

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 29th September 2022 at 7:30pm.

PRESENT: Councillors Langton (Chair), Crane (Vice-Chair), B.Black, Bloore, Botten, Caulcott, Cooper, Gillman, S.Farr, Jones and Pursehouse

PRESENT (Virtually): Councillor Hammond

ALSO PRESENT: Councillors Allen, C.Farr, Lockwood, Sayer and N.White

ALSO PRESENT (Virtually): Councillors Gray and Montgomery

117. MINUTES OF THE MEETING HELD ON THE 30TH JUNE 2022

These minutes were confirmed and signed as a correct record.

118. MINUTES OF THE MEETING HELD ON THE 10TH AUGUST 2022

These minutes were confirmed and signed as a correct record.

119. DECLARATIONS OF INTEREST

Councillors declared non-pecuniary interests in agenda item 8 (Rental Grant Subsidy Applications – Minute 123) as follows:

- (i) Councillor Pursehouse, on the basis that he was the Chairman of a nature reserve organisation (Blanchman's Farm) which:
 - was similar to the Lingfield Nature Reserves Association; and
 - would be applying for a similar rent subsidy in near future once its current lease expired
- (ii) Councillor Bloore, on the basis that he was the Council's representative on the Blanchman's Farm Nature Reserve Committee
- (iii) Councillor Lockwood, on the basis that she was the Council's representative on the Lingfield Community Wildlife Area Management Committee.

120. QUESTIONS SUBMITTED UNDER STANDING ORDER 30

The Chief Finance Officer responded to questions from Councillor Gillman, as attached at Appendix A.

121. QUARTER 1 2022/23 BUDGET MONITORING

An analysis of forecast expenditure against the Council's overall revenue budget of £11,351k, as at the end of June 2022 (Month 3) was presented. A £573k overspend was forecast, split between the four policy committees as follows:

- Community Services: £200k
- Planning Policy: £124k
- Strategy & Resources: £244k
- corporate items: £5k

Potential mitigations totalling £484k through the following planned contingencies were identified, namely:

- £100k – reserve contribution held within the 2022/23 budget
- £117k - general contingencies within the 2022/23 budget
- £317k – set aside to meet known 2022/23 risks as part of the 2021/22 outturn, less £50k used for the £450 cost of living support proposal as referred to below.

The shortfall in property rental income could also be met from the Income Equalisation Reserve, totalling £215k, should it be deemed necessary.

Upon reviewing the Revenues & Benefits budget, it was considered more logical for £270k of income items held within Strategy & Resources to be transferred to 'corporate items' as part of collection fund management. A virement between the two budgets was recommended to that effect, bringing the Committee's budget down to £6,222k.

The Capital Programme was forecasting £60k of slippage in the Housing General Fund.

The report also covered the following two matters:

- (i) Confirmation that the Council's application to Government for a capital dispensation (initially to replenish General Fund Reserves and to secure flexibility for a further amount to fund the transformation programme) had been refused. This was based on the Government's assessment of the Council's overall financial position, including the current level of reserves and measures underway to meet the identified budget pressures. In the meantime, sector-wide flexibility to use capital receipts to fund transformation initiatives had been extended, so plans to fund the Future Tandridge Programme were not at risk. While the Government regarded capital dispensation as a measure of last resort, a further application would be considered should funding for the Council in 2023/24 be insufficient to meet emerging risks.

- (ii) A proposal to make a one-off payment of £450 to staff on grades TC1 to TA2, given the absence of a cost of living pay increase for 2022/23. While the Council's financial position remained extremely challenging, management recognised the impact of the cost of living crises upon staff. The payment would cost the General Fund c.£50k (funded from the surplus from the 2021/22 outturn position) and the Housing Revenue Account c.£10k. The contingencies listed above had been adjusted for this.

