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To: MEMBERS OF THE STRATEGY & RESOURCES COMMITTEE
Councillors Elias (Chair), M.Cooper (Vice-Chair), Botten (Vice-Chair), Bourne, Caulcott, Davies, Duck, Langton, Lee, Milton, Pursehouse and Sayer

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Substitute Councillors: Bloore, Jecks, Lockwood and Morrow

C.C. All Other Members of the Council

13 January 2021

Dear Sir/Madam

STRATEGY & RESOURCES COMMITTEE THURSDAY, 21ST JANUARY, 2021 AT 7.30 PM

The agenda for this meeting of the Committee, to be hosted from the Council Offices, Oxted 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 'Jackie King'.

Jackie King
Acting Chief Executive

AGENDA

1. Minutes of the meeting held on the 16th December 2020 (Pages 3 - 8)

To confirm as a correct record

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 her staff prior to the meeting.

- 4. To deal with any questions submitted under Standing Order 30**
- 5. Strategy & Resources finance report - period 8 (Pages 9 - 40)**
- 6. Strategic Plan update (Pages 41 - 54)**
- 7. Strategy & Resources Committee - 2021/22 draft budget and MTFS to 2023/24 (Pages 55 - 74)**
- 8. Determination of the 2021/22 Council Tax Base for Tax setting (Pages 75 - 80)**
- 9. Any other business which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency**

TANDRIDGE DISTRICT COUNCIL

STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the virtual meeting of the Committee held on the 16 December 2020 at 5.00 p.m.

PRESENT: Councillors Elias (Chair), M.Cooper (Vice-Chair), Botten (Vice-Chair), Bourne, Caulcott, Davies, Duck, Langton, Lee, Milton, Pursehouse and Sayer

ALSO PRESENT: Councillors Bloore, Lockwood, Morrow and Stamp

225. MINUTES OF THE MEETING HELD ON THE 24TH NOVEMBER 2020

Subject to the following amendment to the fourth bullet point in Minute 186 (Corporate Improvement Plan Update):

- “the new approach to financial management initiated by the new Section 151 Officer and the fact that the budget gap for ~~2019/20~~ 2020/21 had closed significantly with a view to producing a balanced budget for 2021/22”

... these minutes were approved as a correct record.

226. QUESTIONS SUBMITTED UNDER STANDING ORDER 30

The following question had been submitted by Cllr M Cooper.

“At the last Council meeting held on the 10 December there was an item and a question on Climate Change about the setting up of a Climate Change Working Group, under the auspices of the S&R Committee. This being a group which will look at and decide both on actions and priorities for any TDC work on Climate Change.

If this group is to be able to have any credibility in the eyes of our residents it must include people with a scientific and/or engineering qualification or professional experience of power generation and supply. Only professionals with this type of knowledge would be adequately qualified to advise the Council

My concern is based on comments made at the meeting on the 10 December which, to me, indicated a failure of understanding by some councillors:

One councillor who advised that the future was electric cars and we should embrace them. This, despite my reminding him that an earlier Prime Minister, Tony Blair, had said the future was diesel cars, which he got disastrously wrong. We need to understand that there are many technologies currently being explored to power the future, electricity being just one. There are, however, many issues and constraints around the provision of purely electrically powered vehicles especially when concerned with larger vehicles. The commercial energy industry is currently showing a great deal of interest in hydrogen powered vehicles for example.

Another councillor commented about mobile phones getting smaller and using smaller batteries. This failed to appreciate that mobile phone manufacturers realised that most people

would not be prepared to carry round a heavy suitcase or even a brick. The manufacturers redesigned the mobile phone, not least by removing the mouth and earpiece and used micro-components. The reduced size of all of the components produced a product with mass market appeal and greatly reduced the power needed to operate the device which meant much smaller batteries could be used!

In my view, we need to give our residents confidence that, not only are the challenges arising from the climate change issue understood, but that the Working Group convened will not be comprised of a random group of councillors who have little notion of what action is required or what priority any action should be given. This is not to say that the councillors concerned are not earnest in their feelings and intent but that the council simply does not employ people with the crucial knowledge and experience needed to make such decisions and we absolutely need people with that knowledge to make such decisions.

This working group will be looking to direct serious TDC future expenditure - local tax-payers money. Therefore, I believe that those councillors who have put their names forward to serve on the working group need to possess scientific and/or engineering qualification or professional experience of power generation and supply.

Therefore, please could you supply a list of the councillors on the Working Group and the qualifications which make their inclusion on that group relevant.

Thank you."

Jackie King, the Acting Chief Executive, responded (at the request of the Chairman) as follows:

"To clarify, the working group does not have decision making powers, it also does not have a budget. Its purpose is to inform and review the development of the climate change action plan in line and provide strategic input and direction that officers can then develop initiatives from further.

As is normal practice, business cases will be established for any actions or options appraisals that include Council expenditure, and follow the Council's contract standing orders. These will include assessments by our finance team and other relevant external professionals where we feel we need their input.

Strategy & Resources Committee is the decision-making body for the climate change workstream, unless an action is particularly relevant to another committee such as Housing or Community Services, in which case reports for each committee may be submitted. Nonetheless, members are reminded that the Council's preferred funding options for its climate change work are grants, and working with partners including the County Council, to reduce or eliminate costs for those initiatives. Further, the Council will utilise its business as usual activities as far as possible to meet our climate change aspirations.

The Climate Change Working Group is made up of seven councillors, the lead climate change officer, Will Mace, and any other officers relevant to a particular topic being discussed, as set out in the Action Plan committee report that came previously to this committee."

Cllr Cooper commented that the question had not been answered and asked for the names of the Councillors who would be on the committee along with their qualifications.

Jackie King confirmed she could provide the names of the Councillors. She confirmed that Group Leaders had been invited to nominate the members they feel are best placed to participate. At present the members were:

- Cllr Milton
- Cllr Duck
- Cllr Pursehouse
- Cllr Davies
- Cllr Stamp
- Cllr Caulcott
- There is one vacancy for the Liberal Democrats.

Jackie King confirmed that she did not have the qualifications of these Members, but we don't ask for these on any other working group and it would be difficult to find individuals with the qualifications suggested.

Cllr Cooper asked a supplementary question requesting that the councillors who had put themselves forward to the working group consider their position to possibly allow for more knowledgeable councillors to be involved.

Cllr Elias answered by stating that it was not the intention to have people with qualifications on the working group. Councillors provide strategic direction to the work of the officers rather than provide technical knowhow.

227. ADDITIONAL COVID RESTRICTIONS GRANT SCHEME - CONFIRMATION OF DECISION TAKEN UNDER URGENCY POWERS (SO 35)

This discretionary grants scheme had been introduced by the government on the 31st October 2020, to be administered by all business rate billing authorities in England. The scheme was aimed at supporting businesses:

- who had lost income between during the second lockdown between the dates of 5th November 2020 and 2nd December 2020
- with relatively high ongoing fixed property-related costs;
- which can demonstrate a significant fall in income due to the pandemic;
- which occupy property, or part of a property, with a rateable value or annual rent or annual mortgage payments;
- that were trading on or before 4 November 2020.

An additional criteria for microbusinesses had also been included:

- Microbusinesses that can demonstrate loss of income due to the Covid-19 crisis. This may include Council Tax payers running a business from home, sole traders, or mobile businesses such as hairdressers and driving instructors.

The scheme had to be established locally by councils within a very short timeframe. The Tandridge scheme was therefore implemented by the Acting Chief Executive, in consultation with Group Leaders, under the urgency powers of Standing Order 35.

In addition to the scheme, an advisory panel of Members and Officers had been created to review applications received on a weekly basis.

The Committee was invited to ratify the scheme.

RESOLVED – that the Additional Restrictions Grant Scheme, as attached at Appendix A to the report (and as amended with reference to microbusinesses), be ratified.

228. 2021/22 DRAFT BUDGET AND MTFS TO 2023/24

A draft report for 2021/22 and the latest Medium Term Financial Strategy (MTFS) to 2023/24 was presented. The covering report commented on:

- the impact of the Covid-19 pandemic and consequent uncertainties upon budgetary projections;
- the financial recovery plan and progress in exerting tighter cost controls, resulting in the Council being removed from the Government's 'watchlist' (during the previous three months since the inception of the 2021/22 budget setting process, the projected shortfall had reduced from c£2.5 million to c£0.2 million);
- issues regarding the shortfalls in the collections of Council Tax and business rates for 2020/21;
- the financial improvement programme implemented by the interim Chief Finance Officer since her appointment in July 2020; and
- the service delivery plans being pursued under the auspices of this and the other three policy committees.

The report confirmed that the government was now conducting a one-year comprehensive spending review. A provisional local government financial settlement was expected imminently, with a final settlement due in January 2021 but little detail is known about what this would include. A prudent assumption had also been made in respect of additional Covid payments which should also be received. A 'roll-forward' of the 2020/21 settlement was anticipated, including a permitted Council Tax increase of £5 for Band D properties. Ongoing resilience was also being built into the budget via the contingency and General Fund Reserves.

The MTFS to 2023/24 assumed annual increases in pay (1%) and contract (2%) inflation rates and a 2% uplift in fees and charges. Funding gaps of £1.899 million and £2.914 million were projected for 2022/23 and 2023/24 respectively. Service delivery plans were being developed to improve this medium term outlook. Delays to local government finance reforms and the absence of a longer term financial settlement from central government provided challenges for effective budgetary planning during the course of the MTFS.

Draft 2021/22 revenue budgets for all four policy committees, including the Housing Revenue Account for the Housing Committee, were attached to the report, together with a draft capital programme to 2023/24. Work would be continuing on these documents with a view to bringing a balanced budget in January and February 2021.

Concerns were raised in respect of some of the proposed budget savings. It was confirmed that greater detail for each committee would be provided in the separate budget reports in January 2021 and the use of Capital Reserves would be clarified at the next meeting.

It was noted that there had been salary inflation figures of 1% referred to across all committees which appears to contradict the Government's intention for all public sector pay to be frozen. The Committee was informed that the Council is not part of the National Pay Scheme but could opt to follow the spirit of the guidance. Options were currently being considered to self-fund the increase and conversations were ongoing with Staff Conference. Some Members felt that an increase would not be a preferable option at this time.

It was highlighted that the recommendation had been changed for the committee to note the document as opposed to approve. This change was suggested on the basis that the budget was still in draft form and, at this time, was not balanced.

RESOLVED – that the draft budget for 2021/22 and Medium-Term Financial Strategy to 2023/24 be noted.

229. CIL SPENDING REVIEW AND FUNDING STATEMENT - UPDATE

On the 24th November 2020, the Committee had agreed an Infrastructure Funding Statement (IFS) notwithstanding the intention to produce a revised replacement version as soon as practicable. A member Working Group had since been convened to reconsider the IFS, as requested by the Committee on the 24th November. The Group had concluded that a full list of projects under consideration for CIL funding should now be included in the IFS for publication by the end of the month. The revised IFS, as recommended by the Group, was presented.

The covering report advised that the available CIL funds were insufficient to support all the projects under consideration. Future CIL levies from development were also unlikely to close this gap, hence the aim to develop criteria for evaluating and rating schemes early in 2021.

It was noted that the Working Group could consider adding the name of the project sponsor to the Infrastructure Funding Statement.

RESOLVED – that the revised replacement Infrastructure Funding Statement (IFS) 2020 be approved.

Rising 6.16 pm

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Strategy & Resources Finance report - period 8

Strategy & Resources Committee – 21 January 2021

Report of: Anna D’Alessandro – Chief Finance Officer (Section 151)

Purpose: To note the Committee and Council’s forecast revenue budget positions for the year

Publication status: Unrestricted

Wards affected: All

Executive summary:

This report accompanies the presentation that outlines the Strategy and Resources **2020/21 budget position at the end of November 2020 (P8)**.

Also Included is a summary of each Committee’s key highlights grouped together to provide a Council-wide perspective, along with details of any overspends referred to it by other Policy Committee

This report supports the Council’s priority of:

Effective budget monitoring giving a clear and precise overview of the Strategy and Resources committee’s financial position.

Contact officer Martin Field – Finance Business Partner

mfield@tandridge.gov.uk –

Recommendation to Committee:

To note the Committee and the Councils forecast revenue and capital budgets position for the year.

Reason for recommendation:

Please see slide presentation

Introduction and background

- 1 This report shows the financial position of the Strategy and Resources committee and a full council position as at period 8 (November).

