Agenda

Executive

Thursday, 23 March 2023 at 7.30 pm

New Council Chamber, Town Hall, Reigate

This meeting will take place in the Town Hall, Castlefield Road, Reigate. Members of the public, Officers and Visiting Members may attend remotely or in person.

All attendees at the meeting have personal responsibility for adhering to any Covid control measures. Attendees are welcome to wear face coverings if they wish.

Members of the public may observe the proceedings live on the Council's website.

Members:	
M. A. Brunt (Leader)	
T. Schofield	E. Humphreys
T. Archer	V. H. Lewanski
R. H. Ashford	C. M. Neame
R. Biggs	K. Sachdeva
N. J. Bramhall	

Mari Roberts-Wood
Managing Director

Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate
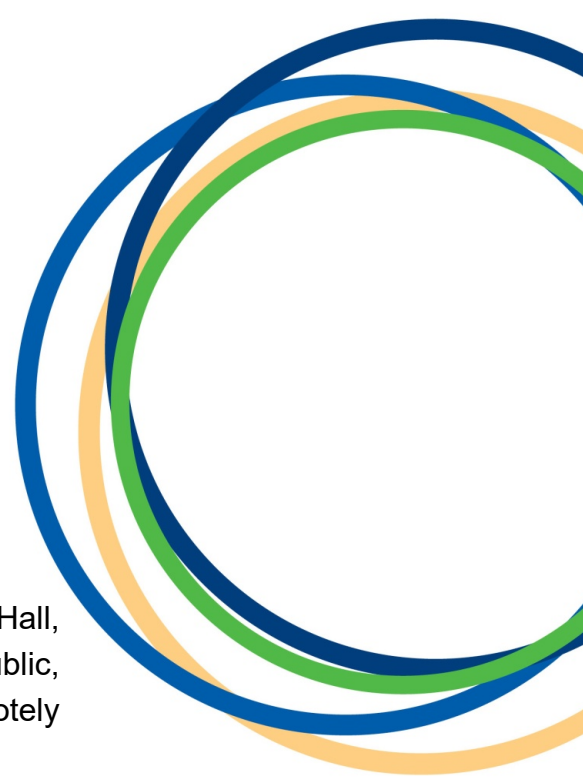
1.   **Apologies for absence**

To receive any apologies for absence.

2.   **Minutes**

To approve the Minutes of the last meeting on 26 January 2023.

3.   **Declarations of interest**

To receive any declarations of interest.

4.   **Leisure and Culture strategy**

The Executive Member for Leisure and Culture.

5.   **CIL Strategic Infrastructure Programme 2023-2027**

The Executive Member for Planning Policy and Place Delivery.

6.   **Local Authority Housing Fund**

The Executive Member for Housing and Support.

7.   **Retender of Home Improvement Agency and Handy Person**
     Services

The Executive Member for Neighbourhood Services.

8.   **Quarter 3 2022/23 performance report**

The Executive Member for Finance and Governance and the
Executive Member for Corporate Policy and Resources.

9.   **Risk management - Q3 2022/23**

The Executive Member for Corporate Policy and Resources.

10. **Strategic risks 2023/24**

The Executive Member for Corporate Policy and Resources.

11. **Risk Management Strategy - 2023/24- 2025/26**

The Executive Member for Corporate Policy and Resources.

16.   **Statements**

To receive any statements from the Leader of the Council, Members of the Executive or the Head of Paid Service.

17.   **Any other urgent business**

To consider any item(s) which, in the opinion of the Chairman, should be considered as a matter of urgency – Local Government Act 1972, Section 100B(4)(b).

(Note: Urgent business must be submitted in writing but may be supplemented by an oral report).

18.   **Exempt business**

RECOMMENDED that members of the Press and public be excluded from the meeting for the following item of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

(i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and

(ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Our meetings

As we would all appreciate, our meetings will be conducted in a spirit of mutual respect and trust, working together for the benefit of our Community and the Council, and in accordance with our Member Code of Conduct. Courtesy will be shown to all those taking part.

Streaming of meetings

Meetings are broadcast live on the internet and are available to view online for six months. A recording is retained for six years after the meeting. In attending any meeting, you are recognising that you may be filmed and consent to the live stream being broadcast online, and available for others to view.

Accessibility

The Council's agenda and minutes are provided in English. However, the Council also embraces its duty to anticipate the need to provide documents in different formats, such as audio, large print or in other languages. The Council will provide such formats where a need is identified prior to publication or on request.

Notice is given of the intention to hold any part of this meeting in private for consideration of any reports containing "exempt" information, which will be marked accordingly.

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 26 January 2023.

Present: Councillors M. A. Brunt (Leader), T. Schofield (Deputy Leader), T. Archer, R. H. Ashford, R. Biggs, E. Humphreys, V. H. Lewanski and C. M. Neame

Also present: Councillors M. Blacker, P. Chandler, J. Essex, N. Harrison, R. Ritter

54.   APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Bramhall.

Councillor Sachdeva attended the meeting virtually so could take part in the debate but not vote or second any motion.

55.   MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 15 December 2022 be approved.

56.   DECLARATIONS OF INTEREST

Councillor Archer declared a non-pecuniary interest in Item 6 on the Agenda (Social Housing Downsizing Support Scheme) as a non-executive director at the Housing Ombudsman.

Councillor Archer declared a prejudicial non-pecuniary interest in Item 7 on the Agenda (Council's Social Landlord Functions – Supporting Policies) as a non-executive director at the Housing Ombudsman. He left the Council Chamber during Item 7 while the item was considered.

57.   BUDGET & CAPITAL PROGRAMME 2023/24

The Deputy Leader and Portfolio Holder for Finance and Governance, Councillor Schofield, presented the final revenue and capital budget proposals for 2023/24 onwards as set out in the published report and annexes of the agenda pack. This recommended the net revenue budget requirement of £23.194m (£3.214m higher than the budget for 2022/23). A recommended council tax increase of 2.99% (equivalent to £7.25 a year) for the average Band D property was proposed.

The increased budget reflected higher energy cost pressures, potential property voids and planned investment in IT. These pressures had been offset by identifying £828k of savings and additional income of £1.186m.

Central budgets were also set to rise by £2.943m to fund staff pay increases, pension contributions and shortfalls in housing benefits subsidies. These pressures were offset from savings in other central budgets, with the balance being funded from increased income from council tax, business rates and government grants.

In total, it was proposed that council tax income rise by just over £1m in 2023/24. The Council's share of business rates will increase to £2.2m compared to recent years. There had been a more favourable government settlement and net increased in government grants than in recent years.

Councillor Schofield noted that the additional 1% allowable increase in Council Tax to 2.99%, announced just before Christmas, had not been anticipated when drafting the budget in the autumn. The increasing economic pressures on residents over the coming year was recognised; an economic pressures reserve of £150k (equivalent to 1%) would provide additional discretionary support as and when needed.

The Financial Sustainability Programme was continuing to look at how the Council's assets were performing, explore opportunities to generate new sources of income and ensure all services deliver value for money.

The Reserve budgets were healthy to help manage future budget risks and opportunities. The General Fund Balance at £3.5m remained more than adequate to cover financial risks. Capital growth for 2023 to 2028 was set at £7.7m, primarily to continue the programme of investment in the Council's land, property and vehicle assets over the five-year period.

The budget proposals had been subject to thorough review by Members of the Budget Scrutiny Panel in November and by the Overview and Scrutiny Committee in December. Their findings and recommendations were reported separately to Executive on 15 December. An update to the budget had been considered by Overview and Scrutiny Committee at its meeting on 19 January. The proposed Budget will go to Full Council on 9 February.

Councillor Harrison, Chair of Overview and Scrutiny Committee, noted the proposed budget changes from December These included: the proposed updates to council tax, increased business rates and an increase in core spending to meet secondary pension contributions. Increased government grants meant that that there was less need to draw on earmarked reserves which was a positive net change from December to January. There were no specific recommendations from the Committee.

Visiting Members made comments and asked questions on the following points:

- **Pay award 2023/24** – It was confirmed that an increase of £1500 for all staff (with the exception of the most senior managers taking a pay freeze) had been offered and accepted by the unions. A one-off payment was considered a sensible and fair approach to reflect the cost of living pressures and high inflation.

- **Government grants** – Members asked questions about the government settlement which had been announced just before Christmas. This had been more generous than in previous years including a proposed council tax uplift to 2.99%. Members asked how residents would benefit from the additional grants and council tax income. Councillor Schofield confirmed that the economic pressures reserve had been set up to assist residents affected by the cost of living crisis and allow it to be distributed to service areas where residents were most in need. Pat Main, Chief Finance Officer, confirmed that the overall net change between November and January was £1.78m which comprised the additional council tax, final share of business rates and increased government grants.
- **Fees and charges** – Members raised concerns about proposals to increase waste charges leading to increased cost to clear up fly-tipping waste. It was confirmed that garden waste subscriptions paid by residents would increase from £65 to £68 to cover increased costs such as fuel charges.
- **Voluntary and charitable sector** – Members asked about the impact in reduction of grants to voluntary and charitable organisations. Portfolio Holder for Community Partnerships, Councillor Ashford, said that discussions had been held with seven voluntary organisations providing services as part of the budget consultation to better understand how they might manage a funding grant reduction. (More information was set out in the summary of the Equality Impact Assessment 2023/24 budget proposals summary (Annex 1 p116). It was noted that this would increase the pressure on fundraising. However, the community partnerships team were working closely with the voluntary organisations throughout the year; money set aside in the economic pressures reserve could be used to support funding requests in the coming year to those areas in particular need.

It had been suggested that one potential option to be explored was to set up a community-based lottery, such as that run by other councils, to support this area of work. Members asked about the suitability and potentially negative impact of this tactic. It was agreed that all aspects of any such proposals would be well considered before a decision was made to proceed.

Leader, Councillor Mark Brunt, recognised the continued pressures on voluntary sector partners and an uncertain 18 months ahead. It was important that the additional 1% from council tax revenues was put aside to support voluntary sector partners and people at risk of homelessness. He thanked Officers and Executive Members as well as the Budget Scrutiny Panel and Overview and Scrutiny Committee for their work on the 2023/24 Budget and Capital Programme.

RESOLVED:

That Executive RECOMMEND to Council:

(i) **The latest Medium-Term Financial Plan forecast at Annex 1.**
(ii) **An increase in Reigate & Banstead's Band D Council Tax of £7.25 (2.99%) and a final tax base of £63,495.31 Band D equivalents;**
(iii) **A Revenue budget requirement of £23.194 million for 2023/24, as set out in this report and at Annex 2, which reflects:**

        • Service budget growth proposals totalling £0.442 million, savings of (£0.828) million; additional income of (£1.186) million and forecast issues, risks and opportunities totalling £1.843 million;

        • Central Revenue Budget net growth proposals totalling £2.379 million and forecast issues and risks totalling £0.564 million;

    (iv)   The forecast for Revenue Reserves (Annex 3) and the recommended use of £0.977 million from Reserves in 2023/24 comprising:

        • £0.493 million from the IT Strategy Reserve to fund implementation of the approved IT Strategy; and

        • Up to £0.484 million from the Government Funding Risks Reserve, where necessary, to fund the forecast reduction in housing benefit subsidy;

    (v)   A Capital Programme of £59.899 million for 2023/24 to 2027/28 as set out in this report and including net Capital Programme Growth Proposals of £7.672 million;

    (vi)   The updated Fees & Charges Policy (Annex 7)

    (vii) The Chief Finance Officer's report on the robustness of the Budget estimates and adequacy of Reserves.

    The Executive AGREED to authorise:

    (viii) The Chief Finance Officer to make any necessary final technical adjustments to the Budget and Council Tax arising from final budget refinements or changes to Government funding.

58.   COUNCIL TAX 2023/24

Councillor Schofield, Deputy Leader and Portfolio Holder for Finance and Governance, introduced the technical report to Executive setting out the Council Tax 2023/24 calculations and Recommendations to Full Council for debate on 9 February 2023. (Pages 165 to 167 in the report).

The reasons for the Council's recommended increase of 2.99% (equivalent to £7.25 a year for an average Band D property) were set out in the Budget report to Executive.

This was an increase of 14p a week for the average household. Surrey County Council was due to meet on 7 February and it was expected that their share of the council tax would rise by 4.99%, including the adult social care precept. The Surrey Police share of the precept, due to be considered on 3 February by the Police and Crime Commissioner, was expected to be a £10 increase.

Overall, this means that the Reigate & Banstead Borough Council element of the council tax was just under 11% of the combined Band D council tax (including precepts) which will increase by £103.14 or 4.6% in total from April. In addition, sums would be charged to Salfords & Sidlow Parish Council and Horley Town Council as detailed in the report.

There were no comments from Executive Members.

A Visiting Member asked for an explanation of two figures in the report recommendations; the Chief Finance Officer agreed to provide a written response (set out below, following the meeting).

Recommendation (i) (a):The figure of 63,495.31 is the forecast council tax base for 2023/24 that has been used to calculate the income to be received from council tax

Recommendation (iii) (a):The figure of £70,033,431 represents the gross annual revenue budget for 2023/24 (as calculated in line with the council tax-setting regulations).

Executive members noted the Recommendations, and it was:

RESOLVED that the Executive RECOMMEND to Council:

(i)   **Be noted that on 1 December 2022 the Council calculated:**
   a) **the Council Tax base 2023/24 for the whole Council as 63,495.31**

   [Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")] and,

   b) **for dwellings in those parts of its area to which a Parish precept relates:**
      • Horley Town Council 10,991.72
      • Salfords & Sidlow Parish Council 1,443.97

   The 'tax base' is the number of Band D equivalent dwellings in a local authority area.

   Detailed calculations of the Council Tax are set out in Annexes 1, 2 & 3.

(ii)   **Calculate that the Council Tax requirements for the Council's own purposes for 2023/24 (excluding Parish precepts) is £15,855,416**
(iii)   **That the following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the Act:**
   a) **£70,033,431 – being the amounts which the Council estimates for the items set out in Section 32(2) of the Act taking into account all precepts issued to it by Parish Councils**
   b) **£53,610,084 – being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.**
   c) **£16,423,347 – being the amount which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 32(4) of the Act as its Council Tax requirement for the year (item R in the formula in Section 32(4) of the Act).**
   d) **£258.65 – being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts).**
   e) **£567,931 - being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix).**
   f) **£249.71 - being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the**

basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

    g)   Horley Town Council £297.47

          Salfords & Sidlow Parish Council £279.43

          Being the amounts given by adding to the amount at 3(f) above the amounts of the special items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

    (iv)   It be noted that the figures in the attached Appendix being the amounts given by multiplying the amounts at 3(f) and 3(g) above by the number which, in the proportions set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of dwellings listed in different valuation bands.

    (v)   Having calculated the aggregate in each case of the amounts 1 to 5, above, the Council, in accordance with Section 30(2) of the Act, hereby sets the amounts of Council Tax for the year 2023/24 for each of the categories of dwellings shown in Annex 3.

    (vi)   It be noted that for the year 2023/24 Surrey County Council and Surrey Police and Crime Commissioner have not yet stated amounts in precepts issued to the Council, in accordance with Section 40 of the Act, for each of the categories of dwellings shown in Appendix 2.

    (vii)   Authorise the Chief Finance Officer to make any amendments to the Council Tax demands as might prove necessary as the result of changes to the estimated demands issued by preceptors on the Council's Collection Fund.

59.   SOCIAL HOUSING DOWNSIZING SUPPORT SCHEME

The Executive Member for Housing and Support, Councillor Neame, introduced a report which proposed a pilot scheme to assist under-occupying social tenants to downsize into more affordable properties.

Large social housing properties are in urgent demand in the borough. Waiting times for those on the housing register, and the number of homeless households who are placed in temporary accommodation, was increasing. In some cases, households wait up to 5 years for a suitable property to become available. This pilot project, which is a priority in the Homelessness and Rough Sleeping Strategy, aimed to support 10 under-occupying social housing tenants to downsize.

Executive Members noted that:

Participating households would benefit from a tailored downsizing offer which included the support of a personal assistant to oversee the removal process, access to DIY assistance and a one-off 'home set up payment'.

Direct offers of properties will be made to the downsizers as permitted by the Council's housing policies. The properties that are released by downsizers will be allocated to homeless households.

It was proposed that the pilot project would be funded by a ringfenced £68,240 from the Homelessness Prevention Grant and limited to assisting 10 downsizers. This would help a total of 20 households move into a home which met their needs.

Members recognised that downsizing could be an emotionally difficult and complex process. This voluntary scheme was a good opportunity to free up larger properties and assist those tenants, currently on the Council's housing register, move successfully into smaller properties, with the right support.

Visiting Members asked questions and made observations on the following:

- **Energy efficiency** – Members asked about work to properties to improve energy efficiency and reduce carbon emissions. Unnecessary heating of a larger underoccupied home would reduce individual carbon footprints. Residents could also make small-scale changes to their new homes. When a property became vacant, discussions could take place with social housing providers such as Raven Housing Trust to make improvements to larger homes and bring them up to Green Homes standards.
- **Underoccupancy Transfer Officer** – the part-time post would be advertised on a 12-month fixed term basis, with possible extension if funding was in place, as set out in the report.

RESOLVED: that the Executive AGREED:

(i)   Approval to ringfence £68,240 from the Homelessness Prevention Grant to proceed with a pilot social housing downsizing support scheme.

(ii)   The Head of Housing in consultation with the:
- **Chief Finance Officer**
- **Strategic Head of Legal & Governance**
- **Executive Member for Housing & Support**
- **Deputy Leader and Executive Member for Finance & Governance**
  a) **To continue with the scheme if successful after the 12-month pilot period and continue to fund from the annual Homeless Prevention Grant subject to the Grant being available.**

60.   **COUNCIL'S SOCIAL LANDLORD FUNCTIONS - SUPPORTING POLICIES**

- The Executive Member for Housing and Support, Councillor Neame, introduced a report to Committee which set out a number of policies to support the Council's social housing landlord functions as a registered provider as permitted by the Regulator of Social Housing. Three policies supported aspects of the Council's new responsibilities and operation of

services to customers to provide transparency and clarity on approach and practice. These were:

- **Rent Policy** – this sets out the Council's approach to rent setting and annual rent reviews. This year a rent increase of 2.3% is proposed.
- **Compensation Policy** – this explains the Council's approach to managing discretionary and compulsory compensation claims made by tenants.
- **Decant Policy** – this is where the Council may need secure or introductory tenants to vacate their homes on a temporary or permanent basis.

The Leader, Councillor Mark Brunt, said that as the borough council grew as a social landlord these policies needed to be in place to continue to manage the Council's growing housing register. The proposed rent increase in April for the Council's new social housing tenants (with levels capped and set by the Government) was set at a reasonable level of 2.3%. It was noted that Raven Housing Trust had set its rent increase in April at 7% this coming year.

Visiting Members raised questions in the following areas:

- **Number of council-owned social housing accommodation** – it was confirmed that in addition to the 32 new affordable rented homes at Wheatley Court, Redhill, there were just under 50 units in total in the borough (including those classed as emergency and temporary accommodation).
- **Housing Revenue Account (HRA) –** Local authorities are not permitted to own more than 199 social housing homes without opening a Housing Revenue Account (HRA). It was confirmed that the Housing Revenue Account was a ringfenced account used for all income and expenditure relating to housing properties and land. Members asked if the current income from just under 50 units was ringfenced and would be used for housing purposes. It was confirmed this was the case and the Council was committed to ensuring income generated from future rents would be used to invest in properties, as set out in the Housing Strategy.

The Council was on the shortlist for a national award for the delivery of the social housing development Wheatley Court in Redhill which had been the first scheme in social housing for some time. This followed on winning the best large social housing development for the South East region in the Local Authority Building Control (LABC) Awards last year. The Leader said this development had been a huge achievement for the Housing team and Development team working closely with the Portfolio Holder for Place Delivery and Planning Policy, Councillor Biggs.

RESOLVED that the Executive AGREED:

(i)   **That the Rent Policy at Annex 1 be approved and the Executive authorise the Head of Housing in consultation with the Portfolio Holder for Housing and Support to make any necessary minor amendments of the Rent Policy prior to publication.**

(ii)   **That the Executive approve 2.3% rent increase for the Council's social housing in 2023-24.**

(iii)   **That the Compensation Policy at Annex 2 be approved and the Executive authorise the Head of Housing in consultation with the**

Portfolio Holder for Housing and Support to make any necessary minor amendments of the Compensation Policy prior to publication.

(iv) **That the Decant Policy at Annex 3 be approved and the Executive authorise the Head of Housing and Support to make any necessary minor amendments of the Decant Policy prior to publication.**

61. **CALENDAR OF MEETINGS 2023 - 2024**

Executive members considered the Calendar of Meetings for the 2023/24 Municipal Year set out in the cover report published in the agenda pack.

An Addendum to the agenda pack set out the updated Calendar of Meetings 2023-24 for the coming Municipal Year. This included two date revisions to avoid meetings in the Easter holidays in 2024 following feedback received at the Overview and Scrutiny Committee on 19 January 2023.

The Leader noted that special effort had been made to limit meetings being held in school holidays in order for Council business to be inclusive to Members and working parents with school age children. This would enable maximum representation at Full Council and adjustments had been made to reflect this in the updated Calendar.

RESOLVED that the Executive RECOMMEND to Council:

1. **To approve the draft Calendar of Meetings for 2023/24 Municipal Year as set out in the Report and in the Addendum to the Executive agenda pack.**

62. **STATEMENTS**

Councillor Biggs, Portfolio Holder for Place Delivery & Planning Policy, gave a Statement to the Committee. He invited members of the public and interested parties to attend a public meeting on 1 February 2023 at the Town Hall for a presentation and Q&A session about Reigate & Banstead Borough Council's timetable to prepare, consult on and adopt a new Local Plan for 2027.

The statement was as follows:

"Planning is one of the Council's key responsibilities and impacts everyone. It helps shape the environment that we live in, where we live, the places we work, the open spaces we enjoy and how we travel.

The Council's existing Local Plan Core Strategy and Development Management Plan are scheduled to run until July 2027. These important documents help guide and manage how our borough develops and changes in an integrated and controlled way. We now need to work on a new, single, Local Plan to set out the vision, policies and development framework for 2027 and beyond. Preparing a new Local Plan takes time, so we need to start now to make sure we're ready.

Local councils are required to have an up-to-date Local Plan. The plan generally looks 15-20 years ahead and makes it clear what is intended to happen in an area, where and when this will occur and how it will be delivered.

It is a long and complex process that must be done according to regulations, national planning policy and guidance. This involves gathering and updating evidence, widespread consultation and preparing policies for independent examination by Government Planning Inspectors, before the final decision to adopt is taken by the whole Council.

The first key step in developing our new Local Plan was the Council agreeing a Local Development Scheme (LDS) at its meeting on 27 October 2022 (minute 38).This establishes a formal timetable about how to achieve the necessary stages during the next few years, along with potential risks and mitigation measures to reduce their impact.

We are in the very early stages of producing our new Local Plan to help ensure our borough remains an attractive and thriving place to live, work and visit. We need a plan that meets the Council's statutory requirement and allows development to be steered towards the most appropriate locations, sets ambitious environment sustainability and biodiversity requirements, helps attract investment in infrastructure and responds to changes in legislation, demographics and people's habits.

We won't know for a while yet about any potential sites, possible housing numbers needed or other proposed details for 2027 and beyond. This will become clearer as we prepare the new Local Plan and there will be plenty of opportunities to have your say during future public consultations."

- More details on how the Local Plan will be produced and the way people can comment and get involved during the next few years available from the Planning Policy Team at LDF@reigate-banstead.gov.uk

63.   ANY OTHER URGENT BUSINESS

There was no urgent business.

64.   EXEMPT BUSINESS

There was no exempt business.

The Meeting closed at 8.28 pm

Signed off by	Head of Leisure and Intervention
Author	Catherine Rose, Head of Corporate Policy, Projects and Performance
	Luke Harvey, Project & Performance Team Leader
Telephone	Tel: 01737 276519
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To	Overview & Scrutiny Committee
	Executive
Date	Thursday 16 March 2023
	Thursday 23 March 2023
Executive Member	Portfolio Holder for Leisure and Culture

Key Decision Required	Y
Wards Affected	(All Wards);

Subject	Leisure and Culture Strategy

Recommendations
Overview & Scrutiny Committee:
(i)   **That the Committee notes the report and the Leisure & Culture Strategy and provides any observations for consideration by the Executive** **Executive:**   **(i)**   **That the Executive approves the Leisure & Culture Strategy**
Reasons for Recommendations
Having an approved Leisure & Culture Strategy will ensure that the Council is setting a clear statement of its intentions with regard to its Leisure and Culture services and will inform the development of detailed delivery / action plans to achieve identified priorities and outcomes.

Executive Summary
The Council's Corporate Plan includes an objective for the Council to provide leisure, cultural and wellbeing services that are accessible to - and meet the needs of – communities and visitors. To achieve this, it explains that the Council will review and develop its leisure and cultural services over the life of the plan.
The Leisure & Culture Strategy (at Annex 1) has been prepared to help ensure that the Council's leisure and cultural services remain fit for the future and reflect the changing landscape within which we operate (impacted as it is by new technologies, the pandemic and current economic challenges).
It sets out an overall vision for leisure and cultural services in the borough and defines objectives which capture activity across a range of Council and externally provided services, including relating to participation, service provision and accessibility, working in partnership and funding council services. It also articulates the outcomes associated with each objective.
The Strategy will be supported by the development of more detailed delivery / action plans, which will explain in more detail how the outcomes will be achieved and how key decisions (such as around future arrangements for managing the Council leisure centres) will be taken. Progress against Strategy outcomes will be reviewed and reported annually.
Executive has authority to approve the above recommendations

Statutory Powers

1. There are no statutory requirements for Councils to provide leisure (sports) or cultural services, however a great many Councils do so because of the direct benefit of these services to resident wellbeing. The provision of such services therefore aligns with the duties set out in the Local Government Act 2000 to promote the social (as well as economic and environmental) wellbeing of the Council area.

2. It should be noted that there is a statutory duty on Councils to provide allotments where the Council believes there is a demand for these[1]. The proposed Strategy identifies that the allotments the Council provides make a contribution to its leisure offer for residents.

Background

Reigate & Banstead 2025

3. The Council's Corporate Plan, Reigate & Banstead 2025, includes an objective in relation to Leisure and Wellbeing, specifically, to:

   Provide leisure, cultural and wellbeing services that are accessible to, and meet the needs of, communities and visitors.

4. To achieve this objective, it explains that we will 'review and develop our leisure services offer in the borough', and 'review the cultural opportunities that we provide for residents and visitors, including at the Harlequin Theatre'.

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[1] Smallholdings and Allotments Act 1908

5. As noted above, with the exception of allotments, there is no statutory duty on local authorities to provide leisure & cultural services. However, the benefits of doing so are widely recognised as including:

- Supporting residents' physical health (and thereby having the potential to reduce impact on national / public health services)

- Supporting residents' mental health (linked to physical activity, exposure to nature and engagement in cultural services)

- Contributing to stronger community cohesion (be that geographically defined communities or communities defined by shared backgrounds, interests or values); and

- Economic benefits associated with spending (of residents and / or visitors), employment and investment in the local area.

The services we currently provide

6. The Council currently provides a range of services that provide leisure and cultural opportunities for residents in, and visitors to, the borough. This includes:

- Three leisure centres (Horley, Tadworth and Donyngs (Redhill)), that we own and that are operated for us on behalf of Greenwich Leisure Limited (GLL) trading as 'Better'

- The Harlequin Theatre and Cinema in Redhill

- Three Community Centres (Banstead, Woodhatch and Horley) which offer a wide range of free or low cost leisure and cultural activities

- Numerous parks and greenspaces, which provide a range of informal and formal sports provision, play areas, skate parks etc and also host other cultural and leisure events.

- Allotments

- Leisure activities targeting young people, including holiday activities, Surrey Youth Games and Star for the Night

7. In addition to these, we work collaboratively in partnerships with other organisations in the public, private and not-for-profit sectors to ensure that other leisure and cultural opportunities are available for our residents.

Key Information

Strategy scope and definitions

8. There is no one single definition of 'leisure' or of 'culture'. For the purposes of the Strategy, and drawing on definitions used by external bodies, 'leisure' is defined as activities that provide enjoyment - what people chose to do with their free time, with a particular focus on those activities that are done with the main purpose of enjoyment and personal enrichment. 'Culture' is defined as a particular type of leisure activity, that encompasses activities that express the cultural aspects of life, including art and historical collections and exhibitions, music, dance, literature, and theatre.

9. These definitions cut across a range of Council service areas. As such, the Strategy is not limited to the work of the Leisure & Intervention Service and Leisure & Culture

Executive Portfolio. It includes objectives that include the work of other service areas, including (but not limited to) the Greenspaces Team and Community Centres Team.

10. The Council is not the only provider of leisure and cultural services within the borough. As well as information about how the Council will provide services in the future, the Strategy therefore also explains how we will work in partnership to expand the overall offer for the benefit of borough residents and visitors.

Evidence base

11. A range of evidence has informed the development of the Strategy, and, in particular, the identification of objectives and outcomes. This has included:

- Contextual data from external third party sources about the demographic and activity characteristics of our populations

- Information about usage of the services the Council currently provides

- External feedback on Council services, primarily via the LGA

- Planning policy research including the draft playing pitch and sports facility studies commissioned to inform the forthcoming local plan review

12. The Strategy recognises an opportunity to further develop the Council's evidence base and therefore includes as an outcome a greater understanding of the needs of our residents and visitors, and how these are likely to change. This information will help inform future service planning.

Document structure

13. The proposed Leisure & Culture Strategy is included at Annex 1, and for conciseness its content will not be replicated in this covering report. However, in summary, key aspects of the document to note are as follows:

- The overarching vision for leisure & cultural provision across the borough, which extends beyond the direct remit of the Council to encompass how resident and visitor needs are met 'in the round'.

- Four objectives, covering participation, service provision and accessibility, working in partnership and funding council services

- A range of outcomes for each objective, which will inform the development of service delivery / action plans. Strategy success will be measured against these outcomes.

Future service delivery models

14. Members will be aware that the Council currently outsources the running of our Leisure Centres to GLL,and runs the Harlequin Theatre 'in house'. The Strategy is not prescriptive about future service delivery models as these will need to be considered on a case-by-case basis and require options assessments and business cases; but care has been taken to ensure that the Strategy objectives and outcomes will be able to help inform the Council's assessment of the most appropriate delivery mechanisms for all our leisure and cultural services in the future.

Strategy implementation

15. As it is a high level strategy, Annex 1 does not include detailed operational or financial information, rather it is intended to guide the development of detailed implementation plans that together will deliver on the identified outcomes.

16. As the Strategy touches on the activity of various service areas, these plans may take different forms. They may be stand-alone, or may form part of by wider service delivery or business plans. Developed in consultation with relevant Executive member, implementation plans will identify actions, roles and responsibilities, delivery partners and funding mechanisms as appropriate as well as – where relevant – specific performance indicators. Examples of activities currently being scoped include:

    - Communications, marketing and signposting activities

    - Support packages for target groups such as care-leavers

    - Mapping of third party provision and relationship building with external providers

    - Increasing the use of council assets (including the Harlequin and our Greenspaces) for cultural and/or commercial activities

    - Reviewing built assets to ensure they remain fit for purpose

    - Determining the most appropriate future delivery model for our leisure centres

    - Arts development and partnerships with health providers

    - Promoting the borough as an attractive place for film/TV production

17. Progress with strategy implementation will be reviewed and reported annually, including via Portfolio Holder updates to the Overview & Scrutiny Committee.

Options

18. The options available to the Executive are as follows:

    - Option 1: Approve the Leisure & Culture Strategy at Annex 1. This option is recommended. Having an up-to-date strategy in place will ensure clarity and transparency about what the Council is seeking to achieve through its leisure and culture activity and provide a clear framework for the development of service delivery / action plans.

    - Option 2: Request amendments to the Leisure & Culture Strategy at Annex 1 before it is approved. This option is not recommended. The strategy as presented has been subject to internal consultation with Executive members and service heads and the Overview & Scrutiny Committee; further delay may constrain or limit the ability of the Council to progress its activity in this area for the benefit of residents and visitors.

    - Option 3: Do not approve the Leisure & Culture Strategy. This option is not recommended. The Corporate Plan commits the Council to reviewing how it provides these services, and the strategy sets a clear framework for future activity. Further delay may constrain or limit the ability of the Council to progress its activity in this area for the benefit of residents and visitors.

Legal Implications

19. No legal implications have been identified as arising directly from the production or approval of this Strategy.

20. Legal and procurement advice will be sought in relation to the re-tendering of existing delivery contracts as appropriate.

Financial Implications

21. The 2023/24 revenue budget for Harlequin Theatre operating costs is set out in the table below.

	£000
Employee Costs	681.7
Supplies & Services	476.9
Income	(777.8)
Net Operating Cost	380.8

The approved budget for 2023/24 is based on the Theatre generating an additional £0.100 million net income.

22. The 2023/24 revenue budget for Leisure Services is set out in the table below.

	£000
Employee Costs	166.4
Supplies & Services	53.9
Income	(286.7)
Net Operating Cost	(66.5)

The approved budget for 2023/24 is based on the service delivering £0.083 million net savings and additional income.

23. No financial implications have been identified as arising directly from the production or approval of this Strategy.

24. The Strategy includes an objective specifically in relation to securing the financial sustainability of the Council's leisure and cultural services. This includes an increased focus on income generation to cover the costs of the services we provide. The Strategy also recognises that the Council will need to prioritise its resources to areas of most need and on initiatives and services that have the greatest impact and may wish to explore the introduction of new or innovative delivery models. The opportunity has also been identified for the increased use of external funding to benefit providers in the borough (including but not limited to the Council).

25. Progress on delivery against income targets will be reported in the usual way via the Council's quarterly financial reporting procedures.

26. The financial implications of individual projects and activities arising from more detailed delivery / action plans will also be assessed in the usual way, via options appraisals, the production of business cases and (as necessary) funding bids either 'in year' or as part of the annual service and financial planning process. This will include any future delivery partner procurement activity.

Equalities Implications

27. Under the Equality Act 2010 decision-makers have a duty to have due regard to the need to eliminate unlawful discrimination, harassment, victimisation and other prohibited conduct; and advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not share it. This duty applies to all decisions made in the course of exercising the Council's public functions.

28. The proposed Leisure & Culture Strategy has, as its central vision, leisure and cultural services that are accessible to all. This includes those with protected characteristics and other vulnerabilities. The Strategy includes (under the second objective) a commitment to review and design services to , ensure they are delivered to increase accessibility, participation and inclusivity, with a view to achieving a leisure and cultural landscape in the borough that promotes and celebrates equality, the borough's diversity of people and cultures and their rich history.

29. As such, overall, the Strategy will have a positive impact on advancing equality of opportunity and good community relations. Individual projects and activities identified to secure the delivery of strategy outcomes will need to take into account the Council's equality duties: in the event that potential negative equality impacts are identified, controls and mitigation will be put in place to avoid or reduce these.

Communication Implications

30. The Strategy highlights the role of the Council in promoting its own services but also helping increase levels of participation in leisure and cultural activity amongst residents and visitors more generally.

31. Communications activity via a range of channels will be an important element of this and will build on the work that is already undertaken by relevant services in consultation with the Council's communications team. The Harlequin Theatre retains its own marketing resource. The Council's communications team will be consulted as part of the process of developing detailed delivery / action plans and budgets.

Environmental Sustainability Implications

32. The proposed Leisure & Culture Strategy identifies that the Council's leisure and cultural assets and services have a key role to play in achieving the Council's environmental sustainability objectives, and explains that environmental considerations will be at the forefront of decision making as the strategy is delivered. This will include the environmental sustainability of relevant built assets and products procured, but could (for example) also include the role of leisure & cultural activity in raising awareness about the environment and climate change.

33. Environmental considerations associated with individual actions arising from detailed delivery / action plans will be considered as part of the project

management, procurement and decision making processes in the usual way and in consultation with the Council's Sustainability Team.

Risk Management Considerations

34. No risk management implications have been identified. Service level risks will continue to be assessed and as necessary escalated via the usual quarterly review and reporting processes and procedures as set out in the corporate Risk Management Strategy and Methodology.

Other Implications

35. No other implications directly arising from the agreement of the Leisure & Cultural Strategy have been identified. Specific implications arising from the more detailed service delivery / action plans will be dealt with in accordance with established policies and procedures, including (as necessary) the Council's adopted project management framework and established service & financial planning processes.

Consultation

36. In developing the Strategy consultation has been carried out within the relevant service areas, with Heads of Service across the Council and with Executive members. This paper and the accompanying Annex will be considered by the Overview & Scrutiny Committee prior to being brough forward to the Executive.

37. Proposals for service budgets and income targets for 2023/24 were prepared and consulted on in the usual way.

38. The Strategy itself includes outcomes in relation to securing a greater understanding of resident and visitor needs, understanding resident and customer satisfaction, the removal of barriers to participation and close partnership working, all of which will be secured via a combination of customer insight, joint working, consultation and engagement with a range of different stakeholders.

Policy Framework

39. The production of a Leisure & Culture Strategy is consistent with the Council's corporate plan for the period 2020 to 2025. Delivery of the Strategy will be a key consideration in the development of relevant delivery / action plans to ensure that residents and visitors continue to be able to access high quality leisure and culture services.

Background Powers

1. Corporate Plan 2025 - https://www.reigate-banstead.gov.uk/rbbc2025

Reigate & Banstead Borough Council

Leisure & culture strategy

Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

Foreword

Introduction by Cllr Sachdeva

Our vision

A borough with an inclusive and vibrant leisure and culture offering that is accessible to all, where everyone can participate in meaningful activities that enrich their lives, promote wellbeing and foster a sense of belonging

Introduction

This strategy sets out our vision for leisure and culture in the borough. Leisure and culture play a vital role in making Reigate & Banstead borough a prosperous, healthy and attractive place to live. Helping our residents lead healthy, active and fulfilling lives is a top priority for the Council, as set out in our corporate plan (Reigate & Banstead 2025).[1]

As a public body, the Council plays a unique role in the leisure and culture sector within our borough. We provide quality, diverse and accessible services. This includes include parks and countryside, sports pitches, allotments, the Harlequin Theatre and Cinema and three leisure centres.

Whilst wide ranging, at their core our leisure and culture services support people to lead healthy and active lives, and participate in their local communities, and are therefore integral to the delivery of the vision set out above.

We recognise, however, that the Council can only do so much, particularly as we hold few statutory responsibilities to provide leisure and cultural services. As well as sustainably delivering our own services, we must also play the crucial role of enabling, supporting and promoting the borough's leisure and cultural life. Through partnerships with other providers, we are able to achieve far more for our residents. Collaboration fosters a strong sense of community ownership, helping to promote a sustainable and resilient leisure and culture sector that meets the needs of our communities well into the future.

We are adopting this new strategy from a position of strength. Our services are well used, highly valued by residents and visitors and are at the heart of our communities. We have built strong relationships with voluntary and community sector organisations, as well as local sports and arts and cultural organisations, and are able to capitalise on these partnerships to enrich the borough's leisure and cultural offering.

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[1] Available here: https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025

Despite our current strong position, we face a number of challenges and, as a result, there is much for us to do. The Covid-19 pandemic had a significant impact on the leisure and culture industry, whilst the current period of economic difficulty continues to threaten its ongoing viability.

The Council is itself in a period of financial challenge due to the current adverse economic conditions as well as the difficult local government funding context. We must be financially efficient and self-sustaining, ensuring that we achieve the best possible value from our services and spending whilst continuing to deliver on our residents' priorities and corporate plan objectives.

Despite these challenges, we are committed to providing a high-quality and appropriate range of leisure and culture services, recognising that in some instances these may need to be delivered differently in the future to ensure their ongoing viability and in balance with other corporate objectives.

We therefore see our role as complementing that of the private and voluntary sectors – we will use our resources and assets to deliver services that our residents value, but which the private or voluntary sectors are unable to deliver at an affordable price, or at all. A mixed economy of leisure and cultural service providers is key to enabling the leisure and cultural sector in our borough to thrive.

About our strategy

The leisure and culture strategy provides a strategic framework for the achievement of our vision and objectives. It sets out the wider context, including the challenges and opportunities we face as a borough and our role as a local authority in the leisure and cultural sector.

This strategy sets out an expansive definition of leisure and culture. We recognise that leisure and cultural opportunities transcend organisational structures and boundaries. The strategy extends across a number of service areas, many of which do not sit within the leisure and culture portfolio, and also recognises the importance of external partnership and collaboration.

What do we mean by leisure and culture?

Leisure refers to activities that provide enjoyment. It is what people choose to do with their free time. This definition includes a wide variety of activities, though particularly focuses on those activities that are done with the primary intention of enjoyment and the enrichment of life, such as physical exercise.

Culture describes the collective patterns of behaviour of groups of people. It exists in physical, material forms as well as within collective memories and consciousness that evolve over time. In the context of our strategy, culture may be thought of as a particular type of leisure activity and is similarly wide in scope. Various areas of human activity focus on expressing the cultural aspects of our lives. These include, but are not limited to, arts and historical collections and exhibitions, music, food and drink, dance, literature, the theatre, spiritual or religious activities, as well as secular rituals and ceremonies.

Benefits of supporting local leisure and cultural services

Physical health

Health and wellbeing outcomes of individuals and communities are influenced by the complex interaction between individual characteristics, lifestyle choices and behaviours, as well as the physical, social and economic environment. Taken together these factors are known as the 'wider determinants' of health.

Leisure and cultural activities help influence health outcomes by affording opportunities for people to be active and heighten their physical and mental health.

It is well established, for instance, that regular physical activity significantly improves healthy life expectancy and lowers the risk of early death.[1] To stay healthy, people should be active daily and should do at least 150 minutes of moderate intensity activity per week. However, on this measure, 18% of the borough's adult population are classed as physically inactive; the figure for children is 49%.[2]

Even relatively small increases in physical activity result in marked health benefits. A daily brisk walk, for example, significantly reduces the risk of heart disease, strokes and diabetes as well as other cardiovascular conditions.

Mental health

Physical activity also boosts mental health, with research showing that regular physical exercise improves self-esteem, mood, sleep quality and energy, as well as reducing the risk of stress, anxiety, clinical depression, dementia and Alzheimer's disease.[3] Physical activity has also been shown to reduce loneliness and social isolation, as well as improving social functioning.[4]

As we age the benefits of regular physical exercise become more acute. For instance, muscular strength, bone health and the ability to balance are all developed and maintained through physical exercise and activity. They underpin physical function and help maintain independence and reduce the risk of falls.[5] Older people are also especially vulnerable to loneliness and social isolation, which can have a serious effect on health.

There is also a growing evidence base that demonstrates the effectiveness of cultural services in promoting health and wellbeing.[6] Attending a theatre production, watching a film or visiting an art gallery result in marked benefits on an individual's wellbeing and feelings of personal fulfilment.

Community and economic benefits

Leisure and cultural opportunities also promote community understanding and cohesion, combat isolation, foster a sense of belonging and attachment to place. Indeed, culture may be viewed as the glue that brings and keeps our communities together. It helps create welcoming, distinctive and attractive places and communities, builds trust, cohesiveness and, ultimately, improves the health and wellbeing of participants.

The economic benefits of leisure and culture are also significant. Indeed, leisure and culture drives spending, employment and investment in local areas. A critical mass of cultural excellence also has significant place shaping benefits, with an area becoming known for its cultural output. This, in turn, helps drive further investment and other economic benefits.

Leisure and culture activities are therefore integral to the lives of our residents and the vibrancy of our communities. They help make the borough a healthy and prosperous place to live.

Our role and objectives

Where we are now

The Council recognises the importance of leisure and cultural opportunities to the health and wellbeing of our residents and life in the borough. That's why we maintain a diverse range of leisure and cultural services and facilities.

Our services and facilities are vital community assets and form an important part of the fabric of our towns and villages. They are well used and highly valued by our residents and visitors, allowing them to engage in a wide variety of activities that enrich their lives, help them stay healthy and provide enjoyment. They are affordable and accessible, with many subsidised. This subsidy helps to drive participation and engagement and also helps us to achieve positive outcomes for our residents and communities.

Our services include:

- **Leisure centres –** we own three leisure centres within the borough (in Tadworth, Redhill and Horley), operated on our behalf by an external organisation. Each centre provides a range of sports and fitness facilities, including gyms, heated swimming pools and space for exercise classes. In 2022 our three centres had over 1 million combined visits.

- **The Harlequin Theatre and Cinema** – serves as a cultural hub and provides a rich programme of arts and entertainment in the heart of Redhill, as well as hireable meeting and conferencing facilities. The venue also hosts important civic and municipal occasions.

- **Community centres –** our three in-house centres in Banstead, Horley and Woodhatch serve as focal points for our communities and play an important role in their health and wellbeing. The centres offer a wide range of free or low-cost activities across five core themes: arts and leisure, children's activities, fitness and exercise, welfare and technological support. They also provide valuable hire space for community use, allowing local civic and community groups to operate.

- **Parks and greenspaces –** the Council owns and maintains more than 70 parks and greenspaces within the borough, as well as over 1,250 hectares of countryside. Our parks and greenspaces help people stay active by affording them the opportunity to take exercise outdoors, which has clear physical and mental health benefits. Our parks and greenspaces are also used for cultural events and activities, including

outdoor cinema, theatre and food and drink festivals. Our urban parks help drive footfall to our towns and support the local visitor economy.

- **Outdoor activities –** there are over 40 Council maintained outdoor activity areas in the borough, including children's playgrounds, tennis courts, bookable sports pitches, skate parks and a BMX track.

- **Allotments –** we manage over 1,200 allotments in the borough. Tending an allotment has clear benefits for physical and mental wellbeing, whilst also providing a source of fresh, seasonal fruit and vegetables.

- **Leisure activities –** there is an established link between being physically active as a child and health outcomes later in life. Given this, the Council's in-house leisure team ensure that there are a wide range of sporting opportunities available for young people in the borough. These activities utilise our extensive leisure and cultural asset base and include holiday activities (R&BE Active), the Surrey Youth Games and Star for a Night, amongst several others.

- **Partnerships –** we work collaboratively with a number of other aligned organisations to advance the health and wellbeing of our residents. For instance, we host an Arts Officer for Health post, funded by NHS Surrey Heartlands, that will work to use cultural services to improve health outcomes.

  We also work in partnership with local organisations and other local authorities in the delivery of two Wellbeing Prescription services in the borough. These services help people lead healthier lives by providing advice and signposting to services that will support their health and wellbeing.

  Some of our key leisure and cultural assets, whilst owned by the Council, are managed by community groups with the Council's support. This includes the historically significant Banstead Commons and Reigate Caves. We also work closely with local residents and groups in the management of our greenspaces, including Reigate Heath and Earlswood and Redhill Commons.

Challenges

The ongoing sustainability of the Council's leisure and cultural services are key to supporting the health of our residents and communities.

However, the industry has recently faced a period of prolonged challenge. The Covid-19 pandemic upended normal life and had a significant impact on the sector, with many facilities required to close as part of the emergency public health response. The lost income, coupled with the high fixed costs of operating facilities such as leisure centres, left many operators in a tough financial position. The Council stepped in to support the operator of our three centres, meaning that when restrictions were lifted they swiftly reopened for the benefit of the borough.

Whilst the sector has generally recovered strongly, the current high inflationary environment and cost of living crisis has created new challenges to overcome. For instance, energy prices have dramatically increased, impacting the financial viability of leisure centres as high users of energy. Many of our residents will also now have reduced levels of disposable income, in turn reducing the money they have to spend on leisure and cultural activities.

The pandemic also substantially changed behaviours and preferences, many of which remain. For example, online exercise classes soared in popularity, whilst parks and greenspaces offered solace and a new arena for exploration and structured and unstructured exercise. Wider societal trends also point to people becoming increasingly health conscious, though services and facilities must accommodate changing needs and wants to remain relevant.

As well as these structural, industry wide challenges, our society also faces a number of health and wellbeing issues that, as we have seen, leisure and cultural services can help address.

In Reigate & Banstead, for instance:

- 18% of adults and 49% of children and young people are physically inactive.[7]

- Just 45% of the adult population walk at least three times per week,[8] whilst just 5% of the adult population cycle at least three times per week.[9]

- 61% of adults are classified as being overweight or obese.[10]

- 29% of children are overweight or obese at year 6.[11]

- Just 44% of adults do at least 2 activities per week that develops or maintain muscle strength.[12]

- 28% of the borough's population report feeling lonely at least some of the time.[13]

- It was estimated in 2017 that 15,155 of the borough's population aged over 16 has a common mental health problem, such as anxiety, stress and depression.[14]

- According to the 2021 census, 18% of the borough's population is aged over 65. By 2043 the number of residents aged over 65 is forecast to grow by 45%, compared to the 2020 baseline.[15]

The role of the Council

As a local authority, we play a pivotal role in the leisure and cultural life within Reigate and Banstead. Our corporate plan (Reigate & Banstead 2025) commits us to using our leisure and cultural services and assets to support our residents to improve their health and wellbeing, whilst also committing to provide services that are accessible and meet peoples' needs.

The Covid-19 pandemic and the current adverse economic conditions have had a significant impact on the leisure and cultural sector, in some instances threatening its ongoing economic viability.

Our role, however, requires us to look beyond a purely financial motive and to also focus on the health and wellbeing of our residents. Our services are diverse in their range and scale, and we are uniquely placed to support our residents to lead healthy and active lives. We provide services and facilities that our residents rely on and which the private sector invariably does not deliver.

However, the Council is currently facing a period of sustained financial challenge due to the current adverse economic conditions as well as the difficult local government funding context. We must be financially efficient and self-sustaining, ensuring that we achieve the best possible value for money from our services and spending whilst continuing to deliver on our residents' priorities and wider corporate plan objectives.

As such, while we have no desire to limit or reduce the leisure and cultural offer in our borough, we must look at how we can do things differently to continue to achieve good outcomes for our residents and communities and to help tackle the challenges we collectively face.

