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To: MEMBERS OF THE STRATEGY & RESOURCES COMMITTEE
Councillors Bourne (Chair), Langton (Vice-Chair), Black, Bloore, Botten, Caulcott, Cooper, Davies, Elias, Gillman, Pursehouse and Stamp

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Substitute Councillors: Allen, Groves, Morrow and Sayer

C.C. All Other Members of the Council

28 June 2021

Dear Sir/Madam

STRATEGY & RESOURCES COMMITTEE TUESDAY, 6TH JULY, 2021 AT 7.30 PM

The agenda for this meeting of the Committee to be held in Council Chamber, Council Offices, Station Road East, Oxted is set out below. If a member of the Committee is unable to attend the meeting, please notify officers accordingly.

Available seating in the public gallery will be limited due to social distancing requirements and any members of the public who wish to attend should e-mail democraticservices@tandridge.gov.uk in advance. Unfortunately, in the current Circumstances, we may not be able to accommodate all requests to attend in person. However, the meeting will be webcast and can be viewed via the Council's website. This can be viewed live and as a recording after the meeting.

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.

Yours faithfully,

David Ford
Chief Executive

AGENDA

- 1. Apologies for Absence (if any)**
- 2. Minutes of the meeting held on the 8th June 2021 (Pages 3 - 6)**

To confirm as a correct record

- 3. Declarations of Interest**

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

- any Disclosable Pecuniary Interests (DPIs) and / or
- 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. **Northgate Public Services Migration project update**
A verbal update will be given at the meeting
6. **Joint working arrangements with Surrey County Council for finance services**
(Pages 7 - 20)
7. **Investment Sub-Committee - 11th June 2021** (Pages 21 - 26)
To receive the minutes of this meeting.
8. **Strategy & Resources Quarter 4 (20/21) Performance Report** (Pages 27 - 42)
9. **Risk Management Strategy** (Pages 43 - 74)
10. **IT & Digital Strategy** (Pages 75 - 100)
11. **Climate Change Action Plan Update** (Pages 101 - 126)
12. **PA support for the Chair of the Council** (Pages 127 - 132)
13. **Any other business which, in the opinion of the Chair, should be considered as a matter of urgency**

TANDRIDGE DISTRICT COUNCIL

STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber. Council Offices, Station Road East, Oxted on the 8th June 2021 at 7.30pm.

PRESENT: Councillors Bourne (Chair), Langton (Vice-Chair), Allen (substitute in place of Pursehouse), Black, Bloore, Botten, Caulcott, Cooper, Davies, Elias, Gillman and Stamp

ALSO PRESENT: Councillors Gaffney, Hammond, Farr, Gray, Lockwood, Mills, (via Zoom) O'Driscoll, Ridge, Sayer, Swann and N.White

APOLOGIES FOR ABSENCE: Councillors Pursehouse

16. MINUTES OF THE MEETING HELD ON THE 25TH MARCH 2021

These were approved as a correct record.

17. MINUTES OF THE MEETING HELD ON THE 27TH MAY 2021

These were approved as a correct record.

18. CIL BID APPLICATION PROCESS

A report was submitted which enabled the committee to consider a new process for assessing, evaluating and determining Community Infrastructure Levy (CIL) bid applications for infrastructure projects within the District. The suggested process had been formulated by officers in conjunction with the CIL working group with support from the Coast2Capital Local Enterprise Partnership.

Officers responded to Members' questions and comments. While some Members expressed reservations, including the extent to which the assessment criteria could be regarded as objective, the Committee concluded that the introduction of a transparent process should be welcomed on the basis that it could always be reviewed in the future. Other Members observed that the wide-ranging nature of CIL bids would require an element of subjective assessment. It was also acknowledged that:

- input from the NHS to brief the working group about the funding process for health-related infrastructure projects would be welcome; and
- a key role of the working group should be to determine whether the assessment process has been followed and, if not, how to remedy it.

The question of whether the working group should consider bids on an annual or biannual basis was discussed. The majority of Committee members supported the latter.

Discussion also focused on the size and membership of the group which wasn't defined within the suggested terms of reference. The Committee favoured a non-political, area-based approach to ensure, for example, that all County Divisions were represented on the group. It was considered that determination of this matter should be delegated to the Executive Head of Communities, in consultation with the Chair and Vice Chair of the Committee.

RESOLVED – that:

- A. the new CIL bid application process and associated application forms and guidance notes, as set out in Appendices A to F to the report, be agreed;
- B. the governance arrangements for determining CIL bids, as set out in the terms of reference of the CIL working group (Appendix G to the report) be agreed;
- C. the infrastructure process map (Appendix H to the report) be noted;
- D. CIL bids be considered by the Working Group (and determined by the Committee, based on the Group's recommendations) on a biannual basis; and
- E. authority for agreeing the size and composition of the CIL working group be delegated to the Executive Head of Communities in consultation with the Chair and Vice Chair of the Committee.

19. EXTENSION TO CAPITA REVENUES AND BENEFITS DATABASE CONTRACT - CONFIRMATION OF DECISION TAKEN UNDER URGENCY POWERS (SO 35)

A report was presented which explained that:

- the implementation of the Northgate Public Services (NPS) Revenues and Benefits database (to replace the existing CAPITA system) had slipped from 31st March to 1st October 2021; and
- a decision had therefore been taken by the Acting Chief Executive, under the urgency provisions of Standing Order 35, to extend the CAPITA software licence to the 30th September 2021.

The report explained the circumstances and rationale for the decision, together with cost implications (£42,000 for the contract extension and a £7,000 support fee following negotiations). It concluded with a summary of the main mitigations to ensure that the revised 1st October 2021 'go live' date could be met.

During the debate, Officers were requested to keep the Committee informed about whether user acceptance testing was on-track. Information about the original budget for the NPS project was also sought.

RESOLVED – that:

- A. the decision taken under urgency powers to extend the CAPITA software licence be ratified; and

- B. an item be included on the agenda for the 6th July 2021 meeting to enable the Committee to receive an update about progress towards meeting the revised go-live date (1st October 2021) for the Northgate Public Services Revenues and Benefits database.

20. ADDITIONAL RESTRICTIONS GRANT - ONE-OFF PAYMENTS - CONFIRMATION OF DECISION TAKEN UNDER URGENCY POWERS (SO 35)

On 31st October 2020, the Government announced the introduction of additional support for Local Authorities under national and local Covid Alert Level 3 restrictions. This funding was intended to support local businesses who had suffered financial loss as a result of the pandemic and for businesses which had not been eligible for other Government grant schemes. An initial allocation of £1.7million had been provided, followed by an additional £800,000 top up in January 2021.

A report was submitted which explained that:

- following revised Government guidance, the Council was now required to fully commit the first two allocations of funding to local businesses by 30th June 2021 (nine months earlier than the original deadline);
- the Acting Chief Executive, under the urgency provisions of Standing Order 35, had agreed to make additional one-off top up payments to local businesses; and
- as at 1st June 2021, £1,886,572 remained unspent - failure to commit this remaining allocation by 30th June would prevent a further £800,000 top up being received from the Government in July.

Measures to help publicise the available funding were discussed, including the use of social media. It was also suggested that local accountancy firms were likely to be providing services to businesses which may qualify and could therefore be used as conduits to raise awareness. In this respect, Councillor Langton proposed a separate resolution to urge Members to help relay information about this funding opportunity throughout their Wards.

RESOLVED – that:

- A. the decision taken under urgency powers to make additional one-off top up payments to local businesses from the Additional Restriction Grant allocation be ratified; and
- B. Councillors be urged to notify as many businesses as possible within their Wards about the availability of Additional Restrictions Grant funding by whatever means are likely to be effective.

21. POTENTIAL BUDGET DEFICIT FOR 2020/21 AND IMPLICATIONS FOR 2021/22

The Chair agreed that this matter be considered as urgent business given the need for Members to be appraised of a potential budget gap of approximately £920,000 in the 2020/21 revenue budget.

The Chief Finance Officer presented a report which informed Members that funding assumptions regarding pension transactions (which underpinned the 2020/21 budget approved by Council in February 2020) may have been inaccurate. The report explained how the issue had come to light and proposed that Grant Thornton LLP UK (GT) be commissioned to:
Phase 1 (4 to 6 weeks):

- identify the issues associated with 2020/21 assumptions and the potential budget gap
- review up to two prior years, where the pensions adjustment appeared as a saving
- include lessons learned/recommendations to futureproof the Council to help ensure such an event does not recur.

Phase 2 (to be agreed by Members as part of the outcome of the Phase 1 work):

- the opportunity of Phase 2 to broaden the scope into other areas to provide greater assurance over the finances more generally and provide a solid financial basis moving forward.

The submission of a report regarding the Council's 2020/21 outturn position would be deferred, pending completion of the review.

The Chair invited Group Leaders to comment on the situation. The Chief Finance Officer responded by advising that there was no immediate threat of bankruptcy arising from the apparent budget deficit, although the Council may have to adopt more innovative service delivery models to remain sustainable. Other Members were then invited to speak.

In order to discuss the potential cost of GT's appointment, the Committee resolved to move into Part 2 (exclusion of the press and public via the termination of the webcast) in accordance with Paragraph 3 (information relating to financial or business affairs) of Part 1 of Schedule 12A of the Local Government Act 1972.

The possibility of convening an informal Member briefing in light of GT's Phase 1 findings was raised during the Part 2 debate.

RESOLVED – that Grant Thornton LLP UK be appointed to undertake a forensic review and fact finding which will provide insight into issues resulting in the potential budget gap in 2020/21 and identify the implications for future revenue budgets.

Rising 10.15 pm

Joint working arrangements with Surrey County Council for Finance Services

Strategy & Resources Committee – 6th July 2021

Report of: David Ford, Chief Executive

Purpose: For Decision

Publication Status: Unrestricted

Wards affected: All

Executive Summary

At the Strategy and Resources Committee meeting on 25th March it was agreed to proceed with an agreement with Surrey County Council ('SCC') in which it would provide Tandridge District Council ('TDC') with a comprehensive finance function comprising s151 role and leadership and management of a full range of financial functions, and support TDC through the Tandridge Finance Transformation Plan ('TFT').

It was further agreed to establish a small Member and Officer Reference Group ('MRG') to monitor progress with the TFT Plan.

The initial due diligence phase has been completed and SCC presented their proposals and recommendations to the MRG on 17th June. The MRG noted the progress with developing the TFT Plan, the development of a new operating model for the finance function and the drafting of a Joint Working Agreement to provide a legal basis for the partnership going forward.

These proposals include investments which are considered necessary to transform the finance function, develop a strong culture of financial management and accountability across TDC and deliver a transformation in the Exchequer Services function.

In summary these are:

- (a) implement a strengthened operating model for Finance composed of a blended structure between TDC directly employed staff and SCC management oversight, support and guidance. This model would require a recurring investment of (up to) **£76k per annum in a full year from 2022/23 (c£27k for 2021/22)** funded as part of the Councils revenue budget, and
 - (b) **a one-off investment of £80k** required to support the delivery of two of the key workstreams within the plan; £30k for the role of Finance Transformation Lead and £50k to fund the Exchequer Services change team. Funding would be sought from the use of the Council's flexible capital receipts following consideration at Full Council on 22nd July.
-

Other staffing costs of change (including any potential redundancy or recruitment costs) resulting from the implementation of the new Target Operating Model will also need to be met by TDC. These costs will be identified once the new structure has been determined and will be agreed with the MRG.

Having considered the above proposals, the MRG agreed that the recommendation be brought to this Committee for approval.

This report supports the Council's priority of:

Building a better Council – making the Council financially sustainable and providing residents with the best possible services.

Contact Officer: David Ford, Chief Executive – dford@tandridge.gov.uk

Recommendation to Committee

That the Committee agrees:

1. To support the one-off investment of £80k required to develop and deliver two of the key workstreams within the TFT plan.
 2. To recommend to Council on 22nd July that this investment is met through the use of the Council's flexible capital receipts.
 3. To support the case to strengthen the finance function within the Council and the additional investment required of (up to) £76k in the 2022/23 financial year (and a potential part-year impact in 2021/22 of c£27k).
 4. To authorise the Chief Executive to complete the Joint Working Agreement and the final detailed operating model with SCC, following further detailed discussion and consultation with Group Leaders and the Chair of Strategy & Resources Committee.
-

Reason for Recommendation

The Council has received and considered the Tandridge Finance Transformation Plan from SCC.

The TFT Plan is central to sustaining the financial recovery of the Council and the objective of putting our finances onto a significantly more robust and sustainable footing. The investment identified will support the strengthening of financial management capability and capacity across the Council and significant enhancements to core processes and the use of systems. Without this investment these and other key benefits to the Council cannot be delivered.

Background

- 1 At the Strategy and Resources Committee meeting on 25th March it was agreed to proceed with an agreement with SCC in which it provides TDC with a comprehensive finance function comprising the s151 role and leadership and management of a full range of financial functions, and supports TDC through the TFT Plan.

2 It was further agreed to establish a small Member and Officer Reference Group ('MRG') to monitor progress with the TFT Plan. The MRG is made up of the Group leaders, the Chair of Strategy and Resources, the Chief Executive, the Executive Head of Corporate Resources, Head of Legal Services and Monitoring Officer, Chief Finance Officer and the TFT Programme Manager.

3 SCC have set out a 3-phase approach to developing the partnership between the Councils:

- **Phase 1:** Initial due diligence leading to a formal agreement between the Councils.
- **Phase 2:** Tandridge Finance Transformation (up to March 2022) - this phase will enable the restructuring of the finance function, improvement of key processes, development of business partnering and strengthening of budget accountability. During this period, staff will remain on TDC employment contracts, and any restructuring undertaken will be in accordance with TDC change management procedures.
- **Phase 3:** Ongoing operation - this will be a "steady state"; there will be strategic choices for TDC to make about the future basis of employment of finance staff; and around access to SCC's new financial systems.

It is also at this point that both Councils could consider the option of a 'managed exit' which would see the removal of the SCC team over a period of time with full control of the finance function passing back to TDC.

Findings and Summary of Proposal

4 **Phase 1**, the initial due diligence phase, has been completed and a summary of the findings from the due diligence phase and the proposed actions to address these are included below.

Finance function (Corporate Finance & Business Partnering)

| Area of focus | Areas identified and explored during due diligence | Proposed deliverables in TFT plan |
|--------------------------|---|--|
| Business Partnering | A lack of capacity and resilience in the finance business partner team. An in depth functional review identified a shortfall of c1.5 FTE against a recurring requirement with multiple SPOFs (single points of failure) . | A reshaped and strengthened finance function which strengthens capability and delivers more management capacity, resilience and access to specialist expertise . This will be aligned to the SCC model to provide access to development opportunities aligned to the SCC Finance Academy and will provide a solid basis for a high performing finance function over the long term without the need for interim support. Training and support on Business Partnering knowledge, skills and behaviours through SCC Finance Academy. |
| | A lack of clarity in the roles & responsibilities in the finance business partner team; roles have evolved in an ad hoc way with out-of-date job descriptions combined with a lack of professional development. | |
| | A short term approach to planning & decision making, characterised by firefighting and interim solutions at the expense of taking a longer term view. | |
| Budget management | Inappropriately defined budget management responsibilities. | Creation of the Service Engagement Board to act as the interface for the development of a Partnership Agreement setting out mutual expectations and a framework which defines the roles & responsibilities of budget holders within services and the finance team . A training and upskilling programme for budget managers linked to the Surrey Finance Academy. |
| | Budget managers placing too much reliance on the finance team, lacking the skills, knowledge and ownership of budgets . The finance team spending too much time undertaking non value adding tasks. | |
| Business Rules | Business rules' are in need of review (eg Financial Regulations are out of date and not at standard required) to ensure that they address the key controls required and are adhered to by the council officers. | The Exchequer change team will review and refine current business rules and processes and liaise with the Transformation lead to ensure that these will be included in the Partnership Agreement. Compliance with the rules will be managed through the Stakeholder Engagement Board. |
| Financial Controls | Some evidence of controls not operating effectively or not operating at all. | |
| Finance system (Agresso) | Patchy use of the Agresso system to support budget management underpinned by a lack of training & understanding | This will be explored by the change team reviewing business rules and processes, through the Agresso healthcheck and through the development of the Partnership Agreement. |

Exchequer Services

(Transactional Services including, Accounts Payable and Receivable and Sundry Debt)

| Area | Areas identified and explored during due diligence | Proposed deliverables in TFT plan |
|-----------------------|---|--|
| Exchequer Services | Poorly defined roles and responsibilities. Random allocation of duties as posts have been deleted leading to little clarity as to who has overall responsibility for what function | Roles and responsibilities will be defined around the core processes with clear ownership and accountability for service performance. |
| Processes | Lack of any documented processes. No overall ownership of end-to-end processes or measurement of process effectiveness / performance metrics . The overall process ownership and links between the process elements of paying invoices, raising invoices for services delivered, cash collection and bank reconciliation have become fragmented following the separation of finance and need to be recreated. | Processes will be mapped, improvement opportunities identified and delivered, metrics created and ownership of overall process effectiveness assigned. |
| Systems and Processes | Inefficient and complex separate bank reconciliation system. | A review of current systems and processes will be undertaken early on in the change phase with improvements identified and proposed. |
| | Limited audit assurance. | Healthcheck review will address weaknesses identified in internal audit reviews to provide full assurance. |
| Systems | Lack of capacity and capability to make best use of the Council's Agresso financial system . No staff resource with responsibility for the Agresso system, combined with a loss of knowledge as to how the systems operate. Lack of user documentation as to how to use the system. | System capabilities will be reviewed identifying changes and training needs required to make effective use of the systems capabilities. System to be documented with user manuals available to staff who need them including data flows and functional responsibilities. |
| | Lack of integration of key systems , delays in implementation and expected benefits not achieved. Lack of an overview as to how transactional systems operate and integrate with finance systems (eg the housing management system Orchard) leading to the use of the system not being maximised. | The initial scope of the programme is limited to getting the best from the Agresso finance system. The wider systems scope would be considered as part of any Phase 3. |

5 SCC presented their findings, proposals and recommendations to the MRG on 17th June. A summary of the presentation is included in this report.

6 At this meeting, the MRG noted the progress with developing the TFT Plan, the development of a new operating model for the finance function and the drafting of a Joint Working Agreement to provide a legal basis for the partnership going forward and agreed to recommend the proposals included for approval by the Strategy and Resources Committee.

7 It was noted that going forward, the direction and development of the shared finance function will be guided by an overall mission and a set of guiding principles taken together.

8 **Guiding principles - for the finance function**

- **Stability** – provides TDC with a long-term stable finance function
- **Resilience** – able to withstand pressures and demands placed upon it
- **Expertise** – provides TDC with access to specialist expertise in key areas
- **Partnership oriented** – a strong focus on partnering with TDC services and working effectively across both councils to make best use of the experience and expertise of both
- **High performing** – provides a basis & environment for the team to perform at a high level

9 **Guiding principles – the role of finance within the Council**

- **Trusted** – services trust the advice of the service to inform their plans
- **Proactive & insightful** – proactively supports services in their plans rather than ‘firefighting’
- **Leads a culture of strong financial management and accountability** – is at the heart of leading the development of strong financial management in the council
- **Locally owned** – recognised as Tandridge ‘owned’

10 **Overall Mission**

To blend the skills, experience and expertise of the Surrey and Tandridge teams into a high performing, resilient, finance function for the Council.

To build a trusted, proactive and insightful Finance Service which is at the heart of a strong culture of financial management, accountability and evidence-based decision making across the Council.

To improve our processes and use our systems more effectively to increase efficiency, free up capacity and strengthen controls

11 **TFT Programme Workstreams**

11.1 The TFT plan sets out 5 workstreams which taken together will transform the finance function and the role of finance within the Council. The overriding purpose of each workstream is set out below.

a) **New Finance Model**

A right-sized, re-shaped and strengthened model and staffing structure. This is a blend of TDC directly employed staff and senior members of the SCC finance team who will provide management oversight, best practice guidance and if applicable direct delivery of services.

b) SCC transition

A transition of the SCC finance team to provide management oversight, best practice guidance and (in some cases) take on delivery of services to TDC.

c) Organisational Development

Strengthened overall financial management, increased budget holder ownership and accountability and increased grip over and adherence to key corporate processes and controls across the wider Council, allowing better identification and management of financial risks.

d) Exchequer Transformation

A transformed Exchequer function with a reshaped team, a new set of business rules and controls which are operating effectively, a refined set of documented processes with clear ownership and performance metrics underpinned by an optimised use of the core financial systems resulting in a reduction of manual workarounds.

e) Deliver the Budget

This workstream will ensure a continuing focus on delivering the 2021/22 budget and the savings required to ensure a robust future financial position is established going forward, whilst incorporating any key outcomes of the Grant Thornton forensic review.

12 TFT Programme Roadmaps

Each of these workstreams is underpinned by a roadmap of activities as summarised in the graphics below.

Figure 1 – Finance Roadmap – Corporate Finance & Business Partnering

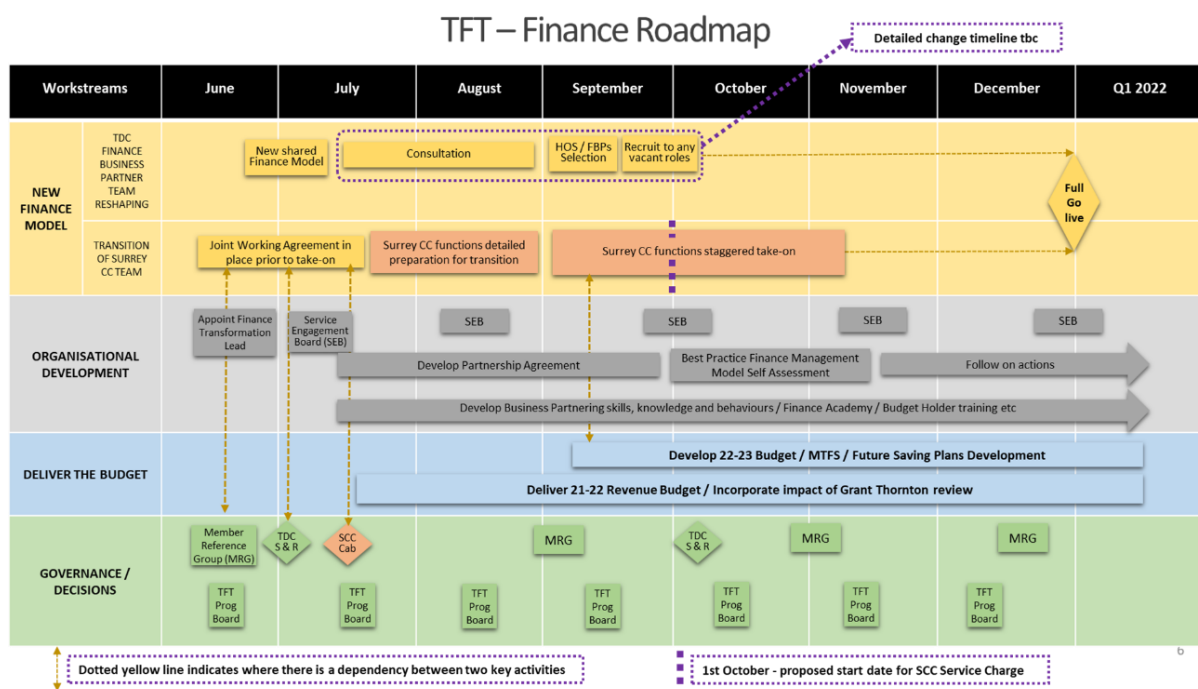
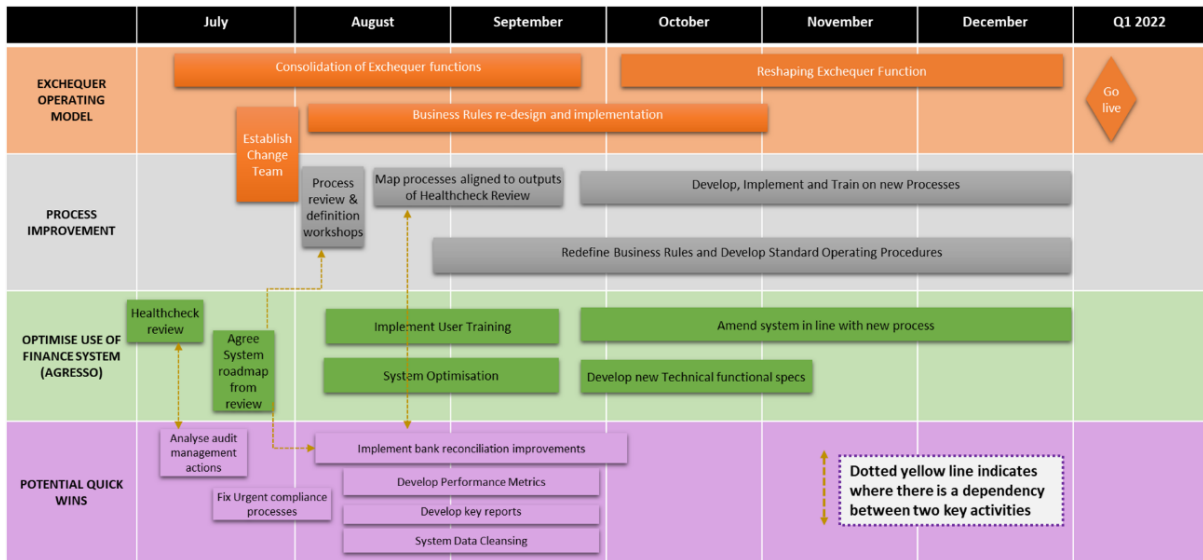
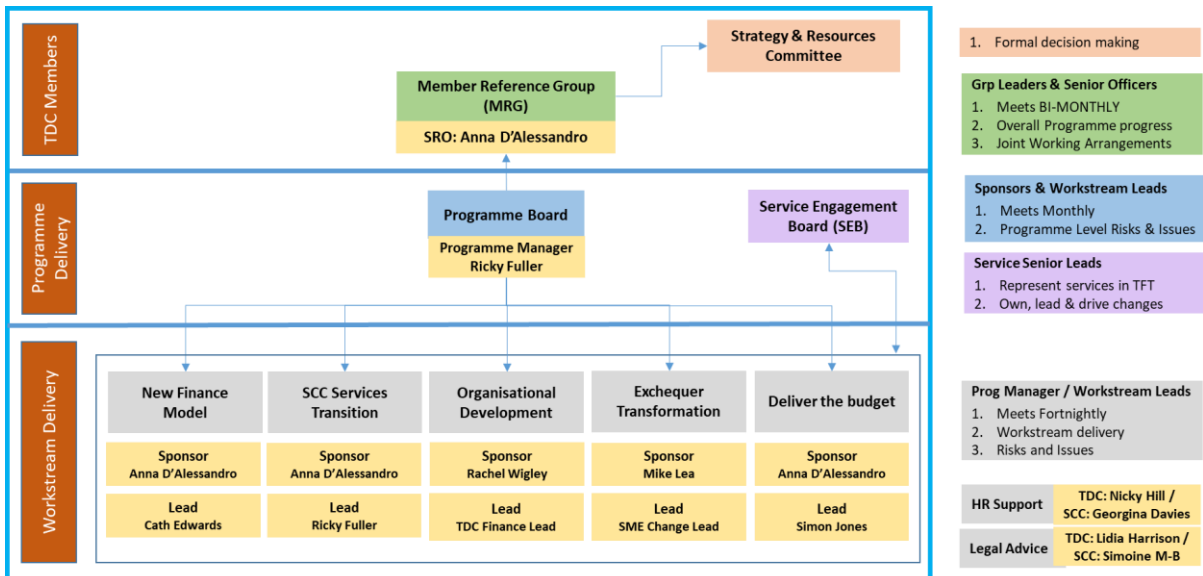


Figure 2 – Exchequer Services Roadmap



13 Programme Governance

- 13.1 The TFT programme will be managed as shown in the chart below with progress monitored through the MRG and formal decisions taken through the Strategy and Resources Committee.
- 13.2 The plan delivery will be managed through a Programme Board and Programme Manager with each of the 5 workstreams having a sponsor and lead officer.
- 13.3 Engagement with the Council Services will be managed through a Service Engagement Board, chaired by Alison Boote. The role of this Board will be to own, drive and lead the changes necessary within services to deliver the plan.