Key implications

Comments of the Chief Finance Officer

- 2 The Council has a duty to ensure its expenditure does not exceed resources available. The short and medium-term financial outlook remain uncertain. The pandemic has resulted in increased costs and income loss which are not fully funded in the current year.
- 3 The Council's finances have turned around quite considerably over the last half of this financial year which places it in a much more sustainable and resilient position for 2020/21. We have undertaken this substantially by ensuring a tight grip on costs particularly salaries budgets, we do however have the last quarter of the year remaining and need to ensure we continue this grip and control to ameliorate the financial position even further. In previous months we indicated the potential issuance of a s114 notice, however this is now no longer the position within which we find ourselves. This will be kept under constant review.
- 4 Much work on the budget setting process for next year and into the medium-term indicates that the Council's finances will continue to be constrained, as they have been for the majority of the past decade. This subsequently places an onus on the Council to continue to consider issues of financial sustainability as a matter of urgency in order to ensure stable provision of services in the future. Within this context the Council will continue to develop and implement plans to ensure that the delivery of services are contained within resources and we work towards closing the medium-term gap.
- 5 The Section 151 Officer confirms the financial information presented in this report has been based on reasonable working assumptions, taking into account all material, financial and business issues and risks.

Comments of the Head of Legal Services

- 6 The Council is under a duty to set a balanced and sustainable budget. The Local Government Finance Act requires the Council to take steps to ensure that the Council's expenditure (that is expenditure incurred already in year and anticipated to be incurred) does not exceed the resources available whilst continuing to meet its statutory duties.
- 7 The Committee should be aware that if the Section 151 Officer, at any time, is not satisfied that appropriate strategies and controls are in place to manage expenditure within the in-year budget they must formally draw this to the attention of the Committee and Council and they must take immediate steps to ensure a balanced in-year budget, whilst complying with its statutory and common law duties.

Equality

- 8 This report does not disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

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

Appendices

Appendix 'A' – Council's Period 8 (November) Financial Report

Background papers

None

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Month 8 (November 20) Financial Report

Strategy & Resources Committee 21st January 2021

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Anna D'Alessandro
Chief Finance Officer (s151)

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- Executive Summary
- Key Messages – Revenue & Capital
- Revenue – Summary
- Business as Usual (BAU) – Variance Analysis
- CV-19 – Variance Analysis (Costs & Income)
- Cashflow
- Risks and Opportunity Register

Annex – Detailed Revenue & Capital

- Revenue – Detailed Position & Variance analysis by Committee
- Housing Revenue Account (HRA) – Detailed Position
- Capital – Detailed Position

Finance Improvement Programme - update

Since taking up post as the CFO (s151), I have put in place a Finance Improvement Programme (FIP) and have updated Members monthly of progress, below is a M8 update.

- 1. Getting the “basics right” in Finance.** We have been working to the new Budget Monitoring timetable and reporting to Members and ELT on a monthly basis for some time now, irrespectively if there is a Committee meeting or not. We have made good progress on the Budget and presented the 2021/22 Draft Budget Report to S&R on the 16th December, which was noted. A provisional settlement was received on 17th December and a briefing prepared for Group Leaders. We are now finalising the Budget reports for Jan Committees, S&R and Full Council approval in Feb
- 2. Baseline of 2020/21 finances for Revenue and Capital.** All changes have been fed through. We now need to improve governance and processes on the Capital Programme
- 3. Reviewed monthly Financial Reports to Members.** Monthly reports continue to be reviewed for ease of comprehension and clarity on a monthly basis
- 4. Local Government Association commissioned to undertake a review of how we capitalise all project costs, review of the Balance Sheet and Cash.** Work completed and all capitalisation of salaries has been fed through into monthly reports
- 5. Review of all Procurement activities (contract and off-contract spend) in the Council to identify areas of improvement.** A draft Improvement Plan to S&R in Jan/Feb 2021
- 6. Continuing hard line and grip on salary budgets and processes.** We continue to ensure we have a firm grip on salaries

Executive Summary

Revenue (slides 5 & 6, 8 - 10, Annex slides: 14 - 25):

- At M8, the Council is projecting a full year £0.1m underspend against the budget baseline of £10.6m, an improvement of £0.3m from M7
- Of the £0.1m underspend, £0.8m is an underspend in Business as Usual (BAU) activities, offset by £0.7m overspend relating to CV-19 costs/income loss

Capital (slides 7, Annex slides: 28):

- The approved budget is £15.7m.
- The latest forecast is a decrease in spend of £0.6m from M7
- The decrease relates primarily to delays in the Purchase of Waste collection vehicles £0.6m, £0.1m delayed assessment of garden waste bins, offset by £0.1m Council housing: Uplands programme brought forward

HRA (Annex slides: 26 & 27):

- At M8, the HRA is forecasting a surplus of £0.2m, against the approved budget

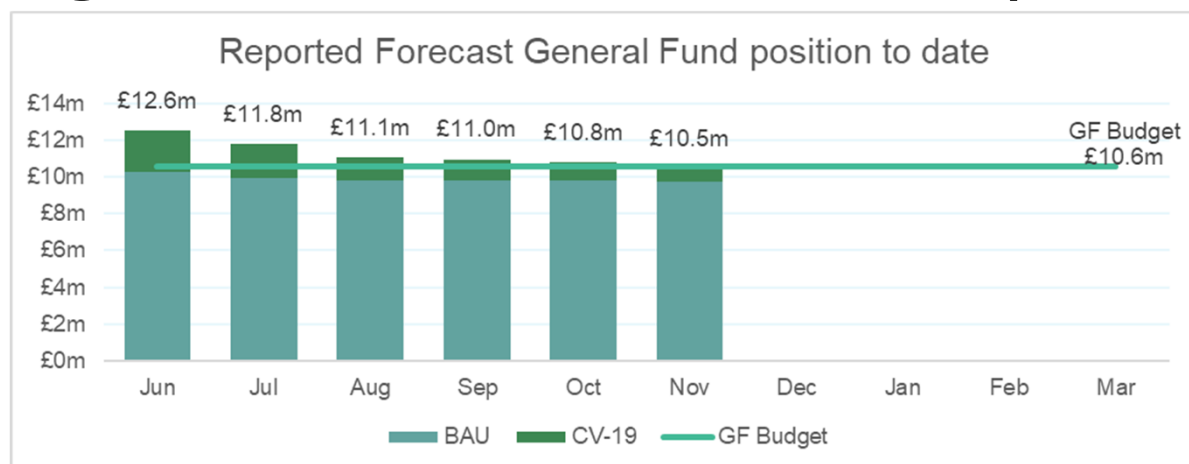
Cashflow (slide 11):

- £1.8m Council Tax shortfall in collection
- £0.3m Business Rates shortfall in collection
- Overall shortfall of £2.1m will not impact until March 2021. To meet cashflow needs, it is estimated that the cost of borrowing £6k

Key Messages – Full-Year Forecast

- At M8, the Council is projecting a full year £0.1m underspend against the budget baseline of £10.6m, an improvement of £0.3m from M7
- The £0.1m underspend comprises of:
 - £0.8m Business as Usual underspend, primarily due to:
 - £0.5m underspend on salaries
 - £0.4m underspend on the Local Plan
 - £0.3m additional New Homes Bonus (NHB) income to support the General Fundoffset by:
 - £0.2m reduction in interest receivable due to investment property decisions and
 - £0.2m increased MRP charges
 - £0.7m CV-19 overspend, primarily due to:
 - £1.1m extra cost due to social distancing guidance, contractual forbearing due to services closed for lockdown staff overtime and other treasury costs
 - £1m loss of income due to planning applications, car parking, lower investment income due to Bank of England base rates and stock market rates, and our investment portfolio due to tenants rent holidaysoffset by £1.4m of government support.
- *Detailed variance analysis by Committee can be found in the Annex*

Key Messages – Revenue Movement (M7-M8)



- At M8, the Council is projecting a **full-year £0.1m underspend** against the budget baseline of £10.6m, an **improvement of £0.3m from M7**. Key movements are below
 - **£0.1m improvement in BAU salaries**, due to the use of flexible capital receipts to pay for the Council's transformation activity, as approved by S&R on 24th November; and
 - **c£0.2m improvement in COVID-19 costs/income**. At S&R Committee on 24th November, Members agreed to provide Freedom Leisure (FL) with a rent free period of £53k. However, the 2020/21 budget currently includes c£200k of rental and interest income expected from FL plus loan repayment. All invoices have been sent to FL and no payments have been received to date. A prudent assumption, given the economic uncertainty, is that no funds will be received from FL this FY and that a provision has been made for the loan. The application to Sports England for a share of the £100m national funding is currently in train

Key Messages – Capital

- The Council's approved **Capital budget for 2020/21 is £120.1m**. The original budget approved in Feb was £82m. In July, S&R approved 2019/20 carry forward of £38.1m. On 24th November S&R approved reducing the Budget by £104.4m due to Property Development Fund change of policy
- **The restated approved budget is now £15.7m**
- **The Forecast is £0.6m underspend** due to:
 - **£0.1m Council House Building** – scheme on Uplands has been brought forward
Offset by:
 - **£0.6m Purchase of waste collection** vehicles partial delayed delivery and development support costs
 - **£0.1m Garden waste bins project** – delayed review of the existing bins and start of the new waste collection contract
 - **£0.1m - lower volumes of Social Care Housing grants**

	Restated Budget 2020/21 £	Forecast at M8 2020/20 £	Forecast Variance 2020/21 £	Change from M7 to M8 £
Strategy & Resources	1,747,200	1,722,200	(25,000)	0
Planning Policy	299,000	299,000	0	0
Community Services	3,813,400	3,102,400	(711,000)	(711,000)
Housing General Fund	526,000	426,000	(100,000)	0
Total General Fund	6,385,600	5,549,600	(836,000)	(711,000)
Housing Revenue Account	9,275,300	9,408,500	133,200	130,700
Total Capital Programme	15,660,900	14,958,100	(702,800)	(580,300)

Overall Revenue – Summary of Committee positions

Policy Committee	20/21 BAU forecast at M8 £	Overall Annual Budget £	M8 BAU Variance £	20/21 CV-19 forecast at M8 £	Overall Forecast Variance £	Committee Change from M7 to M8 £	Increase / Decrease / Unchanged
Planning Policy	910,132	1,338,038	(427,906)	225,986	(201,920)	125,400	Increase
Community Services	6,230,800	6,351,100	(120,300)	980,000	859,700	(356,300)	Decrease
Housing General Fund	316,863	459,063	(142,200)	19,000	(123,200)	18,100	Increase
Strategy & Resources	2,265,831	2,411,531	(145,700)	776,150	630,450	(118,300)	Decrease
Policy Committee Budget Envelopes	9,723,626	10,559,732	(836,106)	2,001,136	1,165,030	(331,100)	Decrease
CV-19 Grants				(1,264,500)	(1,264,500)	0	unchanged
Overall	9,723,626	10,559,732	(836,106)	736,636	(99,470)	(331,100)	Decrease
Forecast change from M7 to M8	(106,300)			(224,800)	(331,100)		
Increased / Decreased	Decrease			Decrease	Decrease		

The Policy Committee detailed variance analysis is in Annex.

£0.2m Planning Policy underspend (deterioration of £0.1m since M7)

- **£0.4m underspend on BAU –**
 - £16k underspend on salaries (deterioration of £0.1m since M7)
 - £0.4m underspend on the Local Plan
- **£0.2m overspend CV-19 (not budgeted)**
 - **£0.3m of CV-19 Extra costs primarily due to :**
 - £0.3m – Lower income volumes in Planning Applications and advice, Community Infrastructure Levy (CIL) admin fees and Building Control income
 - **Offset by £0.1m** of COVID-19 Income support grant applied to Committee of £33k, and Building Control reserve and Admin fee reserve.