We also recognise that the Council can and should only do so much, particularly as we hold few statutory responsibilities to provide leisure and cultural services and receive no government funding to do so. We see our role as complementing the services delivered by the private and voluntary sectors. We will therefore use our resources and assets to deliver services that our residents value, but which the private or voluntary sectors are unable to deliver at an affordable price, or at all.

A mixed economy of leisure and cultural service providers is key to achieving a sustainable sector within the borough. We see ourselves as having a key role in fostering this mixed economy.

We will therefore continue to develop partnerships and work collaboratively with leisure and culture organisations in the borough, supporting them to enrich the borough's leisure and cultural life. We will do so through using our unique role, position and connection with our residents, supporting and promoting local organisations and helping them to thrive. Partnerships and collaboration allow us to achieve far more for our residents, whilst fostering a strong sense of community ownership and helping to promote a resilient and sustainable sector that delivers on community need well into the future.

Our objectives

In pursuit of our vision for this strategy we have set ourselves four core objectives. Our objectives should be viewed together as they interrelate and mutually reinforce one another. Each objective is supported by a series of outcomes that we will seek to achieve through our service delivery and partnership activities, and which we will use to inform our more detailed business plans.

Objective 1: Inspire and encourage residents to lead healthy and active lives

Being active leads to improved health outcomes, including preventing poor physical and mental health. We will continue to provide and promote a vibrant range of services and opportunities that support our residents to lead healthy and active lives, whilst also promoting other opportunities delivered by our partners. We recognise that health outcomes are often unequal and so we will use our services to help reduce health inequalities through targeting particular groups where evidence and insight suggests this is appropriate and will be effective.

Outcomes:

- Increased levels of participation in leisure and cultural activity across the borough, utilising our leisure assets and services to drive participation.
- Elevated prominence and use of the Harlequin Theatre and Cinema, with the venue and its programme of events creating an enduring affinity for the arts among patrons.
- Increased and wider use of our parks and greenspaces for leisure and cultural activity, as well as for play and sport.
- Greater resident awareness of the Council's leisure and cultural services as well as the benefits of being active.

Objective 2: Provide sustainable services that are accessible to, and meet the needs of, our communities and visitors

We are committed to putting the needs of our residents and visitors at the heart of what we do. Behaviours and preferences continually shift, and we must embrace change to remain relevant and to provide the services that people value. We will review and design services to ensure that they are delivered in a sustainable way, and that they meet current and future needs and increase accessibility, participation and inclusivity. We will explore implementing new delivery models where doing so will result in clear benefits.

Outcomes:

- A greater understanding of the needs of our residents and visitors and how these are likely to change, using this insight to ensure that Council services are delivered at levels appropriate to need and demand and within the budget available.
- A well-balanced leisure and cultural asset base that is fit for purpose and receives appropriate levels of investment and ongoing maintenance.
- High levels of resident and customer satisfaction with our services, those delivered through our assets and with those provided on the Council's behalf.
- The removal of barriers to participation so that everyone in the borough can access a full range of facilities and information to help them lead a healthy and active life.
- A leisure and cultural landscape that promotes and celebrates equality, the borough's diversity of people and cultures, communities and places, as well as its rich history.

Objective 3: Act as a leisure and cultural facilitator and convenor, drawing together and promoting the borough's rich array of activity and helping it to thrive

We are proud of the high-quality services that we provide. However, our services are only part of the picture. We see ourselves as playing a vital supporting and enabling role within the borough's leisure and cultural life. This means that we will use our assets, resources and programmes to support and promote external organisations and community groups. Our partnerships will help foster community ownership and will sow the seeds for a rich leisure and culture landscape within the borough. This will also have significant place-making benefits, with the borough and our communities known for their leisure and cultural offering and output, and with the Council recognised as supporting this.

Outcomes:

- A sustainable, mixed economy of providers of leisure and cultural activity that work together and with the Council to heighten activity and participation.
- Our assets used to deliver events and services by organisations aligned with our leisure and culture objectives.
- Close partnership with external leisure and cultural organisations and community groups to help them thrive and grow.
- A borough-wide leisure and culture map that helps residents discover activities and services that support their health and wellbeing.

Objective 4: Achieving a financially sustainable leisure and culture service

Our financial challenges arising from the current economic situation and the difficult local government funding context require us to increase income, achieve savings and to be responsible with our finances. We recognise that many of our services would not be viable in the highly competitive marketplace without subsidy, notwithstanding their significant benefits for our residents and communities. Whilst the Council's role as a public body requires us to look beyond profit and to focus on the health and wellbeing of our residents, we are not immune to economic pressures. We will therefore pursue a balanced approach to our leisure and culture services, with a focus on driving maximum value from our spending and income generation opportunities, whilst still supporting and delivering initiatives that are less commercially viable to benefit our residents.

Outcomes:

- Income generated covering the costs of services we provide.
- The prioritisation of our resources in areas of most need and on initiatives and services that have the greatest impact.
- Increased use of external grant funding to support the delivery of Council services, as well as those provided by the voluntary and community sector.
- Increased commercial events and bookings using Council assets to help subsidise the delivery of non-commercial initiatives.
- Where appropriate, the introduction of new, innovative delivery models for services that save money and/or increase income.

Commitments

In accordance with our corporate plan (Reigate & Banstead 2025), we recognise that in delivering services, it's not just about what we do, but also about how we do it.

In achieving our leisure and culture objectives, we commit to:

- **Clear and effective communication –** we will use our communications resources and assets to raise awareness of the leisure and cultural opportunities we provide, as well as those provided by our partners. Raising awareness of leisure and cultural opportunities will support the sector and help it to flourish.

- **Putting residents and other customers at the heart of what we do –** our services will only be viable and sustainable if they reflect resident and customer need. We will therefore ensure that the needs of our residents and customers are at the heart of our decision-making through ensuring that we consult and engage, as well as use robust data to inform our decisions. We will use our leisure and cultural services to promote and further equality, diversity and inclusion.

- **Environmental responsibility –** our leisure and cultural assets and services have a key role to play in achieving the Council's environmental sustainability objectives. When investing in facilities or designing services we will ensure that environmental considerations are at the forefront of decision-making and positively contribute to reducing the Council's impact on the environment.

- **Partnership working –** we cannot deliver our vision alone. We will continue to develop effective and supportive partnerships with local leisure and cultural groups, which will enhance leisure and cultural opportunities in the borough.

- **Responsible use of data –** we will use insight from data to design and deliver our services in the most efficient and effective way.

- **Financial efficiency –** being financially efficient is crucial to achieving sustainable and economically viable leisure and cultural services. We will ensure we maximise our income and the value for money from our expenditure. We will achieve savings in a balanced and proportionate way while maintaining the services that benefit our residents.

Implementing our strategy

Our strategy defines our vision for leisure and culture in the borough, as well as what we are aiming to achieve in the delivery of our services. Whilst the strategy sets out these high-level aspirations, it will be underpinned by detailed implementation plans that together will show how we will deliver on our identified outcomes.

The implementation of the strategy is wider than the Leisure and Culture portfolio and will involve multiple service areas. The plans for its implementation may take several different forms. They may be stand alone or may form part of wider service delivery or business plans. Developed in consultation with relevant Executive members, implementation plans will identify actions, roles and responsibilities, delivery partners and funding mechanisms as appropriate as well as – where relevant – specific performance indicators.

We will report on our performance and progress annually.

References

[1] NHS, Benefits of exercise. Available from: https://www.nhs.uk/live-well/exercise/exercise-health-benefits/

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To	Executive
Date	Thursday 23 March 2023
Executive Member	Portfolio Holder for Planning Policy and Place Delivery

Key Decision Required	Y
Wards Affected	All Wards

Subject	Community Infrastructure Levy (CIL) Strategic Infrastructure Programme (SIP) 2023-2027

Recommendations
That the Executive:

(i)   Agrees the Council's second Community Infrastructure Levy Strategic Infrastructure Programme (CIL SIP) 2023-2027 with the amounts to be allocated in each relevant year including the national RICS CIL index (at Annex 4)

(ii)   Agrees that the release of Community Infrastructure Levy funding to infrastructure providers for projects on the Community Infrastructure Levy Strategic Infrastructure Programme (CIL SIP) 2023-2027 (at Annex 4 or as amended by any subsequent annual review) be delegated to the relevant Head of Service for CIL in consultation with the relevant Portfolio Holder for CIL and Chief Finance Officer.

(iii)   Agrees to receive an annual review of the Community Infrastructure Levy Strategic Infrastructure Programme (CIL SIP) 2023-2027, noting the reported delivery progress of projects in the SIP and updating the SIP as appropriate.

Agenda Item 5

Reasons for Recommendations

(i)	**To provide a framework for the next five years for allocating strategic CIL funds to provide clarity and certainty to the Council and to infrastructure providers**
(ii)	**To allow strategic CIL funding to be released in a timely manner**
(iii)	**To ensure that the SIP remains up to date in light of any changes to project delivery timescales and that the strategic CIL is used to fund projects that will be delivered in the SIP timeframe**

Executive Summary

The Council introduced the Community Infrastructure Levy (CIL) for the borough's developments in April 2016. Since then the Borough Council has collected CIL from most residential development and "convenience" shops, which it uses to help support the borough's development.

The Council's approach to spending the CIL that it collects was agreed by the Executive at its meeting in January 2016. This included spending the "strategic" portion (at least 80% of all CIL funding collected in the borough) through a 5-year "Strategic Infrastructure Programme" (SIP) of projects. The Council's first 5-year SIP was agreed by the Executive at its meeting in July 2017, to cover the period 2017-2022.

This 5-year "Strategic Infrastructure Programme" (SIP) with its annual reviews presented to the Executive, is proving to be a workable system for the Council to spend its strategic CIL receipts, which avoids the annual bidding rounds with resourcing impacts, that many other CIL spending authorities experience. Whilst all methods have advantages and disadvantages, a 5 year funding cycle was agreed on as an appropriate way of providing a suitable degree of certainty to infrastructure providers, residents and other interested organisations.

Bidding for, and preparation of this second SIP has happened at a time of high inflation and considerable pressure on public sector funding. There has been a large amount of interest from infrastructure providers seeking funding, far more than could be funded from strategic CIL. The system of screening and assessment of bids used to prioritise bids for funding was based on those used for the first SIP, with some changes introduced based on learning from the first SIP.

The Council's second SIP is presented at Annex 4. It sets out the 51 projects recommended for strategic CIL allocation. Infrastructure projects to be offered funding, subject to conditions, include project to improve active (cycle and pedestrian) travel, education, public transport, health, flood alleviation, community and cultural buildings, flood alleviation, open space and sport and recreation, sustainability and climate change, security and anti-crime infrastructure, and public realm.

Together these 51 SIP(2) projects have a combined project value of £47m, and a combined recommended CIL contribution of £16,345,061, representing a funding leverage ratio of 1:2.

Executive has authority to approve the above recommendations

Statutory Powers

1. The CIL is a charge on new buildings (Use Class C3 residential and convenience retail developments) in the Borough, intended to help fund infrastructure and projects that support development of an area, introduced by Part 11 of the Planning Act 2008 (as amended). The Council introduced the CIL in the Borough in 2016, with per square metre rates set out in the Council's CIL Charging Schedule 2016.

2. The Council does not have a statutory duty to implement the CIL, it is discretionary. However, once implemented, Community Infrastructure Levy Regulations 2010 (as amended) prescribe how the CIL receipts may be spent. 15%, referred to in R&B Borough as "Local CIL funding" is spent in the local area in which the development generating the CIL is located.

3. At least 80% of CIL is collected borough-wide into the "strategic CIL fund". This must be spent to fund "infrastructure" on the Council's published "Infrastructure List" in its *Annual Infrastructure Funding Statement* (AIFS), in order to support development of its area.

Background

4. National legislation and guidance concerning CIL spending is very broad-brush, giving CIL "charging authorities", such as RBBC, considerable freedom to decide how to spend the CIL funding that it collects.

5. In January 2016 the Executive agreed to spend the Council's "strategic" portion of CIL that it collects through a 5-year programme of projects. The Council's first Strategic Infrastructure Programme (SIP) was agreed by the Executive in July 2017 to cover the period 2017-2022. The programme of projects selected from the bids received in September 2022 will guide how strategic CIL funding will be spent in the period 2023-2027, subject to annual review by the Executive.

6. The Council's first SIP consisted of fifteen projects (some grouped) to be delivered by seven organisations using strategic CIL funding during the period 2017-22. The SIP was agreed by the Council's Executive meeting of 13 July 2017. Of those fifteen SIP(1) projects, seven were delivered within the SIP(1) funding period. This in-principle agreement to fund is not "rolled forward" to the next SIP period, but infrastructure providers needed to reapply for funding.

7. The SIP indicates the projects that the Council has agreed to support with its "strategic" CIL funding during this period. Inclusion in the SIP is not a formal commitment by the Council to fund that project. Release of Strategic CIL funding for agreed SIP projects is only made when a project is at a suitable stage in its planning and delivery, when other match funding (if required) is available or committed, when any other project-specific conditions have been complied with, and provided sufficient strategic CIL funding is available.

8. The Council's first SIP covered the period 2017-22. At the time it was drawn up in 2017, it was projected that the Council would collect approximately £3 to £4m of strategic CIL funding (80% of all CIL collected) over that five year period *(Executive*

Report 13 July 2017, paragraph 8), to help support the borough's development. However, in the five year period 1 April 2017 to 31 March 2022, the Council actually collected £9.38m of strategic CIL funding from new developments in the borough, almost three times that predicted, and averaging £1.88m each year.

9. Underestimating the amount of CIL the Council would collect is one of the reasons why there is currently an accumulation of strategic CIL funding that has been collected in the last few years, but currently remains unspent. Given the current very high inflation rate, it is important that CIL funding is used soon to deliver projects to support the borough's development.

10. As the first three years of collecting CIL in the borough included the building out of many developments that were approved before CIL was introduced and therefore were not liable to pay CIL, it is anticipated that the amount collected in coming years will far exceed that. For example, the average amount of CIL paid to the Council in the last 3 years (between 1 April 2019 and 31 March 2022) was £2,842,828 per year.

11. Further information on CIL collection and spending is available in the Council's Annual Infrastructure Funding Statement available on the Council's CIL webpages which you can access using this weblink.

Key Information

Bidding for strategic CIL funding for 2023-2027

12. The strategic CIL is at least 80% of all the CIL funding collected. It is predicted that an average of about £2,274,262 of strategic CIL funding per year will be collected in each year between 2024 to 2027. However, as projects to be allocated CIL funding in years 2024, 2025, 2026 and 2027 will be indexed linked in line with the RICS CIL index (as agreed by the Executive in July 2018 and outlined in this report's recommendations; although noting that this index is now used nationally for CIL purposes rather than the BCIS used previously), sufficient funding must be retained unallocated to allow for this. It is therefore anticipated that approximately £1.8m is likely be available to allocate in each of years 2024-2027.

13. As of February 2023, approximately £10m (£9,835,414.04) strategic CIL funding was available to spend, with a further £1m of strategic CIL funding expected to be collected in the remainder of 2023. Between 2024 and 2027, approximately £1.8m per year of strategic CIL funding is expected to be received, giving a total predicted strategic CIL funding available over the SIP(3) period of 2023 to 2027 of approximately £18.2m.

14. Officers emailed potential bidders for SIP(2) funding in July 2022 to alert them to the forthcoming bidding opportunity. Potential bidders included the Council's infrastructure partners, as well as several community organisations who had bid for Local CIL funding in the past, but who were advised the amount of CIL funding needed was too much for Local CIL to fund. The bidding form and supporting guidance was made available on the Council's Strategic CIL webpage. Potential bidders were invited to request virtual meetings with CIL Officers to discuss potential bids, which were held in August 2022. Bids were invited for the Council's second Strategic Infrastructure Programme (SIP) over eight weeks between 01 August 2022 and 25 September 2022.

15. As shown in Figure 1 below, a total of 75 funding bids were received, although two were subsequently withdrawn by the applicants, leaving 73 bids to be screened. The full list of all 75 bids received is provided at Annex 1.

16. RBBC submitted 24 bids (two of which are either / or project options for same locations) requesting a cumulative total of £8,514,501 of CIL funding; and one of which is a joint submission [SIP(2)-39] from RBBC and Surrey County Council (SCC) which for the purposes of this bid analysis has been included with the RBBC bids.

17. Four of the bids made by RBBC are part of the joint partnership work with SCC and others as part of the "Delivering Change in Horley Town Centre"; Horley subway refurbishment, Horley High Street public realm improvements, Central Car Park improvements, and Signage and Wayfinding.

18. SCC submitted 15 bids requesting a cumulative total of £14,279,339. Three funding bids made by Surrey County Council [SIP(2)-27, 29 and 36) are for (revised version of) projects included in the first SIP (2017-2022) which were not delivered in that period.

19. Other organisations that submitted bids included government agencies, voluntary sector organisations and charity infrastructure providers, such as NHS commissioning organisations, East Surrey Hospital, YMCA East Surrey, Raven Housing Trust, Surrey Wildlife Trust, and education providers. Together they submitted a total of 36 bids requesting a cumulative total of £29,131,439.

Screening and assessment of project bids

20. A note summarising the "screening" criteria and "assessment" criteria used in considering which of the bids should be offered strategic CIL funding is set out in Annex 2 to this report. This note was agreed by the Council's Planning, Finance and Legal officers, and includes an explanation of how the assessment criteria were evolved from the first SIP assessment criteria in 2017.

21. Initially, each bid received was "screened" for compliance with the four "screening" requirements for SIP(2). Two of these reflect CIL Regulation requirements, and are needed for legal compliance governing spending of strategic CIL monies. Charging authorities must apply the strategic CIL to "*funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area*". The "infrastructure" involved must be of a type included on the Council's published "Infrastructure List", and the project bid must support development of the Borough. The other two screening criteria that we have chosen to apply are that the project bid demonstrates that it would be delivered in the five year SIP(2) timeframe, and that the bid is for at least £10,000 of CIL (so that smaller less costly projects to support development are directed to Local CIL funding).

22. Three bids, and one of the two elements of a fourth bid were "screened out" for not meeting the "screening" requirements. This left sixty nine and a half bids for funding to be assessed.

Figure 1: Number of potential infrastructure projects at each stage in bidding process

23. As set out in Table 1 below, of the 75 bids received, 87% of SCC's bids (representing 35% of the CIL funding bid for), 50% of bids from other organisations (representing 80% of the CIL funding bid for), to 43% of bids from other organisations (representing 18% of the CIL funding bid for) are to be included in the SIP and allocated funding.

24. The total amount of strategic CIL funding bid for was £50.89m towards a cumulative project value of £99.84m. It is clear therefore that there will be insufficient strategic CIL available to fund all the project bids. The Council could allocate up to £18.2m over the 5-year period, consisting of £11m in 2023 (of which £9,835,414.04 has already been collected and not yet allocated to projects), and up to £1.8m for each of the four subsequent years, based on expected Strategic CIL income. The amount to allocate for years 2 to 5 must exclude the amount of funding required for the annual CIL indexation of each SIP projects to account for inflation between the allocation year (2023) and the funding transfer year.

25. The £16,345,061 strategic CIL funding to be allocated through this second SIP would fund, or contribute to the delivery of, infrastructure projects with a cumulative project value of £47m, with other funding coming from other public and private sources, representing a funding leverage ratio of almost 1:2.

26. Set out below are Tables of the bids received and allocated, by type of bidding organisation, by geographic area, and by the key infrastructure type (noting that many bids were for projects which could be categorised under more than one infrastructure type). The percentage figures are rounded to one decimal point so do not always total exactly 100%.

27. Table 1 shows that just over half of all funding bids received (58.8%) were from (county, Borough, town and parish) councils in the area. Bids from councils represent almost three-quarters (74.5%) of projects to be offered funding.

Table 1 - Bids received and to be allocated by type of bidding organisation

Type of bidding organisation	Number of bids received	Number of bids allocated

	(and as a % of all bids received)	funding (and as a % of all SIP projects)
Local Authority: Reigate and Banstead Borough Council Includes SIP(2)-22 – a joint bid by Reigate and Banstead Borough Council and SCC	24 (32%)	20 (39.2%)
Local Authority: Surrey County Council	15 (20%)	13 (25.5%)
Local Council: Horley Town Council	4 (5.3%)	4 (7.8%)
Local Council: Salfords and Sidlow Parish Council	1 (1.3%)	1 (2%)
Registered Charities Including YMCA East Surrey, Surrey Wildlife Trust, South Park Sports Association, GLF Schools	10 (13.3%)	6 (11.8%)
Voluntary Sector Organisation Including local community and sports organisations	4 (5.3%)	2 (4%)
Private companies (mainly sports clubs)	3 (4%)	0 (0%)
"Other" organisations – Other public sector organisations including NHS Surrey Heartlands Integrated Care Board (ICB) and Surrey and Sussex Healthcare NHS Trust, and Community Interest Companies	14 (18.7%)	5 (9.8%)
Total	**75 (100%)**	**51 (100%)**

28. Bids were received for projects across the borough, and also just outside the borough. The location of the infrastructure projects proposed for CIL funding is summarised in Table 2 below. 40% of bids received were for projects located in either Redhill or Horley, and over one fifth of bids received were for projects in Redhill, which is to be unsurprising given the recent development in these areas. It is significant to note that Redhill and Horley Town Centres both have a zero CIL residential development rate and a lower CIL residential rate in these towns outside their centres (due to development viability), so that for any given amount of new

development, these areas generate less CIL than other areas of the borough. They are also both key urban development areas in the borough's local development plan.

29. Nine bids received were for projects located in Reigate, and ten bids had "borough-wide" (multiple) locations. One bid was received for infrastructure at a GP surgery located just outside the borough boundary, which serves some of the residents of Horley within R&B Borough. The Council can use its CIL to support infrastructure projects outside of the borough provided they would support development of the borough.

Table 2 - Bids received and to be allocated by geographic area

Geographic Area	Number of bids received (and as a % of all bids received)	Number of bids allocated funding (and as a % of all SIP projects)
Borough-wide (multiple locations)	10 (13.3 %)	7 (13.7%)
Banstead	2 (2.7%)	0 (0%)
Burgh Heath	1 (1.3%)	1 (2%)
Chipstead	1 (1.3%)	0 (0%)
Earlswood	8 (10.7%)	4 (7.8%)
Horley	14 (18.7%)	12 (23.5%)
Merstham	3 (4%)	3 (5.9%)
Merstham / Redhill	3 (4%)	1 (2%)
Redhill	16 (21.3%)	12 (23.5%)
Redhill / Reigate	1 (1.3%)	1 (2%)
Reigate	9 (12%)	4 (7.8%)
Salfords & Sidlow	3 (4%)	3 (5.9%)
Tadworth	2 (2.7%)	2 (4%)
Walton-on-the-Hill	1 (1.3%)	1 (2%)
Smallfield, Tandridge (outside of borough)	1 (1.3%)	0 (0%)
Total	**75 (100%)**	**51 (100%)**

30. The type of infrastructure involved in each project bid received and to be allocated funding is recorded in Table 3 below. These are all the types of infrastructure on the Council's "Infrastructure List" published on its website annually in its *Annual Infrastructure Monitoring Report,* which you can view using this link. It should be

noted that many bids involve more than one type of infrastructure, and bidders decided what to record in their forms as the main infrastructure type, and also any other infrastructure types involved in the project. Only the main type of infrastructure is recorded in Table 3.

31. Fifteen bids were received for "community and cultural facilities" projects, of which 12 (almost one quarter of all SIP project allocations) are included in the second SIP. Fifteen bids were also received for "open space sports and recreation (including pavilions)" projects, of which nine projects are included in the SIP (17.7% of SIP projects). "Education" projects represented 12% of the bids received and make up 11.8% of the SIP projects to be allocated funding.

32. Four "active transport - pedestrian and cyclist infrastructure" project bids were received, representing 5.3% of all bids, and 5.9% of the SIP(2) project allocations. Whilst healthcare projects represented over 8% of all bids received, only one of the projects is to be included in the SIP, primarily because of the disproportionate amount of CIL requested relative to the benefits of the projects to the borough, or due to insufficient detail about proposed healthcare projects in some of the bids received.

Table 3 - Bids received and to be allocated by type of infrastructure

Type of Infrastructure (where the project involves more than one type of infrastructure, the key type of infrastructure)	Number of bids received (and as a % of all bids received)	Number of bids allocated funding (and as a % of all SIP projects)
Active transport - pedestrian and cyclist infrastructure	4 (5.3%)	3 (5.9%)
Biodiversity and tree planting	1 (1.3%) withdrawn by bidder	0 (%) Also an aspect of project SIP(2)-50
Cemeteries and crematoria	0	0
Community and cultural facilities	15 (20%)	12 (23.5%)
Digital infrastructure	2 (2.7%)	0 (0%)
Education facilities	9 (12%)	6 (11.8%)
Electric car charging facilities	1 (1.3%) Was the key element in bid SIP(2)-54 which was screened out as the EV chargers were proposed for existing housing which would not therefore support development. The other element of bid, for	0 (0%) Included as an infrastructure type in 4 other SIP(2) projects to be offered funding [SIP(2)-03, 07, 12, 18 and 54], although not listed

	more off-street parking is to be offered funding as it reduces on-street parking pressure	as the key infrastructure type
Emergency Services	0	0
Flood risk reduction schemes	3 (4%)	3 (5.9%) Also part of projects SIP(2)-39 and 69 although not listed as the key infrastructure type
Healthcare	6 (8.4%)	1 (2%)
Highways - Strategic road network	2 (2.7%)	1 (2%)
Highways - Local road network	0 Listed as an infrastructure type for 7 project bids, although not as the key infrastructure type	0
Leisure centres	2 (2.7%)	2 (4%)
Off-street parking including public car parks	1 (1.3%)	2 (4%) Also, this is the only element of SIP(2)-54 to be offered funding (although it is not its key infrastructure type)
Open space sports and recreation including pavilions	15 (20%)	9 (17.7%)
Open space, green infrastructure and allotments	1 (1.3%)	1 (2%)
Public realm improvements	3 (4%)	3 (5.9%)
Public transport	3 (4%)	3 (5.9%)
Security and anti-crime infrastructure	1 (1.3%)	1 (2%)
Sustainability and Climate change	5 (6.7%)	3 (5.9%)
Waste and recycling collection and management facilities	1 (1.3%)	1 (2%)

Total	75 (100%)	51 (100%)

33. As a result of learning from the first SIP, project bids have not been grouped together for strategic CIL funding. Each bid was assessed and scored separately on its own merits, even when submitted by the same infrastructure provider or on the same site.

34. In drawing up the Council's first SIP (for 2017-2022), as it was early in the operation of the CIL, some projects were allocated less CIL funding than bid for, generally because of match funding expected to become available. In assessing the bids for the second SIP, the requested funding was either considered acceptable and needed, or not.

35. In only a few cases was a lesser amount of funding considered and recommended, for example because a project funding bid consisted of two or more discrete elements, which could be undertaken separately at different times without affecting the delivery of the other elements of the overall project, and which have been costed separately. Such bids have each been assessed as a single whole project, as they were submitted. Also, project bids which requested a range of CIL funding may potentially have less than the maximum recommended for allocation.

36. Three bids and part of a fourth project bid were "screened out" (SIP4, 53, 55) as well as the main and most costly element of a fifth bid (SIP54), either because they were not a type of infrastructure on the Council's Infrastructure List, and / or because the project would not support development.

37. Three bids received were for SCC projects that were allocated strategic CIL funding for delivery in the first SIP, for 2017 – 2022. There were several reasons why eight of the fifteen projects allocated funding in the SIP(1) were not delivered in the first SIP period. These included the impact of the Covid-19 pandemic on delivery of infrastructure projects in 2020 and 2021 particularly for public sector organisations much of whose work was re-prioritised. One of these projects had its strategic CIL SIP(1) funding allocation released in 2021 to support its delivery in 2020, but was returned unspent in 2022 as the project costs, and therefore scope, had changed considerably so it is now proposed as a two phase project.

38. In assessing the bids received, four key issues were considered:

    – supporting development in the borough;

    – benefit to the borough (its environment, economy and / or communities);

    – deliverability, which included evidence of community, public and / or business support for the project; and

    – value for money and match funding.

39. The assessment of each CIL bid also included consideration of whether CIL is needed to deliver the project, and if it is not, whether an allocation of strategic CIL funding could improve the project scope, specification or quality and / or the likely delivery timescale.

40. As well as scoring each bid to provide a quantitative assessment score out of 75, where relevant, qualitative commentary was provided, which helped to compare the relative merits of bids of very different scales, costs, and delivery timeframes.

41. The assessment of bids included cross-checks between various bids, as elements of projects were sometimes included in more than one bid, for example, refurbishment of the tennis court at Merstham Recreation Ground, and energy efficiency improvement measures for Horley Community Centre. Cross-checks were also made against other funding sources noted in the CIL bids, including s106 planning obligation funding available, planning permissions, landownerships, licenses and leaseholds.

42. It is rare for an infrastructure project to benefit the whole borough. Bids for strategic CIL funding with more localised effects than borough-wide are suitable for strategic CIL, particularly if the effects of the project would span several parts of the borough or various communities and /or the amount of funding bid for is more than the Local CIL could fund.

43. It is notable that three bids requested over £4m each, and a further five bids which each requested between £3m and £4m CIL funding. Together these eight bids requested some £30m of strategic CIL funding, significantly more than the CIL funding that will be available to allocate. The largest bid was for £4.89m of strategic CIL, which is over a quarter of the amount of Strategic CIL funding anticipated to be available in the SIP period 2023-2027.

44. Given that the total strategic CIL available during the SIP period 20232-207 is expected to be about £18.2m (£11m for 2023 and £1.8m for each year thereafter), as well as assessing "the amount of CIL funding sought against likely benefits and outcomes for the borough's environment, economy and / or communities", qualitative consideration was also given to each bid in considering whether development across the borough would be best supported by using the strategic CIL funding available in the SIP(2) period 2023-2027 by funding (or contributing to) a few very large infrastructure projects, or a mixture of large and medium infrastructure projects. The qualitative aspects of the bid assessments included consideration of whether the amount of CIL funding required as a proportion of that likely to be available over the 5-year SIP period 2023-2027 is disproportionate to the benefits the project would bring to the borough.

45. The importance of minimising any increase in ongoing revenue costs associated with Borough Council infrastructure projects to align with the Council's sustainable financial plan was considered. On-going maintenance costs have been considered to ensure that there is little or no increase on the current maintenance costs for the site for R&B Council. For example, Battlebridge running track resurfacing [SIP(2)-71] has not been included in the SIP because of the additional staffing costs that would be required to maintain an improved athletics facility.

SIP(2) 2023 – 2027

46. The Council's second SIP for consideration and agreement is provided at Annex 4 to this report. Projects to be allocated strategic CIL funding, subject to conditions, include open space sport and recreation, community and cultural facilities, public transport, active travel - pedestrian and cycle infrastructure, public realm, education, flood alleviation, flood alleviation, sustainability and climate change, health, and security and anti-crime infrastructure.

47. By way of summary, the overall "success rate" of bids for CIL SIP funding is over two thirds (68%) of bids received, representing almost one third (31%) of the CIL funding requested.

48. Table 4 below summarises the varying "success" of bids by the type of bidding organisation. SCC have the highest proportion of their bids (87%) included in SIP(2), followed by RBBC (83%), and then "other organisations" (50%). However, RBBC has the highest proportion of the amount it bid for (88%) allocated in the second SIP, with 35% of the funding bid for by SCC, and 13% of the amount bid for by "other organisations". This is mostly due to RBBC's bids being generally for lesser amounts of funding, with the largest funding requests for individual projects submitted by SCC and a few "other organisations".

49. By including in the second SIP many medium and large projects located across the borough, rather than a few very large and costly projects, the benefits of the strategic CIL funding will be spread around many of the Borough's communities to support its development. The largest SIP(2) contribution is to be for SIP(2)-36 improvements to A23 junction with Three Arch Road and Maple Road, South Earlswood, which is a priority project in the Borough for both the Borough and the County Council.

Table 4: Summary of percentage of bids received and funding requested to be allocated by organisation type

RBBC bids to fund	RBBC bids NOT to fund	SCC bids to fund	SCC bids NOT to fund	Other organisations bids to fund	Other organisations bids NOT to fund
£7,524,652	£1,015,500	£4,984,000	£9,295,339	£3,,836,409	£25,346,358
Total CIL funding (£) that RBBC bid for = £8,514,501		Total CIL funding (£) that SCC bid for = £14,279,339		Total CIL funding (£) that other organisations bid for = £29,131,439	
20 of the 24 bids submitted by RBBC are to be included in SIP(2) (*This includes the joint RBBC/SCC bid 22 for Horley subway, and two "either / or" option bids for refurbishment of the borough's tennis courts*) Which is **83% of RBBC's bids** and **88% of the funding bid for by RBBC**		**13 of the 15 bids** submitted by SCC are to be included in SIP(2) (*plus also the joint RBBC / SCC bid*) Which is **87% of SCC's bids** and **35% of the funding bid for** by SCC		**18 of the 36 bids** submitted by "other organisations" (including S&S Parish Council's 1 bid; and 3.5 of the four Horley TC bids) Which is **50% of "other organisations'" bids** and **13% of the funding bid for** by "other organisations"	

50. The assessment scoring for each project, together with any qualitative commentary, is provided at Annex 3. All projects include in the second SIP scored 37 or more points in their assessment. Another nine bids [SIP(2)-06, 49, 52, 54, 70, 71, 72, 74 and 75] also scored 37 or more points, but have not been selected to be included in

the second SIP for the reasons given in Annex 3's Project Assessment Summary, in the column "Qualitative considerations".

51. In the current financial climate with very high inflation, particularly in construction materials and labour shortages, the project costs (even when contingencies have been included) may well exceed the stated cost for projects to be delivered later in the 5 year SIP. Many bids included in their project costs contingency of between 10 and 30% to account for inflation and some also included an amount for "optimism bias". All SIP(2) projects offered funding in 20244 and later years will be indexed linked using the RICS' CIL Index between the dated the SIP is agreed (2023) and the date the funding is to be released.

52. The amount allocated to support project delivery in each year of the five years of SIP(2) is £6,433,727 for 2023, £5,807,314 for 2024, £2,726,603 for 2025, £527,708 for 2026, and £846,708 for 2027. This totals £16,345,061of strategic CIL funding over the 5 year period (excluding CIL indexing for construction development inflation). Sufficient funding needs to remaining unallocated by the SIP, in order to enable each project to be funded to be annually from 2024 to be indexed-linked (to the national RICS CIL Index) from the date the Council's second SIP was agreed. This is in accordance with the resolution of Executive on 19 July 2018, and a recommendation of this report.

53. The amount of funding for projects allocated funding for later SIP years may need to be amended as the projects progress towards delivery, and a report will be brought to the Executive each year of the SIP requesting agreement to any amendments to the SIP.

Release of Strategic CIL Funding

54. To enable the timely release of Strategic CIL funds, in order to support the delivery of the projects included in the SIP(2) following agreement of the SIP by the Executive, officers will work with infrastructure providers as schemes are developed in more detail and delivery timescales become more certain.

55. Each infrastructure project bid included in the second SIP will be offered funding in a particular year depending on its likely delivery dates, or over certain years if there are several elements of the bid which the Council is offering to fund separately, and on availability of funding.

56. Inclusion in the SIP(2) does not commit the Council to fund each project, as each offer is subject to sufficient CIL funding being available at the time required, and to meeting relevant conditions, some more general (such as agreeing to submitting twice yearly project progress updates (each April and September), and to any other conditions relevant to the project bid, such as obtaining any planning permission needed, landowner consents, licenses, and / or consultations.

57. The funding is also offered subject to entering into a Spending Agreement (for non-RBBC projects), to ensure that CIL funds are spent as intended, and if not, can readily be reclaimed. All CIL Spending Agreements are added to the Council's Contracts Register.

58. The funding is offered to the SIP projects conditionally on meeting required conditions, including being at a suitable point in the project's delivery, obtaining planning permission and consultations where required, and any other project-specific conditions that may be attached to each SIP project.

59. A condition of all CIL offers will be agreement to publicise the role of the CIL funding in delivering the project, both RBBC projects and projects delivered by other organisations. This will be included in each Spending Agreement a clause along the lines of requiring each project to display a signage board at the project including text that "*this project has received funding from R&B Borough Council's Community Infrastructure Funding (x%)*".

60. The funding offered in SIP(2) will be offered to successful bids on the basis of the funding being available at the time, and will be released to the bidding organisation at an appropriate time in the project delivery. For most organisations, this will be when the Council receives copies of relevant satisfactory invoice(s) receipt of copies of invoice(s) or signed contract(s) as required. For some smaller community organisations (not councils), which may face challenges borrowing / forward funding the finances needed, we may consider releasing CIL funding upfront on production of a copy of a signed contract for works (in stages where suitable). A Spending Agreement must have been agreed and signed by both parties before any CIL funding is released.

61. Whilst the Council is not able to formally commit to providing financial support for all these projects until sufficient CIL income has been accrued, inclusion on the SIP will provide greater certainty for project providers to progress with scheme design and / or make bids for other match funding. The indicative phasing of release of CIL funds reflects current information about likely project delivery timeframes, and the projected availability of CIL funding.

62. Many of the bidding organisations can claim VAT back; and VAT was included in the bids made by bidding organisations who would not be able to claim back VAT on the project costs, but not for those organisations who could claim VAT back.

Monitoring project delivery and annual review and updating of SIP(2)

63. The majority of bids received were requests for funding in 2023, as can be expected given current inflation. Strategic CIL funding available to allocate in 2023 is limited to that already collected but not yet allocated to projects, i.e. £9,835,414.04, and to that due to be collected in the remainder of 2023 (a total of approximately £11m). Therefore the projects to be offered CIL funding in 2023 are the ones are considered by RBBC to be most likely to be deliverable by the end of the year with CIL funding, due to their scale and match funding already available (or lack of need for match funding). Some of the funding collected before 2024 is to be allocated to projects in 2024 due the likely timing of their delivery and when they will need funding.

64. All infrastructure providers offered strategic CIL funding will be required to regularly update Council CIL Officers to ensure they are kept informed of any changes to the delivery dates of each SIP project, including in particular any diversion from the submitted bid timescale for project delivery. This will ensure that that the Borough Council has a full understanding of the likely timescales for delivery of SIP(2) projects and can ensure that CIL funds are released to each project at an appropriate time. Should prioritised schemes not be able to be delivered within the 5-year SIP(2) period, it may be appropriate to update the SIP(2) list of projects and when funding is to be transferred.

65. An Annual Review report will be presented to the Executive to advise on the position of each project and whether it is "on-track" according to its submitted delivery timescales.

66. Where an annual review for the Executive shows a SIP project is subject to delay in its delivery, its offer of funding may be moved to a later year in SIP(2). Should the delivery of any SIP(2) project be delayed until after the SIP period, or for any other reason no longer need CIL funding in this SIP period, other SIP(2) projects may be offered CIL funding earlier subject to their delivery timescales, the amount of CIL funding offered to another SIP(2) project may be increased, or potentially funding offered for a "screened in" SIP(2) project which was not included in SIP(2) or a variation of it.

67. Each December the Council publishes on its website its Annual Infrastructure Funding Statement. This is a national statutory requirement, and reports the amount of CIL allocated, and spent in each "Reported" year.

Options

68. Recommendation 1: That the Executive agrees the Council's second Community Infrastructure Levy Strategic Infrastructure Programme (CIL SIP) 2023-2027 with the amounts to be allocated in each relevant year including the national RICS CIL index (at Annex 4)

    a. Option 1: Approve the SIP(2). This option would provide clarity and transparency over which projects the Council wishes to support through CIL funding over the next five years. Whilst it does not represent the formal allocation of funds it gives a degree of certainty to infrastructure and service providers to progress with scheme design and/or make bids for match funding. This option is recommended.

    b. Option 2: Do not approve the SIP(2), but consider bids for CIL money on an ad-hoc basis. This option would enable the Council to allocate the CIL income it holds to infrastructure projects but in a more reactive way. It would not provide infrastructure providers with any advance indication that CIL funding is likely to be available to allow for bids for match funding. This option is not recommended.

    c. Option 3: Do not identify any projects for strategic CIL funding at this time. This option would suggest that the Council is not committed to using CIL to deliver much needed infrastructure to support development to benefit local residents and businesses. This option is not recommended.

69. Recommendation 2: That the Executive agrees that the release of Community Infrastructure Levy funding to infrastructure providers for projects on the Community Infrastructure Levy Strategic Infrastructure Programme (CIL SIP) 2023-2027 (at Annex 4 or as amended by any subsequent annual review) be delegated to the relevant Head of Service for CIL in consultation with the relevant Portfolio Holder for CIL and Chief Finance Officer.

    a. Option 1: Delegate authority to the relevant Head of Service in consultation with the relevant Portfolio Holder for CIL and Chief Finance Officer. This option would allow for CIL funds to be released to infrastructure providers, at the appropriate stage, in a timely way. This option is recommended.

    b. Option 2: Do not delegate authority. This option would mean that CIL funds would be released under existing delegation arrangements, and any agreement to release funds of more than £100,000 would require the approval of the

Executive (even for schemes supported by the Executive via the SIP). This could result in delays in the release of funding and is not recommended.

70. Recommendation 3: That the Executive agrees to receive an annual review of the Community Infrastructure Levy Strategic Infrastructure Programme (CIL SIP) 2023-2027, noting the reported delivery progress of projects in the SIP and updating the SIP as appropriate.

   c. Option 1: Agree an annual review of the SIP. This option would allow for the most up-to-date information about CIL income and project progress to be considered, and would allow for CIL funding to be used flexibly to support other bids for strategic CIL funding to be incorporated within the SIP. This option is recommended.

   d. Option 2: Do not review the SIP annually. This option would mean that there is no clear process for reviewing projects included within the SIP, and could result in CIL not being spent in the most efficient or effective way. This option is not recommended.

Legal Implications

71. The CIL Regulations 2010 (as amended) and the Planning Act 2008 set out what CIL can be spent on, including the "strategic" portion of CIL collected.

72. In assessing bids for funding, consideration has been given to the requirements under the Subsidy Control Act 2022 provisions regarding using public grants in a way that may confer an advantage in competition between UK enterprises.

Financial Implications

73. In assessing bids for CIL funding from Council Services, consideration has been given to the need to minimise any increases in revenue budget pressures associated with project delivery. The aim has been to ensure that there is little or no increase in ongoing asset management and maintenance costs, in line with financial sustainability programme objectives.

Equalities Implications

74. The opportunity to bid was publicised on the Council website and intranet and infrastructure providers were invited to discuss potential bids with CIL officers. The funding application form included a question about how the project's delivery would benefit the borough's residents (including any specific groups), as well as its economy and / or its environment. The issues and commentary noted were considered as part of the assessment of each funding bid.

Communication Implications

75. The Council's Communications Team has been involved throughout the duration of the project, to assist with sharing messages about the opportunity to bid for strategic CIL funding to RBBC's officers and councillors through the Council's intranet (The Knowledge), and the Members Bulletins (ReMember), as well as to external infrastructure providers and organisations through the website and initial emails sent in in July 2022.

76. All bidders will be advised of the outcome by email following the Executive meeting. Following this, wider communications will be considered as appropriate in light of the pre-election period.

77. Allocation and spending of strategic CIL funding, as well as other developer contributions, is publicised each year through the statutory publication of the Council's Annual Infrastructure Funding Statement (AFIS) on its website. You can view the AIFS using this link.

Environmental Sustainability Implications

78. The funding application form included a question about any links to RBBC's strategies, including the Environmental Sustainability Strategy and Action Plan 2020, and whether a project bid would support this Strategy was a factor considered when assessing each bid.

Risk Management Considerations

79. As the relevant Act, secondary legislation and guidance leave the method of allocating and spending the strategic CIL collected to each Charging Authority to decide, within the legal requirements, there is no potential for an appeal or legal challenge. A bidder whose project is not included in the second SIP may complain, and this would be dealt with through the Council's standard complaints procedure.

Consultation

80. Bids were invited from partner organisations and internal services delivering infrastructure in the borough to support development. The assessment process and criteria were considered by the Council's Overview and Scrutiny Committee on 16 March 2023, and any observation made will be reported to the Executive at the meeting.

Policy Framework

81. The Council's Policy Framework includes its Corporate Plan "Reigate & Banstead 2025: Our five year plan", which confirms the Council's priorities during that period, and how they will be delivered. In particular, this decision supports the objective in "shaping our places" to "ensure new development is properly planned and sustainable, and benefits the borough's communities and the wider area. This includes the Council's policy commitment to "collect Section 106 contributions and the Community Infrastructure Levy and spend it on the infrastructure needed to support new development". Supporting the priorities and objectives of the Corporate Plan was one of the criteria considered in the assessment of each bid.

82. The Council's Policy Framework also includes the Local Plan Core Strategy, with its emphasis on "sustainable locations in the urban area" under Policy CS6, as well as the Development Management Plan 2019, which includes an "Infrastructure Schedule" at Annex 6, which includes projects supporting planned development in the borough to be funded (at least in part) by the Community Infrastructure Levy. Both of these were considered in the assessment of each bid for strategic CIL funding.