14 **Costs of the New Finance Model**

14.1 To address the issues identified in the due diligence phase (and those previously identified in the LGA Review in December), it will be necessary to invest in strengthening the finance team. These investments are never easy particularly when they do not deliver a direct improvement to front-line services. Continuing on ‘as is’ however is not considered an option nor sustainable in the medium term and will expose the Council to further risk going forward.

14.2 The new model involves a change to most of the existing team roles to align to the SCC finance structure (Corporate Finance / Business Partnering). This will allow the shared SCC team to provide a more effective management oversight, guidance and support to the TDC team whilst ensuring that the main service provision is retained within TDC.

14.3 The balance of directly employed and shared staff and the investment proposed is set out in the table below.

| FTE / Full Year effect | 2021-22 Budget | 2021-22 Forecast | | Diff vs budget 2021-22 | NEW MODEL | | Full Yr diff vs budget 2022-23 | |
|-------------------------|-----------------|------------------|-----------------|------------------------|----------------|-----------------|--------------------------------|----------------|
| | | | | | full year cost | | | |
| Directly employed staff | £561,800 | 10.1 | £587,000 | | 11.3 | £629,000 | 1.2 | £67,200 |
| Shared staff | £146,000 | 2.0 | £148,000 | | 2.2 | £155,000 | 0.2 | £9,000 |
| Total Finance | £707,800 | 12.1 | £735,000 | £27,200 | 13.5 | £784,000 | 1.4 | £76,200 |

14.4 Whilst costs are indicative and based on a working draft of the model, they are not expected to increase further. Any cost increase will be mutually agreed as part of the annual review process and governed through the Joint Working Agreement. Costs assume that the new model goes fully live from 1st Jan 2022.

14.5 It is important to note that as part of the transition to a new model there is the possibility that additional one-off staff related costs will be incurred arising from various sources; these could for example include staff redundancies if the required skills cannot be met and there is not the potential for upskilling, training costs if a suitable role is identified as part of a redeployment opportunity or recruitment costs for new staff members. These costs will only become apparent as the model is implemented but further consideration will be given as to whether a provision should be added into the final business case as the model is finalised.

14.6 The impact in 2021/22 is an increase of c£27k vs the current 2021/22 budget due to the part year effect of the new model. These costs include an allowance for funding the Finance Transformation Lead role which, as noted elsewhere in this report, will be the subject of a bid to fund from flexible capital receipts. If this bid is accepted this would bring the budget position back into line in 2021/22.

14.7 The full year impact of the new model will be an increase of (up to) £76k per annum in the 2022-23 financial year against the current budget. This increase is driven by an increase in the capacity in the team of 1.2 FTE in the TDC directly employed staff. of 1.2 FTE (one additional Business Partner role vs current)

15 **One-off investments required to deliver the TFT plan**

15.1 Delivery of the TFT plan will require two additional one-off investments **totalling £80k**.

15.2 **Finance Transformation Lead** – this role is pivotal to the development and delivery of the Organisational Development workstream of the Plan. The role is estimated at 0.5 FTE and has been offered as a development opportunity to the TDC finance team. The **cost of £30k** is to allow for backfilling for the successful candidate.

15.3 The benefits of this investment will be felt in a strengthened approach to financial management across the Council; whilst there is no immediate offsetting saving it is reasonable to anticipate that an equivalent offsetting saving will be found in the 2022-23 financial year from within the wider council services going forward.

15.4 **Exchequer Services Change Team** – Exchequer services is the place where the day to day Council processes and controls over what the Council buys through to the payment of suppliers (P2P) and invoicing for services provides through to the collection of income and debt management are managed. This also covers the management of the banking function and operation of procurement cards. Note, this does not include the Revenues and Benefits function.

15.5 A best practice service would operate within a clear set of business rules, supported by efficient processes and delivered through well administered finance systems which ideally talk to each other. Underpinning that would be performance metrics and clear roles and responsibilities with officers of the council knowing the rules and adhering to them.

15.6 A number of areas for improvement, some urgent, were identified in the due diligence phase from a range of sources including internal audit and other reports and are included in the graphic under item 4. Resolving these issues is not a quick fix and will require an investment in a small but expert change team along with technical support to provide user training and amendments required to the finance system.

15.7 We estimate the **costs of the change team at £50k** and that the transformation will take up to 6 months with some roles required for a part of that period as set out in the table below.

| Change role | Days per Wk | Rate per wk | Weeks | Total |
|----------------------------|-------------|-------------|-------|----------------|
| SME Change Lead | 2.5 | £756 | 24 | £18,144 |
| Process / Business Analyst | 4.0 | £840 | 10 | £8,400 |
| Project Support | 2.0 | £294 | 24 | £7,056 |
| Data cleansing | 2.0 | £294 | 8 | £2,352 |
| Agresso Technical support | | £0 | | £14,048 |
| Total investment | | | | £50,000 |

Key benefits

15.8 The investment will deliver a number of key benefits to the council some of which will be cashable and others will avoid costs going forward and/or release time and capacity across the Council. Typical benefits will include:

- Improved controls across the council
- Reduction in 'wasted' effort in manual workarounds / admin etc
- Reduced compliance risk
- Improved use of finance system capabilities
- Cashable benefits – for example:
 - Reduction in duplicate payments
 - Reduction in overpayments
 - Improved debt recovery

15.9 It is difficult to be precise about the cashable benefits at this stage without further detailed analysis but an initial analysis of overpayments, duplicate payments and the aged debt profile suggest that a minimum expectation is that the up-front £50k investment will be recovered within the first two years based on directly cashable elements alone. This is likely to be much sooner. Actual benefits achieved will be tracked through as part of the plan delivery. More details of the initial analysis are included in Annex 1.

16 Risks and Issues

Key risks and issues are set out in the table below, along with the approach to their mitigation.

| Description of risk / issue | Overall approach to addressing risk / issue |
|--|---|
| Reputational damage if the partnership doesn't work out as both councils hope and which leads to a break up of the partnership. | Manage progression of the partnership through gateways. Ensure that decision making is transparent. Deliver identified benefits of the programme. Engage with and inform key stakeholders to maintain confidence. |
| The New Finance Model and associated costs of change may be too expensive for TDC to support | Seek to contain the costs of the new Finance model as far as possible. |
| The Exchequer Services Change Plan may be too expensive for TDC to support (and/or the business case is rejected). | Make the benefits case clear and identify sources of funding from with TDC (explore use of flexible capital receipts). |
| Some TDC finance staff may respond negatively to proposed changes to the finance function. | Develop ways to involve the TDC finance team in the TFT programme. Identify and manage risk areas of activity in transition to the new Finance Model. |
| SCC officers are perceived as investing too much time and effort into Tandridge at the expense of other activities and SCC is perceived to suffer as a result. | Manage the amount of officer time invested through the TFT Programme Board. Establish a clear set of mutual expectations between TDC and SCC in the Joint Working Agreement (JWA). |

17 Joint Working Agreement (JWA)

17.1 The importance of underpinning the partnership with a robust agreement was identified in Committee report of 25th March. It is therefore proposed to put in place a JWA to act as the legal basis for the partnership. An initial draft of the JWA has been produced and it is intended that this will be further developed between the two Councils and ready for formal approval by the end of July.

17.2 Key elements of the JWA will include:

- a) Aims and Objectives of the Finance partnership
- b) Financial Protocol
 - TDC funds the cost of implementing the New Model
 - SCC recovers its costs via a Service Charge linked to the staff time involved
- c) Mutual expectations
 - SCC will commit officer time to support the development and delivery of TFT;
 - TDC will commit officer time and fund any direct costs of TFT;
 - TDC will commit to support the successful delivery of TFT
- d) HR protocol
 - SCC shared under a s113 agreement to allow them to work for TDC
 - TDC and SCC staff remain subject to employing council rules
- e) Provision for Annual Review
- f) Conflicts, Disputes and Termination

Annex 1 - Exchequer Services – initial benefits analysis

| Category of Benefit | Current Issues | Benefit Type | Is this Cashable? | One-off saving | Recurring | Payback (months) |
|--------------------------|--|--------------|-------------------|----------------|-----------|------------------|
| Core process improvement | <p>1) Late payments to suppliers which puts the Council at risk of late payments fines - TDC audit report shows 3 of the 25 invoices reviewed were not paid in 30 days and instead were 86,107 & 121 days after the invoice dates.</p> <p>2) Overpayments and duplicate payments - incorrect rates charged on invoices corresponding with the rates agreed within the approved schedule of fee and charges – TDC audit report shows 6 of the 25 in the sample did not match in 2019/2020. Supplier credit balances where payments have been reversed or backdated and the supplier account holds a credit. Currently no regular reporting to ensure any untaken credit is recovered. Indicative findings suggest a minimum one off saving of between £10k to £20k in clawback with a similar value in cost avoidance going forward once controls are in place.</p> <p>3) Debt management - weak control of the debt book causing legal chasing and court costs. The required timetable for producing reminder letters is not consistently followed. Keeping up to date and cleaner records with a more focused effort will result in less debt being written off. Total aged debt > 30 days = £1.25m. Reasonable to assume a minimum 1% improvement in aged debt collection (£12.5k)</p> <p>5) Supplier credit balances where payments have been reversed or backdated and the supplier account holds a credit. Currently no regular reporting to ensure any untaken credit is recovered.</p> | Financial | Yes | £10k | £22.5K | 21 |
| Process Improvement | <p>1) Reliant on other teams for key functions such as HMRC & HSBC.</p> <p>2) Lack of process notes opens risk to different ways of doing the same thing. Accounts Receivable are working round this by developing their own individual guidance notes.</p> <p>3) No overall ownership of end-to-end processes or measurement of process effectiveness / performance metrics.</p> <p>4) The Council currently accepts cash and cheques directly which most authorities have moved away from both for cost and security reasons.</p> | Tangible | No | | | |
| Strengthened Controls | <p>1) Limited audit assurance- audit report identified significant weakness in the framework of internal control and compliance with the framework.</p> <p>2) No defined and agreed debt recovery policy to promote a consistent approach in the collection of money owed to the Council. The current recovery policy is date March 2017 and does not reflect the limits included in the Financial Regulations for the writing off of debts, with an additional limit of up to £1,000 for the Exchequer Services Manager.</p> <p>3) No management reports in relation to the Accounts Receivable process e.g. aged debt, suppressed debt or overpayments.</p> | Tangible | tbd | | | |
| Fraud Mitigation | <p>1) Unclear segregation of duties, Account Receivable employees have access to carry out all activities which leads to potential fraudulent activity. Fraudulent activity previously occurred in Council Tax at TDC.</p> <p>2) Currently have the ability to transfer income from the suspense account as authorisation is not required and there is no formal procedure in place which sets out role and responsibilities for this process.</p> <p>3) Lack of appropriate evidence in place to support payments – on investigation 3 out of 10 payments reviewed did not have a supporting TDC Creditor Payment Form.</p> <p>4) Invoices raised in advance of the purchase order- 5 out of 25 payments reviewed in audit report for Accounts Payable</p> <p>5) Audit report identified 4 members of staff who had left the authority during 2019 and their Agresso accounts were not terminated promptly after their leaving date.</p> | Tangible | tbd | tbd | | |

Other Options Considered

In line with the approach set out, it is for the Committee to determine whether it wishes to support the proposals and linked investments received from SCC as part of Gateway 1. In the event that individual investments within the proposal are not supported the associated benefits linked to that investment will not be deliverable and that element of the proposal would be removed. In the event that the entire proposal is not supported, a further options appraisal would need to be undertaken to determine the way forward.

Consultation

Discussion has been undertaken with the MRG (Group leaders, the Chair of Strategy and Resources, the Chief Executive, Head of Legal Services, Chief Finance Officer) to seek their views and to inform the drafting of this report. Engagement with Members, senior officers, staff conference and the TDC finance team has been undertaken as part of the due diligence phase and development of the proposals.

Key Implications

Comments of the Chief Finance Officer

The Chief Finance Officer is fully supportive of the approach conducted in terms of the business case and timelines presented in this report. The TFT plan is central to sustaining the financial recovery of the Council and the objective of putting our finances onto a significantly more robust and sustainable footing. The investment identified will support the strengthening of financial management capability and capacity across the Council, significant enhancements to core processes, tighter financial control and the use of systems. Without this investment these and other key benefits to the Council cannot be delivered.

Comments of the Head of Legal Services

The decisions to enter into joint arrangements regarding the in-house Finance function, and the subsequent performance of this arrangement has been formally agreed by each council.

The arrangements for a joint arrangement can take a number of forms. In this instance, it is proposed that both councils enter into a Joint Working Agreement under sections 101, 102, 111, 112 and 113 of the Local Government Act 1972 and s.9EA of the Local Government Act 2000 and the Regulations made under these Acts (to include but not limited to the Local Authority (Arrangement for the Discharge of Functions) (England) Regulations 2012), together with the general power within section 2 of the Local Government Act 2000 and the supporting provisions within section 111 of the Local Government Act 1972.

As agreed by Members at their meeting of the 25th March, a termination provision was to be incorporated in such an agreement. This is carefully addressed in the draft agreement allowing for the agreed termination of the joint service arrangement with a twelve month notice period and that in circumstances of a material breach that cannot be remedied, three months' notice is to be given.

The agreement also includes a sensible (both in process and time frame) provision for the resolution of disputes. It is clear from the agreement that it is the intention to facilitate a fair and balanced arrangement which works well for both sides and is open to discussion and review.

Equality

It is not foreseen that there are any direct equality implications as a result of the recommendations in this Report. Options will be rigorously assessed as the TFT plan progresses.

Climate Change

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

Background Papers

Report to Strategy & Resources Committee, 25th March 2021.

LGA Capacity Review, December 2020

TANDRIDGE DISTRICT COUNCIL

INVESTMENT SUB COMMITTEE

Minutes and report to Council of the meeting of the Sub-Committee held in the Council Chamber, Council Offices, Station Road East, Oxted on the 11th June 2021 at 10.00am

PRESENT: Councillors Bourne, Cooper, Elias, Jones and Langton

ALSO PRESENT: Councillor Farr

1. ELECTION OF CHAIR FOR 2021/22

Councillor Bourne was elected Chair of the Sub-Committee for the 2021/22 Municipal Year.

2. MINUTES OF THE MEETING HELD ON THE 15TH JANUARY 2021

Subject to the heading of Annex 1 to the minutes (capital, investment and treasury management strategy) being corrected to "Investment Sub-Committee – 15th January 2021 (as opposed to 2020) the minutes were agreed as a correct record.

3. SUMMARY INVESTMENT AND BORROWING POSITION AT 31ST MARCH 2021

The investment analysis at Appendices A and B was presented. The format had been refined since the previous meeting and Members were invited to make suggestions for any further improvements.

The accompanying report explained that, following advice from the Council's treasury advisers (Link Group), the refinancing of a £4.25m Housing Revenue Account PWLB loan due at the end of March 2021 had not been applied. Instead, the loan was being financed by internal borrowing from the General Fund, saving approximately £80,000 in a full year of loan payment costs.

Members were also updated in respect of the previous decision to cease the reinvestment of Funding Circle proceeds and to withdraw funds as loans were repaid. As at 31st March 2021, £1.1m of the principal investment had been returned. While the Sub-Committee had previously agreed to reinvest the returned proceeds into the Schroders, UBS and CCLA funds, the monies had, instead, been used to support the Council's cashflow in light of the challenges imposed by the pandemic. The Funding Circle proceeds could now be utilised for medium term investment purposes and the report advocated that Link, the Council's treasury advisors, be engaged to undertake a fund manager selection process to identify optimum investment vehicles in line with the Council's objectives. It was also confirmed that Link would review the Council's wider treasury investment strategy, including the question of whether current investment levels were appropriate. This would be beyond the scope of the existing treasury management contract and would incur an additional charge of £8,500. The process would take 4-6 weeks and would involve a questionnaire to all fund providers, culminating with a selection process based on the returns submitted.

Nazmin Miah, Associate Director of Link Market Services, joined the meeting via Zoom to explain the proposed treasury investment review process. She clarified that this would cover the whole of the c.£12 million portfolio and, notwithstanding the fact that the portfolio had been performing satisfactorily to date, would enable the Sub-Committee to exercise due diligence by reviewing the treasury investment strategy in line with emerging plans and priorities.

Nazmin Miah and the Chief / Deputy Chief Finance Officers responded to Members' questions, including an explanation of the Council's current treasury management contract with Link.

Regarding Recommendation B of the report, the Sub-Committee considered that the term 'high yielding' should be removed. Councillor Jones also proposed an amendment to clarify that Link would be engaged to review the whole of the Council's treasury investment portfolio (not just the reinvestment of Funding Circle proceeds) and that the investment strategy to be identified by Link would be presented to the Sub-Committee for consideration. This was agreed.

It was noted that the Sub-Committee's next scheduled meeting was not until the 5th November 2021. It was therefore agreed that, to expedite the matter, an additional meeting be scheduled for early September 2021 to consider Link's findings.

RESOLVED – that:

- A. the Council's investment and borrowing position at 31st March 2021, as set out at Appendices A and B, be noted;
- B. authority be delegated to the Section 151 Officer to manage the Council's investment portfolio who, in turn, will discharge this function to our treasury advisers, Link Group, who would undertake a Fund Manager selection process to identify, and recommend to the Investment Sub-Committee for agreement, an updated short, medium and long-term investment strategy aligned with the Council's financial plan; and
- C. an additional meeting of the Sub-Committee be scheduled for early September 2021 to consider the strategy referred to in B above.

4. INVESTMENT PROPERTY UPDATE

The Sub-Committee resolved to move into 'Part 2' for this item in accordance with Paragraph 3 (information relating to financial or business affairs) of Part 1 of Schedule 12A of the Local Government Act 1972.

The accompanying report advised Members about the performance of the Council's property investment portfolio; updated valuations of the three properties owned by Gryllus Property Limited; and asset management activity being undertaken in respect of the all the properties concerned.

Members were informed that the 2020/21 accounts for Gryllus Property Limited had yet to be finalised but could be presented to the Sub-Committee's September 2021 meeting (minute 3 above refers).

RESOLVED – that the Council's recent and proposed property asset management activity be noted.

Rising 11.35 am

| Investment | Investment Amount 31/03/21 £ | Net Asset Value 31/03/21 £ | Yield Rate Note 1 % | Actual Return 2020/21 £ |
|--|------------------------------------|----------------------------------|---------------------------|-------------------------------|
| Non - Specified (Financial Investments)- Long Term (over 12 mths) | | | | |
| CCLA Property Fund | 4,000,000 | 4,158,183 | 4.33 | 179,910 |
| Schroders Bond Fund | 3,000,000 | 2,908,911 | 4.32 | 125,529 |
| UBS Multi Asset Fund | 3,000,000 | 2,777,398 | 5.05 | 140,171 |
| CCLA Diversification Fund | 2,000,000 | 1,955,874 | 3.17 | 62,069 |
| Funding Circle | 863,160 | 863,160 | 5.70 | 77,070 |
| Sub Total Non-specified (Financial Investments) | 12,863,160 | 12,663,527 | | 584,749 |
| Non - Specified (Non-Financial Investments)- Long Term (over 12 mths) | | | | |
| Gryllus Property Company Loan - Maidstone | 2,394,000 | 2,394,000 | 5.81 | 139,023 |
| Freedom Leisure- Loan (TLP) | 774,857 | 774,857 | 5.50 | 53,271 |
| Freedom Leisure- Loan (de Stafford) | 496,571 | 496,571 | 7.58 | 47,050 |
| Gryllus Property Company Loan - 80-84 Station Rd East | 1,012,500 | 1,012,500 | 5.81 | 54,979 |
| Gryllus Property Company Loan - Castlefield | 11,664,000 | 11,664,000 | 6.10 | 711,504 |
| Gryllus Property Company Share Capital Note 2 | 5,251,500 | 5,251,500 | - | - |
| Sub Total Non-specified (Non-Financial Investments) | 21,593,429 | 21,593,429 | | 1,005,827 |
| Total Non-Specified Investments | 34,456,589 | 34,256,955 | | 1,590,577 |
| Specified Investments-Short Term (less than 12 mths) | | | | |
| Notice Accounts | 4,000,000 | 4,042,040 | 0.28 | 11,449 |
| Money Market Funds | 3,250,000 | 3,250,000 | 0.07 | 12,470 |
| CCLA PSDF | 4,000,000 | 4,000,000 | 0.08 | 3,391 |
| Total Specified Investments | 11,250,000 | 11,292,040 | | 27,310 |
| Total Non- Specified and Specified Investments | 45,706,589 | 45,548,995 | | 1,617,887 |
| Total Investment Income Budget 2020/21 | | | | 2,764,200 |
| Over/(under) budget | | | | (1,146,313) |

| Borrowing | Loan Amount | Interest | Actual Cost 2020/21 |
|--|--------------------|-----------------|--------------------------------|
| | £ | % | £ |
| General Fund Borrowing | | | |
| Gryllus Loan | 3,420,000 | 2.46 | 84,132 |
| Freedom Leisure Loan | 2,225,000 | 2.45 | 54,513 |
| Village Health Club | 938,678 | 2.38 | 22,341 |
| Linden House | 4,175,000 | 2.69 | 112,308 |
| Linden House | 254,000 | 2.42 | 6,147 |
| Quadrant House | 15,340,000 | 2.41 | 369,694 |
| Quadrant House | 800,000 | 2.28 | 18,240 |
| Gryllus - 80-84 Station Road | 724,400 | 2.28 | 16,516 |
| Gryllus - Castlefield | 15,549,000 | 2.91 | 450,913 |
| Sub Total General Fund Borrowing | 43,426,078 | | 1,134,803 |
| Total GF PWLB Budget 2020/21 Over/(under) budget | | | 1,889,000 (754,197) |
| HRA Borrowing | | | |
| Public Works Loan Board | 56,939,000 | 2.72 | 1,661,341 |
| Sub Total HRA Borrowing | 56,939,000 | | 1,661,341 |
| Total HRA PWLB Budget 2020/21 Over/(under) budget | | | 1,926,500 (265,159) |
| Total Borrowing | 100,365,078 | | 2,796,144 |
| Total Budget 2020/21 | | | 3,815,500 |
| Total Over/(under) budget | | | (1,019,356) |

Notes:

1. Yield Rate - actual annual return divided by net asset value. Note Funding Circle's net asset value has reduced due to principal repayments therefore the rate has been calculated using the average of the start of year value and the close of year value
2. Gryllus share capital comprises of equity shares arising from loans granted - no dividend will be paid in the current year

Market Value of Long Term Investments at 31/03/2021

Appendix B

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Carrying Value | Carrying Value 31.3.2017 | Carrying Value 31.3.2018 | Carrying Value 31.3.2019 | Carrying Value 31.03.2020 | Carrying Value 31.03.2021 |
| | £ | £ | £ | £ | £ |
| CCLA Property Fund | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| Schroders Bond Fund | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| UBS Multi Asset Fund | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| CCLA Diversification Fund | n/a | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Total | 10,000,000 | 12,000,000 | 12,000,000 | 12,000,000 | 12,000,000 |

