

## TANDRIDGE DISTRICT COUNCIL

### STRATEGY & RESOURCES COMMITTEE

Minutes and report to Council of the meeting of the Committee held in the Council Chamber - Council Offices on the 28 September 2023 at 7:30pm.

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

**ALSO PRESENT:** Councillors Chris Farr, Sue Farr and Nicholas White

**APOLOGIES FOR ABSENCE:** Councillor Alun Jones

#### **128. MINUTES OF THE MEETING HELD ON THE 29TH JUNE 2023**

These minutes were confirmed and signed as a correct record.

#### **129. DECLARATIONS OF INTEREST**

Councillors Pursehouse and Bloore declared non-pecuniary interests in agenda item 9 (Review of policy for granting rental subsidies to community organisations utilising Council owned land – Minute 134). This was on the basis of their connections with once such organisation, i.e. the Blanchman's Farm Nature Reserve Committee, of which Councillor Pursehouse was Chairman, and Councillor Bloore was the Council's representative.

#### **130. QUARTER 1 2023/24 BUDGET MONITORING - STRATEGY & RESOURCES COMMITTEE**

An analysis of forecast expenditure against the Council's overall revenue budget of £11,935K as at the end of June 2023 (Month 3) was presented. When the budget was set in February 2023, £230K was held in 'corporate items' pending a staff pay award. Given that a pay award for 2023/24 had since been approved, a proposed virement of the £230K to the four policy committee budgets was recommended.

A £250K revenue overspend was forecast, split between the policy committees as follows:

- Housing (General Fund): £15K
- Planning Policy: £197K
- Strategy & Resources: £38K

While contingencies totalling £921K meant that a balanced outturn was still expected, the report emphasised the need for mitigating actions to continue, especially in light of unquantified risks such as planning appeal costs and the impact of financial pressures on existing suppliers. This message was reinforced by Members during the debate.

It was confirmed that the Department for Levelling Up, Housing and Communities (DLUHC) had declined the Council's request to use £500K of capital receipts from the sale of Redstone House as part of a strategy to build General Fund reserves. DLUHC had cited the Council's improved financial position as the reason for refusal. However, Officers would maintain contact with DLUHC officials to keep them apprised of the Council's financial situation. The Committee expressed disappointment at DLUHC's decision but was pleased that the Council's efforts to manage its budget pressures had been recognised. The Chief Finance Officer explained the alternative options for utilising the £500K, predominantly avoiding borrowing to improve planned debt repayment costs.

The report confirmed that the capital programme was forecasting £8,827K of net slippage and a £36K underspend. A breakdown of the total slippage (into 2024/25) by committee was provided. This followed a phasing review to identify how much was deliverable in 2023/24. A quarter 1 update regarding 'actuals' against the Council's prudential indicators for 2023/24 was also submitted. This reflected a new requirement (of the Chartered Institute of Public Finance and Accountancy's Prudential and Treasury Management Codes) that such monitoring be reported quarterly. The Investment Sub-Committee would have otherwise received Prudential Indicator updates but was not scheduled to meet until November, by which time the quarter 1 update would be superseded.

Various other matters were discussed in response to the report, including:

- the risks and uncertainties associated with the impact of cost inflation upon key construction contracts, including reference to measures taken to increase resilience for the Council house building programme
- the rationale for recharging legal services costs to other departments where appropriate
- the basis for doubling the 2022/23 provision for planning appeal costs (by £132k for 2023/24)
- appreciation of the contributions made by the finance team and others to the effective management of the Council's finances, despite the significant challenges facing the Council and the wider Local Government sector.

***R E S O L V E D*** – that:

- A. it be noted that the Department for Levelling Up, Housing and Communities has refused the Council's application to use capital receipts as part of a strategy to build reserves resilience;
- B. the forecast revenue and capital budgets positions as at Quarter 1 / M3 (June) 2023 and the Q1 Prudential Indicator update be noted;
- C. a pay award virement of £231K between corporate items and the Strategy & Resources, Community Services, Housing and Planning Policy Committees, as set out in section 3 of the report, be approved; and
- D. the reprofiling of the capital budget set out in section 21 and Appendix A of the report be approved.

