

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 1st December 2022 at 7.30pm.

PRESENT: Councillors Langton (Chair), Crane (Vice-Chair), B.Black, Bloore, Botten, Caulcott, Cooper, Gillman, Hammond, Pursehouse and Sayer (substitute in place of S.Farr)

ALSO PRESENT: Councillors Allen, Swann and N.White

ALSO PRESENT (Virtually): Councillors C.Farr and Moore

APOLOGIES FOR ABSENCE: Councillors S.Farr and Jones

177. MINUTES OF THE MEETING HELD ON THE 29TH SEPTEMBER 2022

These minutes were confirmed and signed as a correct record.

178. COUNTY DEAL WORKING GROUP - 1ST NOVEMBER 2022

Councillor Sayer updated the Committee regarding item 2 of the minutes of this meeting. She confirmed that a joint proposal from the eleven Surrey Districts / Boroughs, for inclusion within a County Deal submission to Government, had been sent to the Leader of Surrey County Council (Councillor Tim Oliver) on the 17th November. This included all the points identified by Tandridge Members (minutes of the Working Group's meeting on 9th August refer) plus suggestions from elsewhere. A further meeting of the District / Borough Leaders and Councillor Oliver was expected to take place shortly. Councillor Oliver had also requested views on what powers should be devolved from central government to SCC under a County Deal.

Furthermore, District / Borough Leaders were considering a draft response to SCC's 'Surrey strategy for accommodation, housing and homes' to be sent in advance of its 'Housing Summit' on the 7th December.

RESOLVED – that the minutes of the County Deal Working Group meeting held on the 1st November 2022, attached at Appendix A, be received.

179. CHIEF OFFICER SUB COMMITTEE - 1ST NOVEMBER 2022

RESOLVED – that the minutes of the Chief Officer Sub-Committee held on the 1st November 2022, attached at Appendix B, be received.

180. INVESTMENT SUB COMMITTEE - 4TH NOVEMBER 2022

RESOLVED – that the minutes of the Investment Sub-Committee held on the 1st November 2022, attached at Appendix C, be received.

181. QUARTER 2 (2022/23) BUDGET MONITORING

An analysis of forecast expenditure against the Council's overall revenue budget of £11,351k, as at the end of September 2022 (Month 6) was presented. A £447k overspend was forecast, split between the four policy committees as follows:

- Community Services: £324k overspend
- Housing (General Fund): £44k underspend
- Planning Policy: £86k overspend
- Strategy & Resources: £111k overspend
- corporate items: £31k underspend

This represented a £126k improvement from Quarter 1. The Chief Finance Officer confirmed that the £484k contingency provision made a balanced budget achievable, without the need to draw upon underlying reserves. However, he emphasised the importance of taking mitigating actions to preserve those contingencies for 2023/24 and beyond, given the likely emergence of additional budgetary pressures.

The Chief Finance Officer also confirmed that:

- the savings plan was on track, with 88% of the £1.1m savings target having already been achieved or set to be delivered
- regarding debt management:
 - sundry debt had increased since Q1, largely reflecting the cost of living crisis
 - efforts to recruit an accounts receivable officer in line the Debt Improvement Plan had not been successful to date, although an alternative staffing strategy was now being pursued, together with a more holistic approach to debt recovery by in-house teams, and a potential County Council initiative to assist Districts and Boroughs with the collection of Council Tax and Business Rates
- net slippage of £1,272k within the capital programme was forecast, predominantly relating to Community Infrastructure Levy and council house building expenditure.

RESOLVED – that the forecast revenue and capital budget positions as at Quarter 2 / M6 (September) 2022 be noted.

182. DRAFT BUDGET 2023/24 AND FUTURE TANDRIDGE PROGRAMME UPDATE

The Committee was presented with a draft budget for 2023/24 and a medium-term financial strategy to 2024/25. The draft budget had been prepared based on a 'neutral scenario', which assumed the same level of funding as 2022/23, with reductions in government support offset by increases in Council Tax and, potentially, business rates income. The position would be clarified by the provisional local government finance settlement expected later in the month. At this stage, a budget gap of £0.25m remained. Although the savings plan was broadly unchanged since the previous meeting, budget pressures had increased from £1.7m to £1.9m, primarily due to inflation and concerns regarding the delivery of budgeted fee income. Therefore, unless external funding increased, further savings would be required to balance the budget, the final version of which would be submitted to Full Council on 9th February 2023 following further consideration by policy committees in January.

The draft budget report included commentary on funding assumptions, with reference to anticipated future Government reforms; the gross Council Tax base for 2023/24; and collection fund performance. A Council Tax increase of £5 (2.2%) for households in Band D properties had been assumed, notwithstanding the Government's recent decision to raise the District Council ceiling for such increases to 3%. The report also confirmed the need to augment reserves (in the context of the CIPFA resilience index) and the intention to resubmit a capitalisation request to the Government for this purpose.