Overall Revenue – Summary of Committee positions

£0.9m - Community Services (improvement of c£0.4m since M7)

- **£0.1m underspend on BAU** - c£0.2m underspend on salaries (improvement of c£0.2m since M7) offset by £36k loss of off street car parking income due changing charge rates.
- **£1m overspend CV-19 (not budgeted – overspend)**
 - **£0.6m of CV-19 Extra costs primarily due to :**
 - £0.3m – An improvement of c£0.3m. At S&R Committee on 24th November, Members agreed to provide Freedom Leisure (FL) with a rent free period of £53k. However, the 2020/21 budget currently includes c£200k of rental and interest income expected from FL plus loan repayment. All invoices have been sent to FL and no payments have been received to date. A prudent assumption, given the economic uncertainty, is that no funds will be received from FL this FY and that a provision has been made for the loan. The application to Sports England for a share of the £100m national funding is currently in train
 - £0.3m – Waste Services. Costs of additional Health & Safety requirements, cleaning and disinfecting equipment and personnel, social distancing of workers, professional fees of extension of waste contract, increased cost of maintaining old vehicles where renewal is delayed and hire of vehicles
 - **c£0.4m of loss of income** due to lower volumes of income due to lower capacity and opportunities (car parking, taxi licenses, Tandridge Commercial service)
 - **offset against £0.1m CV-19 Income Support Grant applied to the committee (new)**

£0.1m Housing GF underspend (deterioration of £18k since M7)

- **£0.1m underspend on BAU** - on salaries (deterioration of £31k since M7)
- £19k **overspend CV-19** extra costs (not budgeted – improvement of £13k since M7)

Overall Revenue – Summary of Committee positions

£0.6m - Strategy and Resources (improvement £0.1m since M7)

£146k underspend on BAU :

- £0.3m additional New Homes Bonus (NHB) income choosing to use it all to support revenue budget
- £0.2m underspend on salaries (improvement of £0.2m since M7); and
- £0.1m other underspends (due to agile working)

offset by £0.2m increased MRP charges and £0.2m reduction in interest receivable due to investment property decisions

£0.8m overspend CV-19 (not budgeted – overspend)

- **£0.2m of CV-19 Extra costs (not budgeted – overspend) primarily due to :**
 - £0.1m – extra costs due additional interest on short term borrowing, and £0.1m staff overtime and other associated costs to ensure the council continues working.
- **£0.6m of loss of income primarily due to:**
 - £0.3m – Reduction in interest receivable following cut in the Bank of England base rate
 - c£0.2m – Reduction in Investment Property Income, due to the enforced closedown some tenants have requested rent holidays, this primarily affects Quadrant House

£1.3m CV-19 grant

- £1.1m - CV-19 grant. All lower tier authorities received £0.1m
- £0.2m –CV-19 grant : £130k New burdens, £43k - COVID-19 Clinically Extremely Vulnerable grant

Cash Flow Impact due to CV-19

- Concern about the extent to which CV-19 reduces amounts received for Council Tax and Business Rates
- Precepts were set well before the start of the financial year, prior to the onset of CV-19
- Collection rates will be significantly below expectation
- Payments to preceptors set in line with statute, the gearing effect reducing Council's cashflow
- **Council Tax shortfall** in collection in 2020/21 will be **2.3% less than budget = negative impact on Council's cash flow of c£1.8m for 2020/21 (unchanged since M7)**
- **Business Rates shortfall** in collection in 2020/21 will be **3.5% less than budget = negative impact on Council's cash flow of c£0.3m for 2020/21 (improvement of £0.1m)**
- **Overall impact is a combined shortfall of £2.1m, will not impact until March 2021**
- The cost of borrowing to meet cashflow needs is estimated at £6k

Revenue Risk & Opportunities

(internal information only)

Committee	Risk	Mitigation	Category	Amount
Community Services	Economic development – requirement for additional resources to support economic recovery after COVID-19	Will look to contain within existing budget across the Council	BAU, COVID-19	TBC
Strategy & Resources	Leadership recruitment – potential extra costs due to interim CXO and CFO if filled with agency cover	Currently CXO acting up from Exec Head of Resources and CFO seconded from SCC	BAU	TBC
All	Present assumptions are that lockdown restrictions could reduce: income streams further, Council tax and Business rates collectability, and social distance guidance increases costs	Monitor guidance as it is released and plan alternative strategies to deliver inline with current guidance. Income Support Compensation grant will offset 71% of income losses.	COVID-19	TBC

Committee	Opportunity	Mitigation	Category	Amount
Community Service	Freedom Leisure support grant: Current provision for worst case scenario	Negotiations under way. Possible government support for leisure operators	COVID-19	TBC
Community Service	Waste Contract: Extra costs for provision of social distancing guidance	Offset underspends and grants	COVID-19	£265k

ANNEX

DETAILED REVENUE AND CAPITAL

Planning Policy Service - Revenue (Slides 14 - 16)

Community Service - Revenue (Slides 17 – 20)

Housing Service - Revenue (Slides 21 – 22)

Strategy & Resources - Revenue (Slides 23 – 25)

Housing Revenue Account (Slides 26 – 27)

Capital – Detail (Slides 28)

Planning Policy - Overview

TABLE 2: 2020/21 Forecast: General Fund Financial Position at year end 31/03/2021

Committee Chair: Cllr K Jecks

Executive Head: C Parker

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	M8 Year to Date Variances	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
Planning Policy						
Salaries	1,510,700	66,979	(15,900)	2,900	(13,000)	125,400
Non Salaries						
Planning Application and Advice	(634,562)	131,334	0	255,786	255,786	0
Local Plan	439,500	(268,909)	(400,000)	0	(400,000)	0
Enforcement	22,400	(8,789)	(12,006)	0	(12,006)	0
Community Infrastructure Levy	0	0	0	0	0	0
Building Control Chargeable	0	0	0	0	0	0
Other net items of less than £10,000	0	(116)	0	0	0	0
Covid-19 Income Support Grant	0	(32,700)	0	(32,700)	(32,700)	0
Planning Policy Total	1,338,038	(112,201)	(427,906)	225,986	(201,920)	125,400

Planning Policy - BAU Variance Analysis

Planning Policy Committee - Revenue Summary:

Budget Baseline: £1,338,038

Net BAU underspend of £427,906 (deterioration of £125,400 since M7)

CV-19 overspend £225,986 (no change)

Business as Usual:

- **£400,000 underspend on the Local Plan.** Included in the Local Plan budget were costs for the delivery of the South Godstone Garden Community, such as early work on the Area Action Plan. Removal of £500k from a total budget of £621k at such an early point in the year was premature and did not capture all projected costs. In addition to the £127k currently budgeted in 2020/21, it is estimated that a further £100k needs to be identified for expenditure bringing the total forecast cost to £227k. We will keep in regular contact with the Project Manager to ensure our forecast outturn reflects the Planning Inspector's expectations of where the Local Plan will have progressed by year end. Costs will continue to be refined. Any slippages in progress in 2020/21 may impact future years. Complete review will be undertaken of all costs as part of the 2021/22 budget setting process. Work is underway to produce a project plan for Planning Policy Committee which monitors the expenditure against budget of the various projects being undertaken. Monthly updates will be reported to Committee as part of the budget monitoring process.
- **£15,900 salaries underspend** (deterioration of £125,400 since M7)
- **£12,006 Enforcement** – lower volumes of cases requiring counsel fees

Planning Policy - CV-19 Variance Analysis

At M7, the Committee is projecting **a full year CV-19 £225,986 overspend**

Extra costs of £2,900, (Improvement of £44,000 since M6) due to:

- **£2,900** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce
- **£0** – £44,000 Expenditure for meeting Tandridge's share of expected loss that will be made by Southern Building Control as a result of reduced business activity. The improvement relates to the actual income levels are now higher than initially anticipated. The current variance can be met from the building control reserve. Offset by COVID-19 Income support grant of £44,000 (improvement of £44,000 since M6).

Loss of Income £255,786 (improvement of £46,714 since M6) due to:

- **£255,786** – **Reduced income on Planning Applications** and advice (improvement of £1,714 since M6)
- **£0** – **£45,000 Loss of 5% admin fee for Community Infrastructure Levy** work due to slowdown in development to be recovered by admin fee reserve. (improvement of £45,000 since M6).

Offset by COVID-19 Income support grant applied to Committee of £32,700 (new)

Community Services - Overview

TABLE 2: 2020/21 Forecast: General Fund Financial Position at year end 31/03/2021

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	M8 Year to Date Variances	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
Community Services Committee						
Salaries	2,235,300	(75,099)	(156,100)	27,000	(129,100)	(97,300)
<u>Non Salaries</u>						
Car Parking-Off Street	17,100	49,700	35,800	47,700	83,500	0
Car Parking-On Street	(106,000)	0	0	26,900	26,900	0
Hackney Carriage/Private Hire	(17,600)	12,350	0	29,500	29,500	0
Leisure & Community Grants	468,200	0	0	308,000	308,000	(259,000)
Waste Services	3,590,100	(446,400)	0	313,700	313,700	0
Environmental Services	297,800	8,400	0	2,000	2,000	0
Cesspool Services	(34,800)	(2,500)	0	0	0	0
Operational Services	(217,500)	475,400	0	248,000	248,000	0
Parks and Open Spaces	1,090,300	7,800	0	32,600	32,600	0
Other Variances less than £10k	(971,800)	221,900	0	3,500	3,500	0
Covid-19 Income Support Grant	0	(58,900)	0	(58,900)	(58,900)	0
Community Services Total	6,351,100	192,651	(120,300)	980,000	859,700	(356,300)

Community Services - Summary & BAU Variance Analysis

Community Services Committee - Revenue Summary:

Budget Baseline: £6,351,100

Net BAU underspend £120,300 (improve by £108,700 since M7)

CV-19 overspend £980,000 (improve by £247,600)

Business as Usual:

- **£156,100 salaries underspend** (improvement of £108,700 since M7)

Offset by:

- **£35,800 – reduced income** from BAU due to changing the Ellice Road Car Park, free parking from 1 hour to 3 hours during the period 1 July 20 – 30 September 20.

Community Services - CV-19 Costs Variance Analysis

At M7, the Committee is projecting a full year CV-19 £980,000 overspend

Expenditure of £603,500 (improvement of £247,600 since M6), **primarily due to increased costs of:**

- **£308,000** – Support to Freedom Leisure, currently under consideration by Members (improvement of £259,000 since M7)
- **£265,000** – Waste Services, costs relate to additional H&S requirements, cleaning and disinfecting of equipment and personnel, social distancing of workers, professional fees in relation to extension of existing waste contract, increased cost of maintaining old vehicles where renewal has been delayed and hire of vehicles
- **£27,000** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce (£11,400 deterioration since M7)
- **£3,500** – Miscellaneous expenditure on multiple budget lines relating to CV-19

Community Services - CV-19 Income Loss Variance Analysis

Loss of Income of £435,400 (unchanged since M6) **primarily due to:**

- **£248,000** – Loss of income for Tandridge Commercial Services as the operational team is working within the boundaries of CV-19, social distancing and Health & Safety restriction with having to wear PPE and 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 lead to less billable work for the team
- **£48,700** – Loss of income for Garden Waste Club due to CV-19 delaying the start date of the new waste contract
- **£47,700** – Loss of income for off-street Car Parking
- **£32,600** – Parks and Open Spaces decrease in revenue from sports facilities
- **£29,500** – Loss of income from Hackney Carriages taxi driver licencing
- **£26,900** – Loss of income for on-street Car Parking
- **£2,000** - Decrease in revenue from premises licences

Offset by COVID-19 Income support grant applied to Committee of £58,900

Housing Services – Overview

TABLE 2: 2020/21 Forecast: General Fund Financial Position at year end 31/03/2021

Committee Chair: Cllr L Parker

Executive Head: A Boote

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	M8 Year to Date Variances	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
Housing - General Fund						
Salaries	775,800	(57,619)	(142,200)	2,800	(139,400)	30,600
<u>Non Salaries</u>						
Meadowside Mobile Homes	(109,500)	153,132	0	7,600	7,600	0
Housing of the Homeless	(59,900)	(156,783)	0	8,600	8,600	0
Private Sector Enabling	63,863	(92,028)	0	0	0	(12,500)
Other net items of less than £10,000	(211,200)	57,000	0	0	0	0
Housing General Fund Total	459,063	(96,297)	(142,200)	19,000	(123,200)	18,100

Housing Services – Variance Analysis

Housing Committee - Revenue Summary:

Budget Baseline: £459,063

Net BAU underspend £142,200 (deterioration of £30,600 since M7)

CV-19 Overspend £19,000 (£12,500 improvement)

Business as Usual:

- **£142,200 salaries underspend** (deterioration of £30,600 since M7)

CV-19 - Extra costs of **£19,000**, (£12,500 improvement since M7) due to:

- **£8,600** – Additional costs of housing rough sleepers during the pandemic;
- **£7,600** – Meadowside Mobile homes lower volumes of income
- **£2,800** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce

Strategy & Resources – Overview

TABLE 2: 2020/21 Forecast: General Fund Financial Position at year end 31/03/2021

KEY GENERAL FUND REVENUE VARIANCES	Annual Budget 2020/21 £	M8 Year to Date Variances	Forecast Variance at year end (31/3/2021) BAU £	Forecast Variance at year end (31/3/2021) COVID-19 £	Overall Forecast Variance at year end (31/3/2021) £	Change in Forecast since last month £
Strategy and Resources Committee						
Salaries	5,166,671	(114,228)	(237,200)	52,200	(185,000)	(198,200)
<u>Non Salaries</u>						
Interest Payable	1,889,000	0	0	75,000	75,000	0
Investment Property Income	(989,000)	0	0	247,250	247,250	0
Interest Receivable	(2,764,200)	0	197,000	300,000	497,000	0
IT - Software and hardware	10,400	0	0	14,000	14,000	4,000
Covid 19 Grants	0	0	0	15,000	15,000	0
Land Charges	(135,000)	0	0	34,000	34,000	0
Other Variances less than £10k	770,333	0	0	17,000	17,000	0
Public Sector Reform funding	0	0	10,000	0	10,000	0
Monitoring Officer Function External Legal	0	0	0	26,000	26,000	26,000
Corporate Items	(1,755,173)	0	(48,000)	0	(48,000)	49,900
Printing, Stationary and Postage	185,900	0	(46,000)	0	(46,000)	0
Software and Hardware Accessories	10,400	0	(10,400)	0	(10,400)	0
Economic Development	22,200	0	(11,100)	0	(11,100)	0
Covid-19 Income Support Grant	0	(4,300)	0	(4,300)	(4,300)	0
Resources Total	2,411,531	(118,528)	(145,700)	776,150	630,450	(118,300)

Strategy & Resources - BAU Variance Analysis

Strategy and Resources Committee - Revenue Summary:

Budget Baseline: £2,411,531

Net BAU underspend: £145,700 (£153,200 improvement)
CV-19 overspend : £776,150 (£34,900 deterioration)

Business as Usual underspends £554,700:

- **£250,000 additional income relating to New Homes Bonus (NHB).** Combination of receiving additional monies and choosing to use it all to support revenue budget
- **£237,200 salaries underspend,** comprised of numerous over and underspends (£203,200 improvement since M7 in part due to including flexible use of capital receipts to fund transformation work)
- **£46,000 saving on printing, stationery and postage** due to reduced occupancy
- **£11,100 underspend due to review of Economic Development** service provision across all committees
- **£10,400 underspend due to capital** policy review to group small capital items.