Background Powers

1. Local Plan Core Strategy 2012 (Reviewed 2019)
2. Local Plan Development Management Plan 2019
3. Corporate Plan 2025 - https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025
4. RBC "Playing Pitch and Outdoor Sports Facilities Study Stage D Report" 2022
5. RBBC "Environmental Sustainability Strategy" 2020
6. "R&B Local Cycling and Walking Infrastructure Plan" 2022
7. Planning Act 2008
8. Community Infrastructure Levy Regulations 2010 (As amended)

Annexes

Annex 1 – List of Project bids received for SIP(2) funding

Annex 2 – Screening and Assessment criteria for SIP(2) project bids, incorporating learning from SIP(1)

Annex 3 - Project Assessment Summary

Annex 4 – SIP(2) 2023-2027

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Annex 1 – Bids Received

Project Reference	Project name	Location	Bidding Organisation	Type of infrastructure (key type if more than one)
SIP(2)-01	New Multi Games External Area (MUGA)	Battlebridge Sports Centre Club, Frenches Road, Redhill, Surrey, RH1 2LD	Battlebridge Club	Open space sports and recreation
SIP(2)-02	Horley Community Centre refurbishment and modernisation	Horley Community Centre, Regent House, Albert Road, Horley RH6 7JA	RBBC's Place Delivery and Regeneration Team	Community and cultural facilities
SIP(2)-03	Improvements to Horley Central Car Park, Consort Way	Central Car Park, Consort Way East, Horley RH6 7AU	RBBC's Place Delivery and Regeneration Team	Off-street parking including public car parks
SIP(2)-04	Small business and community temporary space ("Container Park") at Horley's High Street car park	High Street Car Park, Horley RH6 7BN	RBBC's Place Delivery and Regeneration Team	Community and cultural facilities
SIP(2)-05	Proposal for 3G Pitch	Merstham Park School, Taynton Drive, Merstham, RH1 3PU	GLF Schools (Registered Charitable company)	Education facilities
SIP(2)-06	Proposal for new Multi Use Games Area (MUGA) and Sports Hall	Beacon School, Picquets Way, Banstead, SM7 1AG	GLF Schools (Registered Charitable company)	Education facilities
SIP(2)-07	Sports Centre Development	YMCA East Surrey, Sports and Community Centre, Princes Road, Redhill, RH1 6JJ	YMCA East Surrey	Leisure centres
SIP(2)-08	Energy and carbon emissions reduction measures at the three RBBC Community Centres	a) Banstead Community Centre, The Horseshoe, Banstead SM7 2BQ; b) Woodhatch Community Centre, Whitebeam Drive, Reigate RH2 7LS; c) Horley Community Centre (Regent House), Albert Road, Horley RH6 7JA	RBBC's Corporate Policy Manager & Property Services Manager	Sustainability and Climate change

SIP(2)-09	RBBC small sites Energy and Carbon Emissions Reduction Measures	a) The Pavilion, Priory Park, Bell Street, Reigate, RH2 7RL; b) Tattenham Recreation Ground Pavilion, Tattenham Way, Burgh Heath KT20 5NQ; c) Redstone Cemetery Mess Room, Philanthropic Road, Redhill RH1 4DG	RBBC's Corporate Policy Manager	Sustainability and Climate change
SIP(2)-10	Renewable Energy (Solar) Package	a) Reigate Town Hall, Castlefield Road, Reigate, RH2 0SH b) Earlswood Depot, Horley Road, Redhill, RH1 6PN c) Banstead Community Centre, The Horseshoe, Banstead, SM7 2BQ d) Woodhatch Community Centre, Whitebeam Drive, Reigate, RH2 7LS e)Horley Community Centre (Regent House), Albert Road, Horley, RH6 7JA f) The Pavilion, Priory Park, Bell Street, Reigate, RH2 7RL g) Tattenham Recreation Ground Pavilion, Tattenham Way, Burgh Heath, KT20 5NQ h)Redstone Cemetery Mess Room, Philanthropic Road, Redhill, RH1 4DG i) Reigate Hill Public Toilets, Reigate Hill, RH2 9PL	RBBC's Corporate Policy Manager	Sustainability and Climate change
SIP(2)-11	Redhill Memorial Park upgrade	Redhill Memorial Park, London Road, Redhill, Surrey, RH1 1SZ	RBBC's Greenspaces' Play and Projects Manager	Open space sports and recreation
SIP(2)-12	Holmesdale Hedgerows	Holmesdale Biodiversity Opportunity Area (BOA) - area within Reigate & Banstead Borough (excluding sections in Tandridge).	Surrey Wildlife Trust	Biodiversity
SIP(2)-13	Horley Young People and Family Centre outdoor development	Horley Young People and Family Centre, The Old Fire Station, Albert Road, Horley, Surrey, RH6 7JA	YMCA East Surrey	Community and cultural facilities

SIP(2)-14	Improvements to the "Listed" air raid shelters at St Johns Primary School, Redhill to enable visits for educational, recreational and heritage purposes.	St John's Primary School, Pendleton Road, Redhill, RH1 6QG	RBBC's Property Services	Open space sports and recreation
SIP(2)-15	Howard Close Pavilion, Walton on the Hill	Howard Close Pavilion, Howard Close, Walton on the Hill, Surrey, KT20 7QF	Walton Village Forum	Community and cultural facilities
SIP(2)-16	Solar Powered "Big Belly" compaction bins installation	80 bins in various locations in the borough, replacing existing standard street waste bins.	RBBC Head of Neighbourhood Services	Waste and recycling collection and management facilities
SIP(2)-17	Horley Recreation Ground Security and Anti-Crime Infrastructure	Horley Recreation Ground	Horley Town Council offices, Albert Rooms	Security and anti-crime infrastructure
SIP(2)-18	Albert Rooms Expansion and Sustainable Infrastructure.	Horley Town Council, The Albert Rooms, 92 Albert Road, Horley, Surrey, RH6 7HZ	Horley Town Council	Community buildings
SIP(2)-19	Michael Crescent Centenary Park Redevelopment.	Michael Crescent Centenary Park, Horley	Horley Town Council	Community buildings
SIP(2)-20	Church Road and Langshott allotments.: green Infrastructure Improvements	Church Road Allotments, Sangers Drive; and Langshott Allotments, Ladbroke Road, Horley	Horley Town Council	Open space, green infrastructure
SIP(2)-21	Providing disability access and expanding use of the rear area to the Village Hall	The Village Hall, 5 Honeycrock Lane, Salfords, RH1 5DH	Salfords and Sidlow Parish Council	Community and cultural facilities
SIP(2)-22	Horley subway improvement.	Subway under railway lines linking High Street and Station Approach, Horley, RH6 7BN	RBBC & SCC	Flood risk reduction schemes
SIP(2)-23	Additional provision for children with special educational needs and disabilities (SEND) at Dovers Green School, Reigate	Dovers Green School (Academy), Rushetts Road, Reigate, Surrey, RH2 7RF	SCC	Education facilities

SIP(2)-24	Additional provision for children with special educational needs and disabilities (SEND) at St Matthews CofE Primary School, Redhill	St Matthew's CofE Primary School (Academy), Linkfield Lane, Redhill, Surrey, RH1 1JF	SCC	Education facilities
SIP(2)-25	Expansion of Woodfield School – a school for children and young people with Special Educational needs and Disabilities (SEND) in Redhill	Expansion of Carrington School, Noke Drive, Redhill, for pupils on the school roll at Woodfield School, Sunstone Grove, Merstham, Surrey, RH1 3PR	SCC	Education facilities
SIP(2)-26	Expansion of Brooklands School – a school for children and young people with Special Educational needs and Disabilities (SEND) in Reigate.	The expansion will be at Reigate Valley College, 82 Allingham Road, Reigate, RH2 8HX, (adjacent to Brooklands School's Alexander Road site) to provide school places for children on the school roll at Brooklands School, Alexander Road.	SCC	Education facilities
SIP(2)-27	Redhill Library Refurbishment	Redhill Library, Warwick Quadrant, Redhill, Surrey, RH1 1NN	SCC	Community and cultural facilities
SIP(2)-28	Shelvers Way Tadworth – Flood risk reduction and public realm enhancement scheme	Shelvers Way (KT20 5PY, KT20 5QQ, KT20 5QF), Shelvers Hill (KT20 5PU), Ashurst Road (KT20 5PX), junction of Shelvers Way and Hill View Close (KT20 5QB), junction of Shelvers Way and Epsom Lane South (KT20 5TB), Shelvers Spur (KT20 5PY), Tadorne Road (KT20 5TF), Fleetwood Close (KT20 5QL)	SCC	Flood risk reduction schemes
SIP(2)-29	A240 Traffic signals improvements and shared footway / cycleway	A240 Reigate Road, Burgh Heath junction with the B2221 Great Tattenhams, KT20 5PE	SCC	Active transport Pedestrian and cyclist infrastructure
SIP(2)-30	A23 bus lane between Mill Street and Church Road (Earlswood)	A23 Brighton Road between its junction with Church Road, Earlswood and Mill Street / Hooley Lane, Redhill.	SCC	Public transport
SIP(2)-31	A23 bus lane between Salbrook Road and Cross Oak Lane, Salfords	A23 Bonehurst Road southbound between its junction with Salbrook Road and Cross Oak Lane, Salfords	SCC	Public transport

SIP(2)-32	A23 bus priority infrastructure between junction with Brook Road and Mill Street	A23 Brighton Road between its junction with Brook Road and Mill Street / Hooley Lane, Redhill	SCC	Public transport
SIP(2)-33	Redhill to Reigate Corridor - Phase 1 -	Redhill station to the A25 Station Road / Linkfield Lane roundabout .	SCC	Active transport Pedestrian and cyclist infrastructure
SIP(2)-34	Horley to Westvale Park Active Travel Corridor - Phase 1	Horley station to junction of Vicarage Lane and Lee Street	SCC	Active transport Pedestrian and cyclist infrastructure
SIP(2)-35	Reigate Priory Junior School Relocation	Land at Woodhatch Place, 11 Cockshot Hill A217, Reigate, RH2 8EF	SCC	Education facilities
SIP(2)-36	Three Arch Road Junction Highway Improvements (A23/three Arch Road/Maple Road junction improvements)	Junction of A23 Horley Road, Three Arch Road and Maple Road, South Earlswood, RH1 5GS	SCC	Highways - Strategic road network
SIP(2)-37	Improvements to the junction of A217 (Cockshot Hill / Dovers Green Road) with Woodhatch Road and Prices Lane	Junction of A217 Cockshot Hill / Dovers Green Road with Woodhatch Road (A2044) and Prices Lane	SCC	Highways - Strategic road network
SIP(2)-38	Horley High Street – Signage and Wayfinding	Horley Town Centre, including High Street (RH6 7BB)	RBBC Place Delivery	Public realm improvements
SIP(2)-39	Horley High Street Public Realm Improvements	High Street, Horley, RH6 7BB	RBBC Place Delivery	Public realm improvements
SIP(2)-40	Merstham Recreation Ground refurbishment	Albury Road, Merstham, Surrey, RH1 3LW	RBBC Place Delivery	Open space sports and recreation
SIP(2)-41	Mobile midwifery hub	East Surrey Hospital (RH1 5RH) will be where the unit is stationed when not out in the community.	Surrey and Sussex Healthcare NHS Trust	Healthcare
SIP(2)-42	Backstage Refurbishment	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre & Cinema	Community buildings
SIP(2)-43	Community Gallery Space	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre & Cinema	Community buildings

SIP(2)-44	Dance Studio	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre & Cinema	Community and cultural facilities
SIP(2)-45	Recording studio	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre & Cinema	Community and cultural facilities
SIP(2)-46	Lower Foyer Refurbishment	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre & Cinema	Community buildings
SIP(2)-47	Digital Signage and External lighting	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN and Town Hall, Reigate, RH2	RBBC and Harlequin Theatre & Cinema	Digital infrastructure
SIP(2)-48*	Tennis Court Refurbishment – Borough Wide (LTA option)	Council-owned tennis court sites across the borough: Howard Close Recreation Ground, Walton on the Hill (1 court); Lady Neville Recreation Ground, Banstead (3 courts); Merstham Recreation Ground (1 court); Priory Park, Reigate (4 courts); Redhill Memorial Park (2 courts); Tattenham Recreation Ground (1 court); Woodmansterne Recreation Ground (3 courts).	RBBC Greenspaces	Open space sports and recreation
SIP(2)-49*	Tennis Court Refurbishment – Borough Wide (RBBC option)	Council-owned tennis court sites across the borough: Howard Close Recreation Ground, Walton on the Hill (3 courts); Lady Neville Recreation Ground, Banstead (3 courts); Merstham Recreation Ground (1 court); Priory Park, Reigate (4 courts); Redhill Memorial Park (2 courts); Tattenham Recreation Ground (1 court) and Woodmansterne Recreation Ground (3 courts).	RBBC Greenspaces	Open space sports and recreation
SIP(2)-50	Pond de-silting – Borough Wide	Five Council-owned watercourses across the borough, Priory Park Pond, Reigate; Frenches Pond, Redhill; Earlswood Lakes, lower lake, Earlswood; Earlswood Common, upper lake, Earlswood; and Mere Pond, Walton-On-The-Hill.	RBBC Greenspaces	Flood risk reduction schemes

SIP(2)-51	High Voltage cable at East Surrey Hospital	East Surrey Hospital, Redhill. RH1 5RH	Surrey and Sussex Healthcare NHS Trust	Healthcare
SIP(2)-52	Paediatric Emergency Department (ED) development	East Surrey Hospital, Redhill, RH1 5RH	Surrey and Sussex Healthcare NHS Trust	Healthcare
SIP(2)-53	Digital Switch over	Various Raven HT's elderly people's housing locations with Warden Call Systems across the borough including Banstead, Tadworth, Merstham, Redhill, Reigate, and Horley.	Raven Housing Trust	Digital infrastructure
SIP(2)-54	Electric Vehicle (EV) Charger Installation	Various locations at Raven HT's properties around the borough (see map)	Raven Housing Trust	Electric car charging facilities
SIP(2)-55	Photovoltaic (PV) Panels and Battery Storage Installation	Various locations across the Borough at 180 of Raven's poorest performing energy efficiency properties.	Raven Housing Trust	Sustainability and Climate change
SIP(2)-56	Redhill High Street Public Realm improvements	High Street, Redhill	RBBC Place Delivery	Public realm improvements
SIP(2)-57	Wall House Surgery	Wall House Surgery, Yorke Road, Reigate, RH2 9HG	NHS Surrey Heartlands Integrated Care Board (ICB)	Healthcare
SIP(2)-58	Banstead Horseshoe Development	The Horseshoe, Banstead, SM7 2BQ	NHS Surrey Heartlands Integrated Care Board (ICB)	Healthcare
SIP(2)-59	The Mix Kitchen	The Merstham Mix Cafe, The Hub Community Centre, Portland Drive, Merstham, Surrey RH1 3HY	Merstham Community Cafe CIC	Community and cultural facilities
SIP(2)-60	Westvale Faith Site – new Community Hub	Westvale "Faith Site", Killick Road, Westvale Park, Horley, Surrey RH6 8GZ	Westvale Community Christian Trust	Community and cultural facilities
SIP(2)-61	External pitch improvements Tadworth	Tadworth Leisure and Community Centre, Preston Manor Road, Tadworth, KT20 5FB – 3G outdoor football pitches	Greenwich Leisure Ltd (GLL) – Tadworth Leisure and Community Centre	Leisure centres

SIP(2)-62	All-weather paths on Earlswood Common	Earlswood Common (all paths start/end at Earlswood Lakes); attachment shows location plan for the proposed paths - Sections of Paths are A-B: between Horley Road A23 and Pendleton Road, south of Abinger Drive; B-C: between Pendleton Road west of Abinger Drive, and north west corner of the Upper Lake as part of Greensands Way footpath; and C-D: between the north west corner of the Upper Lake and Horley Road A23.	RBBC	Active transport Pedestrian and cyclist infrastructure
SIP(2)-63	Segregated shower and new heating units	Reigate Rugby Club, Colley Lane, Reigate RH2 9JN	Reigate Rugby Club	Open space sports and recreation
SIP(2)-64	Drainage to Pitch 1 and Pitch 2	Reigate Rugby Club Grounds, Eric Hodgkins Memorial Ground, Colley Lane, Reigate, RH2 9JN	Reigate Rugby Club	Open space sports and recreation
SIP(2)-65	Reigate Priory Lawn Tennis Club - Club House Development	Reigate Priory Lawn Tennis Club, Green Lane, Reigate, RH2 8JX	Reigate Priory Lawn Tennis Club	Open space sports and recreation
SIP(2)-66	Padel / Pickleball Courts	High Road, Chipstead, Surrey, CR5 3QN	Chipstead Hard Court Tennis Club Limited	Open space sports and recreation
SIP(2)-67	Full Size Floodlit 3G Artificial Turf Pitch	Oakwood School, Balcombe Road, Horley, RH6 9AE	Oakwood School	Education facilities
SIP(2)-68	Solar energy and battery backup for Smallfield Surgery energy requirements	Smallfield Surgery, Wheelers Lane, Smallfield RH6 9PT	Smallfield Surgery	Sustainability and Climate change
SIP(2)-69	South Park Sports Association Community 3G	South Park Sports Association, Whitehall Lane, Reigate RH2 8LG	South Park Sports Association	Open space sports and recreation
SIP(2)-70	Earlswood 2nd Reigate Scout: Building a New Scouting Home	Earlswood 2nd Reigate Scout Group, Earlswood Road, Redhill, Surrey, RH1 6HE	Earlswood 2nd Reigate Scout Group	Community and cultural facilities
SIP(2)-71	Resurfacing of track at Battlebridge Recreation Ground	Battlebridge Recreation Ground, Battlebridge Lane, Merstham, RH1 2JE	Reigate Priory Athletic Club	Open space sports and recreation

SIP(2)-72*	Replacement of floodlights at Battlebridge Recreation Ground (Phase 2)- only when / if the running track has been re-surfaced, as Phase 1 already completed	Battlebridge Recreation Ground, Battlebridge Lane, Merstham, RH1 2JE	Reigate Priory Athletic Club	Open space, green infrastructure
SIP(2)-73	Project Phoenix - Replacement of existing Salfords cricket club pavilion with a new build clubhouse	Petridgewood Common, Woodhatch Road, Redhill, Surrey RH1 5JH	Salfords Cricket Club	Open space sports and recreation
SIP(2)-74	Investment in a new Advanced Skills Technology Centre at East Surrey College, Gatton Point South, Redhill for the delivery of advanced and higher technology skills	East Surrey College, Gatton Point, London Road, Redhill, Surrey RH1 2JX	East Surrey College	Education facilities
SIP(2)-75	Modular operating theatre	East Surrey Hospital, Redhill. RH1 5RH	Surrey and Sussex Healthcare NHS Trust	Healthcare

Annex 2 -

Reigate & Banstead Borough Council's second Community Infrastructure Levy (CIL) Strategic Infrastructure Programme (SIP2) 2023 to 2027

Screening Qualification Criteria and Assessment Criteria for Project Applications for funding allocation in SIP(2)

Introduction

National legislation and guidance concerning CIL spending is very board-brush, giving CIL "charging authorities", such as RBBC, considerable freedom to decide how to spend the "strategic" portion (at least 80% of the total CIL collected across the borough) of the CIL receiptsthat it collects.

CIL Regulations specify that charging authorities must apply the strategic CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. The strategic CIL can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure if needed to support development. We can also use the "strategic" CIL portion collected to fund infrastructure located outside of the borough,where to do so would support the borough's development.

Infrastructure is defined in the CIL Regulations as the "relevant infrastructure" types or projects listed on the Council's "infrastructure list" in its "annual infrastructure funding statement" *(see listat the end of this report)*.

This flexibility gives us the opportunity to choose what infrastructure we need to support both planned (in our Local Development Plan) and other "windfall" development across the borough.

As required, we publish a report annually on our website of CIL income received, allocated andspent, in our annual infrastructure funding statement. Whilst we have considerable flexibility in spending the "strategic" CIL portion, the process we use to decide how to allocate our CIL funding should be transparent to infrastructure providers who might benefit from the CIL, to developers who pay the CIL, and to the borough's communities.

Process

Decision-making criteria will enable Council's Principal Policy Development Officer and the Community Infrastructure Levy Officer to "screen" and to provide a quantitative and qualitative assessment of project bids for strategic CIL funding.

This will ensure that the evaluation of proposals is robust, consistent and transparent, which is particularly important given the interest in SIP(2) at a time of considerable inflation of pressure onpublic funding. This quantitative scoring will be considered alongside qualitative commentary in drawing up the SIP.

The Project Bid Evaluation Process will consist of the following 3 stages:

Stage 1 – Checking and inputting information

Once all bids have been read, and **the information provided** input into a single **screening & assessment spreadsheet.** If needed, telephone discussions will be held with project bidders to

obtain clarification on any parts of the bids, including requesting any further evidence

1

documentation needed to fully assess the bid.

Stage 2 - **Screening** of project proposals using Qualification Criteria (section 3 of the biddingform) to determine whether submitted projects are eligible for consideration under SIP(2).

Stage 3 - For bids meeting the Qualification Criteria, a full **Assessment** will be undertaken using "project assessment criteria" to ensure consistency and transparency.

The 2 officers assessing the bids will present the draft Assessment Scoring for each project along with any commentary for each bid assessed, to the Head of Planning and the Policy Manager with responsibility for CIL for any feedback before the Council's second SIP (SIP(2) isdrawn up.

NOTE: These 4 officers involved in the assessment of project bids all have responsibility for CILand are not involved in any project bid submissions from other RBBC Services.

The Council's second SIP (SIP(2) will then be recommended to the Executive for its agreement.

Stage 2 - Screening for meeting Qualification Criteria

Officers will determine whether submitted projects are eligible for CIL funding from strategic CIL,that is, that they meet statutory requirement for funding infrastructure, as well as the Council's stated requirements from the Application Form for considering bids for strategic CIL funding.

Each SIP bid will be screened to ensure all parts of the application form have been completed,and for compliance with **Qualification Criteria (Section 3 of the SIP(2) bidding form)**

The following 4 criteria will be used to screen project bids:

i)   That the project would involve the provision, improvement, replacement, operation or maintenance of a type (or types) of infrastructure on the Council's Infrastructure List in itsannual infrastructure funding statement (IFS) (*)

ii) That evidence has been provided that the project would support the development of the borough of Reigate & Banstead.

iii) That the evidence provided confirms that the project can be delivered within the five yearperiod 2023-27

iv) That the project bid is for at least £10,000 of CIL funding (as lower value projects *needingless CIL funding are potentially more suitable for Local CIL funding)*

Project bids not meeting these Qualification Criteria and requirements will not be considered further.
All bidders will be advised of the outcome of their bids before the SIP2 is made public on theCouncil's *committee* webpages.

Additionally, (from the SIP2 Application webpage) -
Religious organisations and groups can apply if the infrastructure to be provided or improved isopen to all and the project clearly benefits the wider community.
The CIL should not be used to promote more followers to any religion.and
Any funding bids made by schools should not be to support the core curriculum or anything concerned with meeting their statutory duties.   2

Stage 3 – Project Assessment of Qualifying bids

Project Assessment Criteria for SIP(2) 2023-2027

The criteria set out in **Table 1** below will be used as the Project Assessment criteria for SIP(2).

Projects will be scored (1-5) against each of the criteria, using <u>specific questions from the</u> <u>Funding Application Form, as well as</u> considering the response to all questions on the <u>Form as awhole</u>, along with <u>any supporting documents submitted</u>.

Table 1 - Project Assessment Criteria for SIP(2) 2023-2027

	Project Assessment CriteriaSIP(2) 2023 - 2027	Score 0 - 5
1. Supporting development in the borough Assessment of the extent to which the project bid would support development in the borough taking account of:		**Score out of 20 =**
a	Relationship of the project bid to regeneration areas and other priority areas for development (Borough's Local Plan Core Strategy 2014 Policy CS6 *"Allocation of land fordevelopment"* **	
b	Degree to which the project bid would support specificallocated development sites	
c	Degree to which the project bid would support theinfrastructure needs identified in the Council's Infrastructure Delivery Strategy (DMP Annex 6)	
d	How well would the project bid fit with specific LocalPlan policies (*list policies*)?	
2. Benefit to borough; its environment, economy and communities Assessment of the overall		**Score out of 20 =**
benefit of the project to communities of the borough taking account of:		
a	The likely scale and significance of benefit (including borough-wide, and specific geographic areas / communities, and / or groups of people	

3

b	Supporting the priorities and objectives in the Council's Five Year Plan 2020-25 *(consider flexibly for projects to be delivered 2026 & 2027)*	
c	Supporting other R&B Borough Council Strategies (such as its ""*Playing Pitch and Outdoor Sports Facilities Study "Stage D*" 2022"; *"Environmental Sustainability Strategy 2020"*; *"Green infrastructure Strategy 2017"*; *"Economic Development Framework 2021-26"*; and *"R&BLocal Cycling and Walking Infrastructure Plan 2022"*	
d	Evidence of community, public and / or business support for the project bid	
3. Deliverability Assessment of the feasibility of the scheme and likelihood of timely delivery taking account of:		**Score out of 20 =**
a	Stage of project development within the organisation - including feasibility and obtaining any internal authorisation needed	
b	If other landowner consents; legal and other consents; planning permissions, and / or public consultations are needed, have these been obtained, sought, neither.	
c	Stage in obtaining any match funding needed - - *Project bid already has the other funding it needs, or it does not need other funding sources =Score 5* - *Project bid has other funding sources needed formally committed = Score 4* - *Evidence of other funding sources needed having been applied for = Score 2* - *Stated intention to bid for or apply for other funding needed = Score 1* - *No information provided on any bids made for other funding needed nor sources of other funding needed = 0*	
d	Plans for project management and monitoring and for sustaining the operation of the project and its benefits in the medium term, including maintenance needs	

4

4. Value for Money and Match Funding	5	Score out of 15 =
Assessment of the "value for money" and the other public and private funding "match funding" that the CIL could lever in for the project "adding value" to the CIL spending, taking account of:		
a	Percentage of the project cost sought from CIL funding (specify both maximum and minimum if a range of funding sort.. and take mid-point %) *Lower percentage of CIL funding needed scoring higher, representing greater value for money from match funding* *100% - Score 0* *80 – 99% = Score 1* *61 – 80% - Score 2* *41 – 60% = Score 3* *21 – 40% = Score 4* *1-20% = Score 5*	
b	Need for CIL funding – Does the project need CIL funding to be delivered? *Yes (5) / No …* and if "No" .. then the "Added Value / Additional Benefit" to the project which CIL would bring to the scheme in scope / quality / timing .. *.. score 4, 3, 2, 1, or 0 (if no evidenced benefits from CIL)*	
c	The amount of CIL funding sought against likely benefits and outcomes for the borough's environment, economy and / or communities	
TOTAL SCORE Out of 75 =		X

Scoring narrative

5 – Excellent *Satisfies the requirement and demonstrates exceptional evidence. Evidence provided identifies factors that will offer potential added value.*

4 – Good *Satisfies the requirement with minor additional benefits. Above average evidence demonstrated*

5

by the bidder.

*3 – **Acceptable** Satisfies the requirement. Bidder demonstrated evidence.*

*2 - **Minor Reservations** Some minor reservations of the bidder's submitted evidence, with limited evidence to support the response.*

*1 – **Major Reservations / Non-compliant** Major reservations of the bidder's evidence, with little or no evidence to support the response.*

*0 - **Unacceptable/Non-compliant** Does not meet the requirement. Does not comply and / or insufficient information provided, with little or no evidence to support the response.*

In addition to the scoring of bids, qualitative commentary will also be provided for each project bid where relevant and presented to the head of Planning and Planning Policy Manager for consideration and finalising of SIP(2). Provision of commentary will help to provide a qualitative overview of the relative benefits of each project bid.

Additional Qualitative considerations provided as commentary :

1. Would the project provide a 'quick win' in terms of deliverability taking account of strategic CIL already collected, the amount of CIL requested, and potential impact of the project?

2. Is the project's CIL request too large for the amount of funding available and the anticipated delivery the year CIL would be required?

3. If the project bid is for a large amount of the total anticipated funding available in the 5-year SIP period, how does the potential impact of the project compare to the potential cumulative impact of many other smaller projects, and would allocation of the required amount of CIL prevent support being allocated to other high-scoring projects, which require less CIL funding?

(*)
Highways and transport - Strategic road network
Highways - Local road network
Public transport
Active transport - Pedestrian and cyclist infrastructure
Off-street parking including public car parks
Electric car charging facilities
Education facilities
Healthcare
Emergency Services
Community and cultural facilities
Digital infrastructure
Security and anti-crime infrastructure
Public realm improvements
Leisure centres
Open space sports and recreation including pavilions
Open space, green infrastructure and allotments
Biodiversity and tree planting
Cemeteries and crematoria
Sustainability and Climate change
Flood risk reduction schemes
Waste and recycling collection and management facilities
More than one : list which infrastructure types

6

(**)
Sustainable locations in the urban area that are:
- The key urban development areas and regeneration areas of: - *Scores 5*
  - Redhill town centre
  - Horley town centre
  - Horley North East and North West sectors
  - Preston regeneration area
  - Merstham regeneration area
  - Other regeneration areas as identified by the Council and its partners
- The built up areas of Redhill, Reigate, Horley and Banstead (including Reigate & Banstead Town centres) - *Scores 4*
- Other sites in the urban area and sustainable urban extension sites allocated in the Development Management Plan (DMP). - *Scores 3*

Anywhere else in the borough – *Scores 1*
Outside the borough – *Scores 0*

SIP(2) Assessment Criteria – Learning from SIP(1) Assessment

The assessment criteria for SIP(2) are broadly the same assessment criteria as were agreed in Oct 2016 for the first SIP, although with the percentage weighting removed (to give more equal weight to value for money / match funding, supporting development, benefit to the borough, and deliverability, for reasons set out below).

Table 2 below, is the SIP(1) Appraisal Criteria used for evaluating bids, which, along with the following narrative, was agreed in October 2016 :
"The Appraisal Criteria emphasises supporting areas experiencing significant development / growth (30 per cent) but also those projects which offer wider community benefits (20 per cent).

Consideration of value for money (20 per cent) will include the reasonableness of total project costs and the necessity for CIL funding (as opposed to other funding streams). The inclusion of a match funding criteria (20 per cent) recognises the role of CIL as gap funding, and will maximise the benefit that CIL can achieve for the borough."

Table 2 – Project Appraisal Criteria for SIP(1) 2017-2022

Projects scored (1-5) against each of the criteria, with scores weighted as stated. The rationale for the weighting is as follows:

Project appraisal criteria	Weighting
Supporting growth: *Assessment of the extent to which the project would support growth and/or development in the borough taking account of:* - *how the project relates to areas of significant growth/regeneration* - *whether the project would enable or unlock specific key development sites or growth opportunities* - *the fit of the project with specific policies or objectives in the Local Plan* - *the fit with existing infrastructure needs identified within the Council's Infrastructure Delivery Plan or other infrastructure planning documents*	*30%*
Benefit to our residents and businesses: *Assessment of the overall benefit of the project to communities of the borough taking account of:* - *the likely scale/significance of benefit (e.g. borough-wide or specific groups)* - *fit with priorities in the Council's Five Year Plan* - *evidence of public or business support for the project*	*20%*
Match funding: *Assessment of* - *the extent to which other funding would be secured/leveraged in alongside CIL funding* - *the proportional contribution of CIL to total project costs*	*20%*
Value for money: *Consideration of*	*20%*

- *project costs compared to benchmark costs* - *the costs of the project (in particular the amount of CIL funding sought) against potential benefits and outcomes for the borough.* - *alternative funding sources available and the need for CIL funding* - *the added value which CIL could bring to the scheme*	
Deliverability: Assessment of the feasibility of the scheme and likelihood of timely delivery taking account of: - *stage of project development* - *identified risks to project delivery* - *status of funding* - *the plan for sustaining the benefit /operation of the project in to the long-term*	*10%*

In drawing up the assessment criteria in late 2016 for the Council's first SIP, it was considered that "*whilst deliverability is important, the lesser emphasis on deliverability at thebidding stage (10 per cent) reflects the fact that further evidence to demonstrate deliverability will be sought from providers before money is released for a particular project.*"

Based on experience from the first SIP (including project delivery), and likely information available, the weighting of assessment criteria has been re-balanced to change its emphasisfrom "match funding" and "the extent to which other funding would be secured by allocation of CIL funding" and "the proportional contribution of CIL to total project costs", towards greater emphasis on the project's "deliverability" and "supporting the borough's development" and the benefits to the borough through support of the Council's priorities (through its Corporate Plan and accompanying Strategies).

One of the main issues that has been re-considered is the weighting given in assessment of third party match funding and value for money criteria, given lessons learnt from the first SIP.The first SIP projects which were scored high for "value for money" and "match funding" relied on other (sometimes 3rd party) funding sources to be delivered, some of which has not been forthcoming and so the project has not been able to be delivered. The 40 per cent weighting which was given to each project bid for "match funding" and "value for money" (20 per cent each) in the first SIP assessment round weighs disproportionately against "deliverability" (given maximum of 10 per cent weighting). This is particularly important at a time when public funding is under great pressure relative to need.

In hindsight, particularly given the need for certainty of funding streams for the project delivery organisation and of infrastructure being provided to support develop for RBBC, it is considered ineffective to allocate strategic CIL funds to a project that brings with it lots of match funding (so scored high on "Value for Money") if that match funding is not forthcomingin the SIP 5-year period (match funding and value for money was weighted 40 per cent in the first SIP).

On reflection, the emphasis in SIP(1) on "match funding" and some of the assessment criteria for "Value for Money" versus "Deliverability" played a part in resulting in less than halfof the SIP(1) projects (6 of the 15) being delivered within the SIP timeframe 2017-22, mostly because of lack of the required match funding (with a few due to changes in the bidding organisations priorities). Particularly in the current economic climate, giving greater

weighting to "match funding" and "value for money" (namely the assessment criteria of "project costs compared to benchmark costs", and "alternative funding sources available andthe need for CIL") is no longer considered a suitable assessment criteria weighting.

For SIP2, evidence of the project delivery progress and dates will be required to be submitted by

successful bidders by way of quarterly project delivery updates. A Spending Agreement will only be entered into, and CIL funding released at an appropriate time in the project's delivery, and subject to sufficient strategic CIL funding being available.

There is a need to balance certainty of delivery against flexibility of the SIP, if annual review of the SIP shows that a project on the SIP cannot be delivered to anticipated timescales.
Annual reviews of the SIP will include the potential to "re-allocate" funding from projects whose delivery timescales change to after the current SIP period, to other projects that were shortlisted.

In the interest of value for money, it is desirable to spend the strategic CIL funding collected but unspent and unallocated at the end of the first SIP period of 2022, which is **£9,406,388.14.** At a time of considerable inflation of construction materials and labour costs, it is suitable to allocate this funding to projects which could be delivered in the earlier years of SIP2. Further strategic CIL funding collected from developments from 2022 predicted at **approximately £2m per annum** (planned and "windfall" developments, based on the Planning Policy Team's monitoring) would be used to fund delivery of SIP project bids in the later years of the SIP, including an amount set aside for "indexing" of the CIL amount offered.

In order to address these issues, the Assessment Criteria will be re-balanced, with greater importance attached to deliverability and committed funding than they were in SIP1. Bids received for the second SIP (SIP(2)) funding period will be assessed by CIL Team officers based on the agreed Assessment Criteria (set out in **Table 1**).

The 2017 SIP also factored in qualitative considerations:
1. Could the project provide a 'quick win' in terms of deliverability, the amount of CIL requested and potential impact?
2. Conversely, if a project's CIL 'ask' is a large proportion of the total anticipated funding available, how does the potential impact of the project compare to the potential cumulative impact of other smaller projects?
3. Does a project complement (or could it be combined with) another proposal?
   NOTE: the CIL Portfolio Holder has requested, on the basis of experience of the first SIP, that project bids are NOT combined in the second SIP, i.e. SIP(2).
4. Would other funding sources be available to support a project, in the absence of CIL?
5. Is a project's CIL request too large for the amount of funding available?
   If so, would an allocation up to the 'ask' prevent support being allocated to other good projects, which require less CIL support?
6. Does a project require feasibility work that could be funded from a non-CIL source? NOTE: it has since been clarified that CIL should not be used to fund initial feasibility of infrastructure projects, as if found not to be feasible, no infrastructure will have been provided for the CIL spent.

A similar qualitative commentary will be made for each SIP(2) bid where relevant, and presented for consideration and finalising of SIP(2). This will help to provide a qualitative overview of the relative benefits of each project bid.

As a result of lessons learnt from the Council's first SIP, project bids to be included in the Councils' SIP 2023-27 will not be grouped, but each will be assessed and scored separately on their own merits, even when submitted by the same infrastructure provider or on the same site.

Annex 3 - Project Assessment Summary

Supporting development in the borough: Assessment of the extent to which the project bid would support the borough's development

Benefit to borough; its environment, economy and communities: Assessment of the overall benefit of the project to borough its environment, economy and communities

Deliverability: Assessment of the stage of the project and likelihood of timely delivery within the SIP(2) period

Value for Money and Match Funding: Assessment of the "value for money" and the other "match funding" that the CIL could lever in for the project "adding value" to the strategic CIL spending

Also four underlined qualitative considerations applied in assessment of each bid:
1. Would the project provide a 'quick win' in terms of deliverability taking account of strategic CIL already collected, the amount of CIL requested, and potential impact of the project?
2. Is the project's CIL request too large for the amount of funding available and the anticipated delivery the year CIL would be required?
3. If the project bid is for a large amount of the total anticipated funding available in the 5-year SIP period, how does the potential impact of the project compare to the potential cumulative impact of many other smaller projects, and would allocation of the required amount of CIL prevent support being allocated to other high-scoring projects, which require less CIL funding?

NOTE: some project names were amended from the submitted names (listed in Annex 1) to remove the screened out elements from the assessment and / or to more fully reflect the bid project proposal

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-01	Creation of a new outdoor Multi Use Games Area (MUGA) at Battlebridge Sports Centre Club, Redhill	12	7	13	10	42	
SIP(2)-02	Horley Community Centre refurbishment and modernisation, Regent House, Albert Way	10	14	15	9	48	
SIP(2)-03	Improvements to Horley Central Car Park, Consort Way	7	11	15	7	40	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-04	Small business and community temporary space ("Container Park") at Horley's High Street car park	0	0	0	0	0	The bid was not assessed as it was "**screened out**" as it is not a type of "Infrastructure" on the Council's Infrastructure List (it is not a bid for "Community Buildings" as stated on the form; "green infrastructure" is on the list but only small an incidental element of the project, it is not the key project infrastructure.
SIP(2)-05	3G Pitch at Merstham Park School, Taynton Drive	15	18	11	11	55	
SIP(2)-06	New outdoor Multi Use Games Area (MUGA) pitch, new Sports Hall, and access road with car parking areas at Beacon School, Banstead	9	12	8	8	37	The amount of CIL funding required as a proportion of that available in 2023-2027 is disproportionate to the benefits of the project to the borough. The sports hall is costly for its benefits relative to funding available, and although a MUGA could potentially be funded from CIL, the bid says without CIL funding the bidder could deliver the MUGA in the short term.
SIP(2)-07	Improvement of the YMCA East Surrey, Sports and Community Centre, Princes Road, Redhill	11	11	12	9	43	
SIP(2)-08	Energy and carbon emissions reduction measures (to improve energy efficiency and energy management) at two of R&B Council's Community Centres at Banstead and Woodhatch	7	15	18	9	49	Proposals for Horley Community Centre proposals were not assessed due to overlap with project bid SIP-02; this bid was reduced by the relevant amount of funding
SIP(2)-09	Energy and Carbon Emissions Reduction Measures at three R&B Council's small sites: the pavilion at Priory Park, Reigate;	7	15	18	9	49	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
	the pavilion at Tattenham Recreation Ground; and Redstone Cemetery Mess Room, Redhill						
SIP(2)-10	Renewable (Solar) Energy infrastructure at nine of R&B Council's buildings	7	13	12	7	39	
SIP(2)-11	Redhill Memorial Park upgrade to play area and outdoor gym equipment	15	7	15	8	45	
SIP(2)-12	Holmesdale Hedgerows Biodiversity Opportunity Area (BOA) 3-year project to restore, protect and create 2km length of hedgerows between Redhill and Godstone (Reigate & Banstead Borough section only).	0	0	0	0	0	The bid was **withdrawn** by bidder 25 January 2023, due to changes in resourcing of the bidding organisation. Annual Reviews of SIP(2) can re-consider the project's delivery and funding position.
SIP(2)-13	Improvement of Horley Young People and Family Centre, The Old Fire Station, Albert Road, Horley through the provision of a new outdoor recreational area on part of the adjoining surface car park, with buggy and cycle storage, games markings, soft landscaping and outdoor seating, access ramp to the building, and installation of an electric vehicle charging point in the remaining car park area.	13	18	17	9	57	
SIP(2)-14	Improvements to the "Listed" air raid shelters at St Johns Primary School, Pendleton Road, Redhill to enable visits for educational, recreational and heritage purposes.	9	10	16	8	43	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-15	Replacement or refurbishment and extension of Howard Close Sports Pavilion, Walton on the Hill	6	11	10	10	37	
SIP(2)-16	80 Solar Powered "Big Belly" compaction litter bins in various locations in the borough to replace existing standard street waste bins	8	12	15	7	42	
SIP(2)-17	Community safety improvements at Horley Recreation Ground by: 1) replacing the railings and extending them around the children's play area; 2) converting 10 street lamp heads in Horley Recreation Ground to LED lighting to improve energy efficiency, less environmental impact and cost -savings; and 3) installing a CCTV Tower to connect existing cameras to one central system controlled by Horley Town Council.	13	11	17	9	50	
SIP(2)-18	Sustainability improvements to Horley Town Council offices at The Albert Rooms, consisting of two electric vehicle charging points in the car park and building energy efficiency measures including double glazing, loft insulation and solar panels with battery storage, and construction of a ramp and side extension to provide more office space at Horley Town Council offices.	12	12	12	7	43	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-19	Improvements to Michael Crescent Centenary Park, Horley by upgrading of the children's playground equipment, and replacement of existing derelict community building with a new community building and car park, and installation of CCTV inside the new community building and around the site.	9	11	15	9	44	The whole project was assessed, although funding is to be offered only for the playground element, but not for demolition of existing community building, professional fees, a replacement community building and car park with a larger footprint on land designated as Urban Open Space by DMP Policy OSR1.
SIP(2)-20	Resurfacing the car park at Church Road allotments, Sangers Drive; and resurfacing the service road at Langshott allotments, Ladbroke Road, Horley	10	10	16	8	44	
SIP(2)-21	Providing disability access to the rear of the building and improving the outdoor area at the rear of Salfords & Sidlow Parish Village Hall, Honeycrock Lane to increase its use.	7	9	18	8	42	
SIP(2)-22	Horley subway improvement consisting of hard landscaping, drainage improvements, electrical installations, and soft landscaping to improve the connectivity across Horley town Centre.	17	14	16	9	56	
SIP(2)-23	Expansion of the specialist unit for children with SEND at Dovers Green School (Academy), Rushetts Road, Reigate, to provide 8 additional provision for children with SEND.	12	8	14	14	48	
SIP(2)-24	Expansion of the specialist unit for children with SEND at St	13	8	14	14	49	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
	Matthews CofE Primary School (Academy), Linkfield Lane, Redhill to provide 13 additional provision for Children with SEND.						
SIP(2)-25	Expansion of Carrington School, Redhill, to provide to provide 40 additional SEND places for children on the school roll at Woodfield Secondary SEND School, Redhill	12	8	9	13	42	
SIP(2)-26	Expansion of Reigate Valley College, 82 Allingham Road, Redhill to provide 35 additional SEND school places on the school roll at Brooklands Primary SEND School, Alexander Road, Reigate.	12	8	9	13	42	
SIP(2)-27	Redhill Library Refurbishment Scheme, specifically for: - provision of two new meeting rooms (each accommodating 6 to 8 people) for councillor surgeries, to host pop ups of support organisations, and for business hire; - creation of flexible events space; - redesign of the reception area; - new flexible shelving; new IT work /study areas; and - increase in size of the children's library.	19	14	12	12	57	
SIP(2)-28	Shelvers Way Tadworth - Flood Alleviation and Public Realm Enhancement Scheme at	12	17	12	13	54	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
	Shelvers Way and surrounding streets						
SIP(2)-29	A240 Shared Footway / Cycleway north of junction with B2221 Great Tattenhams / Tattenham Way and provision of a toucan crossing on two arms of the junction of A240 and B2221 Great Tattenhams, Burgh Heath.	14	7	16	11	48	
SIP(2)-30	A23 Brighton Road northbound bus lane between junction with Church Road, Earlswood and Mill Street, Redhill	14	13	10	14	51	
SIP(2)-31	A23 Bonehurst Road southbound bus lane between junction with Salbrook Road and Cross Oak Lane, Salfords	12	12	10	14	48	
SIP(2)-32	A23 Brighton Road Bus Priority Infrastructure between junction with Brook Road and Mill Street / Hooley Lane	14	11	10	14	49	
SIP(2)-33	Cycle Corridor between Redhill and Reigate: Phase 1 - Redhill station to A25 Station Road / Linkfield Lane roundabout (LCWIP Cycle Corridor 8)	13	13	9	12	47	
SIP(2)-34	Active Travel Corridor (cycling and walking) between Horley station and Westvale Park: Phase 1 - Horley railway station to junction of Vicarage Lane and Lee Street (LCWIP Cycle Corridor 18 sections 1-8 / Walking Corridor 16 sections 1-13).	15	13	10	12	50	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-35	Two all-weather sports pitches, a MUGA pitch, hard play area with netball court, car park, a new internal access road with vehicle access from A217 Cockshot Hill, and pedestrian access from Hornbeam Road, with hard and soft landscaping and off-site highways works as part of the relocation of Reigate Priory Junior School to land at Woodhatch Place, 11 Cockshot Hill, Reigate, to provide a 5-form entry junior school.	10	4	10	7	31	The amount of CIL funding required as a proportion of that available in 2023-2027 (over one quarter) is disproportionate to the benefits of the project to the borough.
SIP(2)-36	Improvements to A23 junction with Three Arch Road and Maple Road, South Earlswood	18	18	16	13	65	
SIP(2)-37	Improvements to the junction of A217 Cockshot Hill / Dovers Green Road with Woodhatch Road (A2044) and Prices Lane, Reigate	12	11	9	4	36	The amount of CIL funding required as a proportion of that available in 2023-2027 (over one quarter) is disproportionate to the benefits of the project to the borough. RBBC considers it should not fund the majority of this scheme's cost.

Whilst RBBC supports the principle of improving this junction, and a limited amount of strategic CIL funding was offered (subject to match funding) in the first SIP to improve walking, cycling and junction infrastructure as part of a wider project (Greater Redhill Sustainable Transport Project Phase 2), this junction improvement project has increase significantly in scope and cost over the past year. |

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
							The current project design option preferred by the bidder, SCC, involves a significant land take, and supports the relocation of Reigate Priory School to the north of this junction. The current proposed design option is at a relatively early stage in design, and has not been subject to initial public consultation. Any junction improvement scheme design to benefit from CIL funding would need to focus on improving highways safety and capacity, including to support the allocated urban extension development sites close by. RBBC and SCC will continue to work together to improve this junction, and in future a design solution may be suitable to support with CIL funding.
SIP(2)-38	Signage and Wayfinding for Horley High Street and surrounding town centre streets	6	12	11	13	42	
SIP(2)-39	Horley High Street Public Realm Improvements	6	15	12	14	47	
SIP(2)-40	Merstham Recreation Ground refurbishment	12	20	13	10	55	
SIP(2)-41	Mobile midwifery hub To be stationed at East Surrey Hospital (RH1 5RH) will be where the unit is stationed when not out in the community	12	12	20	10	54	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-42	Refurbishment of the backstage area at Harlequin Theatre, Redhill	10	11	15	8	44	
SIP(2)-43	Creation of a Community Gallery Space at Harlequin Theatre, Redhill	10	10	15	8	43	
SIP(2)-44	Creation of dance studio for hire at Harlequin Theatre, Redhill	10	9	15	7	41	
SIP(2)-45	Creation of a recording studio for hire at Harlequin Theatre, Redhill	10	9	15	8	42	
SIP(2)-46	Refurbishment of the Lower Foyer at Harlequin Theatre, Redhill	10	10	15	8	43	
SIP(2)-47	Harlequin Theatre digital signage and lighting upgrade	8	6	15	6	35	
SIP(2)-48*	Refurbishment of Council-owned tennis courts across the borough, including lockable gates and booking requirement (Option with funding from the Lawn Tennis Association's Tennis Parks Renovation Fund)	12	13	13	14	52	
SIP(2)-49*	Refurbishment of Council-owned tennis courts across the borough (Option with RBBC-funding only)	12	16	19	8	55	Bids 48 and 49 are for the same sites, and are "either / or" bids, so both bids are not needed.
SIP(2)-50	Pond de-silting of five Council-owned watercourses across the borough at: Priory Park Pond, Reigate; Frenches Pond, Redhill; Earlswood Lakes, lower lake, Earlswood; Earlswood Common, upper lake, Earlswood; and Mere Pond, Walton-On-The-Hill.	7	11	16	9	43	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-51	High Voltage cable at East Surrey Hospital	12	5	9	3	29	
SIP(2)-52	Children's (paediatric) Emergency Department (ED) development at East Surrey Hospital	12	7	12	8	39	The amount of CIL funding required as a proportion of that available in 2023-2027 is disproportionate to the benefits of the to the borough.
SIP(2)-53	Switch over from analogue to digital to provide continued Warden Call system and landlines, as well as free wi-fi connection at Raven HT's elderly people's homes across the borough including Banstead, Tadworth, Merstham, Redhill, Reigate, and Horley.	0	0	0	0	0	The bid was "screened out", as although the introduction of digital infrastructure in these existing homes would be suitable infrastructure for spending strategic CIL funding on, as digital infrastructure is on the Councils "Infrastructure List" in its published Annual Infrastructure Funding Statement (AFIS), the project would not "support development" in the area as the homes exist already, and improving them in this way would not support development. The project is considered to have great benefits to the residents, but CIL is not suitable funding for this.
SIP(2)-54	a) Installation of 247 Electric Vehicle (EV) Chargers for residents and 20 rapid Chargers for Raven's operatives, and Increase in the number of off-street parking spaces where needed at approximately 30 sites, including installing flood mitigation measures where needed at Raven Housing Trust blocks in the Borough that have at least 6 dwellings.	12	7	14	8	41	The main element of the bid was "screened out" – as although providing electric charging vehicle points in off-street car parks of flats is "infrastructure" included on the Council's "Infrastructure List", as the EV Chargers are proposed for existing homes, the project would not "support development" (the existing flats are not themselves infrastructure).

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
							However, providing additional off-street parking spaces for existing flats which currently have insufficient parking will reduce on- street parking, so supporting development, and it was this element of the bid only that was assessed.
SIP(2)-55	Photovoltaic (PV) Panels and Battery Storage installation at various locations across the Borough at 180 of Raven's poorest performing energy efficiency properties	0	0	0	0	0	This bid was "**screened out**", as although a type of infrastructure – installation of solar panels (sustainably and climate change) is on the Council's "Infrastructure List", the proposal is to install these at existing homes, where they would not support development of the area. Despite the bid form including "to lower the electricity demand in the area" as one of the project's aims, which it contends "supports development", we consider this to be too indirect and marginal to support development.
SIP(2)-56	Redhill High Street Public Realm improvements	13	14	5	8	40	
SIP(2)-57	Wall House Surgery, Yorke Road, Reigate - reconfiguration to provide two additional clinical rooms	10	3	0	0	13	
SIP(2)-58	Banstead Horseshoe Development	8	0	0	0	8	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-59	Upgrading of the Mix Kitchen at The Merstham Mix Cafe, The Hub Community Centre, Portland Drive	12	12	17	10	51	
SIP(2)-60	A new community hub at the Westvale "Faith Site", Killick Road, Westvale Park, Horley	11	6	8	5	30	
SIP(2)-61	Conversion of one of the four outdoor 3G football pitches to a Multi-Use Games Area (MUGA) with new fencing, and replacement of floodlights with LEDs on the four outdoor pitches at Tadworth Leisure and Community Centre.	9	10	10	8	37	
SIP(2)-62	Re-instatement of all-weather paths on Earlswood Common – Phase 1 - Reinstatement of three footpaths on Earlswood Common (total of approximately 1.43km length and 1.5m wide) with porous all-weather surfaces, and provision of 6 "Sheffield" style cycle stands at Abinger Drive car park and 6 at the Lower Lake car park. Phase 2 - Changes to the Byelaws of Earlswood Common and related new signage to permit cycling across Earlswood Common subject to agreement from RBBC (as land owner) and Earlswood Common Management Steering Group and inclusion in Earlswood Common Management Plan.	9	7	10	7	33	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-63	Segregated showers and new water heaters at Reigate Rugby Club, Colley Lane	8	6	16	3	33	
SIP(2)-64	Drainage improvements to Pitch 1 and Pitch 2 at Reigate Rugby Club Grounds, Eric Hodgkins Memorial Ground, Colley Lane, Reigate	10	13	17	10	50	
SIP(2)-65	Development of Club House at Reigate Priory Lawn Tennis Club, Green Lane	0	0	0	0	0	Bid was **withdrawn** by the bidder 25 Oct 2022, due to lack of match funding from other bids.
SIP(2)-66	To build either one Padel tennis court or 2 Pickleball Courts at Chipstead Tennis Club, High Road	8	7	14	6	35	
SIP(2)-67	To install a Full Size Floodlit 3G Artificial Turf Pitch at Oakwood School, Horley	16	15	19	13	63	
SIP(2)-68	Solar energy and battery backup for Smallfield Surgery energy requirements at Smallfield Surgery, Wheelers Lane, Smallfield	10	5	10	6	31	
SIP(2)-69	New security fencing, and a new car park to be located between the existing car park and tennis court to provide for increased use by the club and local community, associated with the conversion of the grass football pitch into a 3G synthetic turf pitch at South Park Sports Association, Whitehall Lane, Reigate	12	11	15	9	47	

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
SIP(2)-70	Building a New Scouting Home for Earlswood 2nd Reigate Scout Group at Woodlands Road, Earlswood	10	18	11	12	51	Provision of housing, a new scouting headquarters and car parking are proposed to be built on land designated as Urban Open Space (under DMP Policy OSR1) in order for the landowner to release the land needed for re-development of a Scout Headquarters. CIL cannot be used to re-provide the existing community building to encourage the landowner to "give" the land to the Scouts subject to planning permission for a new community building and new access road and houses on the remaining land designated as Urban Open Space.
SIP(2)-71	Resurfacing of the cinder athletics track at Battlebridge Recreation Ground, Battlebridge Lane, Merstham with a synthetic surface.	10	17	10	10	47	Battlebridge Recreation Ground and the running track are owned by RBBC, and the bidding organisation uses the track under licence two evenings a week. However, due to the open nature of the site and maintenance liabilities, it has not been possible to agree the required level of maintenance of the track if it is re-surfaced (even if the funding required for maintenance for the whole of this SIP period is offered from CIL funding), due to potential for accidental damage and / or vandalism. The track cannot be fenced in unless a code control gate is installed with entrance codes given by an App, as it is within a public recreation ground.