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|--|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|
| Market Value | Market Value 31.3.2017 | Market Value 31.3.2018 | Market Value 31.3.2019 | Market Value 31.03.2020 | Market Value 31.03.2021 |
| | £ | £ | £ | £ | £ |
| CCLA Property Fund(mid-market value) | 4,082,986 | 4,276,854 | 4,276,005 | 4,188,063 | 4,158,183 |
| Schroders Bond Fund | 2,963,563 | 2,912,837 | 2,865,130 | 2,539,938 | 2,908,911 |
| UBS Multi Asset Fund | 3,018,705 | 2,918,160 | 2,868,479 | 2,520,713 | 2,777,398 |
| CCLA Diversification Fund(indicative market value) | n/a | 1,921,257 | 1,982,167 | 1,804,193 | 1,955,874 |
| Total | 10,065,254 | 12,029,108 | 11,991,781 | 11,052,907 | 11,800,366 |

| | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Surplus/(Deficit) | Surplus/ (Deficit) 31.3.2017 | Surplus/ (Deficit) 31.3.2018 | Surplus/ (Deficit) 31.3.2019 | Surplus/ (Deficit) 31.03.2020 | Surplus/ (Deficit) 31.03.2021 |
| | £ | £ | £ | £ | |
| CCLA Property Fund | 82,986 | 276,854 | 276,005 | 188,063 | 158,183 |
| Schroders Bond Fund | (36,437) | (87,163) | (134,870) | (460,062) | (91,089) |
| UBS Multi Asset Fund | 18,705 | (81,840) | (131,521) | (479,287) | (222,602) |
| CCLA Diversification Fund | n/a | (78,743) | (17,833) | (195,807) | (44,126) |
| Total | 65,254 | 29,108 | (8,219) | (947,093) | (199,634) |

| Gross Revenue Yield | Yield 2016/17 | Yield 2016/17 | Yield 2017/18 | Yield 2017/18 | Yield 2018/19 | Yield 2018/19 | Yield 2019/20 | Yield 2019/20 | Yield 2020/21 | Yield 2020/22 |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | £ | % | £ | % | £ | % | £ | % | £ | % |
| CCLA Property Fund | 164,434 | 4.03% | 193,758 | 4.53% | 183,989 | 4.30% | 185,240 | 4.42% | 179,910 | 4.33% |
| Schroders Bond Fund | 127,340 | 4.30% | 105,413 | 3.62% | 120,508 | 4.21% | 124,418 | 4.90% | 125,529 | 4.32% |
| UBS Multi Asset Fund | 100,600 | 3.33% | 146,788 | 5.03% | 116,513 | 4.06% | 137,531 | 5.46% | 140,171 | 5.05% |
| CCLA Diversification Fund | n/a | n/a | 62,732 | 3.27% | 67,030 | 3.38% | 66,284 | 3.67% | 62,069 | 3.17% |
| Total | 392,375 | | 508,691 | | 488,040 | | 513,473 | | 507,679 | |

| Surplus/(Deficit)- Capital Value | Surplus/ (Deficit) 2016/17 | Surplus/ (Deficit) 2016/17 | Surplus/ (Deficit) 2017/18 | Surplus/ (Deficit) 2017/18 | Surplus/ (Deficit) 2018/19 | Surplus/ (Deficit) 2018/19 | Surplus/ (Deficit) 2019/20 | Surplus/ (Deficit) 2019/20 | Surplus/ (Deficit) 2020/21 | Surplus/ (Deficit) 2020/21 |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | £ | % | £ | % | £ | % | £ | % | £ | % |
| CCLA Property Fund | (92,996) | -2.28% | 193,868 | 4.53% | (849) | -0.02% | (87,942) | -2.10% | (29,880) | -0.72% |
| Schroders Bond Fund | 16,634 | 0.56% | (50,726) | -1.74% | (47,707) | -1.67% | (325,192) | -12.80% | 368,973 | 12.68% |
| UBS Multi Asset Fund | 36,559 | 1.21% | (100,545) | -3.45% | (49,681) | -1.73% | (347,766) | -13.80% | 256,685 | 9.24% |
| CCLA Diversification Fund | n/a | n/a | (78,743) | -4.10% | 60,910 | 3.07% | (177,974) | -9.86% | 151,682 | 7.76% |
| Total | (39,803) | | (36,146) | | (37,327) | | (938,874) | | 747,460 | |

| Net Yield | Net Yield 2016/17 | Net Yield 2016/17 | Net Yield 2017/18 | Net Yield 2017/18 | Net Yield 2018/19 | Net Yield 2018/19 | Net Yield 2019/20 | Net Yield 2019/20 | Net Yield 2020/21 | Net Yield 2020/21 |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | £ | % | £ | % | £ | % | £ | % | £ | % |
| CCLA Property Fund | 71,438 | 1.75% | 387,626 | 9.06% | 183,140 | 4.28% | 97,298 | 2.32% | 150,030 | 3.61% |
| Schroders Bond Fund | 143,974 | 4.86% | 54,687 | 1.88% | 72,801 | 2.54% | (200,774) | -7.90% | 494,503 | 17.00% |
| UBS Multi Asset Fund | 137,159 | 4.54% | 46,243 | 1.58% | 66,832 | 2.33% | (210,235) | -8.34% | 396,856 | 14.29% |
| CCLA Diversification Fund | n/a | n/a | (16,011) | -0.83% | 127,940 | 6.45% | (111,690) | -6.19% | 213,751 | 10.93% |
| Total | 352,572 | | 472,545 | | 450,713 | | (425,401) | | 1,255,139 | |

| Peer to Peer Investment | 2016/17 | 2016/17 | 2017/18 | 2017/18 | 2018/19 | 2018/19 | 2019/20 | 2019/20 | 2020/21 | 2020/21 |
|-------------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|----------------|---------------|
| Funding Circle | £ | % | £ | % | £ | % | £ | % | £ | % |
| Carrying Value | 2,003,355 | | 2,075,341 | | 2,056,664 | | 1,831,028 | | 863,160 | |
| Interest Paid by Borrowers | 181,892 | | 181,014 | | 184,654 | | 193,170 | | 127,982 | |
| Less FC Service fee | (19,121) | | (19,668) | | (19,729) | | (19,611) | | (12,462) | |
| Promotions/Transfer payment | | | | | | | 470 | | 0 | |
| Bad Debts | (58,163) | | (61,288) | | (111,152) | | (127,649) | | (80,881) | |
| Recoveries | 8,219 | | 14,780 | | 27,428 | | 30,253 | | 42,431.08 | |
| Net Yield | 112,827 | 5.63% | 114,838 | 5.53% | 81,201 | 3.95% | 76,634 | 4.19% | 77,070 | 8.93%* |
| Provisions for future losses | 0 | | 0 | | (10,000) | | | | | |

*Funding Circle Net yield - this has been calculated against the current value, however principal has been withdrawn throughout the year. If calculated against the average of the opening and closing value then the net yield would be 5.7%

Strategy & Resources Quarter 4 20/21 Performance Report

Strategy & Resources Committee Tuesday, 6 July 2021

Report of: Acting Chief Executive

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

- The appendices to this report contain data on the Committee's key performance indicators and risks for Quarter 4 2020/21, to enable the Committee to monitor how the Council is delivering the services for which it is responsible.
 - The Council's new risk scoring matrix is shown in Section 2, and Appendix B (committee register) and C (corporate register) have been revised accordingly. Further, the more operational risks have been transferred from Appendix B to a new internal Officer register.
-

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

Contact officer William Mace – Programme Management Officer
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Recommendation to Committee:

That the Quarter 4 2020/21 performance and risks for the Strategy & Resources Policy Committee be noted.

Reason for recommendation:

To support the Committee to monitor and manage its performance and risks.

1. Introduction and background

- 1.1. Since April 2020 performance and risk reports have been presented to each policy committee at the end of each quarter. The reports include a covering report and an appendix with individual performance charts and commentary for each performance indicator, and the committee's risk register.

2. Notes on performance and risk data

- 2.1. See Appendix A, B and C for the Strategy & Resources Policy Quarter 4 (2020/21) performance data, committee risk register and corporate risk register respectively.
- 2.2. Wherever possible the most recent data has been included in the appendices, regardless of whether it technically falls into the reported quarter. However, due to the committee report timelines, there may be occasions where data is not available in time for the committee report. In these cases, the data will be provided in the next scheduled report.
- 2.3. As part of the Council's risk management improvement work a new scoring matrix is in operation, see below. In addition, risks that are mostly operational in nature have been removed from the committee risk register, leaving those that are of more strategic interest to the members of this committee.

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

3. Quarter 4 headlines

- 3.1. Performance

- 3.1.1. Collections rates performed in-line with target, which is positive given the challenges of the last year. Four indicators were off-target by a significant margin, please see Appendix A for more details.
- 3.2. Risk
- 3.2.1. The risk register has been reviewed and the risks that are more operational in nature have been removed and will be monitored by Officers internally. However, this does not preclude these risks from being escalated back to the committee register in the future, or new risks being added.
- 3.2.2. There is one red risk on the committee register:
- Inability to maintain high standards of delivery for statutory services.
- 3.2.3. There are four red risks on the corporate risk register:
- Local plan is found unsound by the Inspector;
 - Lack of resources constrains the Council's "business as usual" capacity;
 - Lack of capacity in Planning Department negatively impacts performance and delivery of service, such as determining applications in statutory timeframes and managing complaints and FOIs.
 - Inability of Council to make savings as identified in the Medium Term Financial Strategy and to balance the Council Budget in 2021/22 and 2022/23.
- 3.2.4. See Appendix B and C for details.

4. Key implications

4.1. Comments of the Chief Finance Officer

- 4.1.1. There are no direct finance implications arising from this report. However, the risks identified in the Corporate and Committee risk registers and their mitigating actions may lead to significant additional resources and cost implications for the Council if they come to pass. The impact of any additional cost pressures will be shown in the monthly budget monitoring reports. It is possible that the impact of Covid-19 will add additional costs to projects and delay the speed of implementation.
- 4.1.2. The key risks, their likelihood, impact and mitigation are identified in the Risk Register appendices with each risk allocated to a risk owner. Officers will continue to monitor operational risks and will look to escalate these if necessary.

4.2. Comments of the Head of Legal Services

- 4.2.1. There are no direct legal implications arising from this report, but the report does provide Members with an overview of the achievement of targets in the past quarter and highlights risk management considerations where appropriate.

4.3. Other corporate implications

- 4.3.1. Not applicable.

4.4. Equality

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

4.5. Climate change

- 4.5.1. This report contains no proposals that would impact on the Council's commitment to climate change.

5. Appendices

- 5.1. Appendix 'A' – Performance Charts
5.2. Appendix 'B' – Committee Risk Register
5.3. Appendix 'C' – Corporate Risk Register

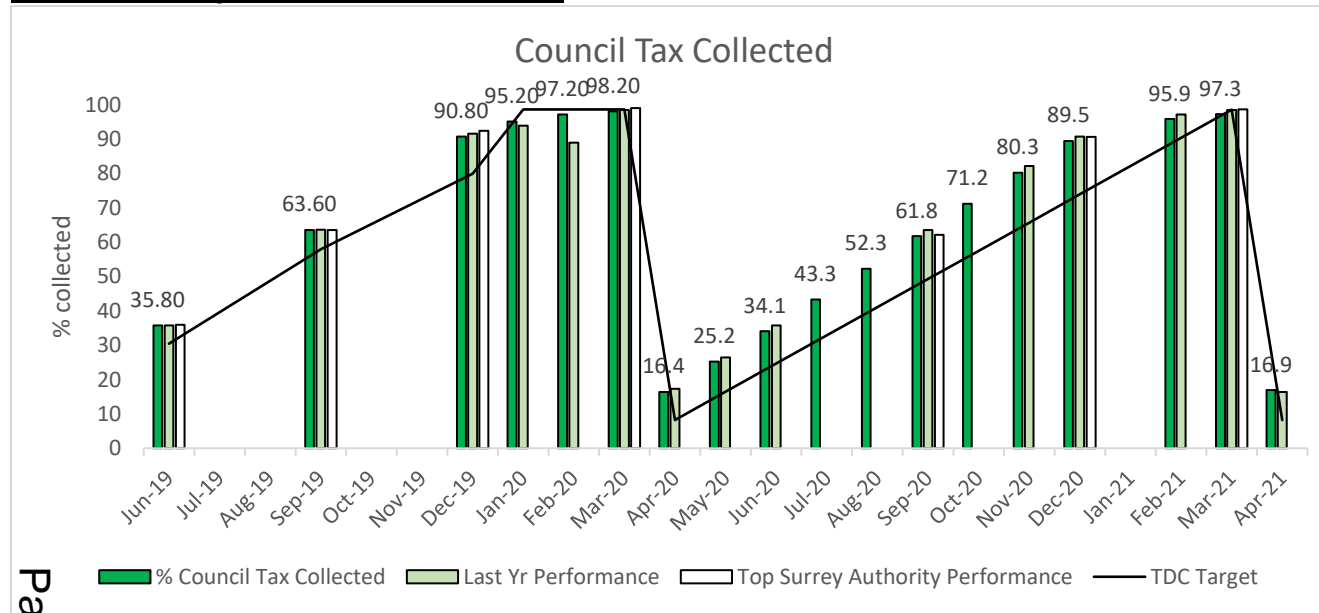
6. Background papers

- 6.1. None.

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

APPENDIX A – Strategy & Resources Performance Charts

SR1 - Percentage of Council Tax collected

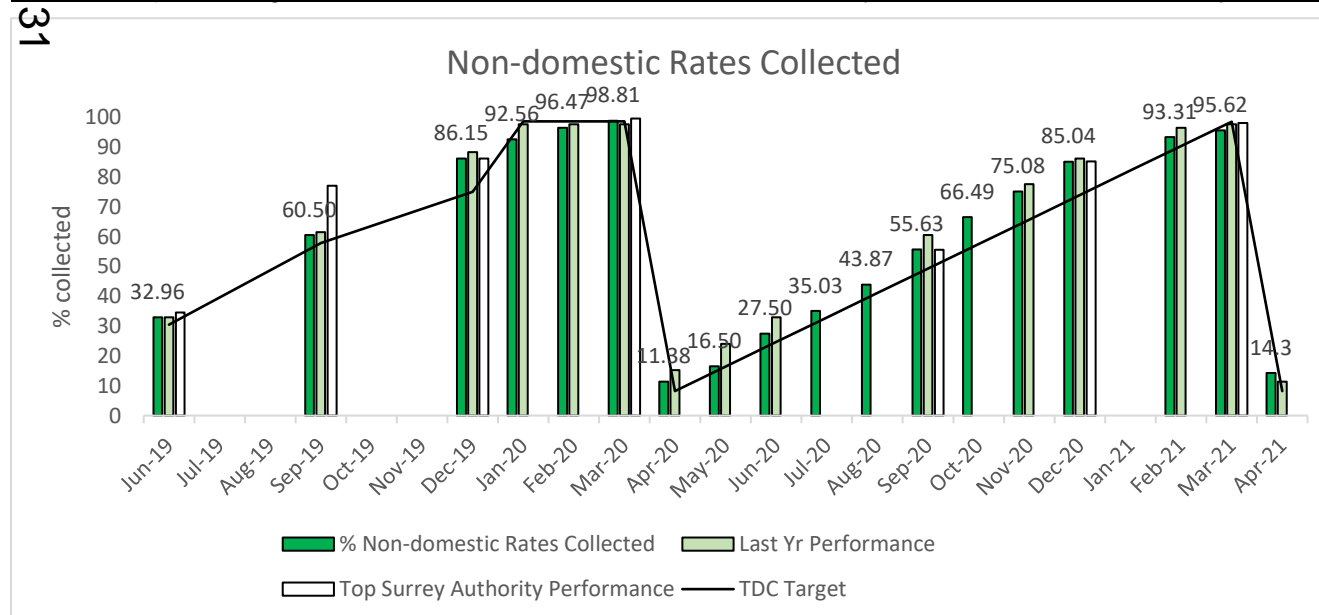


Performance Summary

- Collection performance at the end of the year was 1.34% below the increasing monthly target, which at the end of March stood at 98.64%.
- Performance compared to the same period in 2019/20 also finished down by 0.90% with a collection rate at that stage of 98.20%. Yet, Tandridge collection rates remain one of the highest in the County. This, despite the additional work created by the pandemic and Northgate project. Limited enforcement action has been available due to the pandemic.
- Collection rates for April have surpassed our target.
- Target: 98.7% (end of year, cumulative).

Page 31

SR2 - The percentage of non-domestic rates due for the financial year which were received by the Council



Performance Summary

- Collection performance at the end of the year was 2.9% below the increasing monthly target, which at the end of March stood at 98.52%
- Performance compared to the same period in 2019/20 also finished down by 3.19% with a collection rate at that stage of 98.81%. Yet, Tandridge remain closest to the highest in the County. This, despite the additional work created by the pandemic and Northgate project. Limited enforcement action has been available due to the pandemic.
- Performance is also ahead of target for April 2021.
- Target: 98.6% (end of year, cumulative).

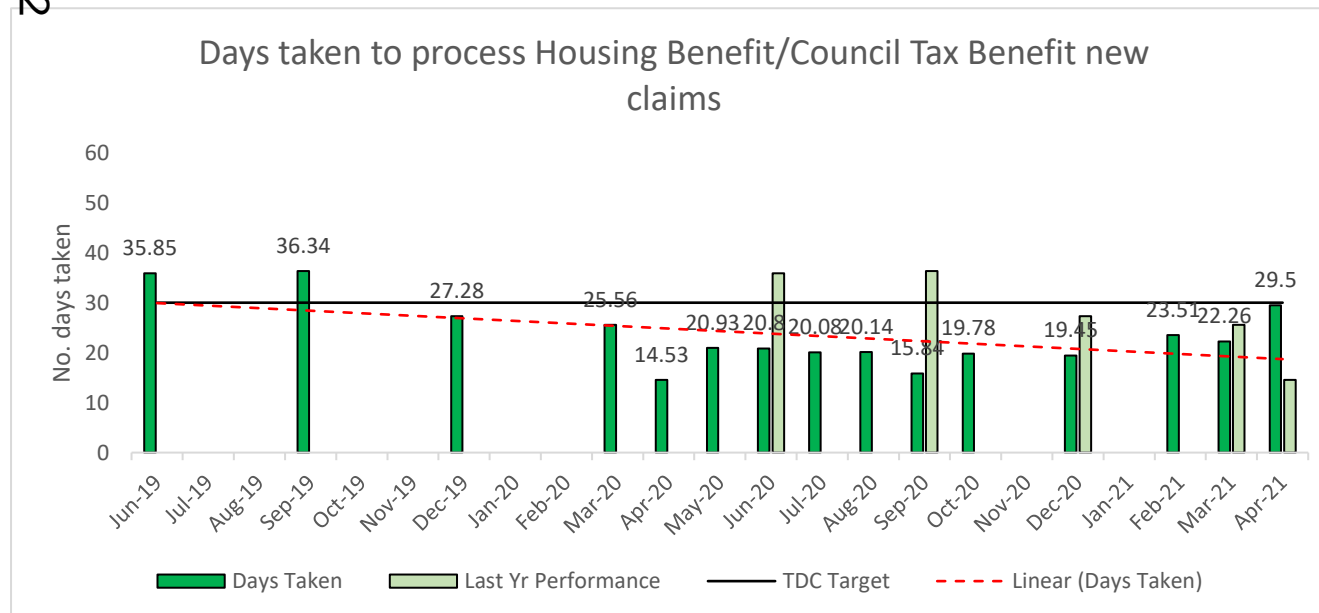
APPENDIX A – Strategy & Resources Performance Charts
SR2b - General Accounts Receivable Debt Collected

Performance Summary

- This indicator has been removed as the data collection processes are under review by Finance.

Page 12

SR3a - Days taken to process Housing Benefit/Council Tax Benefit new claims

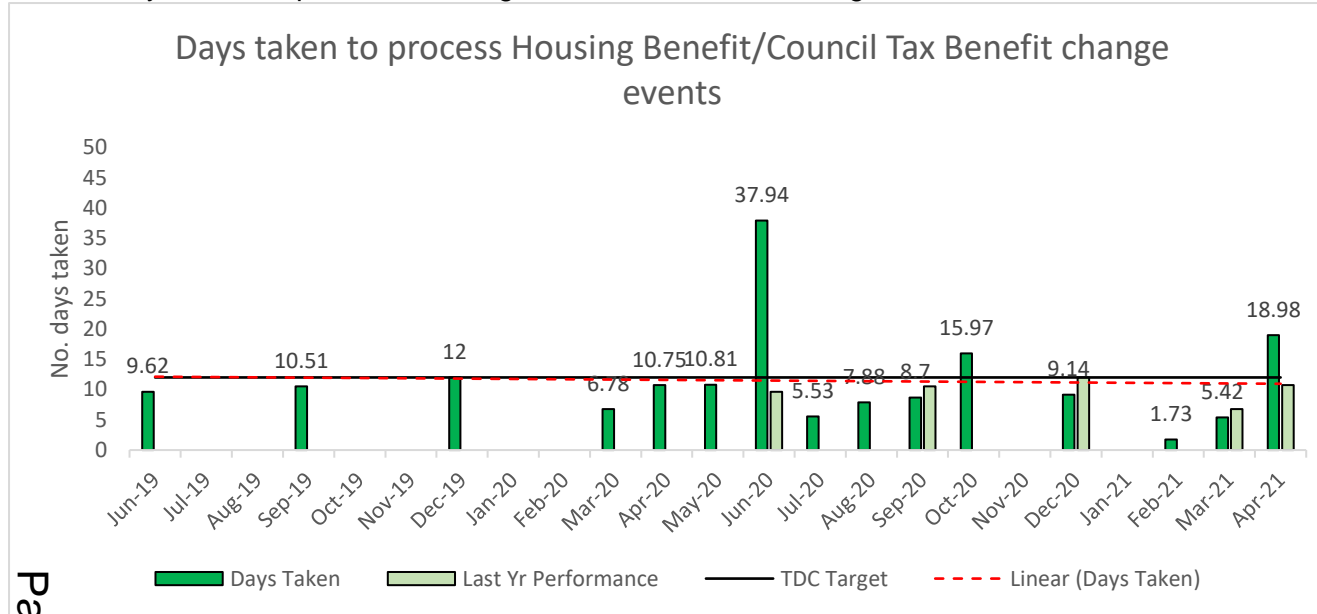


Performance Summary

- We achieved target by 1/2 day. Unfortunately, in March and April we tend to get a higher number of claims as people receive bills and make new claims. We also have a backlog of work which we are getting through. The number of new claims being made tends to drop off towards June/July, but we expect May's figures to be high as well.
- Target: 30 days.

APPENDIX A – Strategy & Resources Performance Charts

SR3b - Days taken to process Housing Benefit/Council Tax change events

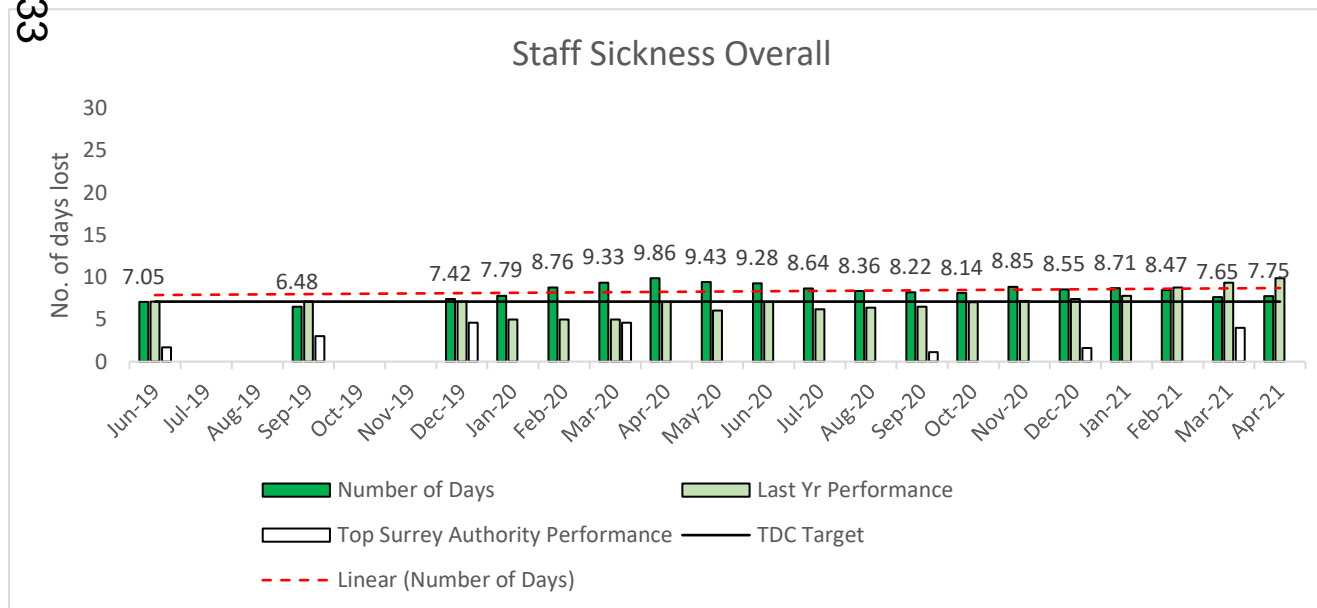


Performance Summary

- We currently have a backlog of work and but cleared some of the older work outstanding. This has increased the overall day statistics. Staff have been asked to do mixture of older and newer claims to improve performance, but we also expect May to have high figures. The team are due to have additional support from 14 June, which should get us back on track.
- Target: 12 days.

Page 33

SR4 – The number of working days/shifts lost due to sickness absence (long and short-term)

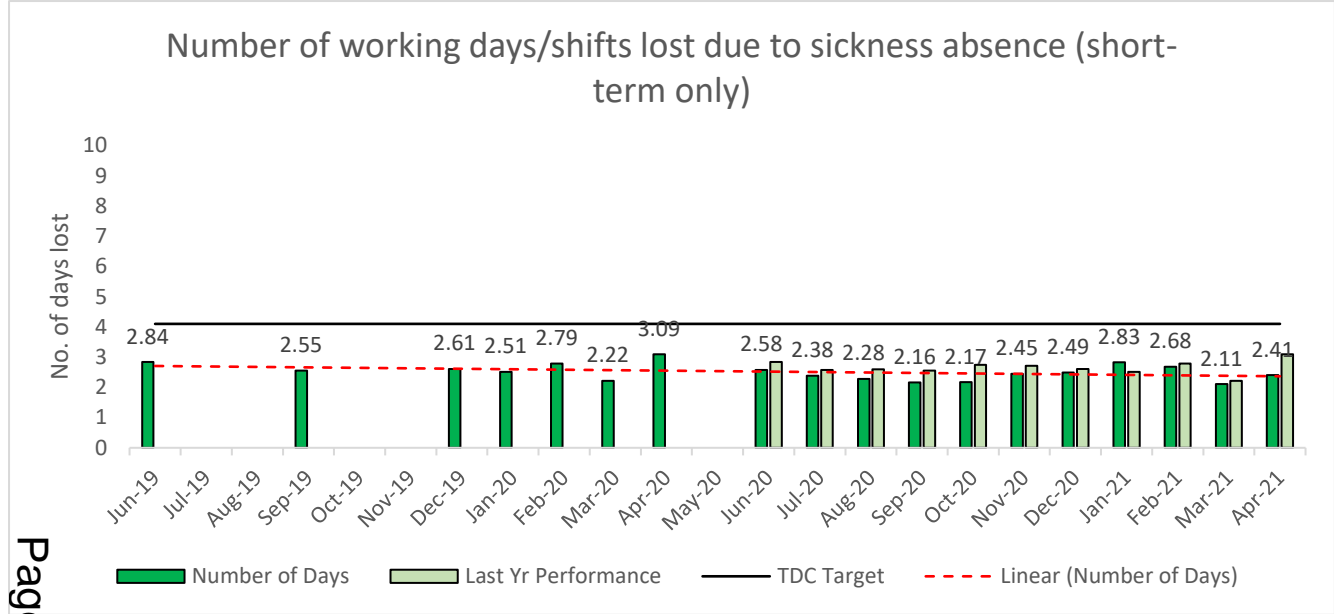


Performance Summary

- Sickness absence in April 2021 is down on March 2021. Rolling annual sickness absence figure remains a reduction like-on-like.
- Mental health issues and Musculoskeletal conditions continue to be the most frequently cited reason for absence. This continues to account for almost 58% of the total absences in the period.
- 2 instances that have contributed to long-term sickness absence have been addressed. However they will continue to impact the long-term absence figures during this period.
- During the 12-months to April 2021, absence related to either Covid-19 self-isolation/Shielding/Testing or roles that were unable to work from home. We have also seen several absences related to adverse reaction to the vaccine.
- We continue to be mindful of the impact remote working and social isolation are having on the workforce and continue to offer support to all employees.
- HR Specialists continue to monitor and review sickness absences and seek advice from occupational health where appropriate.
- Target: 7.1 days.