Offset by overspends £409,000:

- **£197,000 reduction in interest receivable** due to a decision to not proceed with an agreed property purchase through Gryllus
- **£152,000 increased charges to Minimum Revenue Provision**
- **£50,000 reduction in support service charges** in relation to Land Charges
- **£10,000 contribution to Public Sector Reform** to pay for consultancy costs in response to Government consultation

Strategy & Resources – CV-19 Costs – Variance Analysis

At M7, the Committee is projecting **a full year CV-19 £776,150 overspend**

Extra costs of £199,200, due to:

- **£75,000** – Additional interest payable on short term borrowing to manage cash flow due to reduced collection of Business Rates and Council Tax
- **£26,000** - External legal advice regarding monitoring officer functions
- **£15,000** – Support grants paid to Parish and volunteer agencies
- **£14,000** – Purchase of IT Software and Hardware to accommodate the need for staff home working (£4,000 deterioration since M7)
- **£17,000** – Miscellaneous expenditure on multiple budget lines relating to CV-19
- **£52,200** – Staff overtime expenditure in relation to CV-19, includes staff making shielding calls, paying grants to local businesses, finance officers time and that of the CV-19 response taskforce (£5,000 deterioration since M7)

Loss of Income £581,250:

- **£300,000** – Reduction in interest receivable following the cut in the Bank of England base rate from 0.75% to 0.1%. Lower returns are now forecast on fund investments
- **£247,250** – Reduction in Investment Property Income, due to the enforced closedown some tenants have requested rent holidays, this primarily affects Quadrant House
- **£34,000** – Reduction in Land Charge searches income as the lockdown resulted in the reduction of property purchases

Offset by COVID-19 Income support grant applied to Committee of £4,300

Housing Revenue Account - Overview

**TABLE 2: 2020/21 Forecast: Housing Revenue Account Financial Position at year end
31/03/2021**

KEY HRA REVENUE VARIANCES Committee Chair - Councillor L Parker Officer - A Boote	Annual Budget 2020/21 (£)	Forecast Variance at year end (31/3/2021) BAU (£)	Forecast Variance at year end (31/3/2021) COVID-19 (£)	Forecast Variance at year end (31/3/2021) Total (£)	Change in Forecast since last month (£)
Salaries	1,722,400	55,500	4,700	60,200	248,500
Services costs	5,951,600	(36,200)	(29,400)	(65,600)	0
Corporate Support Services	1,441,800	0	0	0	0
Repairs and Maintenance	2,640,500	(29,900)	(53,900)	(83,800)	(22,200)
Interest Charges on loan	1,912,100	(264,000)	0	(264,000)	0
Rental Income Dwellings	(14,200,500)	0	200,000	200,000	0
Rental Income Garages	(279,700)	0	10,000	10,000	0
Other Income	(226,000)	(6,150)	(5,600)	(11,750)	(1,200)
Forecast outturn before transfer to reserves	(1,037,800)	(280,750)	125,800	(154,950)	225,100
Transfer to reserves	1,037,800	280,750	(125,800)	154,950	(225,100)
Forecast outturn after transfer to reserves	0	0	0	0	0

Housing Revenue Account - Summary

Key variances in HRA BAU Budget (net c£0.3m underspend)

- **Underspend of £280,750**, (deterioration of £226,300 since M7) :
 - **£264,000 on interest payable**. Partly due to loans being refinanced at a lower than expected interest rate.
 - £36,200 collection of small variances against service costs, £29,900 on repairs and maintenance (improvement of £22,200 since M7) and £6,150 other income
- **Offset by overspend of £55,500 on salaries** (deterioration of £248,500 due to review of officers working on capital projects)

Key variances in HRA CV-19 expenditure (net c£0.1m overspend)

- **Overspend £210,000 on rent loss from bad debts** as HRA arrears are expected to increase significantly
- **Offset by Underspend £53,900 on repairs and maintenance expenditure**. Due to the lockdown and required social distancing measures, planned repairs and maintenance have been postponed
- **Underspend on £29,400 Service charges - Legal cost** savings expected due to TDC legal dept being able to deal with more of these items

Capital – Detailed Position

	Restated Budget 2020/21 £	Forecast at M8 2020/21 £	M8 Forecast Variance 2020/21 £	Change From M7 to M8 £
Community Services - Committee Chair: Councillor B Connolly - Officers: A Boote				
Waste and Recycling	2,991,300	2,280,300	(711,000)	(711,000)
Parks, Playgrounds and Open Spaces	285,000	285,000	0	0
Community infrastructure and assets	537,100	537,100	0	0
Total Community Services	3,813,400	3,102,400	(711,000)	(711,000)
Housing General Fund - Committee Chair: Councillor L Parker - Officer: A Boote				
Social Housing Grants	100,000	0	(100,000)	0
Disabled Facilities Grants	426,000	426,000	0	0
Total Housing GF	526,000	426,000	(100,000)	0
Strategy & Resources - Committee Chair: Councillor T Elias - Officers: J King/L Harrison/A D'Alessandro/Alison Boote				
Property Development Fund	981,000	981,000	0	0
Council Offices Buildings	75,000	50,000	(25,000)	0
GF IT - Hardware/Infrastructure	691,200	691,200	0	0
Total Strategy & Resources	1,747,200	1,722,200	(25,000)	0
Planning Policy				
Capital contributions to third parties from CIL	299,000	299,000	0	0
Total Planning Polcy	299,000	299,000	0	0
Total-General Fund	6,385,600	5,549,600	(836,000)	(711,000)
Housing Revenue Account - Committee Chair: Councillor L Parker - Officer: A Boote				
Council House Building	5,900,000	6,030,700	130,700	130,700
Improvements to Housing Stock	3,164,500	3,167,000	2,500	0
Housing Management Software	70,000	70,000	0	0
HRA IT - Hardware/Infrastructure	140,800	140,800	0	0
Housing Revenue Account	9,275,300	9,408,500	133,200	130,700
Total Capital Programme	15,660,900	14,958,100	(702,800)	(580,300)

Strategic Plan update

Strategy & Resources Committee Thursday, 21 January 2021

Report of: Acting Chief Executive

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

The Committee approved a first version of its Strategic Plan in July 2020.

This report provides an update to the Committee on progress in delivering the action plan.

In some cases, revised timescales for delivery of actions are proposed.

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

Contact officer Heather Wills
hwills@tandridge.gov.uk

Recommendation to Committee:

That the Committee:

- A. Review and comment on progress made against the Strategic Plan objectives and actions (Appendix A);
 - B. Identify any objectives or actions which require additional attention or a change of approach;
 - C. Agree revised actions and timescales for delivery of actions.
-

Reason for recommendation:

This report enables Councillors to review progress in delivering the Strategic Plan and seeks their views on any objectives or actions where additional or changed focus is required.

Introduction and background

- 1 Strategy and Resources Committee, at its meeting of 28 July 2020, approved a first version of a Strategic Plan for the Council for the period 2020/21 – 2023/24, on the understanding that the plan would be kept under review in response to changing circumstances.
- 2 The plan, incorporating changes required by the Committee, has since been published on the Council's website¹.
- 3 The Committee also agreed that all four Policy Committees should own and monitor delivery of relevant parts of the strategic plan which fall within their respective terms of reference.

Progress update

- 4 An updated version of the action plan, showing latest progress against each item where appropriate, appears at Appendix A.
- 5 While a number of actions have been completed, others have been delayed, in many cases due to insufficient capacity and in some others due to the ongoing impact of the COVID pandemic. A new interim Executive Head of Corporate Resources has now been recruited and the secondment of the Improvement Adviser from the LGA has been extended, which will enable progression of some actions. However, the impact of lockdown means that progress in other areas may not be possible until Summer/ Autumn.
- 6 The progress update in Appendix A shows latest expected completion dates achievable within current resources, and based on current expectations.
- 7 Housing Committee reviewed the actions which fall within its terms of reference in November 2020. This led to the deletion of one action which the Committee considered was not appropriate at this time, due to the period elapsed since the last assessment was created, and the latest state of progress with the Local Plan:
Carry out housing needs assessment for the District to inform plans for affordable homes
- 8 The Committee identified a new action, to be completed in March 2021:
Develop a new 5-year programme for the development / acquisition of property for the provision of affordable housing.
- 8 The actions within this plan can be delivered through existing resources. As the Council implements its Medium Term Financial Strategy, any further actions to deliver the plan's priority outcomes which have additional resource implications, including opportunities to secure external funding, will be brought to Members for approval.

¹ www.tandridge.gov.uk/Your-council/Freedom-of-information-and-data/Strategic-Plan-2020-2021-to-2023-2024

Other options considered

- 9 This report updates the Committee on progress in delivering the agreed plan: no alternative options have therefore been considered.
- 10 In light of changing circumstances, the Committee may wish to consider:
- any adjustments to agreed actions which may better enable the agreed objectives to be achieved;
 - re-prioritisation of actions which may lead to altered timescales.

Consultation

- 11 The Strategic Plan was developed following consultation with key local stakeholders and partners. Significant new services and strategies which appear as actions within the plan will be subject to consultation at the appropriate time.

Key implications

Comments of the Chief Finance Officer

Given the challenging financial position of the Council both in the current financial year and over the medium term, we need to ensure that any new financial implications of the strategic plan are comprehensively assessed to ensure deliverability within current budgets.

New plans and proposals referred to in the strategic plan will be developed for member decision along with proposals for the financing for support for the development of the local plan. The financial implications of these will need to be fully evidenced via a business case to ensure they are deliverable within existing budgets.

Comments of the Head of Legal Services

There are no specific legal implications associated with this report. The Council has a number of widely expressed powers which enable it to act flexibly and innovatively at a time of crisis. In particular, section 2 of the Localism Act 2011 allows the Council to do anything which it considers is likely to promote or achieve the economic, social or environmental well-being of the area. In exercising this power, the Council must take account of its strategic plan and consider how the use of the power will contribute to the Council's economic, social or environmental objectives.

Section 3 of the Local Government Act 1999 requires best value authorities, including the Council, to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The development of the actions in the strategic plan, together with their delivery and subsequent monitoring will contribute to the way in which the best value duty can be fulfilled. Regular reports to Members and actions arising from those reports will help to demonstrate that the Council has undertaken activity to satisfy the statutory duty.

Equality

The high-level priority outcomes within the Strategic Plan are informed by an understanding of local communities and their needs. As significant new actions to address these priority outcomes are brought to Councillors for approval, they will each be subject to impact assessments to consider potential positive or negative impacts.

Climate change

The Strategic Plan includes a priority outcome to 'Deliver the climate change action plan'. The Committee approved a first draft climate change action plan at its November meeting: work is now underway to develop the action plan, informed by a climate change task and finish group.

Appendices

Appendix A – Strategic Plan action plan – progress report

Background papers

None.