A wide range of views were expressed regarding the recommended £450 payment to staff referred to in (ii) above. Councillor Gillman, in light of the responses to his Standing Order 30 questions, proposed an amendment that, if such a payment was to be awarded, it should be restricted to those staff (on grades TC1 to TA2) who had not received an increment for 2022/23. This amendment was not seconded, so did not proceed to a vote. Other Members of the Committee were in favour of the original recommendation.

Various matters were discussed regarding the £573k forecast overspend, including:

- the inflationary impact of price indexation within waste services and the need to ensure that, for contracts in general, the Council (as client) was not burdened with an unreasonable share of financial risks
- the wider adverse impact of inflation upon the Council's building contracts, the extent of which would become more apparent in monitoring reports for Q2 and subsequent agenda items for the Housing Committee
- the scope for making future budget monitoring reports more transparent by distinguishing 'in-house expenditure' from contractual costs, without causing a disproportionate amount of work for the finance team
- the fact that posts in the Development Management team were now being filled by permanent staff, which would help to bring salary costs under control
- an explanation of injunctions served in respect of Green Belt incursions and the intention for this to deter future breaches of planning control, notwithstanding the fact that associated Counsel costs were unrecoverable
- the desire to increase income from Council office rentals.

RESOLVED – that:

- A. the virement of £270k between corporate items and the Strategy & Resources Committee, set out in section 3 and slide 13 of Appendix A to the report, be agreed;
- B. a £450 one-off payment to staff on the lowest grades of the Council's pay structure, set out in section 15 of the report and funded from £50k of the 2021/22 outturn surplus and £10k from the HRA, be approved;
- C. the forecast revenue and capital budget positions as at Quarter 1 / M3 (June) 2022 be noted.

In accordance with Standing Order 25(3), Councillor Gillman wished it recorded that he voted against resolution B above.

122. STRATEGY & RESOURCES COMMITTEE – FUTURE TANDRIDGE PROGRAMME UPDATE - SEPTEMBER 2022

Phase 1 (mobilisation and design) of the Future Tandrige Programme (FTP) was coming to an end. The resources required to deliver the FTP's objectives of transforming the Council's operating model with associated revenue savings (Phase 2) now needed to be addressed. The Committee considered a report which set out the:

- budgetary context, in terms of the timetable to deliver the Council's 2023/24 budget and an update on the likely financial position and scale of savings required
- progress to date in delivering service reviews, with updates on all service areas currently in scope
- directions of travel for becoming a 'commissioning Council' and for digital transformation
- the expected resourcing plan for the delivery phase of the FTP.

The Chief Executive reflected on the great amount of work being undertaken and referred to the FTP Member briefing on the 20th September. He explained that subsequent Member engagement (about becoming a commissioning council and to enable scrutiny of outstanding business cases for service transformations and measures for generating required savings) would be arranged prior to the Committee's next meeting on the 1st December. It was acknowledged that business cases for service transformations under the purview of the Community Services and Housing Committees had already been published for the meetings originally scheduled for the 8th and 15th September respectively (both meetings had been cancelled following the passing of Her Majesty the Queen).

The Chief Finance Officer gave an update on the budget setting process for 2023/24 and explained that the scenario modelling (pessimistic / optimistic / neutral) would be refreshed. He considered that, in view of the current macro-economic situation, the savings requirement for 2023/24 were likely to increase by £0.5 million, i.e. from £1.7 million to £2.2 million.

The £500k investment required for securing the FTP's delivery phase, including the necessary revenue budget savings, was discussed. A breakdown of how that sum would be applied was set out in Appendix F to the report. The original officer recommendation had been revised whereby the investment would be released in two phases.

Debate focused on the risks associated with the FTP (Appendix E to the report) including:

- the role of the Audit & Scrutiny Committee in the process
- the need for specific officers to be accountable for the management of each risk
- the rationale for certain mitigated risk scores (some of which were challenged)
- reference to the fact that the Programme Manager would be meeting the Chair of the Audit & Scrutiny Committee to discuss the risk management process.

