 when completing budget monitoring reports for the current year. Managers will be requested to review the variations and identify, any recurring expenditure patterns which impact on the 2020/21 budget which need to be managed. They will also identify if there are any budget pressures which will need to be considered within the 2021/22 budget process which will commence later this year. However, given the tight financial position facing the Council any increases in budgets would need to be funded from compensating savings from elsewhere in the budget.

2.5 Salaries budgets were overspent by £1,397,600 in 2019/20. Officers have been working hard to control salaries expenditure on additional employees, agency staff and consultants. Significant effort was put in during 2019/20 to control expenditure on temporary staff and contractors once the scale of the financial impact from the temporary staffing measures arising from the implementation of Customer First became clear. It was necessary to introduce centralised control in respect of the recruitment of all staff at the centre and this is now being rigorously managed. These controls have prevented the staffing overspend being very much greater in 2019/20, than it otherwise would have been. In 2020/21, these arrangements are working effectively in controlling expenditure upon salaries and staffing. These processes will be maintained during this year and beyond.

3. Housing Revenue Account 2019/20

3.1 **Appendix B** sets out a detailed comparison of HRA outturn variations compared with those forecasts reported to this Committee throughout the year. A number of variances have arisen during the close down process which has change the HRA from being in the underspend position reported to Members throughout the year to the overspend positions detailed.

3.2 The Housing Revenue Account produced a balanced budget which exactly matches the estimate, any surplus or deficit against the budget is transferred to/from reserves and so the overall position on the account at the end of the year will always be zero. The transfer to reserve in 2019/20 will be £795,320. This transfer to reserves compares to the budget where a transfer to reserves of £1,320,597 was forecast. The transfer to HRA reserves was £525,277 less than budgeted for due to the major variations discussed below.

3.3 Major variations for the HRA were as follows:

- £168,500 overspend on Salaries due to the need to maintain service provision following the introduction of Customer First.
- £180,800 overspend on Service Costs. This comprises of two main factors:
 - The depreciation charge for the year was £293,800 greater than budgeted for (a total charge of £5,153,700). Depreciation is a real charge for the HRA affecting the bottom line. The depreciation charge is transferred to the Major Repairs Reserve where the funds are used to finance capital expenditure to maintain the HRA stock. This overspend could not be forecast earlier as the charge for depreciation is based on asset values provided by the Councils valuers at the 31st March 2020.
 - There was a net underspend of £113,000 in other service cost areas, with the largest single element being an underspend of £86,000 on consultancy and legal costs.
- £65,500 overspend on Corporate Support Service recharges due in the main to an additional pension charge to the HRA for unfunded pensions.
- £86,900 underspend on Repairs and Maintenance costs.
- £100,700 underspend on interest payable on loans (due to re-financing at lower rates than forecast).
- £255,400 adverse variance on Rental Income from Council Dwellings. This is due to an error in closing the account for the prior year, where £265,000 of income was accounted for in 2018/19 rather than in 2019/20. This was reported as a positive variance for 2018/19 in the outturn report to Members at the 13th June 2019 Strategy & Resources Committee.
- £57,700 adverse variance on Garage income due to lower demand than forecast. The budget for 2020/21 has already been revised lower to a more realistic estimate.

3.4 In relation to Right to Buy sales during 2019-20, these amounted to 7 sales compared to an original estimate of 8 sales. This has generated total capital receipts of £1,111,810. Income from Right to Buy sales can be particularly volatile. The last 5 years has seen some volatility in sales with 21 sales in 2015/16, 10 in 2016/17, 8 in 2017/18, 11 in 2018/19 and 7 in 2019/20.

4. Reserves

4.1 To finance the General Fund overspend there will be a call on reserves. The table below shows the opening and closing position:

	£000
General Fund Working Balance 1st April 2019	2,326
Other GF Usable reserves (Earmarked) 1st April 2019	<u>3,334</u>
Total GF Reserves 1st April 2019	5,660
Use of Reserves in 2019/20	<u>(1,991)</u>
Closing Reserves Balance 31st March 2020	<u><u>3,669</u></u>

4.2 The Council now has a minimum level of reserves at the end of 2019/20 and consequently it will be necessary to be very prudent going forward in order to prevent the Council ending up with a deficit on General Fund reserves. If the Council ends up with a deficit on its reserves, it will be necessary for the council to rectify the deficit and rebuild its reserves at the next available budget setting process.

4.3 The HRA Reserves position is shown in the table below:

	Working Balance £000	Repairs Reserve £000	New Build Reserve £000	Total Reserves £000
Opening balance 1st April 2019	750	454	5,552	6,756
Transfer to Reserves	0	265	530	795
Used to finance capital expenditure	0	(31)	(1,150)	(1,181)
Closing balance 31st March 2020	750	688	4,932	6,370

4.4 In 2019/20 the HRA has transferred £795,320 to reserves in the previously agreed proportion of 1/3 to the Repairs Reserve and 2/3 to the New Build Reserve.

5. Capital Programme 2019/20

5.1 A summary of the capital budget variances is also shown in the table below, with explanations of the key variances set out in the following paragraphs. Appendix C(i) sets out a detailed comparison of Capital outturn variations compared with budget broken down by scheme. Appendix C(ii) gives narrative details and budget managers comments on the outturn position for each scheme.

	2019/20 Budget	Outturn	Variance (favourable) /adverse	% Variance (favourable) /adverse
CAPITAL	£	£	£	%
General Fund Capital	71,930,520	33,735,578	(£38,194,942)	-53.1%
HRA Capital	10,377,900	8,125,885	(2,252,015)	-21.7%
Capital Programme (GF & HRA) Net Total	82,308,420	41,861,463	(40,446,957)	-49.1%

5.2 The annual capital budget amounted to £82,308,420. The outturn position for capital expenditure shows a total capital spend of £41,861,463 resulting in a net underspend of £40,446,957.

5.3 The General Fund capital programme is underspent by £38,194,942 in comparison with the budget of £71,930,520, mainly because of :-

- An underspend on the Investment and Development Fund of £33,707,456 due to less investment property purchases than expected.
- Delayed expenditure on purchase of Waste Collection Vehicles of £3,500,000 which is expected to occur in 2020/21.
- No expenditure on Public Conveniences Capital Works resulting in an underspend of £275,000.
- An underspend of £177,272 on Park, Pavilions & Open Spaces.
- An underspend of £152,735 on Council Office Buildings.
- An underspend on Land / Asset Development of £134,041, due to less activity.
- An underspend on Disabled Facilities Grants expenditure of £128,366. This is demand lead expenditure dependant on applications and referrals from Occupational Therapy.

5.4 The HRA capital programme is underspent by £2,252,015 in comparison with the budget of £10,377,900. The major items are:

- An underspend on Council House Building of £2,277,034.
- An overspend on Works to Void Properties of £138,663.

5.5 Of the reported underspend, £39,456,748 is due to slippage i.e. expenditure on individual schemes which, whilst unspent during 2019/20, is still necessary expenditure to complete the schemes. It is therefore requested that the £39,456,748 be carried forward and added to the capital programme budget for future years. The table below shows the slippage requested for each scheme:

Capital Scheme	Slippage £	Reason for Slippage
GENERAL FUND		
Community Services		
Vehicle Fleet Renewals	59,900	Renewals did not occur in 2019/20
Car Parking	17,300	Delay in planned works
Children's Playground Equipment	27,000	Delay in planned works
Purchase of Waste Collection Vehicles	2,800,000	Delayed expenditure on purchase of Waste Collection Vehicles
Land Drainage Capital Works	5,000	Delay in planned works
Park, Pavilions & Open Spaces	88,900	Delay in planned works
Playground Improvements Match Funding Pot	50,000	Delay in planned works
Litter Bins	20,000	Delay in planned works
Public Conveniences Capital Works	275,000	Delay in planned works
Roads & Paths St Marys Church	7,600	Delay in planned works
Plant, Furniture & Equipment (GF)	(20,760)	Expenditure made in advance of 2020/21 Budget
Refuse, Recycling and Food Waste bins	(41,692)	Expenditure made in advance of 2020/21 Budget
Community Services Total	3,288,248	
Housing General Fund		
Disabled Facilities Grants Mandatory	0	Underspend on DFG is transferred to reserves for use in future years
Housing GF Total	0	
Resources Committee		
Property Development Fund	33,707,500	Underspend on the Investment and Development Fund of £33,707,456 due to less investment property purchases than expected
Land/Asset Development	134,000	Delay in programme of works
Resources Total	33,841,500	
General Fund Total	37,129,748	
Housing Revenue Account		
Council House Building	2,277,000	Minor delays in the overall build programme. Split £959,500 2020/21 and £1,317,500 2021/22
Housing Management Software	50,000	Budget not spent but improvement works for Orchard identified for 2020/21
HRA Total	2,327,000	
Capital Programme Total	39,456,748	

6 Legal Implications

6.1 Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. This report satisfies the requirements of this legislation in terms of reporting on the Council's budgets.

7 Conclusion

7.1 This information is being provided to ensure that Members of this Committee are kept informed, at an early stage, of the final accounts position of the Council prior to the start of the external audit.

8 Equality Impacts

8.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable

9 Data Protection Impacts

9.1. Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

10 Climate change impacts

- 10.1. This report does not contain proposals that would impact on the Council's commitments to taking action on climate change.

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

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2019/20 Forecast General Fund Outturn Position at year end 31/03/2020

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20 (£)	Forecast Variance at year end (July) (£)	Forecast Variance at year end (Sept) (£)	Forecast Variance at year end (December) (£)	Forecast Variance at year end (February) (£)	Actual Variance at year end (Outturn) (£)	% Variance	Narrative
Strategy and Resources Committee								
Salaries	5,010,883	331,667	356,070	398,425	428,810	445,294	8.9%	Following the introduction of Customer First and the need to maintain continuity of service , there have been a number of salaries overspends arising from early departure costs, the delay in the planned departure of staff for which there was no budget and the filling of overspends on vacant posts filled by temporary staff, agency staff and consultants to maintain service provision.
Treasury Income	(975,900)	0	0	(80,000)	(80,000)	(55,013)	5.6%	Increased Treasury Income due to Acquisition of Castlefield House in December resulting in additional interest income from Gryllus.
Printing and Postage	179,800	0	0	(24,800)	(24,800)	(46,700)	-26.0%	Reduced printing and postage costs due to lower volume of use.
Bad Debt Provision	22,000	0	0	0	0	51,631	234.7%	Higher Bad debt provision required due to increased aged debt.
Collection Fund Shortfall	0	0	0	0	0	652,101	-	Residual shortfall unadjusted from earlier years and a shortfall on the Collection Fund income in current year. Budget was set too high.
Other Variances less than £10k	(3,126,633)	27,401	(37,300)	(32,400)	(32,400)	(13,825)	0.4%	Combined effect of multiple small under and overspends.
Resources Total	1,110,150	359,068	318,770	261,225	291,610	1,033,488	93%	

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20 (£)	Forecast Variance at year end (July) (£)	Forecast Variance at year end (Sept) (£)	Forecast Variance at year end (December) (£)	Forecast Variance at year end (February) (£)	Actual Variance at year end (Outturn) (£)	% Variance	Narrative
Planning Policy								
Salaries	1,119,170	398,368	397,080	466,000	526,788	546,640	48.8%	Following the introduction of Customer First and the need to maintain continuity of service , there have been a number of salaries overspends arising from early departure costs, the delay in the planned departure of staff for which there was no budget and the filling of overspends on vacant posts filled by temporary staff, agency staff and consultants to maintain service provision.
Planning Application and Advice	(82,300)	277,309	367,309	676,600	716,753	702,754	-853.9%	Due to legal fees for the Felbridge Junction appeal, external contract for Terraquest and an under recovery of planning fees has contributed to the overspend.
Enforcement	149,400	(11,004)	(11,004)	(63,000)	(63,000)	(36,644)	-24.5%	Successful bid for additional grant funding from MHCLG.
Local Plan	635,400	0	0	(195,000)	(195,000)	(436,991)	-68.8%	There is an underspend on this budget. This is mainly due to consultancy fees not being as high as expected.
Neighbourhood Plan	8,300	0	0	0	0	(19,664)	-236.9%	Additional grant received
Other net items of less than £10,000	219,300	1,167	1,167	(1,850)	17,800	(81,254)	-37.1%	Combined effect of multiple small under and overspends.
Planning Policy Total	2,049,270	665,840	754,552	882,750	1,003,341	674,841	33%	

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20 (£)	Forecast Variance at year end (July) (£)	Forecast Variance at year end (Sept) (£)	Forecast Variance at year end (December) (£)	Forecast Variance at year end (February) (£)	Actual Variance at year end (Outturn) (£)	% Variance	Narrative
Community Services Committee								
Salaries	1,839,100	(7,878)	(22,060)	(85,400)	(109,800)	103,500	5.6%	Following the introduction of Customer First and the need to maintain continuity of service , there have been a number of salaries overspends arising from early departure costs, the delay in the planned departure of staff for which there was no budget and the filling of overspends on vacant posts filled by temporary staff, agency staff and consultants to maintain service provision.
Tandridge Commercial Services	(219,965)	109,100	112,800	109,100	150,000	147,672	-67.1%	Following the centralisation of call centre staff as part of Customer First Tandridge Commercial Services has suffered the loss of the recovery of overheads previously charged as part of the overall service costs.
Tree Works	50,000	0	0	10,000	10,000	6,300	12.6%	Additional spend on priority tree work.
Pavilions - Legionnaires	0	0	0	0	14,000	16,328	-	To comply with H&S - legionnaire testing now undertaken but no budget had been provided.
Improved Car Park Income	(175,400)	0	0	0	(17,500)	(7,800)	4.4%	Slight increase in car parking revenue.
Other Variances less than £10k	4,978,915	15,469	650	23,900	25,000	174,691	3.5%	Combined effect of multiple small under and overspends.
Community Services Total	6,472,650	116,691	91,390	57,600	71,700	440,691	7%	

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2019/20 (£)	Forecast Variance at year end (July) (£)	Forecast Variance at year end (Sept) (£)	Forecast Variance at year end (December) (£)	Forecast Variance at year end (February) (£)	Actual Variance at year end (Outturn) (£)	% Variance	Narrative
Housing - General Fund								
Salaries	768,600	(28,110)	4,169	104,720	193,120	302,905	39.4%	Following the introduction of Customer First and the need to maintain continuity of service , there have been a number of salaries overspends arising from early departure costs, the delay in the planned departure of staff for which there was no budget and the filling of overspends on vacant posts filled by temporary staff, agency staff and consultants to maintain service provision.
Housing Benefit Payments & Recovery	62,300	0	0	0	0	(206,200)	-331.0%	Recovery of Housing Benefit overpayments was below budget but this was more than offset by a right back from the Bad Debt Provision.
Douglas Brunton Centre	33,800	7,920	32,397	32,397	32,397	30,458	90.1%	Reduction in income plus increased repairs expenditure.
Meadowside	(88,600)	(18,900)	(4,900)	0	0	(18,068)	20.4%	Underspend on Repairs and additional rental income.
Syrian Refugees	14,600	(12,000)	0	0	0	(58,709)	-402.1%	Additional funding received.
Homelessness	70,300	0	0	0	0	(170,788)	-242.9%	Additional grant received from Central Government plus transfer from reserves and reduction in the cost of the Rent Deposits Scheme.
Benefits Administration	2,500	0	0	(24,745)	(37,000)	(30,188)	-	Additional grant received from Central Government.
Private Sector Enforcement	116,600	0	0	0	40,000	18,578	15.9%	Costs of Private Sector enforcement.
Other net items of less than £10,000	(170,200)	4,850	4,581	(1,744)	11,456	(26,151)	15.4%	Combined effect of multiple small under and overspends.
Housing General Fund Total	809,900	(46,240)	36,247	110,628	239,973	(158,163)	-20%	
Council GF Position at 31/03/2020	10,441,970	1,095,359	1,200,959	1,312,203	1,606,624	1,990,857	19%	

Forecast HRA Outturn 2019/20 (1st April 2019 to 31st March 2020)

KEY HRA REVENUE VARIANCES	Annual Budget 2019/20	Forecast Variance at year end (July)	Forecast Variance at year end (Sept)	Forecast Variance at year end (Dec)	Forecast Variance at year end (Feb)	Actual Outturn 2019/20	Actual Variance at year end	% Variance
Salaries	1,663,815	62,727	155,506	156,703	171,100	1,832,276	168,461	10.1%
Services costs	5,840,051	(25,523)	(24,120)	(46,327)	(169,300)	9,857,118	4,017,067	68.8%
Corporate Support Services- Internal Recharges	1,408,478	0	0	0	15,500	(2,362,296)	(3,770,774)	-267.7%
Repairs and Maintenance	2,651,310	(162,124)	(176,947)	(175,180)	50,500	2,564,418	(86,892)	-3.3%
Interest Charges payable on HRA Loan(net)	1,757,315	(79,200)	(79,200)	(79,200)	(94,800)	1,656,580	(100,735)	-5.7%
Rental Income from Council Dwellings	(14,043,060)	(37,177)	(32,828)	(33,344)	(33,300)	(13,787,651)	255,409	-1.8%
Garages	(322,830)	51,514	53,469	53,749	53,700	(265,097)	57,733	-17.9%
Other Income	(275,676)		(3,700)	(3,938)	1,700	(290,668)	(14,992)	5.4%
Revenue Contribution to funding of HRA capital expenditure	1,320,597	0	0	0	0	1,320,597	0	0.0%
Forecast HRA Position at 31/03/2020	0	(192,341)	(115,928)	(127,537)	(4,900)	525,277	525,277	

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Scheme Name	Annual Budget	Draft Outturn	Draft Variance	Slippage	Original Budget	Revised Budget
	2019/20	2019/20	2019/20		2020/21	2020/21
	£	£	£	£	£	£
Community Services						
Vehicle Fleet Renewals	59,900	0	(59,900)	59,900	484,000	543,900
Car Parking	58,200	40,889	(17,312)	17,300	30,000	47,300
Ellice Road Car park	100,000	89,504	(10,496)	0	0	0
Children's Playground Equipment	116,600	89,596	(27,004)	27,000	265,000	292,000
Purchase of Waste Collection Vehicles	3,500,000	0	(3,500,000)	2,800,000	0	2,800,000
Land Drainage Capital Works	10,000	5,000	(5,000)	5,000	10,000	15,000
Park, Pavilions & Open Spaces	188,400	11,128	(177,272)	88,900	100,000	188,900
Playground Improvements Match Funding Pot	50,000	0	(50,000)	50,000	0	50,000
Waste & Recycling Contract Equipment	600,000	621,616	21,616	0	0	0
Litter Bins	20,000	0	(20,000)	20,000	2,000	22,000
Garden Waste Bins	0	0	0	0	111,000	111,000
Public Conveniences Capital Works	275,000	0	(275,000)	275,000	275,000	550,000
Roads & Paths St Marys Church	20,000	12,445	(7,555)	7,600	0	7,600
Plant, Furniture & Equipment (GF)	8,000	28,760	20,760	(20,760)	51,000	30,240
Refuse, Recycling and Food Waste bins	0	41,692	41,692	(41,692)	100,000	58,308
Total-Community Services	5,006,100	940,631	(4,065,469)	3,288,248	1,428,000	4,716,248
Housing General Fund						
Social Housing Grants	0	0	0	0	100,000	100,000
Disabled Facilities Grants Mandatory	439,100	310,734	(128,366)	0	426,000	426,000
Total-Housing GF	439,100	310,734	(128,366)	0	526,000	526,000
Resources Committee						
Property Development Fund	66,000,000	32,292,544	(33,707,456)	33,707,500	65,000,000	98,707,500
Land/Asset Development	153,000	18,959	(134,041)	134,000	0	134,000
Council Offices Buildings	182,320	29,585	(152,735)	0	100,000	100,000
Customer First / IT	150,000	143,125	(6,875)	0	150,000	150,000
IT - Hardware/Infrastructure/Customer First Projects	0	0	0	0	723,600	723,600
Total-Resources	66,485,320	32,484,213	(34,001,107)	33,841,500	65,973,600	99,815,100
Total-General Fund	71,930,520	33,735,578	(38,194,942)	37,129,748	67,927,600	105,057,348
Housing Revenue Account						
Council House Building	6,719,300	4,442,266	(2,277,034)	2,277,000	10,417,200	11,376,700*
Structural Works	755,000	840,744	85,744	0	705,000	705,000
Modernisation & Improvements	654,000	652,506	(1,494)	0	765,500	765,500
Energy Efficiency Works	393,000	341,126	(51,874)	0	541,500	541,500
Internal Service Renewals	628,000	649,047	21,047	0	611,000	611,000
Works to Void Properties	490,000	628,663	138,663	0	425,000	425,000
Health & Safety	175,000	124,928	(50,072)	0	90,000	90,000
Adaptations for the Disabled	232,500	218,330	(14,170)	0	225,000	225,000
Essential Structural Works	175,000	161,134	(13,866)	0	185,000	185,000
Communal Services	75,000	36,057	(38,943)	0	60,000	60,000
Housing Management Software	81,100	31,085	(50,015)	50,000	20,000	70,000
Total-HRA	10,377,900	8,125,885	(2,252,015)	2,327,000	14,045,200	15,054,700
Total Capital Programme	82,308,420	41,861,463	(40,446,957)	39,456,748	81,972,800	120,112,048