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

Strategic Plan action plan update December 2020

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
1. Building a better Council						
1.1 Agreeing and implementing the Financial Recovery Plan	Develop a plan for financial recovery which is credible and enables key services to be delivered within acceptable timescales	S&R	Aug 2020	Chief Finance Officer	Achieved through the development of the Budget and MTFS: <ul style="list-style-type: none"> Draft Budget Final Budget approved by S&R & Council 	<ul style="list-style-type: none"> Dec 2020 Feb 2021
	Explore commercial opportunities within the District including (but not limited to): <ul style="list-style-type: none"> supporting other statutory services with more cost-effective delivery models developing expertise and capacity in Planning services to provide support to other rural districts and customers generating income from the open space within the District building on the value of exercising outdoors, closer to nature 	S&R	Dec 2020	Acting Chief Executive & Chief Finance Officer	<ul style="list-style-type: none"> Explore the potential for the CCG to commission further services from the Council (delayed due to COVID) To be considered once current stabilisation and improvement work in Planning Service is complete Policy for Permitting Chargeable Events & Activities on Parks & Open Spaces by Commercial Operators agreed by CS Ctee Sept 2020 Adopt open space strategy following consultation 	<ul style="list-style-type: none"> Autumn 2021 TBC Complete Mar 2021
		CS		Executive Head of Communities		

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
	Review opportunities for joint working and shared services with other Local Authorities	S&R	Ongoing (starting Sep 2020)	Acting Chief Executive	Underway through: <ul style="list-style-type: none"> TDC to consider and prioritise collaboration opportunities arising from KPMG review when published Bring proposals for shared services to Committees Discussions underway to add a further council to shared Building Control 	<ul style="list-style-type: none"> TBC Mar 2021 onwards Ongoing
1.2 Engaging with local government reform	Make a positive contribution to the debate on local government in Surrey and drive a bid for a unitary in the east of the county in the interests of local residents and businesses	S&R	Ongoing	Acting Chief Executive	The Council continues to work with districts and boroughs in the county to consider options for unitarisation as part of KPMG review (delayed due to COVID)	Ongoing
1.3 Implementing the Corporate Improvement Plan	Implement action plan arising from the independent review of governance	S&R	Dec 2020	Monitoring Officer	Many actions completed: progress update and revised timescales for outstanding actions to be reported to Audit and Scrutiny Committee	Jan 2021
	Develop and implement a digital strategy for the Council	S&R	Dec 2021	Executive Head of Corporate Resources	<ul style="list-style-type: none"> IT Strategy Board now operational Review and prioritise actions in draft digital strategy 	<ul style="list-style-type: none"> Ongoing Jun 2021
	Adopt new complaints policy and process	S&R	Sept 2020		<ul style="list-style-type: none"> Adopt new complaints policy adopted and publish on website. Effective complaint handling training 	<ul style="list-style-type: none"> Complete Mar 2021
	Undertake a Corporate Peer Challenge to gain an	S&R	Apr 2021	Acting Chief Executive	Delayed due to COVID-19 and departure of Chief Executive: to	TBC

Priority Outcomes	Actions	Committee	Completed by	Responsibility	Progress update	New timescale
	external perspective on the Council's progress				be scheduled by new Chief Executive, when recruited	
1.4 Supporting and developing staff to deliver this plan and services for residents	Ensure staff are equipped with the right IT and tools to carry out their job	S&R	Dec 2020	Executive Head of Corporate Resources	<ul style="list-style-type: none"> IT updates prioritised in IT/digital strategy Complete skills audit and training plan (delayed due to impact of COVID on capacity) 	<ul style="list-style-type: none"> Jun 2021 Jun 2021
	Adopt new Values and Behaviours for members and officers	S&R	Apr 2021		To be progressed by new interim Executive Head of Corporate Resources	
	Complete review of HR policies, contracts, procedures and benefits	S&R	Dec 2020		<ul style="list-style-type: none"> Capacity to review HR policies and procedures now identified Contracts and benefits 	<ul style="list-style-type: none"> Mar 2021 Mar 2021
1.5 Looking for opportunities to support better health and wellbeing for local residents	Adopt a strategy to improve open spaces in the District, which will include maximising their potential to improve health and wellbeing	CS	Mar 2021	Executive Head of Communities	<ul style="list-style-type: none"> Draft strategy approved for consultation Final version on track for approval 	<ul style="list-style-type: none"> Complete Mar 2021
	Work with the Voluntary, Community and Faith Sectors (VCFS) to develop proposals to support community resilience in the face of a crisis, building on work during the COVID pandemic	CS	Ongoing	Executive Head of Corporate Resources	<ul style="list-style-type: none"> Workshops with voluntary/community partners to review COVID response and identify support needs Open discussions with Faith sector to review COVID response and support needs 	<ul style="list-style-type: none"> Complete Mar 2021
	Maximise wellbeing and opportunities for young people through development of a Youth Strategy in	CS	Jan 2023		<ul style="list-style-type: none"> Identify capacity to lead on youth strategy Work underway to develop a Youth Hub in collaboration with Reigate & Banstead 	<ul style="list-style-type: none"> Jan 2021 Feb 2021

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
	partnership with health and employment partners				and East Surrey College, with a physical presence in TDC once a week, providing mentoring and training to be 'job ready'	
2. Creating the homes and infrastructure we need						
2.1 Achieving a fully-functioning planning service that protects the interests of the District	Complete and adopt the Local Plan	PP	2021	Chief Planning Officer	Following Inspector's response, Planning Policy Committee to decide next steps	Jan 2021
	Determine when to undertake a local plan review	PP	2021		Following Inspector's response, Planning Policy Committee to decide next steps	Jan 2021
	Produce design guide to inform planning applications for development within the Green Belt (Greenbelt Supplementary Planning Document)	PP	Sep 21		<ul style="list-style-type: none"> Work delayed due to capacity constraints in team Commence work on guide once there is greater clarity on planning reforms 	<ul style="list-style-type: none"> TBC
2.2 Ensuring consistent, efficient appropriate planning decision-making and enforcement, including breaching of planning conditions	Develop and implement an action plan to improve capacity and delivery in the planning team	PP	Mar 2021		<ul style="list-style-type: none"> Hold Development management peer challenge Develop action plan 	<ul style="list-style-type: none"> Jan-Feb 2021 Mar 2021
	Use best endeavours to protect our valued landscapes, open spaces and high quality built and historic environment by developing expertise in our team	PP	Sept 2020 and ongoing		Training plan to be developed as part of work with the Planning Advisory Service to review the Development Management service	Apr 2021
2.3 Lobbying for infrastructure that meets the needs of local residents, public	Contribute to the development of the Surrey Infrastructure Plan and use influence to ensure that existing standards are met	PP	Ongoing	Acting Chief Executive	East Surrey now represented at Surrey Infrastructure Group	Ongoing

Priority Outcomes	Actions	Committee	Completed by	Responsibility	Progress update	New timescale
sector partners and businesses for the whole District	Revise the Infrastructure Delivery Plan, informed by the Local Plan, Surrey Infrastructure Delivery Plan and open spaces strategy, and develop a costed proposal to increase capacity to support its delivery	PP	2021	Chief Planning Officer	Following Inspector's response, Planning Policy Committee to decide next steps	Jan 2021
	Prepare a funding statement setting out the Council's infrastructure priorities for the next five years	S&R	Annually from 2020		2020 statement approved by Strategy and Resources Committee	Complete
	Monitor and respond to funding and partnership opportunities which meet the needs of the district	S&R	Ongoing		Activity limited due to capacity constraints arising from vacant posts	
	Deliver infrastructure through utilisation of the Council's Community Infrastructure Levy (CIL) and collection of planning obligations	S&R	Ongoing		Restructure team to bring together officers collecting, monitoring and spending CIL monies to ensure a more integrated service	Feb 2021
2.4 Developing policies and working with others to support the building of affordable homes	Carry out housing needs assessment for the District to inform plans for affordable homes	H	Dec 2021	Executive Head of Communities	Housing Committee decision Nov 2020 to delete this action: a housing needs assessment is not appropriate at this time	N/A
	Conduct a review of Sheltered Housing to inform plans to ensure the right mix of provision in the District	H	Nov 2020		Revised timescale agreed by Housing Committee Nov 2020	Jun 2021
	Review the Council's housing stock and prepare plans to improve environmental performance and increase provision of	H	Dec 2022		On track for delivery	

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
	affordable and lifetime homes					
	Deliver 100 new affordable homes	H	Dec 2022		Target increased to deliver 175 new affordable homes via the Council's house building programme and in partnership with local registered social housing providers (Housing Committee Nov 2020)	Dec 2022
	Develop a new 5-year programme for the development / acquisition of property for the provision of affordable housing	H	NEW ACTION (Housing Committee Nov 2020)	Executive Head of Communities		Mar 2021
	Explore alternative options for reviewing viability assessments submitted with planning applications, and if appropriate implement change accordingly, to maximise delivery of affordable housing	PP	Dec 2020	Chief Planning Officer	<ul style="list-style-type: none"> Activity delayed due to capacity constraints Discuss potential for joint working with neighbouring districts/ boroughs 	<ul style="list-style-type: none"> Mar 2021 Mar 2021
3. Supporting economic recovery in Tandridge						
3.1 Working closely with businesses, listening and responding to their concerns	Continue to meet with local Business Improvement Districts (BIDs) and hold annual business network meetings to understand what's needed to help economic recovery	S&R	Ongoing	Executive Head of Communities	<ul style="list-style-type: none"> Ongoing liaison and proactive engagement with Oxted and Caterham BIDs to identify their members' business needs Work to establish annual business network meetings delayed due to COVID 	<ul style="list-style-type: none"> Ongoing Oct 2021
St3.2 Working with partners to support	Establish a Business Development Board to drive economic recovery in the District	S&R	Mar 2021	Executive Head of Communities	Work is underway, building on links made during the pandemic,	TBC

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
economic recovery					to be revisited when new Chief Executive is in post	
	Continue to seek opportunities to drive and influence recovery and good growth, informed by insight about local needs and 'what works'	S&R	Ongoing	Executive Head of Communities	<ul style="list-style-type: none"> Government grants to eligible businesses distributed, signposting businesses to other support offers Delivered Reopening the High Street campaigns (after first lockdown, back to school and festive) Contributing to development of Surrey County Recovery Plan and steering group on the implications of ecommerce 	Ongoing
	Work with Local Enterprise Partnership (LEP) to develop and implement a LEP industrial strategy that benefits Tandridge District	S&R	Ongoing		The LEP has put the development of the Local Industrial Strategy on hold while they deal with the COVID response and assess the impact to the area's economy	Ongoing
	Support Caterham Business Improvement District to deliver Caterham Regeneration Programme	CS	Ongoing		<p>Officers, SCC and the BID are working together to progress Caterham Regeneration Programme:</p> <ul style="list-style-type: none"> Quadrant House refurbishment works – <ul style="list-style-type: none"> Phase 1 Phase 2 A new Business Hub opened in November 2020 – main 	<ul style="list-style-type: none"> Jun 2021 Jan 2022 Mar 2021

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
					launch event (delayed due to COVID) <ul style="list-style-type: none"> Public realm works design study – Croydon Rd Phase 1 	<ul style="list-style-type: none"> Mar 2021
	Develop plans to promote and expand the evening economy in Caterham in line with the Caterham Masterplan	PP	2021 - 2024	Chief Planning Officer	<ul style="list-style-type: none"> Review options in light of determination decision on Church Walk planning application (due early New Year) The Council is working closely with the BID and local businesses to publicise support available to the restaurant and hospitality sector which has been severely affected by COVID The change of the Planning 'Use Classes Order' in September 2020 has widened opportunities for change of use to restaurant 	<ul style="list-style-type: none"> Mar 2021 Ongoing Complete
	Work with Surrey County Council to ensure that the Surrey Place Ambition strategy delivers good growth for the Tandridge district	S&R	Ongoing	Acting Chief Executive	Resources will continue to be prioritised for engagement with SCC on this ongoing work	Ongoing
	Work with Surrey County Council and broadband providers to extend network across Tandridge and to improve speed of service	S&R	Ongoing		Resources will continue to be prioritised for engagement with SCC on this ongoing work and opportunities explored as they arise	Ongoing
4. Becoming a greener, more sustainable District						

<u>Priority Outcomes</u>	<u>Actions</u>	<u>Committee</u>	<u>Completed by</u>	<u>Responsibility</u>	<u>Progress update</u>	<u>New timescale</u>
4.1 Deliver the climate change action plan, including supporting and promoting the use of alternative fuel sources for vehicles in the district	Deliver climate change action plan	S&R	2020 - 2024	Executive Head of Corporate Resources	Action plan adopted by Strategy and Resources Committee Nov 2020	2020 - 2024
	Conduct feasibility study to install electric vehicle charging points in TDC operated car parks	CS	Dec 2020		Two feasibility studies completed by third party operators, to be reviewed (with implications for future plans) by climate change task and finish group (CCTFG)	Jan 2021
	Install electric vehicle charging points as appropriate throughout the district	CS	2021 - 2024		<ul style="list-style-type: none"> Workshop to be scheduled with Energy Saving Trust and CCTFG to inform planning of network Explore potential to run a joint bid for funding with SCC 	<ul style="list-style-type: none"> Jan 2021
	Complete baseline report on organisations' greenhouse gas emissions and produce action plan	S&R	Jan 2021		<p>Delayed due to capacity constraints and lack of access to data.</p> <ul style="list-style-type: none"> Report drafted Report complete 	<ul style="list-style-type: none"> Dec 2020 Mar 2021
4.2 Promoting green and sustainable development through planning policies	Work with local parishes to complete Neighbourhood plans	PP	2020 - 2021	Chief Planning Officer	Caterham, Chaldon and Whyteleafe Plan proceeding to local referendum, and now given significant weight in deciding relevant planning applications	May 2021
	Consult on and adopt a Green Infrastructure Strategy	PP	2021 - 2022		Work to commence in 2021, once capacity returns to the team	

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STRATEGY & RESOURCES COMMITTEE 2021/22 DRAFT BUDGET and MEDIUM-TERM FINANCIAL STRATEGY (MTFS) TO 2023/24

Strategy & Resources Committee – 21st January 2021

Report of: Jackie King – Acting Chief Executive
Anna D’Alessandro – Chief Finance Officer (Section 151)
Martin Field – Finance Business Partner

Purpose: For decision
Publication status: Unrestricted

Wards affected: All

Executive summary:

The purpose of this report is to present the Draft Budget for 2021/22 and Medium-Term Financial Strategy (MTFS) to 2023/24 for this Committee, including the annual review of charges, capital programme and revenue budget.