Project Reference	Project Name and location	Supporting development in the borough (Maximum of 20)	Benefit to borough; its environment, economy and communities (Maximum of 20)	Deliverability (Maximum of 20)	Value for Money and Match Funding (Maximum of 15)	Total assessment score (Maximum of 75)	Commentary on "Qualitative considerations"
							Potential through annual SIP Reviews to consider a workable solution.
SIP(2)-72*	Replacement of floodlights at Battlebridge Recreation Ground, Battlebridge Lane, Merstham (Phase 2 - only when / if the running track has been re-surfaced, as Phase 1 already completed)	10	11	15	7	43	This would have been included in SIP(2) had 71 been included. The bidder will only undertake and maintain (at their expense) this project if bid SI(2)-71 is successful.

Should a solution be found to the maintenance issue, allowing SIP(2)-71 to be funded through an Annual SIP Review, this related project could also be re-considered. |
SIP(2)-73	Replacement of existing Salfords cricket club pavilion at Petridgewood Common, Woodhatch Road, Redhill with a new single storey timber cricket pavilion clubhouse (Project Phoenix)	9	9	11	11	40	
SIP(2)-74	Investment in a new Advanced Skills Technology Centre at East Surrey College, Gatton Point South, Redhill for the delivery of advanced and higher technology skills	14	15	6	7	42	The amount of CIL funding required as a proportion of that available in 2023-2027 is disproportionate to the benefits of the to the borough.
SIP(2)-75	Modular operating theatre at East Surrey Hospital	12	9	15	8	44	The amount of CIL funding required as a proportion of that available in 2023-2027 is disproportionate to the benefits of the project to the borough.

Annex 4 – Reigate & Banstead Community Infrastructure Levy Strategic Infrastructure Programme (SIP) 2023 - 2027

The Council's second SIP - SIP(2) - sets out RBBC's priorities for spending of strategic CIL funding to help deliver additional infrastructure or to improve existing infrastructure in order to support the development of the borough. This SIP(2) indicates which projects the Borough Council wishes to support with strategic CIL funds (around 80% of the CIL collected within the Borough), and confirms the Council's "in principle" allocations of strategic funding for the period 2023-2027.

Inclusion of an infrastructure project in SIP(2) is not a formal commitment by the Borough Council to fund that scheme.

CIL funding will be released to the relevant infrastructure delivery organisation broadly in line with the year(s) set out in the SIP, and subject to the infrastructure provider informing the Borough Council of project delivery progress at least twice a year.

Decisions on the timing of release of CIL funding will be based on the availability of strategic CIL funds; the stage in the project's delivery including requirements for planning permission, landowner consents and consultations; confirmation of availability of any match funding needed; receipt of copies of invoice(s) or signed contract(s) as required; and any other conditions specific to individual project funding allocations.

All infrastructure providers (except for RBBC Services) will also need to enter into a formal Spending Agreement with the Borough Council before funding is released.

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-01	New outdoor Multi-Use Games Area (MUGA) at Battlebridge Club	Battlebridge Sports Club, Redhill, RH1 2LD	Battlebridge Club	£25,000	71%	2023
SIP(2)-02	Horley Community Centre refurbishment and modernisation	Horley Community Centre, Regent House, Albert Road, Horley RH6 7JA	RBBC Place Delivery	£1,408,411	77%	2024
SIP(2)-03	Improvements to Horley Central Car Park, Consort Way	Central Car Park, Consort Way East, Horley RH6 7AU	RBBC Place Delivery	£120,000	35%	2023

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-05	New outdoor 3G Pitch at Merstham Park School	Merstham Park School, Taynton Drive, Merstham, RH1 3PU	GLF Schools (Registered Charitable company)	£500,000	50%	2023 – Funding release conditional on getting planning permission which must be subject to a planning condition requiring a "Community Use Agreement"
SIP(2)-07	Sports Centre Development	YMCA East Surrey, Sports and Community Centre, Princes Road, Earlswood, RH1 6JJ	YMCA East Surrey	£737,539	80%	2023 – Funding release conditional on getting planning permission
SIP(2)-08	Energy and carbon emissions reduction measures at two of R&B Council's Community Centres, at Banstead and Woodhatch	a) Banstead Community Centre, The Horseshoe, Banstead SM7 2BQ; and b) Woodhatch Community Centre, Whitebeam Drive, Reigate RH2 7LS;	RBBC Corporate Policy Manager & Property Services Manager	£368,883	100%	2023 & 2024 – £184,442 and £184,441
SIP(2)-09	Energy and carbon emissions reduction measures at three of R&B Council's small sites	a) The Pavilion, Priory Park, Bell Street, Reigate, RH2 7RL; b) Tattenham Recreation Ground Pavilion,	RBBC Corporate Policy Manager & Property Services Manager	£57,316	100%	2023, 2024 & 2025 – £19,106 each year

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
		Tattenham Way, Burgh Heath KT20 5NQ; c) Redstone Cemetery Mess Room, Philanthropic Road, Redhill RH1 4DG				
SIP(2)-10	Renewable (Solar) Energy infrastructure at nine RBBC buildings	a) Reigate Town Hall, Castlefield Road, Reigate, RH2 0SH b) Earlswood Depot, Horley Road, Redhill, RH1 6PN c) Banstead Community Centre, The Horseshoe, Banstead, SM7 2BQ d) Woodhatch Community Centre, Whitebeam Drive, Reigate, RH2 7LS e) Horley Community Centre (Regent House), Albert Road, Horley, RH6 7JA f) The Pavilion, Priory Park, Bell Street, Reigate, RH2 7RL g) Tattenham Recreation Ground Pavilion, Tattenham Way, Burgh Heath, KT20 5NQ	RBBC Corporate Policy Manager & Property Services Manager	£433,541	100%	Phased across the five years - £86,709 each year

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
		h) Redstone Cemetery Mess Room, Philanthropic Road, Redhill, RH1 4DG i) Reigate Hill Public Toilets, Reigate Hill, RH2 9PL				
SIP(2)-11	Redhill Memorial Park upgrade to play area and outdoor gym equipment	Redhill Memorial Park, London Road, Redhill	RBBC Greenspaces' Play and Projects Manager	£113,824	100%	2023
SIP(2)-13	Improvement of Horley Young People and Family Centre through the provision of a new outdoor recreational area on part of the adjoining surface car park, with buggy and cycle storage, games markings, soft landscaping and outdoor seating, access ramp to the building, and installation of an electric vehicle charging point in the remaining car park area.	Horley Young People and Family Centre, The Old Fire Station, Albert Road, Horley, Surrey RH6 7JA	YMCA East Surrey	£111,557	100%	2023 – subject to planning permission and new leases
SIP(2)-14	Improvements to the "Listed" air raid shelters at St Johns Primary School, Redhill to enable visits for educational, recreational and heritage purposes.	St John's Primary School, Pendleton Road, Redhill, RH1 6QG	RBBC Property Services	£50,000	100%	2023

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-15	Replacement or refurbishment and extension of Howard Close Sports Pavilion, Walton on the Hill	Howard Close Pavilion, Howard Close, Walton on the hill, Surrey, KT20 7QF	Walton Village Forum	£120,000	83%	2024 – Subject to planning permission not implementing the current pp
SIP(2)-16	80 Solar Powered "Big Belly" compaction litter bins in various locations in the borough	80 bins in various locations in the borough – replacing existing standard street waste bins	RBBC Head of Neighbourhood Services	£420,000	100%	2023
SIP(2)-17	Community safety improvements at Horley Recreation Ground by: 1) replacing the railings and extending them around the children's play area; 2) converting 10 street lamp heads in Horley Recreation Ground to LED lighting to improve energy efficiency, less environmental impact and cost-savings; and 3) installing a CCTV Tower to connect existing cameras to one central system controlled by Horley Town Council.	Horley Recreation Ground	Horley Town Council	£35,806	90%	2023

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-18	Sustainability improvements consisting of two electric vehicle charging points in the car park and building energy efficiency measures including double glazing, loft insulation and solar panels with battery storage, and construction of a ramp and side extension to provide more office space at Horley Town Council offices.	Horley Town Council, The Albert Rooms, 92 Albert Road, Horley, Surrey, RH6 7HZ	Horley Town Council	£391,000	96%	£106K in 2023, and £285K in 2024
SIP(2)-19	Improvements to Michael Crescent Centenary Park by upgrading the children's playground	Michael Crescent Centenary Park	Horley Town Council	£70,000	100%	2023
SIP(2)-20	Resurfacing the car park at Church Road allotments; and resurfacing the service road at Langshott allotments.	Church Road Allotments, Sangers Drive; and Langshott Allotments, Ladbroke Road, Horley	Horley Town Council	£28,170	90%	2023
SIP(2)-21	Providing disability access and improving the outdoor area at the rear of Salfords & Sidlow Parish Village Hall to increase its use.	The Village Hall, 5 Honeycrock Lane, Salfords, RH1 5DH	Salfords and Sidlow Parish Council	£37,000	100%	2023
SIP(2)-22	Horley subway improvement consisting of hard landscaping, drainage improvements, electrical installations, and soft landscaping to improve the connectivity across Horley Town Centre.	Subway under railway lines linking High Street and Station Road, Horley, RH6 7BN	RBBC and SCC	£234,000	27%	2023

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-23	Expansion of the specialist unit for children with SEND at Dovers Green School to provide 8 additional provision for children with SEND at Dovers Green School, Reigate.	Dovers Green School (Academy), Rushetts Road, Reigate, Surrey, RH2 7RF	SCC	£150,000	10.2%	2023
SIP(2)-24	Expansion of the specialist unit for children with SEND at St Matthews CofE Primary School, Redhill to provide 13 additional provision for Children with SEND.	St Matthew's CofE Primary School (Academy), Linkfield Lane, Redhill, Surrey, RH1 1JF	SCC	£80,000	10%	2023
SIP(2)-25	Expansion of Carrington School, Redhill, to provide to provide 40 additional SEND places for Woodfield Secondary School, Redhill	Carrington School, Noke Drive, Redhill, to operate as a satellite site for pupils at Woodfield School, Sunstone Grove, Merstham, Surrey, RH1 3PR	SCC	£330,000	11%	2024
SIP(2)-26	Expansion of Reigate Valley College, 82 Allingham Road, to provide 35 additional SEND school places on the school roll at Brooklands Primary SEND School, Alexander Road, Reigate.	Reigate Valley College, 82 Allingham Road (adjacent to Brooklands School's Alexander Road site) to serve children on school roll at Brooklands School, Alexander Road.	SCC	£300,000	20%	2024

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-27	Redhill Library Refurbishment Scheme, specifically for: - provision of two new meeting rooms (each accommodating 6 to 8 people) for councillor surgeries, to host pop ups of support organisations, and for business hire; - creation of flexible events space; - redesign of the reception area; - new flexible shelving; new IT work /study areas; and - increase in size of the children's library.	Redhill Library, Warwick Quadrant, Redhill, Surrey, RH1 1NN	SCC	£500,000	11%	2024
SIP(2)-28	Shelvers Way Tadworth Flood Alleviation and Public Realm Enhancement Scheme	Shelvers Way (KT20 5PY, KT20 5QQ, KT20 5QF), Shelvers Hill (KT20 5PU), Ashurst Road (KT20 5PX), junction of Shelvers Way and Hill View Close (KT20 5QB), junction of Shelvers Way and Epsom Lane South (KT20 5TB), Shelvers Spur (KT20 5PY), Tadorne Road (KT20 5TF), Fleetwood Close (KT20 5QL)	SCC	£500,000	25%	2023

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-29	A240 Shared Footway / Cycleway north of junction with B2221 Great Tattenhams / Tattenham Way and provision of a toucan crossing on two arms of the junction of A240 and B2221 Great Tattenhams.	A240 Reigate Road, Burgh Heath at its junction with the B2221 Great Tattenhams, KT20 5PE	SCC	£143,000	63%	2023
SIP(2)-30	A23 Brighton Road northbound bus lane between junction with Church Road, Earlswood and Mill Street, Redhill	A23 Brighton Road between its junction with Church Road, Earlswood and Mill Street / Hooley Lane, Redhill.	SCC	£134,000	15%	2024
SIP(2)-31	A23 Bonehurst Road southbound bus lane between junction with Salbrook Road and Cross Oak Lane, Salfords	A23 Bonehurst Road southbound between its junction with Salbrook Road and Cross Oak Lane, Salfords	SCC	£194,000	15%	2024
SIP(2)-32	A23 Brighton Road Bus priority infrastructure between junction with Brook Road and Mill Street / Hooley Lane	A23 Brighton Road between its junction with Brook Road and Mill Street / Hooley Lane, Redhill	SCC	£60,000	15%	2024
SIP(2)-33	Cycle Corridor between Redhill and Reigate: Phase 1 - Redhill station to A25 Station Road / Linkfield Lane roundabout (LCWIP Cycle Corridor 8)	Redhill station to the A25 Station Road / Linkfield Lane roundabout	SCC	£435,000	15%	2025

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-34	Active Travel Corridor (cycling and walking) between Horley station and Westvale Park: Phase 1 - Horley railway station to junction of Vicarage Lane and Lee Street (LCWIP Cycle Corridor 18 / Walking Corridor 16).	Horley station to junction of Vicarage Lane and Lee Street	SCC	£498,000	15%	2025
SIP(2)-36	Improvements to A23 junction with Three Arch Road and Maple Road, South Earlswood	Junction of A23 Horley Road, Three Arch Road and Maple Road, South Earlswood, RH1 5GS	SCC	£1,660,000	39.5%	2024
SIP(2)-38	Signage and Wayfinding for Horley High Street	Horley Town Centre, including High Street (RH6 7BB)	RBBC Place Delivery	£20,794	19%	2023
SIP(2)-39	Horley High Street Public Realm Improvements	High Street, Horley, RH6 7BB	RBBC Place Delivery	£370,200	18%	2023
SIP(2)-40	Merstham Recreation Ground refurbishment	Albury Road, Merstham, Surrey, RH1 3LW	RBBC Place Delivery	£787,042	29%	2023
SIP(2)-41	Mobile midwifery hub	RH1 5RH will be where the unit is stationed when not out in the community	Surrey and Sussex Healthcare NHS Trust	£100,000	100%	2023
SIP(2)-42	Refurbishment of the backstage area at Harlequin Theatre, Redhill	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	Reigate and Banstead Council and Harlequin Theatre and Cinema	£660,000	100%	2027

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
SIP(2)-43	Creation of a Community Gallery Space at Harlequin Theatre, Redhill	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre & Cinema	£165,000	100%	2024
SIP(2)-44	Creation of dance studio for hire at Harlequin Theatre, Redhill	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre and Cinema	£460,000	100%	2025
SIP(2)-45	Creation of a recording studio for hire at Harlequin Theatre, Redhill	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre and Cinema	£330,000	100%	2025
SIP(2)-46	Refurbishment of the Lower Foyer at Harlequin Theatre, Redhill	Harlequin Theatre, Warwick Quadrant, Redhill, RH1 1NN	RBBC and Harlequin Theatre and Cinema	£133,000	100%	2023
SIP(2)-48	Refurbishment of Council-owned tennis courts across the borough, including lockable gates and booking requirement (Option with Lawn Tennis Association funding)	Council-owned tennis court sites across the borough: Howard Close Recreation Ground, Walton on the Hill (1 court); Lady Neville Recreation Ground, Banstead (3 courts); Merstham Recreation Ground (1 court); Priory Park, Reigate (4 courts); Redhill Memorial Park (2 courts); Tattenham Recreation Ground (1 court); Woodmansterne	RBBC Greenspaces	£94,850	30%	2023

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
		Recreation Ground (3 courts).				
SIP(2)-50	Pond de-silting of five Council-owned watercourses across the borough at: Priory Park Pond, Reigate; Frenches Pond, Redhill; Earlswood Lakes, lower lake, Earlswood; Earlswood Common, upper lake, Earlswood; and Mere Pond, Walton-On-The-Hill.	Five Council-owned watercourses across the borough: Priory Park Pond, Reigate; Frenches Pond, Redhill; Earlswood Lakes, lower lake, Earlswood; Earlswood Common, upper lake, Earlswood; and Mere Pond, Walton-On-The-Hill.	RBBC Greenspaces	£500,000	100%	£100,000 each year of the SIP 5 year period
SIP(2)-54	Increase in the number of off-street parking spaces where needed at approximately 30 sites, including installing flood mitigation measures where needed at Raven Housing Trust blocks in the Borough that have at least 6 dwellings.	Raven Housing Trust blocks in the Borough that have at least 6 dwellings, and need more off-street parking and upgrades to parking provision and flood mitigation where needed.	Raven Housing Trust	£341,000	90%	2026 – Any amendment to project details and costs will be considered through annual SIP reviews, reflecting that this project was part of a wider bid
SIP(2)-56	Redhill High Street Public Realm improvements	New surfacing, street furniture, lighting and soft landscaping to enhance part of the pedestrianised High Street between	RBBC Place Delivery	£797,790	100%	2025 – subject to SCC agreeing the scheme details

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
		Maple Square and Cromwell Road				and maintenance
SIP(2)-59	Upgrading of the Mix Kitchen	The Merstham Mix Cafe, The Hub Community Centre, Portland Drive, Merstham, Surrey RH1 3HY	Merstham Community Cafe CIC	£100,000	100%	2023
SIP(2)-61	Conversion of one of the four outdoor 3G football pitches to a Multi-Use Games Area (MUGA) with new fencing, and replacement of floodlights with LEDs on the four outdoor pitches at Tadworth Leisure and Community Centre.	Tadworth Leisure and Community Centre, Preston Manor Road, Tadworth, KT20 5FB - 3G Outdoor football pitches	Greenwich Leisure Ltd (GLL) – Tadworth Leisure and Community Centre	£46,000	100%	2023
SIP(2)-64	Drainage improvements to Pitch 1 & 2	Reigate Rugby Club Grounds, Eric Hodgkins Memorial Ground, Colley Lane, Reigate RH2 9JN	Reigate Rugby Club	£117,099	80%	2024
SIP(2)-67	To install a Full Size Floodlit 3G Artificial Turf Pitch at Oakwood School, Horley	Oakwood School, Balcombe Road, Horley, RH6 9AE	Oakwood School	£100,000	10%	2023
SIP(2)-69	New security fencing, and a new car park to be located between the existing car park and tennis court to provide for increased use by the club and local community, associated with the conversion of the grass football pitch into a 3G synthetic turf pitch.	South Park Sports Association, Whitehall Lane, Reigate RH2 8LG	South Park Sports Association	£276,328	81%	2023 and 2024- £129,688 for fencing in 2023, and £146,640 in 2024 for additional car parking subject to getting planning

SIP Project Reference Number	Project Name	Project Location	Infrastructure Delivery Organisation	Maximum amount (£) of strategic CIL funding to be allocated	CIL offered as a % of project cost	Financial Year CIL funding to be likely to be released, and any specific conditions for its release
						permission for car park
SIP(2)-73	Replacement of existing Salfords cricket club pavilion with a new single storey timber cricket pavilion clubhouse (Project Phoenix)	Petridgewood Common, Woodhatch Road, Redhill, Surrey RH1 5JH	Salfords Cricket Club	£700,000	48%	2023

Signed off by	Head of Housing
Author	Penny Craig, Senior Development Manager
Telephone	Tel: 01737 276548
Email	Penny.Craig@reigate-banstead.gov.uk
To	Executive
Date	Thursday, 23 March 2023
Executive Member	Portfolio Holder for Housing and Support

Key Decision Required	Y
Wards Affected	(All Wards);

Subject	Local Authority Housing Fund

Recommendations

It is recommended that:

The Chief Finance Officer be authorised to:

(i)   **Agree to and sign the Memorandum of Understanding with DLUHC in order to secure grant funding from the Local Authority Housing Fund and comply with the associated terms.**

The Head of Housing be authorised in consultation with the Chief Finance Officer, Strategic Head of Legal & Governance, Executive Member for Housing & Support, Deputy Leader and Executive Member for Finance & Governance, and Executive Member for Investment & Companies, to:

(ii)   **Use up to £0.600 million of Local Authority Housing Fund (grant funding), to purchase and refurbish up to 4 properties, to be retained in the Council's ownership, for use as temporary accommodation and let to households that meet the criteria set out by DLUHC;**

(iii)   **Release up to £1.050 million from the Housing Delivery Strategy Revenue Reserve as match funding when purchasing the 4 properties that will be retained in the Council's ownership;**

(iv)   **Authorise a capital grant of up to £0.110 million, from the Housing Delivery Strategy Revenue Reserve, to partner Registered Providers (RPs), Raven**

Housing Trust and Mount Green Housing Association, to support delivery of 2 x 4 bed properties at an affordable rent level;

(v) **Obtain any necessary surveys, planning consents, quotes and tenders as required to carry out refurbishment work; and**

(vi) **Appoint and enter contracts as required, with legal advisors, consultants, suppliers and builders.**

The Head of Housing be authorised in consultation with Chief Finance Officer, Strategic Head of Legal & Governance, Executive Member for Housing & Support, Deputy Leader and Executive Member for Finance & Governance, and Executive Member for Investment & Companies, to:

(vii) **Enter into Memoranda of Understanding with partner Registered Providers, Raven Housing Trust and Mount Green Housing Association, to enable them to participate in the proposed purchase and refurbishment of properties under this programme, and to ensure delivery compliance;**

(viii) **Provide capital grants, funded from the Local Authority Housing Fund, to Registered Providers to enable them to assist with the delivery of the required properties.**

Reasons for Recommendations

To increase the Council's housing stock through the acquisition of homes to be let as temporary accommodation supported by the Department for Levelling Up, Homes & Communities' Local Authority Housing Fund grant scheme.

The initial lettings of the homes will be to households in need of settled accommodation who have arrived in the UK under one of the recent humanitarian schemes for Ukrainian and Afghan refugees.

The availability of this grant funding is time-limited, and support from partner Registered Providers is required to share the workload, risk and to ensure that the Council can comply with the deadlines set out by DLUHC.

Executive Summary

The Department for Levelling Up, Housing and Communities (DLUHC) is introducing a £500 million capital fund – the Local Authority Housing Fund (LAHF) – for local authorities in England to provide accommodation to families with housing needs who have arrived in the UK via the Ukrainian and Afghan resettlement and relocation schemes.

The fund is to support selected local authorities in England to obtain and refurbish properties to provide sustainable housing for those unable to secure their own accommodation who are here under these schemes. After the first letting of these properties to the target cohort, the properties will be available to be rented out by the Council, or by a Registered Provider (RP) with Council nomination rights, to meet local housing need.

It is proposed that the Council takes up the full allocation from DLUHC and delivers the required total of 12 properties via two routes:

- directly procuring up to 4 properties to be retained and let by the Council; and

- by allocating the remaining LAHF grant funding to RP partners to enable them to procure and let further properties.

The Council will be required to allocate match-funding from its own resources under the terms of the scheme.

Executive has authority to approve the above recommendations

Statutory Powers

1. Section 120(1) Local Government Act 1972 provides the power to acquire, any land inside or outside its area for the purposes of any of its statutory duties.

2. The Council can own up to 199 homes before the requirement to operate a Housing Revenue Account is triggered, the Council currently own 50, significantly below 199 and the Council is therefore still some way off this threshold.

Background

3. DLUHC has set out that their objective is to help fulfil the UK's humanitarian duties to assist those fleeing war. The allocation of LAHF funding will reduce the impact of new arrivals on existing housing pressures and ultimately create a legacy for domestic households by providing a new and permanent supply of accommodation for local authorities to help address local housing and homelessness pressures.

4. Local authorities that commit to delivering housing through this route, may choose the most appropriate delivery mechanism to achieve LAHF objectives and to bring on stream the accommodation as quickly as possible. This could include but is not limited to: refurbishing and or converting existing local authority owned residential or non-residential buildings; acquiring new build properties 'off-the-shelf', including acquiring and converting shared ownership properties; developing new properties, including modular housing on council owned land, and working with and supporting other organisations who want to offer accommodation for this cohort.

5. However, LAHF funding is dependent on properties being delivered by November 2023. To meet these timescales, the only delivery mechanism realistically available is to purchase open market "street properties" and undertake any necessary works to make them suitable for let.

Key Information

DLUHC Local Authority Housing Fund Allocation

6. DLUHC has allocated £1.500 million to this Council in 'main element' funding, representing almost 40% of the capital cost of the purchase of a minimum of 10 homes for eligible households that have resettled locally under one of the Ukrainian schemes or in need of resettling under one of the Afghan schemes.

7. The Council has also been allocated £0.658 million in bridging element funding, representing 50% of the capital costs of the purchase of 2 homes with a minimum of 4 bedrooms to assist in supplying accommodation for households being resettled under one of the Afghan schemes.

8. Therefore, in total DLUHC has allocated funding for the delivery of 12 properties in the borough.

9. Included within the capital funding is £20,000 per property to cover additional costs (such as overheads, refurbishment, furnishings etc).

Partnership Working with Registered Providers

10. DLUHC is encouraging Councils to utilise the support of partner registered providers (RPs) to assist with the delivery of LAHF properties.

11. Officers have held initial discussions with two partner RPs, Raven Housing Trust and Mount Green Housing Association who are both willing and able to support this project should approval be granted.

12. It is proposed that the Council directly procures, refurbishes, retains, and lets up to 4 properties, however it does not have the capacity to deliver the whole scheme of 12 homes without partners by the November 2023 deadline.

13. It is therefore proposed that the remaining 8 properties (including the 2 x 4-bedroom houses) be delivered by the partner RPs.

14. The number of properties directly delivered by the Council will however be kept under review. This will allow the Council to buy less than 4 properties if a partner RP is able to easily secure a greater number of homes or should the Council face staff capacity challenges. The partner RPs have agreed that they can work within this approach.

15. Delivery of the 2 x 4-bedroom houses is a mandatory part of the LAHF allocation. Should the Council not be prepared to, or be unable to deliver these homes, DLUHC will not provide the funding for the smaller homes. The 2 x 4-bedroom properties must be used to meet the 'bridging' element of the requirement for larger Afghan families. It is proposed that the two partner RPs procure one larger property each, to be let as secure tenancies. The Council does not have capacity or expertise to manage secure tenancies, only temporary and emergency unsecure tenancies.

16. Funding of up to £0.110 million for the RPs will be required to ensure that the larger 4-bedroom properties can be let at an affordable rental level as detailed in the Council's Affordable Housing Supplementary Planning Document. This affordable rent level will remain for all future lettings of the 2 x 4-bedroom properties.

Council Delivery

17. On top of LAHF grant funding, the allocation of a further £1.050 million from Housing Delivery Strategy Revenue Reserve will be required to meet the shortfall in the costs of acquiring and refurbishing the properties that are intended to be held by the Council.

18. To deliver 4 properties, officers will follow the processes that are currently being undertaken for the purchasing of Temporary Accommodation as approval by Executive in October 2022.

19. The 4 properties to be delivered directly by the Council would most likely be in Merstham, Redhill or Horley areas due to the comparatively lower property prices.

20. The level of refurbishment required, and costs will be dependent on the properties acquired and the extent of any remodelling necessary.

21. Houses will be targeted rather than flats where possible, due to the service charges and ground maintenance costs associated with flats, which increase longer-term operating costs.

The average service charges for flats that the Council currently owns are £1,100 per annum. However, if there is the opportunity to purchase good value flats within blocks owned by Raven Housing Trust then these will be considered.

22. Post-purchase improvements are likely to be necessary to ensure that the properties are suitable, energy efficient, compliant with health and safety specifications and in a decent condition. The LAHF grant funding allows £20,000 per property to be used for improvements and should the full £20,000 not be spent on one property it can be used to improve another.

23. The Council-owned Temporary Accommodation properties will be let at social rents, in accordance with the Council's rent policy that was adopted by Executive on 26 January 2023. The properties will be subject to survey and a comprehensive long-term programme of maintenance and investment, supported by annual rental income, will be established.

Options

24. Executive has four options:

Option 1 (Recommended Option) – Enter into Memorandum of Understandings (MoU) with DLUHC and with Registered Providers, Raven Housing Trust and Mount Green Housing Association.

Funding be released from Housing Delivery Revenue Reserve and the Council to purchase, refurbish and let up to 4 x two/three- bedroom properties to be used for the 'main' element of the LAHF scheme.

Enter into mirror MoU's with Raven Housing Trust and Mount Green Housing Association for them to provide the remaining required properties between them, including the 2 larger four-bedroom properties mandated by the LAHF. On-lend proportionate DLUHC grant funding to the RPs to allow them to do this.

Allocate funds held in the Housing Delivery Strategy Revenue Reserve to the RPs to allow the 4-bedroom houses to be let at an affordable rental level as detailed in the Council's Affordable Housing SPD.

Option 2 – Enter into the MoU with DLUHC only.

Funding be released from the Housing Delivery Strategy Revenue Reserve and the Council to purchase, refurbish and let all 12 properties (including the two-larger properties).

This strategy would be high-risk to the Council as it would be singlehandedly required to buy and refurbish all properties by November 2023, and does not have sufficient officer capacity to successfully deliver the programme if this option is pursued.

Also, the 2 x 4-bedroom properties will be let as secure tenancies which would require procurement of a Registered Provider to carry out the management; this would be an ongoing revenue cost and unachievable by the November 2023 deadline. The Council does not have the officer expertise to manage secure tenancies.

Option 3 - Enter into the MoU with DHLUC and with Registered Providers Raven Housing Trust and Mount Green Housing Association.

All funding to be passed onto to RP partners for them to deliver the full allocation of 12 properties.

This option is not recommended as RBBC would not utilise any of the benefit of its own planned property acquisitions.

Option 4 – Proceed with none of the options above.
By doing so RBBC or its partner RPs would not partake in an opportunity to receive grant subsidy to add to the local affordable housing stock nor support this Government initiative.

Legal Implications

25. The Council has made a non-binding submission to DLUHC indicating that it will be able to provide the 12 properties required.

26. The Council will be required to enter into a MoU with DLUHC to be authorised by the Council's Chief Finance Officer.

27. Should approval be given to on-lend the LAHF funding to RP partners, the Council will need to enter into mirror MoU's to ensure that its RP partners meet DLUHC requirements in terms of property suitability, monitoring and timescales.

Financial Implications

28. The 10 main element homes will be used to accommodate Ukrainian households that are eligible for housing through homeless legislation following the breakdown of either their sponsor arrangement or family reunion arrangement.

29. Provision of the homes will mitigate the cost of extended use of expensive nightly paid emergency accommodation for some households.

30. It is unknown at this stage how many of the current cohort will present themselves as homeless, but the Council is aware there are currently 91 Ukrainian households living in the borough with sponsors and that at least 40 of these placements will end by November 2023 requiring a rematch to another sponsor or a homeless application. There is little data on the number of family 'reunion households' that are living in the borough but the intelligence the Council does have suggests a minimum of 20.

31. The extra homes could save the Council up to £67,000 during year one, through reduced emergency accommodation expenditure and further savings year on year after.

32. In the event of any of the 10 properties being ready to let with no identified Ukrainian households for the property, an Afghan family from a 'bridging hotel' will be offered the tenancy. The Council is provided with revenue funding of over £20,000 per individual over three years as part of either the Afghan Citizens Resettlement Scheme and Afghan Relocation and Assistance Policy. In return for the funding, the Council have extra support duties to undertake; this will be agreed with the Council's Resettlement team.

    Housing Delivery Strategy Revenue Reserve Contribution

33. It is proposed that a contribution of up to £1.050 million from the Housing Delivery Strategy Revenue Reserve be used to support the Council's property purchases as part of this programme.

34. The balance on the Reserve is currently £19.079 million. As this Reserve has been established using historic revenue budget resources there is no associated borrowing requirement.

35. In addition, up to £0.110 million from the Housing Delivery Strategy Revenue Reserve will be used to provide funding support to the RP partners to allow them to rent the 4-bedroom houses at an affordable rent level.

Other Funding Contributions

36. DLUHC has directed that councils are not permitted to combine LAHF grant with Affordable Homes Programme grant or Right to Buy receipts.

Purchase Costs

37. The table below sets out the indicative costs for purchasing 2- and 3-bedroom houses in the lower quartile in the borough. It is anticipated that purchases will not be subject to stamp duty land tax, because the Council is entitled to an exemption as a registered provider in receipt of government subsidy.

Costs	Average 2-bed house £	Average 3-bed house £
Purchase Price	365,000	390,000
Valuation Fees	375	425
Survey Fees	925	925
Solicitor Fees	1,500	1,500
Refurb Fees	10,000	13,500
Furnishings	5,000	6,000
Total Cost per Property	**382,800**	**412,350**

Local Authority Housing Fund (LAHF) Grant

38. The table below sets out the grant funding to be distributed between the Council and its RP partners dependent on the quantity and size of homes purchased and refurbished.

39. It is based on the assumption that the Council will be directly purchasing and refurbishing four x 2- or 3-bedroom properties costing up to £0.412 million per property, totalling a maximum of £1.649 million. The LAHF grant for the Council's proposed proportion will be £0.600 million leaving a shortfall of £1.050 million to be match-funded via the Housing Delivery Revenue Reserve. If properties of a lower value are purchased by the Council, then any underspend of will be returned to the reserve.

40. The remaining DLUHC grant funding will be divided between the two RP partners to reflect the required grant allocation for their respective property purchases.

Funding Summary	2-bed estimate £	3-bed estimate £	4-bed estimate £
Main Element	130,000	130,000	
Bridging Element			309,110
Supplementary Funding	20,000	20,000	20,000
Total Grant funding	**150,000**	**150,000**	**329,110**
Total Grant Funding 2-beds (assuming 5 x 2 beds)	750,000		
Total Grant Funding 3-beds (assuming 5 x 3 beds)		750,000	
Total Grant Funding 4-beds (assuming 2 x 4 beds)			658,220
Total grant funding			**2,158,220**

Anticipated LAHF Funding Allocation[1]	RBBC £	First RP £	Second RP £	Total £
	600,000	779,110	779,110	2,158,220

1. LAHF allocation will be variable depending on the number of properties delivered by each partner.

Equalities Implications

41. No negative implications have been identified. There are many positive benefits for several groups with a protected characteristic. These proposals have the benefit of being located in the borough where all essential services and support services can be accessed easily.

Communication Implications

42. There are no communication implications

Environmental Sustainability Implications

43. The Properties that are considered for purchase will be existing buildings therefore little is known at this stage about their energy efficiency properties.

44. Three major considerations will be taken into account:
    (i)   What additional scope 3 emissions will be added to the council's current carbon footprint through the acquisition of these properties and how can they best be mitigated?
    (ii)   What measures will best ensure that the properties are efficiently heated and that costs of doing so are kept to a minimum in light of increasing energy costs and the volatile state of the energy market?
    (iii) Will the buildings be subject to any specific impacts relating to climate change (such as heat waves and flooding) and what adaptive measures can be adopted to reduce or avoid such impacts?

45. The best way to ensure that the above considerations are addressed is to inspect each property and assess what works, if any, are required to futureproof the buildings both in terms of climate change mitigation and adaptation, keeping in mind the Council's aim to be net-zero for scope 3 emissions as soon as possible after our 2030 target for being net zero against scopes 1 and 2.

Risk Management Considerations

46. Property prices in this area are high and buying homes, rather than building them, can be expensive however this is a proven approach to securing homes quickly.

47. The rising costs of materials will create a challenge when budgeting refurbishment work, this will be mitigated to an extent through a full survey prior to purchase.

48. In order to best meet the targets set by DHLUC the Council propose sharing the property purchasing programme between RBBC and two partner RPs.

49. Within the MoU the Council will be required to monitor and report on milestones to DHLUC. Regular communication with DHLUC will be used to flag any challenges being encountered in the delivery of this programme.

50. A mirror MoU will be entered into between the Council and the RPs to ensure that they comply with the requirements set out in the original MoU between the Council and DHLUC.

Consultation

51. Executive Members have been consulted.

Policy Framework

52. Our Vision: This project helps to meet our vision to make the borough a great place to live, work in, do business in and visit.
53. People Objective: This project helps us to meet our objective to deliver homes that can be afforded by local people and provides a wider choice of tenure, type and size.

Background Powers

54. None.

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Signed off by	Head of Neighbourhood Operations	
Author	Katie Jackson, Environmental Health Manager	
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To	Executive	
Date	Thursday, 23 March 2023	
Executive Member	Portfolio Holder for Neighbourhood Services	

Key Decision Required	Y
Wards Affected	(All Wards);

Subject	Retender of Home Improvement Agency and Handy Person Services

Recommendations

That the Executive:

    (i)   **Approves the procurement by retender of Home Improvement Agency and Handy Person Services;**

    (ii)   **Approves the award of the contract by the Head of Neighbourhood Services in consultation with the Strategic Head of Legal & Governance and Chief Finance Officer, in accordance with the outcome of the procurement process.**

Reasons for Recommendations

The current Home Improvement Agency and Handy Person Services (HIA and HPS) contract is due to expire in January 2024 at the end of a full 5 year term, and so requires retender. The Council's Contract Procedure Rules (CPR's) govern all procurement activity and set the threshold values for the authority to procure and award contracts. The HIA and HPS contract is worth at least £0.600 million over 5 years and as such requires Executive authority to award. In practical terms, the contract award flows from the outcomes of the procurement process, and so Executive agreement is sought at the outset to undertake the procurement including the award of the contract in due course.

Executive Summary

The Home Improvement Agency and Handy Person Service contract has been outsourced for many years, and was most recently retendered in 2018. It is due to expire in January 2024 at the end of a full 5 year term, and so requires retender during 2023. The Council's CPR's govern all procurement activity and set the threshold values for the authority to procure and award contracts. The HIA and HPS contract is worth at least £0.600 million over 5 years and as such requires Executive authority to award. In practical terms, the contract award flows from the outcomes of the procurement process, and so Executive agreement is sought at the outset to undertake the procurement including the award of the contract in due course.

Since 2018, HIA and HP services have been delivered by Millbrook Healthcare Limited on behalf of Reigate and Banstead Borough Council and Mole Valley and Tandridge District Council's, operating under three separate contracts with the three Council's, following a joint procurement. All three Council's wish to repeat the joint procurement and continue the jointly operated but separately contracted service model. Tandridge District Council will be the procurement lead.

HIA and HP services enable those in need of support to maintain their independence in their home for the foreseeable future, and to help them to live in a warm, weather tight, safe and secure home, contributing to improved quality of life, health and wellbeing. Services are primarily used to assist older or disabled people or people on low incomes with additional needs to retain their independence, and are tenure neutral. They are a key part of the provision of mandatory Disabled Facilities Grants (DFG's), and align closely with the themes and priorities of the Council's Five Year Plan, 'Reigate and Banstead 2025', in particular our objective to provide targeted and proactive support for our most vulnerable residents.

Outsourced provision of these services is most economical for the Council, which is able to achieve some economies of scale and greater resilience through the use of a shared service provider. The alternative to retendering would be to bring the services in house and deliver them directly, but this would require significant revenue budget growth and the creation of an entire new team to deliver services that there is no current experience or resource for. TUPE of the current service providers staff would also be required.

Executive is asked to agree the procurement by retender of HIA and HP services, to allow continued provision of these key services for vulnerable people. There are legally required timescales for certain parts of the procurement process, for example notification of the outcome to bidders. It would not be feasible to return to Executive to seek agreement to award the contract part way through the procurement process, as this could not be achieved within the necessary time limits. Agreement is therefore sought in advance in recognition that the outcome and therefore choice of provider, will flow from the robust procurement process.

Executive has authority to approve the above recommendations

Statutory Powers

1. Council procurement is governed by the Public Procurement Regulations 2015. These regulate the purchasing by public sector bodies of contracts for goods, works

and services. Contracting authorities must, in general, meet their contractual requirements by means of an advertised competitive contract award process that is based on objective, relevant and proportionate criteria. They must treat bidders equally and without discrimination, and act in a transparent and proportionate manner. The Council's CPR's are followed to ensure these principles are applied to all Council procurement.

2. The services to be retendered include delivery of mandatory grants. The Housing Grants, Construction and Regeneration Act 1996 requires the local housing authority to administer grants to provide adaptations and facilities in the homes of disabled people. The terms under which these mandatory Disabled Facilities Grants (DFG's) may be given are set out in the legislation. This includes physical and financial eligibility criteria for applicants and criteria on what adaptations may be funded by the DFG.

3. The DFG is a means tested capital grant which can contribute towards the cost of adapting a home, for example by installing a stair lift, creating a level access shower room, widening doorways, providing ramps and hoists or creating a ground floor extension. The DFG is a mandatory grant, which means that it is a legal requirement for local authorities to provide help to people who meet the eligibility criteria.

Background

4. The HIA & HPS contract has been outsourced for many years, and was most recently retendered in 2018, at which time the contract was taken over by the current provider Millbrook Healthcare Ltd ('Millbrook'). This followed a major procurement exercise, conducted jointly with Mole Valley and Tandridge District Council's to secure a common service provider, operating under three separate contracts with the three Council's.

5. The full contract term was 5 years and is due to expire in January 2024, so it is necessary to retender during 2023. All three Council's wish to continue the joint procurement and jointly operated but separately contracted service model, which has worked very well over the last 4 years. While Reigate and Banstead Borough Council were the lead authority on the procurement process in 2018, this time Tandridge District Council have offered to be the procurement lead.

6. Due to the high value of the contract and the fact that any change of provider would involve a number of staff in TUPE arrangements, the procurement has a long lead time and would also require potentially require a long handover and implementation period. It is thus necessary to begin the process early in 2023, to ensure all stages are completed in sufficient time.

7. One of the key 'Lessons Learnt' from the 2018 procurement, was that it was very difficult to complete an effective handover of provider in December – January. Consideration is therefore being given to seeking a short extension to the current, final term, so that it ends on 31st March 2024, rather than the current 8th January 2024. This will be progressed in due course by means of a contract variation, subject to all parties agreeing. This potential extension would not however affect the overall procurement timetable.

8. When the services were last tendered in 2018, the value was such that the tender was required to be published via the Official Journal of the European Union (OJEU). Since the Brexit transition period ended on 31 December 2020, the OJEU ceased to

apply to UK organisations, and so the tender will instead need to be published via the UK 'Find a Tender' service.

Key Information

Home Improvement Agency and Handy Person Services

9.   Both Home Improvement Agencies (HIA's) and Handy Person Services (HPS) have the overall aim of enabling those in need of support to maintain their independence in their home for the foreseeable future, and to help them to live in a warm, weather tight, safe and secure home, contributing to improved quality of life, health and wellbeing. Services are primarily used to assist older or disabled people or people on low incomes with additional needs to retain their independence, and are tenure neutral.

10. An HIA achieves these aims by supporting people throughout the repair, adaptation or improvement process. This can include the direct provision of repair and maintenance services, preventative initiatives, and providing advice on accessing appropriate, including private, finance or alternative accommodation and housing options. A core function is managing the DFG process.

11. Most people, regardless of age or disability, prefer to remain living in their own homes for as long as possible. However, a person's home sometimes becomes unsuited to their needs because it has fallen into disrepair or because the occupier gains a disability. Unfortunately, organising the necessary repairs or adaptations to unsuitable homes can often be a complex and distressing experience for older and disabled people. An HIA can help people face these problems by offering the level of support required by vulnerable occupiers to organise the financial and practical details from start to finish. This may range from relatively simple adaptations such as installation of a stairlift or level access shower, to major adaptation of a property, often costing tens of thousands of pounds.

12. Handy Person Services carry out basic repair, improvement or adaptation tasks to support independence in the home. These services aim to prevent accidents and illness which could result in admission to hospital and facilitate early discharge from hospital for in-patients and prevent readmission. HPS also undertake appropriate assessments of a client's wellbeing in order to determine where they may be signposted to access other relevant services.

13. Millbrook currently provide both HIA and HPS for the Council and the procurement process would again seek a single supplier to provide both service elements.

The Council's Role in Housing Assistance

14. The Council itself is directly involved in the provision of housing assistance services at a number of stages, with this function sitting within Environmental Health. At a strategic level, the Council sets the policy direction for the level of discretionary assistance that is offered, via the Housing Assistance Policy. The HIA and HPS contract is managed by the Environmental Health Manager, including performance monitoring and onward reporting to SCC and LJCG's.

15. The Council must also complete annual returns on DFG activity to the Ministry of Housing, Communities, and Local Government. This includes information on

timescales for delivery, which is impacted directly by the operation of the HIA provider, and is a key focus of the contract management process. The Council holds the DFG budget and is responsible for managing the spend on this and ensuring it is used correctly and in accordance with the terms of the grant determination.

16. On an operational level, the Council has a 1 FTE Housing Improvements Officer. This role is responsible for processing incoming grant applications from Millbrook for approval by the Council, for processing and payment of grant monies and fees on completion of the works, and for liaison with Millbrook on case queries throughout the process. This will focus on the application of the Housing Assistance Policy and grant legislation to the circumstances of cases i.e. advising if something is eligible for funding or not. The retender would not change any aspects of the service that the Council itself delivers.

Role of Surrey County Council in HIA and HPS

17. Surrey County Council (SCC) commission each of the Surrey Council's to provide HIA & HPS services in their areas, and provide some funding towards this provision. This is covered by Service Level Agreements which set out the service scope, eligibility criteria etc as a baseline. Under the terms of the agreement, quarterly monitoring returns are provided to SCC, and in the case of the HPS return, to the Local Joint Commissioning Groups (LJCG's). This is because HPS is considered to be a key component of Better Care Fund strategy to commission a range of prevention and early intervention services across Surrey and as such performance and activity reports are scrutinised and reviewed by LJCGs. The commissioners wish to ensure access to a consistent, high quality handyperson service across all of the districts and boroughs in the County.

18. The other key aspect in which SCC are involved in the HIA and HPS is through the work of the Occupational Therapy teams in both Adult Social Care and the Children with Disabilities teams. The Occupational Therapists (OT's) assess client needs and make recommendations, which in the case of Major Adaptations, are progressed as potential DFG's. OT's submit their reports to the HIA, who then make contact with the client to assess financial eligibility for grant assistance and to start the grant process. Liaison with the OT's is a key part of the DFG process, and is primarily done by the HIA on a day to day basis.

19. If Major Adaptations are not required, the OT's may still refer clients to the HPS, and particularly to the Safe and Secure Grant, a Reigate and Banstead Borough Council scheme providing up to £3,000 of handy person works to eligible clients, which can provide smaller scale works.

Outsourced Services

20. The HIA & HP service has been outsourced for many years, with the last procurement exercise completed in 2018. It is considered that this arrangement is the most effective and economical way for the Council to deliver these essential services, as to deliver them directly would require the creation of an extensive new team and support infrastructure, also involving legal and financial work e.g. the creation of client-contractor contracts and invoices.

21. The key personnel required to provide the necessary range of services are an Agency Operations Manager, Case Worker(s), Technical Officer(s), Handy Person

plus administrative support. There are currently 9.5 full time equivalent staff engaged on this contract serving the three Council's. The main elements of the DFG process, which is the mainstay of HIA work, include;

- assisting service users with grant applications

- carrying out financial means testing

- drawing up schemes of work to meet the identified needs of the client

- preparing drawings and specifications

- tendering the larger jobs to approved contractors

- selecting and project managing contractors

- checking and signing off completed work

- preparing invoices from contractors and for technical fees

22. This range of work requires a wide skill set and considerable experience. Using an outsourced provider who is a specialist in HIA and HPS means that this challenging and important work is delivered by subject experts. In the case of the current provider, this is a national company with the benefit of peer support from its other HIA branches.

23. The contract was jointly procured with Mole Valley and Tandridge District Council's in 2018, to increase the attractiveness to potential bidders, by allowing them and the commissioning Councils to achieve some degree of economy of scale. Although each Council has its own contract, the service is jointly contract managed and all three Contract Managers strive for consistency across the geographical areas covered, notwithstanding that there are differences between the Housing Assistance Policies of each Council. This degree of cooperation, support and service resilience has been invaluable in managing what is a wide ranging and sometimes challenging service, and is something that is strongly desired to continue.

Options

24. Executive has the following options:

Option 1: Agree the recommendation to approve the procurement by retender of Home Improvement Agency and Handy Person Services, including the award of the contract, in accordance with the outcome of the procurement process. This is the **recommended option;**

Option 2: To not agree the recommendations. This would mean that the Council would be unable to continue to provide these services once the current contract expires in early 2024 and is therefore **not recommended.**

25. Rationale:

Option 1: approve the procurement by retender of Home Improvement Agency and Handy Person Services, including the award of the contract, in accordance with the outcome of the procurement process – this is the recommended option. The services provided by an outsourced HIA and HPS could continue to operate, and the Council's Contract Procedure Rules would be met, as the procurement process would have the appropriate Executive authority to proceed and to award the contract.

Option 2: not to approve the procurement by retender of Home Improvement Agency and Handy Person Services, including the award of the contract, in accordance with the outcome of the procurement process. The procurement cannot take place without Executive agreement, and without procurement the services would not be able to be provided once the current contract term expires.

Legal Implications

26. The Council's CPR's govern all procurement activity and set the threshold values for the authority to procure and award contracts. The Home Improvement Agency and Handy Person Services contract is worth at least £600,000 over 5 years and as such requires Executive authority to award. In practical terms, the contract award flows from the outcomes of the procurement process, and so Executive agreement is sought at the outset to undertake the procurement including the award of the contract in due course.