Some Members questioned whether sufficient information had been presented to justify the release of the £500k investment for Phase 2. In that respect, the wider project management aspects of the FTP were discussed and challenged, including:

- whether the £28,000 contingency for the delivery phase was sufficient
- clarification that key project milestones were in place, although more work was due to be undertaken to complete the finer details of the project plan
- the importance of officer accountability
- an explanation that, although more in depth FTP analysis and documentation had been undertaken besides the material contained within the committee report, Members needed a greater level of visibility of that detail
- the need to see examples from other District Councils where changes similar to those proposed via the emerging FTP had been successfully implemented.

The Chair concluded that the support of all Members was vital given the scale and complexity of the challenge behind the FTP

RESOLVED – that:

- A. the progress to date on delivering the Future Tandridge Programme, the direction of travel for the service reviews, and associated savings targets included in Appendix C to the report, be noted;
- B. Officers will continue to update their business cases where these are required to achieve the target savings and will bring these for Committee approval where necessary over the coming months;
- C. regarding the £500,000 resource investment required to take the Future Tandridge Programme into the delivery phase, including delivery of the £1.7m indicative savings identified in Appendix F to the report:
 - (i) the investment be funded from capital receipts
 - (ii) the release of an initial £250,000 to fund the programme for six months be approved; and
 - (iii) it be noted that the remaining £250,000 will be subject to further reporting and approval by the Committee.

123. RENTAL GRANT SUBSIDY APPLICATIONS

The Committee considered applications for rental subsidies from three tenant organisations, namely the Lingfield Nature Reserves Association, Lingfield Sports Association and the Caterham & Whyteleafe Tennis Club. In all three cases, the officer recommendation was to grant renewed 100% rental subsidies, subject to the organisations entering into new lease agreements (with repair and maintenance obligations) and seeking additional funding sources.

It was explained that community organisations which operated from Council owned land / buildings were invited to submit such applications when their current leases were about to expire or at rent review. In the case of the two Lingfield organisations, their leases had not yet expired, but the organisations had approached the Council to renegotiate their leases so they could have a longer-term certainty (at least 15 years, but ideally 25 years) in order to be eligible for grant funding.

Councillor Pursehouse proposed an amendment to:

- (i) clarify that the 100% rental subsidy for the Lingfield Nature Reserves Association would apply throughout the duration of the new lease
- (ii) continue, and index link, the Council's annual £700 contribution to the Lingfield Nature Reserves Association towards grass cutting costs (the report envisaged that this contribution would cease)
- (iii) ensure that all three organisations (and subsequent rent subsidy applicants) would not be precluded from applying for any future Council grants that may be available.

This amendment was agreed, the rationale for (ii) above being that the Lingfield Nature Reserves is a non-revenue generating organisation.

RESOLVED – that:

- A. a 100% rental grant subsidy (for the duration of the lease referred to in (i) below) be awarded to the Lingfield Nature Reserves Association, subject to the Association:
 - (i) entering into a 25-year lease in order to attract grant funding;
 - (ii) being fully responsible for all repair and maintenance within the demise (notwithstanding B below); and
 - (iii) seeking external grant and other funding, significantly from non TDC sources, and undertaking fundraising to achieve ongoing maintenance and improvements (e.g. footpath renewals);
- B. the Council will continue to provide an annual contribution to the Lingfield Nature Reserves Association towards grass cutting costs (£700 for 2022/23 and index linked thereafter);
- C. a rental grant subsidy of 100% be awarded to the Lingfield Sports Association, subject to the Association:
 - (i) entering into a 25-year lease in order to attract grant funding;
 - (ii) being fully responsible for all repair and maintenance for buildings and the grounds within the demise; and
 - (iii) seeking external grant and other funding, significantly from non TDC sources, and fundraising to achieve ongoing maintenance and improvements;
- D. a rental grant subsidy of 100% be awarded to Caterham & Whyteleafe Tennis Club, subject to the Club:
 - (i) entering into a 15-year lease in order to attract grant funding;
 - (ii) taking full responsibility for repairs to the entire demise, including for the clubhouse, all grass cutting, litter clearance, internal fencing and court maintenance; and

(iii) seeking external grant and other funding, significantly from non TDC sources, and fundraising to:

- continue to maintain the site
- replace the court surface when necessary
- improve or replace the current clubhouse building;

E. in future, other community organisations in receipt of rental subsidies shall not be prohibited from applying for grants which may be available from the Council.