Members are requested to approve the recommendations below subject to further consideration by the Strategy & Resources Committee on the 2nd February 2021 as part of the Council-wide budget setting process (to be ratified by Full Council on 11th February 2021).

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

Contact officer Martin Field – Finance Business Partner
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Recommendation to Committee:

Subject to further consideration by the Strategy & Resources Committee on the 2nd February 2021 as part of the Council wide budget setting process (to be ratified by Full Council on 11th February 2021) that the following be agreed:

- A) The Strategy & Resources Committee's Draft Revenue Budget for 2021/22 be in the sum of £4,316,274, as shown in **Appendix B**
- B) In accordance with the Committee's delegated powers, the fees and charges for 2021/22, as detailed in **Appendix C**.
- C) The Strategy & Resources Committee's Draft Capital Programme for 2021/22 be in the sum of £5,366,600 for 2021/22, as shown in **Appendix D**.

Reason for recommendation:

Section 151 of the Local Government Act 1972 requires all Councils in England and Wales to make arrangements for the proper administration of their financial affairs. It is a legal obligation that the Council sets a balanced budget for 2021/22. If the Council is unable to set a balanced budget, the Council will either have to draw down on its reserves which are already below the level considered prudent or it will have to make tough choices about its services.

1. Introduction and background

- 1.1. All local authorities continue to experience constraints on spending, alongside increasing demand for some of their services. To balance the books local authorities must continue to review what they do and how they do it. Identified in this report are the savings that are proposed to support closing the Council's budget gap.
- 1.2. The COVID-19 pandemic has created and will continue to create significant uncertainty into the following financial year and possibly into the medium-term. The Council has been integral in the response to support residents and will continue to do all it can and as long as it is required. This is not however without its risks and financial challenges.
- 1.3. During October each service Committee undertook a budget workshop to review the budget growth pressures identified by the service and the savings and efficiency proposals put forward. These workshops laid the groundwork for the work ongoing as part of the budget process.
- 1.4. The Council maintains and updates a Medium-Term Financial Strategy (MTFS) looking at the next three financial years. The MTFS must be organic, because each year the Council will experience changes in funding, new uncontrollable pressures that were previously not known, and therefore the MTFS must adapt and change to meet these challenges.

- 1.5. The Draft version of the MTFS was taken to Strategy & Resources Committee on 16th December 2020 detailing a budget gap for 2021/22 of c£0.2m. Further to the provisional settlement received on 17th December, we have now set a balanced budget. This is reflected in the attached report but will also be shown in the Final Budget Report for Strategy and Resources Committee and Full Council in February.
- 1.6. On 25th November 2020, the Council received the one-year Spending Review (SR) which set the context for Whitehall's funding to the Local Government Sector as a whole. Although it seemed quite positive with a 4.5% increase in core spending power, this alone was not sufficient to bridge the gap that was still prevalent at the time of the Member Workshops in October.
- 1.7. Since then considerable work has been undertaken to deliver a balanced budget. Since the Draft budget was presented, the provisional settlement has been received which has enabled us to set a balanced budget and the Council's and Committee's gap has been closed. A Final Budget will be taken to Strategy & Resources Committee on 2nd February 2021 for approval by Full Council on 11th February.
- 1.8. This report will now discuss the budget principles, Departmental Strategy and the various elements of the budget.

2. Budget Principles

2.1. The principles are:

- A balanced revenue budget with no planned use rather build of General Fund Reserves;
- Creation of a contingency to provide further medium-term financial resilience;
- Regular review of Reserves to ensure appropriate coverage for emerging risks;
- Budget envelopes set for each Service to deliver services within available resources;
- Evidence based savings plans which are owned, tracked, monitored and reported monthly; and
- Managers accountable for their budgets.

- 2.2. The principles more specifically relating to setting sustainable medium-term budgets are:
- Developing three-year plans, integrated capital investment across the Council;
 - Continuing to adopt a budget envelope approach with a model to determine a consistent and transparent application of funding reductions to Departmental budget envelopes;
 - Envelopes validated annually based on realistic assumptions;
 - Evidence bases used to underpin all savings proposals;
 - Assurance that all savings, pressures and growth are managed within budget envelopes to deliver accountability for implementation;
 - Pay and contract inflation allocated to Service budgets to be managed within budget envelopes; and
 - A corporate contingency held centrally.
- 2.3. The budget has been built assuming a 0.5% increase in salaries and a 2% increase in contract costs.

3. Strategy and Resources Departmental Strategy

- 3.1 CIL/Land Charges – Community Infrastructure Levy (CIL) is a levy that local authorities can choose to charge on new developments in their area. The money should be used to support development priorities by funding infrastructure that the Council, local community and neighbourhoods want. The Council via the Strategy & Resources Committee agrees a strategic funding statement establishing how money is collected and also considers proposals to fund worked up projects. CIL is money that can only be spent on infrastructure and many projects are funded or delivered jointly with other agencies including for example the County Council. On a day to day basis the management of the CIL process is the responsibility of the Chief Planning Officer.
- 3.2 Council Tax - Council tax is a tax on domestic properties collected by the Council and is used to pay for local services such as recycling and refuse collections, schools, roads and street lighting. For the year 2020/21 approximately £79m is payable and although we collect council tax we keep only 11% with the remainder going to Central Government, Surrey County Council, Surrey Police and Parish Councils.
- 3.3 Non-Domestic Rates - Non-Domestic Rates, or business rates, collected by the Council are the way those who occupy non-domestic property contribute towards the cost of local services. For 2020/21 the Council would normally have sought to have collected approximately £21m in business rates, however, due to the government announcing additional reliefs due to the COVID-19 pandemic, the authority currently has approximately £3m to collect. This year the business rates team is administering the distribution of approximately £23m of government grants to local businesses.

- 3.4 Asset Management - The Council's Asset Management strategy is to maximise income from the council's non-residential property assets to support services. The operational assets include the Council Offices and the Warren Lane Council depot. Future occupation patterns for offices are being explored following the impact of COVID-19. The strategy also programmes continued improvement in the condition and statutory compliance of all Council assets.
- 3.5 The Council has a small property investment portfolio which is balanced between properties acquired for regeneration advantages and protection of commercial accommodation. Investment properties have been acquired through the wholly owned property investment company, Gryllus Property Ltd. Current market uncertainty has led to a slowdown of activity in property acquisitions.
- 3.6 One property acquired for preservation of commercial space and regeneration potential in Caterham town centre, Quadrant House is currently a catalyst for improvement in Caterham and has been awarded two Local Enterprise Partnership grants. The initial stage of this has seen the opening of a new business hub which seeks to encourage innovation and small business development.
- 3.7 Finance - The ongoing financial resilience of the Council is of utmost priority to ensure that we can continue to delivery essential services to the residents of Tandridge. In that light the CFO has created a Finance Improvement Programme (FIP). The Finance function undertakes a mixture of value-added functions through the recently constituted Business Partner model and transactional activity which is necessary to keep the finances under control. The capacity within the team is very constrained due to implementation of the Customer First model some two years ago as such we are exploring ways of creating resilience within the team. We have endeavoured to take a stronger grip on our internal controls through regular dialogue with Internal Audit and reporting on the progress of internal audits to the Audit & Scrutiny Committee. Internal Audit now have a direct reporting line to the CFO.
- 3.8 Legal Services - Comprehensive Legal Services are provided across all of the Council's business groups. Broadly, three main functions can be identified which cover the scope of the services provided:
1. Proactive Legal Services - advising Councillors, individually if necessary and in Committee, on the legality of actions and decisions taken by the Council, monitoring actions and decisions taken by officers and protecting the interests of the Council.
 2. Client-focused Legal Services, covering the majority of the department's work, largely for 'client' departments within the Council, in areas such as:
 - o Defending decisions taken by clients when they are challenged. E.g. planning and licensing appeals, dealing with complaints to the ombudsman, judicial reviews.

- Initiating legal proceedings where it is necessary or desirable do so. E.g. prosecutions in relation to nuisance, food safety, health and safety and taking debt recovery actions.
- Carrying out other legal work, e.g. on property transactions and relating to contracts.
- Provision of general advice, dealing with councillor queries and regular presence at committees to give legal advice.

3. The role of the Monitoring Officer - The department supports the Chief Executive in the performance of the statutory role of Monitoring Officer, and the Head of Legal undertakes all investigations and negotiations on allegations of maladministration or injustice which may be raised, including all dealings with the Local Government Ombudsman.

Legal Services is in many ways in a distinctive position in the Council in terms of advising all departments. At one end of the scale is the day-to-day case work (such as prosecutions); at the other is the advice at the strategic level concerning the Council's overall powers and responsibilities, together with tactical advice on introducing and implementing policy.

There are a number of savings by having an in-house legal team. Further work does need to be done to ensure that there are reductions in spend on external legal advice. The Head of Legal has had separate 'speculative' approaches from firms of solicitors who are interested in developing cost-saving arrangements on matters where there is no in-house expertise. The Head of Legal intends to explore these and other options at the earliest.

4. Revenue Budget

- 4.1. The Revenue Budget as presented for this Committee totals £4,316,274. This is consistent with the MTFs.

Service Area	Published Budget 2020/21 £'000	Draft Budget 2021/22 £'000	Budget Movement £'000
Local Taxation	(25)	191	216
Community Support	76	70	(6)
Policy Support & Economic Development	659	513	(146)
Emergency Planning	14	10	(4)
Democratic Functions	1,310	1,191	(119)
Pensions	462	312	(150)
Information Technology	1,348	1,198	(150)
Finance & Exchequer	638	629	(9)
Legal Services	303	346	43
Office Services	406	464	58
Human Resources	403	518	115
Customer Services	473	499	26
Case Officers	951	1,052	101
Capital Charges	(1,251)	(917)	334
Support Services	(1,157)	(1,424)	(267)
Corporate and Technical Items	(2,199)	(335)	1,864
Total	2,411	4,316	1,906

- 4.2. The revenue budget proposals have been prepared on the basis that all existing services to residents are maintained directly (customer services) or indirectly (supporting other Committees).
- 4.3. A number of financial savings have been included in the Draft Budget for this Committee. The main items are as follows:
- £150k – Reduction in Added Years pension contribution as a result of the Triennial Pension Fund Valuation
 - £150k – Reduction in contribution to income equalisation reserve to £100k per annum
 - £147k – Increased Support Service recharges to the Housing Revenue Account
 - £115k – Allocating staff costs to capital for the implementation of capital projects
 - £30k – Reduction in Telephony costs from reviewing contracts
 - £24k – Increased legal Income for recharges to ringfenced areas
 - £16k – Reduction in lease cost of printers due to new contract
 - £10k – Removal of small hardware budget as these costs should be capitalised
 - £51k – Various smaller saving including printing, stationary and magazine
- 4.4. Savings proposals that are put forward and adopted into the 2021/22 budget will have their achievement monitored throughout the year and reported back to Members as part of the monthly budget monitoring process.

4.5. Additional financial pressures have been added for the following:

- £596k – Reduction in Investment income due to reduced base rate and not proceeding with a property acquisition in 2019/20
- £500k – Contribution to the General fund reserves
- £396k – Reduction in New Homes Bonus Allocation
- £333k – Increased in Depreciation charges (Net nil across Committees)
- £241k – Increased Minimum Revenue Provision (MRP)
- £110k – Initially General Fund Contingency (will revert £100k for future years)
- £102k – Pay Increments
- £94k – Reduction in rental income from council office due to tenant exercising break clause
- £84k – Reduction in property income
- £81k – Reduction in support service charges to Land charges due to restructure allocating staff directly
- £13k - Net Inflation

4.6. **Appendix A** is an extract from the MTFs for this Committee which details the pressures and opportunities/savings identified and details the overall budget position against the budget envelope.

4.7. The Draft Budget for this Committee is shown at **Appendix B** – which details the changes in budget envelopes from 2020/21 to 2021/22.

4.8. The 2021/22 employee budget (including training and pension costs) for this Committee totals £5,159,300. This is an increase of £99,529 when compared to the 2020/21 budget. There have been significant changes to the salaries budgets between the years. The main differences are due to the following:

- Increases in the primary pensions contributions payable from 15.4% to 17.1%
- Removal of mobility allowance payments
- Reallocations of apportionments between General Fund, HRA and Capital
- Addition of 0.5% pay rise
- Addition of increments for staff not at the top of their grade
- Effects of new management team structure and removal of all Director posts
- Deletion of vacant posts not required
- Addition of any new posts or changes of hours to existing posts agreed since the 2020/21 budget was set.

5. Review of Fees and Charges

5.1. Charges for services for a key part of the mechanism for financing local services. In simple terms income from fees and charges offsets the cost of the service. If income from charging does not fully offset costs, then the Council Taxpayer must pay for the difference.