The following updates were provided on the Future Tandrige Programme which underpinned the draft budget:

- the progress of service reviews and a proposed savings plan for 2022/23 and 2023/24;
- business cases for the future delivery of 'communications' and 'assets & facilities management' services
- the 'operations, locality and waste services' and 'digital / customer services' workstreams.

In response to the debate, the Chief Finance Officer confirmed that efforts had focused on developing tailored, achievable saving targets for each service area, as examined at the various Member workshops during the previous month. However, it was accepted that the service reviews and associated business cases were at varying stages of progress. This prompted discussion about the wording of Recommendation C to the report. Some Members said they were unhappy to "approve" the business cases, but would accept "to note". The Chair and Leader made it very clear that, although the business cases had reached different levels of maturity, simply noting them would not provide the required foundation on which TDC could base the 2023/24 budget. They added that, having had the opportunity via the workshops for Members to comment and contribute to these business cases, it was now unacceptable to consider them as not fit for purpose. The discussion concluded with the Chair proposing wording for an amendment which Councillors Botten and Caulcott developed, the result then being seconded by Councillor Pursehouse:

"Approve the following ~~business cases and updates~~ to form the basis of the budgets to be finalised during the January 2023 committee cycle ..."

Upon being put to the vote, this amendment was agreed. Other issues raised by Members during the debate included:

- the need to assess the impact of emerging savings plans upon staff and residents

- a desire to explore the potential for partnership initiatives with Parish Councils to mitigate the impact of savings which the District Council would have to make
- arguments for and against the case for generating additional income from parking charges.

RESOLVED – that:

- A. the draft budget for 2023/24 and medium-term financial strategy to 2024/25, set out in Appendix A to the report (to form the basis of reports to Committees in January 2023) be approved;
- B. the gross Council Tax Base for 2023/24, determined at 39,377.5 after taking account of the Council's agreed Council Tax Support Scheme, and the net Council Tax Base for 2023/24, be determined at 38,904.9 after adjustment by 1.2% to allow for irrecoverable amounts, appeals and property base changes, be approved;
- C. the following be approved to form the basis of the budgets to be finalised during the January 2023 committee cycle:
 1. the 'communications' business case which sets out the proposed new structure of the communications service and provides an update on future operating models being pursued by the service in consultation with Members (set out in Appendix D to the report)
 2. the 'assets & facilities management' business case which recommends an integrated property service delivery model, corporate landlord approach and provides an update on the recent strategic asset review and details how this will be taken forward (set out in Appendix E to the report)
 3. the direction of travel for the operations and localities service review, as provided to the Community Services Committee on 18th October 2022 and updated in Appendix F to the report)
 4. the updated direction of travel for digital transformation (set out in Appendix G to the report)
 5. the overall savings plan (set out in section 7 and Appendix B to the report) noting that further consideration may be required pending the local government finance settlement;
- D. the progress to date on delivering the Future Tandridge Programme, the direction of travel for the service reviews and associated savings targets included in section 7 and Appendix C to the report, be noted;
- E. it be noted that 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;
- F. the intention to re-submit the request for a capitalisation direction (from the Department for Levelling Up, Housing and Communities) to use the part of the receipt from the Redstone House property to replenish general fund reserves, be noted.

183. REPORT OF THE INDEPENDENT REMUNERATION PANEL ON MEMBERS' ALLOWANCES 2023/24

The Committee considered a report of the Independent Remuneration Panel which had been convened to review the Members' Allowances Scheme in accordance with the Local Authorities (Members' Allowances) (England) Regulations 2003. The report acknowledged that, in normal circumstances, the Panel would be advocating an increase in allowances. However, given the financial context and following feedback from Group Leaders, the Panel had recommended that rates be maintained at current levels, index linked to the annual staff pay award process. The Chair, seconded by Councillor Crane, proposed that this recommendation be adopted.

The Regulations required Members' Allowances to be reviewed every four years. Nevertheless, in view of the Future Tandridge Programme and the electoral review being conducted by the Boundary Commission, the Panel had recommended that a further review be conducted in the second half of 2024.

COUNCIL DECISION (subject to ratification by Council)

RECOMMENDED – that, in accordance with the recommendations of the Independent Remuneration Panel:

- A. with effect from the beginning of the 2023/24 Municipal Year:
 - 1. the Basic Allowance be retained at the current level (£4,317) and remain index linked to staff pay awards
 - 2. Special Responsibility Allowances be retained at the current level and remain index linked to staff pay awards
 - 3. travel and subsistence expenses and Dependents' Carers' Allowance be retained at the current level
- B. a full review of Members' Allowances be undertaken in Autumn 2024.