APPENDIX A – Strategy & Resources Performance Charts

SR5 – The number of working days/shifts lost due to sickness absence (short-term only – 20 days or less)

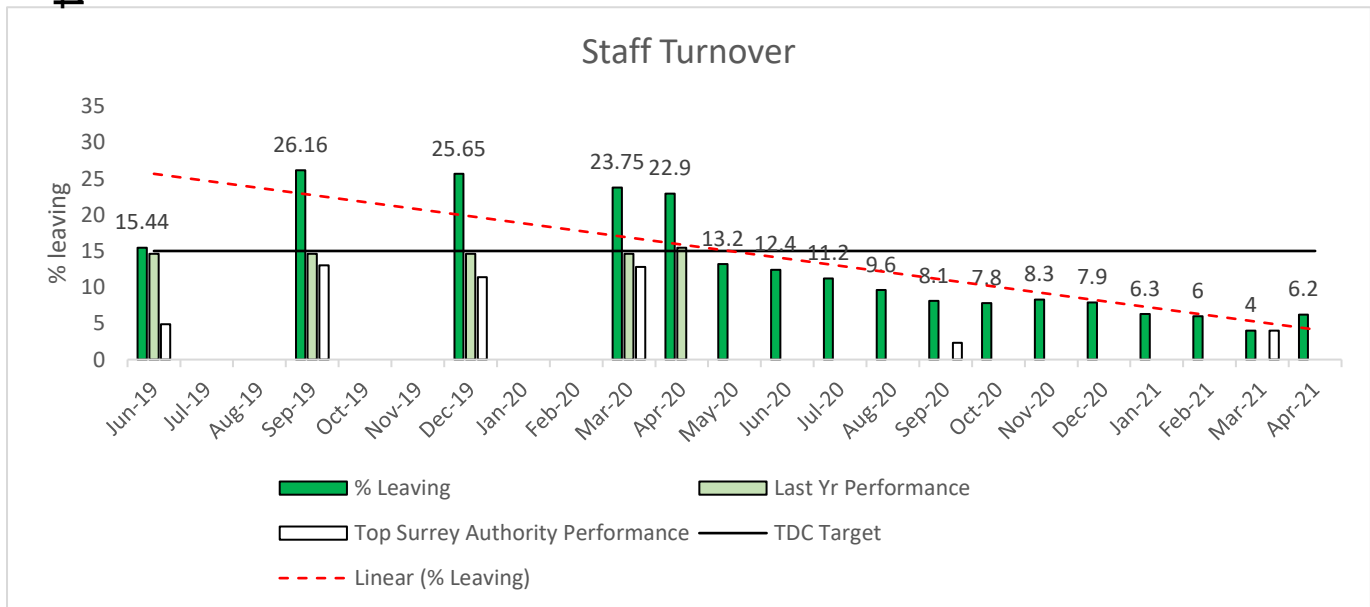


Performance Summary

- The annual short-term absence ratio, compared to long-term, is around 31% and in-line with the previous year.
- Target: 4.1 days.

Page 4

SR6 – Staff turnover

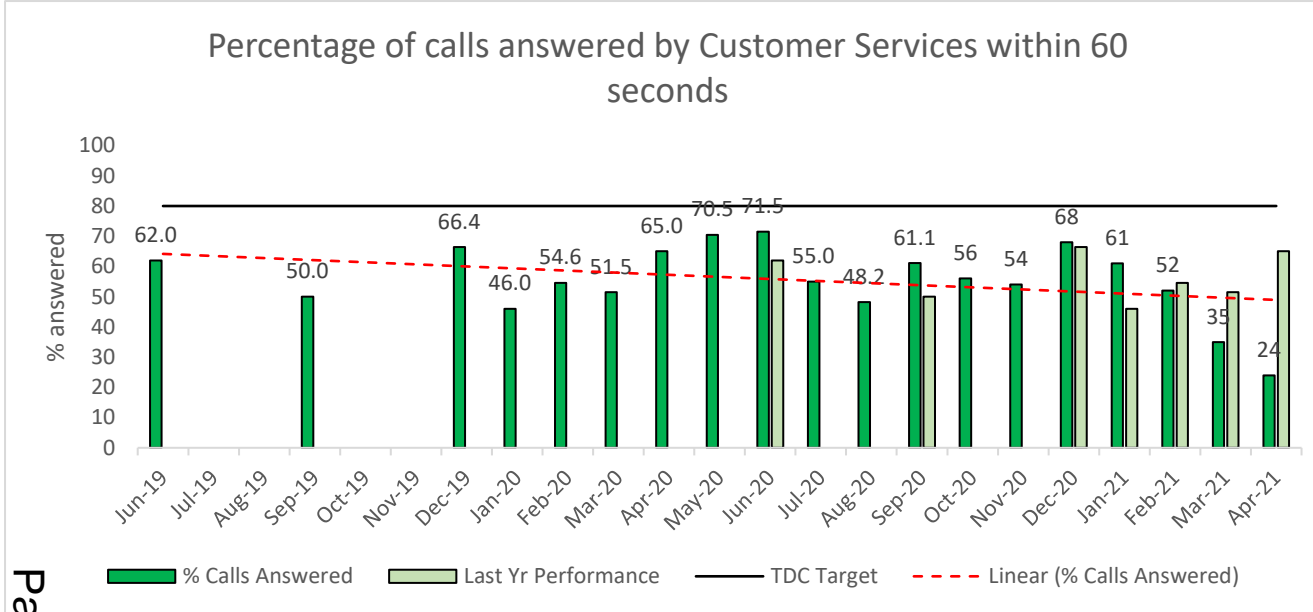


Performance Summary

- Performance to April 2021 improved with respect to Quarter 3.
- HR continue to carry out exit interviews, where possible, as soon after receipt of resignation.
- Reasons for leaving related to new opportunities, personal reasons / work-life balance, job changes during Covid, lack of career development and retirement.
- Target: 15%.

APPENDIX A – Strategy & Resources Performance Charts

SR7 - The percentage of calls answered within 60 seconds by Customer Services

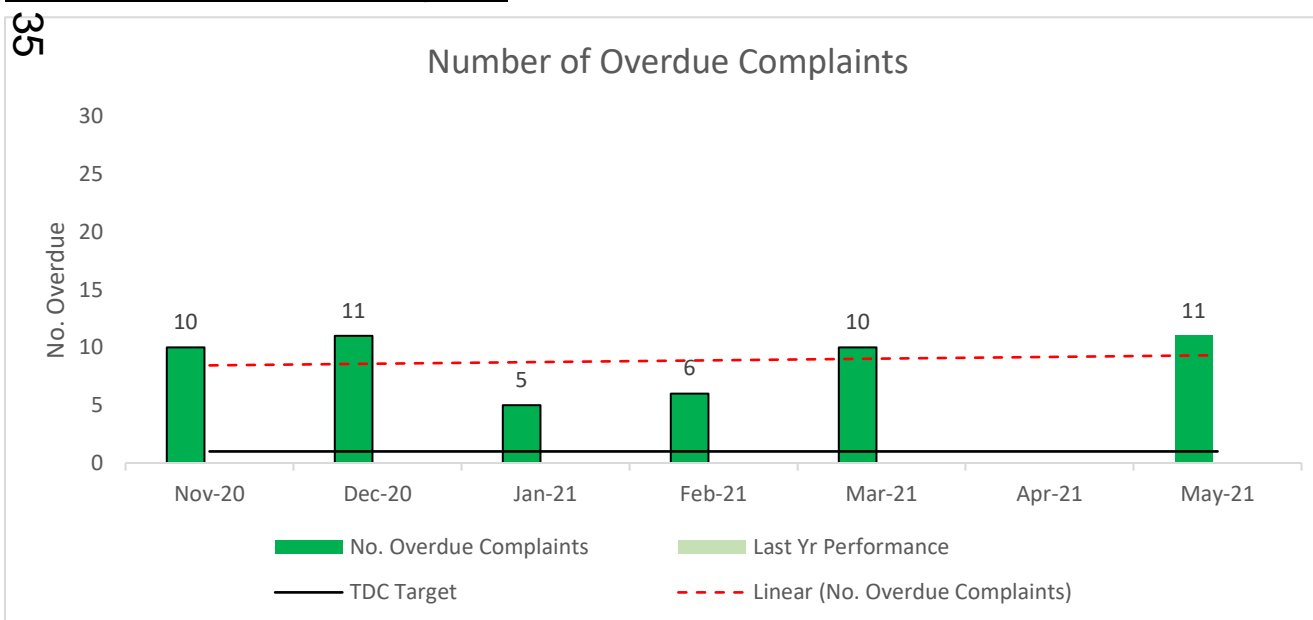


Performance Summary

- 11,221 calls were taken in a month, which is a 23% increase from 2020. The team also processed 2522 emails and 2478 cases.
- The main cause of the increase in volume was the introduction of the new waste contract. In one week, the team handled 2845 calls. The issues surrounding the introduction of the new service meant that customers did not receive their collections. The calls were difficult and lengthy which had a knock-on impact on response times.
- Towards the end of the month the calls were also impacted by the Election. Residents were confused over receiving multiple envelopes for the 5 Elections taking place.
- The waste calls were difficult and often abusive; combined with supplier systems not providing information, team stress levels did increase, and resulted in sickness absence in some cases.
- Target: 80%.

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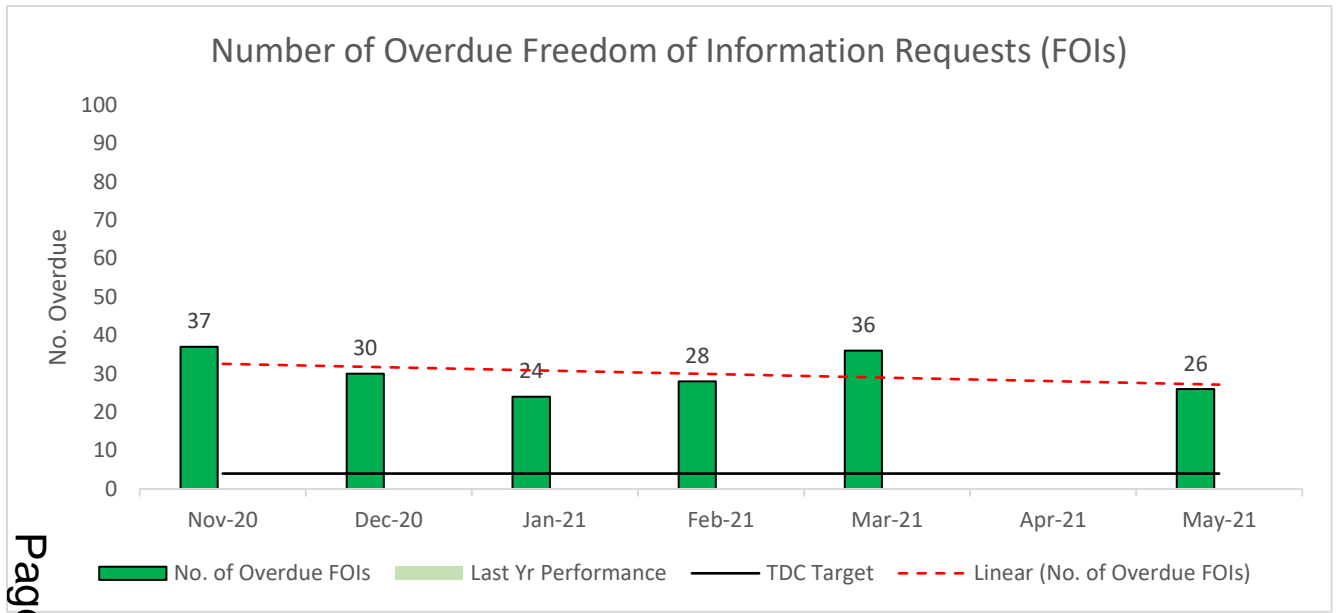
SR8 – Number of Overdue Complaints



Performance Summary

- Performance since November remains consistent.
- To improve, protocols around processing complaints have been amended, and this performance indicator will be circulated to the Executive Leadership Team on a more frequent basis.
- Target: 1 - currently baselined to 10% of November 2020 data.

APPENDIX A – Strategy & Resources Performance Charts
SR9 – Number of Overdue Freedom of Information Requests (FOIs)



Performance Summary

- Performance since November has improved by 30%.
- To improve, protocols around processing FOIs have been amended, which included changes to our redaction teams. The performance indicator will be also circulated to the Executive Leadership Team on a more frequent basis
- Target: 4 - currently baselined to 10% of November 2020 data.

APPENDIX B - Strategy and Resources Committee Risk Register

| Ref: | Risk cause and event | Risk consequences | Risk owner | Likelihood | Impact | RAG | Mitigating actions and responsibility | Status update |
|------|---|---|--|------------|--------|-----|---|---|
| 1 | Inability to maintain high standards of delivery for statutory services | * Reputational impact. * Lack of confidence from Members. | Acting Chief Executive | 3 | 4 | 12 | * Corporate Improvement Board in place. * Staff able to work from home and access all relevant information. * Processes and procedures in place. * Performance monitoring in place. * Management actions are devised for all audit observations, which are approved by the Executive Lead and monitored internally by the Corporate Improvement Board. * Monthly liaison meetings are held with our internal auditors. * Internal audit progress reports are brought to Audit & Scrutiny Committee and Members made aware of any no or limited assurance audit reports. | * Work with Planning Advisory Service continues regarding improvements to Planning. * Audit action tracking ongoing. * Finance progressing with review of operating models. |
| 2 | Failure to process Housing Benefits in-line with targets | * Failure of statutory duty. * Reduced / delayed support to recipients. * Reputational damage. * Reduction in administration grant fund. | Specialist Services Manager, Head of Digital Business Transformation and Democratic Services | 3 | 3 | 9 | * Replacement of revenues and benefits software system underway, with appropriate oversight and risk management in place. * Established working protocols. * Team resourcing closely monitored and issues reported to ELT. * Performance monitoring in place. | * Likelihood increased due to increased demand, Northgate (software) project impacting business as usual. * Secured additional resource (NPS services) to support processing - to release capacity to clear backlog and support Northgate project. |
| 3 | Council is subject to a cybersecurity attack | * Data breach. * Impact on delivery of services * Reputational damage. | Head of Digital Business Transformation and Democratic Services | 2 | 4 | 8 | * Cyber Essentials certification in place. * Council information governance, which includes cyber security elements, is reviewed quarterly and formally assessed annually. * Internal audit of this area underway. * Information governance Board in place. | * Expecting audit outcome soon. * Cyber Essentials certification is place, and other aspects of cyber security are being assessed as part of an NHS digital security assessment. |
| 4 | Failure to maintain and develop ICT systems | * ICT systems failure. * Inability to deliver affected core & statutory services. * Financial costs of rectification. * Staff unable to work remotely. | Head of Digital Business Transformation and Democratic Services | 2 | 4 | 8 | * Digital Strategy in development, which will set out plans for ongoing maintenance and management of systems. * Cyber Essentials certification. * Business continuity plans in place and being reviewed. * Business analyst team in place to drive IT service developments. | * Digital Strategy on track to come to committee in June. * Audit actions have been established and are being progressed, but are not completed at this time. |
| 5 | Inability to spend Right To Buy receipts on time resulting in having to return them | * Reduced cash flow. * Impact on budgets. * Increased recovery costs. | CFO | 2 | 3 | 6 | * Project use of Right To Buy receipts in close discussion with colleagues. | * Use of Right To Buy receipts continue to be monitored through Finance and Housing Development quarterly. * All receipts scheduled to be used in the Council Housebuilding Programme |

APPENDIX B - Strategy and Resources Committee Risk Register

| | | | | | | | | |
|---|---|--|---|---|---|---|---|---|
| 6 | Breach of GDPR due to Council business being conducted on personal devices | * Reputational damage. | Head of Legal Services & Monitoring Officer | 2 | 3 | 6 | * New Homeworker Policy which mandates rules for staff. * Discourage use of Zoom for business. * Confidential material not to be placed in home bins, but shredded in the office. * Staff to close windows when having work calls. | * The mitigating actions have been reviewed and no further actions were deemed necessary at this time. |
| 7 | Failure to collect revenue income (e.g. Council Tax, business rates, rental) in-line with our targets | * Failure of statutory duty. * Reduced cash flow. | Specialist Services Manager | 1 | 4 | 4 | * Established working protocols. * Team resourcing closely monitored and issues reported to Executive Leadership Team * Performance monitoring in place. | * Figures up to the end of Quarter 4 confirm collection rate is close to target and in-line with other Surrey councils. |

APPENDIX C - Corporate Risk Register

| Ref: | Risk cause and event | Risk consequences | Risk Owner | Likely-hood | Impact | RAG | Mitigating actions and responsibility *BOLD* = new mitigation | Status Update | Committee Risk Register |
|------|---|---|--|-------------|--------|-----|---|---|-------------------------|
| 1 | Local plan is found unsound by the Inspector | <ul style="list-style-type: none"> * Impact on ability to reject inappropriate planning applications. * Unable to lobby and deliver infrastructure that meets the needs of local residents, public sector partners and businesses for the whole District. * More challenge to develop policies and working with others to support the building of affordable homes. * Inability to meet statutory requirement and risk of statutory intervention. * Unable to review Community Infrastructure Levy. * Additional costs associated with developing a new Plan. * Reputational damage. | Chief Planning Officer | 4 | 4 | 16 | <ul style="list-style-type: none"> * Dialogue maintained with the inspector following receipt of preliminary conclusions. * Members to be made aware of any risks associated with responses / hearing sessions to the Inspector. * Ensure responses to the Inspector are submitted in a timely manner. * Work with statutory bodies where appropriate to ensure no objection. * Maintain and defend the strategy set out in the submitted Our Local Plan. * Consider legal advice appropriately. * Use consultants and experts in their field where appropriate to defend the Council's Local Plan. * Undertake additional evidence and main modifications as required by the Inspector. * Continue to have discussions with the Inspector via the Programme Officer. * Keep members updated. | <ul style="list-style-type: none"> * Early consideration of budgets and implications have been commenced. However these options cannot be concluded until transport modelling completed (relating to Junction 6), results were expected end of May 21, however these have been delayed. The results of the modelling are needed before further options can be considered. * Project timetable has encountered an obstacle, namely a lack of response from Highways England. The issue is being escalated appropriately. | Planning Policy |
| 2 | Lack of resources constrains the Council's "business as usual" capacity | <ul style="list-style-type: none"> * Non-delivery and disruption of statutory and non-statutory services. * Increased staff absence levels and staff turnover. * Reduction in staff resilience. * Council suffers loss or temporary unavailability of key staff | Executive of Head of Corporate Resources | 4 | 4 | 16 | <ul style="list-style-type: none"> * Executive Leadership Team reviewing operating models and digital transformation options to release capacity where possible. * Finance capacity / resilience being reviewed as part of Finance shared service arrangement with Surrey County Council. * Senior managers proactively support teams to prioritise actions. * Support for staff welfare in place (e.g. mental health first aiders). * Appropriate HR policies in place (e.g. flexible working). | <ul style="list-style-type: none"> * Executive team continuing to review operating models, some of which will be covered by Internal Audit monitoring and remainder via the Corporate Improvement Board. | Strategy & Resources |
| 3 | Lack of capacity in Planning Department negatively impacts performance and delivery of service, such as determining applications in statutory timeframes and managing complaints and FOIs | <ul style="list-style-type: none"> * Inability to provide statutory services to a sufficient standard / quality / timeframe and reporting of poor performance. * Inability to provide non-statutory services which are valued. * Negative impact on staff health and wellbeing. * Reputational damage. | Chief Planning Officer | 4 | 4 | 16 | <ul style="list-style-type: none"> * Recruitment of temporary staff. * Continuing suspension of non-statutory services to enable focus on statutory services. | <ul style="list-style-type: none"> * New risk added 17/05/21. * Risk proposed to be included on Corporate Register. | Planning Policy |

APPENDIX C - Corporate Risk Register

| | | | | | | | | | |
|---|---|---|---|---|---|----|--|--|----------------------|
| 4 | Inability of Council to make savings as identified in the Medium Term Financial Strategy and to balance the Council Budget in 2021/22 and 2022/23 | <ul style="list-style-type: none"> * Negative impact on the Council's budget. * Council exhausts reserves to balance the budget. * Reduce services / resources. * Section 114 notice required to be issued by Chief Financial Officer leading to cessation of non-essential spend and essential service provision at minimal level. * Reputational damage. | Section 151 Officer | 3 | 4 | 12 | <ul style="list-style-type: none"> * Savings trackers used to monitor savings delivery in 2021/22 (reported monthly to the Executive Leadership Team and Members as part of the finance reports). If savings reported are not achieved then the Service will have to find compensating savings from their budget. * Ensuring appropriate use of government issued Covid-19 grants and all COVID costs and income loss are accurately used and reported. * Reserves can be used to support the achievement of savings. However, we have built Reserves as part of the 21/22 budget setting process to provide us with resilience and flexibility over the medium-term where there is significant funding uncertainty. We are only getting to the point over the next year or so where we were at higher Reserves levels a number of years ago. We would look to prioritise those investments by using Reserves which provide a payback (in an invest to save approach). * The HR/Finance Panel (inc. the Chief Executive and Chief Finance Officer) approve all new appointments (permanent and interim) and extensions. * Arbitrary cuts to budgets can be enforced but this is a blunt instrument and better done in a targeted way. | <p>* A potentially significant budget issue has been identified for 2021, with implications for 2021/22. This committee agreed to commission GT to undertake a Forensic Review and Fact Finding exercise on 8th June. Kick-off meeting was undertaken on 17/6 and work will begin week commencing 21st June.</p> <ul style="list-style-type: none"> * A demonstration of using savings trackers has been given by Finance to the Executive Team. | Strategy & Resources |
| 5 | Commercial tenants and businesses unable to make payments to the Council | <ul style="list-style-type: none"> * Reduced cash flow. * Increased vacancies following expiring contracts / insolvencies. * Negative impact on budgets. | Executive Head of Communities | 3 | 3 | 9 | <ul style="list-style-type: none"> * Additional government funds available for business support. * Continue to keep close contact with tenants and understand their cashflow issues. * Consider offering short-term rent free periods and deferred payment schemes for previously strong tenants. * Consider the cost benefit of empty rate/refurbishment costs alongside rent considerations if tenants were to vacate. | <ul style="list-style-type: none"> * Risk lowered as Covid restrictions ease, and new arrangements in Finance are being setup. | Strategy & Resources |
| 6 | Failure to mobilise waste contract | <ul style="list-style-type: none"> * Failure of statutory duty requiring immediate rectification. * Major reputational damage in the local community. * Poor sanitation in the District due to lack of an alternative option. | Executive Head of Communities | 3 | 3 | 9 | <ul style="list-style-type: none"> * Increased supplier meetings initiated, and communications to residents, following unexpected emergence of teething issues associated with the new contract going "live". * Effective programme management in place. * Procurement process in place. * Regular contract meetings with the supplier. | <ul style="list-style-type: none"> * We are in the process of concluding the mobilisation of the contract, such as waiting on the delivery of all vehicles. | Community Services |
| 7 | ICT disaster recovery not in place by end of Summer 2021 | <ul style="list-style-type: none"> * Inability to recover IT services if a potential disaster occurred, severely impacting delivery of most Council business * Recovery of IT systems ineffective. | Head of Digital Business Transformation and Democratic Services | 2 | 4 | 8 | <ul style="list-style-type: none"> * Agree disaster recovery solution. * Procure secondary site equipment. * Close monitoring of progress by ELT and internal audit. * Use of cloud based IT systems and system-level back-ups. * Continuance of overnight back-up tapes. | <ul style="list-style-type: none"> * Project on track for operation in July 2021. At present, we are waiting for the equipment to be delivered to the supplier for pre-setup. A planning session will then be held with supplier to plan the next stage. | Strategy & Resources |
| 8 | Lack of robust and up-to-date safeguarding policies and procedures in place | <ul style="list-style-type: none"> * Risk of harm to children and vulnerable people. * Failure of statutory duty. | Executive Head of Corporate Resources | 2 | 4 | 8 | <ul style="list-style-type: none"> * Safeguarding project Approval to Start Form being submitted April 2021. * Mandatory online training module issued to all staff. * Safeguarding policies in place. * Safeguarding Officer in place. * Multi-agency safeguarding meetings in place. | <ul style="list-style-type: none"> * Project initiation document approved by Executive Team 27 April 2021. | Strategy & Resources |

APPENDIX C - Corporate Risk Register

| | | | | | | | | | |
|---|--|--|---------------------------------------|---|---|---|--|--|----------------------|
| 9 | Ongoing Covid-19 response and recovery reduces the Council's capacity for "business as usual" activities | <ul style="list-style-type: none"> * Impact on delivery of business as usual activities and COVID response support. * Council suffers loss or temporary unavailability of key staff. | Executive Head of Corporate Resources | 2 | 1 | 2 | <ul style="list-style-type: none"> * COVID response team mobilising staff and partners to support as necessary. * Strategic co-ordination in place with the SLRF. * Local outbreak plan in place and continually monitored and updated. * Council Covid-19 project team in place. * Monitoring of staff absence levels in place. * Appropriate HR policies in place. | <ul style="list-style-type: none"> * Covid Project Team advised that Covid response is lessening in terms of the demands it is placing on our staffing capacity. * Appropriate Covid grants are being used to support resourcing where possible. | Strategy & Resources |
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Risk Management Strategy

Strategy & Resources Committee Tuesday, 6 July 2021

Report of: Executive Head of Corporate Resources

Purpose: For decision: To seek approval to adopt the Risk Management Strategy

Publication status: Open

Wards affected: All

Executive summary:

- Appendix A contains a draft Risk Management Strategy ('the Strategy') for the Council. It is being brought to this Committee for adoption to enhance the Council's corporate governance, and risk management in particular.
- The Council embarked on a substantial, and multifaceted, corporate improvement journey on 28th November 2019, which led to the formation of a corporate improvement plan – influenced by its Annual Governance Statement - which included an action for the Council to adopt a new risk management strategy. Since, risk management workshops have been held with Officers and Members and the Council's processes and risk registers have been refined on an iterative basis.
- The Strategy should be viewed as a 'live' document, as the Council's approach to risk management is that of continual improvement. Therefore the Strategy will continue to be updated, as the new processes become embedded, feedback is received, and best practice guidance and other circumstance change.
- Although aspects of the Council's risk management processes will continue to be refined, it is essential for the Council to have a Strategy in place. A strategy can act as a source guidance for Officers and Members, provide a robust foundation for risk management, and aid decision-making.

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

Contact officer William Mace - Programme Management Officer

Recommendation to Committee:

That a new Risk Management Strategy for the Council – as presented in draft in Appendix A – be adopted.

Reason for recommendation:

A risk management strategy forms a key pillar of corporate governance. Therefore, it is essential for the Council to adopt a risk management strategy – as identified in the previous Annual Governance Statement and Corporate Improvement Plan.

The adoption of the Strategy will:

- Provide the basis for a comprehensive, simplified and standardised framework which will integrate Risk Management into the culture of the Organisation;
- Raise awareness of the need for Risk Management by all those connected with the delivery of the Council's corporate priorities, including Partners;
- Support the Council in anticipating and responding to changes in social, environmental and legislative conditions;
- Help to minimise injury, damage, loss and inconvenience to residents, staff, service users and assets arising from or connected with the delivery of our services;
- Continually improve our procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice; and
- Support the Council in minimising the cost of risk.

1. Introduction and background

1.1. The Council embarked on a substantial, and multifaceted, corporate improvement journey on 28th November 2019, following an organisational restructure. As part of this work it was identified that the Council required a new up-to-date risk management strategy. This was noted in the March 2020 [Annual Governance Statement](#) (p. 18).