* Council House Building slippage split £959,500 2020/21 and £1,317,500 2021/22

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Capital Monitoring - Budget Managers Comments 2019/20 Outturn

Community Services
Vehicle Fleet Renewals
No expenditure was expected to be incurred in 2019/20. The budget will need to be slipped into future years.
Car Parking
A survey of all sites is conducted prior to committing budget. No further expenditure expected in 2019/20. Resurfacing work at Woldingham & the Lesiure Centre CP which will exceed this current year's budget will be incurred in 2020/21
Ellice Road Car park
Project deferred/cancelled - the expenditure in 2019-20 relates to Oxted Regeneration work - no slippage is required
Childrens Playground Equipment
This budget was almost fully committed for Bushey Croft and Catlins Gardens in 2019-20. The remaining budget on this scheme will need to be slipped into 2020-21 for further Playground Improvement work.
Purchase of Waste Collection Vehicles
The expenditure on the purchase of waste collection vehicles will be incurred in 2020/21 so the budet will need to be slipped. A reported previously the budget is expected to be under by £700,000 therefore not all the remaining budget needs to be slipped in 2020/21
Land Drainage Capital Works
This money will be spent during the winter months on flood alleviation works. Not all anticipated works have been delivered, as access has been restricted due to ground conditions, therefore the remaining budget will need to be slipped into 2020/21
Park, Pavilions & Open Spaces
A sum of £40,000 has been committed but the Council is waiting for report/guidelines on Queens Park Pavilion cladding works before commencing the works. This expenditure will be incurred in 2020/21. It is anticipated that the budget over the 3 year period will be underspent by £88,400 therefore not all the remaining budget in 2019-20 needs to be slipped.
Playground Improvements Match Funding Pot
Parish Councils have been approached and waiting for bids. This expenditure will not be incurred in the current financial year, therefore will slip into 2020/21.
Waste & Recycling Contract Equipment
Project complete no slippage required.
Litter Bins
Having completed consultation & Member Workshops a Committee paper and policy was reported to the March Community Services Committee meeting. Expenditure will be incurred from 2020/21 and thefore all the remaing budget will need to be slipped.
Garden Waste Bins
Deferral in the Biffa contract will result in garden waste bins not being purchased until 2020/21
Public Conveniences Capital Works
Having completed consultation & Member Workshops a committee paper and recommendations was considered at the March Community Services Committee meeting. It is expected that any expenditure will be incurred from 2020/21 and therefore all the 2019/20 budget will need to be slipped.

Roads & Paths St Marys Church
Budget committed and works have started. It was expected that approximately £7,500 of the 2019/20 budget will be incurred in 2020/21
Plant, Furniture & Equipment (GF)
This expenditure should cover requirements over the 3 year programme for tools and equipment which are assessed during the winter and replacements will be purchased accordingly. Expenditure in advance of the 2020/21 budget has been incurred and therefore 'negative' slippage will reduce the 2020/21 budget.

Housing General Fund
Social Housing Grants
No Social Housing Grant allocations at this time
Disabled Facilities Grants Mandatory
Demand for DFGs remains high and is driven by the increasing aging population in the District. The final outturn for 2019/20 was £310,734. The budget included in 2020/21 is considered sufficient to cover demand therefore no slippage is required.

Strategy & Resources
Property Development Fund
Budget spend is dependent on suitable acquisitions being identified. Three properties were purchased in 2019/20. This scheme is under budget at the year end therefore it will be carried forward into future years
Land/Asset Development
This budget is for improving the commercial viability of any assets purchased by the Council. Currently the Council is refurbishing Quadrant House and any underspend will be carried forward into the following year
Council Offices Buildings
This budget covers the planned maintenance programme for the Council Offices. It is anticipated that this project would be under budget therefore no slippage is required.
Customer First / IT
Ongoing ICT development works progressing. This scheme has an outturn variance of £6,875.

Housing Revenue Account
Council House Building
This scheme is £2.277m under budget at the end of 2019/20 due to slippage. This is primarily due to weather and gaining approvals to do the necessary works. The slippage will be carried forward into next years budget
Structural Works
Demand substantially committed, with some for unforeseen demand led works
Modernisation & Improvements
Expenditure is expected to be almost on budget for the current financial year
Energy Efficiency Works
Savings on door replacements due to deferment of planned works until 2020/21 plus savings on roof insulation as included as part of the roof renewal work
Internal Service Renewals
Demand substantially committed, with some for unforeseen demand led works

Works to Void Properties
Expenditure includes work on voids which are unpredictable and demand led
Health & Safety
The main reason for this budget being underspent is because the installation of fire doors was suspended pending the outcome of government tests on fire doors following the Grenfell Tower fire.
Adaptations for the Disabled
This budget was substantially spent in 2019/20.
Essential Structural Works
A small underspend in the current year is expected due to the inclement weather delaying works.
Communal Services
The underspend in 2019/20 is due to the door entry system scheme as properties have been deferred for S.20 consultation
Housing Management Software
Ongoing IT development works progressing. Any underspent will be carried forward into 2020/21

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REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 9TH JULY 2020 AGENDA ITEM 6	
STRATEGY & RESOURCES COMMITTEE PERFORMANCE & RISKS (FORMERLY DELIVERY PLAN) 2019/20 – QUARTER 4 PROGRESS REPORT	
Report of:	William Mace - Policy, Projects & Performance Specialist wmace@tandridge.gov.uk - 01883 732840
CMT Lead Director	Elaine Jackson - Acting Chief Executive - EJackson@tandridge.gov.uk 01883 732717
Purpose of report:	To report progress against the Committee’s KPIs for the fourth quarter of 2019/20, together with the associated risk analysis.
Publication status:	Unrestricted
Recommendations:	That performance against the Committee’s KPIs for the fourth quarter of 2019/20, together with the associated risk analysis, be noted.
Appendices:	None
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. **Background**

- 1.1 The Council’s Corporate Strategy provides a framework for it to deliver the vision for the District which is to be “aspirational for our people, our place and ourselves”. This vision encompasses the Council’s role in relation to its residents and businesses, its crucial responsibility in relation to the District’s physical environment (natural and built) and also says something about the kind of organisation it aspires to be.
- 1.2 The Corporate Strategy is comprised of key corporate objectives and priorities which are reviewed annually by the Council Administration, Strategy and Resources Committee and then agreed by Council. These Objectives and Priorities reflect a number of factors including key issues for residents, available resources, statutory requirements and demand for services.
- 1.3 The key corporate objectives for 2019/20 are:
- Providing high quality, customer focused services.
 - Making a difference in our community by supporting those who need it most.
 - Creating a thriving economy while protecting the local environment.
 - Working in partnership with the community and other public services to create opportunities for all.

- Improving the quality of our residents' lives, including by enabling access to decent and affordable homes.
- Being a proactive, flexible learning environment.

- 1.4 The key corporate objectives are delivered through the Corporate Delivery Plan which is agreed annually by the Policy Committees. The Delivery Plan sets out the projects and programmes the Council will deliver in order to achieve the key corporate objectives. The Delivery Plan also sets performance indicators and risks so Officers can monitor how the Council is delivering its services.
- 1.5 Progress against the Delivery Plan is reported to each Policy Committee quarterly. The Overview and Scrutiny Committee also receives Quarterly updates regarding the progress of the Delivery Plans.
- 1.6 On the 28th November 2019 the committee resolved "that the Strategy & Resources Committee Delivery Plan be referred to the Council Improvement Working Group for consideration as to which parts should be retained." This preceded an update the Committee received on the work of the Corporate Improvement Working Group. The Working Group had confirmed the necessity for a Strategic Plan to set out the vision for the Council and to let residents know what they can expect. Work is now underway to engage with Members, staff and stakeholders to draft a plan which will be brought to the next meeting of this Committee. The plan will include key measures by which progress will be monitored. Once the plan is adopted by the Council, regular reports will be brought to members to enable them to review both performance against the plan and management of strategic risks.
- 1.7 As a consequence of 1.6, the projects section of this report has been omitted, whilst performance and risk data are provided in Sections 2 - 5 below.

2. Performance

- 2.1 The performance indicators below enable the Committee to monitor how the Council is delivering the services for which it is responsible. Where performance varies from the target, action is taken to address any issues.
- 2.2 Please note, there is currently a review of the Council's performance monitoring framework, which Committee will be kept abreast of.

Code	Indicator	Q4 2019/2020			Direction of travel (compared to same period last year)	2018-19 Outturn	Higher / lower is better	Performance against annual target
		Actual	Period target	End of year target				
KPI 1	Percentage of Council Tax collected	98.2%	80%	98.7%	Stable (98.5%)	98.5%	Higher	On Target
KPI 2	The percentage of non-domestic rates due for the financial year which were received by the Council	98.8%	75%	98.6%	Improved (97.6%)	97.6%	Higher	On Target
KPI 3A	Days taken to process Housing Benefit/Council Tax Benefit new claims	25.56	30	30	N/A New Indicator	N/A	Lower	On Target

KPI 3B	Days taken to process Housing Benefit/Council Tax change events	6.78	12	12	N/A New Indicator	N/A	Lower	On Target
KPI 4	The number of working days/shifts lost due to sickness absence (long and short-term) <i>This figure reflects performance over the previous 12 months.</i>	9.33	N/A	7.1	Declined	4.99	Lower	Off Target
KPI 5	The number of working days/shifts lost due to sickness absence (short-term only – 20 days or less). <i>This figure reflects performance over the previous 12 months</i>	3.06	N/A	7.1	Declined	2.22	Lower	On Target
KPI 6	Staff turnover <i>This figure reflects performance over the previous 12 months.</i>	23.75%	N/A	10-15%	Stable	14.6%	Lower	Off Target
KPI 7	The percentage of calls answered within 60 seconds by Customer Services	51.5%	75%	80%	N/A New Indicator	N/A	Higher	Off Target

2.3 Commentary on indicators with performance below and/or off target

2.4 **KPI 1 - Percentage of Council Tax Collected.** This KPI ended the 2019/20 financial year off target by 0.5%. Despite this TDC continue to have the highest collection rate of all 11 Surrey District and Borough Authorities.

2.5 **KPI 4 - The number of working days/shifts lost due to sickness absence (long and short term).** This reporting period (Q4) saw an increase by approx. 0.8 days in total absence, which has pushed this KPI marginally off target. The data highlights that there was a rise/peak to 0.83 days lost per employee in October 2019, which then reduced to 0.73 in November and then 0.67 in December. As these figures suggest a decreasing trend towards target, it is felt that a short-term response from the HR Team is not necessary. Yet the 12-month rolling figure, like-on-like to 2018/9, has increased by 1.7 days. This is primarily due to the days lost to long term sickness almost doubling year on year (894 in 2018/9 to 1559 in 19/20). These days were only attributable to a relatively small number of employees but an increase in the cause being related to mental health rather than physical ailments is notable. The organisation was about to launch the Mental Health First Aid scheme when the COVID crisis hit but we are currently looking at doing this training virtually as are mindful of the impact of remote working and social isolation are having on the workforce currently. HR Specialists continue to monitor and review sickness absences, carrying out sickness review meetings alongside managers in line with the policy and signposting to support services where necessary.

2.6 **KPI 6 – Staff Turnover.** The overall figure has improved by approximately 1.9% on Q3. It is useful to note that staff turnover falls into 2 categories – voluntary and non-voluntary. The latter covers cases of a confidential nature, death in service, dismissals, end of fixed term contracts, redundancies or any other reason where leaving the organisation has not been through choice. Voluntary leavers are either resignations or retirements. When looking at turnover from a performance

perspective the important figure to monitor is the voluntary leavers as these can provide useful feedback on staff morale, engagement and motivation. Therefore, from the next reporting period (Q1) we will reflect the % of the 2 different categories as well as the overall turnover figures. As this KPI reports on a 12-month rolling period the commentary from Q2 still applies in Q4, in that the key reason for missing target is due to redundancies and resignations which have a long-term impact on this KPI. Out of the 64 leavers in this reporting period, 24 were for non-voluntary reasons. These 24 will continue to affect the overall turnover figure in Q2 and Q3 this year, before they drop out of the reporting period. With regard to resignations in Q4, new opportunities and career enhancement was cited as the primary reason for leaving. This may imply an emerging trend, and therefore addressing this issue will be a key priority for the HR Team's organisational development plans moving into 2020-21. HR are now carrying out exit interviews as soon after receipt of resignation as possible, rather than the week of departure as was the previous practice. It is hoped that this approach will assist retention rates and reduce turnover by providing more in-depth information around reasons for leaving and in some cases the potential to retain some officers by addressing issues or concerns.

2.7 **KPI 7 - The percentage of calls answered within 60 seconds by Customer Services.** This indicator measures the overall service level across all the teams. Whilst the target was missed for Q4, it is not a true reflection of the overall work of the team. The overall average speed of answer for the quarter was 1 minute 48 seconds. The period saw an increased number of calls (6.4% increase from the same period last year). The increase was due to ongoing complaints regarding the new wheeled bin roll out and the annual Council Tax billing. Covid 19 increased the calls in March, with Council Tax and Benefits being the main theme. The number of emails received into customer services decreased by 35% as more residents used the reporting tools on the website or picked up the telephone, however the team processed 5098 customer cases which was a similar number to the previous quarter.

3. **Risks**

3.1 The risks below enable the Committee to monitor and manage service performance. All risks are assessed according to the Likelihood (or probability) that the risk will occur. This ranges from 1 (Rare) to 5 (Almost Certain). We also assess the Impact (or severity) on the Council that the risk will have if it were to occur. This ranges from 1 (Negligible) to 5 (Extreme). Combining both scores together establishes a risk rating and, if the risk is high-scoring, enables us to decide how we wish to manage it. Please note that the table is ordered according to RAG rating, not Risk ID number.

Risk ID		Likelihood	Impact	Score	Controls/Mitigation
Risk 2	Failure to achieve effective organisational change	3	4	12 (Red)	<ul style="list-style-type: none"> - Dedicated staff in place to manage change programme. - Recruitment / selection criteria to seek staff with required skills, attitudes and approaches. - Measures to support staff throughout the change process. - Adequate budget available to support acquisition and implementation of IT.
Risk 11	Non-compliance by the Council with health and safety regulations.	3	4	12 (Red)	<ul style="list-style-type: none"> - An audit is in progress. - A training plan being drafted, which includes reviewing and re-writing corporate policies; and will identify a new senior Officer.

Risk ID		Likelihood	Impact	Score	Controls/Mitigation
Risk 14	Non-compliance by the Council with all other statutory obligations	3	4	12 (Red)	- A training plan being drafted, which includes reviewing and re-writing corporate policies; and will identify a new senior Officer.
Risk 1	Failure to remain financially sustainable	2	5	10 (Amber)	- Mechanisms in place to acquire and develop assets and drive new sources of income (e.g. Council owned companies, Property Investment Fund, Development Fund). - Regimes to monitor the effectiveness of investment strategies, including oversight by company directors and reports to Finance and Strategy & Resources Committees. - Medium Term Financial Strategy identifying new sources of income and areas of efficiency.
Risk 10	Data Protection breach	3	3	9 (Amber)	- Information governance review in progress. - Data protection policy in place. Training provided to staff. - New Customer First processes are designed to be compliant.
Risk 9	Non-compliance by Members with Code of Conduct	3	3	9 (Amber)	- Training provided to Members on code of conduct and Member – Staff protocol. - New Member - Staff protocol in place.
Risk 3	Impact on services due to Surrey County Council (SCC) transformation programme	3	3	9 (Amber)	- Regular engagement with SCC transformation officers to identify issues likely to impact Tandridge residents. - Regular reporting to Corporate Management Team and Committee.
Risk 5	Negative impact on services due to Brexit	3	3	9 (Amber)	- Officers continuing to monitor situation and government advice closely. - Brexit response strategy being prepared.
Risk 6	Failure to deliver regeneration schemes	3	3	9 (Amber)	- Detailed risk management for each project or programme. - Effective community and stakeholder engagement mechanisms. - External support able to be commissioned to support delivery when required. - External funding secured to support delivery.
Risk 4	IT systems failure which could inhibit day to day function of the Council	2	4	8 (Amber)	- Adequate budget available to support investment in IT infrastructure. - Sufficient staffing resources, including in-house professionals and specialist external support available when required. - Regular reporting to Corporate Management Team and Committee.
Risk 13	Failure of website	2	4	8 (Amber)	- Website is externally hosted, regularly backed up and monitored. - Regular security updates applied. Service level agreements in place for any outages.

Risk ID		Likelihood	Impact	Score	Controls/Mitigation
Risk 15	Failure of financial controls	2	4	8 (Amber)	- New controls are in place. - A review is currently underway by internal audit.
Risk 7	Failure to deliver an Election	1	4	4 (Green)	- Project plans and risk registers required to be in place and reviewed.
Risk 12	Failure to conduct a DHR (Domestic Homicide Review)	1	2	2 (Green)	- DHR policy in place with East Surrey Community Safety Partnership oversight.

3.2 Commentary on risks which have been added, removed or amended

3.3 No new risks were identified. After review by relevant officers the following amendments were made: Risk 12 impact lowered to 2; Risk 13 likelihood lowered to 2 and impact raised to 4; and Risk 10 impact reduced to 3.

3.4 Risk 8 was removed as per the Quarter 3 update report.

3.5 It should be noted that a separate risk register for Covid-19 risks has been compiled as part of the Council's Covid-19 response.

3.5 Risk matrix

Impact	5	5 (Green)	10 (Amber)	15 (Red)	20 (Red)	25 (Red)
	4	4 (Green)	8 (Amber)	12 (Red)	16 (Red)	20 (Red)
	3	3 (Green)	6 (Green)	9 (Amber)	12 (Red)	15 (Red)
	2	2 (Green)	4 (Green)	6 (Green)	8 (Amber)	10 (Amber)
	1	1 (Green)	2 (Green)	3 (Green)	4 (Green)	5 (Green)
		1	2	3	4	5
		Likelihood				

4. Financial / risk implications

4.1 The key risks, their likelihood, impact and mitigation are identified in the Risk section above.

5. Legal implications

5.1 There is no regulatory service planning regime imposed by central government upon local authorities and the Council, therefore, has discretion about how to prioritise its services and monitor their effectiveness.

6. Equality impacts

6.2 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	Not at this point.
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable.

7. Data Protection impacts

7.1 Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No.
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

8. Climate Change Implications

8.1 This is a quarterly monitoring report and, as such, does not contain proposals. Therefore, the report itself will not significantly impact on the Council's commitments to taking action on climate change.