## 131. QUARTER 1 2023/24 KEY PERFORMANCE INDICATORS - STRATEGY & RESOURCES COMMITTEE

An analysis of performance against the Committee's key indicators for the first quarter (April to June 2023) for 2023/24 was presented along with 'committee' and 'corporate' risk registers. Particular attention was drawn to indicators SR5 and SR7 which the report deemed the most likely to impact on the Council's performance:

- *“SR5: The number of working days / shifts lost due to sickness absence (long and short-term) is off target by 2.46 days. This is an improvement since the last quarter. The target is 7.1 days. The overall trend is down, for the same quarter last year sickness absence was 11.36%.”*

Discussion included the breakdown of the types of sickness (e.g. that musculoskeletal conditions were not necessarily attributable to the working environment) and that the target may need to be reassessed in light of national trends.

- *“SR7: Staff turnover is just off target at 15.9%, compared to 14.5% in the last quarter. The target is 15%. The overall trend is down, for the same quarter last year turnover was 17.6%.”*

The fact that 44% of leavers didn't give a specific reason for their departures during exit interviews was questioned. It was confirmed that such interviews were not conducted by line managers. The intention to focus efforts on recruiting permanent staff to the development management and planning policy teams was discussed.

Members asserted that indicator SR10 (% of calls answered within 60 seconds by Customer Services: 44.03% for Q1 against a target of 80%) also impacted upon performance, especially in light of the target never being achieved and the fact that 88% of responders to the recent residents' survey *“usually contact the Council by phone”*. The Chief Executive confirmed the need to address the matter, including via benchmarking against other authorities and a detailed analysis of why the target is being missed and if / how it could eventually be met. The intention for longer term solutions to be delivered via the digital transformation programme in respect of SR10 was acknowledged.

Discussion also focused on item S8 (delivery of the One Public Estate programme) within the Committee's risk register. A range of views were expressed, most of which supported the Council's ongoing participation.

**RESOLVED** – that the most critical Quarter 1 2023-2024 performance indicators and corporate risks be noted.

**ACTION:**

<b>Action</b>	<b>Responsible Person</b>	<b>Deadline</b>
<p>Detailed analysis to be undertaken and circulated to S&amp;R Committee members regarding KPI SR10, including:</p> <ul style="list-style-type: none"> <li>• why performance is consistently off-target</li> <li>• identification of average call waiting times</li> <li>• other relevant contextual information</li> <li>• whether the target is realistic (informed by benchmarking against other Councils) and, if so, what measures are likely to be necessary to achieve the target, including whether staffing resources could be allocated more flexibly to cover periods of peak demand.</li> </ul>	David Ford	

**132. FUTURE TANDRIDGE PROGRAMME UPDATE**

A report was submitted which included:

- (i) progress to date in delivering the service reviews, with RAG risk ratings for achieving the £1.7m savings target (all necessary actions had now been taken to deliver savings of £856K; further potential savings of £192K were marked as green; £546K as amber; with £26K for Regulatory Services now considered to be unachievable)
- (ii) an update on the senior management restructure, including a recent decision to review staffing requirements for the planning policy and development management teams
- (iii) an update on the Grounds Maintenance options appraisal process as previously provided to the Community Services and Housing Committees (i.e. pursuit of a hybrid approach with a combination of in-house and outsourced work based on contract lot structures)
- (iv) a progress update for digital transformation (including the procurement of Salesforce licences; Project Initiation Document sign off; appointments of an implementation partner / telephony provider; and provision of a resource for redesigning the website)
- (v) a progress update on the activities underway in Revenues & Benefits (including a shared service approach with Reigate & Banstead Borough Council and internal measures to improve performance and efficiency and to reduce the backlog of cases)
- (vi) financial context – an update on the approach to the 2024/25 budget process and planning of 2024/25 savings.

The Chief Executive updated the Committee regarding the emerging senior management restructure; progress towards the formulation of a new corporate plan; the review of the staff appraisal system and development of a 'one team' ethos; and the intention to apply the principles of the Grounds Maintenance options appraisal process across other business areas as part of the new commissioning model.