- 1.2. Over the last year risk management workshops have been held with Officers and Members. New processes have also been iteratively implemented as part of the committee performance and risk monitoring – undertaken by each policy committee. In addition, improved risk processes were agreed by the Executive Leadership Team in March 2021. Subsequently, these processes have been, and continue to be, implemented within each Directorate at the Council (i.e. Resources, Communities and Planning).
- 1.3. Although the new protocols are still being embedded, and further refinements are expected as this process continues, it is timely to bring a new Risk Management Strategy for adoption. The Strategy will solidify the Council's work to date, and will help guide future refinements to our approach and aid decision-making at the Council.

2. Risk Management Strategy

- 2.1. The Risk Management Strategy proposed for adoption by this Committee is located at Appendix A.
- 2.2. Risk is defined as an uncertain event or set of events which may, should they occur, affect the Council's ability to achieve its' vision and objectives as set out in the [Strategic Plan](#).
- 2.3. This Strategy focuses on providing risk management principles, tools and techniques as part of our wider governance arrangements.
- 2.4. The purpose of risk management is not to eliminate risks completely, but to effectively manage the uncertainties that may apply in all areas of the Council's business.
- 2.5. The Strategy includes:
 - 2.5.1. An overview of the Council's approach to risk management and the processes that support it (Sections 2-4).
 - 2.5.2. A statement on the Council's risk appetite and tolerance positions (Section 5). These positions detail the level of risk that the Council aims and is willing to operate within respectively. The Strategy highlights that, given the context in which the Council currently finds itself, it is challenging to put forward precise appetite and tolerance positions. Yet it is helpful to have a formal document to present the latest assessments.
 - 2.5.3. Sections on where risk decisions can be made and how they are recorded (Section 6), and also the various roles and responsibilities those involved with risk management at the Council (Section 7).

- 2.5.4. A specific section on risk monitoring and reporting and the Council's 'three lines of defence' (Section 8).
- 2.5.5. A final section on the principle of 'continual improvement' that the Council subscribes to. This section builds on the earlier ones by emphasising that the risk processes and arrangements the Council has in place encourage continual feedback, review and revision. As a result, the Strategy attached at Appendix A is a 'live' document. The Strategy will be refined as the Council continues its journey of corporate improvement, and new processes evolve in-line with best practice and the Council's changing internal and external environment.
- 2.6. The formulation of the Strategy has been influenced by: externally-hosted risk management workshops for Officers and Members; Officer (including the Executive Leadership Team) feedback; Member feedback via the workshops, policy committees and Audit and Scrutiny Committee; the Government Finance Function's 'Orange Book' and Supplementary guidance on risk appetite;¹ and review of other Local Authorities' risk management strategies and policies.²
- 2.7. The Strategy will be formally reviewed on an annual basis by the Executive Leadership Team, and any substantial changes brought back to this Committee. Audit and Scrutiny committee will monitor the effectiveness of implementation of the Strategy.
- 2.8. Please note that the Strategy's design and presentation has been composed by the report author. Once the Strategy has been adopted, it will be submitted to the Council's communications team for a design review to ensure it aligns with the Council's 'house style'.

3. Key implications

¹ See HM Government (2020) *The Orange Book: Management of Risk – Principles and Concepts*, Government Finance Function. Online available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/866117/6.6266_HMT_Orange_Book_Update_v6_WEB.PDF [Last accessed 14/06/2020]; HM Government (2020) *Risk Appetite: Guidance note*, Government Finance Function. Online available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/866117/6.6266_HMT_Orange_Book_Update_v6_WEB.PDF [Last accessed 14/06/2020].

² For example: MVDC (2021) *Risk Management Policy*, Mole Valley District Council. Online available: <https://www.molevalley.gov.uk/sites/default/files/inline-files/Risk%20Management%20Policy%20-%20interim%20review%20Feb%2021%20-%20accessible.pdf> [Last accessed 14/06/2020]; Sevenoaks (2017) *Risk Management Strategy*, Sevenoaks District Council. Online available: <https://cde.sevenoaks.gov.uk/documents/s32085/10%20Appendix%20A%20Revised%20Risk%20Management%20Strategy.pdf?J=1> [Last accessed 14/06/2021].

3.1. Comments of the Chief Finance Officer

- 3.2. It is important that the Council has a robust risk management framework that identifies the key risks it faces so that actions can be taken to reduce the likelihood of occurrence and minimise the impact should they occur.
- 3.3. As a public body, the Council has to provide assurance in its Annual Governance Statement that its corporate governance is fit for purpose. Risk management is one of the key principles underlying that assurance and must be specifically addressed in the Annual Governance Statement.
- 3.4. The Risk Management Strategy will need to be updated at least annually. Under the Council's principle of "continual improvement", risk management will be continually improved through learning and experience.
- 3.5. There are no direct revenue or capital implications from this report.

4. Comments of the Head of Legal Services

- 4.1. The Accounts and Audit Regulations 2015 place various requirements upon local authorities with regard to risk management. The Risk Management Strategy forms part of the overall framework of corporate governance that facilitates compliance with legislation and in particular the requirement in that a local authority has 'a sound system of internal control which includes effective arrangements for the management of risk.'
- 4.2. Management of risk is essential of the Council to mitigate the risk of legal challenge. The Risk Management Strategy provides an appropriate tool for the identification and management of risk.

5. Other corporate implications

- 5.1. The implications of this report pertain to corporate improvement work in the area of risk management and apply to all Council departments.

6. Equality

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

7. Climate change

7.1. There are no direct implications for the Council's climate change and sustainability objectives that arise from this report. Yet the risk management approach – as presented in Appendix A – will apply to the climate change workstream as with the Council's other business activities.

8. Appendices

8.1. Appendix 'A' - Draft Risk Management Strategy

9. Background papers

9.1. None.

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

Tandridge District Council

Risk Management Strategy



Document history

| Date | Key changes made | Approved by |
|-------------|--|--------------------------------|
| May 2021 | Full review and draft created for S&R Committee. | Executive Leadership Team |
| July 2021 | Put forward for adoption by Members. | Strategy & Resources Committee |

Risk Management Strategy

This strategy sets out objectives for the management of risk at Tandridge District Council. It reflects our priority of building a better Council as set out in our Strategic Plan. It is supported by a robust risk management framework and guidance for officers.

The Strategy is reviewed annually by the Executive Leadership Team and updated as necessary to reflect developments in best practice risk management. Where updates are required, the Risk Management Strategy is reported to Members for approval.

We are always interested in ways to improve our approach to Risk Management and welcome your suggestions.

Contact us via our online General Enquiries form on our website, and mark for the attention of the Programme Management Officer.

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1. Introduction

Risk is defined as an uncertain event or set of events which may, should they occur, affect Tandridge District Council's ability to achieve its' vision and objectives as set out in our Strategic Plan.

This Strategy focuses on providing risk management principles, tools and techniques as part of our wider governance arrangements.

Effective risk management is the process that is applied to help ensure that we maximise our opportunities, and minimise the risks we face, by monitoring the Council's exposure to risk and the actions taken to identify, assess, evaluate and control that risk. Hence improving our ability to deliver our corporate priorities and improve outcomes for our residents.

The purpose of risk management is not to eliminate risks completely, but to effectively manage the uncertainties that may apply in all areas of the Council's business.

All employees must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management will be provided.

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

This document sets out our approach to effectively managing our risks by identifying, evaluating, monitoring and mitigation; particularly those which affect our priorities and core business activities.

2. Objectives

This Strategy sets out our objectives with respect to risk management and provides a structured framework to be applied by all managers within the Council. The Strategy's objective are to:

- ✓ Provide the basis for a comprehensive, simplified and standardised framework which will integrate Risk Management into the culture of the Organisation;
- ✓ Raise awareness of the need for Risk Management by all those connected with the delivery of the Council's corporate priorities, including Partners;
- ✓ Engender associated corporate governance principles, such as risk and transformation activity being driven by programme / project management principles, including the use of business cases for investment decisions to manage risk effectively;
- ✓ Support the Council in anticipating and responding to changes in social, environmental and legislative conditions;
- ✓ Help to minimise injury, damage, loss and inconvenience to residents, staff, service users and assets arising from or connected with the delivery of our services;
- ✓ Continually improve our procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice; and
- ✓ Support the Council in minimising the cost of risk.

The principal aim of this Risk Management Strategy is to set a clear framework for best practice risk management that enables the Council to achieve our [Strategic Plan](#) priority of:

"Building a better Council – making the Council financially sustainable and providing residents with the best possible services."

3. Risk Management Context

It is recognised that risk is present in all of our activities. We aim to be proportionate and ensure that risk to service delivery is adequately managed, without being unduly prescriptive.

The risks that the Council faces are becoming more complex and substantial. These are influenced by several factors, such as:

- Increasingly demanding budgetary constraints;
- Remaining resilient whilst undertaking organisational change to improve our services, performance and governance;
- Increasing complexity and speed of change with regard to regulations and legislation (such as with Covid-19 and the environment);
- Changes in technology;
- The rate of change and interconnected nature of modern society, and the implications this has for our communities, environment, biodiversity and planet;
- Increased level of expectations from customers and stakeholders;
- Increased involvement with other organisations through partnerships, collaboration or shared services.

Therefore a structured approach to managing risk is essential for us to contend with increased uncertainty, whilst successfully delivering our services and corporate priorities.

Our risk management framework is designed to be robust, consistent, and transparent: empowering managers rather than inhibiting them in taking positive and practical steps to deliver our priorities. It is also reflective of our size and the nature of our operations.

4. Risk Management Process

It is the our aim that risk management principles are applied at every level of our business and service delivery.

To this end, the Council manages its risks at three main organisational levels with associated risk registers (see Annex 1):

1. Corporate level – Corporate Risk Register owned and approved by the Executive Leadership Team.
2. Committee level – Policy committees’ risk registers owned by each Directorate and approved by the Executive Head of the directorate.
3. Operational level – Directorates’ risk registers owned by each Directorate and approved by the Executive Head of the directorate.

Risks can be escalated from Level 3 to Level 1 and vice versa. Risk owners and senior managers can propose moving risks up and down the levels at regularly scheduled Executive Team and Departmental Team meetings. These discussions are also informed by feedback from our committees.

The three levels of risk register as defined as follows:

| | |
|-------------|---|
| Corporate | Risks that are strategic from a corporate level / political perspective, that is, carrying the highest level of impact regarding the ability of the Council to deliver on its strategic objectives and statutory duties. |
| Committee | Risks that are strategic from a committee perspective, that is, carrying a significant level of potential impact on a committee’s ability to deliver its objectives. These risks can also be more politically sensitive in nature than the registers below. |
| Directorate | Risks that are important from a Directorate - service level, that is, delivering on the responsibilities and maintaining high-levels of service across the Directorate, which also require directorate level awareness, monitoring and support.* |

* Note: programmes and projects will maintain their own specific registers in-line with programme/project management principles, which can roll up into the other risk registers above as appropriate.

Our process for risk management aligns with that set out in the government's "Orange Book"¹:



The process begins with our risk management objectives as presented in Section 2 above. Managers are delegated responsibility for managing the risks in their service areas, including those related to our strategic priorities and corporate improvement, via the management of these risks within the four risk register levels.

It is the responsibility of each service manager and other risk owners to assess the opportunities and threats to their service areas and projects, and to provide the Council with a comprehensive view of the operational risks it faces.

The four other elements of the process help ensure risks are properly managed and reduced to an acceptable level:

- Identification – what could happen that could prevent the Council from achieving its corporate priorities. This includes describing the risk, its cause and its effect.
- Evaluation & assessment – what is the impact in terms of cost, reputation, service delivery, and what is the likelihood of the risk occurring. To evaluate and assess risks we use a scoring matrix based

¹ HM Government (2020) *The Orange Book: Management of Risk – Principles and Concepts*, Government Finance Function, pp. 18-22. Online available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/866117/6.6266_HMT_Orange_Book_Update_v6_WEB.PDF [Accessed 26/05/2021].

on the likelihood of the risk arising and the impact of the risk should it arise (see Annex 2).

- Response & action - the management / control techniques applied to manage the risk e.g. tolerate, treat, transfer, terminate.²
- Monitoring & reporting – regular review of risk management to ensure that it is effective and making improvements where necessary.

This process applies to existing service activities. It also applies when the Council is entering new partnerships, when embarking on a new project or when a new contract is being procured.

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² Tolerate – as there will always be some level of risk; terminate – do not take the risk; transfer – to a third party /contractor; treat – add extra mitigations and controls.

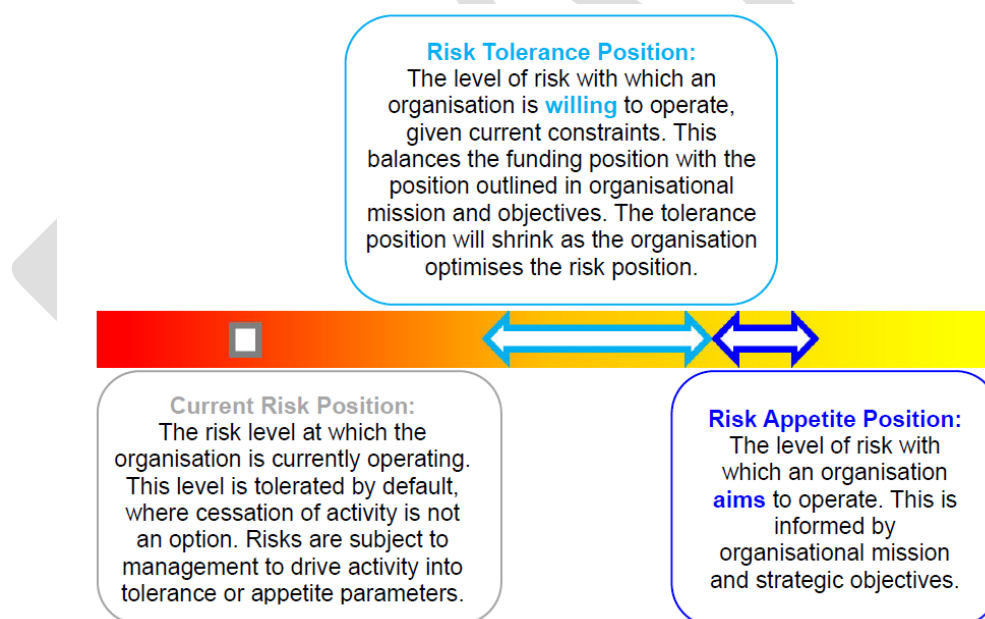
5. Risk Appetite and Tolerance

Risk appetite involves “continuously assess[ing] the nature and extent of the principal risks that the organisation is exposed to and is willing to take to achieve its objectives . . . and ensure that planning and decision-making reflects this assessment.”³

Risk appetite and tolerance are viewed as different concepts as stated in government guidance, and can be defined as follows:

- **“Risk Appetite:** the level of risk with which an organisation aims to operate.
- **Risk Tolerance:** the level of risk with which an organisation is willing to operate.”⁴

A diagram based on these definitions “demonstrates the interaction between these concepts”, reflecting the “optimal” (Appetite) and “acceptable” (Tolerance) risk positions:⁵



The risk appetite statement below for the Council is based on where we aim to operate, and does not necessarily reflect our current risk position. Each local authority operates within their own context to a certain extent and

³ HM Government (2020) *Risk Appetite – Guidance Note*. Government Finance Function, p.3. Online available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/929385/Risk_Appetite_Guidance_Note_v1.0_FINAL.pdf [Accessed 09/06/2021].

⁴ Ibid. footnote no. 3, p. 4.

⁵ Ibid. footnote no. 3, p. 5.

faces different challenges. Therefore there is not a standard risk appetite or tolerance level that can be subscribed to.

We face significant challenges at present following organisational restructures, changes to governance arrangements, budgetary constraints, and service challenges. Hence due to the limitations these challenges place on our capacity and resources, our risk tolerance position currently sits outside of our risk appetite position (see diagram above).⁶

Principally, our **tolerance** (acceptable) level of risk is lower than our appetite (optimal) position, due to tight budgetary controls. Hence we are willing to operate at a very low risk level at present, whereas our optimal position allows greater scope, although marginal, to take risks where significant benefits are expected and risks controllable to a large extent.

However, as we continue to undertake significant corporate improvement work, whilst seeking to reduce our budgets to a sustainable level, we are in a position where we must tolerate certain high risks in the short/medium-term, due to insufficient resources and competing corporate priorities, which prohibit us from reducing the risk to a more optimal position. Hence distinguishing between our risk tolerance and appetite positions, according to the definitions above, is difficult at this time.

Yet, wherever there are clear mandatory legal, statutory or regulatory requirements, these should be met. This standard applies to all service areas and all the Council's activities.

Our risk appetite below is based on government guidance and scales (see Annex 2),⁷ and states where we aim to operate in terms of risk management at a corporate level given the caveats above:

Financial – budget setting: Our appetite for financial risk is **minimalist**. We have worked hard to balance our budget and remaining financially sustainable is our central corporate priority. As such our financial decisions are heavily scrutinised and achieving value for money for our residents is a key factor in decision making. We will therefore only undertake activities that carry a low degree of inherent risk.

Transformation activity: Our appetite for risk related to our transformation and corporate improvement work is **cautious**. Our preference is for safe options that have a low degree of inherent risk.

⁶ “The definition of risk tolerance [as stated in the government guidance] relates specifically to an organisational position. [Hence a] risk tolerance position should not be confused with tolerating a risk, by choice, as a risk response” (Ibid. footnote no. 3, p. 5).

⁷ Ibid. footnote no. 3, p. 14.

However we are willing to tolerate a degree of risk when selecting activities to take, if scoping confirms achievable benefits and controllable risks. Therefore all transformation work will be driven by programme management principles, which includes business cases for all investment decisions. Certain corporate priorities and projects may not, strictly speaking, be transformation work (e.g. climate change and economic development work). Hence we have a slightly reduced risk appetite for this work given our resourcing constraints.

Financial – investment: When considering investments, our investment sub-committee approaches risk in a **cautious** manner.

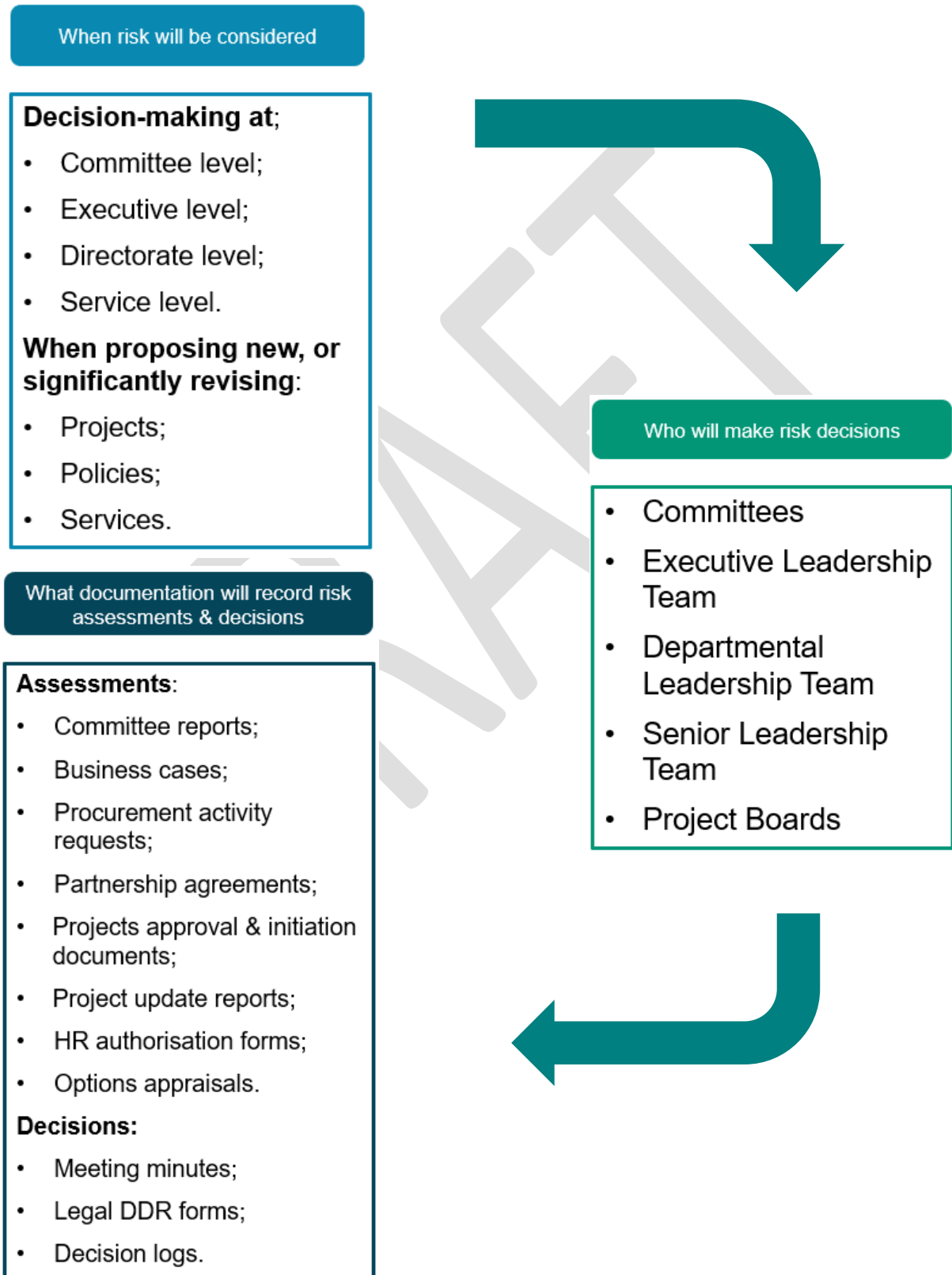
Service delivery: We have a **minimalist** approach towards our business as usual service delivery, as at present our aim is to maintain high standards for our basic statutory services and remain within our set budgets. Risk related to our service improvement work come under the transformation heading above.



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6. Risk and Decision-making

The following flow chart highlights where we consider risk, who can make risk decisions and where we record risk assessments.



7. Roles & Responsibilities

The following tables outline the key roles and responsibilities of officers and corporate groups at the Council.

Key:⁸

| | | | |
|------------|------------------------------|------------|------------------------|
| ELT | Executive Leadership Team | SLT | Senior Leadership Team |
| DLT | Departmental Leadership Team | | |

| RISK OWNERS <i>(inc. Project Managers)</i> | DLTs & PROJECT BOARDS | SLT <i>(in addition to Risk Owners)</i> |
|--|---|---|
| <ul style="list-style-type: none"> ▪ Day to day management of their risks and input into service & project board risk discussions; ▪ Provide risk updates at, and be prepared in advance of, DLT meetings; ▪ Propose (d)escalations of risks to DLT / ELT; ▪ Be familiar with the corporate risk register structure, location of risk registers, and scoring matrix. | <ul style="list-style-type: none"> ▪ Own, review, manage and quality assure their specific risk registers; ▪ Evaluate potential risk changes ▪ Decide whether escalations are necessary ▪ Document any risk changes ▪ Seek corporate support and advice where necessary. | <ul style="list-style-type: none"> ▪ Pro-actively participate in, and be prepared in advance of, DLT meetings; ▪ Constructively challenge risks as appropriate. |

⁸ The difference between a DLT and the SLT is that a DLT is comprised of the senior management of one Directorate (Communities, Resources & Planning), whose meetings are a formal part of our model of corporate governance. The SLT refers to all service managers in the Council, who meet monthly, however these meetings are not a formal part of the Council's officer governance. The meetings are attended by at least one member of ELT, and act as an informal forum to support cross-organisational communication and coordination.

| ELT | POLICY COMMITTEES | STRATEGY & RESOURCES COMMITTEE |
|--|---|---|
| <ul style="list-style-type: none"> ▪ Hold risk owners accountable for risk management and being prepared for DLT meetings; ▪ Champion risk management; ▪ Own, review and quality assure the Corporate risk register; ▪ Propose the risk management strategy to Strategy and Resources Committee. | <ul style="list-style-type: none"> ▪ Own and review their register; ▪ Constructive challenge of risk registers; ▪ Assurance of risk management in relation to committee remit. | <ul style="list-style-type: none"> ▪ Own and review corporate risk register. |

| AUDIT & SCRUTINY COMMITTEE | PROGRAMME MANAGEMENT OFFICER |
|--|--|
| <ul style="list-style-type: none"> ▪ Review effectiveness of implementation of risk management strategy by the policy committees and senior management. | <ul style="list-style-type: none"> ▪ Take Monthly snapshots of committee, directorate and corporate risk registers; ▪ Prepare performance & risk committee reports informed by DLT/ ELT discussions; ▪ Provide 'critical friend' support at DLT meetings; ▪ Provide 1-1 familiarisation / training sessions to colleagues. |



8. Monitoring and Reporting

The risk registers (Section 4) are used to report on risk, to prioritise improvement action and to monitor results. The Corporate Risk Register is reviewed and quality assured each month by the Executive Leadership Team. The Committee and Directorate registers are reviewed and quality assured monthly by each relevant Departmental Leadership Team. New and amended assessments are identified and recorded as and when necessary.

Business managers are required to review and update their risks on the Directorate registers before each Departmental Leadership Team meeting to:

- Ensure current controls are effective and do not require further planned actions;
- Ensure identified risks are still relevant and located on the correct register, i.e. they have not changed over time;
- Re-assess risks when change happens or new information comes to light: such as new equipment, changes in legislation, or at the start of a new project/procurement.
- Review key project, procurement, contract management and partnership risks and, where risks impact outside of their particular service areas – that is, when they require more corporate support, increase significantly in score, and/or become more strategically important – escalate these risks to the relevant Committee Risk Register;
- Prevent loss and damage and reduce the cost of risk to the Council and all involved in our activities.

Our “three lines of defence” for risk management are as follows:⁹

- 1st Line of Defence: Senior management and other risk owners monitoring, assessing and maintaining effective internal control measures over their risks at regular intervals using our risk processes.
- 2nd Line of Defence: Executive, Directorate, Member and other corporate functions that oversee risk management such as: our Policy Committees, Audit & Scrutiny Committee, Executive Leadership

⁹ Ibid. footnote no. 1, p. 29-32.

Team, Departmental Leadership Teams, and Corporate Procurement Board.

- 3rd Line of Defence: Internal audit provide an objective and independent perspective on the effectiveness and adequacy of our framework of governance, management and control. Evaluation of controls proposed by management is also provided.

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9. Continual Improvement

The Council adheres to the principle of “Continual Improvement”, that is, “Risk management shall be continually improved through learning and experience”.¹⁰

The Council embarked on a substantial, and multifaceted, corporate improvement journey on 28th November 2019, which led to the formation of a corporate improvement plan.¹¹ Since then risk management workshops have been held with Officers and Members and our risk management process and risk registers refined on an iterative basis.

To ensure learning and improvement continues we maintain the ‘three lines of defence’ (Section 8), and will update/republish this document as circumstances changes and improvements are made. Therefore this Strategy can be viewed as a ‘live’ document, which will be reviewed in full on an annual basis.