9. Conclusion

9.1 The Council is on target for five out of eight targets. For those that are off target: overall staff sickness relates to a relatively small number of employees; staff turnover remains high from the restructure earlier in the period and is now reducing; and the time taken to answer customer calls reflects the increased number the Council has received, and as a new indicator, will inform future targets. Risks have remained unchanged at the end of Quarter 4, and due to Covid-19, an additional risk register has been compiled.

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STRATEGY & RESOURCES COMMITTEE – 9TH JULY 2020 – AGENDA ITEM 7

INVESTMENT SUB-COMMITTEE

Minutes of the virtual meeting of the Sub-Committee held on the 21st May 2020 at 5.30 p.m.

PRESENT: Councillors Elias (Chair), Bourne, Davies, Jecks and Jones.

ALSO PRESENT: Councillors Allen, Farr and Sayer.

1. MINUTES

The minutes of the meeting held on the 24th January 2020 were approved as a correct record.

2. DECLARATIONS OF INTEREST

Councillor Jecks declared that he:

- is a non-executive director of UBS Asset Management UK Limited; and
- chairs two other committees regarding investments for which CCLA is the fund manager.

These did not amount to disclosable pecuniary interests under the Members' code of conduct and Councillor Jecks remained in the meeting.

SUB-COMMITTEE DECISIONS ***(under powers delegated to the Sub-Committee)***

3. SUMMARY INVESTMENT AND BORROWING POSITION

The investment analysis at Appendices A and B was considered, together with fact sheets for the four funds within the Council's treasury investment portfolio.

Reports regarding the finances of Gryllus Property Limited were requested for future meetings. Officers confirmed that a financial analysis of the company's acquisitions could be circulated to Sub-Committee members before the next meeting. The Sub-Committee was also advised that the company's audited accounts for 2019/20 would be finalised shortly.

At its previous meeting, the Sub-Committee agreed that the redemption proceeds from Funding Circle loans should not be automatically re-invested in further loans but should, instead, be regularly withdrawn from Funding Circle and invested elsewhere within the Council's treasury portfolio (in equal portions), namely 25% to each of the following funds:

- CCLA (diversification fund)
- CCLA (property fund)
- Schroders bond fund
- UBS multi-asset fund

£294,000 had since been withdrawn from the original Funding Circle investment but had not yet been reallocated. The Sub-Committee now wished to exclude the CCLA property fund from the reallocation arrangement and considered that the available liquidity from redeemed Funding Circle loans should only be invested in the other three funds, i.e. one-third to each.

RESOLVED – that

- A. the Council's investment and borrowing position at 31st March 2020, as set out at Appendices A and B, be noted;
- B. the individual factsheets for the long-term investments be noted;
- C. the current statement of investment beliefs be noted; and
- D. upon redemption of the Council's current Funding Circle loans, the monies be reallocated to the following funds (one-third to each):
 - CCLA (diversification fund)
 - Schroders bond fund
 - UBS multi-asset fund

4. EXCLUSION OF THE PUBLIC

RESOLVED – that members of the press and public be excluded from the meeting for the consideration of the item covered by Minute 6 below because:

- (i) it involves the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A to the Local Government Act 1972 (i.e. information relating to the financial or business affairs of any particular person); and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

5. PROPERTY INVESTMENT UPDATE

The Sub-Committee considered a report about recent property investment activity, including the impact of the Covid-19 pandemic upon the Council's portfolio and a spreadsheet showing a selection of property acquisitions by other councils since March 2019.

On the 28th November 2019, the Strategy & Resources Committee resolved that Gryllus Property Limited should proceed with the purchase of two properties, identified within the associated (confidential) report as properties A and B, "*following completion of due diligence undertaken in accordance with Financial Regulation 17 on such terms as the Chief Executive and Section 151 Officer, in consultation with the Leader of the Council or Deputy Leader and Chair or Vice Chair of the Strategy & Resources Committee and members of the Investment Sub Committee, consider prudent*".

The Sub-Committee was advised that due diligence in respect of the abovementioned 'property B' was nearing completion. An acquisition business case was also presented.

Opposing views were expressed as to whether the Council should be investing in commercial property in the wake of the Covid-19 pandemic and representatives of the Independent and OLRG Alliance Group did not support recommendations B and C below.

RESOLVED – that

- A. the Council's property investment activity be noted;
- B. the Sub-Committee supports officers' continued investigations into potentially suitable investments; and
- C. the Sub-Committee supports officers to proceed with the purchase of 'property B', subject to the conditions agreed at the meeting.

Rising: 6.45 p.m.

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REPORT TO THE STRATEGY AND RESOURCES COMMITTEE - 9TH JULY 2020	
AGENDA ITEM 8	
COUNCIL BUDGET MONITORING 2020/21	
Report of:	Elaine Jackson – Acting Chief Executive, Director of Resources ejackson@tandridge.gov.uk Grant Miles – Interim Chief Financial Officer (Section 151) – gmiles@tandridge.gov.uk
Purpose of Report:	To report upon monitoring of the Council's budget for the period 1 st April 2020 to the 31 st May 2020 - Period 2 and to provide an updated forecast of the Council's financial position in the light of the financial implications from the Covid -19 pandemic.
Publication status:	Unrestricted
Recommendation:	That the Committee notes the Council's overall financial position.
Appendices	<p>Appendix A: Revenue Budget monitoring report for the period 1st April 2020 to the 31st May 2020:</p> <p>Appendix A(i) Council (General Fund) revenue monitoring report Appendix A(ii) Housing Revenue Account revenue monitoring report Appendix A(iii) Explanation of Forecast Overspends & Underspends</p> <p>Appendix B: Council Capital monitoring report for the period 1st April 2020 to the 31st May 2020:</p> <p>Appendix B(i) Capital Programme monitoring report for the period 1st April 2020 to the 31st May 2020 Appendix B(ii) Capital Programme monitoring report Narrative Explanation of Scheme Progress</p>
Background papers*	None

*defined by the Local Government (Access to Information) Act 1985

1. Background
 - 1.1. This report considers the Council's financial position in the light of the Covid-19 pandemic. As reported in the last budget monitoring report to this committee on 19th May 2020 the Council's finances have been heavily impacted by Covid-19. The Covid-19 pandemic has created a rapidly changing environment leading to continuous changes to plans and figures. At the end of April the impact of Covid-19 was forecast to lead to a year end overspend of £3,878,461. The latest projections now show this to have reduced by £1,301,734 to a forecast year end overspend of £2,576,727. Further details about the reduction as given in section 5 of this report.
 - 1.2. The virus started to spread from China around the world with the first confirmed case in the UK being diagnosed on the 29th January. Further cases started to arrive in the UK from Italy

and China during February and March and a programme of self-isolation and tracing was put in place by Public Health Authorities to contain the virus and limit the spread the period between February and mid-March.

- 1.3. It was recognised by Central Government, that with the rapidly growing number of cases being diagnosed that the capacity to continue self-isolation and tracing was insufficient and consequently the official lockdown was introduced on the 23rd March. This was unprecedented action by Central Government in the UK and the effect of this on every person, every business and every public-sector organisation in the UK has been immense in terms of the social, financial and economic impact and disruption to normal life.
- 1.4. In order to deal with this crisis and the disruption to the life of every person in the UK, Central Government, Local Government across all tiers, the Police, the Army and the Private Sector have all been working closely together. This has been organised and communicated regionally across the UK. This has been aimed at limiting the disruption to all UK citizens lives under the lockdown by ensuring that those people who need to be shielded or who are vulnerable to the virus are able obtain food, medicine and support and also to ensure that individuals who are badly financially affected by the lockdown are supported through the emergency.
- 1.5. Government ministers have asked all Local Authorities to work to protect citizens from the impact of the pandemic. Assurances have made to the Local Government Associations and the District Council Network that the financial difficulties faced by Councils as a result of Covid -19 will be addressed with funding and that money will flow. However, there is a nervousness and concern amongst Chief Finance Officers that given the scale of the impact upon the UK economy, the assurances may not prove to be binding when the crisis abates. The Local Government Association and CIPFA have also asked CFO's who are thinking about issuing a Section 114 notice talk to discuss this action with them before doing so.
- 1.6. In the light of this, the Chief Executive and Chief Financial Officer have had a conversation with the Finance Team at the Ministry for Housing, Communities and Local Government (MHCLG), explaining the difficult financial position the Council is currently facing. The MHCLG has been made aware that the Council has a very low level of reserves, which are likely to be exceeded by the pressures created by Covid-19. It was made clear that if further funding is not made available by Central Government then action may need to be taken under Section 114. MHCLG gave some reassurance to Officers, advising that the Ministry is in consultation with the Treasury and they are currently working on a further funding package based on need, with additional funding flowing later in the Summer.
- 1.7. The latest position at the time of writing is that the Government has now started unlocking the lockdown, relaxing measures for individuals, allowing shops to reopen with social distancing restrictions and enabling non-essential shops to reopen. Car Parks in Surrey are planning to open from 1st July. The latest update is that sports and leisure and hospitality opening is under consideration for later in July.
- 1.8. The impact of Covid-19 and the lockdown has severely affected businesses and local government financially.
 - The impact has been particularly severe on those businesses, who derive their income direct from members of the public and which involves face to face contact. Small businesses particularly in the retail, hospitality and leisure industries have been badly affected. In order to ensure the economy is protected and can restart after the crisis ends the government have put in place funding arrangements for businesses to enable them to survive the crisis. This includes:-

- funding for furloughing staff
 - business loans for small/medium/large
 - business support grants for businesses with a rateable value under £51,000
 - 100% business rate relief for businesses with a rateable value under £51,000
 - financial help for the self-employed
 - funding for Charitable organisations
 - Hardship fund
- County, Borough and District Councils are also badly financially affected by the Covid-19 crisis. The income streams which support Council services are greatly reduced mainly because the services are not being used. This problem is affecting all Council's across the UK. In common with other councils, Tandridge's income stream is badly affected by the lockdown. The areas which are anticipated to be badly affected are Planning Application Fees, Building Control fees, Car Parking both Off and On Street, Parks income, Waste and Recycling income, Taxi & Licensing fees, Cesspool income, Commercial Rents, Land Charges and Investment Income. However, the extent to which they will be affected will be influenced by the length of the lockdown and the speed of recovery to a normal level of activity. In addition to the pressure on income streams Covid -19 is giving rise to pressures on the Council's expenditure budget, particularly in the area of Waste and Recycling and the Council's Leisure Partnership with Freedom Leisure. There is a separate report elsewhere on the agenda which considers this.

2. Consultation and Lobbying of Government

- 2.1. Since the crisis has started the Local Government Association (LGA) and the District Council Network (DCN) have been consulting with government and alerting the Government to the financial emergency facing Local Government as a result of Covid-19.
- 2.2. Considerable efforts are being made by the LGA and DCN to communicate the impact of the crisis. As a result, the Government is collecting regular monthly financial data on the costs of the crisis for Local Authorities. The first survey was in mid-April with subsequent monthly returns being completed. It was on the basis of the Mid-April survey that the first two payments of grant were received. Future returns have been more detailed seeking more detailed insights about cost pressures, income loss and cash flow. The information provides MHCLG officials with the information they need to inform politicians, as well as evidence for their conversations across Whitehall, including with HM Treasury. The survey data is being shared with the LGA and DCN which will enable the LGA and DCN to highlight strongly to Parliament that the current funding available is totally insufficient being between a quarter to a third of the overall problem.
- 2.3. The LGA have submitted written evidence to the House of Commons Public Accounts Committee outlining that Councils have made commercial investments to alleviate significant funding constraints over the past 10 years and made case to reinstate the Public Works Loan Board lending rates to the level they were before the increase announced in October 2019 identifying the danger that any further reforms may hamper regeneration and redevelopment initiatives by councils, particularly post Covid-19.
- 2.4. Covid-19 funding issues are being discussed regularly by the Surrey Leaders Group, Surrey Chief Executives Group and Surrey Treasurers. Surrey Treasurers have been meeting every week, since the start of the lockdown to discuss emerging financial issues and to co-ordinate action. A member of Surrey Treasurers sits on the Finance Group of the DCN and gives feedback to Surrey Treasurers each week. The Leader has also had a number of conversations with our local MP to press the case for additional funding for Covid-19.

- 2.5. There has been a number of articles in the national press and media, identifying the difficult position that many Councils across the UK are facing as a result of Covid-19 pandemic and that many of these Councils are having to consider whether it will be necessary to use Section 114 powers to address the financial predicament they are in. If the Government provides sufficient funding to meet the additional costs of Covid-19, this will avoid this potential outcome in most cases.
- 2.6. It should be noted that the current environment is a dynamic one, and is constantly changing in relation to events, plans and programmes. As a result of this it is inevitable that there will be changes over time in financial information, forecasts and reports to Members.
3. Business Support Grants and 100% Business Rate Relief
- 3.1. The Government recognised at an early stage, that the lockdown would have a catastrophic financial impact upon small businesses and would threaten their survival, which would create unemployment and badly damage the economy. It was recognised that Small Businesses and those in the Retail, Hospitality and Leisure sectors would be the worst affected.
- 3.2. To address this the Government introduced a business rates holiday on the 18th March 2020 for the Retail, Hospitality and Leisure sectors. The current amount of 100% Business Rates Relief which has been granted to the Retail, Hospitality and Leisure Sectors is £10.250m. The funding for this is provided to the Council as Section 31 Grant.
- 3.3. In addition to Business Rates holiday the Government introduced two Business Support Grants schemes.
- The Small Business Grants Fund was aimed at small businesses who receive Small Business Rate Relief or Rural Rate Relief with a rateable value of less than £15,000. Eligible Businesses under this scheme are entitled to a grant of £10,000 if they were trading on the 11th March.
 - The Retail, Hospitality and Leisure Grant Fund was aimed at businesses in receipt of expanded retail discount. Under this businesses with a rateable value of less than £15,000 are entitled to a grant of £10,000 and if their rateable value is between £15,000 and £51,000 are entitled to a grant of £25,000.
- 3.4. The grant funding for the Business Support Grant was £19,214,000 and was received on the 1st April 2020. At the time of writing this report, the number of estimated eligible businesses entitled to a Business Support Grant totalled 1,699. The Council had received, 1,394 valid applications for a Business Support Grant at the 29th June, which represented 82% of those businesses potentially eligible for Business Support Grant. All potentially eligible businesses are paid immediately on the completion of a valid online form. The total value of grants paid out is £17,380,000. In order to increase the take-up rate of Business Support Grants, local ward councillors have offered to help and have been provided with a list of businesses within their area, who are potentially eligible for a Business Support Grant.
- 3.5. On the 1st May 2020 the Government announced a further Discretionary Fund for Tandridge totalling £0.998m. Guidance from the Department of Business, Enterprise and Industrial Strategy has been received. The Council developed a discretionary policy in co-ordination with other Surrey Councils with an online application process. The deadline for applications closed on the 12th June and final decisions on the applications were considered by a Member Advisory Panel on the 16th June. As at 30th June 2020, 206 grants have been approved and paid out totalling £0.988m.

4. Council's Overall Estimated Financial Position taking into account Covid-19

- 4.1. This report provides information on spending compared to the approved budget for the overall forecast financial position of the Council at the end of the financial year. This is the second monitoring report produced this year following the monitoring exercise undertaken to the end of April 2020 which was reported to this committee on 19th May 2020.
- 4.2. Monitoring reports would not normally be presented to committee until later in the year as no significant variances would usually be apparent at this early stage. However, the unprecedented impact of the Covid-19 pandemic is likely to have substantial impact on the Council's finances and therefore it is planned to produce monthly monitoring reports to monitor the situation. It should be recognised to forecast for a period of 10 months on the basis of just two month's data is difficult. It should be noted that this is particularly difficult when the situation is a dynamic and changing environment, over which the Council does not have control and are affected by decisions taken at a national level.
- 4.3. The figures in this report are therefore based on various assumptions which may or may not be proved to be accurate but are based on Officers best assessments of the facts at the time. It is still not clear how much future additional financial support will be provided to councils to deal with the financial impact of the pandemic. The direct costs of fighting the virus are likely to be covered by grant from central government however the picture is less clear when it comes to items such as lost income as a direct result of the virus, e.g. rental or car parking income.
- 4.4. When looking at the impact of Covid-19 three scenarios have been made – realistic, optimistic and pessimistic. Officers believe the realistic scenario is the most likely outcome. The figures in the realistic scenario are based on 3 months of lockdown, 3 months of unlocking and 6 months of returning to normal (defined as 80% of the pre Covid-19 normal).
- 4.5. This report highlights any significant variances. The aim of this process is to provide regular and consistent information for each Committee on monitoring of income and expenditure within the relevant General Fund (GF), Housing Revenue Account (HRA) and Capital budgets.
- 4.6. At this stage in the year monitoring reports are not being taken to individual Policy Committees however a summary of the Council wide position is being reported to Strategy and Resources Committee where each Committee's key highlights are grouped together to provide a Council-wide perspective.

5. 2020/21 Revenue Budget Monitoring position for the Whole Council

- 5.1. The revenue budget forecast by Committee for the General Fund at 31st May 2020 is set out in **Appendix A(i)**. The overall forecast based on the realistic scenario is that the Council's General Fund budget totalling £10,559,732 will be overspent by £2,576,727 at the year end. This forecast is based on Officers assumptions on the impact of Covid-19 and the effect it has had on income and expenditure in April and May 2020. This forecast is a reduction of £1,301,734 when compared to the end of April forecast overspend of £3,878,461 which was reported to this committee on 19th May. The main causes of the reduced overspend are detailed in the table below:

	April Forecast Variance £	May Forecast Variance £	Change £	Comment
Interest Payable	270,000	75,000	(195,000)	Lower level of borrowing over a shorter timespan to meet cash flow needs is now forecast.
Interest Receivable	179,600	497,000	317,400	A detailed review of projected investment income has led to an increase in the forecast variance of £120.4k. Lower returns are now forecast on fund investments. This change includes a non Covid-19 variance of £197k relating to the loss of property income from not proceeding with a property investment where the income has already been assumed in the 2020/21 budget.
Leisure & Community Grants	962,800	567,000	(395,800)	Lower level of support now anticipated.
Waste Services	1,392,000	558,700	(833,300)	Change in assumptions regarding the waste collection contract where we are now not anticipating harsher social distancing rules to add substantial additional costs to the collection process.
Cemetery Service	150,000	0	(150,000)	No impact being seen so far, forecast has been revised to nil variance.
Other areas	924,061	879,027	(45,034)	Combined effect of all other changes.
General Fund Forecast Year End Overspend	3,878,461	2,576,727	(1,301,734)	

- 5.2. A review of the salaries budget has been undertaken and is built into the figures. Salaries are currently forecast broadly on budget with a minor variance of £17,500 overspend identified at this early stage in the year. Once Covid-19 overtime costs of £24,000 are adjusted for the General Fund is forecasting a £6,500 underspend on salaries.
- 5.3. **Appendix A(ii)** sets out the forecast financial position on the Council's Housing Revenue Account at 31st May 2020, and this identifies an overspend of £87,000 at the year end. This forecast assumes that HRA rent collected will fall this year and an increased transfer to the bad debts provision will be required. The position has improved from the £154,000 overspend forecast in April and reported to this committee on 19th May as some savings have been identified on the programme of planned repairs and maintenance.
- 5.4. **Appendix A(iii)** provides a narrative explanation of the variances and the assumptions which underlie the predicted overspends which are detailed in Appendix A(i) & A(ii).

6. Comments of the Acting Chief Finance Officer

- 6.1. A forecast overspend has been identified across all committee budgets. The key variances are summarised below.
- 6.2. The Council's General Fund is forecasted to be overspent by £2,576,727 at the year end. The table below details the split between committees, salary, non-salary variances and Covid-19.