27. There are legally required timescales for certain parts of the procurement process, for example notification of the outcome to bidders. It would not be feasible to return to Executive to seek agreement to award the contract part way through the procurement process, as this could not be achieved within the necessary time limits. Agreement is therefore sought in advance in recognition that the outcome and therefore choice of provider, will flow from the robust procurement process.

28. The Council has a statutory duty under the Housing Grants, Construction and Regeneration Act 1996 to provide adaptations to those who qualify for a DFG. The continued provision of HIA services is an integral part of this process, as it is a complex system and the vast majority of applicants require the assistance of the agency to turn the OT's recommendations into a scheme of works and obtain and manage suitable contractors etc.

29. The funding provided by SCC and the Local Joint Commissioning Groups to commission HIA and HPS services is contingent on these services being delivered by the Council in accordance with the Service Level Agreements. If the Council did not provide these services via an outsourced provider, it would need to provide them directly instead.

30. The procurement exercise will need to consider and apply the Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended), known as 'TUPE', if there is a change of provider. When the contract was last tendered in 2018, at which time there was a change of provider, a number of members of staff were TUPE'd into Millbrook Healthcare Ltd. The potential transfer of the current providers staff would need to be handled appropriately and sensitively throughout the procurement process.

Financial Implications

31. The contract for provision of HIA and HPS currently has an annual capital budget of £0.120 million. This is paid as a quarterly block fee and covers part of the running costs of the agency i.e. premises, staff and operational costs. The contract price has been fixed at £0.120 million per year since inception in 2018.

32. It is anticipated that during retendering the contract price will need to increase, based on there having been no changes made in 5 years. It is not yet known exactly what

the new contract price will be, but a reasonable assumption is considered a 10% increase, broadly in line with current rates of inflation. This would potentially add £12,000 to the £0.120 million budget annually, i.e. £0.132 million per year.

33. Capital Programme growth for 2023/24 has been approved to cover an anticipated increase to the contract cost affecting the 4th quarter of 2023/24 i.e. January – March 2024. This is because the current contract is due to expire in January 2024 and so a new contract price may well affect the last quarter of 2023/24. It was highlighted in that submission that it was anticipated that a further growth bid will be submitted during the 2024/25 Service & Financial Planning process, to cover the anticipated increase to the contract price once this has been established during 2023.

34. SCC provide part of the funding for provision of HIA and HPS. Currently this is £32,572 annually for HIA and £30,993 annually for HPS, £63,565 in total. The Service Level Agreement states that Councils should consider efficiency gains including collaboration with other neighbouring services in the form of 'cluster' arrangements. The jointly procured and managed service with Mole Valley and Tandridge District Councils is in line with this approach and has allowed for some economy of scale e.g. Millbrook currently utilise two Technical Officers between three Council's, while the three councils would all need one each if they did not operate a 'shared' provider.

35. In addition to the block fee element, HIA's also charge a technical fee element on DFG's that they manage. Under the current contract, this is 15% of the value of each DFG and is paid for out of the DFG allocation. DFG's and the vast majority of the Council's housing assistance programme, are funded by the government allocation ringfenced for this purpose, the Better Care Fund, Housing Capital Grant.

36. This is a combined fund provided by the Department for Levelling Up, Housing & Communities and the Department of Health and Social Care, to enable councils to assist residents to access housing improvements and adaptations, which will enable them to live independently at home, for as long as possible. This Council received a Better Care Fund grant of £1,286,692 in 2022/23, and expects to receive the same amount in each of the next two financial years.

37. Under the terms of the grant determination, it is allowable to use it for the payment of the technical fee element, but it is not possible to use it to fund the block fee element. This is therefore a Council cost, supported by the partial funding from SCC.

38. The alternative to retendering the HIA and HPS contract would be to take provision of all of these services inhouse and provide them directly. This would cost substantially more than the contract annual cost, in terms of salaries and on costs of the necessary new personnel. To deliver the full range of services in house would require employment of an Agency Manager, Case Worker, Technical Officer and Handy Person plus a Business Support Officer.

39. Some of these might need to be TUPE'd from the current service provider and although their current salary costs are not known, basing costs on equivalent Council staff grades and considering information available from the 2018 TUPE, it is calculated that with on-costs this could add around £211,500 a year to the revenue salary budget. The addition of a whole new team and service function would also require additional operational revenue budget, including for purchase of a new

software system to manage the casework requirements. Additional office space would also be required to accommodate a new team.

40. On top of the basic staff costs, the handy person service would require the operation of a new additional van, estimated to cost around £6,500 per year (based on current costs of operating a Cleansing service van). Materials would also need to be purchased and workshop space found for storage of materials and equipment. This would all require further operational budget.

41. There are no opportunities to operate an in-house shared service with neighbouring Councils, as both Mole Valley and Tandridge District Councils have confirmed their intention to continue with an outsourced provider.

42. Continuing with an outsourced provider removes the requirement for substantial revenue budget growth and would avoid needing to accommodate a large new team and associated vehicle and equipment, all of which would have new, additional costs for the Council.

Equalities Implications

43. An Equalities Impact Assessment has been completed and the proposals would have an overall positive impact, particularly for those with the protected characteristics of age and disability, as well as in relation to deprivation, which is considered as an additional vulnerability.

44. If accepted, the proposals will assist vulnerable residents (including those with protected characteristics, such as the elderly and those with disabilities) to live independently and are likely to result in lower numbers of emergency hospital admissions for older and disabled people, due to falls and other accidents. Acceptance of the proposals will have no negative impacts on any group in the community, but rather the opposite.

Communication Implications

45. There would be limited communications implications for the retender itself, as the procurement process would run in parallel to the continuing day to day operation of the current services. The procurement process has its own requirements regarding communication with potential bidders and these would be followed at all times, but would not involve the Council's Communications team or the wider community.

46. If the outcome of the procurement was to be a new service provider, this would require a communications strategy as part of the handover and implementation process, to ensure all existing partners e.g. SCC OT's, clients and suppliers were kept informed of what was happening and how the changeover would work. The outcome of the procurement process cannot be known at this stage, but all bidders would be asked to provide details of how they would manage any transition and implementation phase, including wider communications, as part of the tender submission for evaluation.

Environmental Sustainability Implications

47. The HIA and HP service contributes towards sustainability objectives by supporting vulnerable residents to adapt and improve their homes, which can include energy efficiency improvements via the Small Works Assistance programme, contributing to a reduction in carbon emissions from the borough's housing stock.

48. Potential service providers physical location will be considered as part of the procurement process, to ensure that they are situated locally, so as to be convenient for the home visits that are a requirement of this type of service, and to minimise the environmental impact of such travel. However we will not restrict the bids to suppliers based in their local area as this would contravene the Procurement legislation.

Risk Management Considerations

49. Failure to retender in sufficient time or the failure of the procurement process would be a significant risk for the Council. The services provided, particularly provision of DFG's, are statutory services and cannot be sourced elsewhere or at short notice. In addition, vulnerable clients rely on there being a professional HIA in place to manage their grants and the home improvement process, and the absence of this service would cause real hardship and practical difficulties for many clients.

50. This would expose the Council to escalated complaints, including potentially to the Local Government Ombudsman, and to withdrawal of funding from SCC if the services were not being adequately delivered.

51. These serious risks can be avoided by confirming that the procurement process may proceed and by following all due diligence and professional advice during the actual procurement process. On this occasion, the joint procurement is being led by Tandridge District Council, with officers from both Reigate and Banstead and Mole Valley Council's on the Procurement Project Board. A full project plan is being developed, including Risk Register and Key Milestones, and regular Project Group meetings are scheduled to ensure the process runs smoothly and to time.

Human Resources Implications

52. If the procurement process is approved to proceed, there are no other implications identified.

53. If it was not approved (not recommended), there would be significant staffing and human resource implications, as the Council would need to arrange an alternative model of service provision by bringing the services back in house and providing them directly. This would involve TUPE of a number of the current service providers staff, so would need substantial Legal and Human Resources support.

Consultation

54. There has not been any formal consultation with partners or stakeholders regarding the proposal to retender the services. The services have been delivered by an outsourced provider for more than 10 years and like all contracts are subject to expiration dates which require them to be retendered periodically. This in itself is not a matter which can be influenced by external partners.

55. During the procurement process, there will however be engagement with all relevant stakeholders. This has already started with the current service provider, who is aware

that the contract is due to expire in January 2024 and that the Council's must undertake a retender doing 2023. The current provider has indicated their clear desire to bid to retain the contract.

56. The Project Board will also engage and consult with SCC, to ensure that the service specifications continue to meet the requirements of their Service Level Agreements for provision of funding. There is regular communication with the OT services, and this will include ensuring that they are kept appraised of the progress of the procurement process. This would become particularly significant if there was to be a change of provider, as the transition and implementation process would require close collaboration with the OT's.

57. The Project Board will also engage and consult with Foundations, the National Body for Home Improvement Agencies, operating under contract to the Department of Levelling Up, Housing and Communities to oversee a national network of nearly 200 Home Improvement Agencies (HIAs) and handyperson providers across the country. Through their Regional Advisor, the Board will be able to seek advice and opinion on the service specifications etc. Such input was invaluable during the last retender in 2018.

Policy Framework

58. The retender of the HIA and HP services is well aligned with the themes and priorities of the Councils Five Year Plan, 'Reigate and Banstead 2025'. In particular the objective to provide targeted and proactive support for our most vulnerable residents, which states that the Council will assist vulnerable residents to remain in their homes and avoid problems such as social isolation and fuel poverty, through early assistance and the provision of advice, grants and other financial support. The continued delivery of HIA and HPS fulfils these objectives.

59. It is also aligned to the objective of being a financially self-sustaining Council. Continuing with the delivery of services via an out-sourced provider is less costly to the Council than delivering them directly, which would incur significant revenue budget growth and remove the current economies of scale of a shared service.

Background Powers

1. Corporate Plan 2025 - https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025

2. Equality Impact Assessment

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Equality Impact Assessment

Why do I need to consider equality issues?

Under the Equality Act 2010, as a public authority, we have a duty to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a protected characteristic and people who do not share it
- foster good relations between people who share a protected characteristic and people who do not share it

> **"As a public body, it is important that everyone who needs to can access our services."**

The term 'protected characteristic' covers age, disability, gender reassignment, pregnancy and maternity, race (including ethnic or national origins, colour or nationality), religion or belief, sex, and sexual orientation. If we fail to consider how a proposal could affect different groups in different ways, it is unlikely to have the intended effect. This can contribute to greater inequality and poor outcomes.

The Equality Duty applies to all the decisions made in the course of exercising the Council's public functions. It applies to service provision and also internal operations and is a legal obligation.

In addition to this, the Council has specific Equality Objectives for 2020 to 2024 relating to:

- Using data and local intelligence better
- Supporting good community relations
- Accessible information and services
- Working for the Council

> **When formulating, reviewing, planning or providing services or policies, the Council needs to demonstrate that it has assessed the impact of any changes on people who are protected under the Equality Act, and that it has taken steps to remove or minimise any harm that it has identified.**

More information about our objectives, and the Equality Act, can be found at www.reigate-banstead.gov.uk/equality.

Stage 1: Relevance Screening

> **"Do not leave the Equality Impact Assessment to the last minute!"**

If you are considering changes to a service, a new or updated strategy or policy, or starting a new project, and people will be impacted by those changes in any way, you need to think about equality issues as part of the process.

The first stage should be to complete a Stage 1 Relevance Screening. This will allow you to assess the relevance of your proposal to equality and determine whether a full Stage 2 Equality Impact Assessment is required.

Your service area is responsible for carrying out Equality Impact Assessments and monitoring the ongoing impact of proposals. Please contact Cath Rose, Head of Corporate Policy, if you have any questions about the Equality Impact Assessment process, and suggestions about how it could be improved, or would like any assistance in completing the template.

Stage 1: Relevance Screening

1. Introduction

1.1 Service:	Neighbourhood Services
1.2 Name of proposal, policy, strategy or project being assessed:	Retender of Home Improvement Agency and Handy Person Services
1.3 This is:	A change to an existing activity (including ceasing that activity) *If other, please specify:* The services have been outsourced for many years, but the need to retender means that there may be a change of service provider.
1.4 Completing officer's name:	Katie Jackson
1.5 Date Screening completed:	01/02/2023
1.6 Signed off by:	Head of Service name: Morag Williams Date: 01/02/2023

2. About the proposal

** Note that the term 'proposal' is used here to include any new services proposed for introduction, changes to an existing service, withdrawal of an existing service, any new policy or strategy or change to an existing policy or strategy, and any project **

2.1 What is the main purpose of the proposal?
Please explain in one or two short paragraphs
The proposal is to retender the Home Improvement Agency and Handy Person Service contract. The outcome of the procurement process may be a new service provider or it may be that the current provider retains the contract and continues delivery. While the services being delivered will remain substantially the same under the new contract, the retender does present the opportunity to modify and update the service specifications and performance indicators, so certain aspects may be amended, which may affect service delivery and service users.

2.2 Why is it being introduced / reviewed / changed now?
This could be, for example, because of new government legislation or guidance, because of changing service user needs, or for financial reasons.
The Home Improvement Agency and Handy Person Service contract has been outsourced for many years, and was most recently retendered in 2018. It is due to expire in January 2024 at the end of a full 5 year term, and so requires retender during 2023. The Council's Contract Procedure Rules (CPR's) govern all procurement activity and set the threshold values for the authority to procure and award contracts. The HIA and HPS contract is worth at least £0.600 million over 5 years and as such requires Executive authority to award.

2.3 Who could be affected by your proposal?		
This could be, for example, because of new government legislation or guidance, because of changing service user needs, or for financial reasons.		
a. Will the proposal introduce a change which will affect how services or functions are delivered?	Yes	*If yes, please identify which group(s):* More than one of the above

b. Will the proposal affect people - service users, employees or the wider community?	Yes	*Please briefly explain your answer:* If there is a change of service provider as a result of the retender, this will impact service users, the staff of the current service provider, to whom TUPE will apply, and staff working on these services at the Council and at Surrey County Council e.g. the Occupational Therapy teams, who are closely involved in the provision of housing assistance services delivered by this contract. If there is no change of service provider, the retender still presents an opportunity to seek continuing service delivery improvement, which would be beneficial to all parties mentioned above.

3. Assessment of relevance

3.1 Who is the intended audience or target group(s) for the proposal and/or which group(s) of people might be affected?
Internal audience or group: Staff within one specific team (please specify below)
External audience or group: Multiple (please specify below)
If other or multiple, please specify. Local residents who use the services delivered by this contract, partner agencies such as Surrey County Council and the current service provider, Millbrook Healthcare Limited.
Please provide more details about the target audience or affected group(s), for example how many people will be affected and the likely extent of the impact: Internally, the retender will affect staff dealing with housing assistance work i.e. the Environmental Health Manager and Housing Improvements Officer. This includes the impacts of undertaking the large scale procurement process and also impacts subsequently arising from a potential change of service provider e.g. transition and implementation phase, establishing new relationships between all parties for service delivery and contract management. Externally, a change of service provider would affect service users who were part way through receiving grant funded works, during the transition and implementation phase. A change of provider would impact on the current provider, including their staff, to whom TUPE would apply. Surrey County Council Occupational Therapy teams, who are closely involved in the provision of housing assistance services delivered by this contract, would also be affected by a change of service provider. In all cases, this would present some initial disruption and change in delivery details during any transition and implementation phase.

3.2 Evidence and engagement
What information have used to assess the proposal for its relevance to equality? This may be data or evidence or engagement information collected and held by the Council, or by external parties. *General Borough-level and workforce information is available at www.reigate-banstead.gov.uk/equality*
The services being retendered are directly targeted at people with the protected characteristics of age, disability and deprivation (low income), so it is reasonable to conclude that there is a significant relevance to equality.

3.3 Protected characteristics	
Could the proposal affect people with any protected characteristics? Please indicate which by ticking the relevant boxes. Note that 'other vulnerability' is not a protected characteristic but should be considered in addition.	
Age ☒	Race or ethnicity ☐
Disability ☒	Religion or belief (or lack of) ☐

Gender reassignment ☐	Sex ☐
Marriage or civil partnership ☐	Sexual orientation ☐
Pregnancy and maternity ☐	Other vulnerability (inc deprivation) ☒

3.4 Aims of the Equality Duty
Which of the aims of the Equality Duty are relevant? Please indicate by ticking the relevant boxes.
Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act *(disadvantages suffered by people due to their protected characteristic)* ☐
Advance equality of opportunity between those who share a protected characteristic and those who do not *(where the needs of people from protected groups are different from the needs of other people)* ☒
Foster good relations between people who share a protected characteristic and those who do not *(encouraging protected groups to participate in public life or in other activities where their participation is disproportionately low)* ☒

4. Conclusions

4.1 Relevance ranking
Please identify in this section the degree to which the proposal has been assessed as relevant to equality
High: The proposal shows a high degree of relevance to one or more protected characteristic and/or one or more aim of the Equality Duty ☒
Moderate: The proposal shows a moderate degree of relevance to one or more protected characteristic and/or one or more aim of the Equality Duty ☐
Low: The proposal shows a low degree of relevance to one or more protected characteristic and/or one or more aim of the Equality Duty ☐
None: The proposal is not relevant to any protected characteristic or any aim of the general equality duty ☐

4.2 Explaining a ranking of Low or None
If your assessment has identified low or no relevance to equality, please explain the reasons for this conclusion below, referencing the information you have used to inform your decision.
Click or tap here to enter text.

4.2 Further analysis
Please identify in this section whether your relevance screening demonstrates the need for further equality analysis
The relevance assessment has identified a **high** or **medium** relevance ranking, and an Equality Impact Assessment is required ☒
The relevance assessment has identified a **low** or **no** relevance ranking, and in consideration of the evidence above, an Equality Impact Assessment is not required ☐

Equality Impact Assessment

Why do I need to consider equality issues?

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- eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a protected characteristic and people who do not share it
- foster good relations between people who share a protected characteristic and people who do not share it

> **"As a public body, it is important that everyone who needs to can access our services."**

The term 'protected characteristic' covers age, disability, gender reassignment, pregnancy and maternity, race (including ethnic or national origins, colour or nationality), religion or belief, sex, and sexual orientation. If we fail to consider how a proposal could affect different groups in different ways, it is unlikely to have the intended effect. This can contribute to greater inequality and poor outcomes.

The Equality Duty applies to all the decisions made in the course of exercising the Council's public functions. It applies to service provision and also internal operations and is a legal obligation.

In addition to this, the Council has specific Equality Objectives for 2020 to 2024 relating to:

- Using data and local intelligence better
- Supporting good community relations
- Accessible information and services
- Working for the Council

> **When formulating, reviewing, planning or providing services or policies, the Council needs to demonstrate that it has assessed the impact of any changes on people who are protected under the Equality Act, and that it has taken steps to remove or minimise any harm that it has identified.**

More information about our objectives, and the Equality Act, can be found at www.reigate-banstead.gov.uk/equality.

When should I do an Equality Impact Assessment?

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If you are considering changes to a service, a new or updated strategy or policy, or starting a new project, and people will be impacted by those changes in any way, you need to think about equality issues as part of the process.

The first stage should be to complete a Stage 1 Relevance Screening. This will allow you to assess the relevance of your proposal to equality and determine whether a full Stage 2 Equality Impact Assessment is required.

Your service area is responsible for carrying out Equality Impact Assessments and monitoring the ongoing impact of proposals. Please contact Cath Rose, Head of Corporate Policy, if you have any questions about the Equality Impact Assessment process, and suggestions about how it could be improved, or would like any assistance in completing the template

Stage 2: Impact Assessment

You should complete this form if your Stage 1 Relevance Assessment has indicated that an Impact Assessment is needed.

Data and evidence

In undertaking this assessment, you will need to consider relevant data and evidence, depending on the people the proposal will affect, for example:

- Relevant information about service users held by your service
- Relevant information about staff (e.g., the workforce equality information published on the website, staff surveys etc)
- Relevant information about borough residents (e.g. the borough equality information published on the website, service user surveys etc)
- Relevant information published by third party organisations (e.g. data, research studies etc). This could include (but is not limited to) the Census, Office for National Statistics or Joint Strategic Needs Assessment
- Feedback or information from organisations representing target equality groups

1. Introduction

1.1 Service:	Neighbourhood Services
1.2 Name of proposal, policy, strategy or project:	Retender of Home Improvement Agency and Handy Person Services
1.3 This is:	A change to an existing activity (including ceasing that activity)
	If other, please specify:
	The services have been outsourced for many years, but the need to retender means that there may be a change of service provider.
1.4 Completing officer's name:	Katie Jackson
1.5 Date completed:	01/02/2023
1.6 Signed off by:	Head of Service name: Morag Williams
	Date: 01/02/2023

** Note that the term 'proposal' is used here to include any new services proposed for introduction, changes to an existing service, withdrawal of an existing service, any new policy or strategy or change to an existing policy or strategy, and any project **

2 Outcomes of Stage 1 Relevance Assessment

2.1 Have you completed a Stage 1 Relevance Assessment for this proposal? *If 'No' please complete one before proceeding further with the Stage 2 assessment.*
Yes
If yes, what date was the Stage 1 assessment completed? 01/02/2023

2.2 Please indicate which protected characteristics the relevance assessment identified as relevant to the proposal being assessed	
Age ☒	Race or ethnicity ☐
Disability ☒	Religion or belief (or lack of) ☐

Gender reassignment ☐	Sex ☐
Marriage or civil partnership ☐	Sexual orientation ☐
Pregnancy and maternity ☐	Other vulnerability (inc deprivation) ☒

2.3 Please indicate which aims of the Equality Duty the relevance assessment identified as relevant to the proposal being assessed
Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act *(disadvantages suffered by people due to their protected characteristic)* ☐
Advance equality of opportunity between those who share a protected characteristic and those who do not *(where the needs of people from protected groups are different from the needs of other people)* ☒
Foster good relations between people who share a protected characteristic and those who do not *(encouraging protected groups to participate in public life or in other activities where their participation is disproportionately low)* ☒

3. About the proposal

3.1 What is the main purpose of the proposal?
Please explain in one or two short paragraphs
The proposal is to retender the Home Improvement Agency and Handy Person Service contract. The outcome of the procurement process may be a new service provider or it may be that the current provider retains the contract and continues delivery. While the services being delivered will remain substantially the same under the new contract, the retender does present the opportunity to modify and update the service specifications and performance indicators, so certain aspects may be amended, which may positively affect service delivery and service users.

3.2 Why is it being introduced / reviewed / changed now?
This could be, for example, because of new government legislation or guidance, because of changing service user needs, or for financial reasons.
The Home Improvement Agency and Handy Person Service contract has been outsourced for many years, and was most recently retendered in 2018. It is due to expire in January 2024 at the end of a full 5 year term, and so requires retender during 2023. The Council's Contract Procedure Rules (CPR's) govern all procurement activity and set the threshold values for the authority to procure and award contracts. The HIA and HPS contract is worth at least £0.600 million over 5 years and as such requires Executive authority to award.

4. About the customer, audience or target group(s)

4.1 Who is the intended audience or target group(s) for the proposal or which group(s) of people might be affected?
Internal audience or group: Staff within one specific team (please specify below)
External audience or group: Multiple (please specify below)
If other or multiple, please specify. Please also use the section below to provide more details about the audience or target group(s):
Internally, the retender will affect staff dealing with housing assistance work i.e. the Environmental Health Manager and Housing Improvements Officer. This includes the impacts of undertaking the large scale procurement process and also impacts subsequently arising from a potential change of service provider e.g. transition and implementation phase, establishing new relationships between all parties for service delivery and contract management. Externally, a change of service provider would affect service users who were part way through receiving grant funded works, during the transition and

implementation phase. A change of provider would impact on the current provider, including their staff, to whom TUPE would apply. Surrey County Council Occupational Therapy teams, who are closely involved in the provision of housing assistance services delivered by this contract, would also be affected by a change of service provider. In all cases, this would present some initial disruption and change in delivery details during any transition and implementation phase.

4.2 Will the proposal intentionally target any particular protected characteristic group?	Yes	*If yes, please identify the group and explain the reason for this and what the intended impact is.* The services being retendered exist specifically to support those who are elderly, disabled or on a low income, throughout the home repair, adaptation or improvement process
4.3 Will the proposal intentionally exclude any particular protected characteristic group?	No	*If yes, please identify the group and explain the reason for this and any direct or indirect impact on that group.* Click or tap here to enter text.
4.4 Does the proposal have the potential to reduce inequalities or improve outcomes for protected characteristic groups?	Yes, Improve outcomes	*Please briefly explain your answer.* The services being retendered have the overall aim of enabling those in need of support to maintain their independence in their home for the foreseeable future, and to help them to live in a warm, weather tight, safe and secure home, contributing to improved quality of life, health and wellbeing. Services are primarily used to assist older or disabled people or people on low incomes with additional needs to retain their independence, and are tenure neutral.

4.5 What information do you have about the protected characteristics of the intended audience or group(s) of people who might be affected and what does it tell you? *Please refer to any information you hold within your service, evidence from consultation or engagement, information from the Council's Borough and Workforce Equality Information, or external data sources such as the Census, Office for National Statistics or Joint Strategic Needs Assessment.* *If you have no information, state 'none'.*	
Age	Information source(s): Data on age of current service users.
	Summary: For some elements of the services, age is a qualifying criteria.
Disability	Information source(s): Data on service users
	Summary: For some elements of the services, disability is a qualifying criteria.
Gender reassignment	Information source(s): None
	Summary: Click or tap here to enter text.
Marriage and civil partnership	Information source(s): None
	Summary: Click or tap here to enter text.
Pregnancy and maternity	Information source(s): None
	Summary: Click or tap here to enter text.
Race or ethnicity	Information source(s): None
	Summary: Click or tap here to enter text.
Religion or belief (or lack of)	Information source(s): None
	Summary: Click or tap here to enter text.

Sex	Information source(s): Data on gender of service users is recorded for some elements.
	Summary: Click or tap here to enter text.
Sexual orientation	Information source(s): None
	Summary: Click or tap here to enter text.
Other vulnerability (please state)	Information source(s): Deprivation - financial means test or evidence of qualifying income related benefits is required for some service elements.
	Summary: Most elements of the services have a financial eligibility criteria

4.6 If you have identified any information gaps that make it difficult to assess the impact of your proposal on people, please explain what the gaps are and explain how those gaps can be filled in the future.
No information gaps identified.

4.7 Has there been any consultation with relevant interested parties or is any consultation planned?   *This could include consultation, further evidence gathering or changing or amended the proposed approach. Give consideration to both consultation within the Council (e.g. staff) and outside the Council (e.g. residents).*
Yes, planned
If yes, please explain the nature of the consultation that has been undertaken or is planned. If no, please explain why consultation is not considered necessary. How were protected characteristic groups consulted or how will they be consulted?   There has not been any formal consultation with partners or stakeholders regarding the proposal to retender the services. The services have been delivered by an outsourced provider for more than 10 years and like all contracts are subject to expiration dates which require them to be retendered periodically. This in itself is not a matter which can be influenced by external partners. During the procurement process, there will however be engagement with relevant stakeholders, including the current service provider, Surrey County Council and Foundations, the National Body for Home Improvement Agencies.

4.8 What actions have been, or could be, taken to increase the positive impacts for people with protected characteristic(s) or other vulnerabilities? *This could include changing or amending the proposed approach.*
The services being retendered are specifically designed to increase the positive impacts for service users, all of whom will have a protected characteristic.

4.9 What actions have been, or could be, taken to reduce potential negative impacts on people with protected characteristic(s) or other vulnerabilities? *This could include changing or amended the proposed approach, or allowing the proposal to be tailored to fit different individual circumstances*
If the retender process results in a change of service provider, the transition and implementation phase will be subject to careful project management, to ensure a smooth handover and minimal impact on service users.

5. Assessment of potential impact

Information about the protected characteristic groups as defined by the Equality Act is available here. You should also use this assessment to consider impacts on other vulnerable groups such as those on low incomes.

In undertaking your assessment, please think about every stage of your process, including the design phase, any consultation, the delivery phase and once the proposal is up and running.

Considering the above information, please summarise the likely impact on protected characteristic groups (within the organisation, outside the organisation or both) *This may be direct, indirect or differential impact. Use the above link for definitions, and consider issues such as physical access to services, different cultural or social practices and how people are able to access information.*	
5.1 Age *including children, young people or older people*	
Does your assessment indicate a disproportionate negative impact relation to Age?	No
If yes, please describe the nature of any disproportionate negative impacts.	None
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Age?	Yes
If yes, please describe the nature of the positive impact(s)	Services are primarily aimed at adapting the homes of older people, to facilitate safe, independent living.
5.2 Disability *including physical, sensory or learning disability or long-term health impairment*	
Does your assessment indicate a disproportionate negative impact relation to Disability?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Disability?	Yes
If yes, please describe the nature of the positive impact(s)	Services are primarily aimed at adapting the homes of disabled people, to facilitate safe, independent living.

5.3 Gender reassignment	
Does your assessment indicate a disproportionate negative impact relation to Gender reassignment?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Gender reassignment?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.
5.4 Marriage and civil partnership	
Does your assessment indicate a disproportionate negative impact relation to Marriage and civil partnership?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Marriage and civil partnership?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.
5.5 Pregnancy and maternity	
Does your assessment indicate a disproportionate negative impact relation to Pregnancy and maternity?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any	Click or tap here to enter text.

disproportionate negative impact?	
Does your assessment indicate a positive impact relation to Pregnancy and maternity?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.

5.6 Race or ethnicity

Does your assessment indicate a disproportionate negative impact relation to Race or ethnicity?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Race or ethnicity?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.

5.7 Religion or belief *or lack of*

Does your assessment indicate a disproportionate negative impact relation to Religion or belief?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Religion or belief?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.

5.8 Sex

Does your assessment indicate a disproportionate negative impact relation to Sex?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Sex?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.

5.9 Sexual orientation

Does your assessment indicate a disproportionate negative impact relation to Sexual orientation?	No
If yes, please describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.
Does your assessment indicate a positive impact relation to Sexual orientation?	No
If yes, please describe the nature of the positive impact(s)	Click or tap here to enter text.

5.10 Other vulnerability

Does your assessment indicate a disproportionate negative impact relation to any other vulnerability?	No
If yes, please specify the vulnerability and describe the nature of any disproportionate negative impacts.	Click or tap here to enter text.
What actions will be taken to address any disproportionate negative impact?	Click or tap here to enter text.

Does your assessment indicate a positive impact relation to any other vulnerability?	Yes
If yes, please specify the vulnerability and describe the nature of the positive impact(s)	Deprivation - the services include elements to assist low income home owners to repair and improve their homes.

Important:

Any disproportionate negative impacts must be drawn to the attention of the decision-maker (for example the relevant Board or Committee).

In the event that there are disproportionate negative impacts identified and it is concluded that the proposal should still be agreed/implemented, it is highly recommended that consultation is carried out (including with representatives of the affected group) before the final proposal is agreed

6. Monitoring and review

6.1 How do you proposed to monitor the impact of your proposal and keep track of the delivery of any identified actions to address disproportionate negative impact? *Please outline how you will monitor the impact of your proposal, once implemented, on protected characteristic groups, and who will be responsible for this monitoring.*
Procurement process will be subject to a full project plan, including Risk Register and Key Milestones, and regular Project Group meetings are scheduled to ensure the process runs smoothly and to time. This will include the transition and implementation phase if there is a change of service provider.

6.2 Please outline what the mechanisms for review of the impact of your proposal will be? *(for example if any negative impact is found to be occurring) Include detail of review frequency and who will be responsible for the review.*
In addition to the Project Plan for the procurement process, service delivery itself is subject to quarterly and annual activity returns to monitor delivery outcomes, including volumes and timescales, which is undertaken by the service manager.

Signed off by	Head of Corporate Policy, Projects and Performance, Chief Finance Officer
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To	Overview and Scrutiny Committee Executive Committee Council
Date	Thursday, 16 March 2023 Thursday, 23 March 2023 Thursday, 30 March 2023
Executive Member	Deputy Leader and Portfolio Holder for Finance and Governance, Portfolio Holder for Corporate Policy, and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Quarter 3 2022/23 performance report

Recommendations

That the Overview and Scrutiny Committee:

(i)   Note the Key Performance Indicators performance for Q3 2022/23 as detailed in the report and in Annex 1 and make any observations to the Executive;

(ii)   Note the Key Performance Indicators to be reported on in 2023/24 as detailed in Annex 1.1 and make any observations to the Executive; and

(iii)   Note the Budget Monitoring forecasts for Q3 2022/23 as detailed in the report and at Annexes 2 and 3 and the progress update on the Financial Sustainability Programme at Annex 4 and make any observations to the Executive.

That the Executive:

(i)   Note the Key Performance Indicator performance for Q3 2022/23 as detailed in the report and Annex 1;

(ii)   Approve the Key Performance Indicators to be reported on in 2023/24 as detailed in Annex 1.1; and

(iii)   Note the Budget Monitoring forecasts for Q3 2022/23 as detailed in the report and at Annexes 2 and 3 and the progress update on the Financial Sustainability Programme at Annex 4.

That Council:

(iv)   Approve the recommended £4.46m increase in the Capital Programme for investment in housing and parking assets, funded from Section 106 and Strategic Community Infrastructure Levy resources, that were approved during the quarter.

Reasons for Recommendations

For the Council's performance to be reviewed and to ensure that appropriate KPI reporting and budget monitoring arrangements are in place.

Executive Summary

This report provides an overview of the Council's performance for Q3 2022/23, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring. It also includes a progress update on the Financial Sustainability Programme

The Overview & Scrutiny Committee, Executive and Council have the authority to approve their respective recommendations.

Statutory Powers

1.   Following the abolition of Best Value Performance Indicators (BVPI) in 2008 and the National Indicator Set (NIS) in 2010, there is no statutorily imposed framework for local authorities to manage performance.

2. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This monitoring report is part of that process.

3. The Chief Finance Officer has a key role to play in fulfilling the requirements of the statutory duty under the Local Government Act 2003 to keep the authority's finances under review during the year and take action if there is evidence that financial pressures will result in a budget overspend or if there is a shortfall in income.

Background

4. Each quarter the Overview and Scrutiny Committee and Executive receive an update on the Council's performance. The report provides an overview of KPI as well as budgetary performance.

5. KPIs are corporate performance measures and are set in order to demonstrate performance against key corporate objectives.

6. In Q3 of each year, KPIs for the year ahead are also set via this report.

7. Quarterly budget monitoring is a key financial control mechanism that demonstrates that the Council is fulfilling its responsibilities for managing public funds.

Key Information

Key Performance Indicators – Q3 2022/23

8. Ten KPIs are reported on in Q3 2022/23, the full detail of which is provided in Annex 1.

9. Of the ten KPIs reported on, eight are within target or within the agreed tolerance. Two indicators are off target and outside of their tolerance and are therefore red rated.

10. The two KPIs that are off target (KPI 3 and KPI 10) are the same as those off target and discussed in Q2 reporting. Although these performance indicators continue to remain outside of target and tolerance, there are no new causes of concern arising from these. A detailed description of these KPIs as of Q3 reporting is noted below:

11. KPI 3 – Staff Turnover. Levels of staff turnover have remained in excess of target in Q3, with turnover at 18% as of the end of Q3. A combination of lower than usual turnover during the pandemic and a particularly buoyant labour market have led to a release of pent-up demand for a move in job. A cross-section of exit interviews have noted that 'career change' was a leading cause amongst those seeking new employment. This increase in turnover is being managed, with workloads carefully monitored and balanced with resources redeployed if and where required.

12. KPI 10 – Recycling. Please note that this measure is reported one quarter in arrears, with Q2 performance reported in Q3. Performance for Q2 has been comparable to those seen in previous years, with recycling levels for Q2 in both 2021/22 and 2022/23 sitting around 54%, which is below target and outside of tolerance. Q2 saw a particularly dry summer (drought) which has had an impact on garden waste tonnage collected, with collection levels lower than would be expected with normal weather conditions. Additional decreases in paper and food tonnages respectively have also impacted on the total rates.

Key Performance Indicators – 2023/24

13. Annex 1.1 sets out the KPIs to be reported on in 2023/24.

14. The 10 KPIs reported on in 2022/23 will continue through into the next year with contextual updates to properly reflect the situation as of the start of the new year. Wording and contextual measures for these KPIs have been reviewed and updated respectively with the associated Heads of Services.

15. These KPIs have are considered to be reflective of the Councils' corporate objectives and as such have been agreed to continue through to next year with minor contextual updates and additions.

16. Key updates to these KPIs include:

- Confirmation of KPI 12's (Complaints) reported indicator as: "Number of accepted Stage 1 complaints". Additionally, the contextual measures have also been updated and confirmed with Head of Service.

- There have also been minor updates to the wording and contextual measures reported in 2023/24s KPIs to reflect the position of the Council at the start of the financial year.

Revenue Budget Forecast

17. The 2022/23 Original Revenue Budget approved by Council in February 2022 was £19.980m.

18. At 30 September the forecast outturn for Services and Central Budgets is £19.113m against a management budget of £20.062m, including £0.081m of unspent budget carried forward from 2021/22, resulting in an overall forecast net underspend of £1.530m (7.6%).

Table 1: REVENUE BUDGET MONITORING at 30 December 2022	Original Budget £m	In-Year Adjustments £m	Management Budget £m	Forecast Outturn £m	Forecast Year-end Variance £m
Service Budgets	18.022	(0.043)	17.980	17.355	(0.625)
Central Budgets	1.958	0.124	2.082	1.177	(0.905)
Revenue Budget Forecast at 30 December	**19.980**	**0.081**	**20.062**	**18.532**	**(1.530)**

19. The total forecast outturn of £18.532m is £0.581m lower than the previous forecast at 30 Sep. The significant movements are :
- Treasury Management - £0.234m lower forecast due to reduced borrowing requirement and improved interest rates;
- Supporting Families - £0.200m lower forecast as the backdated Surrey County Council funding contribution was higher than originally forecast;
- Commercial & Investment team - £0.149m lower forecast as this budget is unlikely to be used in full in 2022/23;
- Waste & Recycling - £0.133m lower forecast as increased income is now expected from the sale of waste containers and increased commercial waste volumes;

- Revenues, Benefits & Fraud - £0.169m higher forecast due to lower Housing Benefit receipts and higher software and staff costs;
- Human Resources - £0.141m higher forecast due to increased use of temporary resources.

20. The outturn forecast includes a number of pressures and opportunities that have been taken into account when setting the 2023/24 revenue budget. The most significant include:
    - Waste & Recycling - £0.300m extra income from Garden Waste collections;
    - Car Parking - £0.217m extra income from increased charges and demand.
    Other examples are detailed at Annex 2

Service Budgets

21. The 2022/23 Original Budget for Services approved by Council in February 2022 was £18.022m.

22. At 30 December the full year outturn is forecast to be £17.355m against a Management Budget of £17.980m resulting in an underspend of £0.625m (3.5%).

23. The key variances are:

    Organisation:

    - Property & Facilities Energy Costs - £0.339m overspend due to higher costs of electricity and gas;
    - Property & Facilities - £0.139m overspend due to lower than budgeted rental income and higher rates costs;
    - Legal Services - £0.117m underspend due to vacancies.

    Place

    - Refuse & Recycling - £0.628m underspend due to increased income from a higher volume of garden waste subscriptions & lower waste disposal costs;
    - Car Parking - £0.306m underspend due to higher than expected income from pay & display car parks;
    - Building Control - £0.102m underspend due to a projected surplus rather than the loss that was anticipated when the budget was approved

    People

    - Revenues, Benefits & Fraud - £0.633m overspend due to net impact of lower subsidy and higher Housing Benefit costs partially offset by lower net staff costs and higher fees & charges income;
    - Harlequin - £111k underspend driven by higher income from amateur shows and lower staff costs due to vacancies.

24. Further detail is provided at Annex 2.

Central Budgets

25. The Original Budget for Central budgets approved by Council in February 2022 was £1.958m

26. At 30 September the forecast outturn is £1.117m against a Management Budget of £2.082m resulting in an underspend of £0.905m (43.5%).

27. This underspend is mainly a result of higher net interest receivable on treasury investments than originally expected. Further detail is provided at Annex 2.

Investment Income

28. Forecast income from property rents at Quarter 3 is £4.251m compared to the £4.316m that was received in 2021/22. This represents 21.3% of the net revenue budget for 2022/23.

Government Funding Distribution

29. Following on from grant distribution arrangements during the COVID-19 pandemic, the Government continues to require local authorities to act as its agent in distributing new funding streams to local residents. The sums distributed up to Quarter 3 are summarised at Annex 2, Section 2.1.

30. While some additional administration funding has been provided, coordination of these duties remains challenging and places additional demands on capacity in the Revenues, Benefits & Fraud and Finance teams. Also on the service teams that administer the funding streams.

Capital Programme Monitoring

31. At 30 December, the Capital Programme Budget was £72.10m, including £36.98m of approved carry-forward capital allocations from 2021/22

32. The forecast outturn position is £31.99m which is £40.11m (56%) below the approved Programme for the year. The variance is driven by £39.86m slippage and a net underspend of £0.25m.

33. The main reasons for the slippage at the end of Quarter 3 were:

   - Housing Delivery Programme (£30.0m slippage) – these capital funds have been allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed;
   - Beech House (£3.0m slippage) with expenditure now expected in 2023/24, subject to business case approval; and
   - Merstham Recreation Ground (£1.36m) slippage with construction expenditure now expected in 2023/24.

34. The forecast also includes the latest position for the Marketfield Way Development (The Rise). The Programme is scheduled to be complete during 2023/24; at that stage the final outturn position will be confirmed and reported to Executive.

In-Year Capital Programme Approvals

35. Council is asked to approve an increase of £4.46m in the Capital Programme to reflect planned investment in housing and parking assets, funded from Section 106 and Strategic Community Infrastructure Levy (CIL) resources, that were approved during the quarter:

- £4.00m for purchasing Temporary & Emergency accommodation;
- £0.36m for contributions to works at Stirling House and Mitchell Court;
- £0.10m for works at New Pond Farm; and
- £0.375m expenditure on Preston parking improvements.

36. Further detail is provided at Annex 3.

Financial Sustainability Programme (FSP) Update

37. Taking into account the forecast funding gap that the Council is facing, the parameters within which it can operate, and building on experience to date, in November 2021 the Executive agreed to pursue a Financial Sustainability Programme.

38. The Medium-Term Financial Plan presented to the Overview and Scrutiny Committee and Executive in July 2022 set out the latest financial forecasts and explained the approach that is being taken with respect of the Programme. These forecasts were updated in November 2022 as part of budget-setting for 2023/24.

39. The Programme comprises the projects and activities that are being deployed to address the Council's financial sustainability challenges over coming years and is key to overcoming them.

40. An update on Financial Sustainability Programme activity in Quarter 3 of 2022/23 is available at Annex 4.

Options

41. The Overview and Scrutiny Committee has two options:
    - **Option 1:** note the report and make no observations to the Executive.

    - **Option 2:** note the report and make any observations to the Executive.

42. The Executive has two options:
    - **Option 1:** Note the report and make no observations/comments to the Head of Corporate Policy, Projects and Business Assurance and/or Chief Finance Officer.

    - **Option 2:** Note the report and make any observations/comments to the Head of Corporate Policy, Projects and Business Assurance and/or Chief Finance Officer.

43. The Council has two options:
    - **Option 1:** Approve the recommended additions to the Capital Programme

    - **Option 2:** Not approve the recommended additions; this would prevent the planned investment from proceeding.

Legal Implications

44. There are no legal implications resulting from this report.

Financial Implications
45.   There are no additional financial implications arising from this report.

Equalities Implications
46.   There are no equalities implications arising from this report.

Communication Implications
47.   There are no communications implications arising from this report.

Environmental Sustainability Implications
48.   There are no environmental sustainability implications arising from this report.

Risk Management Considerations
49.   There are no risk management implications arising from this report.

Consultation
50.   The report has been reviewed by the Council's Corporate Governance Group. There are no other consultation implications arising from this report.

Policy Framework
51.   Robust performance management is integral to measuring the extent to which policy objectives have been achieved.

Background Powers
None

ANNEXES

1   KPI Dashboard Q3 2022/23

1.1   2023/24 Key Performance Indicators

2   Q3 2022/23 Revenue Budget Monitoring

3   Q3 2022/23 Capital Budget Monitoring

4   FSP Update Q3

Q3 2022/23 Key Performance Indicators

KPI	Status	Portfolio Holder
KPI 1 – Council Tax Collection	**AMBER**	**Cllr Schofield**
KPI 2 – Business Rates Collection	**AMBER**	**Cllr Schofield**
KPI 3 – Staff Turnover	**RED**	**Cllr Lewanski**
KPI 4 – Staff Sickness	**GREEN**	**Cllr Lewanski**
KPI 5 – Homelessness Positive Outcomes	**GREEN**	**Cllr Neame**
KPI 6 – Housing Completions	**GREEN**	**Cllr Biggs**
KPI 7 – Affordable Housing Completions	**GREEN**	**Cllr Biggs**
KPI 8 – Local Environmental Quality Surveys	**GREEN**	**Cllr Bramhall**
KPI 9 – Missed Bins	**GREEN**	**Cllr Bramhall**
KPI 10 – Recycling	**RED**	**Cllr Bramhall**

KPI 1 – The % of Council Tax collected

	TARGET	ACTUAL	STATUS
Q1	29%	29.19%	GREEN
Q2	57%	56.67%	AMBER
Q3	85%	84%	AMBER
Q4	98.80%		

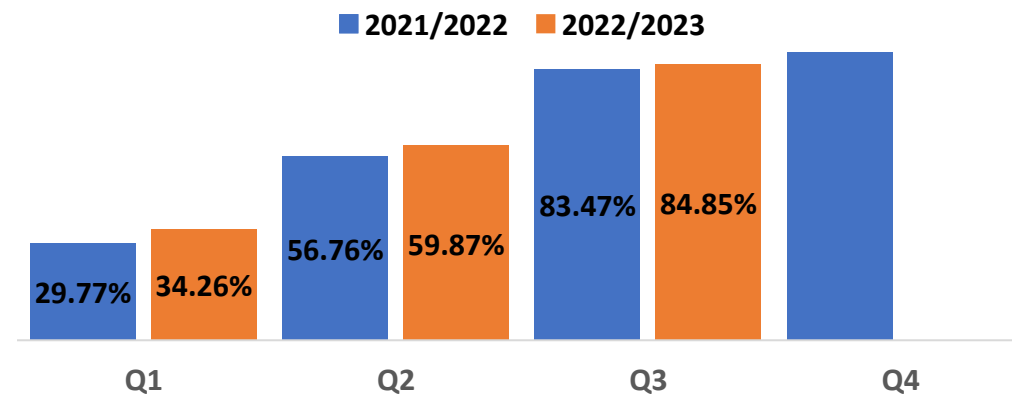**Description**

This indicator measures the percentage of Council Tax collected by the Council. The performance reported is cumulative for the year to date. A tolerance of 1% is applied each quarter.

Narrative

The Council has seen collection rates remain just outside of target in Q3 but they remain within tolerance levels. The long term impacts of the Covid-19 pandemic in the form of the debt backlog from the closure of the Magistrates Court, continue to impact on collection and have contributed to this quarter's performance. Additional resourcing and increased summonses are being issued and are expected to improve performance.

Council tax collection (as of quarter end)

■ 2021/22 ■ 2022/23

Q1: 29.09% / 29.19%
Q2: 56.36% / 56.67%
Q3: 83.97% / 84.00%
Q4: 97.90%

KPI 2 – The % of Business Rates collected

	TARGET	ACTUAL	STATUS
Q1	31%	34.26%	GREEN
Q2	58%	59.78%	GREEN
Q3	85%	84.85%	AMBER
Q4	99.8%		

Description

This indicator measures the percentage of non-domestic rates (NNDR) collected by the Council. The performance reported is cumulative for the year to date. A tolerance of 1% is applied each quarter.

Narrative

The Council's collection of Business Rates has dipped just below target in Q3, although levels remain comfortably within tolerances. At the close of Q3, the Council has seen a collection rate of 84.85%. While below target, this does represent an improvement over performance in Q3 of the previous financial year. It is expected that this minor dip in Q3 will not impact on final performance collection rates in Q4.

Business rates collection

■ 2021/2022 ■ 2022/2023

Q1: 29.77% / 34.26%
Q2: 56.76% / 59.87%
Q3: 83.47% / 84.85%
Q4

Please note that the Q4 figure is as reported as of the end of the quarter.

156

KPI 3 – Staff turnover

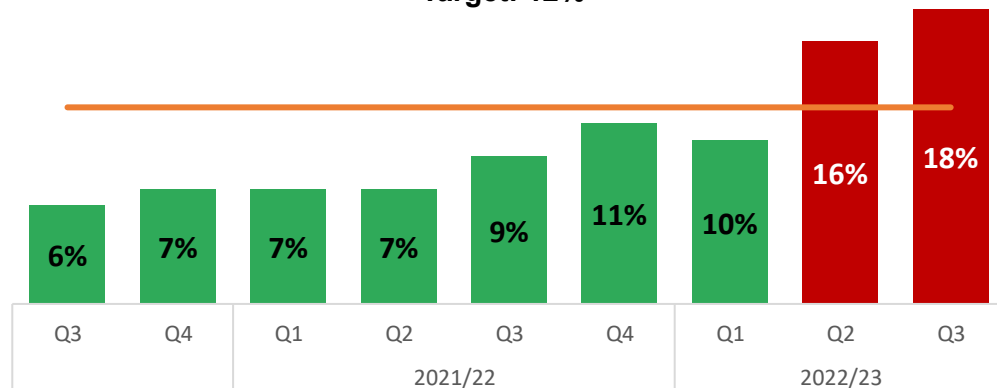|	TARGET	ACTUAL	STATUS
Q1	12%	10%	GREEN
Q2	12%	16%	RED
Q3	12%	18%	RED
Q4	12%		

Description

This indicator tracks the percentage of staff that leave the organisation on a voluntary basis. The performance reported is for a cumulative rolling 12 month period.