184. REVIEW OF THE REDUNDANCY POLICY

A report was submitted with an option to reduce the impact of redundancy payments on the Council's finances.

Under the statutory minimum redundancy scheme, payments were calculated according to an employee's age, length of continuous service and weekly pay with reference to a ready reckoner. At present, such calculations were capped in respect the years of service (i.e. 20) and weekly pay (i.e. £571). The Council's current policy was to enhance redundancy payments by removing the weekly pay cap and multiplying weekly pay by a factor of 1.5. It was standard practice for Councils to enhance the statutory scheme in this way although, as evidenced by benchmarking against other Surrey Boroughs and Districts, weekly pay multipliers varied. The report presented an option for the 1.5 multiplier to be removed, which would reflect the schemes in place at Epsom & Ewell and Reigate & Banstead.

Since the publication of the report, the Administration had prepared an alternative option having considered representations from staff, including concerns expressed at the staff briefing (attended by Councillor Sayer) on the 24th November. Representations from UNISON had also been sent to Members on the day of the meeting. Councillor Langton, seconded by Councillor Botten, proposed the alternative option (resolution at A below). During the debate, reference was made to the Council's obligations under equalities legislation concerning age. Nonetheless, it was acknowledged that the alternative proposal reflected Surrey County Council's redundancy policy which had been in place for over a year. Upon being put to the vote, the alternative option was agreed.

RESOLVED – that:

- A. with immediate effect, regarding the calculation of redundancy pay:
- (i) the Council offers a multiplier of 1.5 to existing employees in the event that the individual, at the date of leaving, is not entitled to immediate payment of pension benefits
 - (ii) the Council offers a multiplier of 1.0 to existing employees in the event that the individual, at the date of leaving, is entitled to immediate payment of pension benefits
 - (iii) in any event, the Council will offer a multiplier of 1.0 to all new employees
- B. the Chief Executive, in consultation with the Chair of the Committee, make any necessary amendments (relating to resolution A above) to paragraph 8 of the Council's Pay Policy Statement (which references a multiplier of 1.5) and any change to the current redundancy policy.

Note: In accordance with Standing Order 25 (3), Councillors Bloore, Cooper and Hammond wished it recorded that they abstained from voting on A and B above.

185. ENERGY REBATE PAYMENT - CONFIRMATION OF DECISION TAKEN UNDER URGENCY POWERS (STANDING ORDER 35)

On 3rd January 2022, the Government announced the £150 energy rebate payment for most households in Council Tax Bands A to D, plus those in Band E in receipt of a Disabled Band Reduction. A discretionary energy rebate scheme (not applicable for recipients of the other scheme) of up to £150 was announced at the same time.

A report was presented regarding the way in which the discretionary scheme had been implemented by the Council. This advised that £284,850 had been received for local distribution. The report outlined the principals of the scheme, including eligibility criteria, which had been implemented under the urgency provisions of Standing Order 35. The Chief Finance Officer confirmed that the £284,850 had been fully allocated following a second tranche of payments to original recipients to utilise the remaining balance before the prescribed deadline.

RESOLVED – that the decision taken under urgency powers in accordance with Standing Order 35 of the Constitution to approve the energy rebate payment discretionary scheme be ratified.

186. FREEDOM LEISURE UPDATE

The Committee resolved to consider this matter following the exclusion of the press and public 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.

Freedom Leisure had requested financial support to offset increases in the cost of utilities needed to run their facilities. A report, which had been prepared in light of this request, was discussed.

R E S O L V E D – that the report be noted.

187. QUADRANT HOUSE, CATERHAM AND OTHER ACTIONS ARISING FROM 4TH NOVEMBER 2022 INVESTMENT SUB-COMMITTEE

The Committee resolved to consider this matter following the exclusion of the press and public 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.

A report was presented regarding the Council's development of Quadrant House (Croydon Road, Caterham). This included:

- information about funding arrangements, including the contribution from the Coast to Capital Local Enterprise Partnership
- details of the Phase 1 and 2 refurbishments which had been completed by September 2022
- estimates of the associated overspends against the £5.64m budget and explanations about why they had occurred.

Members were also informed of confidential actions agreed by the Investment Sub-Committee on 4th November 2022 in respect of Quadrant House and other properties. A further discussion on some of those matters ensued.

Members acknowledged the positive impact of the Quadrant House project and the efforts undertaken to secure its delivery. However, the size of overspend, its relatively late discovery and the implementation delays had all highlighted the need to publish the lessons learnt from this project so that progress from the resulting actions can be reviewed and future re-occurrences prevented.

RESOLVED – that:

- A. the report be noted; and
- B. it be noted that decisions in relation to Gryllus Properties are made by the Gryllus board of directors, but that comments and questions from Councillors (made either directly or via the Investment Sub-Committee) are welcomed.

Rising 9.48 pm