Committee	Salaries Overspend / (Underspend) May (P2) (£)	Non-Salaries Overspend / (Underspend) May (P2) (£)	Salaries Forecast Overspend / (Underspend) 2020/21 (£)	Non-Salaries Forecast Overspend / (Underspend) 2020/21 (£)	Covid-19 Overspend / (Underspend) 2020/21 (£)	Committee Forecast Overspend / (Underspend) Total (£)
Strategy & Resources	26,200	16,000	26,200	197,000	733,286	956,486
Planning Policy	(5,900)	(40,942)	(5,900)	0	784,230	778,330
Community Services	(10,600)	6,100	(10,600)	0	1,733,561	1,722,961
Housing General Fund	(16,200)	(84,847)	(16,200)	0	32,900	16,700
Total	(6,500)	(3,689)	(6,500)	197,000	3,283,977	3,474,477
Less Covid-19 Grant	0	0	0	0	(897,750)	(897,750)
Total	(6,500)	(339,689)	(6,500)	197,000	2,386,227	2,576,727

- 6.3. **Salaries** - At the end of Period 2 (May) there is an actual underspend of £6,500 on salary budgets across the Council, excluding expenditure of £24,000 which relates to overtime on Covid-19 which is included in the Covid-19 column of the table. Since last year Officers have been working hard to control expenditure on additional employees, agency staff and consultants. Recruitment of all employees and the management of agency staff is being rigorously managed at the centre. The evidence is that these new arrangements are working effectively to control employee costs and the processes established will be maintained during this year and beyond. On this basis Officers are confident that there will not be an overspend on salaries across the Council in 2020/21. Any additional salary costs arising from overtime working on Covid-19 work will be funded from the grant received.
- 6.4. **Non-Salaries** - Expenditure and income at the end of May on areas not impacted by Covid-19 are only forecasting one variance. This variance is within Strategy and Resources Committee and relates to a reduction in interest receivable. The 2020/21 budget was set assuming income of £197,000 from Gryllus for a property deal that was close to being concluded. A decision to now not proceed with this purchase will result in a budget variation and a need to find further savings in the next budget round to balance the Medium Term Financial Strategy.

- 6.5 **Covid-19**-this shows the impact of Covid-19 on those areas affected by Covid-19. **Appendix A(i)** shows a breakdown of the forecast impact of Covid-19 on each area within the Council's General Fund budget. The forecast overspends are based on discussions with Budget Managers. The estimates are based on knowledge available to Budget Managers and should be seen as a realistic and prudent assessment. However, it should be recognised that it is difficult for Managers to form a judgement on circumstances which are currently very fluid. There are a number of unknowns; when the lockdown will end, measures on social distancing, what unlocking the lockdown will involve and the timescale for this and when a return to normal activity will occur. A detailed explanation in relation to each forecast overspend is set out In **Appendix A(iii)** this sets out the assumptions made.
- 6.6 To date the Council has received two grants totalling £897,950 from central government to help elevate the impact of Covid-19. It is hoped that further grants will be forthcoming however this is far from certain.

First Tranche of Covid-19 Funding	Second Tranche of Covid-19 Funding	Total Covid-19 Additional Funding
£25,698	£872,252	£897,950

- 6.7 The grants have already been received and have been applied to reduce the forecast overspend. If it were not for the receipt of these two grants the forecast overspend would be greater.

7 Reserves

- 7.1 The table below demonstrates the effect of the current forecast overspend on the Council's General Fund reserves:

	£000
Opening balance of Reserves 1st April 2020	3,669
Use of Reserves in 2020/21	<u>(2,577)</u>
Closing balance of Reserves 31st March 2021	<u><u>1,092</u></u>

- 7.2 The Council now has an estimated minimum level of reserves at the end of 2019/20 and consequently it will be necessary to be very prudent going forward in order to prevent the Council ending the year with a deficit on General Fund reserves. If the Council ends up with a deficit on its reserves at the end of the year, it will be necessary for the council to rectify the deficit and rebuild its reserves at the next available budget setting process and continue to do so until reserves are restored to a safe level.
- 7.3 The Council's reserves have been reduced to a very low level which reduces the Council's resilience and ability to react to offset the effect of any further financial shocks. The Medium Term Financial Strategy looks to build upon reserves in future years by adding £500k to the base budget annually for the next 3 years. The Council will examine all options to control expenditure and increase income where feasible in the current financial year to conserve its scarce reserves. Clearly any funding which is received from Government would reduce the pressure on the Council's reserves.

- 7.4 Under the Local Government Act 1988 it is illegal for planned expenditure in the current or a future year to exceed budgeted resources and available reserves – in other words, for the authority’s budget to end the year unbalanced. During the financial monitoring process if it becomes clear that the budget may not balance the options available include:
- generating more income
 - cutting costs.
- 7.5 However, if actions to generate income or cut costs are unlikely to result in the budget being balanced then an authority could have to consider a course of action such as implementing a voluntary spending freeze.
- 7.6 A spending freeze is an option that enables an authority to retain control of the financial outcomes without triggering the statutory effects of issuing a Section 114 report.
- 7.7 The council is cautiously optimistic that following discussions between the Chief Financial Officer and the Ministry of Housing, Communities & Local Government (MHCLG) that additional funding to reduce the impact of the costs of Covid-19 being borne by the authority will materialise later this summer. We have been advised that MHCLG are in discussions with the Treasury and are aiming to provide a further tranche of funding, based on need, to address the financial pressures faced by local authorities.

8 Housing Revenue Account

- 8.1 The HRA is forecasting a year end overspend of £87,000. Details of the main variances are given at **Appendix A(ii)** and the narrative explanation is set out in the HRA section of **Appendix A(iii)**.

9 2020/21 Capital Budget Monitoring Position

- 9.1 The Council’s capital budget for the whole Council totals £81,972,800. Consequently, the Capital Programme is forecast to be underspent in 2020-21 by £69,222,000.
- 9.2 The largest and most significant variance in the capital programme is on the Property Development Fund where we are now forecasting no expenditure against a budget of £65,000,000. This is due to the Council now reconsidering its investment strategy while the results of a government consultation into PWLB borrowing are awaited.
- 9.3 Covid-19 has significantly affected the Council’s Capital Programme expenditure. The largest area of the Capital Programme affected by Covid-19 is expenditure on the repair and maintenance of the Council’s housing stock together with the Council House Building programme. A decision was taken at lockdown to suspend all work on repairs and maintenance and the new build programme.
- 9.4 The position on each scheme is detailed in **Appendix B(i)** including the draft 2019/20 Capital outturn, details of spend to the end of May 2020 and the forecast variance of spend at year end. A detailed narrative setting out the current progress on each scheme is set out in **Appendix B(ii)**.

- 10 Impact on the Council's Cash Flow as a result of Covid-19
- 10.1 There is a concern amongst all Billing Authorities about the extent to which Covid-19 reduces the money received in respect of Council Tax and Business Rates. As many Billing Authorities only retain a small proportion of, with the majority collected being paid to preceptors. The concern is as precepts were set well before the start of the financial year, prior to the onset of Covid-19 collection rates will be significantly below expectation as the finances of residents and local businesses deteriorate. As precept payments to Surrey County Council, Surrey Police and the Government were set in line with statute the gearing effect will particularly reduce the Tandridge's cashflow.
- 10.2 Council Tax - As a Billing Authority, Tandridge collects £79m in Council Tax for 2020/21, on behalf of preceptors. This is distributed approximately Surrey 75%, Surrey Police 12.5% and Tandridge 12.5%. Therefore, Tandridge only retains £9.9m of this revenue paying nearly £70m to preceptors. Consequently, for example, a 10% fall in the amount collected would result in £7.9m reduction in cash received which with fixed payments being made, set under statute, would leave a gap in the Council's cash flow for which short term borrowing would be required.
- 10.3 On the positive side Council Tax payments are collected over 10 months, whilst payments to preceptors are made over 12 months, therefore there is some cover against the risk of borrowing, although the Council would lose some interest on earnings from cash balances. The Council is modelling the impact upon cashflow, of the Council Tax collection achieved in April and May, in order to establish potential shortfall in cash receipts.
- 10.4 A cashflow modelling exercise based on Council Tax collected in April and May indicates that the shortfall in Council Tax collection in 2020/21 will be 4.4% less than the budgeted amount. This assumes that the current levels of Council Tax collected is replicated for the remainder of 2020/21 and neither improves or deteriorates for the remaining 10 months. The modelling shows that if this performance were to be replicated throughout the year, the negative impact upon the Council's cash flow would be around £3,488,000 for the whole year. However, the unknown factor for the Council is whether the collection rate will continue to deteriorate or will improve each month. It is prudent to assume that it will deteriorate, as the crisis bites on household budgets. The modelling shows that if the current level of non-collections were to deteriorate by 25% the total amount of uncollected Council Tax in 2020/21 would be £4,096,000. Discussions with Surrey Council have indicated that in principle they are minded to allow precepts to be flexed and they are engaging in a data gathering exercise with Surrey Borough and District Councils to understand the financial impact upon Surrey in terms of borrowing.
- 10.5 Business Rates - As a Billing Authority, Tandridge would collect £21.9m in Business Rates for 2020/21, on behalf of preceptors. However, as a result of Covid-19 additional Business Rate Relief of 100% has been granted to the Retail, Hospitality and Leisure sectors. This is distributed as Central Government - Central Share, 50%, Tandridge 40% and Surrey 10%. However out of the 40% Tandridge receives, it has to pay a Tariff Payment to Central Government of £7.9m with Tandridge only retaining £0.8m in cash. Therefore, of the £21.9m collected from business ratepayers a sum of £18.9m is paid to Central Government including the Tariff, a sum of £2.2m is paid to Surrey leaving £0.8m of cash to be retained by the Council. Following the business rates holiday the Council will receive additional funding which reduces the collectable rates to £14.7m. A 10% fall in the amount collected would result in £1.47m reduction in the cash received, which with the fixed payments based on the £21.9m determined in February under statute, would leave gap in the Council's cash flow for which short term borrowing would be required.

- 10.6 A cashflow modelling exercise based on Business Rates collected in April and May indicates that the shortfall in Council Tax collection in 2020/21 will be 39% less than the budgeted amount. This assumes that the current levels of Council Tax collected is replicated for the remainder of 2020/21 and neither improves or deteriorates for the remaining 10 months. The modelling shows that if this performance were to be replicated throughout the year, the negative impact upon the Council's cash flow would be around £4,088,000 for the whole year. However, the unknown factor for the Council is whether the collection rate will continue to deteriorate or will improve each month. It is prudent to assume that it will deteriorate, as the crisis bites on business cash flows. The modelling shows that if the current level of non-collections were to deteriorate by a further 25% the total amount of uncollected Business Rates in 2020/21 would be £5,225,000. However, the unknown for the Council is whether the Business Rates collection rate will continue to deteriorate each month. Preliminary discussions with Surrey Council have indicated that in principle they are minded to allow precepts to be flexed and they are engaging in a data gathering exercise with Surrey Borough and District Councils to understand the financial impact upon Surrey in terms of borrowing. However, the amount received by Surrey is relatively small (£2.2m). The major part of payments made in relation to Business Rates is to Government and these payments total £18.9m.
- 10.7 On a positive note, the Council will receive the additional cash on a monthly basis for the Business Rates holiday about £12.1m , so there is certainty over this element of the cash receipts. Government has also rescheduled the first three instalments payable in relation to the Central Share, with the first payment in July, so this provides security over the Council's cash flow until July. The Council has modelled the impact on cash flow, of the Council Tax collection achieved in April and May, in order to establish the potential shortfall in cash receipts.
- 10.8 Overall the cash flow modelling indicates that because Council Tax receipts are received in advance of precept payments, the forward Council Tax receipts will mitigate the impact of the shortfall Business Rate receipts until the end of the year. The impact of the overall forecast shortfall of £7.6m in combined Council Tax and Business Rate will not impact until February 2021.

11 Financial / Risk Implications

- 11.1 At the current time a net overspend of £2,576,727 for the General Fund is forecast due to the reasons highlighted above and in the appendices. The overspend will necessitate funding from the Council's reserves at the end of the financial year although it is hoped that at least part of the Covid-19 related expenditure will be funded by additional government grant above that already received.
- 11.2 As previously discussed the Covid-19 situation is constantly changing and the Council updates its plans and projections regularly to take account of the latest developments and guidance from Government. The overspend forecast between April and May has reduced by £1,301,734 in light of the most recent information and advice. Details of the changes are shown in the table in section 5 of this report. Future monitoring report will continue to be updated based on the most up to date understanding of the situation and guidance available.

12 Legal Implications

12.1 Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. This report satisfies the requirements of that legislation in terms of monitoring the Council's budgets.

13 Equality Impacts

13.1 Consideration of impacts under the Public Sector Equality Duty are as follows:

Questions	Answer
Do the proposals within this report have the potential to disadvantage or discriminate against different groups on the community?	No
What steps can be taken to mitigate any potential negative impact referred to above?	Not applicable

14 Data Protection Impacts

14.1 Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	Not applicable

15 Climate change impacts

15.1 This report does not contain proposals that would impact on the Council's commitments to taking action on climate change.

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

2020/21 Forecast: General Fund Financial Position at year end 31/03/2021

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 (£)	Budget Variances May (Period 2) (£)	Forecast Variance at year end (31/3/2021) Non-Covid-19 (£)	Forecast Variance at year end (31/3/2021) Covid-19 (£)	Overall Forecast Variance at year end (31/3/2021) (£)
Strategy and Resources Committee					
Salaries	5,166,671	42,200	26,200	16,000	42,200
<u>Non Salaries</u>					
Interest Payable	1,889,000	0	0	75,000	75,000
Investment Property Income	(989,000)	0	0	247,250	247,250
Interest Receivable	(2,764,200)	0	197,000	300,000	497,000
IT - Software and hardware	10,400	0	0	10,000	10,000
Covid 19 Grants	0	0	0	15,000	15,000
Land Charges	(135,000)	0	0	34,000	34,000
Other Variances less than £10k	988,833	0	0	35,950	35,950
Corporate Items	(1,755,173)	0	0	86	86
Resources Total	2,411,531	42,200	223,200	733,286	956,486
Planning Policy					
Salaries	1,510,700	(5,000)	(5,900)	900	(5,000)
<u>Non Salaries</u>					
Planning Application and Advice	(634,562)	50,028	0	491,330	491,330
Neighbourhood Plan	439,500	(1,325)	0	19,500	19,500
Community Infrastructure Levy	0	0	0	45,000	45,000
Building Control Chargeable	0	0	0	227,500	227,500
Other net items of less than £10,000	22,400	9,455	0	0	0
Planning Policy Total	1,338,038	53,158	(5,900)	784,230	778,330
Community Services Committee					
Salaries	2,235,300	(4,500)	(10,600)	6,100	(4,500)
<u>Non Salaries</u>					
Car Parking-Off Street	17,100	0	0	124,898	124,898
Car Parking-On Street	0	0	0	54,776	54,776
Hackney Carriage/Private Hire	(17,600)	0	0	51,600	51,600
Leisure & Community Grants	468,200	0	0	567,000	567,000
Waste Services	3,736,800	0	0	558,700	558,700
Environmental Services	99,500	0	0	71,800	71,800
Cesspool Services	(34,800)	0	0	75,600	75,600
Operational Services	(244,400)	0	0	156,478	156,478
Parks and Open Spaces	1,025,600	0	0	63,198	63,198
Other Variances less than £10k	(934,600)	0	0	3,411	3,411
Community Services Total	6,351,100	(4,500)	(10,600)	1,733,561	1,722,961
Housing - General Fund					
Salaries	775,800	(15,200)	(16,200)	1,000	(15,200)
<u>Non Salaries</u>					
Meadowside Mobile Homes	(109,500)	(12,760)	0	10,800	10,800
Housing of the Homeless	(59,900)	(442)	0	8,600	8,600
Private Sector Enabling	63,863	3,119	0	12,500	12,500
Other net items of less than £10,000	(211,200)	(75,764)	0	0	0
Housing General Fund Total	459,063	(101,047)	(16,200)	32,900	16,700
Covid-19 Grant	0	0	0	(897,750)	(897,750)
Council General Fund Position at 31/03/2021	10,559,732	(10,189)	190,500	2,386,227	2,576,727

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2020/21 Forecast: Housing Revenue Account Financial Position at year 31/03/2021

KEY HRA REVENUE VARIANCES	Annual Budget 2020/21 (£)	Budget Variances May (Period 2) (£)	Forecast Variance at year end (31/3/2021) Non-Covid-19 (£)	Forecast Variance at year end (31/3/2021) Covid-19 (£)	Overall Forecast Variance at year end (31/3/2021) (£)
Salaries	1,722,400	(17,000)	(18,200)	1,200	(17,000)
Services costs	5,951,600	0	0	100	100
Corporate Support Services- Internal Recharges	1,441,800	0	0	0	0
Repairs and Maintenance	2,640,500	0	0	(100,000)	(100,000)
Interest Charges payable on HRA Loan(net)	1,912,100	0	0	0	0
Rental Income from Council Dwellings	(14,200,500)	0	0	200,000	200,000
Garages	(279,700)	0	0	0	0
Other Income	(226,000)	0	0	3,900	3,900
Revenue Contribution to funding of HRA capital expenditure	1,037,800	0	0	0	0
Forecast HRA Position at 31/03/2021	0	(17,000)	(18,200)	105,200	87,000

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Explanation of Revenue Under/Overspends of Forecast Overspends for 2020/21 at P2 May**Community Services Committee**

The Community Services Committee budget is showing an overall forecast overspend at the 31/3/2021 of £1,722,961 including the impact of Covid-19. The financial forecast shown in Appendix A(i) is shown split between the forecast overspend without the impact of Covid-19 with the impact of Covid-19 shown separately on the Council's Budgets. The analysis shown below and the forecast is based on a Realistic Projection, However the Pessimistic and Optimistic Projections are also provided. These are shown below in the narrative explanation for each budget area. Where specific management actions at this early stage have been identified to address the forecast overspend, these are shown below.

Explanation of the reasons for the forecast overspend**Non Covid-19 Budget spending****Salaries**

The Community Services salaries budget is underspent by £4,500. However aside from overtime in relation to Covid-19 work it is anticipated that salaries expenditure will be in line with the budget at year end and there will be no salaries overspend on Community Services. Salaries and agency staff and consultancy expenditures across the Council are being rigorously being managed at the centre and it is anticipated that the salaries budget across the Council will be on target at year end. This is a realistic projection.

Non-Salaries

Non-salaries expenditure and income budgets are in line with the budget at the end of May. No expenditure variances have been identified aside from the financial impact of Covid-19. It is anticipated therefore that the Community Services Non-salaries expenditure and income budgets will be on target at year end.

Covid-19 Budget Spending**Forecast Income loss****Car Parking-Off Street-**

Realistic £124,898 52% of Budget Income, based on 3 months lockdown 100% £nil income + 3 months at 66.7% of Budget + 6 months at 20% of Budget

Optimistic £27,838 12% of Budget Income, based on 6 weeks at lockdown with £nil income

Pessimistic £241,700 100% of Budget Income, based on 12 months £nil income

The contract the Council recently undertook with Surrey County Council was that any cost overruns are to be borne by the Council. As we are currently in lockdown the likelihood of many Parking Fine Notices being issued by the Enforcement Officers will be drastically reduced.

Car Parking-On Street

Realistic £54,776 52% of budget Income, based on 3 months lockdown 100% with £nil income + 3 months at 33.3% of Budget + 6 months at 80% of budget

Optimistic £12,231 12% of budget Income, based on 6 weeks at lockdown with £nil income

Pessimistic £106,000 100% of budget Income, based on 12months £nil income

Currently throughout the District, all the Councils car parking charging has been suspended.

Hackney Carriages / Private Hire

- Realistic £51,600** 60% of budget Income, based on 3 months lockdown with 100% £nil income + 3 months at 0% of Budget + 6 months at 80% of budget
- Optimistic £12,231 12% of budget Income, based on 6 weeks at lockdown with £nil income
- Pessimistic £106,000 100% of budget Income, based on 12months £nil income

Whilst in lockdown there is unlikely to be any income from Hackney Carriages and this might push some of the drivers into seeking other types of work and not return to taxi driving.

Environmental Services

- Realistic £71,800** 52% of budget Income, based on 3 months lockdown 100% with £nil income + 3 months at 33.3% of Budget + 6 months at 80% of budget
- Optimistic £14,885 12% of budget Income, based on 6 weeks at lockdown with £nil income
- Pessimistic £129,000 100% of budget Income, based on 12months £nil income

Decrease in demand and requirement for licences due to Covid19 and the current lockdown.