The Chief Finance Officer commented further on (iv) to (vi) above, including reference to the Member briefing about the 2024/25 draft budget on 31st October and an explanation of the initial £90K being sought to cover 12 months of programme management to support the next phase of organisational change. The remainder of the transformation resource would be subject to further justification to the Committee as and when required.

The following matters were raised by Members during the debate:

- compliments for way in which the Grounds Maintenance options appraisal process had been handled
- the need to identify realistic budget / savings plans for 2025/26 and 2026/27 if possible, in light of potential Local Government finance settlements and other factors (it was confirmed that estimated saving requirements up to 2026/27 for different scenarios were due to be included in the budget report to the Committee's next meeting)
- the need to pursue commercial opportunities for generating additional income
- whether the amber risk rating for delivering the objectives of the 'customer services' service review should be upgraded (the Chief Finance Officer agreed to reassess the current RAG rating as part of a review of the customer service team's staffing requirements)
- the importance of retaining the 'wellbeing prescription' and 'domestic violence prevention (IRIS)' programmes.

**RESOLVED** – that:

In respect of the wider Future Tandridge Programme (FTP):

1. the progress being made on the FTP be noted
2. the progress in delivering the service reviews and 2023/24 savings be noted
3. the progress made on Revenues & Benefits shared service planning be noted

In respect of the 2024/25 budget process and FTP resourcing:

4. the progress being made on the approach to developing the 2024/25 savings plan be noted
5. the forecast against the FTP delivery budget be noted
6. the £90k initial resources required to develop the 2024/25 savings plan and organisational change required over the medium-term, as set out in section 8.1 of the report, be approved.

**ACTION:**

Action	Responsible Person	Deadline
The risk rating for delivering the objectives of the 'customer services' service review (currently amber) be reassessed.	Mark Hak-Sanders	For the Q2 update to Committee – 30/11/2023

**133. HOUSEHOLD SUPPORT GRANT - PHASE 4**

The Government had launched a fourth phase of the Household Support Fund to provide financial support to vulnerable households. Whereas previous allocations had spanned six months over a summer or winter period, Phase 4 covered the whole of 2023/24, with Councils having discretion about when to release the funding. As with previous phases, initial allocations had been made to Unitaries and Counties. Surrey County Council had distributed £3.8m of its £10.6m allocation to Boroughs and Districts (a reduced share compared to previous years) £316K of which had been distributed to TDC to meet local requirements.

A report on the Phase 4 Tandridge scheme was submitted regarding decisions taken to date and the plans for the winter months. Following consultation with Group Leaders, it had been agreed to run the scheme in two rounds:

- Round 1 was launched on 18<sup>th</sup> September, following advertisements on-line and in the CR3 magazine and its sister publications. This round had since been suspended as the applications to date would fully utilise the £105K provision (one-third of TDC's allocation) if approved.
- Round 2 to be launched on 11<sup>th</sup> December using multiple advertising channels, to run until the remaining £211K is fully utilised.

Officers were liaising with community groups, such as CAB and the Westway, to raise awareness of the scheme. The existing eligibility framework would be used again for administering Phase 4.

The following changes to the Tandridge scheme compared to previous phases were highlighted:

- provision to allow funding to be distributed through other organisations, i.e. charity, voluntary or third sector groups should they meet the aims and audit requirements of the programme (decisions on funding such groups will be taken by the Chief Finance Officer in consultation with Group Leaders and will likely be an option if the budget is not fully utilised via direct applications)
- increase in grants from £100 to £150 for households without children and from £300 to £350 for households with children, to recognise the impact of inflation since the first phase was launched.

The report also advised that the costs of running all four phases of the scheme will fully be covered by a proportionate administrative deduction.

During the debate, the Chief Finance Officer was asked if it would be possible to provide information regarding the number of successful applications for Tandridge Household Support funding to date. The CFO was also asked to ensure that Parish Councils were aware of the scheme.

**RESOLVED** – that:

- A. the launch (on 18th September 2023) of the first round of Household Support Grant (Phase 4) be noted; and
- B. the launch of the second round of Household Support Grant (Phase 4) be approved.