- 5.2. It is therefore important that charges are regularly reviewed and assessed to reflect the Council's corporate priorities and are increased annually to take account of inflation, demand and any other appropriate factors particular to individual charges. 2021/22 will be a difficult year with much uncertainty relating to the ongoing pandemic and Brexit. This is all exacerbated by the significant uncertainty with funding from Central Government over the medium-term. The SR and the provisional settlement has only provided us with surety for one year.
- 5.3. The fees and charges presented in this report are mainly discretionary charges as these provide scope to generate additional income and contribute to an improved budget position.
- 5.4. There are a number of charges that are set externally over which the Council has no control to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not required to be approved by this Committee.
- 5.5. Fees and charges have been reviewed by service managers, taking into account factors such as anticipated demand, comparison with competitors, previous levels of performance and inflation. As a result, all fees and charges have been uplifted by 2%.
- 5.6. In addition to inflation, a bench marking exercise has been completed regarding Land Charges. This exercise identified that charges for CON29 (defined within appendix C) were significantly under the average charge and therefore an increase of 10.4% had been proposed.
- 5.7. A schedule of proposed fees and charges for 2021/22 is attached at **Appendix C**.

6. Capital Programme

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

7. Other options considered

- 7.1. It is a legal obligation that the Council sets a balanced budget for 2021/22 and this has been achieved with the Strategy & Resources Committee having balanced its budget

8. Consultation

- 8.1. The Council is required to consult on its proposed budget for the next financial year. The views of local people and key stakeholders are an integral part of the budget setting process.
- 8.2. The Council's Budget Consultation exercise, in relation to the Budget for 2021/22, commenced on 17th December 2020 and will end on 17th January 2021, providing information in relation to the budget challenge that the Council faces. The outcome of that consultation will be provided in the Final Budget Report to Strategy & Resources and Council in February.
- 8.3. The public consultation will give residents and stakeholders an opportunity to comment on the 2021/22 overall budget before final decisions are formalised in the Council's annual budget.

Key implications

9. Comments of the Chief Finance Officer (s151)

- 9.1. The Council has faced some turbulent years of late which has made the financial position very challenging. The financial position for 2020/21 was no exception, with Quarter 1 being very difficult. The CFO initiated a Finance Improvement Programme to enable the Council to take a grip and hard line on all budgets and get the "basics right." We were, earlier in the year, considering a Section 114 (stop spend) notice, it is now however not the position in which we find ourselves. We have completely turned around the financial position which means the Council is now in a surplus to budget as at Month 8 (November). The uncertainties and challenges will not dissipate into 2021/22 with ongoing issues of the pandemic, Brexit and ongoing funding uncertainty from Central Government into the medium-term. We have however built-in financial resilience in the budget for 2021/22 by growing General Fund Reserves and building a contingency to enable us to be more flexible and resilient as a Council.
- 9.2. As a result of a more favourable financial position in 2020/21, we will not draw on General Fund Reserves but contribute to them and will commence 2021/22 in a much stronger position.
- 9.3. The Council is required to set a balanced budget for 2021/22 and the proposals in this report help achieve that objective. If any efficiency proposals or savings are rejected offsetting savings will need to be identified to compensate.

10. Comments of the Head of Legal Services

- 10.1. The report updates Members with the MTFs for this Committee. This is a matter that informs the budget process, is consistent with sound financial management and the Council's obligation under section 151 of the Local Government Act 1972 for the Council to adopt and monitor a MTFs.

- 10.2. The report provides information about risks associated with the MTFFS and the budget. This is, again, consistent with the Council's obligation under section 151 of the Local Government Act 1972 to make proper arrangements for the management of its financial affairs. It is also consistent with the Council's obligation under the Accounts and Audit Regulations 2015 to have a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk. The maintenance and consideration of information about risk, such as is provided in the report, is part of the way in which the Council fulfils this duty.
- 10.3. Section 28 of the Local Government Act 2003 imposes a duty on the Council to monitor its budgets throughout the financial year, using the same figures for reserves as were used in any original budget calculations. The Council must take necessary appropriate action to deal with any deterioration in the financial position revealed by the review.
- 10.4. The Council is a best value authority within the meaning of section 1 of the Local Government Act 1999. As such the Council is required under section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness (the best value duty) which includes a duty to consult. Having a MTFFS therefore contributes to achieving this legal duty.
- 10.5. Although the MTFFS is not a statutory document it is considered best practice.

11. Equality

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

- 11.4. Members should have due regard to the public-sector equality duty when making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome.
- 11.5. The Officers have reviewed their budget changes against the initial equalities screening tool. This has highlighted and concluded that all of savings within the 2021/22 budget will not have any direct effect on residents or service delivery (such as removal of vacant posts, renegotiation of contracts and reserve adjustments).
- 11.6. The outcome of this is that the budgetary changes have no negative or positive impact on protected characteristics and residents. However, the Council will continually monitor the effect of the Budget-setting process and decision-making by using equality impact assessments.

12. Climate change

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

Appendices

Appendix A – Committee Revenue Budget Movement statement 2021/22

Appendix B – Draft Revenue Budget for 2021/22

Appendix C – Draft Fees and Charges for 2021/22

Appendix D – Draft Capital Programme 2021/22 – 2023/24

Background papers

16th Dec S&R – 2021/22 Draft Budget and MTFS to 2023/24

Committee Revenue Budget movement Statement 2021 - 24

Strategy & Resources

	2021/22 £	2022/23 £	2023/24 £
Brought forward budget	2,411,539	4,316,274	4,949,757
PRESSURES			
<u>Key and service assumptions:</u>			
Pay inflation	29,363	91,260	93,085
Contract inflation	30,668	31,281	31,907
Income Inflation	(17,788)	(18,144)	(18,507)
Pay increments	102,060	104,101	106,183
<u>Pressure due Capital, Investment & Treasury Management Strategy:</u>			
Loss of commercial income & tenants voids	374,532	0	0
Increased Minimum Revenue Provision	241,000	514,000	103,000
Lower Investment returns due Bank of England base rate	300,000		
<u>Capital & Support allocation changes:</u>			
Depreciation charged to other committees	333,300		
Higher Land Charges support costs	81,000		
Committee budget transfers - Economic Development	(22,200)		
<u>Legislation changes:</u>			
Loss of New Homes bonus grant	395,840	26,000	281,000
Increased audit fee	9,000		
<u>Working arrangement:</u>			
Workforce Allocations and Employers costs (Primary Pension & Mobility Allowances)	32,465		
<u>Contract Pressures:</u>			
Applying social distancing and business interruption	100,000	(100,000)	
<u>Sustain and Build Reserves:</u>			
General Fund reserve contribution *	500,000		
General Fund contingency *	110,105	(10,105)	
Total Pressures	2,599,345	638,394	596,668
SAVINGS			
<u>Working arrangements:</u>			
Capitalise salaries for officers working on capital programme	(115,500)		
Support service recharge to HRA	(147,400)		
Agile workforce - less reliance on printing & stationery	(35,311)	(10,000)	(10,000)
<u>Contract reviews:</u>			
Inflation containment and commissioning opportunities	(45,900)	(5,000)	
<u>Income:</u>			
Legal income recharged to third parties	(24,000)		
<u>Financing:</u>			
Income Equalisation Reserve - Change of strategy lowers appropriate	(150,000)		
Triennial Pension actuarial review	(150,099)	40,000	
Monitor capitalisation policy and grouping small items as one asset	(10,400)		
<u>Remodel service:</u>			
Tandridge magazine Channel shift	(10,000)		
Donations to organisations	(6,000)	(40,015)	(40,015)
Total Savings	(694,610)	(15,015)	(50,015)
Total Final Budget	4,316,274	4,939,652	5,496,411

Note: General Fund reserve contribution across the MTFS is £1.5m & Contingency is £0.3m.

Appendix B

Strategy and Resources - Revenue Budget for Year Ending 31st March 2022								
2020-21	Strategy and Resources Committee - Revenue Estimates for Year Ending 31st March 2022					Capital	Support	Total Net
Net Direct		Employee	Other	Income	Net Direct	Charges	Services	Budget
Rev Est	Description	£	£	£	£	£	£	2021/22
£		£	£	£	£	£	£	£
(63,500)	Council Tax	25,700	60,000	(173,900)	(88,200)	0	0	(88,200)
0	Discretionary Housing Payment		191,000	(191,000)	0	0	0	0
41,200	NDR Cost of Collection	428,100		(145,500)	282,600	0	0	282,600
(3,100)	Street Naming & Numbering			(3,200)	(3,200)	0	0	(3,200)
(25,400)	Local Taxation incl Support	453,800	251,000	(513,600)	191,200	0	0	191,200
75,900	Community Safety	0	69,900	0	69,900	0	0	69,900
75,900	Community Support	0	69,900	0	69,900	0	0	69,900
0	Health - General Prevention	483,200	34,300	(517,500)	0	0	0	0
22,200	Economic Development & Promotion				0	0	0	0
394,200	Policy Unit	272,600	0		272,600	0		272,600
242,600	Public Relations	203,000	37,100		240,100	0		240,100
659,000	Policy Support & Economic Development	958,800	71,400	(517,500)	512,700	0	0	512,700
13,900	Community & Civil Defence	0	10,300	0	10,300	0	0	10,300
13,900	Emergency Planning	0	10,300	0	10,300	0	0	10,300
846,763	Corporate Management	354,200	361,865		716,065	0		716,065
371,800	Democratic Representation & Management	117,000	264,900		381,900	0		381,900
59,500	Election of District Councillors		60,700		60,700	0	0	60,700
31,500	Registration of Electors		34,100	(2,000)	32,100	0	0	32,100
1,309,563	Democratic Functions	471,200	721,565	(2,000)	1,190,765	0	0	1,190,765
462,200	Non-Distributed Cost ex Central Expenses		312,101		312,101	0	0	312,101
462,200	Pensions	0	312,101	0	312,101	0	0	312,101
1,347,600	IT Services	389,200	815,900	(6,900)	1,198,200	511,150	(400,000)	1,309,350
1,347,600	Information Technology	389,200	815,900	(6,900)	1,198,200	511,150	(400,000)	1,309,350
637,700	Finance & Exchequer Services	488,800	139,800		628,600	0	(81,000)	547,600
637,700	Financial Services	488,800	139,800	0	628,600	0	(81,000)	547,600
303,300	Legal Services	379,000	30,800	(63,400)	346,400	0		346,400
303,300	Legal Services	379,000	30,800	(63,400)	346,400	0	0	346,400
179,800	Media Creation Unit		150,900	(7,100)	143,800	0	(50,000)	93,800
225,800	Office Services	124,800	445,600	(250,300)	320,100	206,800	(200,000)	326,900
405,600	Office Services	124,800	596,500	(257,400)	463,900	206,800	(250,000)	420,700
403,400	Human Resources	454,600	62,900		517,500	0	(100,000)	417,500
403,400	Human Resources	454,600	62,900	0	517,500	0	(100,000)	417,500
473,400	Customer Services	493,700	5,000	0	498,700	0	(130,400)	368,300
473,400	Customer Services	493,700	5,000	0	498,700	0	(130,400)	368,300
951,100	Case Officer Services	1,052,300			1,052,300	0	(462,700)	589,600
951,100	Case Officers	1,052,300	0	0	1,052,300	0	(462,700)	589,600
7,017,263	Subtotal	5,266,200	3,087,166	(1,360,800)	6,992,566	717,950	(1,424,100)	6,286,416
	Corporate Income and Expenditure							
(1,287,300)	Investment Income	0	10,500	(700,700)	(690,200)	0	0	(690,200)
780,700	Interest Payable	0	780,700		780,700	0	0	780,700
(989,010)	Property Income	0		(905,010)	(905,010)	0	0	(905,010)
(496,049)	Transactions with HRA	0		(300,449)	(300,449)	0	0	(300,449)
294,900	Minimum Revenue Provision	0	535,900		535,900	0	0	535,900
(737,200)	New Homes Bonus	0		(341,360)	(341,360)	0	0	(341,360)
235,435	Contribution to / (from) Reserves	0	585,427		585,427	0	0	585,427
0	Depreciation	0	0	0	0	(1,635,150)		(1,635,150)
(2,198,524)	Corporate and Technical Items	0	1,912,527	(2,247,519)	(334,992)	(1,635,150)	0	(1,970,142)
4,818,739	Total	5,266,200	4,999,693	(3,608,319)	6,657,574	(917,200)	(1,424,100)	4,316,274
Capital Charges	(1,250,500)							
Support Services	(1,156,700)							
Total	2,411,539							