Waste & Other Services

- Realistic £48,700** details as noted below
- Optimistic £48,700 details as noted below
- Pessimistic £48,700 details as noted below

This is a loss of income from the Garden Waste Club due to Covid19 delaying the start date of the new waste contract.

Cesspool Services

- Realistic £75,600** based on a reduction of 30% of budget income
- Optimistic £25,200 based on a reduction of 10% of budget income
- Pessimistic £126,000 based on a reduction of 50% of budget income

The cesspool team may not be able to achieve budget due to staff sickness and Covid-19 restrictions on movement. Also, as the lockdown continues homeowners with less available money may try and delay having to have cesspool empty as often, although the contra to this is that as people are homeworking we may find more demand is wanted from the service, however we are limited to the 2 vehicles and 2 qualified drivers who can deliver the service.

Operational Services

- Realistic £156,478** average 45% of budget Income, based on 3 months lockdown 100% with £nil income + 3 months at 33.3% - 80% of Budget + 6 months at 80% of budget
- Optimistic £37,720 average 11% of budget Income, based on 6 - 7 weeks at lockdown with £nil income
- Pessimistic £361,600 100% of budget Income, based on 12months £nil income

The operational team are working within the boundaries of Covid-19, social distancing and Healthy and Safety restriction with having to wear PPE and lastly staff sickness means the team are unable to work at normal capacity. This will all have a knock-on effect on the team's capabilities to deliver a normal service of maintaining the HRA housing stock and therefore will also lead to less billable work for the team.

Parks & Open Spaces

Realistic £63,198 52% of Budget Income, based on 3 months lockdown 100% with £nil income + 3 months at 33.3% of Budget + 6 months at 80% of budget

Optimistic £19,946 12% of Budget Income, based on 6 weeks at lockdown with £nil income

Pessimistic £123,667 100% of Budget Income, based on 12months £nil income

Decrease in revenue from sports facilities due to these being closed whilst in lockdown.

Also, within the Parks & Open Spaces numbers the Grounds Maintenance contract with HRA sits. The team may not be able to deliver to contract due to staff sickness and Covid-19 restrictions on movement. It has been assumed that the team will have reductions as noted below:-

Realistic 8% of income – based on each if the team members being off sick for 4 weeks

Optimistic 4% of income – based on each if the team members being off sick for 2 weeks

Pessimistic 17% of income - based on each if the team members being off sick for 8 weeks

Forecast Additional Expenditure

Leisure and Community Grants

Realistic £567,000 based on support to 31st March 2021

Optimistic £283,500 based on 50% support to 31st March 2021

Pessimistic £567,000 based on support to 31st March 2021

These costs represent the additional costs the Council may incur on the Tandridge's leisure centres. The estimated cost (realistic) has reduced by £395,800 when compared to the £962,000 figure forecast at the end of April. This is due to a lower level of support now being forecast.

Freedom Leisure have requested a package of financial support to enable them to continue the contract while the facilities are closed and to reopen leisure facilities when the lockdown is lifted, which is anticipated to be later in July. A package of proposals has been received and is under consideration by Members.

Waste & Other Services

Realistic £510,000 details as noted below

Optimistic £260,000 assumed that 50% of the all the costs listed below are incurred

Pessimistic £510,000 details as noted below

These costs represent the additional costs the Council may incur on the Waste Services.

£425,000 - increase costs of Collection due to Covid-19. Increase in waste staffing costs due to higher than normal staff sickness, agency staff having to be brought in to run the service. Also, there is additional H&S requirements to ensure the waste team stay safe. In particular, there is extra cleaning and disinfecting of equipment and personnel. Assumed £35,400 for 12 months

£35,000 – Professional Fees - Possible extension to existing waste contract as we will not be able to mobilise for the new contract at planned start date. Assumed legal costs of redrafting contracts etc and additional costs of setting up extension to existing contract.

£50,000 – Covid-19 has delayed the ordering and purchasing of the new waste vehicles. We will have to keep the old vehicles for longer and therefore may incur high maintenance costs and / or hiring costs of vehicles. Assumed 25% contingency based on current maintenance budget of £200,000.

The cost of £510,000 has reduced by £882,000 when to the £1,392,000 figure forecast at the end of April. This is due to change in assumptions regarding the waste collection contract where we are now not anticipating harsher social distancing rules to add substantial additional costs to the collection process.

Proposed Management Action regarding: Overspends

Management are trying to mitigate and prevent any additional non-Covid 19 overspends with the Covid-19 overspends there is little opportunity for management to mitigate these.

Appendix A(iii)

Explanation of Revenue Under/Overspends of Forecast Overspends for 2020/21 at P2 May

Housing Committee-General Fund

The Housing General Fund Committee budget is showing an overall forecast overspend at the 31/3/2021 of £16,700 including the impact of Covid-19. The financial forecast shown in Appendix A(i) is shown split between the forecast overspend without the impact of Covid-19 with the impact of Covid-19 shown separately on the Council's Budgets. The analysis shown below and the forecast is based on a Realistic Projection, however the Pessimistic and Optimistic Projections are also provided. These are shown below in the narrative explanation for each budget area. Where specific management actions at this early stage have been identified to address the forecast overspend, these are shown below.

Explanation of the reasons for the forecast overspend

Non Covid-19 Budget spending

Salaries

The Housing General Fund salaries Budget is underspent by £16,200. However aside from overtime in relation to Covid-19 work it is anticipated that salaries expenditure will be broadly in line with the budget at year end and there will be no salaries overspend on the Housing General Fund. Salaries and agency staff and consultancy expenditures across the Council are being rigorously being managed at the centre and it is anticipated that the salaries budget across the Council will be on target at year end. This is a realistic projection.

Non-Salaries

Non- Salaries expenditure and income budgets are in line with the budget at the end of May. No expenditure variances have been identified aside from the financial impact of Covid-19. It is anticipated therefore that the Housing General Fund Non-salaries expenditure and income budgets will be on target at year end.

Covid-19 Budget Spending

Forecast Income loss

Meadowside Mobile Homes- **Realistic £10,800, Optimistic £5,400 Pessimistic £16,200**

Sales at Meadowside likely to be reduced as fewer people look to move. The realistic forecast is based on losing 50% of our income, the pessimistic 75% and the optimistic 25%.

Forecast Additional Expenditure

Housing the Homeless **£8,600**

Additional costs from housing rough sleepers during the pandemic. This estimate is based on the number of rough sleepers being accommodated over a 12-week period less Housing Benefit and any grant received.

Private Sector Enabling **£12,500**

The contractor (Millbrook) has redeployed staff for a 12-week period to support Surrey County Council's overall Covid-19 response. The £12.5k is the cost of our quarterly contract which has been forgone to support Surrey and the NHS.

Proposed Management Action regarding: Overspends

The positions will continue to be closely monitored.

Explanation of Revenue Under/Overspends of Forecast Overspends for 2020/21 at P2 May

Housing Committee-HRA

The Housing Revenue Account budget is showing an overall forecast year end overspend at the 31/03/2021 of £87,000 including the impact of Covid-19. The financial forecast shown in Appendix A(ii) is shown split between the forecast overspend without the impact of Covid-19 with the impact of Covid-19 shown separately on the Council's Budgets. The analysis shown below, and the forecast is based on a Realistic Projection, however the Pessimistic and Optimistic Projections are also provided. These are shown below in the narrative explanation for each budget area. Where specific management actions at this early stage have been identified to address the forecast overspend, these are shown below.

Explanation of the reasons for the forecast overspend

Non Covid-19 Budget spending

Salaries

The HRA salaries budget is underspent by £17,000. However aside from overtime in relation to Covid-19 work it is anticipated that salaries expenditure will be broadly in line with the budget at year end with a small yearend underpinned of £17,000 forecast. Salaries, agency staff and consultancy expenditures across the Council are being rigorously managed at the centre and it is anticipated that the salaries budget across the Council will be on target at year end. This is a realistic projection.

Non-Salaries

Non-salaries expenditure and income budgets are in line with the budget at the end of May. No expenditure variances have been identified at this early stage aside from the financial impact of Covid-19. It is anticipated therefore that the HRA Non-salaries expenditure and income budgets will be on target at year end.

Covid-19 Budget Spending

Forecast Income loss

HRA Income- Realistic £4,000, Optimistic £1,805, Pessimistic £13,940.

The HRA receives the vast majority of its income from rent and service charge payments from tenants. The full impact of the Covid-19 pandemic on payments from tenants is yet to be full known but is likely to lead to an increase in arrears. The impact on the budget position will be in the form of expenditure as a greater transfer to the bad debts provision is likely to be needed at year end. This is detailed in the expenditure section below.

The impact of the Covid-19 outbreak is likely to lead to fewer Right to Buy (RTB) sales. The income loss assumption above assumes that RTB sales will be lower and there will therefore be a reduction in the revenue income receivable to offset costs. A total of £1,300 per sale is allowable so this forecast is based on three fewer sales than budgeted for this year.

Forecast Additional Expenditure

Rent Loss from Bad Debts- Realistic £200,000, Optimistic £100,000, Pessimistic £400,000

As HRA arrears are expected to increase significantly and an increased revenue contribution to the bad debts reserve is forecast. At this stage it is assumed that an increase of £200,000 will be required. The situation will become clearer over the coming months as the level of direct debit cancellation and increase in arrears becomes known.

Forecast Underspend

Repairs and Maintenance expenditure- Realistic (£100,000)

Due to the lockdown and required social distancing measures planned repairs and maintenance have been postponed. It is thought that some of the delayed work can be caught up with during the year depending on the weather but not all planned expenditure is likely to occur this financial year. It is estimated that an underspend of £100,000 is likely.

Proposed Management Action regarding: Overspends

The level of HRA rent arrears will be closely monitored throughout the year. A reduced level of repairs and maintenance work is likely to alleviate the in-year impact of an increased transfer to the bad debts provision however the repairs and maintenance work will still need to be undertaken in future years.

Any government assistance available to tenants to help them deal with the financial impact of Covid-19 on their ability to pay their rent will signposted to tenants. Discretionary Housing Payments may be used to clear tenant arrears in some cases if additional fund are made available.

Explanation of Revenue Under/Overspends of Forecast Overspends for 2020/21 at P2 May**Planning Policy Committee**

The overall Planning Policy Committee budget is showing an overall forecast overspend at the 31/3/2021 of £778,330 including the impact of Covid-19. The financial forecast shown in Appendix A(i) is shown split between the forecast overspend without the impact of Covid-19 with the impact of Covid-19 shown separately on the Council's Budgets. The analysis shown below and the forecast is based on a Realistic Projection, however the Pessimistic and Optimistic Projections are also provided. These are shown below in the narrative explanation for each budget area. Where specific management actions at this early stage have been identified to address the forecast overspend, these are shown below.

Explanation of the reasons for the forecast overspend**Non Covid-19 Budget spending****Salaries**

The Planning Policy salaries budget is underspent by £5,900. However aside from overtime in relation to Covid-19 work it is anticipated that salaries expenditure will be in line with the budget at year end and there will be no salaries overspend on Planning Policy. Salaries and agency staff and consultancy expenditures across the Council are being rigorously being managed at the centre and it is anticipated that the salaries budget across the Council will be on target at year end. This is a realistic projection.

Non-Salaries

Non- Salaries expenditure and income budgets are currently showing on budget at the end of May. No expenditure variances have been identified aside from the financial impact of Covid-19.

Covid-19 Budget Spending**Forecast Income loss**

Planning Applications & Advice- Realistic £491,330 Optimistic £175,475, Pessimistic £533,425

Existing Planning Applications are still being processed but it is expected that these will dry up in the coming weeks, leaving a shortfall in income received. The realistic forecast is based on losing 70% of our income, the pessimistic 75% and the optimistic 25%.

Community Infrastructure Levy - Realistic £45,000 Optimistic £22,500, Pessimistic £67,500

This has been included as any slowdown in development will have an impact on the 5% admin fee the Council can claim. The realistic forecast is based on losing 70% of our income, the pessimistic 75% and the optimistic 25%.

Southern Building Control Partnership Realistic £227,500 Optimistic £113,750, Pessimistic £341,250

This assumes that SBP will not get any income for 3 months (optimistic), 6 Months (realistic) or 9 months (pessimistic) and this is TDC share (as per set out in the Inter Authority Agreement) of the net cost after deducting costs of vacancies which will not be filled until the market starts to pick up.

Forecast Additional Expenditure

The Neighbourhood Plan

Overspend of £19,500

A delay in the Neighbourhood Plan going to referendum will result in a delay to the grant being received to cover the cost of the examiner. The end result will mean the grant will not be received until later years whereas the costs have been incurred in this financial year 2020/21, which has caused an adverse variance of £19,500 to the 2020/21 budget.

Proposed Management Action regarding: Overspends

The positions will continue to be closely monitored.

Explanation of Revenue Under/Overspends of Forecast Overspends for 2020/21 at P2 May**Strategy and Resources Committee**

The Strategy and Resources Committee budget is showing an overall forecast overspend at the 31/3/2021 of £956,486 including the impact of Covid-19. The financial forecast shown in Appendix A(i) is shown split between the forecast overspend without the impact of Covid-19 with the impact of Covid-19 shown separately on the Council's Budgets. The analysis shown below and the forecast is based on a Realistic Projection, however the Pessimistic and Optimistic Projections are also provided. These are shown below in the narrative explanation for each budget area. Where specific management actions at this early stage have been identified to address the forecast overspend, these are shown below.

Explanation of the reasons for the forecast overspend**Non Covid-19 Budget spending****Salaries**

The Strategy and Resources salaries budget is overspent by £42,200. Of this overspend, £16,000 is in relation to Covid-19 work. A year end Strategy and Resources Committee salaries overspend of £42,200 is being forecast, however it is worth noting that this is offset by minor underspends within other committees and the General Fund as a whole is forecasting a £6,500 underspend on salaries once overtime from Covid-19 is excluded. Salaries and agency staff and consultancy expenditures across the Council are being rigorously managed at the centre and it is anticipated that the salaries budget across the Council will be on target at year end. This is a realistic projection.

Non-Salaries

The only non Covid-19 variance is the reduction on budgeted Interest Receivable of £197,000 due to the decision to not proceed with an agreed property purchase through Gryllus.

No other non Covid-19 expenditure variances have been identified at the end of May.

Covid-19 Budget Spending**Forecast Income loss****Interest Receivable** **Realistic £300,000**, Optimistic £89,800, Pessimistic £500,000

A reduction in interest receivable following the cut in the Bank of England base rate from 0.75% to 0.1% influencing the return on investments.

This estimated variance has increased by £120,400 from the £179,600 forecast at the end of April. This is due to a detailed review of projected investment income. Lower returns are now forecast on fund investments.

Investment Property Income **Realistic £247,250**, Optimistic £197,802, Pessimistic £494,500

Due to the enforced closedown some tenants have requested rent holidays, this primarily affects Quadrant House.

Land Charges Income **Realistic £34,000**, Optimistic £20,250, Pessimistic £67,500

Capital Budget Monitoring at Period 2 end May 2020)

Appendix B(i)

Scheme Name	Annual Budget 2019/20	Draft Outturn 2019/20	Draft Variance 2019/20	Annual Budget 2020/21	Budget YTD P2	Actual YTD P2	Variance YTD P2	Forecast Annual Variance 2020/21 at P2	Annual Percentage Variaton	Budget Manager
	£	£	£	£	£	£	£	£	%	
Community Services										
Vehicle Fleet Renewals	59,900	0	(59,900)	484,000	80,667	0	(80,667)	(121,000)	-25%	Nic Martlew
Car Parking	58,200	40,889	(17,312)	30,000	5,000	10,315	5,315	(7,500)	-25%	Nic Martlew
Ellice Road Car park	100,000	89,504	(10,496)	0	0	0	0	0	-	Grant Miles
Children's Playground Equipment	116,600	89,596	(27,004)	265,000	44,167	0	(44,167)	(66,200)	-25%	Nic Martlew
Purchase of Waste Collection Vehicles	3,500,000	0	(3,500,000)	0	0	0	0	0	-	Simon Mander
Land Drainage Capital Works	10,000	5,000	(5,000)	10,000	1,667	0	(1,667)	(5,000)	-50%	Nic Martlew
Park, Pavilions & Open Spaces	188,400	11,128	(177,272)	100,000	16,667	119	(16,548)	(25,000)	-25%	Nic Martlew
Playground Improvements Match Funding Pot	50,000	0	(50,000)	0	0	0	0	0	-	Nic Martlew
Waste & Recycling Contract Equipment	600,000	621,616	21,616	0	0	0	0	5,000	-	Simon Mander
Litter Bins	20,000	0	(20,000)	2,000	333	0	(333)	0	-100%	Nic Martlew
Garden Waste Bins	0	0	0	111,000	18,500	0	(18,500)	(27,700)	-25%	Simon Mander
Public Conveniences Capital Works	275,000	0	(275,000)	275,000	45,833	0	(45,833)	(68,700)	-25%	Nic Martlew
Roads & Paths St Marys Church	20,000	12,445	(7,555)	0	0	0	0	0	-	Nic Martlew
Plant, Furniture & Equipment (GF)	8,000	28,760	20,760	51,000	8,500	20,711	12,211	0	0%	Nic Martlew
Refuse, Recycling and Food Waste bins	0	41,692	41,692	100,000	16,667	0	(16,667)	(25,000)	-25%	Simon Mander
Total-Community Services	5,006,100	940,631	(4,065,469)	1,428,000	238,000	31,145	(206,855)	(341,100)	-24%	
Housing General Fund										
Social Housing Grants	0	0	0	100,000	16,667	0	(16,667)	(25,000)	-25%	Peter Trowbridge
Disabled Facilities Grants Mandatory	439,100	310,734	(128,366)	426,000	71,000	28,745	(42,255)	(106,500)	-25%	Jane Ellis
Total-Housing GF	439,100	310,734	(128,366)	526,000	87,667	28,745	(58,921)	(131,500)	-25%	
Resources Committee										
Property Development Fund	66,000,000	32,292,544	(33,707,456)	65,000,000	10,833,333	0	(10,833,333)	(65,000,000)	-100%	Alison Boote
Land/Asset Development	153,000	18,959	(134,041)	0	0	2,945	2,945	0	-	Alison Boote
Council Offices Buildings	182,320	29,585	(152,735)	100,000	16,667	0	(16,667)	(25,000)	-25%	Alison Boote
Customer First / IT	150,000	143,125	(6,875)	150,000	25,000	0	(25,000)	(37,500)	-25%	Mel Thompson
IT - Hardware/Infrastructure/Customer First Projects	0	0	0	723,600	120,600	0	(120,600)	(180,900)	-25%	Mel Thompson
Total-Resources	66,485,320	32,484,213	(34,001,107)	65,973,600	10,995,600	2,945	(10,992,655)	(65,243,400)	-99%	
Total-General Fund	71,930,520	33,735,578	(38,194,942)	67,927,600	11,321,267	62,835	(11,258,432)	(65,716,000)	-97%	
Housing Revenue Account										
Council House Building	6,719,300	4,442,266	(2,277,034)	10,417,200	1,736,200	700,151	(1,036,049)	(2,604,300)	-25%	Peter Trowbridge
Structural Works	755,000	840,744	85,744	705,000	117,500	14,983	(102,517)	(176,200)	-25%	Robert Preedy
Modernisation & Improvements	654,000	652,506	(1,494)	765,500	127,583	77,499	(50,085)	(191,400)	-25%	Robert Preedy
Energy Efficiency Works	393,000	341,126	(51,874)	541,500	90,250	37,180	(53,070)	(135,400)	-25%	Robert Preedy
Internal Service Renewals	628,000	649,047	21,047	611,000	101,833	172,836	71,003	(152,700)	-25%	Robert Preedy
Works to Void Properties	490,000	628,663	138,663	425,000	70,833	0	(70,833)	(106,200)	-25%	Robert Preedy
Health & Safety	175,000	124,928	(50,072)	90,000	15,000	10,420	(4,580)	(22,400)	-25%	Robert Preedy
Adaptations for the Disabled	232,500	218,330	(14,170)	225,000	37,500	9,307	(28,194)	(56,200)	-25%	Robert Preedy
Essential Structural Works	175,000	161,134	(13,866)	185,000	30,833	8,999	(21,835)	(46,200)	-25%	Robert Preedy
Communal Services	75,000	36,057	(38,943)	60,000	10,000	1,860	(8,140)	(15,000)	-25%	Robert Preedy
Housing Management Software	81,100	31,085	(50,015)	20,000	3,333	2,500	(833)	0	0%	Mel Thompson
Total-HRA	10,377,900	8,125,885	(2,252,015)	14,045,200	2,340,867	1,035,734	(1,305,133)	(3,506,000)	-25%	
Total Capital Programme	82,308,420	41,861,463	(40,446,957)	81,972,800	13,662,133	1,098,569	(12,563,565)	(69,222,000)	-84%	

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2020/21 Capital Monitoring - Budget Managers Comments
Period 2, May 2020

Community Services
Vehicle Fleet Renewals
It is expected that due to Covid-19 there will be some delay on the purchase of vehicles
Car Parking
Resurfacing work at Woldingham & the Leisure Centre CP will be incurred in 2020/21, however there may be some delay due to the impact of Covid-19
Children's Playground Equipment
It is expected that due to Covid-19 there will be some delay in the progress of these works
Purchase of Waste Collection Vehicles
The programme will be slipped from 2019-20. It is anticipated that the final costs of the programme will be £2.8 million, £700,000 under budget.
Land Drainage Capital Works
This money will be spent during the winter months on flood alleviation works.
Park, Pavilions & Open Spaces
A sum of £40,000 has been committed in 2020/21 but the Council is waiting for report/guidelines on Queens Park Pavilion cladding works before commencing the works.
Playground Improvements Match Funding Pot
The budget will be slipped from 2019-20. Parish Councils have been approached and waiting for bids.
Waste & Recycling Contract Equipment
This project is complete
Litter Bins
Having completed consultation & Member Workshops a Committee paper and policy was considered at the March Community Services Committee meeting.
Garden Waste Bins
A small underspend is being forecast by the Budget Manager.
Public Conveniences Capital Works
Having completed consultation & Member Workshops a committee paper and recommendations were considered at the March Community Services Committee meeting.
Roads & Paths St Marys Church
The remaining budget from 2019/20 of £7,500 will be slipped into 2020-21 and it is expected that this will be spent in 2020/21.
Plant, Furniture & Equipment (GF)
Approximately £21,000 of the 2020-21 budget will be used to cover the expenditure in 2019-20. The expenditure to date amounts to £16,288 and it is anticipated that this budget will be spent in full by the end of the year.