Narrative

Levels of staff turnover have remained in excess of target in Q3, with levels up 2% to a total of 18% at end of quarter. A combination of low turnover during the pandemic and a buoyant labour market have led to a release of the pent-up demand for a move in job. This has led to these higher levels of staff turnover, with a cross-section of exit interviews noting 'career change' as a leading cause amongst leavers.

Staff turnover

Target: 12%

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
6%	7%	7%	7%	9%	11%	10%	16%	18%

2021/22   2022/23

KPI 4 – Staff sickness absence

	TARGET	ACTUAL	STATUS
Q1	4 days	3.95 days	GREEN
Q2	4 days	3.22 days	GREEN
Q3	4 days	3.21 days	GREEN
Q4	4 days		

Description

This indicator tracks the average duration of short term sickness absence per employee. The performance reported at the end of each quarter is for a cumulative rolling 12 month period. The indicator measures all non Covid-19 short term sickness absence.

Narrative

Q3 has seen staff sickness levels remain within target range, with overall levels remaining stable over the last two quarters.

Staff sickness absence (days)

Target: 4 days

Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
3.36	2.86	3.21	3.36	3.56	4.13	3.95	3.22	3.21

2021/22
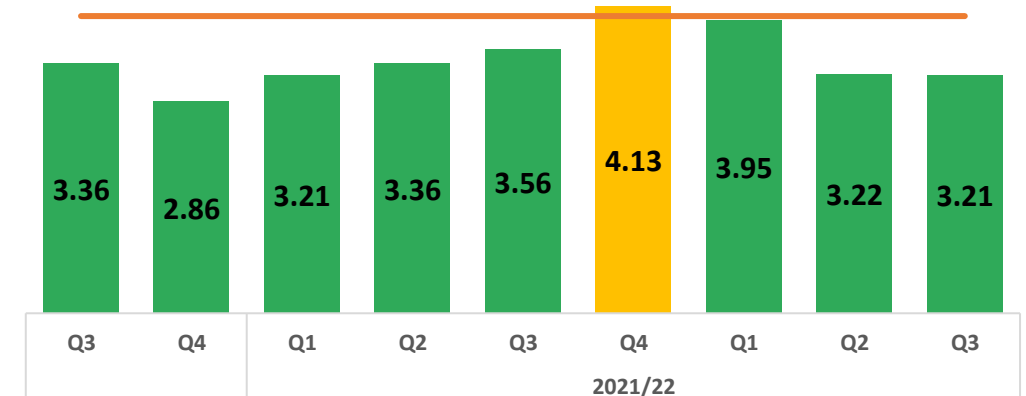
KPI 5 – The % of positive homelessness prevention and relief outcomes

	TARGET	ACTUAL	STATUS
Q1		62%	GREEN
Q2	55%	63%	GREEN
Q3		72%	GREEN
Q4			

Description

This indicator measures the Council's performance in preventing and relieving homelessness where a household has approached the Council for support and where the Council has a statutory obligation to provide it.

It measures the percentage of positive outcomes achieved in the quarter against the approaches that were made in the quarter.

Narrative

In Q3 there were 314 homelessness approaches made to the Council. Of these approaches, there were 125 cases where the support threshold was met. While levels for approach's are down, they remain consistent with levels (≈300-400 per quarter) seen across the 2022/23 quarters to date.

The homelessness support provided by the Council often straddles multiple quarters as the Housing service works with clients to prevent and relieve homelessness in accordance with the 'Homelessness Reduction Act'.

Given the present challenging economic conditions and general uncertainty facing the UK economy, predicting levels is a difficult prospect due to the inherent uncertainty. However, trends of both quantity and greater complexity are expected to continue into the foreseeable future. Despite this increase, the Council has continued to remain within target range for relief and outcomes and continues a successful run.

Additional detail – including that on main duty acceptances – is provided overleaf.

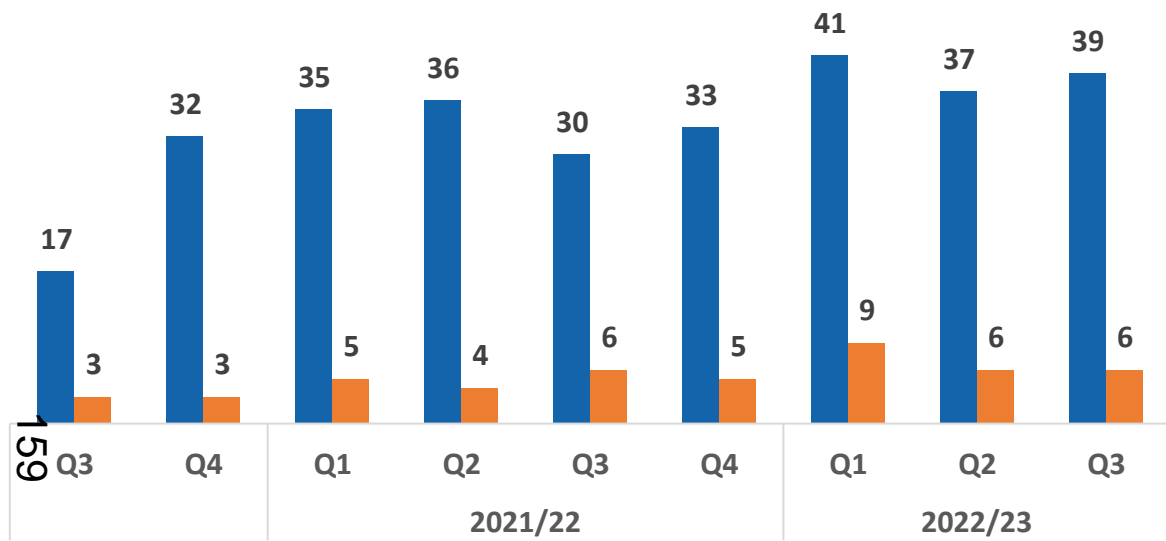## Positive homeless prevention relief and outcomes
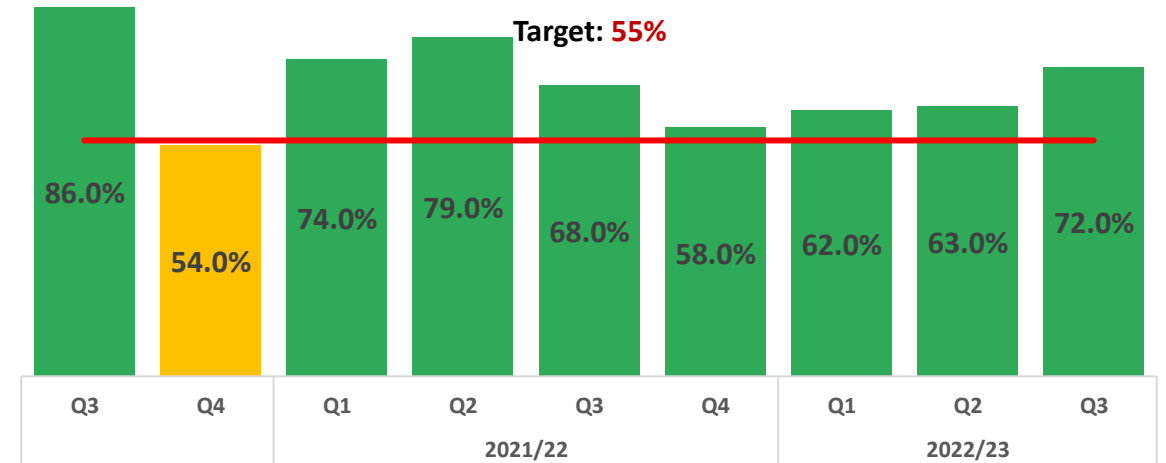
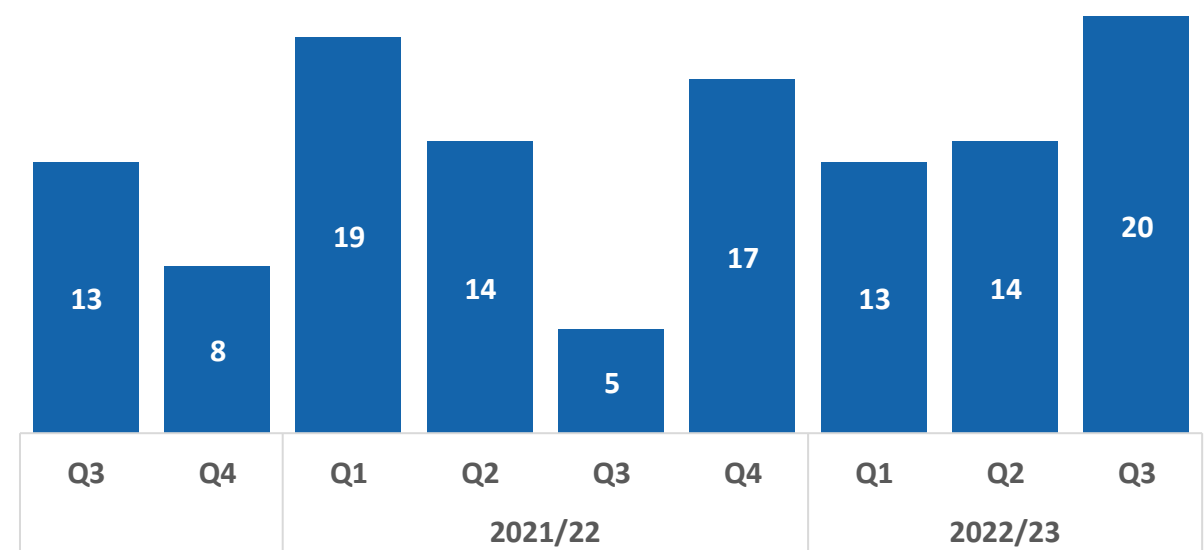## Homeless approaches (contextual)
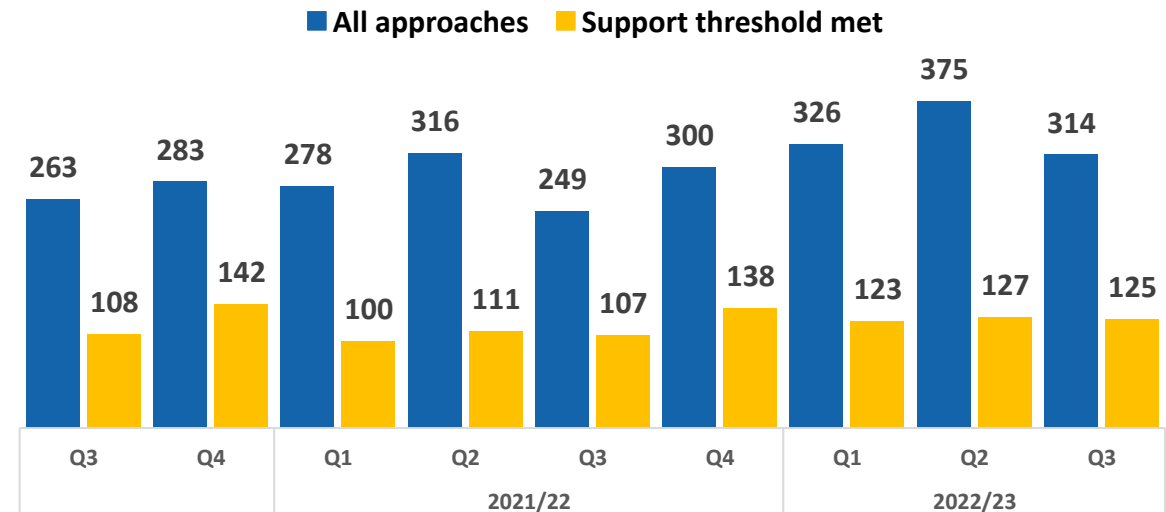
Average number of households in emergency accommodation

■ In borough ■ Out of borough

159

Main duty acceptances (contextual)

Temporary Emergency Accommodation

Complex single persons continue to make up an increasing share of those placed in temporary emergency accommodation. Q3 has seen levels remain consistent with those of previous quarters for both 'in' and 'out of borough' households for emergency accommodation, with levels remaining relatively high when compared to previous years.

The Council continues to apply for grant support, such as that from the Department for Levelling Up, Communities and Housing to place and support single persons in temporary emergency accommodation who otherwise would not meet the support threshold. This also contributes to the continued higher level of placements seen in recent years.

Main Duty Acceptances

The main housing duty is to provide accommodation until more secure accommodation is found.

At the close of Q3 there were 20 main duty homelessness acceptances, a further increase from levels in Q2 and the highest levels seen in the last 3 years.

In recent years, the borough is seeing elevated levels of applications and options to prevent homelessness are becoming harder to secure.

KPI 6 – Net housing completions

	TARGET	ACTUAL	STATUS
Q1	115	142	GREEN
Q2	230	252	GREEN
Q3	345	465	GREEN
Q4	460		

Description

This indicator measures the net number of residential housing completions that have taken place in the borough. It includes all completions – i.e. at both market and affordable rates. The targets mirror those set in the Council's local plan. Performance reported is cumulative for the year. Given the fluctuations in housing completions throughout the year, a tolerance of 60 applies.

The numbers of units listed as under construction or newly commenced may be subject to change between quarters as the Council does not always receive notice or receive delayed notice from sites.

Narrative

Net housing completions in Quarter 3 have continued to remain well within target levels, with a cumulative 501 completions against a target of 345, effectively meeting the Q4 annual cumulative target as well.

Over the course of Q3 268 dwellings saw completion, with 232 units at market rate and the remaining 36 being affordable units.

The majority of these completions have come from the Horley North-West sector, with other key contributions coming from large sites such as Quarryside Business Park and Aquila House.

At the close of the quarter there were 974 dwellings under construction, with a further 27 commencing construction in quarter; both down from their respective levels in Q2.

Housing completions by quarter and type
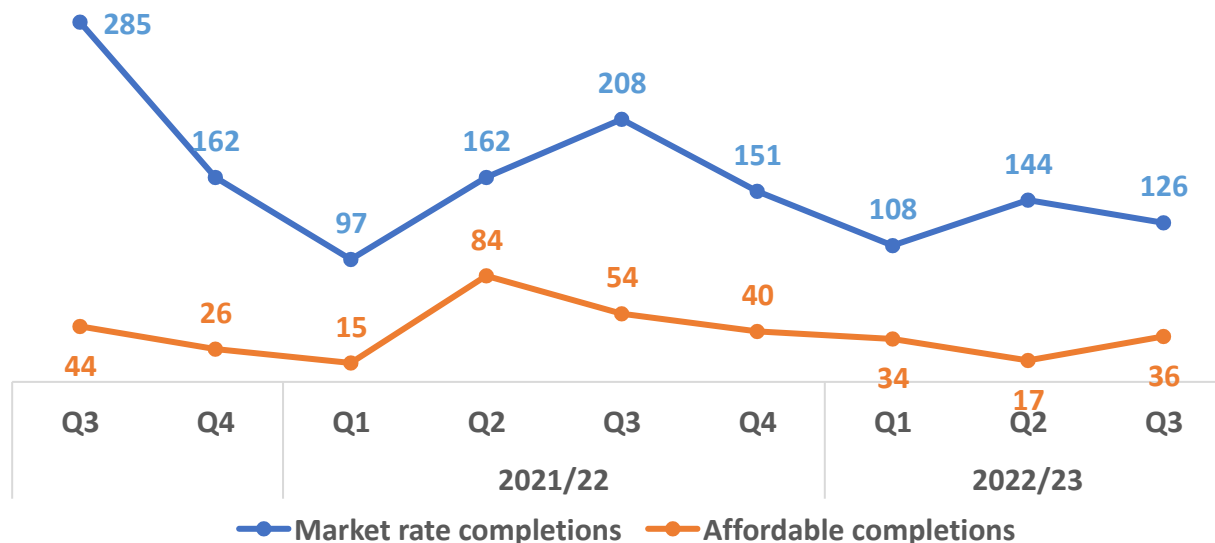
Dwellings under construction and commencements
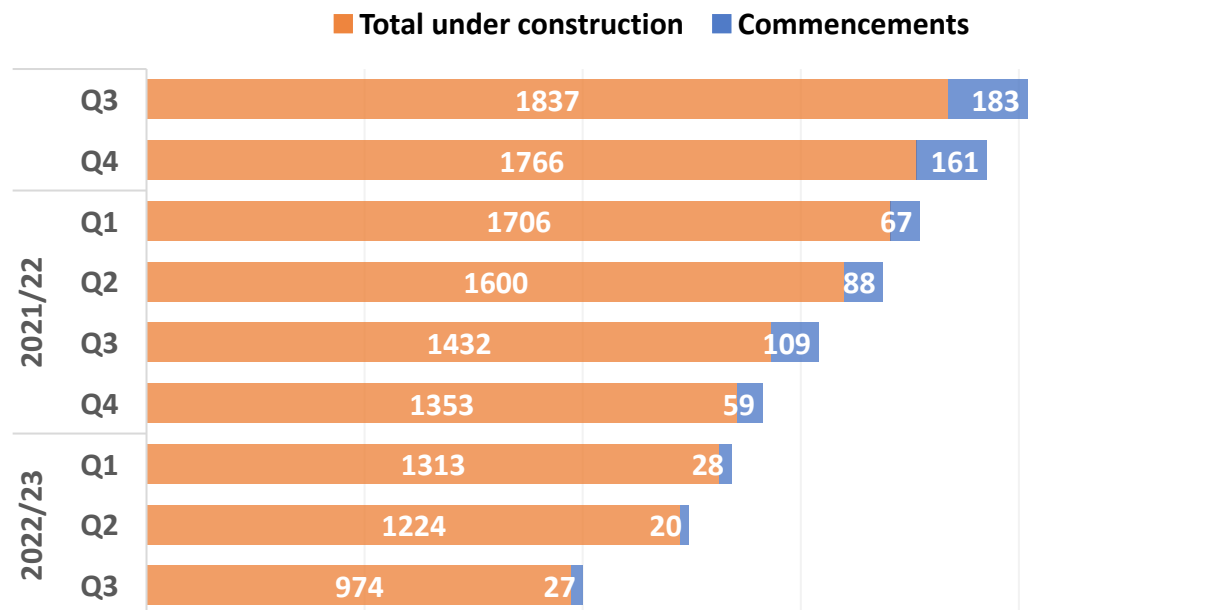
KPI 7 – Net affordable housing completions

	TARGET	ACTUAL	STATUS
Q1	25	34	GREEN
Q2	50	51	GREEN
Q3	75	87	GREEN
Q4	100		

Description

KPI 7 measures the number of net affordable housing completions in the borough. The targets mirror those set in the local plan. The target is derived from the Council's local plan. The local plan does not set an annual target, but instead a total of 1,500 affordable units over the year period. The annual target is therefore set by dividing this total target by the plan period.

Performance reported is cumulative for the year. Given the fluctuations in housing completions, a tolerance of 10 applies each quarter.

Narrative

Positive performance in the delivery of affordable housing in the borough has continued in this quarter, meeting the target of 75 for the delivery of 87 total affordable units by end of quarter. The majority of these stemming from the Horley NWS development site.

Of the 974 dwellings under construction at the end of Q3, 117 of these are affordable units. Additionally a further 12 new affordable dwellings saw commencement in quarter.

Of the 36 affordable units delivered in quarter, 19 are for social rent with a further 17 being made available under shared ownership schemes; none this quarter have been completed for affordable rent.

Social Rent Accommodation being where the Council expects rent to be charged in accordance with the relevant guidance with 'National Rent Scheme' at the time of the application.

Affordable Rented Accommodation being where the Council encourages affordable rented accommodation to be provided in line with monthly 'living rent' levels; not in excess of the Local Housing Allowance or 80% of the market rent, whichever is the lowest.

Shared ownership homes are offered by housing associations, local councils, and other organisations where ownership of the property is split, with residents paying shares to the other owning party.

Affordable Housing (Quarterly)
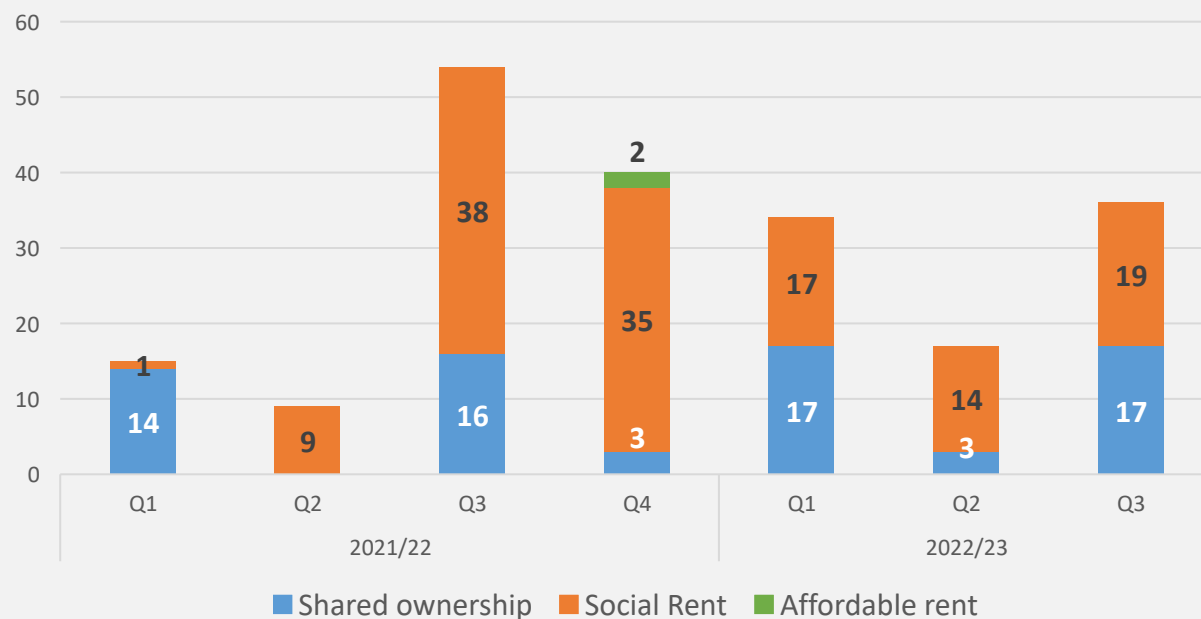
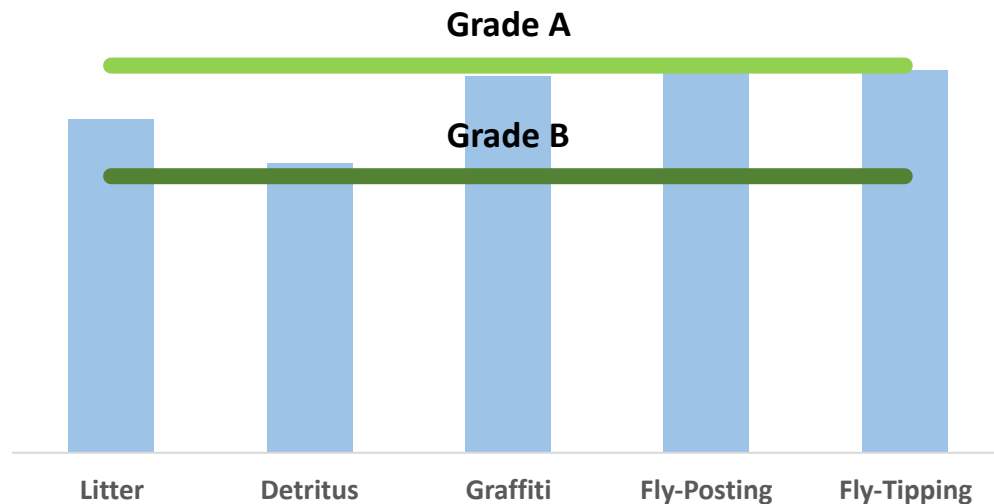|	TARGET	ACTUAL	STATUS
Q1	90% of sites at grade B	97%	GREEN
Q2		100%	GREEN
Q3		96%	GREEN
Q4			

Description

Local Environmental Quality Surveys (LEQs) are a robust and well recognised methodology for measuring the cleanliness of places. The methodology is developed and maintained by Keep Britain Tidy. A selection of sites in the borough are assessed in several categories. The average of the scores achieved in each category gives an overall score for each site that is surveyed.

Narrative

On the 133 surveys carried out in Quarter 3, all sites saw an average score well above grade B. The graph below details the average site score by category.

LEQ average site scores by category

Grade A

Grade B

Litter   Detritus   Graffiti   Fly-Posting   Fly-Tipping

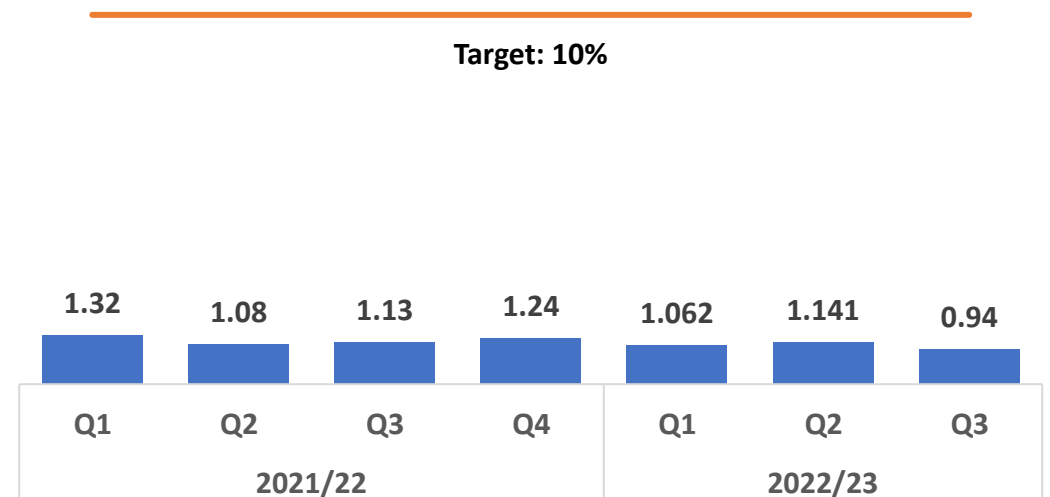|	TARGET	ACTUAL	STATUS
Q1	10	1.062	GREEN
Q2		1.141	GREEN
Q3		0.940	GREEN
Q4			

Description

This indicator tracks how many refuse and recycling bins have been missed per 1,000 that are collected. Performance is measured and reported on quarterly.

Narrative

The Council has continued to maintain a reliable waste collection service for residents, with the lowest reported number of missed bin on record, down to below 1 per 1,000 collected in the Q3 reporting period.

Number of missed bins per 1,000 collected

Target: 10%

	1.32	1.08	1.13	1.24	1.062	1.141	0.94
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
		2021/22				2022/23	

		TARGET	ACTUAL	STATUS
21/22	**Q2**	**60%**	58.3%	AMBER
	Q3		54.0%	RED
	Q4		52.4%	RED
22/23	**Q1**	**60%**	55.8%	AMBER
	Q2		53.9%	RED

Description

This indicator measures the percentage of household waste collected by the Council that is recycled and composted. **Performance is reported one quarter in arrears**. The target for this indicator is a stretch goal, set in the Joint Waste Management Strategy to which the Council is a signatory, along with Surrey County Council and all Surrey Districts and Boroughs.
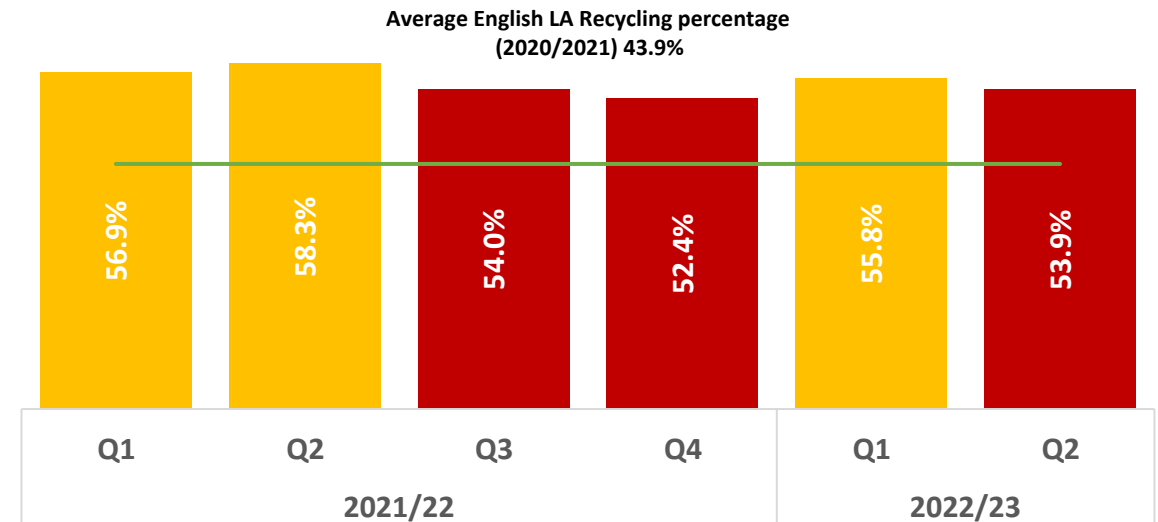
Narrative

Performance for Quarter 2 has been comparable to those seen in the previous year, with recycling levels in both 2021/22 and 2022/23 around 54%, which is below target and outside of tolerance.

Q2 was a particularly dry summer period (drought) which has had an impact on garden waste tonnage collected, with levels lower than would be expected with normal weather conditions. Additional decreases in paper and food tonnages respectively have also impacted on the total rates.

The continued roll out to flats, reduction in contamination and a rationalisation of bring sites is expected to further improve upon these results. Likewise, RBBC is supporting the Surrey Environment Partnership with a campaign informing and encouraging residents on their recycling habits. Additionally, the council is conducting internal research and review into waste collection and practices to identify further improvement activities to improve on this measure.

The graphics overleaf detail levels of residual waste per household, which have continued to remain low following the pandemic, and further analysis of waste and recycling tonnages.

The % of household waste that is recycled and composted

Average English LA Recycling percentage (2020/2021) 43.9%

### Top recycling streams collected by tonnage
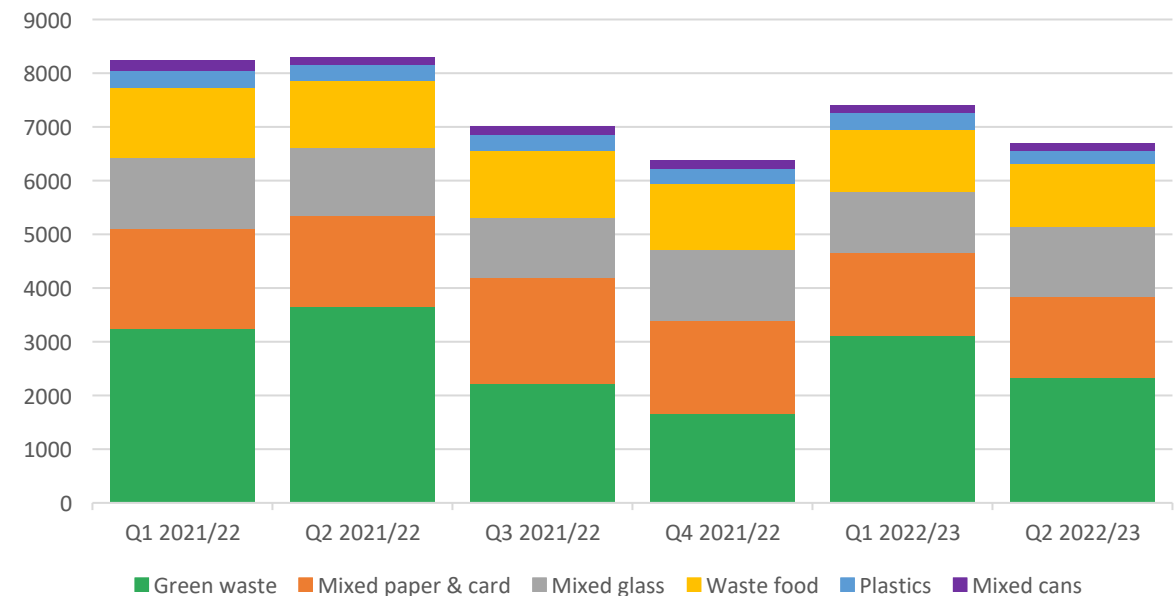
Narrative

In Q2, the residual waste per household (Kg) has continued its steady rate of decline down to 94.13. Rationale behind this decrease is under review, although overall reductions in household consumption, economic uncertainty and a greater number of residents travelling for work/recreation post pandemic have contributed to spreading the waste creation outside of the borough have all contribute towards this negative trend.

Changes in tonnage collected by quarter are also presented below. As of latest reporting, total tonnage collected is down by approximately 1,500 tonnes from the baseline point in Q1 2021/22, with the previously noted drought contributing heavily.

The percentage makeup of recycled materials remain largely consistent in Q2, with green waste the most obviously impacted, with levels down to around 35%, which is unusual for the summer collection period especially when compared with levels in the previous year.

Despite this green waste, mixed glass and mixed paper and card continue to dominate the makeup of recycling tonnage, constituting 77% of all recycling collected the quarter.
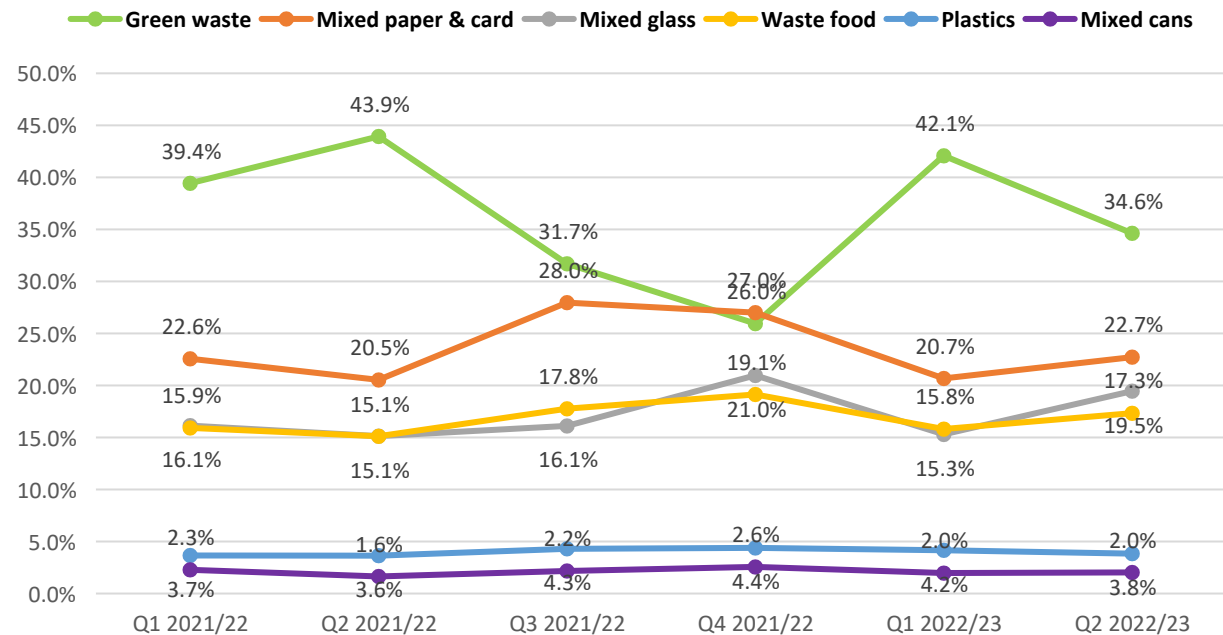
Residual Waste Per Household (Kg)
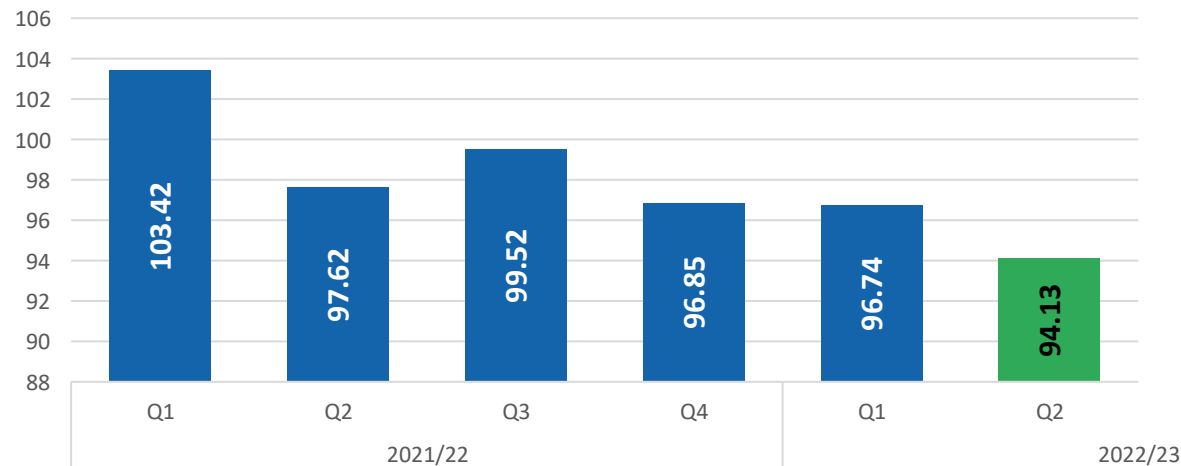
Recycling Tonnage Collected (Q2 2019-2023)
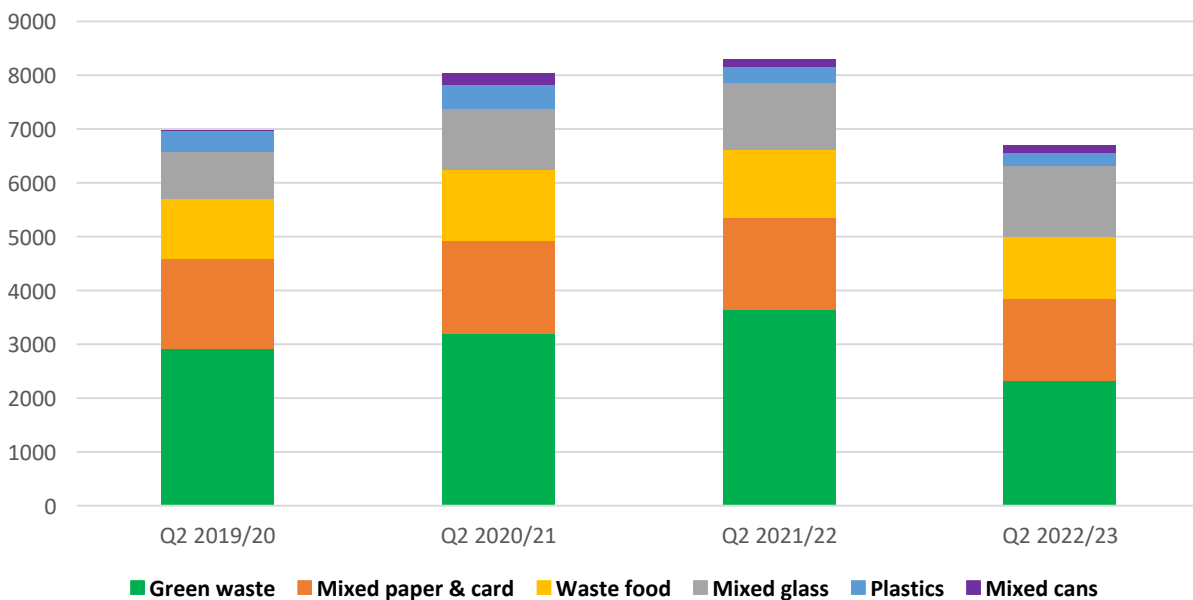
Material as a % of the total recycling collected (Contextual)

Performance management 2023/24

Draft KPIs:

Ref.	Description	Portfolio Holder
KPI 1	The % of Council Tax collected	Cllr Schofield
KPI 2	The % of Business Rates collected	Cllr Schofield
KPI 3	Staff turnover	Cllr Lewanski
KPI 4	Staff sickness absence	Cllr Lewanski
KPI 5	The % of positive homelessness prevention and relief outcomes	Cllr Neame
KPI 6	Net housing completions	Cllr Biggs
KPI 7	Net affordable housing completions	Cllr Biggs
KPI 8	Cleansing - performance in Local Environmental Quality surveys	Cllr Bramhall
KPI 9	Number of missed bins per 1,000 collected	Cllr Bramhall
KPI 10	The % of household waste that is recycled and composted	Cllr Bramhall
KPI 11	Number of visits to the Council's leisure centres	Cllr Sachdeva
KPI 12	Reduction in the Council's carbon footprint	Cllr Lewanski
KPI 13	Number of accepted stage 1 complaints	Cllr Lewanski

Contextual indicators:

Ref.	Description	Comment
	Intervention service performance	Cllr Sachdeva
	Fraud performance	Cllr Schofield

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2022/23 Period 9: Revenue Budget Monitoring

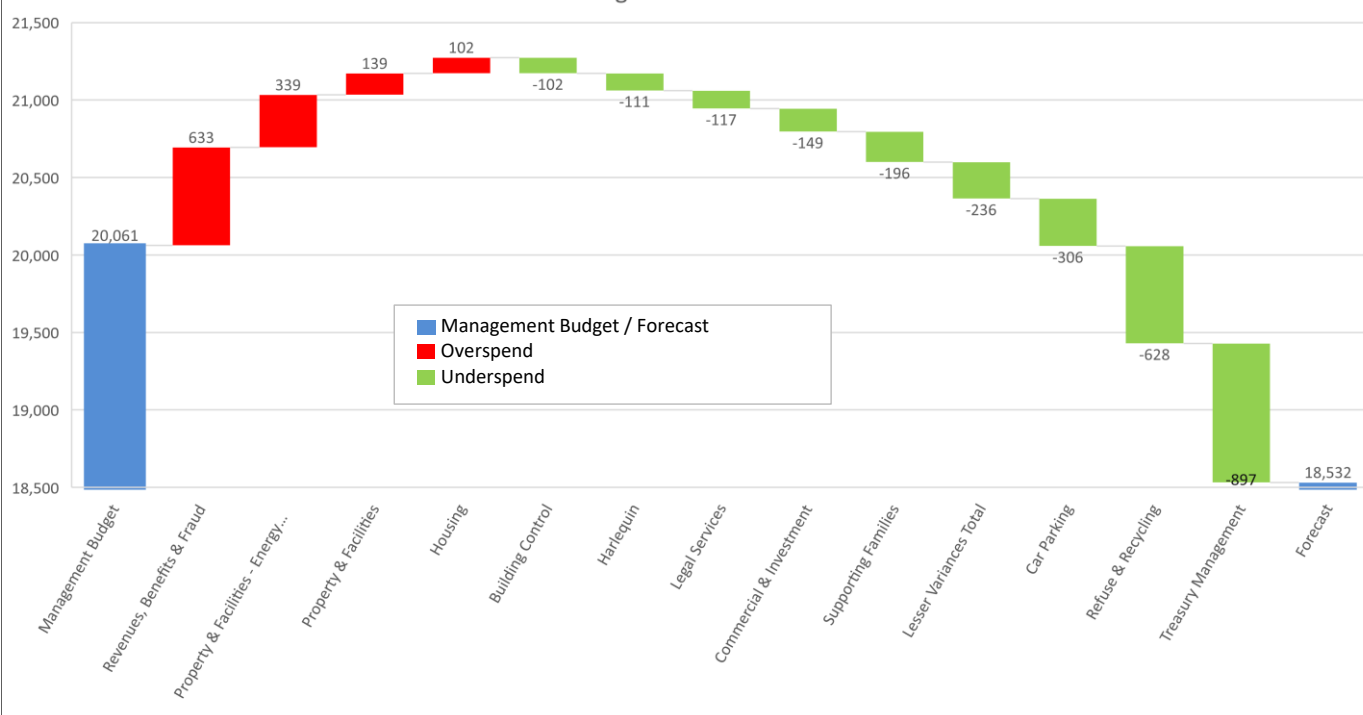| Summary		
The full year forecast at the end of Quarter 3 for underlying Service budgets is £-625k (3.5%) lower than the management budget; the Central budgets are forecast to be £-905k (43.5%) lower than budget, resulting in an overall forecast of £-1,530k (7.6%) lower than budget.		

Reconciliation of Original Budget to Management Budget for 2022/23

	£000	£000
<u>Original Budget</u>		19,980
Unspent Budget brought forward from 2021/22	81	
<u>Management Budget</u>		20,062

Headline Revenue Budget Information 2022/23   £000

	£000	
Management Budget	20,062	
Year End Forecast	18,532	
Projected underspend	**-1,530**	(-7.6% of the budget)

Revenue Budget Outturn Variances £000

Forecast for Services is £625k under budget. Significant variances summarised below:

Revenues, Benefits & Fraud: £633k overspend driven by £440k net impact of reduced Housing Benefit subsidy; £138k higher Housing Benefit costs; £120k higher temporary staff costs with £18k overtime and £56k lower Homelessness Grant contribution which are partially offset by £168k lower staff costs due to vacancies within the team.
Property & Facilities - Energy Costs: £339k overspend driven by increased cost of gas & electricity.
Property & Facilities: £139k overspend driven by lower than budgeted rental income and higher rates costs.
Building Control: £102k underspend: Joint Venture is now forecast to provide a net surplus rather than the small loss budgeted.
Harlequin: £111k underspend driven by higher income from amateur shows and room hire and lower staff costs due to vacancies.
Legal Services: £117k underspend driven by vacancies partially offest by lower income.
Car Parking: £306k underspend driven by higher than expected revenue from off-street parking.
Refuse & Recycling: £628k underspend driven by higher Garden Waste & Commercial Waste income and lower waste disposal costs.

Forecast for Central Budgets is £905k under budget. Significant variances summarised below:

Treasury Management: £897k underspend. Higher than budgeted interest income and lower borrowing costs due both to favourable rates and more funds on deposit.

168

1. General Fund Reserve		£000	£000
Balance at start of year			3,000.0
Add: Projected underspend	at 31 March 2023		1,529.5
Anticipated balance at End of Year before Reserves Review/Reallocations*			4,529.5
*Maximum General Fund Balance Required (2022/23 = £3m)		2,997.0	

Budget Monitoring: Summary 2022-23

Responsible Officer	Service	Original Budget	Total Variations	Management Budget	Year End Outturn	Year End Variance	Commentary
		£000	£000	£000	£000	£000	

1. Service Budgets

1a. Organisation

Responsible Officer	Service	Original Budget	Total Variations	Management Budget	Year End Outturn	Year End Variance	Commentary
Catherine Rose	Corporate Policy	236.0	0.0	236.0	205.4	(30.6)	Saving in staff costs due to vacancies.
	Projects & Business Assurance	212.6	0.0	212.6	168.3	(44.3)	Saving in staff costs due to vacancies.
Carys Jones	Communications	734.6	0.0	734.6	730.9	(3.7)	Minor variance
	Customer Contact	416.8	0.0	416.8	395.8	(21.0)	Saving in staff costs due to vacancies.
Darren Wray	Information & Communications Technology	1,810.0	0.0	1,810.0	1,880.1	70.1	Inflationary and other contract increases partially offset by saving in staff costs due to vacancies.
Kate Brown	Organisational Development & Human Resources	816.1	0.0	816.1	837.1	21.0	Underspend in staff costs due to vacancies has been offset by use of interim resources.
Joyce Hamilton	Legal Services	824.5	0.0	824.5	707.5	(117.0)	£300k saving in staff costs due to vacancies, partially offset by £120k higher legal and consultancy fees and £50k lower income.
	Land Charges	-102.1	0.0	-102.1	-166.0	(63.9)	Saving due to lower than budgeted SCC land charges expenses and higher than budgeted income.
	Democratic Services	868.3	0.0	868.3	835.4	(32.9)	Saving in staff costs due to vacancies.
	Electoral Services	502.5	0.0	502.5	437.5	(65.0)	Saving in staff costs partially offset by increased elections cost.
Pat Main	Corporate Support	187.5	0.0	187.5	143.9	(43.6)	Savings in stationery and postage costs.
	Finance	1,368.3	-124.0	1,244.3	1,288.3	44.0	Increased costs due to use of specialist interim resources
	Property & Facilities - Energy Costs	370.9	0.0	370.9	710.2	339.3	Increase in cost of gas and electricity
	Property & Facilities	-1,723.7	0.0	-1,723.7	-1,584.9	138.8	Cost of rates at Cromwell Road £37k and Regent House £14k; void space at Linden House Reigate £57k; and other minor variances.
	Commercial & Investment	149.3	0.0	149.3	0.0	(149.3)	Budget will not be used in 22/23.
1b. Place							
Simon Bland	Economic Prosperity	282.4	0.0	282.4	324.2	41.8	Lower markets income due to reduced demand.
Morag Williams	Fleet	1,458.7	0.0	1,458.7	1,510.6	51.9	Higher fuel costs, although this has fallen significantly since Q2.
	Refuse & Recycling	1,165.8	0.0	1,165.8	538.0	(627.8)	£300k higher Garden Waste income; £221k lower waste disposal cost driven by lower volumes; £54k higher income from domestic waste containers;£49k higher income from Commercial Recycling due to volumes.
	Engineering & Construction	63.2	0.0	63.2	86.7	23.5	Capitalised salary recharge of £18k will not take place this year as the team no longer carry out capital works.
	Environmental Health & JET	1,130.8	78.6	1,209.4	1,124.1	(85.3)	Higher income due to successful court actions against landlords.
	Environmental Licencing	-190.1	-78.6	-268.7	-344.9	(76.2)	Saving in staff costs due to vacancies.
	Greenspaces	1,546.9	0.0	1,546.9	1,546.3	(0.6)	Minor variance
	Car Parking	-804.1	0.0	-804.1	-1,110.5	(306.4)	Higher income from off-street parking, including season tickets and contract parking.
	Street Cleansing	952.7	0.0	952.7	962.4	9.7	Higher overtime costs.
Peter Boarder	Place Delivery	370.9	0.0	370.9	371.3	0.4	Minor variance
Andrew Benson	Building Control	45.0	0.0	45.0	-57.1	(102.1)	£41k lower Joint Venture costs and £61k extra income. The lower costs have been approved as a saving in 2023/24 .
	Planning Policy & Development Services	673.2	0.0	673.2	751.1	77.9	£256k lower income in planning fees due to lower volume of applications and £215k higher consultancy costs which are partially offset by £280k lower staff costs due to 9 vacancies and £130k extra grant income.