Some examples of ongoing risk management improvement work are as follows:

- We are adding explicit reference to risk categories (Annex 4) in our Directorate level risk registers to aid risk identification and enhance understanding regarding the Council’s overall risk profile;
- We are pro-actively seeking feedback and enhancing understanding of our new risk management processes by offering all Officers 1-1 / workshop familiarisation meetings (including with new risk owners). Identification of need occurs during the regular risk management discussions held at the Directorate, Senior Leadership Team and Executive meetings.
- The adoption of this Strategy symbolises a key progress milestone in our corporate risk management. Therefore we aim to shift more focus towards standardisation across our service / project level risk management.

¹⁰ Ibid. footnote no. 1, p. 24.

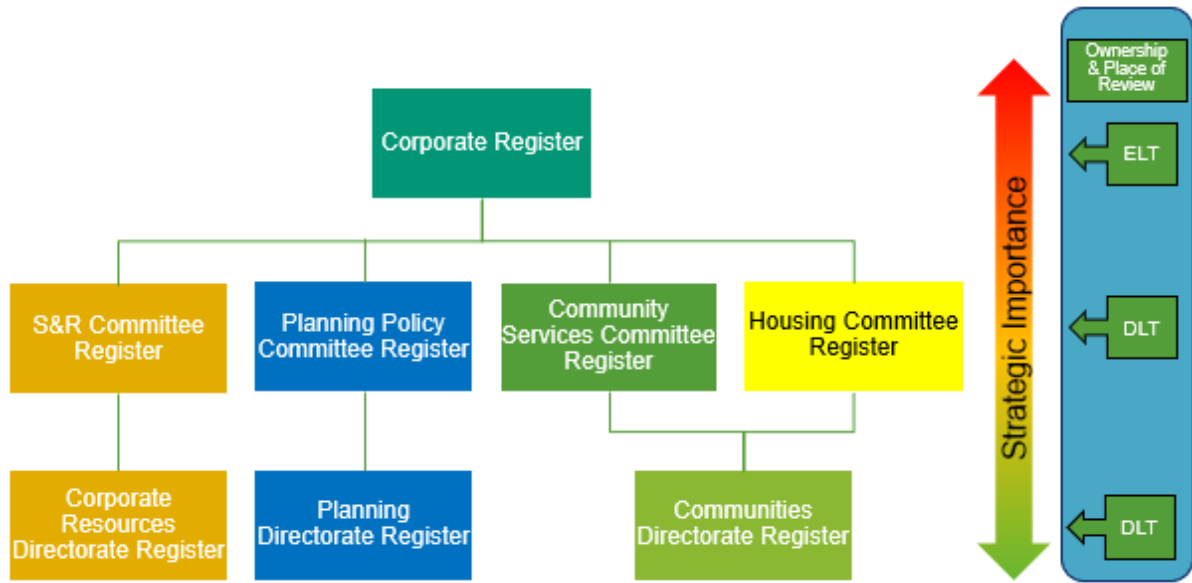
¹¹ See reports of the 9th July 2020 Strategy & Resources Committee: Covering report - <https://tandridge.moderngov.co.uk/documents/s595/Council%20Improvement%20Plan%20-%20covering%20report.pdf>; Improvement Plan - <https://tandridge.moderngov.co.uk/documents/s701/Appendix%20E%20-%20Council%20Improvement%20Plan.pdf> [Accessed 11/06/2021].

- We are also considering employing a more formal “Risk Assurance Framework”¹² for our strategic risks.

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¹² MVDC (2021) *Risk Management Policy*, Mole Valley District Council, p. 21. Online available: <https://www.molevalley.gov.uk/sites/default/files/inline-files/Risk%20Management%20Policy%20-%20interim%20review%20Feb%202021%20-%20accessible.pdf> [Accessed 11/06/2021].

Annex 1 - Risk Register Structure



Key:

- S&R – Strategy and Resources Committee
- ELT – Executive Leadership Team
- DLT – Departmental Leadership Team

Annex 2 - Scoring Matrix

Version: 1.0 Apr 21

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

The scores are calculated as follows to make up the total risk score:

Total risk score = Likelihood x Impact

For the purposes of our risk tolerance and appetite positions (Section 5):

- RED risks are classed as High;
- YELLOW risks are classed as Medium;
- GREEN risks are classed as Low.

Likelihood Guidance Criteria

| Risk Level | | Controls |
|------------|-------------|--|
| 1 | Unlikely | Less than 10% chance of circumstances arising |
| 2 | Possible | 10% to 40% chance of circumstances arising |
| 3 | Likely | 41% to 75% chance of circumstances arising |
| 4 | Very Likely | More than 75% chance of circumstances arising |

Impact Guidance Criteria

| | Low (1) | Medium (2) | High (3) | Very High (4) |
|------------------------------|--|---|---|--|
| People / Duty of Care | <ul style="list-style-type: none"> • Low level of foreseeable minor injuries • Loss of staff morale but unlikely to result in absence or turnover of staff | <ul style="list-style-type: none"> • High level of foreseeable minor injuries; Low level of foreseeable serious injuries • Declining staff dissatisfaction; Isolated instances of behaviours outside of value framework | <ul style="list-style-type: none"> • High level of foreseeable severe injuries • Adverse staff dissatisfaction / likely increased absence and turnover of staff; Negative impact on culture & value framework | <ul style="list-style-type: none"> • Foreseeable long-term injury, illness or fatality • Significant staff dissatisfaction / increased long term absence & staff turnover; Loss of culture and value framework |
| Financial Impact | <ul style="list-style-type: none"> • Less than 5% over budget | <ul style="list-style-type: none"> • Between 5-10% over budget | <ul style="list-style-type: none"> • Between 11-25% over budget | <ul style="list-style-type: none"> • More than 25% over budget |
| Legal Impact | <ul style="list-style-type: none"> • Minor civil litigation | <ul style="list-style-type: none"> • Major civil litigation and/or local public enquiry | <ul style="list-style-type: none"> • Major civil litigation and/or national public enquiry | <ul style="list-style-type: none"> • Legal action certain • Section 151 or government intervention or criminal charges |
| Service Impact | <ul style="list-style-type: none"> • Short term service disruption | <ul style="list-style-type: none"> • Noticeable service disruption affecting customers | <ul style="list-style-type: none"> • Significant service failure but not directly affecting vulnerable groups | <ul style="list-style-type: none"> • Serious service failure directly affecting vulnerable groups |
| Project Delivery | <ul style="list-style-type: none"> • Minor delay to project | <ul style="list-style-type: none"> • Significant delay to project | <ul style="list-style-type: none"> • Project fails to deliver target impacting on the Business Unit's performance | <ul style="list-style-type: none"> • Project fails to deliver target impacting on Council's performance and / or corporate objectives |
| Intervention Required | <ul style="list-style-type: none"> • Intervention by Service Manager, Project Manager or equivalent | <ul style="list-style-type: none"> • Intervention by Head of Service or equivalent | <ul style="list-style-type: none"> • Intervention by Corporate Board or equivalent | <ul style="list-style-type: none"> • Intervention by Members |
| Reputation Impact | <ul style="list-style-type: none"> • Short term negative local media attention | <ul style="list-style-type: none"> • Significant negative local media attention | <ul style="list-style-type: none"> • Sustained negative local media attention and/or significant national media attention | <ul style="list-style-type: none"> • Sustained negative national media attention |



Annex 3 - Risk Appetite Scale¹³

| Risk Appetite | Description |
|-------------------|--|
| Averse | Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk. |
| Minimalist | Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk. |
| Cautious | Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent. |
| Receptive | Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk. |
| Eager | Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk. |

¹³ Ibid. footnote no. 3, p. 15.

Annex 4 - Risk Categories¹⁴

Strategy risks – Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment (e.g. political, economic, social, technological, environment and legislative change).

Governance risks – Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.

Operations risks – Risks arising from inadequate, poorly designed or ineffective/inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.

Legal risks – Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).

Property risks – Risks arising from property deficiencies or poorly designed or ineffective/inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.

Financial risks – Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.

Commercial risks – Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor

value for money, fraud, and /or failure to meet business requirements/objectives.

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

Technology risks – Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.

Information risks – Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.

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

Project/Programme risks – Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.

Reputational risks – Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.

[Fraud risks – Risks arising from intentional deception to secure unfair or unlawful gain against the Council, or to deprive the Council of its legal rights.]

Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.

¹⁴ HM Government (2020) *The Orange Book: Management of Risk – Principles and Concepts*, Government Finance Function. Online available: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/8

66117/6.6266_HMT_Orange_Book_Update_v6_WE B.PDF [Accessed 26/05/2021]. Note the Fraud risk category is a “Tandridge” specific addition to the Orange Book list.

Annex 5 - Appetite levels defined by Risk Categories.

The following table is an extract from the Government's guidance note on risk appetite,¹⁵ which provides a useful example of using apply risk appetite scale to different categories of risk. Note: "open" is comparable to "receptive" in Annex 3.

| | | Risk Appetite | | | | |
|----------|--------------|--|---|--|---|---|
| | | Averse | Minimal | Cautious | Open | Eager |
| Appetite | Financial | Avoidance of any financial impact or loss, is a key objective. | Only prepared to accept the possibility of very limited financial impact if essential to delivery. | Seek safe delivery options with little residual financial loss only if it could yield upside opportunities. | Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels. | Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place). |
| | Operational | Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority | Innovations largely avoided unless essential. Decision making authority held by senior management. | Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators. | Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non-critical decisions may be devolved. | Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control. |
| | Reputational | Zero appetite for any decisions with high chance of repercussion for organisations' reputation. | Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation. | Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation. | Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure. | Appetite to take decisions which are likely to bring additional governmental / organisational scrutiny only where potential benefits outweigh risks. |
| | Legal | Play safe and avoid anything which could be challenged, even unsuccessfully. | Want to be very sure we would win any challenge. | Want to be reasonably sure we would win any challenge. | Challenge will be problematic; we are likely to win and the gain will outweigh the adverse impact. | Chances of losing are high but exceptional benefits could be realised. |
| | Commercial | Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority. | Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management. | Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators. | Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved. | Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control. |

¹⁵ Ibid. footnote no. 3, p. 11.

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IT & Digital Strategy

Strategy & Resources Committee Tuesday, 6 July 2021

Report of: Acting Chief Executive

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Council has, over recent years, invested in new technology to improve:

- the services delivered to residents and
- the work tools provided to officers enabling them to work more efficiently and effectively.

The proposed strategy will enable new projects and continuous improvement through the use of the IT resources to optimise service delivery and make the most out of the technology systems, tools and solutions.

This report supports the Council's priority of: Building a better Council—making the Council financially sustainable and providing residents with the best possible services.

Contact officer

Melanie Thompson, Head of Digital Business Transformation & Democratic Services

mthompson@tandridge.gov.uk

Recommendation to Committee:

That the committee approve the draft IT & Digital Strategy 2021/2024

Reason for recommendation:

To ensure that the Council has an IT & Digital strategy, that provides a plan for the Councils digital ambitions, to be delivered within a robust governance framework.

Introduction and background

- 1 The corporate improvement plan approved on 9 July 2020 set out a number of measures necessary to take the Council forward and highlighted that it is essential that the Council developed a digital strategy which included an action plan and governance of future IT work.
- 2 The IT & Digital strategy for the period 2021/24 has been drafted, this includes governance, a work plan and business case template. There has been engagement with Members and officers on the mission statement and objectives to inform the strategy. The draft strategy appears at Appendix A.
- 3 The strategy sets out the Council's aims, aspirations and the approach for ensuring it continues to transform the relationship between residents and the District, making the Council as easy to deal with as the very best digitally enabled services. All existing channels will remain for those that are unable to access our services digitally.
- 4 The strategy contains:
 - a) the following three themes which will be achieved through a set of actions:
 - theme one – accelerating channel shift
 - theme two – working smarter
 - theme three – ICT modernisation
 - b) an improved governance structure that includes a digital design group, who will be responsible for working with the service areas in assessing proposals in terms of technical and business merits
- 5 Appendix B is the business case for investment in IT – a new form for proposed projects, to be completed and presented to the IT Strategy Board for decision. This includes full cost of the project, resources, budget allocation and cost benefit analysis.
- 6 Appendix C is the accompanying work plan for the next three years to deliver this strategy. This comprises of the projects already

underway, planned projects and essential improvements required to the infrastructure and network.

- 7 While the strategy identifies actions to be achieved over the medium term, the Strategy Board will keep the plan under review, both to monitor delivery and to ensure appropriate flexibility in response to changing circumstances and opportunities. It is anticipated that, in six months' time, when further progress has been made with committed projects, it will be possible to develop the Council's ambitions further.
- 8 Subject to approval of this plan by the Committee, Officers will develop:
 - Regular reports to the Committee to enable Members to receive updates on the delivery of the work plan
 - A framework to monitor and manage risks relating to relevant detailed actions within the plan.

Conclusion

This report presents a draft IT & Digital Strategy for Member review and approval. Subject to the views of the Committee, once agreed the plan will be published with appropriate design and branding: it will be shared with Officers, partners and stakeholders, and published on the Council's website.

Key implications

Comments of the Chief Finance Officer

There are no immediate financial implications from this report. The strategy and recommendations are within existing revenue and capital budgets. Any new projects will require business cases and approval of funding.

Comments of the Head of Legal Services

There are no immediate legal implications for the purposes of the report. Governance of technology is very important and with the proposal to have new governance arrangements in place through the Strategy Board, it can ensure that digital spend and decisions are made efficiently and effectively in a joined-up manner across the Council. Part of the IT & Digital Strategy includes that Councillors will have oversight of the programme of work.

Other corporate implications

None applicable.

Equality

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

Climate change

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

Appendices

Appendix 'A' – Draft IT & Digital Strategy 2021/24

Appendix 'B' – Business case for IT investment template

Appendix 'C' – Work plan 2021/24

Background papers

None

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

Tandridge District Council

IT & Digital Strategy

2021-2024

Introduction

Like all local authorities, the challenge for Tandridge is to provide the right service to the right residents, when and where they need it and for the best price. Our ambition is to provide efficient, cost-effective services 24/7 to a growing majority of our residents. We aim to design and commission systems which are simpler to use and provide a good customer experience, based on meeting the needs that our service users have.

Our Digital Strategy for 2021-2024 sets out how we will use our ICT resources to optimise service delivery under three key themes consistent with our Strategic Plan priority of **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services.

Strategic Plan Priorities

1. **Building a better Council** – making the Council financially sustainable and providing residents with the best possible services
2. **Creating the homes, infrastructure and environment we need** – both now and in the future
3. **Supporting economic recovery in Tandridge** – from lockdown to growth that everyone benefits from
4. **Becoming a greener, more sustainable District** – tackling climate change

Overall aims

We will make the most out of the technology systems, tools and solutions we have as a council. This is to enable us deliver efficient and effective services to the residents and communities we serve.

The technology systems and tools we apply, enable;

- Our workforce and councillors to work effectively and securely whether in the office or remotely
- Greater levels of self-service for our residents and businesses
- Those who need assistance, to access information and services online

How we will deliver

Our aspirations over the coming years will be underpinned by:

- Standardising and simplifying how we use and maintain our technology tools and systems to ensure these remain up-to-date and secure
- Integrating our front and back office systems to enable end-to-end processes, reducing unnecessary duplication and errors
- Having clear and agreed processes about how we commission the implementation of technology tools and systems
- Having clear and agreed governance arrangements in place to oversee and support our work
- Improving our digital capability and digital skills across the Council, putting in place the right tools and training for staff and councillors
- Accelerating and supporting greater levels of channel shift

Our digital aspirations over the coming years will be underpinned by three critical ambitions:

Accelerating channel shift –

More people will be able to access the services and information they want, when they want, online without needing to contact us. We have invested in new, digital, citizen facing services, notably waste services, council tax and benefits (citizens portal go live October 2021). By 2024 we aim to ensure the same or increased level of digital presence in all council core services while keeping open non digital channels for those that need them.

Working smarter –

We want people to be able to work easily from wherever they are, with the right tools and training, embracing what technology can offer, supported by a leadership team that exemplifies digital thinking.

ICT modernisation –

We will continue to consolidate, standardise and simplify our current technology estate with improved integration and connectivity between the core systems. We aim to keep our network and systems updated, secure and safe to protect the data of our residents and businesses, we require similar from all our partners and providers.

Principles of our approach

Better by design

Services will be reviewed from a customer journey perspective to ensure true digital transformation, putting the users at the centre and ensuring their needs are being met. This will help us design and build a better service.

Digital inclusion

We recognise that not everyone is able to access our services digitally and/or may not have the necessary skills, so we will ensure we continue to offer phone and face to face services. Our customer service team will support residents by guiding them through our website and signposting to external online training support.

Continuous improvements

We will strive to maximise the benefits from our existing systems. Improvements will always need to be made, as no service is ever finished or complete.

Getting IT right

We want a simpler, safer and more efficient core service, taking out the complexity and risk of outdated, unsupported legacy IT. We have already realised significant benefits from replaced old unsupported services for new world equivalents.

An innovative mindset

We want a council that is led from the top in championing continuous digital change, that has signed the Local Digital Declaration, a public pledge along with hundreds of other councils to meet high standards for our technology and digital services. We want to adopt a digital culture and ways of working.

Data and cyber security

We will regularly review and carry out robust testing of the infrastructure and systems to ensure we are best prepared to deal with cyber-attacks, data loss and threats to business continuity, recovery times are minimised, and services are restored in the shortest possible time.

Climate change and sustainability

We want to take full advantage of new technology to reduce the carbon footprint of the Council – both directly and indirectly. By enabling smarter working and channel shift, we can reduce the necessity for officers, Members, customers, and other stakeholder to travel our head office, reducing transport emissions. By modernising our ICT systems, we can take advantage of the emissions savings associated with the economies of scale of using large centralised cloud servers, rather than maintaining many local servers.

Theme one

Accelerating channel shift

People expect services to be online and available on any device. Accessing council services online should be easy and simple to use as any other online ordering service. Shifting those people who can and who want to use our online services will reduce demand on our Customer Services team and business areas and improve the overall customer experience.

To achieve this we will:

- Put the user experience and customer focus at the heart of the redesign and design new services
- Deliver a series of redesign projects in partnership with service areas enabled by technology, focusing on high volume services and highly manual process
- Explore different communication channels, including online chat and text services
- Monitor channel shift uptake and measure customer satisfaction to help inform and drive further channel shift projects
- Make it a priority to understand and resolve why certain users continue to use non-digital methods of engagement
- Move to an environment where services are consistently available on any device

Theme two

Working smarter

We want our staff and councillors to work effectively and easily from wherever they are using corporate technology and business systems which do not constrain their work, but work well together, are resilient and fit for purpose.

To achieve this we will:

- Provide colleagues with the correct devices for their role enabling them to operate in a more agile way
- Review and improve how we support and train users of corporate and business software to maximise their effective use and develop a confident digital workforce
- Establish project teams where technical and business leaders are driving digital change at the frontline
- Technology enabling projects will have clearly defined outcomes, provide value for money, meet quality and cyber security standards, GDPR and a clear understanding of everyone's role in delivery
- Drive out inefficiencies through increased automation in our routine and transactional activity, allowing staff to focus on actions and providing better outcomes reducing duplication and waste
- Ensure the tools and software we procure can be integrated with existing systems and reused (where possible) and to enable greater data sharing within the council and with our partners
- Ensure all our partners and providers collaborate with us to deliver services to our communities and residents, effectively, efficiently and safely

- Be open to new ways of working and change, carrying forward the positive lessons learned from forced remote working during the pandemic

Theme Three

ICT modernisation

We want our technology systems and tools to work when needed and to be secure, so we need to “keep the lights on”.

We have made significant investment in our digital technology, however, to ensure these continue to operate, the infrastructure they depend on needs regular updating and maintaining.

We also need to respond to new incidents and user requests, to design and implement new technology when these are agreed.

To achieve this we will:

- Provide compulsory training for our staff and councillors in cyber security, GDPR, data protection and business continuity
- Develop and deliver the disaster recovery solution
- Develop and maintain an asset register
- Improve how we manage and monitor IT service desk requests
- Revise and revise IT policies and procedures to ensure up to date
- Review whether the corporate network can support connectivity for all agile workers
- Decommission old or outdated kit
- Implement standards to ensure all our technology is secure and work properly
- Put in place a schedule for regular maintenance, updates and patching
- Implement a new telephony and contact centre solution
- Horizon scan beyond the public sector to identify upcoming areas of innovation and learn from best practice across the industry

Governance Structure

It is important to define how the ICT department and the work it does should be governed ie agree a work programme and oversee the delivery through regular and appropriate monitoring.

The ICT department has two major functions:

- 1. Business as Usual (BAU).** This involves maintaining the online service (including through planned maintenance and regular patching of systems, infrastructure and software), responding to incidents and user requests, and a host of mainly invisible activities that 'keep the lights on'. This accounts for around 78% of the ICT department's workload and requires specific skills and capabilities.
- 2. Change/Project Work.** This involves work to introduce new systems or upgrade existing ones and represents the other 22% of the workload. ICT staff sometimes mistakenly see these projects as purely technical activities however, most ICT projects involve changes in business and working practices and culture, those working in the service are key to the design and implementation of any new system/upgrade therefore for the benefits to be realised, the service area needs to commit appropriate resources. While most projects involve change within the business, there are internal ICT projects too, sometimes purely technical in nature (network upgrades, etc).

In terms of new projects, it is proposed that it be a two-part process, an initial high level brief to the Digital Design Group, and if approved a full business case would be prepared, and presented to the IT Strategy Board, which would then approve, ask for modifications, or reject the proposal.

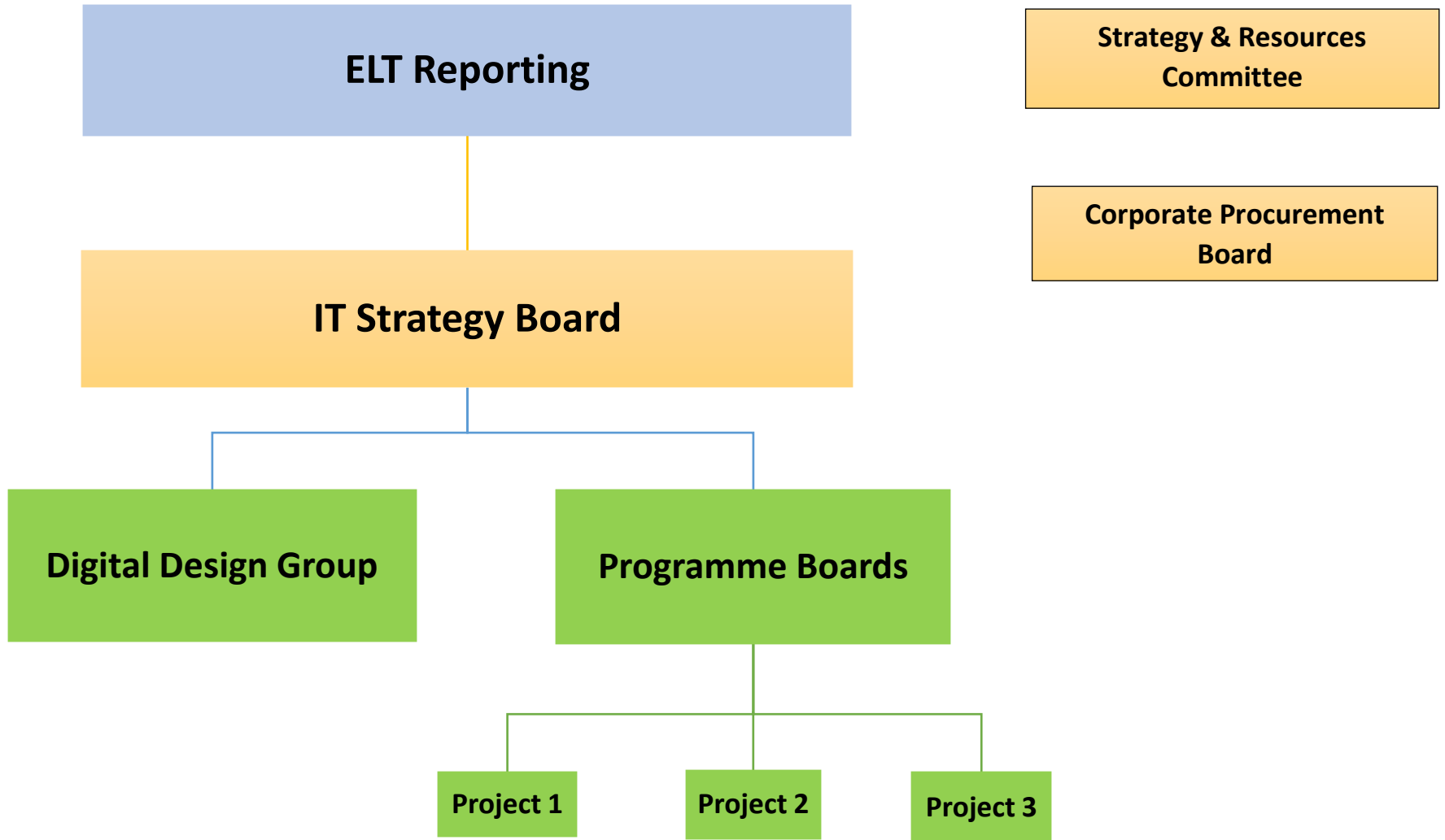
Digital Design Group chaired by the Head of Digital Business Transformation, will include an IT Specialist and the Project Delivery Manager and meet monthly. This group is responsible for working together with service areas in examining and assessing high level briefs in terms of technical and business merits, as well as setting out how this will fit with the

council's current digital architecture, whether an existing or proposed system would (largely) meet the need, and what dependencies there would be on other systems or initiatives. Costs and risks would also be discussed. A full business case would be prepared to be submitted to the IT Strategy Board.

IT Strategy Board chaired by Executive Lead of Corporate Resources, and will include the Executive Lead for Communities, the Project Delivery Manager, the Head of Digital Business Transformation and the Finance Business Partner. Key stakeholders and business representatives will be invited to attend to present business cases, project status and highlight reports. This board will meet 6 weekly and escalate decisions to Strategy & Resources committee when required. This board is responsible for evaluating requests for ICT projects. To consider their impact on the current IT priorities, IT systems and operations, their expected benefits in terms of efficiency and cost and agree proposed timeframes for implementation and how they relate to council services, improvement programmes and national priorities. The Board will receive project status reports/highlight reports from project and programme boards to understand and manage the relationships, risks, dependencies and cross-cutting implications between major ICT projects and programmes.

Project Boards chaired by either the Project Delivery Manager, Head of Digital Business Transformation, or business owner that has a relevant project management qualification/experience. These project boards will manage the entirety of the project in line with project management principles, structures and tools; reporting to **Programme Boards** chaired by the Executive Lead for the business area and to include all senior stakeholders.

IT & Digital Governance Structure



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Business Case for Investment in IT

Proposed Project:

Author:

Date:

1. Executive summary

This section should provide a high level outline of the proposed project including general information on the issues surrounding the business problem or enhancement and how the proposed project or initiative will help address it, a summary of the detail that is provided in subsequent sections of the document.

2. Issue

This section should briefly describe the business problem or enhancement that the proposed project will address.