Housing General Fund
Social Housing Grants
No Social Housing Grant allocations at this time.
Disabled Facilities Grants Mandatory
Demand for DFGs remains high and is driven by the increasing aging population in the District, however there may be delay in scheme completion due to Covid-19

Strategy & Resources
Property Development Fund
Budget spend is dependent on suitable acquisitions being identified. If this scheme is under budget at the year end then it will be carried forward into future years. Further commercial investments are currently on hold awaiting the results of a government consultation on the future lending terms of the Public Works Loan Board (PWLB).
Council Offices Buildings
This budget covers the planned maintenance programme for the Council Offices, however there may be delay due to Covid-19
Customer First / IT
Ongoing ICT development works progressing. This scheme is expected to be on budget in the current financial year.

Housing Revenue Account
Council House Building
The budget underspend from 2019-20 of £2.3m will be slipped into 2020-21. Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials. The Court development however is still progressing. The year end variance reflects this position.
Structural Works
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Modernisation & Improvements
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Energy Efficiency Works
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Internal Service Renewals
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Works to Void Properties
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary
Health & Safety
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Adaptations for the Disabled
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Essential Structural Works
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Communal Services
Work on repairs and maintenance has been put on hold due to Covid-19. This decision was taken because it is difficult for contractors to socially distance and contractors could not get the necessary materials
Housing Management Software
Ongoing IT development works progressing.

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REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 9TH JULY 2020 AGENDA ITEM 9	
COUNCIL IMPROVEMENT PLAN	
Report of:	Heather Wills - Improvement Adviser - hwills@tandridge.gov.uk Paul Smith - Interim Transformation Lead – psmith@tandridge.gov.uk
CMT Lead Director	Elaine Jackson - Acting Chief Executive - ejackson@tandridge.gov.uk
Purpose of report:	To: <ul style="list-style-type: none"> • Update Members on progress with key recovery workstreams underway in the Council • Update Members on the implications of COVID-19 on these workstreams and; • Seek endorsement of the Corporate Improvement Plan.
Publication status:	Unrestricted
Recommendations:	A. That progress in key workstreams related to Council recovery be noted. B. That the Committee endorse the Corporate Improvement Plan set out in Appendix A.
Appendices:	Appendix A: Corporate Improvement Plan
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

- 1.1 At the meeting of this Committee in September 2019, the Acting Chief Executive stated that: *‘while some areas of the Council were working more efficiently because of Customer First, there were significant areas of under-performance. She emphasised that “Members and Officers needed to work together to make the Council financially sustainable and to provide residents with the best possible services”.*
- 1.2 The meeting agreed that the then Corporate Management Team should be allowed adequate time to plan and co-ordinate the recovery process. The priority should be to restore budgetary control, protect services and raise staff morale.
- 1.3 Members are reminded that at this point the Council was operating with gaps in all director roles due to Officers leaving or being away from the office on sickness leave. The Acting Chief Executive worked with the Senior Leadership Team to deliver ‘business as usual’ whilst also addressing the improvement areas for the Council. Some of this work has been supported by the Local Government Association (LGA). Some of these issues have now been addressed as set out in this report.

1.4 A progress update on a range of corporate improvement actions was provided to Strategy and Resources Committee at its meeting on 3rd February 2020. The Committee was advised that corporate improvement activity will be focused on the following areas:

- An external review of governance;
- Development of a strategic plan (with associated performance and risk management frameworks);
- Workforce review; and
- A financial recovery plan.

2 Progress Update

2.1 This report seeks to update Members on progress with key recovery workstreams underway in the Council and to seek endorsement of the Corporate Improvement Plan set out in Appendix A.

2.2 Since September 2019, the following progress has been achieved:

- i) The Officer Leadership team has been stabilised with a new interim Executive Leadership Team in place. These roles are all currently filled by a mixture of temporary promotions or interim appointments. However, with the recent resignation of the former Director of People, work can now commence to establish a longer term senior structure.
- ii) The Revenue Budget 2020/21 and the Capital Programme 2019 – 24 were approved by Council on 13 February 2020. This followed a lengthy budget process which included a series of Officer challenge meetings, Member budget workshops and the approval of committee budgets by Policy Committees in the January cycle.
- iii) Controls have been established on the recruitment agency/ temporary staff.
- iv) Internal governance has been improved, for example the establishment of:
 - The Corporate Procurement Board – all procurement of goods, works or services above the threshold of £3,000 are referred to the Procurement Board. The Board (which consists of the Chief Executive; s151 Officer; Head of Legal and the Procurement Specialist) decides which contracts for works need to be considered by it and aims to ensure that the Council's Standing Orders ('CSOs') are implemented in all cases and at all stages.
 - Investment Property Group – the Council has changed the way it manages its property acquisitions since 2018. This Group consists of senior Council Officers with a mandate to assess all potential property acquisitions using the agreed criteria and decide which ones to recommend for progression subject to thorough due diligence. Further improvements are in progress to strengthen the governance processes and these will also be informed by the governance review.

- v) Additional capacity has been commissioned from the Local Government Association (LGA) to support the workforce review, the development of a strategic plan, performance and risk management frameworks and the implementation of actions arising from the governance review.
- vi) The LGA has also provided support via Member peers to support the Council's Members in their roles in the improvement process.
- vii) CSOs have been reviewed and revised to ensure appropriate thresholds have been set for decision making.
- viii) A Data Protection Officer has been appointed. Their role amongst other things is to progress and improve Data Protection procedures and practices. This role is a legal requirement under s37 of the General Data Protection Regulations.
- ix) An external review of the Council's governance has been conducted by the Centre for Public Scrutiny (CfPS). This review has focused first on issues to be addressed in the short term, reflecting the Council's current focus on stabilisation and considering matters such as roles and responsibilities and organisational culture relating to good governance. Initial feedback was given to the three main Group Party Leaders (Cllrs Elias; Sayer and Botten) on 10th June. Work is in hand to complete the report and to disseminate key findings to Members.
- x) Collaborative working across the three main group leaders has begun and there are now fortnightly group leader meetings. Protocols are being produced on a number of matters including communications, media handling, planning and working groups. Some of these will be submitted to Committees for approval.
- xi) New rubbish collection arrangements were rolled out. Out of approximately 33,000 bins delivered and over 5,000 enquiries received only 76 formal complaints were made which equates to less than half a percent.
- xii) Full, up to date health and safety reports have been completed for all Council buildings, which confirmed that all essential requirements are met in relation to these buildings.
- xiii) A Residents' survey has been undertaken: this will give a baseline against which to measure resident satisfaction as the Council implements its strategic and improvement plans.
- xiv) A range of actions have been taken to raise staff morale:
 - Staff survey conducted
 - Staff suggestion scheme
 - Monthly staff briefings are being held via Microsoft Teams
 - The Acting Chief Executive held Meet the team sessions which are providing valuable information to consider for improvement

Many of the issues which were raised in the staff survey relate to leadership, workload, resources, Member/Officer relationships and parking, most of which are being addressed through work referred to in this paper, including the refresh of the Council's values and behaviours. A number of good ideas from the staff suggestion scheme are currently being scoped in detail.

- xv) Throughout this challenging period, and while delivering the above improvement actions, the Council has kept day to day services running. For example, Tandridge maintained a very high Council Tax collection rate of over 98% for 2019/20.

3. Actions currently in progress

3.1 The following actions are currently being progressed:

- i) Recruitment to the post of s151 Officer.
- ii) A workforce review is currently underway to find an affordable staffing solution which will deliver 'business as usual' services for the Council. Now that interim arrangements have been made to stabilise the Council's senior management, work will commence to design and implement the longer-term solution.
- iii) Two workshops for Members to identify the Council's priorities for the next 3-5 years have been held, to inform the development of the strategic plan. Stakeholders and partners have also contributed their views on how the Council provides services and what will be important to them in the future. A range of opportunities have been provided for staff to contribute to the development of the plan. Work to draft the plan will continue in the coming months, using input from all of these sources in order that a final version will come to this committee.
- iv) The Interim Executive Team are working together with the wider workforce to ensure that service areas are focused correctly to deliver the functions that are required - Communities, Corporate Resources, Finance, Legal and Planning services. This work will be ongoing to get the right people in the right roles with the right level of accountability. Already some services have been realigned.
- v) Three workshops have been held with Staff Conference to support the development of a refreshed set of values and behaviours for the Council as the first part of a culture change programme. A questionnaire was sent out to all staff for their input and a workshop was held at the depot. The new values and behaviours will be in place will form part of the new People Strategy.
- vi) Work is now under way to stabilise and transform the Council's Planning Service. Resourcing has been a priority and this has been secured. The Pre-application service has been reintroduced and backlogs are being managed and reduced. Further work is underway to continue to improve the service.
- vii) Work on a financial recovery plan is currently underway and will be brought to committee in due course. This work will need to consider the impact of COVID-19 on the Council both in terms of its finances and also its priorities. A number of themes have been identified to be looked at. These can broadly be split between income generation and efficiencies. The recovery plan will look at how the Council uses its assets and identify ways to ensure the Council gets the best and most efficient use out of them. The Council's investment policy will be reviewed.

- viii) It is possible that more effective and efficient use of IT systems and processes can be used to drive cost out of the system and this will be considered. Managing customer demand by steering customer towards self-service and online will also lead to more efficient service provision. Major contracts will be reviewed to see if savings can be driven out of them however this is likely to be limited due to the recent work that has already been undertaken in this area.
- ix) The review will look at staffing levels to identify areas of under/over resourcing and significant savings have already been identified with the new interim senior management structure that has been put in place.
- x) The financial recovery plan will include work to look at the delivery cost of services by function and will benchmark these against performance by relevant Councils elsewhere in the country. This will enable the Council to focus its work on areas where there is most scope to achieve efficiencies. A detailed options appraisal in relation to shared services will also be conducted.
- xi) The development of the Council's use of technology to support service delivery and drive efficiencies will support the financial recovery and people plans. The LGA is funding an adviser to the Council to support the development of a technology and digital strategy: this work is underway.

4. The Impact of COVID-19

- 4.1 Members will be aware that, on 19th March 2020 the COVID-19 pandemic was declared as a major incident across Surrey. Nationally, Local Government was placed at the heart of the non-NHS COVID-19 response.
- 4.2 The consequence of this was that much of the Councils work was focused on the COVID- 19 response. For example, 35 of our employees were diverted to contact shielded and vulnerable people. Calls have been made to over 6500 people with follow up support of arranging food parcels etc.
- 4.3 The Council also administered the emergency business grants scheme. To date 1370 Tandridge businesses have received a total of £17m. A further £0.99m is being distributed as discretionary grants.
- 4.4 The social distancing arrangements put into place meant that the Council Offices are closed to the public. However greater use of telephony and online portals have meant that much business as usual has continued. The Councils approach to customer contact will form part of our improvement and a strategic plan in the light of these changes.
- 4.5 Due to the impact of COVID-19, in terms of limiting the ability to hold public meetings, legislation has been passed which enabled regulations to be made that councils to hold meetings via video or teleconference i.e. permitting the attendance of Members at Committee meetings via virtual means. The first virtual meeting was held in May 2020. The Council was one the first authorities in Surrey to hold a virtual full Council meeting. Officers continue to explore optimal solutions for holding virtual meetings.

4.6 The Council's finances have been impacted by this. The budget monitoring report elsewhere on this agenda covers this in more detail but it does mean that the Council will have to reshape its priorities and services in the light of this and the new demands that COVID-19 recovery will bring.

4.7 This has meant that much of the work on both the strategic plan and the improvement plan has had to be put on hold. In addition, many things that were considered normal prior to COVID-19 are no longer normal. In addition, the financial impact upon the Council both short and longer terms means that we have to rethink our priorities and how we deliver our priority and statutory functions.

5. Corporate Improvement Plan

5.1 The pandemic also has an impact upon the work on the improvement plan. Although much progress has been made on the improvement plan, some issues have been delayed and other new ones have emerged.

5.2 Given the strategic significance to the Council of the various improvement workstreams, an Improvement Plan has been developed which is intended to:

- i) Set out the improvement actions which the Council is taking and their timescales for delivery
- ii) Enable Strategy and Resources Committee to monitor the delivery of the Plan

5.3 The Plan also includes workstreams that will:

- Enable the Council to assure itself that key statutory responsibilities are met
- Address particular service improvement challenges
- Take into account the Council's position post COVID and the "new normal"
- Enable and progress partnership working through which the Council's resilience, influence and ability to address strategic priorities will be enhanced
- Enable it to receive external challenge and support through a Corporate Peer Challenge

5.4 The plan, including achievements to date and also the impacts of COVID-19 is attached at Appendix A.

5.5 While the various workstreams have been identified for the Plan, some are well progressed, and others are in various stages of development. Future versions of this Plan will give more detail about milestones and timescales for delivery.

5.6 It is anticipated that during the current Municipal Year, the Council will wish to review the progress against this Plan and to take a view on what member oversight should be going forwards. Regular reports on progress will be brought to this committee as well as discussed at Group Leaders briefings.

5.7 As part of the ongoing improvement, capacity for a Programme Management Office will be identified for this programme and other non 'Business as Usual' activities to ensure delivery and to maintain focus and pace. Work is underway to identify how to free up and develop existing resources to undertake this role, as part of the new staffing structure.

5.8 An officer-level Corporate Improvement Programme Board will be created to oversee the Plan's implementation and ensure appropriate management of its risks.

6 Financial / risk implications

6.1 Like many Councils, Tandridge District Council is now facing the most difficult financial position for many years. The results of the financial and COVID-19 recovery plan are likely to lead to some challenging and difficult decisions that will need to be taken by Members and senior officers.

6.2 Failure to agree and implement an achievable improvement plan could lead to a deterioration in the Council's finances and the reduction of services to all but the statutory minimum provision possible. However, the adoption of an achievable plan offers a great opportunity to more efficiently provide Council services and therefore target valuable resources to the areas of greatest need.

7 Legal implications

7.1 The coronavirus pandemic is one of the most profound challenges society has faced in more than a generation. The Council has to anticipate that society will be affected by COVID-19 for some time to come. It is therefore critical that the Improvement Plan delivers change across all parts of the organisation.

7.2 Delivery of the Improvement Plan will involve reviewing and refreshing a number of core documents including the Council's Constitution and policies.

8 Equality impacts

8.1 As each individual workstream is progressed (e.g. strategic plan, workforce review) the equalities impact for each will be considered, and actions put in place to address any potential negative impacts. These will be reported as appropriate as each workstream is progressed.

8.2 The Improvement Plan also contains an action to develop the Council's overall approach to equalities and diversity, in order to ensure that both statutory requirements are met and good practice is implemented. In particular we will ensure that our actions do not adversely impact upon our BAME communities and staff. This action will include the development of appropriate mechanisms to monitor and report progress.

9. Data Protection impacts

9.1 Following the completion of a Data Protection Impact Assessment, consideration of potential data protection implications arising from this report are as follows:

Questions	Answer
Do the proposals within this report have the potential to contravene the Council's Privacy Notice?	No
Is so, what steps will be taken to mitigate the risks referred to above?	

10. Conclusion

10.1 This report provides a summary of work underway on the Council's Corporate Improvement Plan and sets out the detail of that plan. Further progress updates will be brought to this committee.