Budget Monitoring: Summary 2022-23

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
1c. People							
Justine Chatfield	Community Development	426.7	-42.0	384.7	368.9	(15.8)	External grant income to fund some roles.
	Partnerships	303.1	87.3	390.4	344.5	(45.9)	Saving in staff costs due to vacancies.
	Community Centres	382.5	10.0	392.5	394.4	1.9	Savings in staff costs due to vacancies are offset by lower income at the Horley & Woodhatch centres.
	Voluntary Sector Support	200.1	26.1	226.2	226.2	0.0	
Richard Robinson	Housing Services	1,026.3	0.0	1,026.3	1,128.5	102.2	Extra bed & breakfast accommodation provision has driven higher net costs.
Simon Rosser	Revenues, Benefits & Fraud	805.9	0.0	805.9	1,438.7	632.8	£440k net impact of reduced Housing Benefit subsidy; £138k higher Housing Benefit costs; £120k higher temporary staff costs with £18k overtime and £56k lower Homelessness Grant contribution are partially offset by £168k lower staff costs due to vacancies within the team.
Duane Kirkland	Supporting People	167.3	0.0	167.3	143.4	(23.9)	Underspend on a budget that is no longer required. This has been approved as a saving in 2023/24.
	Supporting Families	56.4	0.0	56.4	-139.5	(195.9)	The backdated contribution from SCC for 2021/22 and 2022/23 is higher than budgeted.
	Harlequin	380.8	0.0	380.8	270.0	(110.8)	Higher income relating to amateur shows and room hire and lower staff costs due to vacancies.
	Leisure Services	-66.4	0.0	-66.4	-84.3	(17.9)	Management fee income higher than budget.
1d. Management Team							
Mari Roberts-Wood	Management Team	933.2	0.0	933.2	933.2	0.0	
Frank Etheridge	Emergency Planning	39.7	0.0	39.7	39.7	0.0	
Total Services		**18,022.6**	**-42.6**	**17,980.0**	**17,355.4**	**(624.6)** -3.47%	

2. Central Budgets

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Pat Main	Insurance	465.0	0.0	465.0	452.9	(12.1)	
	Treasury Management - Interest on Investments	-1,195.0	124.0	-1,071.0	-1,697.8	(626.8)	Includes interest on commercial loans and updated Bank of England interest rate forecasts.
	Treasury Management - Interest on Borrowing	455.0	0.0	455.0	184.8	(270.2)	Lower cost of borrowing for the capital programme than originally forecast.
	Treasury Management - Interest on Trust Funds	18.0	0.0	18.0	0.0	(18.0)	
	Minimum Revenue Provision	1,361.0	0.0	1,361.0	1,361.0	0.0	
	Employer Pension Costs	400.0	0.0	400.0	400.0	0.0	
Kate Brown	Apprenticeship Levy	78.0	0.0	78.0	78.0	0.0	
	Recruitment Expenses	40.0	0.0	40.0	40.0	0.0	
	Corporate Human Resources Expenses	86.8	0.0	86.8	86.8	0.0	
Pat Main	Central Budget Contingencies	99.2	0.0	99.2	99.2	0.0	
	Preceptor Grants	37.5	0.0	37.5	37.5	0.0	
	External Audit Fees	53.0	0.0	53.0	72.0	19.0	
	Internal Audit	59.0	0.0	59.0	62.3	3.3	Adjusted to include backdated contract fee increase.
Total Central Items		**1,957.5**	**124.0**	**2,081.5**	**1,176.7**	**(904.8)** -43.47%	
Grand Total		**19,980.1**	**81.4**	**20,061.5**	**18,532.1**	**(1,529.4)** -7.62%	

2022/23 COVID-19 Expenditure & Funding @ P9 2022/23	Funding B/Fwd From 21/22 £m	Funding Received In 22/23 £m	Forecast Expenditure £m	Forecast Recoupments £m
Covid-19				
Closed Grants				
Additional Restrictions Grant	(0.281)	-	-	0.281
Omicron Hospitality & Leisure Grant	(0.109)	-	-	0.109
Reopening High Streets / Welcome Back Fund	(0.036)	-	0.036	-
Grants Continuing Beyond 1st April '22				
Council Tax Hardship Grant	(0.254)	-	0.254	-
Environmental Health SLA	(0.120)	(0.062)	0.147	0.035
Test & Trace - Admin Funding	(0.050)	-	0.030	-
General Funding	(0.036)	-	0.032	-
New Burdens Funding	-	(0.032)	0.032	-
Test & Trace - Mandatory Scheme	(0.013)	(0.016)	0.031	-
Forecast Expenditure and Income 2022/23	(0.899)	(0.110)	0.562	0.425
Expected Net Underspend 2022/23	**(0.022)**			

2022/23 COVID ADDITIONAL RELIEF FUND Expenditure & Funding @ P9 2022/23	Forecast Expenditure £m	Forecast Funding £m
Covid Additional Relief Fund (CARF)		
Funding Received In 2021/22		(3.514)
NNDR Reliefs Granted During 2021/22	0.041	
Balance Carried Forward Into 2022/23	3.473	
	3.514	(3.514)
Balance Brought Forward From 2021/22		(3.473)
NNDR Reliefs Granted During 2022/23	0.087	
Remaining Balance (Repayable To DLUHC In Due Course)	3.386	
	3.473	(3.473)

2022/23 COUNCIL TAX ENERGY REBATE Expenditure & Funding @ P9 2022/23	Expenditure £m	Funding £m
Core Scheme (ended 30.09.22)		
Funding Received		(5.153)
£150 Payments Made To Band A-D Council Tax Payers	4.816	
£150 Council Tax Credits Made To Band A-D Council Tax Payers	0.323	
Final Expenditure and Income 2022/23	5.139	(5.153)
Final Net Funding Surplus (Returnable To DLUHC)	(0.014)	
Discretionary Scheme (ended 30.11.22)		
Funding Received		(0.332)
£150 Discretionary Payments	0.102	
£150 Discretionary Council Tax Credits	0.021	
Final Expenditure and Income 2022/23	0.123	(0.332)
Final Net Funding Surplus (Returnable To DLUHC)	(0.209)	
Administrative Costs		
Funding Received*		(0.057)
Software & Processing Costs	0.044	
Staffing & Administration Costs	0.048	
Final Expenditure and Income 2022/23	0.092	(0.057)
Final Net Expenditure (*final funding determinations were still underway at the start of 2023)	0.035	
Final Expenditure and Income 2022/23 (Entire Scheme)	**5.354**	**(5.542)**
Final Net Funding Surplus (Entire Scheme)	(0.188)	
End Of Scheme Summary		
Surplus Funding Returnable To DLUHC	(0.233)	
Potential Risk Currently Borne By RBBC:-		
69x £150 Inelligible Payments Made In Error	0.010	
Overspend On Admin Costs	0.035	
	(0.188)	

2022/23 UKRAINIAN REFUGEE SCHEMES Expenditure & Funding @ P9 2022/23	Forecast Expenditure £m	Forecast Funding £m
Ukraine Family Scheme		
Funding Received/Expected (costs are reimbursed in arrears by SCC)		(0.016)
Refugee Accommodation Costs	0.010	
Refugee Travel Costs	0.001	
Prepaid Cards	0.001	
Interpretation/Translation Costs	0.002	
Staff Overtime / Additional Hours	0.001	
Staff Travel Costs	0.001	
Forecast Expenditure and Income 2022/23	0.016	(0.016)
Forecast Nett Expenditure	**0.000**	
Homes For Ukraine Scheme		
Funding Received/Expected (costs are reimbursed in arrears By SCC)		(0.471)
Sponsorship Payments (estimate based on current no. of sponsors)	0.375	
Refugee Accommodation Costs	0.018	
Refugee Travel Costs	0.002	
Interpretation & Translation Services	0.002	
Prepaid Cards	-	
Staffing Costs (dedicated staff, overtime, additional hours etc)	0.070	
Staff Travel Costs	0.004	
Forecast Expenditure and Income 2022/23	0.471	(0.471)
Forecast Nett Expenditure	**0.000**	
Forecast Expenditure and Income 2022/23 (All Schemes)	**0.487**	**(0.487)**
Forecast Nett Expenditure (All Schemes)	**0.000**	
Summary:-		
Surplus Income Returnable To SCC	**0.000**	
Potential Cost To Be Borne By RBBC	**0.000**	

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HOUSEHOLD SUPPORT FUND ROUNDS 1 TO 3 Expenditure & Funding @ P9 2022/23	Round #1 (period covered:- 06.10.21 - 31.03.22) Funding £m	Expenditure £m	Round #2 (period covered:- 01.04.22 - 30.09.22) Funding £m	Expenditure £m	Round #3 (period covered:- 01.10.22 - 31.03.23) Funding £m	Expenditure £m
	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(forecast)
The Household Support Fund is a Government scheme aimed at alleviating the financial pressures falling on households as a result of the cost of living crisis. There is a specific focus on supporting households with energy, food & water bills.						
Initial Grant Allocation (received via Surrey County Council)	(0.383)		(0.324)		(0.302)	
Support Issued To Households						
Council Tax Reduction Strand (pro-active payments made to CTR recipients)		0.181		-		-
Referral Strand (referrals made to us from 3rd parties)		0.103		-		-
Fuel Vouchers (distributed via VCS partners)		0.019		0.025		-
Food Vouchers (distributed via VCS partners)		-		0.053		0.085
Cash Payments (made to pensioner households on Council Tax Support)		-		0.188		0.006
		0.303		0.266		0.091
Contributions To Voluntary/Community Sector Partners						
Stripey Stork		0.008		-		0.012
Fuel Grants		0.008		-		0.025
East Surrey Domestic Abuse Service		0.006		-		0.020
'I Choose Freedom' (previously known as Reigate & Banstead Women's Aid)		0.006		-		0.020
Food Clubs		0.005		-		0.025
Renewed Hope Trust		0.002		-		-
Gateway Allotment Project		0.002		-		-
Merstham Mix		0.001		-		-
Surrey Community Action		0.001		-		-
Community Debt Advice		-		-		0.005
		0.039		0.000		0.107
Housing Support						
Contributions Towards Rent Arrears		0.023		0.020		0.030
Rent Assistance / Rehoming Of Donyings Cabin Occupants		0.008		-		-
Contribution To ESDAS Sanctuary		0.005		0.005		-
Energy & Food Support For Specific Housing Clients		-		-		0.010
		0.036		0.025		0.040
Other Support (some elements still being scoped)						
Warm Hubs		-		-		0.010
Mayor's Trust Fund		-		-		0.016
		-		-		0.026
Administration Costs						
RBBC Staff Costs (costs falling outside BAU)		0.003		0.009		0.015
Admin Contributions Claimed By VCS Partners		0.005		0.001		0.009
Software & Administration Services (NEC Software Solutions)		-		0.015		0.005
		0.008		0.025		0.029
		(2.20% of spend)		(8.08% of spend)		(9.75% of spend)
Grant Closure/Reconciliation						
Grant Top-Up To Eliminate Overspend (received from Surrey County Council)	(0.003)		-		tbc	
Recoupment Of Unspent Grant (excess funding returned to Surrey County Council)		-		0.008		0.009
No. Of Households Supported		**4,294**		**2,451**		**tbc**
Total Funding & Expenditure	**(0.386)**	**0.386**	**(0.324)**	**0.324**	**(0.302)**	**0.302**

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2022/23 SYRIAN REFUGEES SCHEME Expenditure & Funding 2022/23	Forecast Expenditure £m	Forecast Funding £m
Refugee Family Support		
Grant Received		(0.027)
Local Auth. Funding Received		(0.040)
Staff Costs	0.095	
Travel Costs	0.001	
Refugee Accommodation Costs	0.057	
Refugee Nursery Fees	0.005	
Miscellaneous Expenditure	0.004	
Forecast Expenditure and Income 2022/23	0.162	(0.067)
Forecast Nett Expenditure	**0.096**	

** The overspend is funded by Contribution from Reserves cfd from 21/22 as shown in J14

2022/23 AFGHAN REFUGEES SCHEME Expenditure & Funding 2022/23	Forecast Expenditure £m	Forecast Funding £m
Afghan Refugees Scheme		
Grant Received		(0.072)
Local Auth. Funding Received		(0.012)
Staff Costs	0.037	
Refugee Accommodation Costs	0.017	
Miscellaneous Expenditure	0.002	
Forecast Expenditure and Income 2022/23	0.056	(0.084)
Forecast Nett Expenditure	**(0.028)**	

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2022-23 Outturn Capital Programme Monitoring Q3

Summary

Full year expenditure forecast against the Capital Programme at the end of Quarter 3 is £31.99m which is £40.11m (56%) below the approved Programme for the year. The variance is predominantly a result of £30.00m slippage on the Housing Delivery Programme.

Headline Capital Budget Information 2022-23

£m

Current Budget (Section 1):	**72.10**	
Projected Net Overspends	0.00	(or 0 % of Programme)
Projected Net Underspends	(0.25)	(or 0 % of Programme)
Projected Slippage	(39.86)	(or 55 % of Programme)
Total Capital Expenditure	**31.99**	

Capital Programme Monitoring Q3
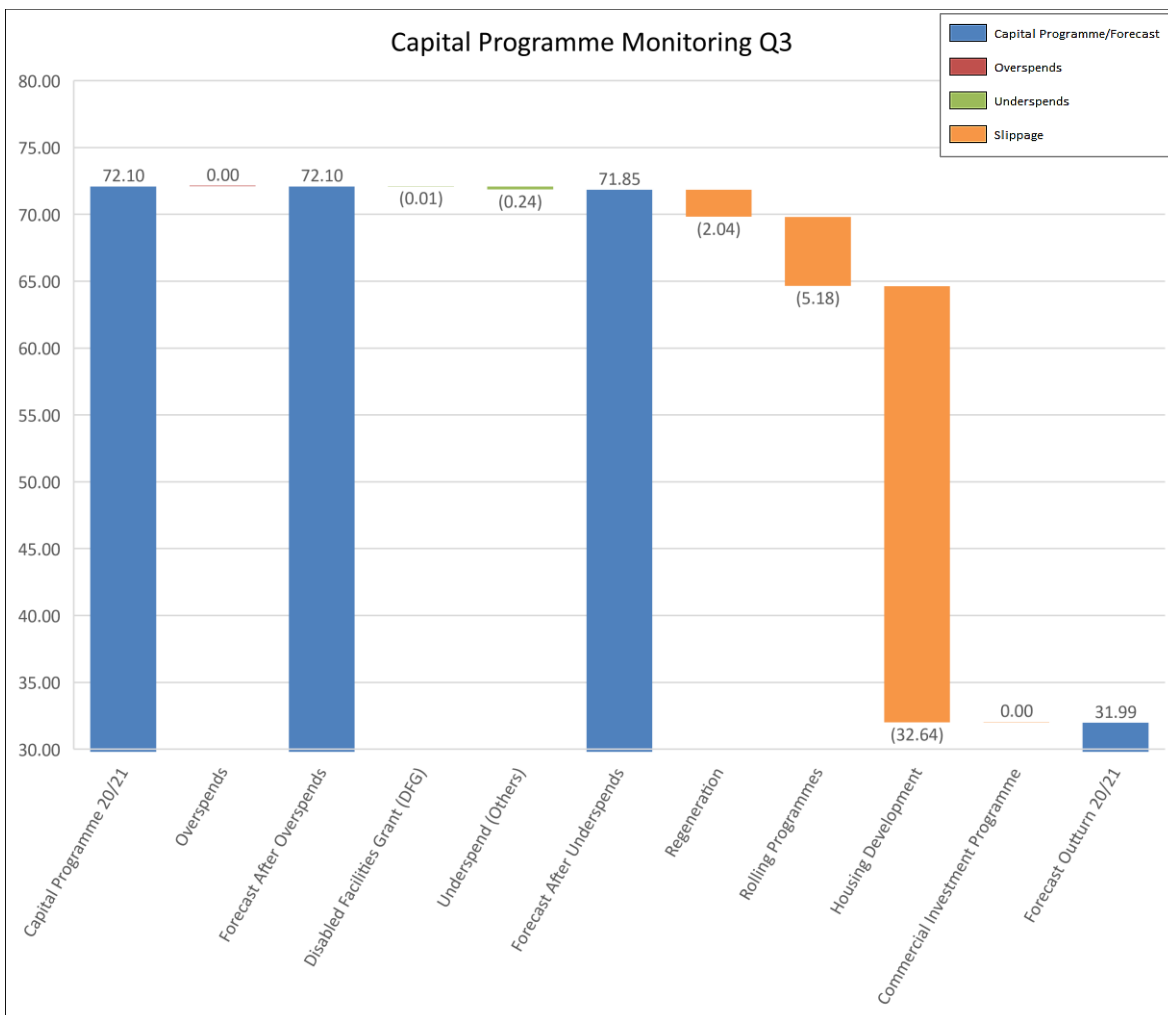
Underspends, £0.150m. Significant variances summarised below:

Regeneration	**Vibrant Towns & Villages (£0.100m underspend)** - No demands are expected on this programme in made on this programme in 2022/23.
Others	**CCTV Rolling Programme (£0.105m underspend) -** No expenditure now expected in 2022/23

Slippage, £39.86m. Significant variances summarised below:

Housing Development	**Housing Delivery Programme (£30.000m slippage)** - Capital funds allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.
Others	**Beech House - (£3.000m slippage)** - Expenditure expected in 2023/24, subject to business case approval.
	Merstham Recreation Ground - (£1.360m slippage) - The majority of construction spend is now expected in 2023/24.
	Vehicle Replacement Programme - (£1.078m sliipage) - Expenditure will now take place in 23/24
	Car Parks Programme - (£0.548m sliipage) - Expenditure will now take place after Car Park asset review.
	Horley Public Realm Improvements (£0.525m slippage) - The majority of expenditure is now expected in 2023/24

Reconciliation of Capital Programme to Approved Budgets 2022-23

	£000
Original Capital Budget	30,282.7
Budget approved but not yet released[1]	0.0
	30,282.7
Additions	
Carry Forwards from previous year	36,983.1
Budgets released during the year[1]	4,460.0
Reprofiling of projects	0.0
Other Changes	374.5
Current Capital Budget	**72,100.3**

Notes

1   Some budgets are approved as part of the capital programme but are not
    released pending further approval. These are added once the project
    documentation has been approved.

Capital Budget Monitoring: Summary by Programme and Project 2022-23

Programme/Project	Year to Date £000	Original Budget £000	Carry Forwards £000	Released In Year £000	Other Changes £000	Current Budget £000	Year End Outturn £000	Year End Variance £000	Quarter 3: Explanation of Significant Variances
Operational Buildings	7.4	110.0	260.0	0.0	0.0	370.0	370.0	0.0	
Community Centre Programme	31.3	75.0	34.0	0.0	0.0	109.0	109.0	0.0	
Existing Pavilions Programme	62.2	50.0	168.0	0.0	0.0	218.0	218.0	0.0	
Leisure Centre Maintenance	85.4	210.0	17.0	0.0	0.0	227.0	227.0	0.0	
Harlequin Property Maintenance	9.4	110.0	205.9	0.0	0.0	315.9	315.9	0.0	
Tenanted Properties	40.3	100.0	100.0	0.0	0.0	200.0	200.0	0.0	
Crown House	0.0	75.0	210.0	0.0	0.0	285.0	285.0	0.0	
Units 1-5 Redhill Dist Centre Salfords	0.0	57.5	57.0	0.0	0.0	114.5	114.5	0.0	
Linden House, 51B High Street Reigate	10.9	28.8	28.0	0.0	0.0	56.8	56.8	0.0	
Unit 61E Albert Road North	96.2	200.0	62.0	0.0	0.0	262.0	262.0	0.0	
Forum House, Brighton Road Redhill	0.0	100.0	170.0	0.0	0.0	270.0	270.0	0.0	
Beech House, London Road Reigate	4.2	0.0	3,000.0	0.0	0.0	3,000.0	0.0	-3,000.0	No spend expected in 22/23
Regent House, 1-3 Queensway Redhill	0.0	100.0	75.0	0.0	0.0	175.0	175.0	0.0	
Massetts Road	0.0	21.0	0.0	0.0	0.0	21.0	21.0	0.0	
Tenanted Property Assets	9.6	76.0	60.0	0.0	0.0	136.0	136.0	0.0	
Infra-structure (walls)	63.9	60.0	26.0	0.0	0.0	86.0	86.0	0.0	
Car Parks Capital Works Programme	-12.0	190.0	358.0	0.0	0.0	548.0	0.0	-548.0	
Earlswood Depot/Park Farm Depot	11.5	20.0	52.0	0.0	0.0	72.0	72.0	0.0	
Public Conveniences	1.1	4.0	17.0	0.0	0.0	21.0	21.0	0.0	
Cemeteries & Chapel	34.4	20.0	60.0	0.0	0.0	80.0	80.0	0.0	
Allotments	0.0	12.0	30.0	0.0	0.0	42.0	42.0	0.0	
Building Maintenance - Capitalised Staff Costs	0.0	28.0	0.0	0.0	0.0	28.0	28.0	0.0	
Pavilion Replacement - Woodmansterne	0.0	0.0	20.0	0.0	0.0	20.0	20.0	0.0	
Priory Park	0.9	10.0	213.0	0.0	0.0	223.0	223.0	0.0	
Strategic Property	**456.5**	**1,657.3**	**5,222.9**	**0.0**	**0.0**	**6,880.2**	**3,332.2**	**-3,548.0**	
ICT Replacement Programme	286.8	200.0	224.0	0.0	0.0	424.0	424.0	0.0	
Disaster Recovery	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Environmental Strategy Delivery	0.0	0.0	250.0	0.0	0.0	250.0	250.0	0.0	
Corporate Resources	**297.2**	**200.0**	**474.0**	**0.0**	**0.0**	**674.0**	**674.0**	**0.0**	
Great Workplace Programme - Phase 2	-6.2	250.0	451.5	0.0	0.0	701.5	701.5	0.0	
Organisational Development	**-6.2**	**250.0**	**451.5**	**0.0**	**0.0**	**701.5**	**701.5**	**0.0**	
Organisation Capital Budget	**747.6**	**2,107.3**	**6,148.4**	**0.0**	**0.0**	**8,255.7**	**4,707.7**	**-3,548.0**	

Capital Budget Monitoring: Summary by Programme and Project 2022-23

Programme/Project	Year to Date £000	Original Budget £000	Carry Forwards £000	Released In Year £000	Other Changes £000	Current Budget £000	Year End Outturn £000	Year End Variance £000	Quarter 3: Explanation of Significant Variances
Small Works Assistance	3.5	50.0	0.0	0.0	0.0	50.0	10.0	-40.0	
Home Improvement Agency & Handy Person Scheme	90.0	120.0	0.0	0.0	0.0	120.0	120.0	0.0	
Disabled Facilities Grant	861.9	1,134.0	0.0	0.0	0.0	1,134.0	1,125.6	-8.4	
Repossession Prevention Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Lee Street Bungalows	265.3	0.0	326.9	0.0	0.0	326.9	266.0	-60.9	
Stirling House 2 flats	0.0	0.0	0.0	120.0	0.0	120.0	120.0	0.0	New Programme adjusted for in Qtr3
Mitchell Court 4 flats	0.0	0.0	0.0	240.0	0.0	240.0	240.0	0.0	New Programme adjusted for in Qtr3
New Pond Works	0.0	0.0	0.0	100.0	0.0	100.0	25.0	-75.0	New Programme adjusted for in Qtr3:
Purchase of Temporary & Emergency Accommodation	0.0	0.0	0.0	4,000.0	0.0	4,000.0	1,500.0	-2,500.0	New Programme adjusted for in Qtr3
Housing Delivery Programmme	0.0	10,000.0	20,000.0	0.0	0.0	30,000.0	0.0	-30,000.0	
Development of Court Lodge Residential Site	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Cromwell Road Development	-448.3	0.0	149.6	0.0	0.0	149.6	149.6	0.0	
Unit 1 Pitwood Park Tadworth	-35.0	0.0	42.9	0.0	0.0	42.9	42.9	0.0	
Housing	**738.0**	**11,304.0**	**20,519.4**	**4,460.0**	**0.0**	**36,283.4**	**3,599.1**	**-32,684.3**	
Harlequin - Service Development	135.3	100.0	171.8	0.0	0.0	271.8	220.3	-51.4	
Leisure & Intervention	**135.3**	**100.0**	**171.8**	**0.0**	**0.0**	**271.8**	**220.3**	**-51.4**	
CCTV Rolling Programme	0.0	30.0	74.6	0.0	0.0	104.6	0.0	-104.6	
Community Partnerships	**0.0**	**30.0**	**74.6**	**0.0**	**0.0**	**104.6**	**0.0**	**-104.6**	
People Services Capital Budget	**873.3**	**11,434.0**	**20,765.7**	**4,460.0**	**0.0**	**36,659.7**	**3,819.4**	**-32,840.3**	

Capital Budget Monitoring: Summary by Programme and Project 2022-23

Programme/Project	Year to Date £000	Original Budget £000	Carry Forwards £000	Released In Year £000	Other Changes £000	Current Budget £000	Year End Outturn £000	Year End Variance £000	Quarter 3: Explanation of Significant Variances
Vehicles & Plant Programme	125.3	1,056.0	181.7	0.0	0.0	1,237.7	160.0	-1,077.7	
Fleet Vehicle Wash-Bay Replacement	0.0	0.0	350.0	0.0	0.0	350.0	0.0	-350.0	
Workshop Refurbishment	0.0	160.0	0.0	0.0	0.0	160.0	0.0	-160.0	
Land Flood Prevention Programme	0.0	10.5	0.0	0.0	0.0	10.5	10.5	0.0	
Play Area Improvement Programme	12.8	230.0	0.0	0.0	-100.0	130.0	130.0	0.0	£100k transferred from Play Area Improvement to Merstham Rec as approved at Executive meeting on 18 November 2021
Parks & Countryside - Infrastructure & Fencing	9.2	45.0	0.0	0.0	0.0	45.0	45.0	0.0	
Air Quality Monitoring Equipment	47.2	40.0	0.0	0.0	0.0	40.0	48.1	8.1	
Contribution to Surrey Transit Site	0.0	0.0	127.0	0.0	0.0	127.0	127.0	0.0	
Neighbourhood Operations	**194.5**	**1,541.5**	**658.7**	**0.0**	**-100.0**	**2,100.2**	**520.6**	**-1,579.6**	
Pay-on-Exit Car Parking at Central Car Park and Victoria	2.5	0.0	52.0	0.0	0.0	52.0	0.0	-52.0	
Horley Public Realm Improvements - Phase 4	1.9	0.0	575.1	0.0	0.0	575.1	50.0	-525.1	
Subway Refurbishment, Horley	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Marketfield Way Redevelopment	13,868.1	15,100.0	6,986.0	0.0	0.0	22,086.0	22,086.0	0.0	
Redhill Public Realm Improvements	0.0	0.0	30.0	0.0	0.0	30.0	30.0	0.0	
Merstham Recreation Ground	54.3	0.0	1,419.3	0.0	100.0	1,519.3	54.7	-1,464.6	£100k transferred from Play Area Improvement to Merstham Rec as approved at Executive meeting on 18 November 2021. Remaining expenditure will be incurred in 23/24.
Preston - Parking Improvements	29.8	0.0	347.8	0.0	374.5	722.3	722.3	0.0	
Place Delivery	**13,963.0**	**15,100.0**	**9,410.2**	**0.0**	**474.5**	**24,984.7**	**22,943.0**	**-2,041.7**	
Vibrant Towns & Villages	0.0	100.0	0.0	0.0	0.0	100.0	0.0	-100.0	No spend expected in 22/23
Economic Prosperity	**0.0**	**100.0**	**0.0**	**0.0**	**0.0**	**100.0**	**0.0**	**-100.0**	
Place Services Capital Budget	**14,157.5**	**16,741.5**	**10,068.9**	**0.0**	**374.5**	**27,184.9**	**23,463.6**	**-3,721.4**	
Total Capital Budget	**15,778.4**	**30,282.7**	**36,983.1**	**4,460.0**	**374.5**	**72,100.3**	**31,990.6**	**-40,109.7**	

Financial Sustainability Programme: Quarterly Update

As per the proposal within the 2022/23 budget report, our approach to our Financial Sustainability Programme (FSP) is based around four general areas:

- Income generation (that is, pursuing opportunities to generate new income streams, optimising fees and charges and implementing the commercial strategy)
- Use of assets (making effective use of existing assets, including the repurposing and sale of surplus properties)
- Prioritisation of resources (reviewing in year budget forecasts to identify new opportunities for savings and efficiencies, reviewing the level of service provided and focusing resources on priority services, and managing pay costs and making effective use of staff resources)
- Achieving value for money (including pursuing options to share with other Councils to realise efficiency savings and identifying invest to save opportunities, including investment in technology to reduce operational costs)

	Progress	Next Steps	Financial Benefits
Programme Set Up	• FSP Steering Group established (February) • Initial programme brief agreed by Corporate Governance Group (April) • Programme plan and register in development (May) • Programme support officer appointed (June) • S&FP timetable and milestones confirmed • All member briefing held (July)	• Ongoing review of programme resourcing requirements	• Not applicable
Service & Financial Planning	• Initial review of budgets and services undertaken by Heads of Service (April/May) • Peer challenge at Management Team Awayday (May) • Portfolio holders briefed and discussion of budget and service options and prioritisation at Executive Awayday (June) • Preparation of service business plans and draft budgets, including growth, savings and fees & charges proposals, for inclusion in the November draft budget report (September) • Management Team and Executive Awaydays to consider initial proposals and finalise draft budget (September and October) •		• 43 proposals generated under FSP delivered a total budget benefit of over £2m for 2023/24, summarised as: • £1.23m additional income • £0.79m cost savings Full details of all proposals included in the 2023/24 budget are shown in the 2023/24 Budget Reports presented in November 2022 and January 2023.

	Progress	Next Steps	Financial Benefits
	- Finalisation of draft 2023/24 business plans (October) - Preparation of draft 2023/24 budget report (October) - Publication of draft 2023/24 budget (November) - Consultation on draft 2023/24 budget (November to January) 2023/24 Budget agreed (February)		
Standalone projects and activities	- Project and activity scoping (May onwards) - Activities to deliver 'quick wins' being progressed (ongoing) - Projects being progressed through established project management framework (ongoing) - Review of existing project management resource capacity (June) - Recruitment of additional project management resource (September) - Activities to deliver 'quick wins' continue to be progressed by relevant service areas (ongoing) - Projects being progressed through established project management framework (ongoing)	- Activities to deliver 'quick wins' continue to be progressed by relevant service areas (ongoing) - Projects being progressed through established project management framework (ongoing)	- Small-scale savings for 2023/24 from 'quick win' activity incorporated within agreed budget - Financial benefits from projects will be confirmed on a case by case basis
Fees & Charges	- Collation of fees and charges register and identification of higher value areas for priority review (May 2022) 2022/23 increases implemented for some charges in year as appropriate - Budget holders progressing review (ongoing) - Additional income from fees and charges uplifts included within draft 2023/24 budget (November)	Fees and charges will be considered annually as part of service and financial planning process and updated accordingly	A total of £1.23m additional income has been included in the 2023/24 budget, including significant uplifts in existing charges for Car Parking and Garden Waste and identification and implementation of new charges such as Street Naming & Numbering.
Vacancy Control Mechanism	New vacancy control mechanism introduced (June 2022)	Changes and improvements to the process to be implemented as they are identified (ongoing)	Pay costs budget for 2023/24 budget have been reduced by £0.37m as a result of these controls.

	Progress	Next Steps	Financial Benefits
	• Senior Officer Panel established to review business cases for recruitment to vacant posts (July 2022) • Vacancy control mechanism now operational; recruitment to vacant posts being reviewed by senior management on a case by case basis •		
Third Party Funding Opportunities	• £0.5m secured from health partners towards Council community development and partnerships work Investment plan submitted in respect of £1m UK Shared Prosperity Fund funding (July) • Council services as well as third parties invited to submit Strategic CIL bids (August) • UK shared prosperity funding confirmed (January)	• Opportunities for further third party funding continue to be explored (ongoing)	

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Signed off by	Head of Corporate Policy, Projects and Performance
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Email	Luke.Harvey@reigate-banstead.gov.uk, Ross.Tanner@reigate-banstead.gov.uk
To	Audit Committee,
	Executive Committee
Date	Audit Committee: Wednesday, 15 March 2023,
	Executive: Thursday, 23 March 2023
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Risk management - Q3 2022/23

Recommendations
That the Audit Committee:
(i) Notes the Q3 2022/23 update on risk management provided in the report and associated annexes and make any observations to the Executive.
That the Executive:
(ii) Notes the Q3 2022/23 update on risk management provided by the report and associated annexes.
(iii) Approves the closure of SR1 – 'Coronavirus pandemic'.
Reasons for Recommendations

The Audit Committee and Executive's constitutional responsibilities require the regular receipt of updates on risk management.

Executive Summary

This report provides an update on risk management in Q3 2022/23. Additional detail is provided in the report as well as in the supporting annexes.

The Audit and Executive have the authority to approve their respective recommendations.

Statutory Powers

1. The Council holds various statutory responsibilities for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, accounted for, and is used economically and effectively.

2. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs.

3. The discharge of this responsibility includes arrangements for managing risk.

4. The Council's Code of Corporate Governance outlines these core governance principles; compliance with the code is reported each year via the Annual Governance Statement.

Background

5. Reigate & Banstead Borough Council has a proactive approach to risk management. It is an integral part of the Council's corporate governance arrangements and is built into management processes.

6. The Council operates a two-tiered risk management process to address the dynamic and interdependent nature of risk categorisation. The risk categories are strategic and operational risks.

7. Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and Medium-Term Financial Plan (MTFP).

8. Members of the Management Team and Executive Members have shared responsibility for strategic risks. It is the responsibility of the Executive to formally endorse the strategic risks for each financial year.

9. Operational risks are short term risks that are encountered in the course of the dayto-day delivery by services. However, if the operational risk cannot be fully managed within the service or it has a wider organisational impact, then it will be considered for inclusion in the operational risk register. Heads of Service have responsibility for operational risks. The Audit Committee and Executive receive updates on any red rated operational risks as part of quarterly risk management reporting.

10. The Audit Committee has a constitutional responsibility to provide independent assurance to the Council of the adequacy of the risk management framework and

internal control environment. It provides independent review of Reigate and Banstead Borough Council's governance, risk management and control frameworks. A key component of fulfilling this responsibility is to regularly receive and review the Council's risks.

Key Information

Q3 2022/23 risk management update

11. The full strategic risk register is available at annex 1 of this report.

12. In Q3 there were no new strategic risks identified.

13. In Q3 one strategic risk is recommended for closure, SR1 'Coronavirus Pandemic'.

- Operating within the confines of, and responding to, Covid-19 has now become part of 'business as usual' for the Council, with disruption being proactively planned for and controls now in place. The impact of Covid-19 on the Council and wider society in general also continues to decline, therefore meriting the recommended closure of this risk in Q3 2022/23 reporting.

14. The full risk registers, as well as the Council's current risk management framework, are made available to all members via the ModernGov document library.

Red rated operational risk

15. In Q3 there was one RED rated operational risk, the detail of which is set out in the part 2 exempt annex.

Options

16. The Audit Committee has two options:

- Option 1: note this report and make any observations to the Executive.

- Option 2: note this report and make no observations to the Executive.

17. The Executive has two options:

- Option 1: note this report and approve the closure of SR1 – 'Coronavirus pandemic'. This is the recommended option.

- Option 2: note this report and do not approve the closure of SR1 – 'Coronavirus pandemic'.

Legal Implications

18. There are no legal implications arising from this report.

Financial Implications

19. Financial risks are considered when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget, and Capital Programme each year.

20. There are no additional financial implications arising from this report.

Equalities Implications

21. There are no equalities implications arising from this report.

Communication Implications

22. The Council's risk registers inform the development of the annual risk based internal audit plan.
23. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Environmental Sustainability Implications

24. There are no Environmental Sustainability implications arising from this report.

Risk Management Considerations

25. The Council's risk registers inform the development of the annual risk based internal audit plan, progress against which is reported separately to the Audit Committee.
26. The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Other Implications

27. There are no other implications arising from this report.

Consultation

28. The contents of this report have been considered by the Council's Corporate Governance Group.

Policy Framework

29. The Council's risk management strategy and methodology provides additional information on how the council manages risk

Background Powers

1. Risk Management Strategy: https://www.reigate-banstead.gov.uk/info/20090/council_policy/929/risk_management

Risk management

Strategic risk register

Quarter 3 – October to December 2022

Strategic Risks

Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and the Medium-Term Financial Strategy. The Management Team has shared responsibility for strategic risks.

The Council's strategic risks are detailed in below table:

SR1	Coronavirus pandemic
SR2	Financial sustainability
SR3	Commercial investment
SR4	Challenging economic conditions for residents and businesses
SR5	Organisational capacity and culture
SR6	Cost pressures affecting the viability of Council developments
SR7	Local government reorganisation, devolution and Levelling Up
SR8	ICT network capacity and resilience
SR9	Fraud
SR10	Gatwick Airport
SR11	Planning system reform
SR12	Climate change impact

Risk rating

Each risk is scored using the potential impact of the risk and the likelihood of the risk happening. The risk score then determines the level of management action required:

RED	Where management should focus attention. Immediate actions should be identified, and plans put in place to reduce risk as a priority.
AMBER	Where management should ensure that contingency plans are in place. These may require immediate action and will require monitoring for any changes in the risk or controls. These will be a key area of assurance focus
YELLOW	These should have basic mechanisms in place as part of the normal course of management.
GREEN	Where risk is minimal if does not demand specific attention but should be kept under review.

Risk status

Tolerate	Decide to accept the risk and take no further measures. This should be a conscious and deliberate decision taken having decided that it is more cost effective to do so than attempt mitigating action.
Transfer	Transfer all or part of the risk. For example, to insurance or to other agencies/contractors.
Treat	Proactive action taken to reduce: • The probability of the risk happening by Introducing control measures • The impact of the risk should it occur.
Close	This could involve changing an aspect of the activity or ceasing to provide the service/function/project and thus eliminate the risk.

RISK RATINGS

IMPACT		1	2	3	4	5
Grave	5					
Significant	4		SR8	SR5 SR6 SR7	SR2 SR4	
Moderate	3		SR3 SR11↓	SR10	SR9 SR12	
Minor	2		SR1			
Almost none	1					
		1	2	3	4	5
LIKELIHOOD		Rare	Unlikely	Possible	More than likely	Almost certain

SR1	Coronavirus pandemic		GREEN
Description	The Council will continue to respond to the Covid-19 pandemic in supporting residents, businesses as well as partner voluntary and public sector organisations. However, the effects of, and the ongoing response to, the pandemic could result in significant disruption to the delivery of services and the wider achievement of corporate objectives.		
Owner	**Portfolio Holder**	Cllr Brunt	
	Officers	Mari Roberts-Wood and Luci Mould	
Controls	Ongoing planning for disruption caused by the pandemic, including maintaining organisational preparedness via emergency and business continuity planning as well as robust risk assessments. The resumption of Covid-19 command and control processes and procedures if required. Liaison and engagement with partners and the Surrey Local Resilience Forum.		
Mitigating actions/progress	Operating within the confines of, and responding to, Covid-19 has now become part of 'business as usual' for the Council, with disruption being proactively planned for and structural controls now in place. The impact of Covid-19 on the Council and wider society in general continues to decline, therefore meriting the recommended closure of this risk in Q3 2022/23 reporting.		
Score	**Likelihood**	Unlikely	**Direction of travel**	-
	Impact	Minor		
Status	Recommended for Closure		
Last update	6 February 2023		

SR2	Financial sustainability	RED

Description	The effects of the Covid-19 pandemic, coupled with current adverse macroeconomic conditions and the wider local government funding context, have created conditions of unprecedented financial uncertainty and challenge for the Council. The Council is therefore increasingly reliant on generating additional income and identifying savings and efficiencies from existing budgets. If not mitigated, these financial challenges risk an adverse impact on the Council's ability to deliver its Corporate Plan objectives.	
Owner	**Portfolio Holder**	Cllr Schofield
	Officers	Pat Main

Controls	The Council will continue to ensure that strong financial management arrangements are in place and will continue investment in skills and expertise to support the delivery of the Council's financial and commercial objectives while managing risks. The Medium-Term Financial Plan (MTFP) sets out the forecast budget challenges over the coming five years and forms the basis for service and financial planning, while the Capital Investment Strategy provides an overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of Council services and how associated risk is managed. The budget pressures identified by the MTFP will be addressed by the Council's Financial Sustainability Programme. The Commercial Strategy sets out the commercial activity the Council will consider, provide a framework on option evaluation, and provide the basis on which commercial decision making will be made. The Annual Revenue Budget sets out funding allocations for the current year and confirms officer accountability for ensuring that expenditure and income are managed within limits approved by Members. In year budget monitoring reports confirm compliance with these limits and report any action required to manage budget variances. The Treasury Management Strategy helps ensure that investments achieve target returns within approved security and liquidity limits and that borrowing to fund the Capital Programme is affordable. Internal audit will be utilised to review the approach taken to secure financial sustainability.

Mitigating actions/progress	In addressing its significant financial challenges, the Council has established a Financial Sustainability Programme. This programme will take the form of a series of ambitious initiatives that reduce costs and/or increase income, enabling the Council to set a balanced budget reducing need to draw on reserves. Key to this will be looking at delivering services differently to realise savings and/or increase income, as well as embedding lasting cultural change across the organisation. The programme is premised on the following: 1. **Projects –** new ideas and opportunities for generating income and/or making savings. 2. **Service and financial planning (2023/24 onwards) –** for all budget areas, reviewing the services delivered and the associated budgetary requirements. Ensuring that there is a clear justification for all services

SR2	Financial sustainability	RED

delivered and that budgets are set accordingly. Opportunities for delivering services in a different way to unlock savings will also be explored.

3. **Fees and charges –** carrying out a fundamental review to ensure the full application of the fees and charges policy across the Council.

Updates to the programme will be reported to the Overview and Scrutiny Committee and Executive.

An updated MTFP forecast was reported to the Overview and Scrutiny Committee and Executive in January 2023 along with the Revenue Budget 2023/24 and Capital Programme 2023-2028. This update confirmed that the risk of increasing costs, driven by inflationary pressures in the wider economy and disruption of the global supply chain, presents an increasing challenge to the Council's financial sustainability. This is especially notable for the goods and services that the Council relies on to maintain service delivery. The Council continues to ensure the most financially advantageous/sustainable option is selected when procuring goods and services and, wherever possible, the Council will ensure that increased costs are reflected in the fees and charges levied or compensating budget savings will be sought.

Energy costs have also escalated following the most recent contract renewals and the extent of Government financial support to offset the impacts remains uncertain.

Score	Likelihood	More than likely	Direction of travel	-
	Impact	Significant		
Status		Treat		
Last update		19 January 2023		

SR3	Commercial investment	AMBER

Description	The generation of income from commercial investment is a contributor to the Council's financial sustainability. Following several high-profile commercial investment failures by local authorities, the ability to invest for a commercial purpose is being further restricted by changes in legislation, regulations, and codes of practice.
	Moreover, investing for commercial purposes – either in assets or in trading services – is not without risk due to market fluctuations and factors outside of the Council's control.
	The risks associated with commercial investment range from the non-achievement of budgeted income to significant capital and revenue losses, as well as governance, legal and reputational issues.

Owner	Portfolio Holder	Cllrs Archer and Schofield
	Officers	Mari Roberts-Wood and Pat Main

Controls	Effective governance arrangements for investment decision making.
	Commercial opportunities will be considered on a case-by-case basis with up-to-date market intelligence used to inform decisions.
	Investments will be predicated on robust, stress-tested business cases and financial assessments which consider risks and benefits. Benefits will be monitored via established governance and reporting processes.
	Independent valuations will be commissioned as part of the decision-making process.
	Evidence of compliance with relevant Government and CIPFA guidance will be confirmed when business cases are approved.
	Exit strategy options will be considered at the time of decision-making.
	Commercial projects will be overseen by the Partnership, Trustee and Shareholder Sub-Committee.
	The performance of the Council's company investments is reporting bi-annually to the Overview & Scrutiny Committee and the Sub-Committee.

Mitigating actions/progress	The Council has now adopted parts 1 and 2 of the commercial strategy which sets out the agreed parameters for commercial activity, including an action plan which will be reported on annually.
	Work is underway to review the future plans and direction for the Council's company investments.

Score	Likelihood	Unlikely	Direction of travel	-
	Impact	Moderate		

Status	Treat

Last update	19 January 2023

SR4	Challenging economic conditions for residents and businesses	RED
Description	A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses. The Covid-19 pandemic has resulted in significant negative impacts upon the economy – including on sectors particularly impacted by restrictions – the effects of these will continue to be felt for some time. Prevailing economic conditions have a direct impact on the Council's financial position and likewise impacts upon the demand for Council services, particularly in terms of income derived from fees and charges and the collection of monies owed. Challenging financial circumstances for residents may also increase their reliance on Council services which could result in cost pressures on the Council. The risk of the latter is exacerbated by household budgets being stretched by current high levels of inflation and rising consumer prices.	
Owner	**Portfolio Holder**	Cllrs Humphreys, Neame and Ashford
	Officers	Mari Roberts-Wood, Pat Main, Duane Kirkland, Richard Robinson, Simon Bland, and Justine Chatfield
Controls	The UK and Global Economies are outside of the control and influence of the council. However, the Council is able to provide support to residents and businesses; both via direct service delivery and also through the disbursement of grants and other sources of funding. The Council's Business Engagement Team provides a range of advice, support, and networking opportunities for local business, allowing the Council to receive feedback on general economic performance and conditions. Early and regular engagement by the Community Development and Intervention teams to support residents. The operation of Council owned and operated emergency accommodation to reduce spend on temporary emergency accommodation. Applying for government grants to fund additional support services. Joint working and close collaboration with partners.	
Mitigating actions/progress	Consumer price inflation has risen significantly across the world, including the UK where inflation was up to 9.2% as of the close of December 2022. Consumer prices are rising due to increased demand for global energy and commodities, the latter due to global supply chain disruption and bottlenecks. The UK economy narrowly avoided recession in the winter of 2022/23 however the situation remains uncertain and therefore the economic environment for residents and businesses remains challenging. To support local businesses, the Council launched a communications campaign encouraging residents to buy locally which has continued to run through Q3 and the important pre-Christmas shopping season. The Council is promoting the use of energy efficiency grants from Surrey County Council to support local businesses, highlighting energy saving and efficiency measures, such as solar panel installation and long-life lights to reduce the impact of rising energy costs. This programme will run through to the end of the 2022/23 financial year and will the subject to review by Surrey County Council. The Council will continue to apply for business support grants to support local employment and businesses and distribute them should they become available. Central government has introduced an Energy Price Guarantee which is expected to support households with their energy bills for the next 6 months (to	

SR4	Challenging economic conditions for residents and businesses	RED

April 2023). This support has also extended to the business and non-domestic sectors via the Energy Bill Relief Scheme.

The rising cost of living along with related factors have resulted in increased referrals to the Council's Money Support service, with referrals in Q3 now reaching levels not seen since the peak of the Covid-19 pandemic. This has chiefly been driven by the cost-of-living crisis (increasing energy costs), impact of the move of increasing numbers of residents onto universal credit, and a general lack of disposable income for some local households.

Additional resourcing has been identified to support the service if/when necessary. The Council also facilitates closer collaboration between the various other money and debt advice services operating in the borough.

The Council continues to closely liaise with voluntary sector partners and to participate in the Surrey wide fuel poverty group, which will look to reduce incidents and support residents at risk of fuel poverty. The Council administers grants to eligible householders to help them insulate their homes as they arise. The Council also provides grants to local voluntary sector organisations to provide utilities top-ups to residents living in fuel poverty.

The Council is supporting those affected by food poverty in the borough by facilitating food club initiatives and facilitating coordination between food banks in the borough. Food clubs support residents experiencing financial hardship with access to food and basic supplies. They can help provide a sustainable solution to food poverty and reduce the need to use emergency food banks.

The Council has provided 'Warm Hubs' as part of a county wide package to support residents. Warm hubs are intended to assist those in fuel poverty by providing warm spaces across the borough.

The Council continues to receive government grants to support homeless residents, or those at risk of homelessness.

The Council continues to administer the government's Household Support Fund. The first two tranches of the scheme have been completed, with disbursement of the third ongoing. The scheme has been used to support vulnerable households with access to food and heating, with approximately £700k spent in the first two tranches. A fourth tranche is expected in Q1 of the 2023/24 financial year although details are yet to be announced.

Score	Likelihood	More than likely	Direction of travel	-
	Impact	Significant		

Status	Treat/tolerate

Last update	19 January 2023

SR5	Organisational capacity and culture	AMBER

Description	The Covid-19 pandemic has had a significant impact on the Council, with additional demands and challenges arising alongside the need to continue to deliver on corporate objectives. The pandemic has also drastically changed the way the Council operates, the context within which it does so, with a resultant shift in the organisational culture and ways of working. As we increasingly move into recovery, these factors underscore the importance of the Council prioritising its activities and being sustainably and efficiently resourced to meet the challenges ahead. In this new context, the embedding of a robust and resilient organisational culture that successfully supports officers and members and makes the Council an attractive place to work is similarly key. The failure to do will risk the delivery of the Council's objectives.