124. COUNTY DEAL WORKING GROUP

The minutes of the Working Group's meeting held on the 9th August 2022, attached at Appendix B, were presented.

The Group had intended to reconvene on the 19th September in light of the fact that Surrey District and Borough Leaders were due to discuss the County Deal on the 16th September. However, both meetings had been cancelled following the passing of Her Majesty the Queen. Councillor Sayer advised that, in view of those unavoidable delays, Surrey County Council had extended the deadline for receipt of District / Borough representations (with proposals for potential inclusion within a County Deal) from the 3rd October to a date after 21st October. The exact revised deadline was yet to be confirmed.

RESOLVED – that the minutes of the Group's meeting held on the 9th August 2022, and the update from Councillor Sayer, be noted.

Rising 10.12 pm

Strategy & Resources Committee – 29.09.22 – Standing Order 30 Questions

Questions from Councillor Gillman and responses from the Chief Finance Officer

1. How many staff in grades TC1 to TA2 resigned from the council in the year April 2012 to March 2022?

Response: 10 staff

2. How many staff in grades TC1 to TA2 resigned from the council from April 2022 until present (End August 2022)?

Response: 9 staff

3. How many staff in grades TC1 to TA2 accepted job offers from the council in the year April 2021 to March 2022?

Response: 10 staff

4. How many staff in grades TC1 to TA2 accepted job offers from the council in the year April 2022 to present (End August 2022)?

Response: 9 staff

5. How many staff in grades TC1 to TA2 have already received an increment since April 2022 or are expected to receive an increment before end March 2023?

Response: 62 staff (57 full time equivalent) received increments on 1st April

6. What is the value of the increment in terms of the mean value, the mode value i.e. the value of the most common increment and the median value i.e. the value at which half are above and half are below this value?

Response: Mean: £758; Mode: £732; Median £732

7. How many positions in grades TC1 to TA2 are expected to go under the Future Tandridge Program?

Response: Staffing structures will emerge from forthcoming Committee decisions on service reviews. At this stage it would not be possible to quantify the number of posts in these grade ranges expected to be affected.

Supplementary question from Councillor Gillman

I understand the response to Q7 above, but is there an indication of the possible number of posts likely to be affected, e.g. 1 to 10 or higher?

Response and response from the Chief Finance Officer: It is genuinely very difficult to provide an estimate at this stage, so I don't want to speculate at the moment.

TANDRIDGE DISTRICT COUNCIL

COUNTY DEAL WORKING GROUP

Minutes of the meeting of the Working Group held in the Lyndsay Narcisi Room on the 9th August 2022 at 3.30 pm.

PRESENT: Councillors Bloore, Cooper, C.Farr, Gray, Langton, Pursehouse and Sayer.

APOLOGIES FOR ABSENCE: Councillor Botten.

1. APPOINTMENT OF CHAIR FOR THE REMAINDER OF 2022/23

Councillor Sayer was appointed Chair of the Working Group for the remainder of the 2022/23 municipal year.

2. SCC's INVITATION TO SUBMIT PROPOSALS FOR INCLUSION WITHIN A COUNTY DEAL FOR SURREY

The Leader of Surrey County Council (SCC) (Councillor Tim Oliver) had invited Districts and Boroughs to submit proposals for potential inclusion within a 'Level 2 County Deal for Surrey' (i.e. in line with the 'Level 2' powers defined within the Levelling Up White Paper Devolution Framework, which would rely on effective partnership working between existing local authorities, with no change to the structure of local government throughout Surrey). The text of Councillor Oliver's letter of invitation is attached at Annex A.