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

Appendix A – Corporate Improvement Plan

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
1	Strategic plan	Develop strategic plan, member level performance and risk framework: <ul style="list-style-type: none"> ○ Review draft with new administration ○ Strategy and Resources Committee ○ Full Council 	<ul style="list-style-type: none"> • May 2020 • Jun 2020 • Jul 2020 	Heather Wills	Process stalled due to inability to convene face-to-face meetings with all Councillors.	Reconvene workshop with all Group Leaders to draft a final Strategic Plan that considers the new post COVID world	<ul style="list-style-type: none"> • Jul 2020
		Develop and implement officer level performance and risk framework	<ul style="list-style-type: none"> • Jun 2020 	Heather Wills	Final version now completed, to be reviewed once strategic plan complete	Officers to use as part of regular suite of management tools	<ul style="list-style-type: none"> • Complete, to be reviewed
2	Governance	Governance review Presentation of findings of first phase of review	<ul style="list-style-type: none"> • Mar 2020 	Lidia Harrison	Process stalled due to inability to convene face-to-face meetings with all Councillors.	Verbal report provided to the three Party Leaders (Cllrs Elias; Sayer; Botten) by CfPS, briefing for all Members and senior Officers scheduled for 1/7/20	<ul style="list-style-type: none"> • Jul 2020

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
		Develop action plan and start implementation	<ul style="list-style-type: none"> May 2020 	Lidia Harrison		Following this an action plan will be developed along with a training and development plan	<ul style="list-style-type: none"> Sep 2020
		Audit and whistleblowing Review and ensure effective implementation of whistleblowing policy	<ul style="list-style-type: none"> Apr 2020 	Jackie King	Policy drafted but not rolled out yet as the dispersed workforce has presented a challenge to deliver the right kind of training around this.	Process for roll out and training to be worked out now social distancing measures are clear and risk assessments have been carried out.	<ul style="list-style-type: none"> Jul 2020
		Audit programme Review audit programme outputs and prepare action plan	<ul style="list-style-type: none"> Jun 2020 	Grant Miles	Audit programme slipped but now back on track.	Management actions are being completed for each of the audit reports.	<ul style="list-style-type: none"> Jul 2020
		Member Development Develop member development programme	<ul style="list-style-type: none"> Apr 2020 	Chailey Gibb with support from associated external resource if required	Development programme has continued to be worked up however no training has taken place.	Programme of online training to be developed to accommodate current working environment.	<ul style="list-style-type: none"> Sep 2020

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
		Member Induction Implement member induction programme	<ul style="list-style-type: none"> May – Oct 2020 	Chailey Gibb with support from associated external resource if required	Not required as May Election was postponed	Have programme ready for May 21 and examine what items might be brought forward for existing Members	<ul style="list-style-type: none"> Ongoing
3	Financial recovery plan	Develop draft recovery plan	<ul style="list-style-type: none"> Apr 2020 	Grant Miles	Work started and additional focus on financial expenditure has been ongoing due to increased financial risk as a result of COVID. Monthly reports to Government are being submitted and CEx and CFO are in regular dialogue with MHCLG. Group Leaders have been briefed and S&R Committee will be briefed on 9/7/20.	Working Group with Members to be set up to provide a further in-depth review of financial position and what actions can be taken to mitigate further risks. Awaiting announcements from MHCLG re financial support for Councils	<ul style="list-style-type: none"> July 2020
		Scope detailed options appraisal for shared services	<ul style="list-style-type: none"> Jul 2020 	Paul Smith	Provisional discussions have taken place with Group Leaders and CEx	Agree with Members that this is a direction of travel that would be supported albeit with	<ul style="list-style-type: none"> Ongoing but initial scoping to be carried out by Sep 2020

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
						recognition that the Council has no formal mandate to drive this agenda and any results would be predicated on willing participation from Members and other authorities.	
		Review investment policy	<ul style="list-style-type: none"> • Jun 2020 	Grant Miles/ Alison Boote	Review stalled due to capacity	<p>Agree new timetable for review with members and in light of current financial situation.</p> <p>MHCLG advice on investments policies awaited</p>	<ul style="list-style-type: none"> • Sep 2020
4	People plan	<p>Recruitment and retention</p> <p>Permanently recruit Monitoring Officer</p> <p>Permanently recruit s151 officer</p>	<ul style="list-style-type: none"> • Mar 2020 • Apr 2020 	Jackie King	Interim staffing model put in place mid-March as existing Dir People was on long-term sick leave. This Officer resigned early June, and as a consequence the Council will need to	Discussion with the GL is taking place regarding some of these roles: Chief Executive will take lead and progress filling the ELT roles and	<ul style="list-style-type: none"> • Jul – Oct 2020

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
		Permanent appointment of Chief Executive Develop and implement long-term staffing model	<ul style="list-style-type: none"> • Jun / Jul 2020 • Mar 2020 onwards 		revisit its staffing model in light of this change and the financial position.	COSC will make appointments in respect of the statutory roles.	
		<p>Organisational development Develop and introduce Values and Behaviours</p> <p>Complete and adopt People Plan (including mechanisms for ongoing staff engagement)</p> <p>Review HR policies, contracts, procedures and benefits</p> <p>Implement actions arising from staff survey</p>	<ul style="list-style-type: none"> • Apr 2020 • Apr 2020 onwards • Apr 2020 onwards • Jun 2020 	Jackie King & Paul Smith	<p>Work has stalled due to pandemic however engagement with staff continues to ensure that they receive key messages and that they have a voice and are heard.</p> <p>The work from home model was implemented as soon as the impact of COVID was understood and prior to formal lockdown. The workforce has responded very well to new ways of working and to being redeployed to service the COVID response.</p>	<p>This work will now be progressed. The Council is in continuous improvement mode: the staffing model will reflect this, ensuring that resources are focused on key service delivery areas whilst also satisfying government requirements for ongoing support to the COVID pandemic.</p>	<ul style="list-style-type: none"> • Ongoing
		Capacity		ELT	COVID has and will continue to change	Identify capacity within the	<ul style="list-style-type: none"> • Oct 2020

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
					both the demands and priorities on the Council and also will create new ways of working.	organisation to deliver post COVID services and priorities including new ways of working and ensuring that people resources are allocated to priorities	
		<p>Leadership Develop and implement leadership development programme, including:</p> <ul style="list-style-type: none"> ○ Culture shift ○ Management team ○ Top team (senior management with senior political leadership) ○ Championing diversity 	<ul style="list-style-type: none"> • Jun 2020 	Elaine Jackson/ Heather Wills	Culture shift is already happening, and staff have demonstrated excellent team working and resilience throughout this period. No formal training or development has taken place however this needs to be brought forward now to assist Officers to succeed in their roles.	Develop leadership programme that incorporates learning from governance review and reflects the fact that some Members and Officers are newly appointed.	<ul style="list-style-type: none"> • Sep 2020
		<p>Pay and reward Agree actions to address any issues arising from Equal Pay Audit (Strategy and Resources Committee)</p>	<ul style="list-style-type: none"> • Jul-Aug 	Jackie King	Audit programme is slightly behind.	Develop management actions for consideration by Strategy &	<ul style="list-style-type: none"> • Sep 2020

	Theme	Action	Original Target Date	Lead	Impact of COVID	Next Action	Target Date for Next Action
		Agree actions to address any issues arising from Payroll Audit (Strategy and Resources Committee)				Resources Committee	<ul style="list-style-type: none"> Aug 2020
		<p>Health and wellbeing</p> <p>Mental Health First Aiders Wellbeing toolkit for managers</p> <p>Review Community Safety capacity</p> <p>Review Health & Well-being capacity</p>	<ul style="list-style-type: none"> Jun 2020 Jun 2020 Jun 2020 	Jackie King	<p>Progressing and training has taken place for Mental Health First Aiders.</p> <p>Impact of COVID on staff to be considered</p>	<p>Further training and publicise this once training is complete.</p>	<ul style="list-style-type: none"> Jul 2020 Oct 2020

	Theme	Action	When	Lead	Impact of COVID	Next Action	Target Date
5	ICT/ digital strategy	<p>Develop a digital strategy, to include:</p> <ul style="list-style-type: none"> Identification of required outcomes and benefits Relevant good practice Infrastructure, security and resilience requirements 	<ul style="list-style-type: none"> Apr 2020 May 2020 	Melanie Thompson	Review has been delayed due to access to key staff – this is now complete.	<p>Review Digital Strategy report and turn into an action plan that can deliver the efficiency savings that good use of IT can deliver.</p> <p>This will include how the</p>	<ul style="list-style-type: none"> Sep 2020

	Theme	Action	When	Lead	Impact of COVID	Next Action	Target Date
		<ul style="list-style-type: none"> ○ Capacity, expertise and governance required to deliver ○ Requirements for ongoing revenue/ capital resourcing Adopt strategy				governance of this work will be embedded.	
6	Other statutory responsibilities	Data protection Develop assurance mechanisms to ensure that data is managed and guarded lawfully by the Council and its contractors	<ul style="list-style-type: none"> • Sep 2020 	Lidia Harrison	Work ongoing to improve data management.	Data Protection Officer (DPO) now appointed and review under way. Information Governance Board set up and led by DPO. Audit work reviewed, and action plan being developed.	<ul style="list-style-type: none"> • Ongoing
		Emergency planning (EP)/ business continuity: Review and update processes and procedures	<ul style="list-style-type: none"> • May 2020 	Jackie King	Full implementation of EP and Business continuity during COVID.	Once COVID operational response is complete “a lessons learned” review will be undertaken and an impact report completed. Recovery phase started.	<ul style="list-style-type: none"> • Ongoing
		Safeguarding:					

	Theme	Action	When	Lead	Impact of COVID	Next Action	Target Date
		Review processes and procedures, ensure safeguarding audit compliance	<ul style="list-style-type: none"> Jun 2020 	Jackie King	Safeguarding key priority during COVID pandemic.	Update Council policies and procedures including nominated leads.	<ul style="list-style-type: none"> Aug 2020
		Deliver staff training	<ul style="list-style-type: none"> Sep 2020 			Roll-out training for staff and re-engage with Surrey-MASH	<ul style="list-style-type: none"> Ongoing
		Deliver member training	<ul style="list-style-type: none"> Dec 2020 			Identify Councillor who can be nominated "Safeguard lead"	<ul style="list-style-type: none"> Oct 2020
		Health and safety (H&S): Identify senior responsible officer	<ul style="list-style-type: none"> Mar 2020 	Alison Boote	No impact	Officer now identified and operationally responsible.	<ul style="list-style-type: none"> Ongoing
		Carry out H&S Audit	<ul style="list-style-type: none"> Mar 2020 			Complete	
		Implement action plan	<ul style="list-style-type: none"> Ongoing 			Ongoing implementation of recommendations	
		Equalities and diversity (E&D): Develop corporate E&D plan	<ul style="list-style-type: none"> Jul 2020 	Jackie King	COVID impact on BAME communities highlights the need to have good practices and processes in place to ensure the	Set up E&D forum and engage with staff to drive agenda forward	<ul style="list-style-type: none"> Start Jul 2020

	Theme	Action	When	Lead	Impact of COVID	Next Action	Target Date
		<p>Review HR policies and practice</p> <p>Design and implement E&D performance monitoring</p> <p>Conduct member and officer training</p> <p>Review service delivery against corporate equalities and diversity objectives</p>	<ul style="list-style-type: none"> • Jul 2020 • Aug 2020 • Sept 2020 • Dec 2020 		Council is inclusive and welcoming.		<ul style="list-style-type: none"> • Jul /Aug 2020 • Jul /Aug 2020 • Sep 2020 • Dec 2020
7	Planning service	<p>Team development/ mentoring</p> <p>Identify capacity and develop a plan for infrastructure planning and liaison</p>	<ul style="list-style-type: none"> • Apr 2020 • Apr 2020 	Charlotte Parker	<p>Increased planning applications and enquiries.</p> <p>Decision on Local Plan by Planning Inspector delayed</p>	<p>Stabilise Resourcing – temporary and permanent appointments have been made but new model of resourcing to be developed</p> <p>Agree Planning Protocols</p>	<ul style="list-style-type: none"> • Jul 2020 • Jul 2020

	Theme	Action	When	Lead	Impact of COVID	Next Action	Target Date
		Performance management	<ul style="list-style-type: none"> Apr 2020 			Agree Statement of Community Involvement & Development Management Charter Re-introduce Pre-Application Service Improve Pre-application advice and develop online support	<ul style="list-style-type: none"> Nov 2020 Completed Nov 2020
		Identify capacity to deliver strategic plan priorities for economic development	<ul style="list-style-type: none"> Jun 2020 		Increased focus required	Develop resource model and action plan	<ul style="list-style-type: none"> Aug 2020
8	Enabling and assuring improvement	Partnership working: Initial stakeholder engagement with partners to gather views Local Partnership Board Maintain, resource and enhance where appropriate partnership working in relation to: <ul style="list-style-type: none"> Community safety Wellbeing prescription services Health and wellbeing 	<ul style="list-style-type: none"> Complete May 2020 onwards May 2020 onwards 	Elaine Jackson	Partnership Boards were stood down. The Council is no longer taking part in Gatwick Diamond.	Boards are now being set up again and each one will need to be considered in light of COVID with potential new terms of reference and deliverables. Further reporting once information is known.	<ul style="list-style-type: none"> Ongoing

	Theme	Action	When	Lead	Impact of COVID	Next Action	Target Date
		<ul style="list-style-type: none"> ○ Gatwick and Gatwick Diamond ○ Business Improvement Districts 					
		<p>Corporate peer challenge: Complete self-assessment Peer team on site Publish report and agree action plan Review progress</p>	<ul style="list-style-type: none"> • Oct 2020 	Elaine Jackson	Planning of the assessment has been postponed.	Discuss timing of this with LGA	<ul style="list-style-type: none"> • TBC
		<p>Learning from complaints: Adopt new complaints policy, including process for learning from complaints</p>	<ul style="list-style-type: none"> • Jun 2020 	Jackie King	Slight delay in roll-out of new policy and procedure.	Policy roll-out completed, process for learning is being worked through.	<ul style="list-style-type: none"> • Sep 2020
9	COVID Impact	<p>Plans to be developed but to include:</p> <p>Ongoing response to Covid pandemic to support vulnerable people</p> <p>Impact on building occupancy</p> <p>Other aspects embedded in improvement plan as above as appropriate.</p>	<ul style="list-style-type: none"> • July 2020 	ELT	n/a	Develop plan	<ul style="list-style-type: none"> • Jul 2020

REPORT TO THE STRATEGY & RESOURCES COMMITTEE - 9TH JULY 2020	
AGENDA ITEM 10	
PROPOSED AMENDMENTS TO THE CONSTITUTION	
Report of:	Lidia Harrison – Head of Legal Services and Monitoring Officer
Purpose of Report:	To enable the Committee to consider proposed amendments to the Constitution in response to recent issues raised at, and arising from, Group Leader meetings.
Publication status:	Unrestricted.
Recommendations:	<p>That it be recommended to Council that:</p> <p>A. Standing Orders 13, 20 and 21 be amended in accordance with Appendix A to clarify the rights of political groups to appoint, and subsequently change, their Members on pre-allocated seats on Committees and Sub-Committees;</p> <p>B. Standing Order 29 (1.2) be amended in accordance with Appendix C to allow a Councillor, or a person resident, working or studying in the District, to ask a supplementary question at a Council or Committee meeting arising from the answer to their original question;</p> <p>C. subject to the Council remaining in a state of no overall control (i.e. where no single political group has an absolute majority of seats), throughout Financial Regulations, the Scheme of Delegation and the Planning Protocol (parts C, E and F of the Constitution), all references to officers having to consult specific Members of the Administration (listed at Appendix D) be deleted and replaced with a requirement that such consultations take place with the Leaders, or their nominated representatives, of political groups comprising ten or more Councillors; and</p> <p>D. should a single political group gain an absolute majority of seats on the Council, the Chief Executive, in accordance with the power granted by Standing Order 46 (2), be authorised to rescind the constitutional amendments in C above and replace them with a requirement for officers to consult solely with the Leader of the Council or his/her nominated representative.</p>
Appendices:	<p>A – proposed amendments to Standing Orders 13, 20 and 21.</p> <p>B – arrangements made by some other Councils for dealing with questions from members at the public at meetings.</p> <p>C – proposed amendments to Standing Order 29 (1.2).</p> <p>D – extracts from the current Constitution whereby officers are required to consult Members about specific matters.</p>

Background papers defined by the Local Government (Access to Information) Act 1985	None
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1. Background

1.1 The Constitution of the Council describes the way in which the Council conducts its business. It contains not only the Council's Standing Orders, but also the various rules and procedures for decision-making, access to information, terms of reference for Committees and Sub-Committees, the Code of Conduct for Members, the Officer / Member Protocol, as well as other specific rules relating to contracts and finance.

1.2 The Constitution forms the cornerstone of effective corporate governance.

1.3 Following recent Group Leader meetings and dialogue with the Chairman of the Council, Officers were asked to review certain parts of the Constitution to:

- clarify the rights of political groups to appoint their Members to pre-allocated seats on Committees and Sub-Committees;
- require Officer / Member consultation arrangements to be extended to include the two main opposition groups; and
- enable anyone asking a question at a meeting under Standing Order 29 (1.2) to be able to ask a supplementary question arising from the first answer.

1.4 This report presents suggested changes to Standing Orders, Financial Regulations, the Scheme of Delegation and the Planning Protocol (parts B, C, E and F of the Constitution) in connection with 1.1 above.

1.5 Subject to Standing Order 46 (which enables the Chief Executive to make minor and consequential amendments, such as correcting typographical errors) changes to the Constitution must be ratified by Full Council. While this Committee is responsible for reviewing the Constitution, it can only make recommendations to Council regarding proposed revisions.

2. Clarification of the rights of political groups to appoint their Members to pre-allocated seats on Committees and Sub-Committees – proposed amendments to Standing Orders

2.1 Determination of the number, size and political balance of Committees is a 'reserved matter' for Council.

2.2 However, once the Council has determined the allocation of Committee seats, the appointment of Members to those seats is a matter for the respective political groups. While it may be good practice for the Council to formally note the membership of its Committees at the earliest opportunity following any change, Full Council cannot override the wishes of political groups in terms of their choice of councillors to fill their allocated positions.

- 2.3 It is acknowledged that a report to full Council on 19th July 2018 appeared to contradict 2.2 above, when the Council was asked to ‘approve’ the OLRG’s request for Councillor Sayer to replace Councillor Wren on the Planning Policy Committee. With hindsight, it would have been more appropriate if Council had been asked to note that change of membership.
- 2.4 To provide greater certainty for the future, it is suggested that amendments be made to Standing Orders 13 (Appointment of Committees); 20 (Sub-Committees); and 21 (Substitutes) to clarify the rights of political groups to appoint, and subsequently change, their Members to pre-allocated seats. The proposed revisions are shown at **Appendix A**. These include clauses whereby any amendments to a political group’s representation must be notified at least seven clear working days prior to a meeting for the change to take effect for that meeting. The intention of such clauses is to ensure certainty regarding a Committee’s or Sub-Committee’s membership at the time its agenda papers are published.
- 2.5 Consultation with Group Leaders has resulted in a further suggested amendment to Standing Order 21(2) for situations when a member is attending a meeting as a substitute and the principal member arrives part way through. While not directly connected to the rights of political groups to appoint Members to pre-allocated seats, officers accept that SO 21(2) should be re-worded to remove the mistaken impression that substitutes must withdraw from a meeting if the principal Member (for whom they are substituting) arrives during the proceedings. The proposed amendment is included within Appendix A.
3. Standing Order 29 (SO 29) – provisions regarding responses at meetings to written questions from Councillors and members of the public
- 3.1 SO 29 entitles Councillors, or persons resident, working or studying in the District, to submit written questions in advance of Council or Committee meetings.
- 3.2 At Council meetings, the Chairman may request that the answer be given by the Chairman of a relevant Committee. At Committee meetings, the Chairman may request that the answer be given by another Member or an Officer.
- 3.3 Clause (ix) of SO 29 states that, “*every question shall be put and answered without discussion*”. It has been suggested to Officers that this restriction should now be removed to enable a supplementary question to be put. As shown by the examples at **Appendix B**, the right to ask supplementary questions at meetings is now commonplace among other authorities.
- 3.4 Proposed amendments to SO 29 are therefore presented at **Appendix C**. Specifically, it is recommended that the discretion to provide “*a written answer ... where the reply to the question cannot conveniently be given orally*” should be withdrawn (although that clause has not often been relied upon in the past). It is also proposed that the following clauses be added to allow, and deal with, supplementary questions:
- *at the meeting, subject to the questioner being present, the Chairman will ask the questioner if the response answers their concern or if they wish to ask one supplementary question (if a supplementary question is asked, it must arise from the reply given); and*
 - *the Chairman may invite other Members present at the meeting to respond.*

4. Officer / Members consultation arrangements

- 4.1 Certain parts of Financial Regulations, the Scheme of Delegation and the Planning Protocol (parts C, E and F of the Constitution) require Officers to consult senior Members of the Administration (e.g. the Leader / Deputy Leader of the Council and/or the Chairman / Vice-Chairman of a Committee). The regulations / clauses concerned are shown at **Appendix D**.
- 4.2 It is proposed that, as Tandridge is now a 'no overall control' Council, the relevant Officers in such cases should, instead, be required to consult with the Leaders, or their nominated representatives, of political groups comprising ten or more Councillors (Recommendation C). This would avoid the Constitution having to quote specific political groups and for the relevant clauses having to be amended following any future changes to political balance.
- 4.3 However, Recommendation C is caveated to only apply if the Council remains in a state of no overall control (i.e. where no single political group has an absolute majority of seats). Should that situation change, Recommendation D will enable the Chief Executive to further amend the Constitution whereby the relevant officers will only be required to consult the Leader of the Council or his/her nominated representative. Such amendments are permitted by Standing Order 46(2) which concludes, "*Subject to the matter being reported on the Delegated Action List, minor and consequential amendments can be made by the Chief Executive.*"
- 4.4 It should be acknowledged that, notwithstanding the obligations to consult Members, the final decisions in connection with matters listed at Appendix D rest with the Officers concerned under the authority previously delegated by the respective Committees.

