

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