**ACTIONS:**

Action	Responsible Person	Deadline
Data be circulated to S&R Committee members regarding the number of successful applications for Tandridge Household Support funding to date.	Mark Hak-Sanders	13/10/2023
Ensure that Parish Councils are engaged on the HSF scheme	Mark Hak-Sanders	31/10/2023 – in preparation for round 2

## 134. REVIEW OF POLICY FOR GRANTING RENTAL SUBSIDIES TO COMMUNITY ORGANISATIONS

In accordance with a decision at the previous meeting, officers had reviewed the policy for awarding rental subsidies to community organisations leasing Council owned assets. The review had concluded that, while the original framework for assessing subsidy applications was still largely satisfactory, the following clause represented an unreasonable risk for community groups and should be removed:

*“In normal circumstances, any rent subsidy grant awarded should be tapered in order to encourage organisations to become more self-sufficient, with rent review periods generally set between 6-9 years”*

It was recommended that the rental burden be removed entirely in lieu of full repairs and maintenance obligations being placed upon tenants, to be reflected within the terms of ten-year leases to future successful applicants. The report also proposed that tenants wishing to redevelop community premises be assisted with longer periods of tenure to help facilitate funding applications. Notwithstanding this, the Committee considered that the new policy should reflect the longer-term horizons of local nature reserves by guaranteeing 25-year lease periods. Councillor Bloore, seconded by Councillor Hammond, moved an additional recommendation to that effect. Upon being put to the vote, the amendment was carried.

Members were also invited to consider whether it was still appropriate for the Committee to retain its current role for determining rent subsidy applications. Councillor Pursehouse, seconded by Councillor Bloore, proposed that authority be delegated to the Chief Finance Officer (CFO), in consultation with the Community Grants Working Group, to determine future applications, with the Committee's involvement being limited to applications referred by the CFO in exceptional circumstances. Upon being put to the vote, the motion was carried.

**RESOLVED** – that:

- A. all future rental grants to be at 100% subsidy, with the following conditions:
- the tenant is to take over full responsibility for repairs, maintenance and insurance cost at the property, including sports pitches and grounds
  - for nature reserves leasing Council owned land, lease terms of 25 years will be provided
  - for other organisations, lease terms of 10 years will be provided (outside the security of tenure provisions of the Landlord & Tenant Act 1954) but where the tenant wishes to redevelop the property, and the funding source requires a longer lease, then the lease length will be extended in accordance with funding requirements; and
- B. authority be delegated to the Chief Finance Officer, in consultation with the Community Grants Working Group, to determine future applications in accordance with the new policy, with the Chief Finance Officer having discretion to refer applications to the Committee in exceptional circumstances.

In accordance with Standing Order 25(3), Councillor Pursehouse wished it recorded that he abstained from voting regarding Recommendation A above.

## **135. CROYDON ROAD, CATERHAM REDEVELOPMENT – AWARD OF CONTRACT**

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

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

Public realm improvement works to Croydon Road, Caterham were scheduled to commence in January 2024. The Council had previously committed £950K of CIL funding towards the scheme, with contributions from other sources totalling £1.5M. Information was provided to the Committee about the contractor selection process and Surrey County Council's requirement (as highway authority) for a security bond. Delegations to appropriate Chief Officers were sought in order to facilitate the project.

In repose to questions from Members, Officers:

- clarified the total budget for the project; and



- explained that the security bond would be paid as a cash deposit and, assuming it would be repaid in full, would not require budgetary provision.

**RESOLVED** – that:

- A. authority be delegated to the to the Chief Finance Officer to:
  - (i) award the construction contract to the provider of the most economically advantageous tender
  - (ii) pay a security bond to Surrey County Council in accordance with the Council's obligations as the developer of the project;
- B. authority be delegated to the Chief Finance Officer, in conjunction with the Head of Legal, to negotiate and enter into an agreement with Surrey County Council under Section 278 of the Highways Act 1980 for the implementation of a scheme of highway improvements associated with the Croydon Road development, as detailed within the report.

Rising 9.46 pm