3. Recommendation

This section summarises how the project will address the business problem or enhancement and sets out the anticipated outcomes.

4. Organisational impact

This section describes how the proposed project will modify or affect the organisational processes, tools, hardware, and/or software. It should also explain how existing roles may change as a result of the project.

5. Technology impact

This section provides a high-level overview of how the new technology will be implemented and how any data from the legacy technology will be migrated. This section should also explain any outstanding technical requirements and obstacles which need to be addressed. It should also highlight any licensing commitments and how these will be funded going forward. Input from the IT team as they relate to key resources must be listed in this section.

6. Dependencies, constraints and risks

Dependencies

Examples; availability of key staff, other project timelines; budget approvals, committee approval,

external factors

Constraints

Examples; timeframes, resources, budget, limited suppliers

Risks

Examples; risks of the project, risks of doing nothing

7. Major project milestones and a high level timetable

This section lists the major project milestones and their target completion dates. Since this is the business case, these milestones and target dates are general and in no way final.

Examples; project kick off date, key deliverables, stakeholder approvals, meetings, checkpoints, critical activity etc

8. Resources/skills required to deliver

Set out the skills and resources required to deliver this project including, work required to map existing processes and user testing. This should include the resources that the service area will commit to enable effective delivery.

9. Project costs & proposed budget allocation

Full costs of the project must be listed as much as possible. This will include all business resources that will be required, for example initial costs to purchase the IT, costs to carry any customer journey mapping and ongoing licence costs. The funding allocation will need to be identified or stated if there will be a capital bid.

10. Cost benefit analysis including timescales & investment payback

It is important to quantify the financial benefits of the project as much as possible in the business case. The purpose of this is to illustrate the costs of the project and compare them with the benefits and savings to determine if the project is worth pursuing.

Examples:

reduce the need for rekeying data

enables self service reducing the number of calls to the council

reducing the number of back office systems

11. Alternative analysis

A brief summary of considered alternatives should also be included—one of which should be the status quo, or doing nothing. The reasons for not selecting the alternatives should also be included.

12. Approval from ELT Lead

Signed and dated by ELT Lead before submission to the IT Strategy Board

13. Approval from IT Strategy Board

This business case will either have approval granted or denied moving forward with the creation of a project. Therefore, the document should receive approval or disapproval from the IT Strategy Board.

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| Work plan | | | |
|---|---------|---------|---------|
| Project/work item | 2021/22 | | |
| | 1st qtr | 2nd qtr | 3rd qtr |
| Revs & Bens System | | | |
| Citizens portal | | | |
| Waste integration | | | |
| Orchard upgrade | | | |
| Orchard DLO | | | |
| Promaster database | | | |
| Disaster recovery | | | |
| Telephony | | | |
| Intranet | | | |
| Civica retention & disposal (scope tbd) | | | |
| Sharepoint & Teams | | | |
| IT service management | | | |
| Cyber security | | | |
| Live Agent | | | |
| Mulesoft (business case) | | | |
| Planning back-log | | | |
| HR Helpdesk | | | |
| FOI self-service | | | |
| SBCP web search | | | |
| TDC Planning web search | | | |
| Clearcore retention and disposal (Upgrade) | | | |
| Web form standardisation | | | |
| Website accessibility | | | |
| Adelante to hosted solution | | | |
| Eiger Payment Gateway upgrade | | | |
| Salesforce social media integration | | | |
| Salesforce data schema standardisation (inc de-dup) | | | |
| Salesforce retention and disposal | | | |
| SF1 Roll-out to Ops Services | | | |
| Kofax usage assessment | | | |
| Civica MSP | | | |
| Book and Pay | | | |
| Ingres 11 | | | |
| Web Server Upgrades to 2012 R2 | | | |
| Microsoft baseline policy rollout to servers | | | |
| 365 backup solution | | | |
| Exchange migration to 2016 | | | |
| Exchange Mail route change to 365 | | | |
| DFS overhaul (G drive) | | | |
| Windows 10 Upgrade rollout | | | |
| Network refresh (Replacement Firewalls and switches) | | | |
| Starters/Leavers procedure and documentation (No 16?) | | | |
| ITAM and disposal policy documentation (No 16?) | | | |
| Windows Hello | | | |
| AppLocker | | | |
| CCTV upgrade | | | |

| | | | |
|--|--|--|--|
| Reverse proxy migration | | | |
| GFI upgrade | | | |
| Insecure NRPC login (Microsoft baseline policy rollout to servers) | | | |
| Internet contract (main and guest) | | | |
| Azure savings (Clean up backups and downsize compute) | | | |
| Log monitor system upgrade (Currently Free Splunk) | | | |
| ABC/EFORM Upgrade to 2012 R2 | | | |
| Mobile refresh | | | |

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Climate Change Action Plan Update

Strategy & Resources Committee Tuesday, 6 July 2021

Report of: Executive Head of Corporate Resources

Purpose: For information and decision

Publication status: Open

Wards affected: All

Executive summary:

- This report and its Appendices contain updates on the Council's climate change action plan, since its adoption in November 2020.
 - The report also asks Members to confirm how they would like Officers to proceed with installation of electric vehicle (EV) chargepoints in the Council's car parks.
 - Further, Members have an opportunity to review the future arrangements for Climate Change Task and Finish Group.
-

This report supports the Council's priority of: Becoming a greener, more sustainable District

Contact officer William Mace - Programme Management Officer
wmace@tandridge.gov.uk

Recommendation to Committee:

'A' - That the Committee notes the contents of this report and Appendix A regarding progress against the Climate Change Action Plan.

- 'B' - That the committee adopt either Option 1,2, 3 or 4 listed in Section 3.8, regarding how the Council should proceed with the potential installation of electric vehicle chargepoints in its car parks.
- 'C' – Adopt either option 1 or 2, regarding the continuation of the Climate Change Task and Finish Group, and whether this is the most appropriate title for the group.
-

Reason for recommendations:

- 'A' – The key aim of this report is to provide Members with an update on the Council's first, and initial, version of its [Climate Change Action Plan](#) (henceforth 'Action Plan').
- 'B' – The scoping and installation of EV chargepoints are actions listed in the Council's [Strategic Plan](#), and the Council's Action Plan. Officers now possess further information since November 2020, and given the nature of this action, would like to invite Members to confirm how they would like to proceed, in principle, with this action. In essence this recommendation asks Members to approve, or not, further work on this action. Members have been asked due to the strategic nature of this action and the fact that it is not a statutory requirement of the Council.
- 'C' – As part of the November 2020 [climate change report](#), Members approved the formation of a climate change task and finish group to aid the development of the Action Plan. This provides an opportunity for Members to provide feedback on the usefulness of this group and whether it's membership requires amendments following the May 2021 elections.
-

1. Introduction and background

- 1.1. The Action Plan was produced in response to the Council's declaration of a climate change emergency in February 2020, which formally established its aim to cut its environmental impact and take steps to become carbon neutral by 2030.
- 1.2. The Action Plan included initial actions which will develop over time, such as undertaking scoping exercises and producing project plans and business cases for substantive actions which will be brought back for Councillor decisions as appropriate. Hence the Action Plan will remain a live document over the climate change motion's 2020 – 2030 target period and be reviewed in full annually.
- 1.3. As part of the Action Plan report, Councillors were asked to consider forming a climate change task and finish group to inform the development

of specific actions in the plan. Since November 2020 the group has formally met twice: the first meeting was introductory, and the second was a workshop on EVs.

- 1.4. Officers have issued a 'soft market test' for EV ChargePoint operators (CPOs) to provide feedback on what options they could provide the Council, with respect to the installation of chargepoints in its car parks. Notably, this was not a formal tender exercise and does not prejudice any CPO with regard to any potential future tender. The objective of the test was to elicit information from CPOs that could help inform Members' in deciding how the Council should progress with this action.

2. Action Plan Update

- 2.1. The Action Plan update can be found at Appendix A. Actions with no updates have been omitted from the report: this does not include any Priority 1 actions or any Priority 2 actions with a deadline before March 2022. The original Action Plan, as adopted by Committee, can be found [HERE](#).
- 2.2. Overall, progress has been made on many fronts. Several actions that have not been completed within their deadline either relate to: further information being sought; the Council waiting for data from third parties; and capacity limitations within the Council. Please see Appendix A for details.

3. Update on Electric Vehicle Chargepoints in the Council's Car Parks

- 3.1. Scoping the feasibility of installing Electric Vehicle (EV) charging infrastructure in the District is a Priority 1 action in the Action Plan. Shifts to more sustainable / lower carbon transport are also being driven at the national policy and Surrey county levels. To provide context for this action, a mix of suggested articles on the topics of EVs has been included in Section 2 of Appendix B.
- 3.2. Significant progress has been made with this action (see below). It has been included in this update report to invite Members to feedback on their preferred approach going forward, given the current information provided below and in Appendix B (Section 1). In sum, Members are asked to consider whether they would like to pursue the installation of chargepoints in the Council's car parks in the short-term, potentially avoiding missing out on current government funding windows, or whether waiting for further information to come to light, such as regarding the County Council's approach to on-street provision becomes available (see the options appraisal below (Section 3.8)).
- 3.3. Since the adoption of the Action Plan last November:

- 3.3.1. Members of the Climate Change Task and Finish Group have been briefed on electric vehicles and chargepoints in a workshop with the energy saving trust;
- 3.3.2. A dialogue with chargepoint operators (CPOs) has been maintained, either those who have already approached the Council, and also those who have submitted information for the Council's soft-market test (SMT). The aim of the SMT was to gather information on what CPOs could offer the Council with regard to installing chargepoints in the Council's car parks. This is particularly important given the Council's limited capacity to funding chargepoints itself, and also in relation to the potential to involve CPOs in a Council application for government funding for chargepoint installation.
- 3.3.3. Officers of Surrey local authorities, led by the County Council, have discussed chargepoint provision in the County via an Officers forum. The County Council has invited feedback from the District and Borough Authorities regarding whether there is a preference to work together on provision for on and off street chargepoints. The alternative is for each Authority to progress this action on their own, given that several have already installed off-street chargepoints, or are mid-way through a tender exercise. Tandridge District Council is in somewhat of a unique position, not having made any commitments to providing chargepoints to date. Therefore both options are available.
- 3.3.4. A potential partnership with the County Council would limit Tandridge's ability to progress this action on its own timescale. However, there are potential benefits associated with partnering, such as provision of a consistent 'customer experience' across the County, if the same CPO is used by Tandridge and the County Council. Potentially there could also be financial savings if a combined contract is of higher value / viability to third parties, rather than a solo Tandridge contract.
- 3.3.5. The lead climate change officer participated in a 'Facebook live' public engagement event, hosted by Surrey County Council, to provide residents with updates and encourage them to leave their own feedback and comments on the County Council's *Greener Futures* website. This data is currently being processed and is expected to be shared with Officers at Tandridge soon. It is expected that the County's future transport planning will focus on climate change and sustainability considerations.
- 3.3.6. Officers are also considering including specific questions related to the provision of chargepoints in the District in this year's residents' survey. However if it is agreed that they should be included, data will not be available until later in the Summer.
- 3.4. Appendix B (Section 1) includes information from the soft market test. In sum, many responses from Chargepoint Operators (CPOs) were received,

which suggests that multiple options would be available to the Council regarding the installation of chargepoints in the Council's car parks.

- 3.5. Various funding options were put forward, from fully externally funded to self-funded projects. However, several key factors surfaced that could influence the final scope of a CPOs' offer, such as: commercially viable sites being key for fully funded projects; availability of suitable electrical grid connections; type / speed of chargers installed; the Council's ambition for potential profit share; size and usage of car parks; and desired pricing tariff structure.
- 3.6. An options appraisal has been included below to help guide Officers with the future approach the Council should take with regard to the installation of chargepoints in the District. It is acknowledged that the information at hand is partial, due largely to the fact that more detailed engagement with CPOs is required, such as via a tender process, to fully scope a project. For instance, specific costs around electrical supply connections, market viability of sites, return on investment and so forth would only come to light if the scoping is progressed in line with a tender exercise. Whilst the Council does possess some costed options, Offices feel it prudent to confirm the parameters of any future projects with Members before taking the action any further, as there are many CPOs in the marketplace who can offer a myriad of different options.
- 3.7. Therefore Officers are inviting Members to confirm whether they would like Officers to pursue a more detailed tender exercise and put forward any key parameters of a potential tender. For instance, the following table includes some suggested key parameters:

| Parameter and preference | Rationale |
|---------------------------------|---|
| 1. Funding model | <p>Fully-externally funded.</p> <p>Essential - given the Council's budgetary constraints and to reduce liability associated with maintenance, repair etc.</p> <p>Preference – to apply and secure government grant funding, as will give greater scope to negotiate other parameters.</p> <p>Essential – to draw on least amount of Officer time possible. Although project support / liaison work would likely be required from several Officers related to: liaising on site specifics / data acquisition, reviewing parking regulation orders, project contact/liaison, communicating with stakeholders, ongoing contract management and</p> |

| | |
|-------------------------------------|---|
| | potential for parking enforcement teams to be involved. |
| 2. Length of contract | <p>As short as possible.</p> <p>Preference – as will allow flexibility to switch supplier should things change in the future. However scope will likely be limited if a fully funded option is pursued – as this enables CPOs to achieve a return on investment. Although in some cases this is less of a priority for a CPO.</p> |
| 3. Contract scope | <p>Full end-to end solution.</p> <p>Essential – to reduce Council’s liability and resource requirement; as all maintenance, servicing, vandalism, and customer service handled by supplier.</p> |
| 4. Back office system | <p>Use of a OCPP member supplier.¹</p> <p>Preference – as greater opportunity for interoperability and freedom to switch supplier software.</p> |
| 5. Speed of chargers | Unable to confirm options until greater feasibility work undertaken, including preferred funding / financial / operational arrangement. |
| 6. Revenue / Profit Sharing | Preference – as would increase Council revenue. Although dependent on preferred funding / financial / operational arrangement. |
| 7. Tariff / payment rates | As above. However at a minimum the Council would aim to match the average charging rates compared with other Local Authority public chargers. Other options could include charging a higher than average tariff, or a lower than average tariff. |
| 8. Use of parking enforcement teams | A preference but not essential, will be dependent on parking enforcement capacity. |

¹ See Appendix B, Section 1, Item 4 for more information on OCPP.

| | |
|-------------------------------------|---|
| 9. Environment and social value | Preference to partner with a supplier with robust environmental credentials, including for their products. In addition, preference for those who will offer social value contributions such as using local workforce and offering local marketing and events to help raise awareness. |
| 10. Member of procurement framework | Essential, to save Council resource associated with more expansive tender exercise. |
| 11. Surrey county-wide approach | Preference, to align with Surrey County Council and other Surrey District and Borough provision. However, not at the expense of missing out on government funding opportunities. |

3.8. Options appraisal

3.8.1. Option 1

Officers to proceed with composing a form of tender based on any Member preferred parameters, such as those put forward in the table above. However, this would not be a guarantee that a tender would be offered, as this would be determined by the detail in bids received by CPOs, after further details have been acquired and provided on each site.

Advantages:

- (a) begin delivery of corporate priority to take steps to address climate change;
- (b) support county and national policy;
- (c) result in provision of chargepoints that could be used by residents and visitors to the District, including those who do not have off-street parking.
- (d) current data suggests that the Council may be able to provide provision without self-funding. Further, although competitive, government grants are available at present.

Risks:

- (a) Officer resource required to support the project (inc. composing a form of tender and reviewing parking regulations) and liaising with CPOs (see row 1 in table above). There may also be relatively small expenses related to feasibility work (TBC);
- (b) partnering risks, as formally contracted to a third-party CPO;

(c) chargepoints used less than expected;

(d) long contract period for fully funded models; and difficult to predict future low carbon transport options and future of EVs. Hence decision made at a specific point in time.

3.8.2. Option 2

As per Option 1, however confirmation of key Member parameters is delegated to nominated Members from each political group, or the Climate Change Task and Finish group (dependent on the chosen option in Section 4).

3.8.3. Option 3

The Council maintains a watching brief on EV infrastructure and the role of local authorities: Officers to formally review as part of the November 2021 Action Plan update.

Advantages:

(a) save Officer resource associated with potential chargepoint project until action is revisited;

(b) eliminate other project related risks such as feasibility costs (although likely small), and reputational damage if project deliverables are not achieved to the expected standard;

(c) allows more time for the Council to align its approach with other actors in the County, such as the County Council, other Districts and Boroughs, and private providers. It may also give more time for further information to be gathered, although this could be limited if a more detailed tender exercise is not conducted.

Risks:

(a) reputational: as Tandridge is one of possibly two Districts and Boroughs that has no public provision of infrastructure in Surrey. Further this option would entail pausing this action in the Action Plan, contrary to current national policy and market trends.

(b) waiting may lead to the Council missing out on applying for government grants;²

3.8.4. Option 4

Abandon the installation of chargepoints action until further notice, hence removing it from the Council's Strategic Plan and Action Plan.

² See, Energy Saving Trust (2021) On-street Residential Chargepoint Scheme. Online available: <https://energysavingtrust.org.uk/grants-and-loans/street-residential-chargepoint-scheme/> [Last accessed 15/06/2021].

Advantages:

(a) as per Option 3, although resource savings would continue until further notice. In addition, there is more time for the Council to align potential future projects with other stakeholders.

Risks:

(a) as per Option 3, however there is a greater chance that the Council's institutional knowledge of this action declines as Officers prioritise other work.

4. Climate Change Task & Finish Group

4.1. The Climate Change Task & Finish Group (henceforth 'Group') has met twice since November 2020: the first meeting was introductory and the second was a workshop on Electric Vehicles and chargepoints held by the Energy Saving Trust.

4.2. The standing membership of the Group pre-May 2021 elections was:

| Participant | Group |
|---|--------------------------------|
| Cllr Milton (stand-in Cllr Elias) | Conservative |
| Cllr Duck | Conservative |
| Cllr Pursehouse (stand-in Cllr Allen) | Independent Group |
| Cllr Davies | Independents and OLRG Alliance |
| Cllr Stamp | Independents and OLRG Alliance |
| Cllr Caulcott | Liberal Democrats |
| Cllr Botten (until an alternative is nominated) | Liberal Democrats |

4.3. At the first meeting Members expressed a desire for the Group to be called for a meeting when it was appropriate, that is, when a specific topic in the Action Plan required discussion, and/or to ask guest speakers to provide more technical advice on a topic. As this need has not arisen since the EV workshop, and with the local elections in May 2021, a further meeting has not been arranged.

4.4. It was also noted that the Group could remain in place on an ongoing basis, rather than a shorter term 'task and finish' group. The basis for this proposal was the long-term and complex nature of the actions in the Action Plan, and that the Council's key milestone date is November 2030. Therefore a more appropriate name for the Group could be chosen to reflect this, such as the "Climate Change Group". Officers welcome Members thoughts on this.

4.5. Given this report is an interim update to the annual reporting on the Action Plan, there is an opportunity for Members to decide whether they would like the Group to continue on the basis of the feedback above, or

whether they would prefer the group to be disbanded. Consequently, an options appraisal is provided below (Section 4.6), which reflects "Recommendation C" in this report.

4.6. Options appraisal

4.6.1. Option 1

Continue with the Members Climate Change Task and Finish Group until further notice, including any amendments to the name of the group, its membership and its scope (as agreed at this meeting).

Advantages:

- (a) enhanced communications between Members and Officers;
- (b) the ability to 'stand-up' the group when a strategic update or decision arises that Members could provide feedback to Officers on;
- (b) ability for Members to disseminate Action Plan updates from this group to their respective political groups.

Risks:

- (a) Maintaining the group will require Officers' time to administer and contribute to the group.
- (b) Chosen Member representatives for the group will also need to contribute their time to participating in its meetings.

4.6.2. Option 2

Disband the Members Climate Change Task & Finish Group.

Advantages:

- (a) save the Officer resource required to service the group and contribute to specific topics;
- (b) no Member time required to participate in the group.

Risks:

- (a) no dedicated forum for Members and Officers to discuss and debate the Action Plan, leading to less formalised communication.
- (b) potentially more time required in committee meetings to discuss actions in the Action Plan, due to lack of a more formal Group.

5. Comments of the Chief Finance Officer

- 5.1. The Council's ambition to become carbon neutral by 2030 will have resource implications. The impact will not just be in terms of officer time but also on revenue and capital budgets. With limited reserves and low levels of capital receipts any capital expenditure necessary is likely to require borrowing as at least part of the funding mix. Significant officer time is likely to be used in scoping projects, implementing them and monitoring success.
- 5.2. Before implementing any climate change policies, we will need to carefully consider their impact on the revenue budget and identify how any increased costs or loss of income will be accommodated within the budget envelope.
- 5.3. This is a complex area with technology and developments moving quickly. It is important that appropriate consideration is given to the policies the Council implements. It would be unwise at this early stage to commit too heavily in one particular technology when there is potential it could become obsolescent in a short space of time.
- 5.4. Although there are risks associated with transitioning to become a zero carbon Council there are also opportunities. The Council needs to take full advantage of any grant funding opportunities to help it transition. Some initiatives may actually save the Council money in the long-term. For example, electric vehicles are likely to be cheaper to run than petrol/diesel equivalents, reducing pressure on revenue budgets. As these newer technologies ramp up, economies of scale are likely to substantially reduce initial capital costs.
- 5.5. The Council will likely be better served by working with partners to share learning, ensure economies of scale and provide consistency of service.

6. Comments of the Head of Legal Services

- 6.1. The Council has a duty through various pieces of legislation to mitigate and adapt to climate change. Members have been provided with an update on the action plan of projects that is being delivered by the Council and its partners to help tackle climate change.
- 6.2. Should Members agree to the potential installation of electric vehicle chargepoints in its car parks, Officers will need to have due regard to procurement legislation and the Council's Contract Standing Orders. Following a satisfactory outcome of a procurement process, the Council will then enter into a contract with a successful supplier. Legal Services will need to advise on these matters.
- 6.3. Local authorities can use their own powers to take actions. The relevant powers are likely to include the wide general power of competence under Section 1 of the Localism Act 2011 which allows local authorities to do anything that individuals generally may do. The existence of the general

power is not limited by the existence of any other power of the Council which (to any extent) overlaps the general power. The Council can therefore rely on this power, where appropriate, to undertake the proposals in the installation of electric vehicle chargepoints.

7. Other corporate implications

- 7.1. None at this time, as implications will emerge and be approached on a project-by-project basis.

8. Equality

- 8.1. No direct implications. The Council's work to address climate change should not disadvantage any particular groups. To the contrary, the Council aims to enhance equality through this work. Further equality considerations will be reviewed as specific projects come forward from the Action Plan.

9. Climate change

- 9.1. As this report is an update on the Council's Climate Change Action Plan, no further comment is necessary in this section.

10. Appendices

Appendix 'A' – Action Plan Update

Appendix 'B' - Supplementary Information for Climate Change Update

11. Background papers

- 11.1. There are no official background papers to this report. However a list of suggested sources for further information on EVs and chargepoints has been provided at Appendix B (Section 2). These resources, and any organisations referenced to within, are not formally endorsed by the Council, rather they have been included in the appendix only to signpost readers to information they may find helpful. Therefore readers are expected to use their own judgement regarding the validity and usefulness of these resources.

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

Appendix A - Committee Action Plan Update

| Category | Action | Strategic Priority | Action Priority | Completion Date | Jun-21 |
|----------|---|--------------------|-----------------|-----------------|--|
| 1 | Produce Council greenhouse gas emissions report to ensure we are effectively measuring and managing our emissions | | 1 | Mar-21 | <ul style="list-style-type: none"> * A first draft emissions report for 2019/20 has been prepared. However Officers would like additional time to review the reliability of the data before publishing publicly. * The data has been collected for 2020/21. Therefore preparing this report should shed light on the data used for the 2019/20 report. * We have also been assisting the Surrey waste partnership with their work on calculating the emissions related to the County's collection and disposal of waste. * The completion of the action, i.e. a published report for 2019/20 and 2020/21, has been delayed due to a lack of capacity of the lead officer and competing corporate priorities. |
| 1 | Undertake a zero-carbon pathway and feasibility assessment for the Council Offices | | 1 | Mar-21 | <ul style="list-style-type: none"> * We have historic data on this building, and it has been submitted to be assessed as part of a County Council led study. This data will be used to inform the zero carbon pathway. The final report is expected in June 2021, which will then enable us to progress this action. Hence the delay. * In addition, the Assets team are in the process of preparing a commercial/operational property asset list, which focuses on energy performance and the steps needed to progress an asset's net zero pathway. This will enable us to prioritise its commercial asset retrofit work. |
| 2 | Scope feasibility of installing Electric Vehicle (EV) charging infrastructure in the District | | 1 | Mar-21 | <ul style="list-style-type: none"> * A full update on this action has been included in the Climate Change Update Report, to Strategy & Resources Committee 6th July 2021. |
| 2 | Produce climate change communications plan (e.g. Council website, single-use plastics, low carbon advertising, zero waste, AONBs) | | 2 | Mar-21 | <ul style="list-style-type: none"> * The first draft of the communications plan has been completed. The actions around the plan will emerge in the Summer of 2021 following the May elections, and according to Officer capacity. |
| 2 | Assess opening Tandridge Lottery and Community Fund to support climate change projects/good causes in the District | | 3 | Mar-21 | <ul style="list-style-type: none"> * Preliminary discussions have been held between Officers. However the action will need to be considered as part of the funding criteria for next year given the timelines for this year. |

Appendix A - Committee Action Plan Update

| | | | | | |
|---|--|--|---|--------|--|
| 1 | Arrange staff and councillor climate change literacy training | | 3 | Jul-21 | <p>* The LGA have released a new version of "A councillor's workbook on the local pathway to net zero". This covers many aspects of climate change and its relation to Local Authorities, it can be downloaded using this link: https://www.local.gov.uk/publications/councillor-workbook-acting-climate-change</p> <p>* Officers have also attended a workshop and met with the Carbon Literacy Project who provide carbon literacy toolkits specifically aimed at Local Authorities. The courses last one full day and the payment of a £10 per person course validation fee. The Programme Management Officer will prepare a business case as soon as practicable.</p> |
| 2 | Scope options for how the Council can engage with young residents on climate change | | 3 | Sep-21 | <p>* This will be reviewed as Officers begin mobilising the climate change Communications Plan in the Summer of 2021.</p> |
| 1 | Switch the Council's supply to a 'green' tariff that guarantees energy from renewable sources | | 1 | Mar-22 | <p>* We have informed our energy broker that switching to green energy tariffs is a corporate priority. Our energy contracts are currently in the process of being re-procured (at the time of writing).</p> |
| 1 | Undertake a zero-carbon pathway and feasibility assessment for the Warren Lane Depot | | 1 | Mar-22 | <p>* This building has been submitted to be assessed as part of a County Council led study. This data will be used to inform the zero carbon pathway. The final report is expected in June 2021, which will then enable us to progress this action. Hence the delay.</p> |
| 1 | Undertake a zero-carbon pathway and feasibility assessment for the Council's housing stock | | 1 | Mar-22 | <p>* A sample of properties were submitted to a County Council led study. We are expecting the results in June 2021.</p> <p>* A report was taken to the March 2021 Housing Committee: "Scope for replacing gas boilers with low carbon heating systems in Council-owned properties". The Lead Community Surveyor will produce a follow-up report as soon as capacity allows.</p> <p>* Preliminary work for this action is ongoing. The Lead Community Surveyor and IT are currently looking at implementation of a new IT system that will enable us to perform more efficient condition surveys of our properties. This is a key milestone for this action; results from this work are expected at the end of June 2021.</p> <p>* Officers are regularly sharing information with other Districts & Boroughs and the County Council via the Surrey Climate Change Officers Group. The Programme Management Officer has also been working on this action as part of a Local Government Association programme.</p> <p>* We are in dialogue with the South East Energy Hub regarding potential government funding for this work.</p> |
| 3 | Work with Surrey County Council and Joint Waste Solutions to fully assess emissions from the County's / District's waste collection and processing | | 2 | Mar-22 | <p>* We have provided emissions data to the County's waste partnership organisation, who are working on county-wide emissions reporting for waste collection and disposal.</p> |

Appendix A - Committee Action Plan Update

| | | | | | |
|---|---|--|------------|--------|---|
| 1 | Scope Council staff to use active travel or low carbon transport to commute to work | | 3 | Mar-22 | * A staff survey has been conducted and initially reviewed. As no 'quick wins' were identified, resource will be prioritised on higher priority actions. However consideration of this action will feature alongside any associated work, such as the Council's Covid-19 recovery work |
| 1 | Ensure our business continuity and emergency plans are robust from a climate change perspective | | Mitigation | Mar-22 | * We are participating in the County Council's work on climate resilience, and will feed results into our own plans as they emerge. |
| 2 | Scope how the Council can support upskilling the District's workforce in the green economy | | 2 | Sep-22 | * We have supported the creation of a youth hub, with Reigate & Banstead Borough Council and the Department of Work and Pensions. The Hub will offer mentoring, training, CV writing skills, interview techniques and work experience, supported by employers and will enable access to the Kick Start programme. |
| 3 | Scope installation of renewable energy generators in the District (e.g. battery storage, wind, solar) in the District | | 2 | Mar-23 | * We are participating in a County Council research piece that investigated opportunities for renewable energy in Surrey. We are expecting the results by the end of June 2021. |
| 1 | Scope carbon sequestration opportunities in the District (inc. tree strategy & canopy survey) | | Offsetting | Mar-23 | * We are participating in a County Council research piece that has looked at carbon sequestration opportunities in the District. We are expecting the results by the end of June 2021. |
| 3 | Scope installation of urban 'greening' devices (e.g. air-purifying benches, green walls, green roofs) | | 3 | Dec-23 | * We are currently in the process of scoping retrofit work to one of our commercial buildings, Quadrant House, which includes exploring opportunities for 'green walls'. |
| 1 | Develop a business case for all Council vehicles to be powered by electric or other low carbon alternatives | | 1 | Jun-24 | * This is a high priority action, but with a long-term deadline according to our fleet vehicle contracts. The next step we will take is to organise a fleet vehicle workshop with the Energy Saving Trust. |
| 2 | Scope working with farmers to reduce their carbon footprint | | 2 | Sep-24 | * We are maintaining a dialogue with High Weald AONB, who are investigating this aspect of climate change work. |
| 2 | Scope how the Council can support community energy schemes | | 2 | Mar-25 | * We are maintaining a dialogue with Outwood Parish Council, who were awarded government funding to scope the possibility for community energy in their Parish. * The County Council are supporting iChooser / Solar Together on community-based group purchasing of solar pv. |

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Section 1 - Tandridge District Council: Soft Market Test (SMT) for Electric Vehicle Charging Points in Council Car Parks

Number of respondents:

The SMT received 16 responses from Chargepoint Operators (CPOs).