Appendix C

STRATEGY & RESOURCES COMMITTEE Proposed Fees and Charges							
Fees and Charges	Gross Charges Current Charges 2020/21	Proposed Gross Charges 2021/22	Percentage Increase 2021/22	Budgeted Income 2020/21	Actual YTD at Sept 20	Expected Outturn 2020/21	Proposed Budget 2021/22
	£	£	%	£	£	£	£
Legal Charges (Per Hour) *							
Head of Legal & Monitoring Officer	261.00	266.00	1.9%				
Principal Solicitor, Assistant Solicitor, Senior Lawyer (F	246.00	251.00	2.0%				
Clerical Assistant, Legal Assistant (Per Hour)	182.00	186.00	2.2%				
Legal Assistant / Interns/ Case Officers	100.00	102.00	2.0%				
Support Officer / Apprentices	50.00	51.00	2.0%				
# Drafting a simple licence	510.00	520.00	2.0%				
# Drafting a simple wayleave agreement/ lease	1224.00	1248.00	2.0%				
# Renewal of simple licence	306.00	312.00	2.0%				
# Renewal of simple wayleave agreement/ lease	714.00	728.00	2.0%				
Right to Buy; Request for a management pack	204.00	208.00	2.0%				
Lease Notice	100.00	102.00	2.0%				
*Charities/ Community Groups may be eligible for a 50% discount on legal fees							
Total Budgeted Income				30,000	12,000	30,000	54,000
Court Costs (subject to confirmation from courts)							
Council Tax Summons Charges	62.50	62.50	0.0%				
Council Tax Liability Order	30.00	30.00	0.0%				
NNDR Summons Charges	102.50	102.50	0.0%				
NNDR Liability Order	20.00	20.00	0.0%				
Total Budgeted Income				125,400	-	130,000	128,500

Fees and Charges	Gross Charges Current Charges 2020/21	Proposed Gross Charges 2021/22	Percentage Increase 2021/22	Budgeted Income 2020/21	Actual YTD at Sept 20	Expected Outturn 2020/21	Proposed Budget 2021/22
	£	£	%	£	£	£	£
Land Charges							
LLC1*	27.00	28.00	3.7%				
CON29*	125.00	138.00	10.4%				
Extra Parcels	24.00	24.00	0.0%				
Part 2 Questions	18.00	18.00	0.0%				
Solicitors own Questions	61.00	62.00	1.6%				
3.10 Questions	1.25	1.50	20.0%				
Section 106 service	0.00	10.00	N/A				
Total Budgeted Income				135,000	76,600	135,000	137,700
* LLC1 and CON29 refer to the two forms required to instruct a land charge search							
Street Naming and Numbering	From £12 to £180	From £12 to £180	0.0%	3,100	4,895	5,000	3,200
Total Budgeted Fees and Charges Income				293,500	93,495	300,000	323,400

Appendix D

CAPITAL PROGRAMME 2020/21 TO 2023/24 - Strategy & Resources					
COMMITTEE SCHEMES	Current Programme 2020/21 £	Estimated Programme 2021/22 £	Estimated Programme 2022/23 £	Estimated Programme 2023/24 £	Total Programme 2020-24 £
Strategy & Resources					
Current Continuing Programme					
Council Offices Major Works Programme	75,000	0	0	0	75,000
Customer First/IT	150,000	50,000	0	0	200,000
IT - Hardware/infrastructure Projects GF	541,200	365,400	163,400	0	1,070,000
Investment & Development Fund	981,000	64,374,900	0	0	65,355,900
Quadrant House (incl in above)	0	0	0	0	0
Total Current Continuing Programme	1,747,200	64,790,300	163,400	0	66,700,900
Revisions and New Bids					
Council Offices Major Works Programme		0	0	0	0
Customer First/IT		(50,000)	0	0	(50,000)
IT - Hardware/infrastructure Projects GF		101,200	64,600	271,500	437,300
Investment & Development Fund		(64,374,900)	0	0	(64,374,900)
Quadrant House Phase 2		4,900,000	0	0	4,900,000
Total Revisions and New Bids	0	(59,423,700)	64,600	271,500	(59,087,600)
Proposed Programme					
Council Offices Major Works Programme	75,000	0	0	0	75,000
Customer First/IT	150,000	0	0	0	150,000
IT - Hardware/infrastructure Projects - GF	541,200	466,600	228,000	271,500	1,507,300
Investment & Development Fund	981,000	0	0	0	981,000
Quadrant House Phase 2	0	4,900,000	0	0	4,900,000
Total Proposed Programme	1,747,200	5,366,600	228,000	271,500	7,613,300

CAPITAL PROJECT APPRAISAL - STRATEGY & RESOURCES

Title of Scheme	Council Offices Major Maintenance Programme
Description of Scheme	A 25 year planned maintenance programme to enable compliance with legislative and health and safety requirements, achieved through replacement or refurbishment of the major components of the Council Office in line with their deterioration and new compliance requirements.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	This scheme will include the progression of decarbonising the Council Offices.
Title of Scheme	Customer First/IT
Description of Scheme	A major people change project to remodel the ways of working and culture and to be supported by new business processes across the Council. Funding initially provided for 2017 to 2019, the scheme provides funding for ICT development. It is administered by the Business Improvement & Service Delivery Manager and overseen by a corporate management committee.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	<p>The IT implementation programme is designed to bring efficiencies in the ways of working, designing and developing processes around the needs of the customer. Capital funding will be justified against savings delivered as a result and are initially estimated in the Customer First business case.</p> <p>During 2020/21 the final roll out of mobile technology will be deployed. This hardware plus licensing costs includes mobile phones, tablets in vehicles and for new starters.</p> <p>This programme will support the further use of flexible and home working capability matching the Smarter Working strategy. The future of our computer room capability will also increasingly focus on virtualisation and communication, with cloud services and shared systems becoming an increasing part of our service configuration.</p>
Title of Scheme	IT - Hardware/Infrastructure Projects - GF
Description of Scheme	The Customer First project envisaged significantly enhancements & development of the existing IT systems. However, Customer First was implemented before the technology solutions, in particular on line capability, were put in place. This has been one of the issues which has led to the performance and staffing issues following the implementation. Consequently, the savings expected under Customer First were removed from the budget prior to the technology being available. Additional projects outside the original scope of Customer First have been identified as essential due to failing software/hardware, system modules bought 3 years ago but not implemented and further possible savings resulting from automation.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	<p>It is necessary to invest in a number of areas :-</p> <ol style="list-style-type: none"> 1. Disaster recovery solution 2. Replacement cycles for laptops, desktops, servers, switches, firewalls on a cyclical basis (2021/22 onwards) 3. Automation of book and pay 4. Planning – end to end migration from one salesforce org to another (completed) 5 Civica disposal module and licence to comply with GDPR 6. Orchard – implementation of Promaster, Asset Go, DLO AND Service Charge models 7. Replacement of outdated telephony which is not fit for purpose 8. Northgate – cloud-based on line solution for Revenues, benefits and NNDR 9. Replacement of Adelante and implementation of automated bank reconciliation <p>An IT Strategy Board has been formed to develop the Council's IT Strategy and to agree the development and implementation of specific IT schemes to improve service delivery and reduce staffing costs if possible. The IT Strategy Board will be officer based and will report to the Council's Improvement Working Group. The commissioning of each project will be based on a detailed business case being approved by the IT Strategy Board.</p>

Title of Scheme	Investment and Development Fund
Description of Scheme	Quadrant House Refurbishment Phase 1 (see below)
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	
Title of Scheme	Quadrant House Phase 1 & 2
Description of Scheme	Phase 1 - refurbishment of common parts (lobbies, WCs, communal kitchens, lifts, stairwells, corridors) and setup of a Business Hub. Phase 2 - refurbishment of the exterior and the vacant suites and a package of environmental improvements. Phase 2 includes improvements to the external fabric including better insulation and decoration, replacement roof coverings and fire escape route upgrades, a green wall for the Croydon Road elevation, a roof terrace for the third floor in Quadrant South, refurbishment of vacant suites to include heat pump VRF heating cooling technology (gradual phasing out of reliance on gas boilers) and, if budget allows, photovoltaic panels on the flat roof.
Key Aspects of Scheme (including benefits, contract details, key dates and reasons for revisions where applicable)	The works at Quadrant House will deliver a significantly improved building which will be more sustainable, both economically and environmentally and which is a key project for Caterham regeneration. The benefits of the works include ability to let vacant suites and ability to generate higher rental returns. The contract for phase 1 works is anticipated to be signed in December 2020 with works to commence in January 2021 and complete in Spring 2021. For phase 2 the planning application is anticipated to be submitted in early January (with a decision in Spring), the tender is anticipated to be issued in late Jan (with a return in March) and the start of works on site is anticipated to be in late Spring/early Summer 2021.

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DETERMINATION OF THE 2021/22 COUNCIL TAX BASE FOR TAX SETTING

Strategy & Resources Committee – 21 January 2021

Report of: Anna D’Alessandro – Chief Finance Officer (Section 151)

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

Section 67 of the Local Government Finance Act 1992 requires the Council to determine and approve its Council tax base for the following financial year before 31st January each year.

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

Contact officer Martin Field – Finance Business Partner

mfield@tandridge.gov.uk

Recommendation to Committee:

That in accordance with its delegated powers, the Committee resolves that:

- A) The gross Council Tax Base for 2021/22 is determined at 38,921.6 after taking account of the Councils agreed Council Tax Support Scheme, and
- B) The net Council Tax Base for 2021/22 is determined at 38,454.5 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes.

Reason for recommendation:

The Council is required to calculate the Council tax base for its area and has a statutory obligation to notify the figure to the major precepting authorities (Surrey County Council and the Surrey Police Authority) with the Council tax base no later than 31st January each year.

Introduction and background

1. The Council tax base is one of the element of the calculations concerned with setting the Council Tax under the Local Authorities (Calculation of Council Tax Base) (England) Regulation 2012.
2. All domestic properties within the District are banded by the Valuation Officer in one of eight bands. The tax base calculation includes the estimated number of chargeable dwelling after allowing for discounts and exemptions, appeals and voids for each parish for the period to 31st March 2020. The number of chargeable properties is converted to Band D equivalents by applying the prescribed formula.
3. This report sets out the various factors which have to be taken into account and provides the calculations to arrive at the tax base for 2021/22.
4. The 2021/22 Council Tax base is set out in **Appendix A**.

Council Tax Reduction Scheme

5. The Local Government Finance Act 2012 (LGFA 2012) includes a number of amendments to the LGFA 1992 which affects the calculation of the Council Tax base. These amendments gave powers to determine own discounts and set premiums in certain circumstances.
6. Section 10 of the Local Government Finance Act 2012 imposes an obligation on Billing Authorities to set up a Council Tax Reduction Scheme to replace Council Tax Benefit from 1 April 2013. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 specify that the tax base must be adjusted to take account of the amount to be paid in accordance with the reduction scheme.
7. This adjustment is shown in a separate column in **Appendix A**.

Other options considered

8. The Council must set its Council Tax base and notify the precepting authorities by 31st January 2021.

Consultation

9. The Council Tax base is a key element of the statutory calculation of the Council Tax.
10. In arriving at a net base, allowance must be made for irrecoverable amount, movements as a result of appeals and property base changes (new properties). For this purpose, the allowance of 0.7% is maintained. Combined with this is an estimation that due to the economic environment Local Council Tax Support claimants will increase so an allowance of 0.5% is proposed. Therefore, the gross Council Tax base is adjusted by 1.2%.

Key implications

Comments of the Chief Finance Officer

11. The Council tax base for 2021/22 has been calculated in accordance with the prescribed guidelines.

Comments of the Head of Legal Services

12. As set out in the main body of this report, the Council has a statutory obligation under The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 to calculate the Council Tax base (number of taxable properties), expressed as "Band D equivalent properties". Approval of these calculations is required by 31st January in each financial year. The proposed approach will support the Council in its statutory duty to deliver a balanced budget for the 2021/22 financial year.

Equality

13. This report does not disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

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

Appendices

Appendix A – The 2021/22 Council Tax Base

Background papers

None

The 2021/22 Council Tax Base

Council Tax base for 2020/21							
2019/20 Band D equivalent	Band	Total dwellings	Number of dwellings after applying discounts and premiums	Less adjustment for Council Tax Support	Chargeable dwellings	Ratio to Band D	2020/21 Band D equivalent
1.1	A(DR*)		2.0	0	2	5/9	1.1
380.3	A	915.0	695.5	133.2	562.3	6/9	374.9
965.2	B	2,201.0	1840.8	584.3	1256.5	7/9	977.3
3425.4	C	5,230.0	4579.0	742	3837	8/9	3,410.7
7319.6	D	8,905.0	8087.0	768.4	7318.6	9/9	7,318.6
8255.8	E	7,639.0	7031.5	272.9	6758.6	11/9	8,260.5
6444.0	F	4,860.0	4544.5	78.8	4465.7	13/9	6,450.5
9794.8	G	6,252.0	5913.5	42.3	5871.2	15/9	9,785.3
2332.3	H	1,241.0	1175.2	3.9	1171.3	18/9	2,342.7
	Total	37,243.0	33,869.0	2,625.8	31,243.2		
38918.5	Gross Tax base						38,921.6
272.4	Less adjustment for losses in collection 1.20%						467.1
38,646.1	Net tax base						38,454.5