5. Financial implications

- 5.1 There are no direct financial consequences of this report. However, it is important that the Council has an up to date, fit for purpose Constitution which forms a key element of the council's governance framework.

6. Legal implications

- 6.1 The legal implications associated with the proposed recommendations have been considered and addressed within the report.

7. Equality impacts

- 7.1 None

8. Conclusion

- 8.1 This report provides a summary of the proposed amendments to the Constitution in response to recent issues raised at, and arising from, Group Leader meetings.

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

Proposed amendments to Standing Orders

Standing Order 13 - Appointment of Committees

- (1) The Council shall at the Annual Meeting appoint Policy Committees and any other Committees which it is deemed necessary to appoint (such appointments shall be confined to determining Committees' terms of reference; their size; and the allocation of seats to political groups).
- (2) The Council may at any time similarly appoint such other Committees as are necessary to carry out the work of the Council.
- (3) Subject to any statutory provision, the Council:-
 - (i) shall not appoint any Member of a Committee to hold office later than the next Annual Meeting of the Council;
 - (ii) may at any time dissolve a Committee, amend a Committee's terms of reference, or alter a Committee's membership in so far as its size or allocation of seats to political groups are concerned.
- (4) Committees may, in turn, appoint Sub-Committees in accordance with Standing Order 20.
- (5) Subject to (6) below, the appointment of Members to committee seats shall be determined by political groups and noted by Full Council at the earliest opportunity.
- (6) Political Group Leaders may, from time to time, change their Members (including substitutes) in respect of the Committee seats allocated to their Groups by submitting written notice to the Chief Executive or nominated representative. Such changes will become effective for the next meeting of the respective Committee, provided that the required notice is received at least seven clear working days prior to the meeting in question.

Standing Order 20 – Sub-Committees

- (1) Every Committee may appoint Sub-Committees for purposes to be specified by the Committee. Such appointments shall be confined to determining Sub-Committees' terms of reference; their size; and the allocation of seats to political groups). Subject to (3) below, the appointment of Members to Sub-Committee seats shall be determined by Political Groups and noted by the parent committee at the earliest opportunity.
- (2) Subject to Standing Order 18(1), each Sub-Committee shall elect a Chairman at its first meeting of the Municipal Year.
- (3) Political Group Leaders may, from time to time, change their Members (including substitutes) in respect of the Sub-Committee seats allocated to their Groups by submitting written notice to the Chief Executive or nominated representative. Such changes will become effective for the next meeting of the respective Sub-Committee, provided that the required notice is received at least seven clear working days prior to the meeting in question.

Standing Order 21 - Committees and Sub-Committees – Substitutes and Quorum

- (1) Every Political Group may appoint a substitute Member for each Committee and Sub-Committee by submitting written notice to the Chief Executive or nominated representative. Such appointments, or changes to existing appointments, will become effective for the next meeting of the respective Committee or Sub-Committee, provided that the required notice is received at least seven clear working days prior to the meeting in question.
- (2) A substitute member of any Committee or Sub-Committee shall, in the absence of the appointed Member, be entitled to attend, speak and vote at the meeting. ~~but s~~ Should the appointed Member arrive during the course of the proceedings, the substitute Member, after completion of the Item of business under consideration, ~~subject to Standing Order No. 23, shall be required to withdraw from further participation~~ may remain in the meeting and, subject to the consent of the Chairman (Standing Order No. 23), may speak to subsequent items but shall not vote.
- (3) The quorum for Committee and Sub-Committee meetings shall be:
 - at least one quarter of the membership of the Committee or Sub-Committee; or
 - three Members

....whichever is the greater number.

APPENDIX 'B'

Arrangements made by some other Councils for dealing with questions from members at the public at meetings

(information obtained from the Councils' websites – the arrangements may, in some cases, only apply to Council or Cabinet meetings – different arrangements may apply for Planning, Licensing and other Committee meetings)

	<p>Bromley Council</p> <p>A questioner who has put a question in person may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. After a reply to a supplementary question has been given, the Mayor may, having regard to the time available and other matters on the agenda, allow further supplementary questions to be asked by Members (this will usually be no more than one per Member.)</p>
	<p>Crawley Borough Council</p> <p>After the question has been answered, the person asking the question may ask one supplementary question relating to the same matter.</p>
	<p>Croydon Council</p> <p>Members of the public invited to put their questions will also be permitted to ask a single supplementary question but shall do so only if called upon by the Mayor to do so as this may be subject to time constraints.</p>
	<p>Epsom & Ewell Borough Council</p> <p>At the meeting, the Chairman will ask the questioner if the response answers their concern or if they wish to ask one supplementary question. If a supplementary question is asked, it must arise from the reply given. The Chairman may decline to answer a supplementary question or invite other Members of the relevant body to contribute to a response.</p>

	<p>Mid Sussex District Council</p> <p>The questioner shall be present at the start of the meeting and may also put one supplementary question without notice to the Member who has replied to his original question. A supplementary question must arise directly out of the original question or the reply. Any supplementary question which does not fulfil the criterion will be rejected.</p>
	<p>Mole Valley District Council</p> <p>One supplementary question may be asked by the questioner, provided that it seeks clarification of the answer given to the original question and is not of a personal nature.</p>
	<p>Reigate & Banstead Borough Council</p> <p>A questioner who has put a question in person may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply.</p>
	<p>Sevenoaks District Council</p> <p>Council - At any one meeting no person may submit more than two questions and no more than two such questions may be asked on behalf of one organisation. Unless the Chairman decides otherwise, no discussion will take place on any question, but any Member may move that a matter raised by a question be referred to the Cabinet or the appropriate Committee or Sub-Committee. Once seconded, such a motion will be voted on without discussion.</p>
	<p>Sutton Council</p> <p>A supplementary question relevant to the original question may be asked. All questions and supplementary questions must be asked in plain English.</p>

STANDING ORDER 29

**QUESTIONS AND REPRESENTATIONS AT MEETINGS
(other than petitions – Standing Order 30 refers)**(1) Questions

1.1 A Member of the Council may ask the Chairman of a Committee any question regarding a Committee minute which is under consideration by the Council.

1.2 Subject to (i) to (xi) below, a Councillor, or a person resident, working or studying in the District, may put a question to any meeting of the Council (other than the Annual Meeting) or a Committee on any matter in relation to which the Council / Committee has powers or duties or which affects the District:

- (i) such questions must be received by e-mail or in writing to the Chief Executive or nominated Officer at least three clear working days prior to the meeting;
- (ii) the Chief Executive may exercise discretion to refuse to allow a question to be presented if he / she considers it to be offensive, excessively lengthy, outside the scope of this Standing Order, or on the same subject as another question or upon which a question has been answered in the previous three months;
- (iii) at Council meetings, the Chairman may request that the answer be given by the Chairman of a relevant Committee;
- (iv) at Committee meetings, the Chairman may request that the answer be given by another Member or an Officer;
- (v) questions from a person resident, working or studying in the District shall be e-mailed to all Members by 6.00pm on the working day prior to the meeting and either:
 - read out at the meeting by the individual concerned from within the meeting room; or,
 - if members of the public are not permitted to attend in person for health & safety reasons, the individuals concerned will be given the opportunity to pre-record their questions (such recordings to be facilitated by the Council, limited to the individual speaking to camera, without additional augmentations to promote their views) and for the recordings to be replayed at the meeting. Otherwise, such questions will be read out by the Chief Executive or nominated officer, either from within a physical meeting place or from a remote location.
- (vi) the time allowed for questions and answers shall be ten minutes unless the Chairman deems that there are special circumstances for extending that period;
- (vii) the questions shall be taken in the order that they were received by the Chief Executive or nominated Officer;

(viii) such questions shall be dealt with at the beginning of the relevant meeting;

~~(ix) every question shall be put and answered without discussion;~~

(ix) answers may take the form of:-

(a) a direct oral answer; or

(b) where the desired information is contained in a publication of the Council, a reference to that publication.

~~(c) a written answer (copies of which shall be circulated to Members of the Council) where the reply to the question cannot conveniently be given orally.~~

(x) at the meeting, subject to the questioner being present, the Chairman will ask the questioner if the response answers their concern or if they wish to ask one supplementary question (if a supplementary question is asked, it must arise from the reply given);

(xi) the Chairman may invite other Members present at the meeting to respond to a supplementary question.

References within the Constitution whereby officers are required to consult specific Members on certain matters

It is proposed that, in all such cases, the officers concerned must also consult the Leaders (or their nominated representatives) of other Political Groups which comprise ten or more members (currently the Independent and OLRG Alliance and the Liberal Democrats)

Financial Regulations (Part C)	
16 - Invest to Save	<p>Subject to achieving a financial return of at least 2% above bank base rates and a measurable improvement in service, spending be approved as follows:</p> <p>(i) Up to £30,000 – to be approved by the relevant Chief Officer, subject to the concurrence of the Chief Finance Officer (or in his absence, or where the expenditure relates to his Directorate, by the Chief Executive) and in the consultation with the Chair of the Strategy & Resources Committee;</p>
17 - purchase of land and buildings utilising the Investment & Development Fund or the Housing Revenue Account	<p>Subject to the conditions specified within Annex A [to Financial Regulation 17] the Chief Executive, in consultation with:</p> <p>a) the Leader or Deputy Leader and the Chair or Vice Chair of the Strategy & Resources Committee, can utilise the Investment & Development Fund; or</p> <p>b) the Leader or Deputy Leader and the Chair or Vice Chair of the Housing Committee, can utilise the Housing Revenue Account</p> <p>... for the purchase of land or buildings in accordance with the Council's general power of competence under the Localism Act 2011, or in the case of the HRA, for the Council's House Building Programme.</p> <p>Subject to all other conditions specified in Appendix E, the Chief Executive, in consultation with the Leader or Deputy Leader and the Chair or Vice Chair of the Strategy & Resources Committee, can amend the phasing of the capital budget for the Investment & Development Fund up to the maximum of the available approved funding.</p>

Delegation of powers to committees and officers (Part E)	
Overview - clause (vi)	Authority to settle court proceedings to protect the Council's interests is delegated to the Monitoring Officer in consultation with the Chair or a Vice Chair of the relevant Committee
Terms of Reference of all Policy Committees – Clause C	Subject to the agreement of the Chief Executive and in consultation with the respective Policy Committee Chairs , to deal exclusively with any matter that also falls within the terms of reference of another Policy Committee / other Policy Committees and to resolve such matters unless reserved for determination by Full Council.
Housing Committee – powers to resolve (clause ii)	Freehold disposals of Housing Revenue Account 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 the Chair of the Committee).
Housing Committee – powers to resolve (clause iii)	Authority is delegated to the Chief Executive, in consultation with the Housing Committee Chair , to approve leasehold disposals of HRA assets of up to 16 years and with an annual rental valuation of up to £75,000.
Licensing Committee – scheme of delegation for alcohol and entertainment licensing	Officers to consult the Chair and Vice-Chair of the Committee to determine whether complaints are frivolous or vexatious.
Strategy & Resources Committee – powers to resolve (clause iii)	The Chief Executive can determine freehold disposals of General Fund assets worth less than £250,000 in consultation with the Chair of the Committee .
Strategy & Resources Committee – powers to resolve (clause iv)	Authority is delegated to the Chief Executive, in consultation with the Chair of the Committee , to approve leasehold disposals of General Fund assets of up to 16 years and with an annual rental valuation of up to £75,000.
Planning Protocol (within Part F)	
Planning Protocol – 12.4	In exceptional and special circumstances, the Chief Planning Officer may, in consultation with the Head of Legal and the Chairman and Vice- Chairman of the Planning Committee , use his / her discretion to report the determination of Certificates of Lawfulness of an Existing or Proposed Use of Development (CLEUDs / CLUPDc) to the Planning Committee for decision.
Planning Protocol – Appendix 4 (Development Management Charter) – Enforcement Action	In particularly sensitive cases [enforcement matters] may be referred to the Planning Committee for discussion. Committee referral will be subject to the agreement of the [Chief Planning Officer] in consultation with the Chairman and/or Vice Chairman of the Committee .

REPORT TO THE STRATEGY & RESOURCES COMMITTEE - 9TH JULY 2020	
AGENDA ITEM 11	
OUTSIDE BODY APPOINTMENTS - LE PERSONNE BENEVOLENT TRUST AND GATWICK AIRPORT NOISE EXECUTIVE BOARD	
Report of:	Vince Sharp – Case Officer (Support Services) – 01883 732776
Purpose of Report:	To enable the Committee to recommend nominees to serve on these two bodies.
Publication status:	Unrestricted.
Recommendation:	It be recommended to Council that: A. Councillor Connolly be nominated to fill the vacant trustee position on the board of the Le Personne Benevolent Trust; and B. Councillor Lockwood be nominated to serve on the Gatwick Airport Noise Executive Board.
Appendices:	None
Background papers defined by the Local Government (Access to Information) Act 1985	E-mail dated 19 th May 2020 from the Clerk to the Trust, attaching a summary of the role of its trustees. E-mail dated 21 st May 2020 from Councillor Lockwood to the Head of Legal Services and Monitoring Officer

1. Background

- 1.1 Having representatives on outside bodies increases the Council’s engagement with the local community and improves its potential to offer leadership and guidance in relation to activities taking place in the District.
- 1.2 The Council currently appoints Members to over 40 such bodies. The appointments are usually made once a year at Annual Council. The current appointments were confirmed at the 7th May 2020 Council meeting (as there was no ‘Annual Council’ this year). Since that meeting, the need for the Council to consider nominating Members to serve on two further bodies has arisen, namely the Le Personne Benevolent Trust and Gatwick Airport’s Noise Executive Board.
- 1.3 Nominations / appointments to outside bodies must be determined by Full Council (Part E of the Council’s Constitution refers). Hence, this Committee is being asked to make a recommendation to Council in respect of both positions.

2. Le Personne Benevolent Trust

- 2.1 The Le Personne Benevolent Trust (Registered Charity No. 200290) provides sheltered housing for women over the age of 60 who are “*of limited financial means and/or have a social need for a flat and can live independently*”. The Trust’s premises are in Banstead Road, Caterham and comprise 43 one-bedroom flats. It employs a homes manager, a maintenance manager, and a clerk.
- 2.2 The Charity is administered by five trustees, each of whom serve for periods of four years. Three of the trustee positions used to be reserved for Tandridge District Councillors. Officers were under the mistaken impression that the Trust’s constitution had been amended to remove the Council from the nomination process. In fact, one of the positions (recently vacated by ex-Councillor, Cindy Steer) is still reserved as one requiring a Council nomination.
- 2.3 The Trust has therefore requested the Council to nominate a Member to fill the vacant trustee position for the period ending 31st May 2024.
- 2.4 Trustees are required to attend board meetings which take place six times per year at a mutually convenient time, normally mornings between 9.30am to 12.30pm. There may also be other occasional meetings. In addition, the trustees are encouraged to attend social gatherings and events held on site to get to know the residents. Female trustees are allocated residents to visit on an annual basis and to mentor and check their wellbeing.
- 2.5 Trustees share ultimate responsibility for governing the charity and directing how it is managed and run. They monitor the implementation of decisions taken at meetings, contribute to the setting of policies, and seek to ensure financial stability; sound risk management; and compliance with the charity’s governing document, charity law and other relevant regulations.
- 2.6 Following consultation with Group Leaders, Councillor Connolly would like to be considered as this Council’s nominee to fill this vacant trustee position. Should this be agreed, Councillor Connolly’s nomination will go forward. The subsequent appointment would then be determined by the Trust.
- 2.7 At the time of writing this report, there are no other expressions of interest.

3. Gatwick Airport Noise Executive Board

- 3.1 Councillor Lockwood has expressed an interest in representing this Council on the executive of the Gatwick Airport’s Noise Management Board (NMB). The NMB is part of Gatwick Airport’s community engagement regime whereby residents affected by airport noise can direct complaints, and panels of local representatives can scrutinise the airport’s operations in terms of noise impact. It is a separate independent group set up by Gatwick Airport Limited and not part of the Gatwick Airport Consultative Committee (GATCOM),
- 3.2 Councillor Lockwood is already a member of GATCOM (having been appointed by this Council as its representative) and the Gatwick Noise and Track Monitoring Advisory Group (NATMAG).

- 3.3 The NMB's vision and mission statements are to:
- “reduce and mitigate Gatwick aircraft noise in a fair and proportionate manner, by balancing the interests of those communities negatively impacted by aircraft noise, and those of Gatwick Airport”
 - “seek to ensure that the airport, and its wider industry partners, identify and effectively implement all safe, reasonable and practical measures to reduce aircraft noise impacts, and to put in place processes for engaging and dealing with the concerns raised by people that are and could be negatively impacted by Gatwick aircraft noise.
- 3.4 The previous Noise Management Board has now been split into 3 distinct bodies to best focus work streams:
- (i) The Noise Executive Board (on which Councillor Lockwood would like to serve)
 - (ii) The Community Forum
 - (iii) The Noise Implementation Delivery Group
- 3.5 Membership of the Community Forum has already been determined but Councillor Lockwood is concerned about the geographical imbalance of the groups represented. Indeed, most of the groups on the Community Forum are in Kent, West and East Sussex, with the Surrey groups entirely represented by a cluster around Charlwood and to the west of Gatwick.
- 3.6 The positions on the Noise Executive Board include two places for District / Borough Councillors and it is recommended that Councillor Lockwood be nominated to fill one of those seats. This will enable the Council to be proactive in seeking to ensure that the District is suitably represented in respect of aircraft noise and its impact upon local communities.

4 Equality Implications

- 4.1 There is an implied preference for the Council's nominee to the Le Personne Benevolent Trust to be a female Councillor (given that the Le Personne residents are all female) although this is not imperative.

5. Legal implications

- 5.1 Appointments to outside bodies may be made under the general power in Section 2 of the Local Government Act 2000 - to do anything which is likely to promote the economic, social or environmental wellbeing of the area, unless specifically prohibited.

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REPORT TO THE STRATEGY & RESOURCES COMMITTEE – 9TH JULY 2020	
AGENDA ITEM 12	
REPORT OF THE CHIEF OFFICER SUB-COMMITTEE FOR THE YEAR ENDING 31ST MAY 2020	
Report of:	Lidia Harrison – Head of Legal Services and Monitoring Officer
Purpose of report:	To inform the Committee about Chief Officer Sub-Committee meetings that have taken place since the beginning of the 2019/20 Municipal Year.
Publication status:	Unrestricted
Recommendation:	That the report be noted
Appendices:	None
Background papers defined by the Local Government (Access to Information) Act 1985	None

1. Background

1.1 The membership of this Sub-Committee comprises:

- the Leader and Deputy Leader of the Council (or, in their place, one or two other Members of the Administration as appointed by the Leader or the Deputy Leader);
- the Leader and Deputy Leader of the Independents and OLRG Alliance Group (or, in their place, one or two other Members of that Group as appointed by its Leader or the Deputy Leader);
- the Leader of the Liberal Democrat Group (or, in his place, one other Member of that Group as appointed by its Leader or Deputy Leader).

2. Summary of meetings during the year to 31st May 2020

2.1 Meetings have taken place as follows:

Date	Members in attendance
08.08.19	Councillors Botten, Elias, Farr, Jecks and Sayer
05.09.19	Councillors Botten, Elias, Farr, Jecks and Sayer
24.10.19	Councillors Botten, Elias, Farr, Jecks and Wren
15.05.20	Councillors Botten, Elias, Sayer and Wren

- 2.2 At each of the above-mentioned meetings, the business was conducted in the absence of any members of the press and public in accordance with Section 100A (4) of the Local Government Act 1972 (as amended) on the grounds that:
- (i) it involved the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act (paragraphs 1 and 5, i.e.:
 - information relating to individuals; and
 - information in respect of which a claim to legal professional privilege could be maintained in legal proceedings); and
 - (ii) the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

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

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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