Questions respondents were asked to consider:

1. **Funding:** It is unlikely that the Council will have capital investment for the installation, operation and maintenance of charge points. Therefore, what funding options can your organisation provide?

The majority of CPOs offered fully funded ('concession') options, along with other part-funded and client funded options. Some options included seeking to gain government funding for the chargepoints, in which case most CPOs would contribute 25% of the costs. Leasing chargepoints was also mentioned in one contribution.

Several CPOs noted that any chargepoint sites, to be fully funded, would need to be commercially viable. Such sites can be assessed on several criteria, such as: potential footfall / dwell time, existing level and type of infrastructure, location to transport and business hubs. For less commercially viable / lower usage sites, obtaining government funding would be beneficial and potentially increase site options.

A further key element to consider is the costs associated with connecting the site to the electrical grid and whether any upgrades would be necessary. If these 'DNO costs' are high, it is likely that a site will not be commercially viable.

Out of the Council's list of car parks, data to hand suggested that approximately two sites may be commercially viable, and others not, due to lack of suitable grid connection or small size of the car park. However this data would need to be reviewed as part of a potential tender exercise, and in light of the Council's preferred funding model. In addition, the Council would confirm grid connections with the local energy supplier UK Power Networks.

2. **Length of contract:** if TDC were to partner with your organisation, what would be the minimum contract length to manage, operate and maintain and the charge points?

Typically the length of contract offered relates to the level of investment required from the CPO. For fully funded options, the contract lengths ranged from 12 – 20 years. A key driver for these models is the CPOs return on investment, which is most often only available via a long-term partnership. One CPO mentioned that all their local authority chargepoints are currently running at a loss. Fully funded options usually entail the CPO being the owner of the equipment and accepting liability for maintenance, repair and so forth.

Shorter contracts are available for part-funded and when using grant funding, typically between 1- 12 years.

Other factors that can affect the length of contract – which mostly relate to funding options – are: the type of charger installed, as slower charges are less expensive than faster ones.; hardware costs; Grid connection (DNO) costs; Profit share %; Cost per kWh; Rental fees for the bays; Installation costs; Value of grant funding towards the project. Again, a key determining element is the DNO costs, as it has a high impact on the financial viability of sites.

3. **Scope of the contract:** does your organisation offer installation, maintenance and future-proofing (design & technology) of the chargepoints? In addition:
 - a. Would the contract cover vandalism?
 - b. How quickly could faulty chargepoints be fixed?

The majority of CPOs offered full end-to-end solutions whereby all installation, maintenance and repair costs are included – typically for fully funded options. If the Council were to fund the project, it is highly likely that it would assume liability for these costs or have to take out insurances to cover them.

Regarding covering vandalism and future-proofing, several CPOs said these would be covered, however others mention that they would not be.

All respondents stated similar response times to repair faults, depending on the severity of the fault. Most faults can be fixed remotely, and most chargepoints can send automatic fault messaging to the supplier.

4. **Back office system:** what are the features of the back-office maintenance and operating system you use? For instance:
 - a. Is it compatible with other charge point systems?
 - b. Does it have a strong track record for reliability?
 - c. Can usage data be shared with the Council and other Surrey local authorities?

There were mixed responses regarding CPOs' back-office system compatibility with other systems. Some operators favoured their own bespoke designed systems, whereas others had signed up to the Open Charge Point Protocol (OCPP). The OCPP is "an open-source communication standard for EV charging stations and network software companies. Simply put, any EV charging station that is OCPP-compliant can be configured to run any similarly OCPP-compliant software."¹ Hence with these systems there are greater opportunities for interoperability and the option to switch to different software systems/suppliers.

¹ EVBOX (2021) *Understanding OCPP: Why Interoperability Matters*, EV Box. Online available: <https://evbox.com/us-en/understanding-ocpp> [Last accessed 15/06/2021]. Note: this reference does not imply any preference for this organisation, it is included only as an aid for explanation.

The majority of CPO back-office systems can share data with the Council, using dashboards with multiple indicators, such as: live status of chargers, kWh usage, cost of sessions and CO2 savings. There were not many definitive statements on data sharing outside of the Council. However it is not expected that this would be a significant obstacle, and some CPOs were happy to fully share data.

Although not common, a few CPOs mentioned that their systems can support contactless card payment, pay as you go options, and web pay. Hence with some CPOs, users do not have to be members or download an App.

5. **Compatibility & speed:** are your chargepoints compatible with all electric vehicles on the market, if not which are excluded? Further:
 - a. What charge speed would you recommend installing in TDC's car parks and why?
 - b. Ability to control or limit charging speeds remotely?

All CPOs noted that their chargers are compatible with all EVs on the market, and some highlighted that their hardware can be futureproofed should changes be necessary. One CPO noted that one EV manufacturer would not be compatible, although this manufacturer provides adapters for their customers, so the vehicles can be used with standard chargers.

There was a mix of charger speeds suggested by CPOs, possibly due to the fact that they have not conducted full feasibility studies of the Council's car park sites. 7-22 kW mostly featured, with other recommendations for faster chargers such as 50 – 150 kW to allow for rapid charging.

The type/speed of charger would relate to the specific installation site. For instance, typical charge times for a 50kW unit are around 40 minutes, while ultra-rapids offer <20 minutes for compatible cars. Therefore the type of charger installed will depend on the likely dwell time of users. In the longer stay car parks, 7kW to 22kW chargers would provide slower charging for those parked for more than two hours / all day, whilst rapid chargers would be more applicable if dwell time is less than 1hr.

All operators could load manage and control charging remotely.

6. **Revenue sharing:** given the size and number of TDC car parks, would there be options for sharing the revenue / profit from the chargepoints?

The majority of CPOs said they would consider revenue / profit sharing, with most preferring the latter. The proposed share ranged from 2-25%, although was typically 5-10%. Notably these arrangements would again be dependent on other factors such as the funding model, length of the contract, type of equipment installed, tariffs, cost of installation, and expected usage.

7. **Non-negotiables:** are there any non-negotiable elements of a potential partnership, such as traffic regulation orders and parking policies, that the Council should be aware of?

Nearly all CPOs did not foresee any significant non-negotiables. However a few CPOs noted that:

- traffic regulation order (TRO) work would be at the Council's expense;
- sites would, ideally, be accessible 24hr a day;
- it would be beneficial for the Council to enforce parking regulations, so only EVs park in EV bays. Some CPOs may require assurances from the Council on this;
- exclusivity over a site / car park would be preferable;
- there would likely be contractual clauses related to early-termination, as this could significantly impact a CPO's return on investment. For instance, this could apply should the Council wish to change the use of car park, say to another type of development.

8. **Bay blocking:** does your offering include ways of addressing bay blocking?

Bay blocking can relate to users remaining parked at a chargepoint after their vehicle is charged, or 'ICEing', whereby non-EVs park in EV bays. The majority of CPOs has a system in place to address the former, such as parking sensors and notifying users that their vehicles are fully charged via Apps. Other options included the use of: overstay charges; sensors that notify parking enforcement officers; lamppost CCTV systems; and the ability to use chargers as payment meters. However some instances, namely ICEing would rely on parking officers to enforce TROs.

9. **Council resource:** other than contract management, do you envisage the Council needing to provide further resources, such as officer time and capital, over the length of the contract once the charge points are in place?

All CPOs envisaged no extra resource being required for fully funded options, as all aspects are covered by the supplier such as: customer services, payment, and repair.

It is likely that the Council would need to be involved in any applications for government funding and would meet with a CPO quarterly to monitor usage and performance. If not provided for in a contract, the Council may need to pay for vandalism. Some CPOs also mentioned that it would be advisable if the Council could utilise its parking enforcement teams to support the effective use of the chargepoints.

10. **Environment:** What are the environmental credentials / embedded carbon of your charge points? For instance, do you manufacture your charge points using recycled materials, and minimise shipping distance and the materials / processes related to site construction?

Most CPOs had strong environmental credentials and are pro-actively working to reduce emissions related to shipping and installation. Some chargers were made from recycled material and could be recycled at the end of their life.

Chargepoints mostly have long lifespans, such as between 8 to 20 years, depending on future proofing.

In addition, some CPOs highlighted that they use renewable energy to supply the electricity for their chargepoints.

11. **Social value:** are there other opportunities that could benefit the community from your charge points? For example: the ability to install other smart technology; provision of public engagement sessions with the local community or social media content; use of local workforce?

Many CPOs offered lots of options with regard to social value, these included:

- Using / upskilling local workforce;
- Work / college placements and work experience;
- Taking part in public engagement events, taster days with local community and schools; and other PR and marketing to educate potential users and generate awareness;
- Possibility to support solar pv / battery storage installations and community energy;
- Focus on making chargepoints accessible to all drivers with different needs, such as wheelchair users;
- Provision of air-quality sensors
- Experience of conducting building energy efficiency surveys;
- Ability to use chargepoints for wi-fi, advertising, displays, CCTV, public help points.

12. **Procurement framework:** is your organisation part of an existing procurement framework?

The majority of CPOs were part of more than one procurement framework, with others being members of at least one framework.

13. **Do you have experience of working with Local Authorities?**

All CPOs had experience working with Local Authorities, some having conducted multiple chargepoint installations.

14. Is there anything further you would like to add?

A few additional remarks were put forward by CPOs:

- One emphasised that the central government vision aligns with interoperability and not to tie users to specific applications; and also support contactless, swipe and PIN enabled payment.
- There could be potential to link the chargepoints to current Council systems and interfaces.
- Possibility to support discount schemes, including for Council employee and fleet vehicle charging.
- It would advantageous for the Council to think carefully about its preferred pricing schedule and ensure this is communicated clearly in a potential tender, and that this and other project costs are clearly itemised. In addition, pricing, profit shares and funding arrangements will likely influence the price the end user pays, which the Council should again carefully consider.
- As mentioned above, the choice to choose an OCPP member supplier could have significant implications.

15. Is there any information you would require from the Council or other organisations that would only be available if you were the chosen supplier? For instance, technical specifications required to assess revenue generation or installation costs.

Several CPOs highlighted additional data that would be of use for them when choosing to bid for a potential future tender:²

- Confirmation of the Council's proposed sites for chargepoints, access to these sites and site surveys;
- The DNO costs for each site;
- Any modelling on potential EV uptake;
- User profiles, such as short, medium, long stay volumes; number of cars daily / weekly who park at the sites; and reasons for parking e.g. shopping, walking the dog etc.
- Any council requirements regarding its preferred financial model and payment rates.

² These would not necessarily be at the Council's expense.

Section 2 – Suggested sources for further information on Electric Vehicles

Below is a list of suggested sources for further information on electric vehicles, chargepoints and wider pieces on climate change. Please note that the inclusion of these sources does not equate to the Council supporting or showing preference towards a particular source / author, neither does the Council assume liability for the factual accuracy of the sources. They are included as a guide for readers who are expected to make their own judgements on the sources. All sources were last accessed 15/06/2021. Full references have not been provided, readers can find full details using the provided web links.

- HM Government - Road to Zero publication:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739460/road-to-zero.pdf
- HM government - The 6th carbon budget response:
<https://www.gov.uk/government/news/uk-enshrines-new-target-in-law-to-slash-emissions-by-78-by-2035>
- HM Government - 10-point plan for a Green Industrial Revolution for 250,000 jobs:
<https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs#:~:text=The%20Prime%20Minister's%20ten%20points,supporting%20up%20to%2060%2C000%20jobs.>
- Energy Saving Trust article on the benefits of EVs and support with purchasing:
<https://energysavingtrust.org.uk/advice/electric-vehicles/>
- Energy Saving Trust policy proposals for Wales:
<https://energysavingtrust.org.uk/wp-content/uploads/2021/03/Energy-Saving-Trust-Green-Recovery-Policy-Proposals-ahead-of-the-2021-Senedd-Election.pdf>
- Climate Change Committee - Local Authorities and the Sixth Carbon Budget:
<https://www.theccc.org.uk/publication/local-authorities-and-the-sixth-carbon-budget/>
- Climate Change Committee - The UK's transition to electric vehicles:
<https://www.theccc.org.uk/publication/the-uks-transition-to-electric-vehicles/>
- Local Government Association - The Case for EVs and charging infrastructure:
<https://www.local.gov.uk/case-electric-vehicles>

Appendix B – Supplementary Information for Climate Change Update

- Local Government Association – Council’s spearheading climate change effort (inc. installation of chargepoints):
<https://www.local.gov.uk/about/news/councils-spearheading-national-climate-change-effort>
- Local Government Association - A councillor’s workbook on the local pathway to net zero Councillor Workbook (inc. EVs):
<https://www.local.gov.uk/publications/councillors-workbook-local-pathway-net-zero>
- Go Ultra Low [general] - a joint government and industry campaign (supported by the Office of Low Emission Vehicles, vehicle manufacturers, energy providers and the Society of Motor Manufacturers and Traders):
<https://www.goultralow.com/>
- Go Ultra Low – Benefits of choosing an EV:
<https://www.goultralow.com/choosing-an-ev-benefits-of-choosing-an-ev/>
- Go Ultra Low - One EV registered in the UK every three minutes in 2020:
<https://www.goultralow.com/consumer/one-ev-registered-in-the-uk-every-three-minutes-in-2020/>
- Carbonfootprint.com – Why make move to full electric:
https://www.carbonfootprint.com/electric_vehicles.html
- Gauging Economic Consensus on Climate Change, *Institute for Policy Integrity – New York University School of Law* (March 2021).
<https://policyintegrity.org/publications/detail/gauging-economic-consensus-on-climate-change>
- The Intergovernmental Panel on Climate Change (IPCC) [the United Nations body for assessing the science related to climate change.] – Special Report – Summary for Policy Makers and Headlines documents:
<https://www.ipcc.ch/sr15/>
- UN Climate Change Conference (COP 26):
<https://ukcop26.org/>
- UK Met Office - Temporary exceedance of 1.5°C increasingly likely, May 2021:
<https://www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2021/chance-of-temporarily-reaching-1.5-c-in-next-five-years-is-increasing>

Link to main report: World Meteorological Organization (2021):
https://hadleyserver.metoffice.gov.uk/wmolc/WMO_GADCU_2020.pdf
- Articles on the lifetime emissions of EVs:
<https://www.carbonbrief.org/factcheck-how-electric-vehicles-help-to-tackle-climate-change>

<https://www.bbc.co.uk/news/science-environment-51977625>

<https://www.drax.com/energy-policy/how-clean-is-my-electric-car/>

- News article - EVs costing less in insurance, tax and fuel:
<https://www.futurenetzero.com/2021/05/07/evs-now-cheaper-to-insure-than-petrol-or-diesel-cars/>
- News article - UK businesses investing in EVs:
<https://www.futurenetzero.com/2021/05/07/uk-businesses-to-invest-15-8bn-in-evs-over-the-next-year/>
- News article - Vehicle manufacturers committing to carbon-neutral car production:
<https://www.futurenetzero.com/2021/04/07/polestar-commits-to-creating-carbon-neutral-car-without-offsetting/>
<https://www.energylivenews.com/2021/04/30/volkswagen-commits-to-carbon-neutrality-by-2050-at-the-latest/>
- News article - Delivering Net Zero Leading to Increased Mining:
<https://www.futurenetzero.com/2021/05/26/delivering-net-zero-will-require-massive-expansion-of-mining/>
- News article - EV Batteries playing a key role in future flexible energy market:
<https://www.futurenetzero.com/2021/05/25/virtual-power-station-created-by-uk-power-networks/>
- News article – Warning from climate committee that UK is not keeping pace with climate risks:
<https://www.futurenetzero.com/2021/06/16/uk-fails-to-keep-pace-with-increasing-climate-risks-ccc-warns/>

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PA support for the Chair of the Council and associated matters

Strategy & Resources Committee Tuesday, 6 July 2021

Report of: Jackie King – Executive Head of Corporate Resources

Purpose: To enable a recommendation to Full Council

Publication status: Open

Wards affected: All

Executive summary:

Councillor Pursehouse has requested that this item be considered by the Committee in accordance with Standing Order 18.

The Committee is asked to consider Councillor Pursehouse's proposals regarding PA support for the Chair of the Council; governance arrangements for the Chair's Charities Fundraising Committee; and a seminar to consider the future role of the Chair of Council and how it should be supported.

This report supports the Council's priority of:

Building a better Council

Contact officer Jackie King
JKing@tandridge.gov.uk, vsharp@tandridge.gov.uk –

Recommendation to Committee:

That the Committee makes a recommendation to Council in response to the proposals from Councillor Pursehouse.

Reason for recommendation:

This is not an Officer driven report with specific recommendations. However, Members are invited to consider Councillor Pursehouse's proposals in light of the comments provided by the Executive Head of Corporate Resources and the Chief Finance Officer, and to make a recommendation(s) to Full Council.

Introduction and background

- 1 Standing Order 18 states that, "*...any Member of the Council may give notice of any item of business for consideration at any meeting of a Committee ...*". Such notice has been given by Councillor Pursehouse as follows:

"I would like to exercise my right as a councillor to place an item on the Strategy & Resources agenda for the meeting on 6th July:

Support of Chairman of Council

Currently the Chairman of TDC is supported by a PA for only two hours per week, far less than any other Chairman or Mayor in Surrey, and does not allow the Chairman to perform the traditional role of someone who represents the District to other organisations outside and within the District and supports some fundraising for chosen charities.

It is proposed that:

- (i) **A dedicated part time PA be employed on a zero-hours contract, to provide support as and when necessary. This could be as little as the current two hours per week, when just processing correspondence, up to 20 in weeks with major events. A budget should be agreed which provides for an average of 7 hours per week.**
- (ii) **A voluntary Chairman's Charities Fund Raising Committee has been established. Officers to help with establishing this as an independent organisation through which money can pass and tickets be sold. This will save officer time and VAT on tickets.**
- (iii) **A seminar be held as soon as possible for the Council to explore how it wants its future Chairmen to represent TDC, what activities it wants them to undertake and how this will be supported.**

- 2 Councillor Pursehouse has also submitted the following additional information to support his proposals:

"Notes on proposal 1

- 3 *When I became Chairman two years ago, I was lucky enough to have the support of a PA , whose experience and knowledge was essential to my being able to perform my role outside the chamber. She explained what the role was and how to perform it.*
- 4 *As well as this, her duties were to:*
- *Receive and reply to invitations in conjunction with the Chairman.*
 - *To get details of what the Chairman was expected to do at each event and to ensure this was in line with the council's principles and policies.*
 - *Help the Chairman organise civic and charity events.*
 - *Process invitations for those events and to handle payment.*
 - *Keep a database of businesses prepared to contribute raffle prizes.*
 - *To run the events*
- 5 *This could not have been performed within two hours per week. In addition, other officers supported the actual events to help here. Without this support, performing the accepted role of Chairman would not have been possible.*
- 6 *When she retired, she was replaced by someone performing a similar role The replacement was short lived and then Covid hit, which brought an end to all but virtual civic functions and all fund raising. The hours required to support the chairman reduced drastically, but this situation is, hopefully, about to come to an end.*
- 7 *However, the new Chairman's PA is only there for two hours a week. This has been a fait accompli and imposed without consultation with the Chairman or going through any of the democratic bodies of the Council.*
- 8 *This is not a plea for extra funds, but to reinstate an acceptable level of support.*

Notes on proposal 2

- 9 *It is recognised that money has to be saved, so while proposal 1 is required immediately, proposal 2 should reduce the pressure on the PA and save costs in the longer term. The aim of this proposed committee is to take on as much of the support role as possible with regard to charity fundraising. It cannot take on the civic role, this has to remain with the PA. Just how much of the support role this committee will be able to take on, will depend on discussions with various officers; including legal and finance.*
- 10 *Hopefully, it would be able to sell tickets to event, which will mean that VAT would not need to be added to the price of the tickets, which would be a considerable boost to fundraising efforts.*
- 11 *Most officer time involved with this would be an initial one-off, to help set it up in a way that is acceptable to the Council. However, it is obviously essential that this committee, using some non-councillors, retain as close a link as possible to the Council; the obvious liaison being the Chairman's PA.*

Notes on proposal 3

- 12 *While the position of the Chairman as far as presiding at Council is concerned is set out in legislation and Standing Orders, the only reference to his/her civic role is that, within the District, no other person takes precedence other than the Monarch or the Lord Lieutenant of the County.*
- 13 *To my knowledge, no consideration has ever been given to the expected civic and charity role. Many other councils have this role defined on their web sites, we do not.*
- 14 *This proposal would give members a say in what role they want their chairman to play and the level of support he/she should receive.*

Key implications

Comments of the Executive Head of Corporate Resources

Up until December 2019 the Council employed a full time Executive Assistant who provided support to the Chief Executive and the Leader, Chairman and Vice Chairman of the Council. Following her retirement, a part time (25 hours per week) Personal Assistant (PA) was recruited to continue this support for all except the Chief Executive. After a few months that person left the Council and a decision was taken to give up that post in the budget savings rounds in 20/21 and to instead provide a minimal level of admin support to the Chairman only, as neither the Leader or Vice Chairman were in need of this. This was provided through one of the Council's Case Officers initially and then recently moved to the current PA to the Executive Leadership Team on the basis of around 2 hours per week to assist with email and diary management. There is no capacity to offer additional time as the PAs workload is already extremely high and there are no other officers within the Council with free capacity to assist with these duties or to support the fund-raising Committee which has been established.

The part time PA was employed on a TA2 grade and, therefore, the costs to employ a casual worker at the same level would be £25,767 = £13.36 per hour. This would also attract an element of holiday pay at 12.07% which equates to £1.61 making the overall hourly rate of pay £14.97 per hour. Employer's National Insurance contributions would not apply as the first £8,788 of payments are exempt. The casual worker would not be entitled to join the pension fund.

The suggested 7 hours per week would be an expense to the Council of £5,463. It should be noted that, as the budget for 21/22 has already been approved by Full Council, any costs associated with bringing in additional staff would have to be met by a corresponding reduction of an 'in-year' service budget.

Comments of the Chief Finance Officer

The General Fund budget is under severe financial pressure. There is no budgetary provision for the cost of the support post, so the expense would have to be met by finding offsetting savings in the year.

Establishing the Chairman's Charities Fund Raising Committee as an independent organisation is likely to require significant resources in terms of cost and officer time. It would be important to fully evaluate what type of organisation would serve the needs of the committee best to achieve the outcomes desired. If an independent organisation is formed there will be ongoing administration costs and it needs to be understood what these will be and how they will be financed. Examples could include, but are not limited to, completion and auditing of annual accounts, data protection, Charity Commission returns and VAT returns. Any independent organisation will also need ongoing legal and finance support and it needs to be understood where this will come from and how it will be financed.

It is important to weigh up the additional benefits from forming an independent organisation against the likely costs to ensure there is sufficient scale for the desired benefits will be achieved.

Comments of the Head of Legal Services

There are no specific legal implications arising from the contents of this report, save for noting that a local council is required by S112 of the Local Government Act 1972 to appoint such officers as it considers necessary for the proper discharge of its functions. At present, the Council does not have the capacity to provide the additional assistance requested by the Chairman as there are many teams under-resourced.

It is also envisaged that additional legal support may well be needed to advise on charitable fundraising activities and all relevant legislation. The small in-house legal function may not be perfectly placed to advise the Chairman and Members on how the changing legal and regulatory outlook may influence their fundraising activities as it is a specialised area of charity law.

Climate change

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

Appendices

None

Background papers

None

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