The minutes of the 4th July Surrey Delivery Board meeting (attended by SCC and District / Borough Leaders and Chief Executives) relating to the County Deal initiative was also circulated. These confirmed that Districts and Boroughs were "*encouraged to engage in the process and bring forward suggestions for ways in which available funds could go further across the three tiers of local government. A formal proposal for a Level 2 Plus bid would be drawn up, despite the indications from the Government [that it would not consider such bids which would involve powers beyond those set out in the Levelling Up and Regeneration Bill] as there were other areas where opportunities existed ...*"

Councillor Sayer updated the Group regarding current dialogue with other Leaders. Members discussed what they thought Tandridge District Council (TDC) should be seeking from a County Deal, both in terms of additional powers and the retention of control and influence over other things. At this stage, as far as TDC was concerned, the Group considered that the following elements should be reflected within a proposed County Deal submission to Government:

- (i) to be devolved from Surrey County Council to TDC :
 - power to set priorities for local highways projects within an agreed proportion of the total SCC highways budget (that reflects the District's total road mileage) and to commission the implementation of the prioritised highways work from SCC
 - power to determine planning applications for developments in the District relating to land and property owned by SCC;
- (ii) TDC to be able to influence:
 - the provision and co-ordination of SCC's public transport services within the District
 - decisions regarding changes of use or development of SCC owned land and assets within the District;
- (iii) TDC to retain:
 - access to funding which is currently allocated to Local Economic Partnerships and similar bodies to distribute
 - control and authority over:
 - housing and planning functions
 - the allocation of proceeds from the Community Infrastructure Levy or successor schemes
 - on-street parking enforcement.

3. NEXT MEETING*

This was scheduled for Monday, 19th September at 4.00pm (Lyndsay Narcisi Room).

The meeting closed at 4.40 p.m.

*The meeting referred to in item 3 above was subsequently cancelled.

Annex A

Annex A

Text of a letter dated 28th July 2022 from Councillor Tim Oliver, Leader of Surrey County Council, to the Leaders of the eleven Surrey Districts / Boroughs

Dear Leader,

Following our discussions at the last Surrey Delivery Board about delivering a County Deal for Surrey, I would like to invite district and borough councils to put forward their proposals for consideration and inclusion under a Level 2 County Deal for Surrey. I am sure you will appreciate the need for us to base our suggested proposals on the key challenges and opportunities we face within the county, and to align with the Levelling Up White Paper and Devolution Framework.

A County Deal for Surrey will deliver devolved powers/functions and has the potential to give us greater control and influence over some of the key decisions and resources that shape our county, to the benefit of our residents, our economy, our environment and our communities and ensure that no one is left behind. Crucially, it is an opportunity for local government and key stakeholders in Surrey to come together and develop collective and collaborative approaches and solutions that utilise the additional powers/functions we secure. My sincere hope is that through this process we can forge stronger and closer partnerships and more effectively deliver on the priorities of the residents we jointly serve.

We have some time in the coming months to consider and develop our ideas about how we might use newly devolved powers/functions under a Level 2 County Deal for Surrey. We are intending to bring a report to our Cabinet on 25th October setting out our initial draft proposals for a County Deal for Surrey. Further to our previous requests of you, which I fully appreciate you have needed some time to respond to, it would be extremely helpful if you could provide us with your suggestions and thoughts on initial proposals for consideration and inclusion in a County Deal for Surrey by Monday 3rd October, which will enable us to take them into account. I would emphasise that at this stage, draft proposals will be just that, draft, and that as we look to enter into negotiations with Government, hopefully early next year, there will be opportunities to amend, refine and add to them.

I look forward to hearing from you on this critically important matter as we develop a suite of proposals that will deliver for the whole of Surrey.

Yours sincerely,

Tim Oliver
Leader of the [Surrey County] Council