Owner	Portfolio Holder	Cllr Lewanski
	Officers	Mari Roberts-Wood, Ann Slavin and Kate Brown

Controls	Implementation of the Human Resources and Organisational Development strategy. Development of an embedded Workforce Planning approach for the Council, alongside service and financial planning. Recruitment, training, and development. Ongoing consultation and engagement with staff. Succession planning.

Mitigating actions/progress	Before the COVID-19 pandemic significant work was undertaken on the Council's HR and OD Work Programme (previously the 'Organisational Development Strategy') which has formed the solid basis for post-pandemic action. The Council continues to face challenges in regard to recruitment and retention of staff. While turnover was low during the pandemic, it has steadily increased through the 2022/23 year. This has been driven by a combination of factors, most notably a buoyant UK labour market and built-up demand for a job move stemming from the pandemic period. Staff resourcing levels are being closely monitored and action taken as required. The Council has engaged with the Local Government Association (LGA) for support with identifying initiatives that will ensure that the Council continues to attract and retain staff. A Corporate Pay Board has also been established to oversee all aspects of employee pay costs, benefits mapping, pay modelling and negotiation with staff representatives for the annual cost of living award. An embedded workforce planning approach is in place alongside service and financial planning to ensure resources meet the Council's requirements.

Score	Likelihood	Possible	Direction of travel	-
	Impact	Significant		

Status	Treat

Last update	18 January 2023

SR6	Cost pressures affecting the viability of Council developments	AMBER

| Description | The UK construction sector has seen an increase in building material and labour costs arising from global supply chain disruption and inflationary pressures.

This disruption and increase in costs may impact the Council's ability to deliver economically viable development projects. The effects of this are multifaceted but could result in negative financial implications as well as jeopardising the delivery of strategic corporate objectives. | |

Owner	**Portfolio Holder**	Cllrs Biggs and Schofield
	Officers	Mari Roberts-Wood, Luci Mould, Pat Main, and Peter Boarder

Controls	Robust, stress tested business cases for all development projects which are reported and monitored via established governance arrangements. The Council will collaborate and seek external advice from external professional teams (quantity surveyors, employers' agents, etc.) to attempt to resolve cost pressures. Rigorous change management processes will be put in place for all development projects. External grant funding opportunities will be pursued where available.

Mitigating actions/progress	Cost pressures on Council development schemes are considered under the annual service and financial planning and budgeting monitoring processes. Such cost pressures are also considered as part of business case development and are closely monitored throughout a project's lifecycle.

Score	Likelihood	Possible	Direction of travel	-
	Impact	Significant		

Status	Treat

Last update	12 January 2023

SR7	Local government reorganisation, devolution and Levelling Up	AMBER
Description	A reorganisation of local government could be prompted by a range of scenarios and circumstances, including the financial failure of an authority within Surrey or as part of the government's devolution and 'Levelling Up' agenda. The uncertainty surrounding, and subsequent results of, any local government reorganisation could adversely affect the Council and the delivery of services for residents.	

Owner	**Portfolio Holder**	Cllr Brunt
	Officers	Mari Roberts-Wood

Controls	Close working with neighbouring and partner authorities to develop alternative proposals for the future of local government in Surrey.
	Lobbying central government where appropriate and necessary.

Mitigating actions/progress	In May 2022 the government published its Levelling Up and Regeneration Bill. The Bill creates the statutory basis for the new forms of devolution articulated in the earlier White Paper.
	Surrey County Council have developed a 'level 2' proposal to secure a county deal. The current draft proposals concern: (i) the creation of a single Surrey wide growth and investment fund; (ii) the creation of a Surrey growth and enterprise hub which requires changes to current Local Enterprise Partnership functions and responsibilities; (iii) Surrey CC receiving devolved skills functions and budget from central government; (iv) Surrey CC being designated the lead climate change authority; and (v) the development of a Surrey infrastructure investment plan.
	The Council is engaged with Surrey CC as it progresses its proposal and will continue to seek to proactively influence the debate on devolution deals as well as the future structure of local government in Surrey.
	Under a Level 2 County Deal the Council is unlikely to be required to make significant changes to existing governance arrangements, as most powers and functions will be devolved to the upper-tier authority and can be incorporated into existing structures.
	Central government has indicated that for devolved powers that relate to lower-tier functions, a joint-committee (or similar statutory arrangement) between participating authorities may need to be established to exercise these powers. Depending on the nature of the powers and functions devolved through a County Deal there are a number of options the council could explore for governance arrangements. There is also scope to explore opportunities for 'double devolution' whereby certain functions could be devolved to district and boroughs, as well as local town and parish councils in order to achieve greater engagement with the local community.

Score	**Likelihood**	Possible	**Direction of travel**	-
	Impact	Significant		

Status	Treat
Last update	6 February 2023

SR8	ICT network capacity and resilience	AMBER
Description	The Covid-19 pandemic has sparked a significant shift in the way that the Council works, with increasing demands placed on technology and the underlying supporting ICT infrastructure. As the reliance and demands placed upon technology continues to increase, there is a risk of significant disruption to service delivery in the event of network disruption and/or outage, particularly following a cyber-attack. It is therefore imperative that the Council continues to invest in robust systems, infrastructure, network security and disaster recovery capabilities to manage this risk and maintain the delivery of services.	

Owner	**Portfolio Holder**	Cllr Lewanski
	Officers	Darren Wray

Controls	ICT has in-place several layers of defences protecting core data and systems from Internet and locally introduced threats. Including email scanning, internet browsing controls; device and server based anti-virus software and whole disk encryption for laptops. Virus patterns are updated on a regular basis. Firewalls are placed at points on the network where external connections join the local network. Implementation of the new ICT strategy to further enhance the Council's network resilience and cyber security capabilities. Active contract with NCCGroup, a cyber security specialist organisation for the investigation of any incidents that may arise. A programme of cyber security training with all staff

Mitigating actions/progress	The ICT service has put in place a Service Level Agreement (SLA) with the NCCGroup, who work on behalf of the Cabinet Office on heightening cyber security across local government. The SLA provides support and instant access to the NCCGroup's expertise in the event of a cyber security incident. In March 2022 a proposal for significant enhancements to the Council's cyber security capabilities was approved by the Executive and Full Council as part of the Council's new ICT strategy. Implementation of the new strategy has now begun, with the procurement phase beginning in Q1 and concluding in Q2 of 2022/23. With procurement concluded implementation has now commenced and is expected to have completed in early Q4.

Score	**Likelihood**	Unlikely	**Direction of travel**	-
	Impact	Significant		

Status	Treat

Last update	10 January 2023

SR9	Fraud	AMBER
Description	Due to the wide range of activities undertaken by the Council, there is a risk of fraud being committed. The risk of the latter is exacerbated by the new areas of activity as part of the Council's response to the Covid-19 pandemic.	

Owner	**Portfolio Holder**	Cllr Schofield
	Officers	Pat Main and Simon Rosser

| **Controls** | The Council maintains robust control measures to protect public funds from fraudulent activity. This includes the Counter Fraud, Corruption and Bribery Policy, Whistleblowing Policy, and Prosecution Policies.

The Council has a Fraud and Financial Investigations Team that are proactive and reactive. Investigations can be external and internal and cover all areas of corporate fraud.

Staff induction also includes fraud awareness training, as well as awareness of established policies and procedures.

Internal audit undertaking reviews into fraud risk areas. |
|---|---|

| **Mitigating actions/progress** | The Council's in-house fraud team detected elevated levels of fraudulent activity during 2021/22 with levels remaining elevated in certain areas, such as housing benefit and council tax, into the 2022/23 financial year. This had originally arisen from new activity areas as well as the effects of the pandemic giving rise to increased attempts to commit fraud, such as in attempting to fraudulently join the Council's housing register.

The Council continues proactive fraud checks on all housing applications and action will be taken where appropriate.

A staff wide fraud awareness programme has been implemented, with training of the relevant teams continuing to take place.

During Q2/Q3 the Council engaged with SCC and other Surrey local authorities to review council tax single occupancy discounts as part of a wider drive to identify and decrease council tax fraud. |
|---|---|

Score	**Likelihood**	More than likely	**Direction of travel**	-
	Impact	Moderate		

Status	Treat

Last update	16 January 2022

SR10	Gatwick airport		AMBER
Description	Despite the impact of the Covid-19 pandemic on international travel, Gatwick Airport is continuing to pursue its plans for expansion. Whilst the airport is a key local employer and its operations and supply chains have a significant bearing on the borough's economy, its expansion risks local environmental and infrastructural issues if not appropriately planned and managed.		
Owner	**Portfolio Holder**	Cllr Biggs	
	Officers	Luci Mould and Andrew Benson	
Controls	This risk is largely outside of the Council's control and is dependent on any possible support provided by the government to the aviation sector and the commercial decisions made by private companies. The council will continue to regularly engage throughout the planning process to mitigate negative outcomes and maximise benefits. Engagement with Gatwick via the formal planning process Cooperation with neighbouring Local Authority partners affected by the expansion		
Mitigating actions/progress	Gatwick continues to pursue its plans for expansion. The Council responded to a consultation in advance of the airport's application for a development consent order, which is expected to be made towards the end of Q1 2023/24. A new phase of engagement commenced in Q1 of 2022/23, which the Council continues to participate in.		
Score	**Likelihood**	Possible	**Direction of travel**
	Impact	Moderate	-
Status	Treat/tolerate		
Last update	16 January 2023		

SR11	Planning system reform	AMBER

Description	The government is considering changes to the planning system in England. There is a risk that, if adopted in the form contained in the consultation White Paper, these changes could result in a loss of local democratic control over planning matters. Although the government have confirmed that they will not be increasing the threshold at which affordable housing is required from developments (which was included in a past consultation documents), there is a risk that the other proposed changes, if adopted into national policy, could result in a reduction in the delivery of affordable housing in the borough.	

Owner	Portfolio Holder	Cllr Biggs
	Officers	Luci Mould and Andrew Benson

Controls	Respond to the government's consultation as it develops, and as additional rounds of consultation are issued. To continue to pursue the delivery of affordable housing as detailed in the Council's housing strategy.

Mitigating actions/progress	In May 2022 the Queen's Speech announced new proposed reforms to the planning system, as part of a Levelling Up and Regeneration Bill. The Bill has not taken forward a number of measures set out in the previous Planning for the Future White Paper. The highlights of these proposed reforms include: • A new development plan system will be introduced at the local level. This may result in changes to the setting of local plans by local authorities. • The Local Planning Authorities (LPAs) being required to make all planning decisions in accordance with their development plan (and any national development management policies) unless material considerations strongly indicate otherwise. • A proposal to introduce street referenda on developments. These 'street votes' are intended to provide residents with the power to set their own development rules in suburban areas. • The introduction of a new infrastructure levy to be implemented by English local authorities to replace the Community Infrastructure Levy (CIL) and most developer contributions to local infrastructure and affordable housing via 'section 106 agreements. The implications arising from the Bill will be monitored and any action taken as necessary. A new National Planning Policy Framework consultation paper was published in Q3, with key updates outlining Central Government's amendments to the previous white paper. The current proposals are now focusing on less radical changes and eased of on some of the more controversial changes. As such, this risk has been down scored in Q3 of the 2023/24 year to reflect accordingly.

Score	Likelihood	Unlikely	Direction of travel	↓
	Impact	Moderate		

SR11	Planning system reform	AMBER
Status	Treat	
Last update	16 January 2023	

SR12	Climate change impact	AMBER

Description	It is widely recognised that the Earth's climate is changing, with this forecast to result in more extreme weather. This could have negative impacts, including on the built and natural environment, with vulnerable residents likely to be most severely impacted. In response, the Council may encounter difficulties in delivering services and may similarly have additional demands placed upon it, particularly as climate change adaptation and mitigation becomes increasingly necessary.

Owner	Portfolio Holder	Cllrs Lewanski and Brunt
	Officers	Cath Rose, Frank Etheridge, Andrew Benson

Controls	The Council's multi-agency adverse weather emergency plan as well as service level business continuity plans. Partnership work with Surrey County Council and the Environment Agency to mitigate flooding in local developments. The creation of an internal Sustainability Team and the associated implementation of the recommendations of the Environmental Sustainability Strategy. Supplementary planning document detailing climate change and sustainable construction for new developments in the borough. Consideration of climate change impacts requirements under both existing and new local plan.

Mitigating actions/progress	The Council continues to actively implement measures to reduce the impact of extreme weather on local developments. For example, the installation of swales at Merstham Recreational Ground to improve drainage capacity. Further activity is taking place in the north of the borough to reduce the impact from flooding and other extreme weather events, with the Council actively engaging in local flood action groups. The Council has introduced a Household Emergency Plan, which details what activities households can take to minimise impact from flooding or other extreme weather events. The plan has been published on the Council's website for residents to use. The Council's Emergency Planning team continues to proactively engage at the Surrey Local Resilience Forum for preparing for and responding to extreme weather events. The 2022/23 edition of the annual Environmental Sustainability Strategy progress report was successfully delivered and considered by Overview & Scrutiny committee in October of 2022.

Score	Likelihood	More than likely	Direction of travel	-
	Impact	Moderate		

Status	Tolerate/Treat

Last update	16 January 2023

Annex 1 – Strategic risks 2023/24

Ref.	Description	Portfolio holder
SR1	**Financial sustainability** A combination of current adverse macroeconomic conditions and the wider local government funding context have created conditions of unprecedented financial uncertainty and challenge for the Council. The Council is therefore increasingly reliant on generating additional income and identifying savings and efficiencies from existing budgets. If not mitigated, these financial challenges risk an adverse impact on the Council's ability to deliver its Corporate Plan objectives.	**Cllr Schofield**
SR2	**Commercial investment** The generation of income from commercial investment is a contributor to the Council's financial sustainability. Following several high-profile commercial investment failures by local authorities, the ability to invest for a commercial purpose is being further restricted by changes in legislation, regulations, and codes of practice. Moreover, investing for commercial purposes – either in assets or in trading services – is not without risk due to market fluctuations and factors outside of the Council's control. The risks associated with commercial investment range from the non-achievement of budgeted income to significant capital and revenue losses, as well as governance, legal and reputational issues.	**Cllrs Archer and Schofield**
SR3	**Challenging economic conditions for residents and businesses** A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses. Prevailing economic conditions have a direct impact on the Council's financial position and likewise impacts upon the demand for Council services, particularly in terms of income derived from fees and charges and the collection of monies owed. Challenging financial circumstances for residents may also increase their reliance on Council services which could result in cost pressures on the Council. The risk of the latter is exacerbated by household budgets being stretched by current high levels of inflation and rising consumer prices.	**Cllrs Humphreys, Neame and Ashford**
SR4	**Organisational capacity and culture** An effective and efficient organisational capacity and culture is key to the council's ability to deliver on its corporate objectives. A combination of strong labour market conditions and associated higher turnover of staff nationwide, increasing move to a 'Hybrid Working Culture', and the requirement by the council to comply with the objectives	**Cllr Lewanski**

Ref.	Description	Portfolio holder
	of the financial sustainability programme have introduced new complexities. These factors underscore the importance of the Council prioritising its activities and being sustainably and efficiently resourced to meet the challenges ahead. The embedding of a robust and resilient organisational culture that successfully supports officers and members and makes the Council an attractive place to work is similarly key. The failure to do will risk the delivery of the Council's objectives.	
SR5	**Cost pressures affecting the viability of Council developments** The UK construction sector has seen an increase in building material and labour costs arising from uncertainties in the global supply chain and inflationary pressures. This disruption and increase in costs may impact the Council's ability to deliver economically viable development projects, where tenants may increasingly seek higher capital investment. It is now increasingly important that the council has appropriate funding/incentives to encourage commercial tenants for the lettings. The effects of this are multifaceted but could result in negative financial implications as well as jeopardising the delivery of strategic corporate objectives.	**Cllrs Biggs and Schofield**
SR6	**Local government reorganisation, devolution and Levelling Up** A reorganisation of local government could be prompted by a range of scenarios and circumstances, including the financial failure of an authority within Surrey or as part of the government's devolution and 'Levelling Up' agenda. The uncertainty surrounding, and subsequent results of, any local government reorganisation could adversely affect the Council and the delivery of services for residents.	**Cllr Brunt**
SR7	**ICT network capacity and resilience** There has been a significant shift in the way that the Council works over the last few years, with increasing demands placed on technology and the underlying supporting ICT infrastructure as part of business-as-usual activities. As the reliance and demands placed upon technology continues to increase, there is a risk of significant disruption to service delivery in the event of network disruption and/or outage, particularly following a cyber-attack. It is therefore imperative that the Council continues to invest in robust systems, infrastructure, network security and disaster recovery capabilities to manage this risk and maintain the delivery of services.	**Cllr Lewanski**

Ref.	Description	Portfolio holder
SR8	**Fraud** Due to the wide range of activities undertaken by the Council, there is a risk of fraud being committed. The risk of the latter is exacerbated from both legacy areas of activity and changes and additions to areas in which the council operates where fraud may be committed.	**Cllr Schofield**
SR9	**Gatwick Airport** Gatwick Airport is indicated its commitment to pursue its plans for expansion. Whilst the airport is a key local employer and its operations and supply chains have a significant bearing on the borough's economy, its expansion risks local environmental and infrastructural issues if not appropriately planned for and outcomes managed.	**Cllr Biggs**
SR10	**Planning system reform** The Council is in the process of implementing a new Local Plan, which will outline the delivery of housing, both affordable and private, within the borough. The Department for Levelling Up, Housing and Communities published proposals that seek to alter the overarching National Planning Policy Framework. These plans would also introduce controversial national development management policies (NDMPs) intended to help slim down local plans. There is currently a great deal of uncertainty and lack of clarity over what the revised planning policy framework will change. If radical changes are introduced this may add uncertainty or delay into the new Local Plan process or impact on the Council's ability to implement the future Local Plan's objectives.	**Cllr Biggs**
SR11	**Climate change impact** It is widely recognised that the Earth's climate is changing, with this forecast to result in more extreme weather. This could have negative impacts, including on the built and natural environment, with vulnerable residents likely to be most severely impacted. In response, the Council may encounter difficulties in delivering services and may similarly have additional demands placed upon it, particularly as climate change adaptation and mitigation becomes increasingly necessary.	**Cllrs Lewanski and Brunt**

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Signed off by	Head of Corporate Policy, Projects and Performance
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To	Audit Committee, Executive
Date	Audit Committee, Wednesday, 15 March 2023
	Executive Committee, Thursday 23 March 2023
Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Strategic risks - 2023/24

Recommendations
That the Audit Committee:
(i)   Notes the identified strategic risks for 2023/24 as detailed in annex 1 and make any observations to the Executive.
That the Executive:
(ii)   Approves the strategic risks for 2023/24 as detailed in annex 1.
Reasons for Recommendations
For appropriate risk management arrangements to be in place for 2022/23.
Executive Summary

This report identifies the Council's strategic risks for the 2023/24 financial year.
The Audit Committee and Executive have the authority to approve their respective recommendations.

Statutory Powers

1. The Council holds various statutory responsibilities for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, accounted for and is used economically and effectively.

2. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs.

3. The discharge of this responsibility includes arrangements for managing risk.

4. The Council's Code of Corporate Governance outlines these core governance principles; compliance with the code is reported each year via the Annual Governance Statement.

Background

5. Reigate & Banstead Borough Council has a proactive approach to risk management. It is an integral part of the Council's corporate governance arrangements and is built into management processes.

6. Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and Medium-Term Financial Plan (MTFP), and its ability to deliver against those.

7. Members of the Management Team and Executive Members have shared responsibility for strategic risks.

8. The Audit Committee's constitutional responsibilities regarding risk management require it to receive regular updates on the Council's risk management arrangements, including the identification of the Council's strategic risks for each financial year.

9. It is the responsibility of the Executive to formally endorse the strategic risks for each financial year.

Key Information

Strategic Risks 2023/24

10. The strategic risks for 2023/24 are available at annex 1.

11. The risks have been reviewed and updated to reflect the anticipated position as of 1 April 2023.

12. The key changes from the 2022/23 strategic risk register that are being recommended are as follows:

- The risk on the Coronavirus pandemic has been recommended for closure in Q3 2022/23 reporting and following approval for closure will not carry through into the 2023/24 risk register.

- The risk on cost pressures affecting the viability of Council developments has received a contextual update. This update highlights concerns over higher capital investment requirements being sought by tenants and the importance of ensuring that the Council has appropriate funding/incentive to encourage commercial lettings.

- The risk on Gatwick Airport has also received a contextual update with focus on the airports planned expansion and the uncertainty that this may bring.

- The risk on Planning System reform has been updated. The key concerns regarding this risk have shifted away from potential restrictions on affordable housing delivery and now focus on concerns regarding uncertainty stemming from changes to the National Planning Policy Framework.

- There is currently lack of clarity over what the revised National Planning Policy Framework will change. If radical changes are introduced this may create additional complexity for the Council which could lead to delays in implementation of the new local plan and/or impact on the Council's ability to achieve the objectives set out in the new Local Plan.

Options

13. The Audit Committee has two options:

- Option 1: note the strategic risks for 2023/24 and make no observations to the Executive

- Option 2: note the strategic risks for 2023/24 and make any observations to the Executive.

14. The Executive has two options:

- Option 1: approve the strategic risks for 2023/24. This is the recommended option.

- Option 2: do not approve the strategic risks for 2023/24. This is not the recommended option as it will result in the Council not having a strategic risk register in place for the start of the 2023/24 financial year.

Legal Implications

15. There are no legal implications arising from this report.

Financial Implications

16. Financial risks are considered when preparing the Medium-Term Financial Plan, Capital Investment Strategy, Revenue Budget and Capital Programme each year.

17. There are no additional financial implications from this report.

Equalities Implications

18.   There are no additional financial implications arising from this report.

Communication Implications

19.   There are no communications implications arising from this report.

Environmental Sustainability Implications

20.   There are no environmental sustainability implications arising from this report.

Risk Management Considerations

21.   The Council's risk registers inform the development of the annual risk based internal audit plan.

22.   The Council's risk registers are also an important tool to the Council's identification of and management of risk.

23.   The Council's approach to managing risk is a core component of the Code of Corporate Governance.

Other Implications

24.   There are no other implications arising from this report

Consultation

25.   The contents of this report have been considered by the Council's Corporate Governance Group.

Policy Framework

26.   The Council's risk management strategy and methodology provides additional information on how the Council manages risk.

Background Powers

None

	Signed off by	Head of Corporate Policy, Projects and Performance
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	To	Executive
	Date	Thursday, 23 March 2023
	Executive Member	Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Risk management strategy - 2023/24 to -2025/26

Recommendations
That the Executive: (i)   **Endorse the updated Risk Management Strategy (2023/24-2025/26)** (ii)   **Recommend that Council approve the updated Risk Management Strategy (2023/24-2025/26).**
Reasons for Recommendations
For the Council to have arrangements in place for the effective management of risk.
Executive Summary
In accordance with its schedule of regular review, the Council's Risk Management Strategy has been updated. The Strategy sets out the Council's commitment to effective risk management as a core component of effective corporate governance and organisational performance.
The Executive has the authority to approve the above recommendation.

Statutory Powers

Agenda Item 11

1. The Council holds various statutory responsibilities for ensuring that its business is conducted in accordance with the law and that public money is safeguarded, accounted for, and is used economically and effectively.

2. This statutory framework includes the Local Government Accounts and Audit Regulations (2015) which require local authorities to have 'a sound system of internal control which … includes effective arrangements for the management of risk'.

3. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs. The fulfilment of this responsibility includes arrangements for managing risk. The Council's Code of Corporate Governance outlines these core governance principles, compliance with the code is reported each year via the Annual Governance Statement.

Background

4. The Council maintains a Risk Management Strategy. The Strategy sets out the Council's overarching approach to risk management and articulates how the Council identifies, assesses, manages and reports on the risks that it faces in delivering its objectives.

5. The Risk Management Strategy helps ensure the centrality of risk management to all organisational activities and decision-making, whilst also helping to foster a positive and mature risk culture.

6. The Strategy undergoes regular review (at least every three years, or more frequently if required).

7. The Council's Constitution states that it is the overall responsibility of Full Council to approve the Risk Management Strategy.

8. As risks may affect the Council's objectives, the Constitution also states that the Leader and the Executive has overall responsibility for ensuring that the Council effectively manages risks, including through the operation of an effective risk management strategy.

9. The Audit Committee's constitutional responsibilities require it to provide independent assurance of the adequacy of the Council's risk management arrangements and internal control environment.

Key Information

Risk management

10. Risk is defined as 'the effect of uncertainty on objectives'. Risk management refers to the set of coordinated activities that manage and reduce risk and exercise internal control within an organisation.

11. The Council recognises that risk management is of fundamental importance to effective corporate governance, leadership as well as the direction, control and management of the organisation.

12. In adopting this updated Strategy, the Council is reiterating its commitment to ensuring that risk is appropriately considered in all aspects of informed decision making.

The updated Strategy

13. The Strategy – available at annex 1 – has undergone a thorough review and update to ensure its effectiveness and appropriateness in the context of the Council's risk profile.

14. It now includes a defined risk appetite for the Council, as well as a new process to compile an assurance framework which sets out all risks the Council faces as well as the corresponding controls. Its purpose is to focus corporate risk registers on risks of concern whilst simultaneously creating a comprehensive record of all risks faced, therefore heightening risk awareness and strengthening the control environment.

15. The Strategy is complemented by a risk management methodology which sets out in a greater detail the operational processes followed at Reigate and Banstead. The methodology is available for members' information annex 3.

Risk appetite

16. The Council has worked with Zurich Resilience Solutions to define its risk appetite.

17. According to Zurich:

A risk appetite statement clarifies an organisation's approach to striking the right balance between risk and reward… Defining risk appetite is not to establish which risk profile we wish to adopt, but rather the amount of risk we are willing to accept in the pursuit of the strategic objectives and make clear what balance we are seeking between risk and reward.

18. Introducing a risk appetite statement can assist members and officers:

- Firstly, when considering the best response to risks to corporate objectives, as set out in the strategic risk register; and
- Secondly, when making specific key decisions and considering the risk implications of accepting or rejecting a course of action

19. Workshops were held with the Audit Committee, Executive and the Senior Management team to inform the formulation of the Council's risk appetite. The Audit Committee were also consulted on the scope of the proposed update in an informal briefing, and subsequently formally considered the proposed revisions to the Strategy (see below).

Zurich's opinion

20. Zurich has also acted as a 'critical friend' in the development of the Strategy and has confirmed that:

The process has resulted in a comprehensive and well worked strategy document. Structures and processes both evidence a risk management programme with clear definitions of roles and responsibilities. This is supported by the risk methodology which shows a good understanding of risk management practices and application.

The reviewed documents leave an impression of a well developed risk management strategy and methodology, which now includes a defined risk appetite statement and instructions for how to apply this risk appetite in the wider risk management process. This approach is comparable to what is

present throughout the sector and conforms to guidelines such as "The Orange Book".

21. Zurich's full opinion is available at annex 2.

Audit Committee feedback

22. The Strategy was considered by the Audit Committee on 7 December 2022. The Committee observed that, overall, the Strategy was a good document, and made no formal recommendations to the Executive (though comments made were captured in the minutes of the meeting and, where appropriate, have been reflected in the annexes of this report).

23. Following the Audit Committee's consideration of the Strategy, further engagement has been undertaken with Executive members to inform the final versions of the documents presented here.

Options

24. The Executive has two options:

- Option 1: endorse the updated risk management strategy and recommend that Council approve it at its meeting on 30 March 2023. This is the recommended option as it will ensure that the Council has adequate arrangements in place for the management of risk ahead of the new financial year.

- Option 2: do not endorse the updated strategy and do not recommend that Council approve it at its meeting on 30 March 2023. This is not the recommended option as it will delay the implementation of the strategy for the new financial year and represent a missed opportunity to introduce further process improvements outlined in the main body of this report.

Legal Implications

25. There are no legal implications arising from this report.

Financial Implications

26. There are no financial implications arising from this report.

Equalities Implications

27. There are no equalities implications arising from this report.

Communication Implications

28. There are no communication implications arising from this report.

Environmental Sustainability Implications

29. There are no environmental sustainability implications arising from this report.

Risk Management Considerations

30. There are no additional risk management considerations arising from this report. The revised risk management strategy will ensure that the Council's approach to risk and risk management remains robust.

Other Implications

31. There are no other implications arising from this report.

Consultation

32. There are no consultation implications arising from this report.

Policy Framework

33. The risk management strategy supports the Council's wider policy framework through supporting the identification and management of risks that threaten the delivery of policy objectives.

Background Papers

1. Reigate & Banstead Borough Council: risk management methodology – 2023/24– 2025/26. Available at annex 3.

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Reigate & Banstead Borough Council

Risk management strategy

2023/24 to 2025/26

Contents

Strategy Summary

Setting the scene

The purpose of our Risk Management Strategy is to explain how the Council identifies, assesses, manages and reports on the risks that it faces in delivering its objectives.

Risk management refers to the set of coordinated activities designed to manage risk and exercise internal control within an organisation. The Council's approach to risk management considers **internal** risk, **external** risk, **strategic** risk and **major project** risks.

The way we **define risk** is consistent with Government guidance: we identify the **cause**, the potential **event**(s) that might be experienced and the **consequences** of the event(s).

Defining the Council's appetite for risk

The Council is committed to being **risk aware rather than risk averse**. Unfortunately, risk is ever present and unavoidable.

The Council **prefers a cautious approach to risk** but acknowledges that it in some areas it is necessary to accept higher levels of risk to ensure the achievement of objectives.

The three line of defence model

Line 1: Risk ownership		Line 2: Risk challenge		Line 3: Independent review
•Service areas own and manage risks within or faced by their service areas	→	•Specialist corporate functions support services to manage risk	→	•Internal and external audit functions provide independent assurance
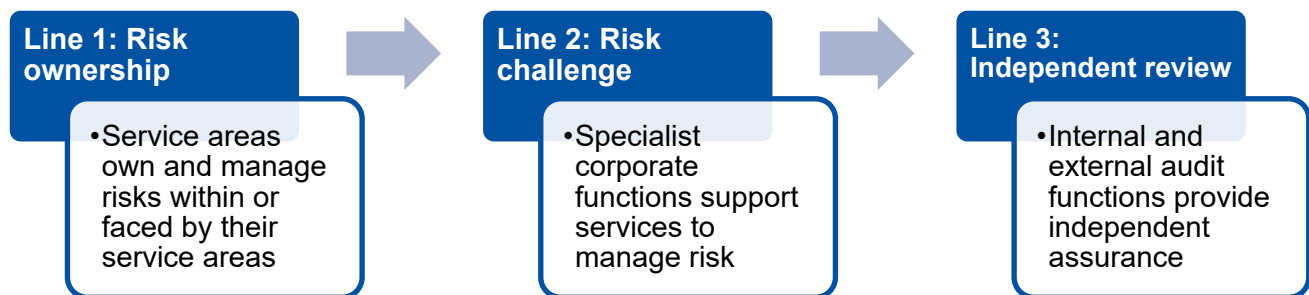
Key roles and responsibilities

Heads of Service: Identify, implement and maintain effective internal controls to manage risk on a day-to-day basis and escalate risks as appropriate.

Corporate Governance Group: Overall responsibility for day-to-day management of risks

Audit Committee: Provides independent review of and assurance on the Council's risk management approach and internal control frameworks

The Executive: Holds overall responsibility for ensuring that risk is adequately considered and addressed across the full range of Council activities.

How we manage risk

Risk is managed using a structured approach, defined as the **risk management cycle**.

Risk identification	Risk assessment	Risk treatment	Monitoring and reporting
Key players: - Service management supported by corporate specialists **Comprises:** - Annual business planning process - Regular (at least quarterly) in year review **Key outputs:** - Risk definition and allocation of a risk owner - Documentation of risk in Assurance Framework	**Key players:** - Service management supported by corporate specialists **Comprises:** - Assessment of inherent risk - Identification of controls and mitigations to determine current risk - Comparison against risk appetite **Key outputs:** - Inclusion of risk on Corporate Risk Register (strategic or operational) if controls or mitigations are found to be inadequate	**Key players:** - Service management supported by corporate specialists - Corporate Governance Group **Comprises:** - Identification of target risk score - Identification of risk treatment approach and appropriate treatment action(s) **Key outputs:** - Documentation of inherent, current and target risk, and risk treatment approach on Corporate Risk Register	**Key players:** - Service management supported by corporate specialists - Corporate Governance Group - Audit Committee - Executive **Comprises:** - Quarterly monitoring - Quarterly reporting on corporate risk registers - Annual publication of Assurance Framework **Key outputs:** - Review of strategic risks by Audit Committee - Agreement of strategic risk register by Executive

Introduction

This strategy sets out Reigate & Banstead Borough Council's commitment to effective risk management.

In broad terms, risk may be defined as the effect of uncertainty on objectives. Risk management refers to the set of coordinated activities designed to manage risk and exercise internal control within an organisation.

The purpose of the Council's risk management strategy and framework is to articulate how the Council identifies, assesses, manages and reports on the risks that it faces in delivering its objectives. The strategy will help ensure the integrity of risk management to all organisational activities and decision-making, as well as the fostering of a positive and mature risk culture.

Whilst the strategy sets out the overarching approach to risk management at the Council, an accompanying risk management methodology sits alongside it. The methodology defines the method and processes that are followed in pursuit of the strategy, including detailed roles and responsibilities.

The strategy and methodology have been designed in recognition of the fact that risk management is fundamental to effective governance and leadership and is similarly core to how the Council is managed and controlled. The two documents therefore form the foundation of robust risk management activity at the Council, thereby helping to contribute to the effectiveness of the wider corporate governance framework and the achievement of corporate objectives.

Strategy statement

Reigate & Banstead Borough Council recognises that risk management is of fundamental importance to effective corporate governance, leadership as well as the direction, control and management of the organisation. Effective risk management is an integral part of all Council activities and, in adopting this strategy, the Council is setting out its commitment to ensuring that risk is appropriately considered in all aspects of informed decision making.

The Council is committed to being risk aware rather than risk averse. Unfortunately, risk is ever present and unavoidable. As a complex organisation with bold ambitions that operates in an inherently uncertain environment, it is not possible for the Council to be risk averse and to be successful.

The Council **prefers a cautious approach to risk** but acknowledges that in some areas it is necessary to accept higher levels of risk to ensure the achievement of objectives. The Council is therefore committed to embracing the discipline of risk management to improve planning, performance, decision-making and to help identify and respond to challenges and to keep risks within the risk appetite.

This strategy recognises that the core practices and principles of risk management should be embedded throughout the organisation and underpinned by a mature and supportive risk culture that encourages innovation, awareness, transparency and ownership.

The Council is keen that risk management does not stifle innovation and the delivery of services for residents and businesses. Instead, risk management should underpin all activities in fostering an environment within which informed risks can be taken, providing they are actively managed in accordance with the Council's risk appetite.

The strategy will therefore ensure that:

- Risk management contributes to ensuring effective service delivery and the achievement of the Council's objectives;
- The ownership and accountability of risks are clearly assigned throughout the Council;
- Members and officers acknowledge and understand the importance of risk management as a good governance process, by which risks are identified, evaluated and managed effectively; and,
- Effective monitoring and reporting mechanisms are in place to review the Council's exposure to, and management of, risks.

Objectives

The objectives of the risk management strategy and methodology are to:

- Integrate risk management into the strategic and operational processes, procedures and culture of the Council, thereby maintaining good governance;
- Enable effective, risk-based decision making;
- Provide management with early warnings of any potential problems so that a response can be made in a planned, preventive way;
- Enable management to be clear on the activities over which they require assurance and the extent and adequacy of that assurance based on risk;
- Ensure that risk is identified, managed and reported on in accordance with established best practice, appropriately tailored to the Council's risk profile;
- Foster a culture of effective risk awareness and ownership;
- Anticipate and respond to changing social, environmental and legislative requirements; and,
- Minimise loss, disruption, damage and injury.

Benefits

An effective approach to risk management will deliver a number of benefits, including:

- Improved standards of corporate governance;
- An enhanced ability to deliver against corporate objectives, with risks clearly understood, documented and controlled;
- Improved strategic and operational decision-making;
- Improved risk awareness amongst staff and management;
- Enhanced financial control and reporting;
- The appropriate and effective use of resources;
- The minimisation of waste, including additional expense incurred and resources otherwise wasted;
- Cost avoidance; and,
- Improved staff, resident and member health and safety.

Managing risks

Risk

The government's Orange Book defines risk as the effect of uncertainty on objectives.[1] Risk is usually expressed in terms of **causes,** potential **events** and their **consequences**:

- A **cause** is an element which alone or in combination with another has the potential to give rise to a risk;
- An **event** is an occurrence or change of a set of circumstances. It can be something that is expected and which does not happen or something that is not expected but does happen. Events can have multiple causes and consequences and can affect multiple objectives; and,
- **Consequences** are the outcome of an event affecting objectives, which can be certain or uncertain, can have positive or negative direct or indirect effects on objectives, can be expressed qualitatively or quantitatively, and can escalate through cascading and cumulative effects.

The Council is a complex organisation that provides a diverse range of important services – many of which are statutory – to residents and businesses. There are risks inherent to delivering these services. There are similarly risks inherent to the risk profile of local government. The Council also operates in an external environment that is widely acknowledged as being 'radically uncertain'. The recent Covid-19 pandemic, economic and geopolitical crises merely underscore this.

Due to its role and the uncertain context within which it operates, risk is thus unavoidable and inherent in everything that the Council does. The Council cannot be blanketly risk averse and deliver for our residents and businesses.

Risk management

The Orange Book defines risk management as a coordinated set of activities that are designed and operated to manage risk and exercise internal control within an organisation.

Taking the unavoidable nature of risk into account, risk management allows an organisation to systematically identify risks, evaluate their potential consequences and determine the most appropriate way of controlling and monitoring them, with the ultimate objective being to

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[1] The Orange Book: Management of Risk – Principles and Concepts. Available from: https://www.gov.uk/government/publications/orange-book

achieve corporate objectives. Successful organisations therefore embrace risk and use risk management to enhance their strategic and operational planning and prioritisation.

As the Orange Book notes, risk management should be regarded as a core component of corporate governance and leadership. Put simply, it is fundamental to how the Council is directed, managed and controlled at all levels.

The Council's Code of Corporate Governance sets out the Council's wider governance arrangements and, specifically, how the Council ensures it is doing the right things in the right way.[2] The code has been developed in accordance with the seven core principles that should underpin the governance framework of a local authority, as outlined in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives' (Solace) guidance.

The seven core principles of good governance are:

1. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law;
2. Ensuring openness and comprehensive stakeholder engagement;
3. Defining outcomes in terms of sustainable economic, social and environmental benefits;
4. Determining the interventions necessary to optimise the achievement of the intended outcomes;
5. Developing the Council's capacity, including the capability of its leadership and the individuals within it;
6. Managing risks and performance through robust internal control and strong public financial management; and,
7. Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

In achieving these principles, risk management should be integral to all strategic and operational activities and considered in all aspects of decision making. As an integrated part of the wider management system of internal control, risk management harnesses and coordinates the various activities across the Council that identify and manage risks to a common effect.

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[2] Reigate & Banstead Borough Council, Code of Corporate Governance. Available here: https://www.reigate-banstead.gov.uk/info/20400/your_council_documents/1285/code_of_corporate_governance

This strategy sets out the Council's approach to risk management and how the aforementioned principles are applied at Reigate & Banstead. The detail of its application is included in the accompanying methodology document.

Types of risk

The Council faces a diverse range of risks. They may initially be categorised by their type, which largely reflects the source of the risk as well as the potential impact. Understanding the type of risks faced by an organisation is a key first step to identifying the best action to take in managing the risk.

Whilst the range of risks faced by the Council are diverse, they may be grouped into four key categories, as set out below.[3] The types of risk are not mutually exclusive, and a given risk may not wholly reside within a single category.

- **Internal –** These are risks that are inherent to an organisation by virtue of its existence and/or the operational activities that it undertakes. The organisation will have some influence over internal risks, either to control and/or mitigate them.

  Examples include health and safety; information governance and data protection; safeguarding; fraud and general capability and capacity. The delivery of projects will also result in risks.

- **External –** External risks are those that arise from the external environment and could negatively impact the organisation. Some external risks may overlap with internal risks. For instance, local government has a statutory responsibility to plan for and respond to civil emergencies.

  External risks, whilst originating outside the organisation, may be regarded as being inherent to the external environment within which all organisations operate, though the nature of the organisation will affect and mediate the impact of the risk itself.

  Examples include civil emergencies, business continuity incidents and economic crises.

- **Strategic –** Strategic risks are closely related to external risks, though are subtly distinct. Strategic risks relate to external risks inasmuch as their source usually lies

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[3] Adapted from Management of Risk in government: framework. Available from: https://www.gov.uk/government/publications/management-of-risk-in-government-framework

outside the organisation, though they are distinct in that they concern – and impact – the organisation's fundamental reason for existence. In the local government context, the latter refers to key corporate objectives set out in policy documents such as the corporate plan and medium-term financial plan.

Strategic risks usually result from a particular constellation of forces and dynamics which are inherently situationally specific and are not inherent in the same way as internal and external risks are. They may be immediate or slower burn in their impact. Their impacts are usually significant.

Examples include changes in legislation; political instability (local and national); internal leadership capacity; and general organisational capacity and culture.

- **Major projects –** Major projects are typically defined as such by their size and/or complexity. Major projects present significant risks to organisations in their delivery and indeed their non-delivery. Their size and associated impacts merit their separate treatment to other risks faced by an organisation. There are several reasons for this, including ensuring sufficient corporate visibility and governance standards as well as the fact that risks – of action and indeed inaction – should be considered within the development of the project's business case.

Three lines of defence
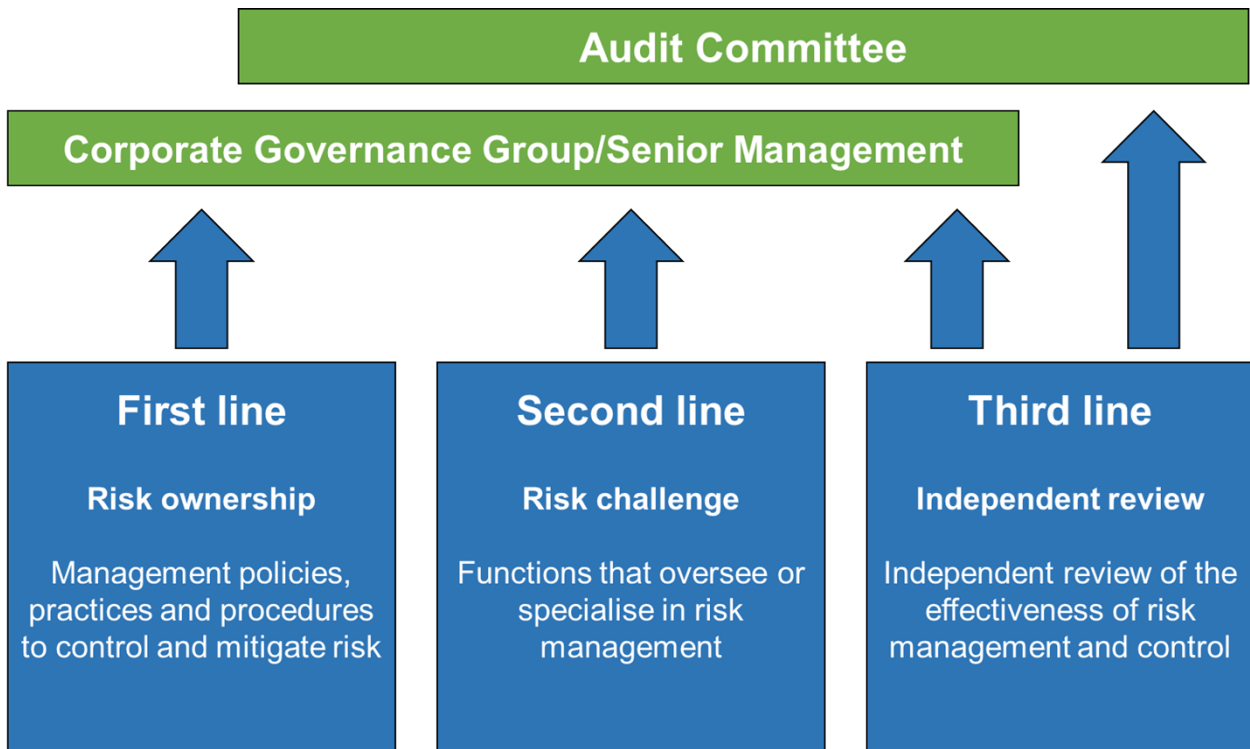
The Council operates a three line of defence model for risk management.

The model provides a comprehensive framework for considering, mapping and structuring the arrangements for exercising internal control to achieve effective governance and assurance. Internal control refers to the dynamic and iterative series of processes, policies and procedures that are purposed with managing risk and exercising effective governance. Internal controls are found throughout the Council and are inherent to its successful operation.

The three line of defence model is predicated on the tripartite concept that (i) risk should not be left to risk management specialists (ii) everyone in the Council has some responsibility for risk management and (iii) that the varying roles, parts and levels of the Council play different, but complementary, roles within risk management. Indeed, it is the interplay between the latter that determines how effective the organisation is in managing risk and is of fundamental importance to the delivery of effective corporate governance.

Constituted governance bodies and senior management are not considered to reside within a line in the model. Instead, they are key stakeholders that themselves are served by the collective operation of the three lines.

The accompanying methodology provides more information on how the model is implemented at Reigate & Banstead. At this point, however, the model may be summarised as follows:

First line of defence

The first line of defence refers to service management's primary responsibility and accountability for identifying, assessing, monitoring and managing risks as part of effective service delivery.

As the first line of defence, Heads of Service and service managers (collectively 'service management') own and manage risks encountered within, or faced by, their service area.

Service management is therefore ultimately responsible for implementing and maintaining effective internal controls and managing risks on a day-to-day basis and in accordance with the Council's risk appetite, thereby helping to prevent risks from negatively affecting the achievement of service and corporate objectives.

Through the Council's management structure, managers design, operate and improve the policies, procedures and practices that manage risk in their area. Management should therefore be adequately skilled to identify, assess and manage risks. Moreover, adequate and appropriately tailored supervisory arrangements should be in place to ensure compliance with controls, supported by regular monitoring and reporting, training and measures to secure a shared situational awareness of the risk profile faced by the service and how this may change over time.

Risks may emerge from a variety of sources. The Council therefore expects and requires service management to consider all risks that may affect their service. A key source for identifying risks is the annual service and financial planning process where service budgets and objectives are set. It is recognised, however, that not all risks (e.g. 'external' and 'strategic' risks) can be reasonably foreseen as part of the annual budgeting cycle. As such, management require the skill and autonomy to respond to risks as they emerge and as required, though with appropriate escalation routes clearly identified in advance.

Second line of defence

The second line of defence is comprised of the specialist, corporate functions within the Council that support services in their approach to risk management. They may be regarded collectively – and through their interactions with one another – as being key components of effective internal governance.

Second line functions include teams such as Finance, Human Resources, Legal, Procurement, Health and Safety, Projects and Business Assurance and Emergency Planning, amongst several others.

The second line supports management by bringing expertise and best practice alongside the first line to help ensure that risks are effectively managed. They are responsible for designing policies, setting direction, ensuring compliance with controls and providing assurance on the effectiveness of controls put in place to mitigate risks. The second line also monitors and facilitates the implementation of effective risk management practices by management and supports risk owners in reporting on their risks, including progress on control and mitigation to Corporate Governance Group, the Audit Committee and the Executive.

Third line of defence

The third line is primarily made up of the Council's internal and external audit functions, as well as other ad hoc consultancy that may be commissioned by management to provide assurance or best practice expertise.

A professional, independent and objective internal audit function is a key element of ensuring good corporate governance and risk management. Internal audit helps an organisation maximise performance and accomplish its objectives through bringing a systematic approach to the evaluation and improvement of the effectiveness of risk management, control and governance.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements – which are invariably found at the first and second lines of defence – are in place and are operating effectively.

External audit is charged with reviewing and verifying the Council's annual statement of accounts. External auditors also have a duty to inform key stakeholders of matters of importance arising from their reviews, including governance and risk management concerns.

The risk management cycle – a framework for assurance

Summary

Effective risk management is founded on robust and systematic risk **identification, assessment, treatment and monitoring and reporting.** Collectively these processes are known at the Council as the risk management cycle.

The risk management cycle is key to the creation of the Council's **assurance framework.**

An assurance framework is a systematic means through which an organisation gathers, documents and demonstrates a comprehensive awareness of the risks it faces and the effectiveness of the controls that are in place. It provides a structured means of identifying and mapping the main sources of assurance relating to risks and helps coordinate management response to best effect. The framework also helps highlight where gaps in assurance exist. It cannot reasonably be expected to identify all specific permutations or situations within which risk may be manifested, but instead should focus and group risks by category for the ease and effectiveness of analysis.

The Council's assurance framework is distinct from risk registers which deal with risks of current concern and are being actively managed. The assurance framework sets out all risks, including those that are otherwise sufficiently controlled and do not therefore merit the same level of management attention. It is a product of, but likewise underpins, the Council's risk management cycle and a mature, risk aware culture.

The assurance framework should be regarded, alongside risk registers, as a central outcome of the successful operation of the risk management cycle. It is an outcome inasmuch as it takes the form of a written document. It is more than this, however, where its robust completion is indicative of mature and effective risk management systems, processes and culture. It is a fundamental supporting component of effective risk management, governance and control through giving management and key stakeholders confidence that the risk management strategy is working effectively.

The Council follows the aforementioned four key stages in its overarching approach to risk management, which are summarised in the sections that follow.

Risk identification
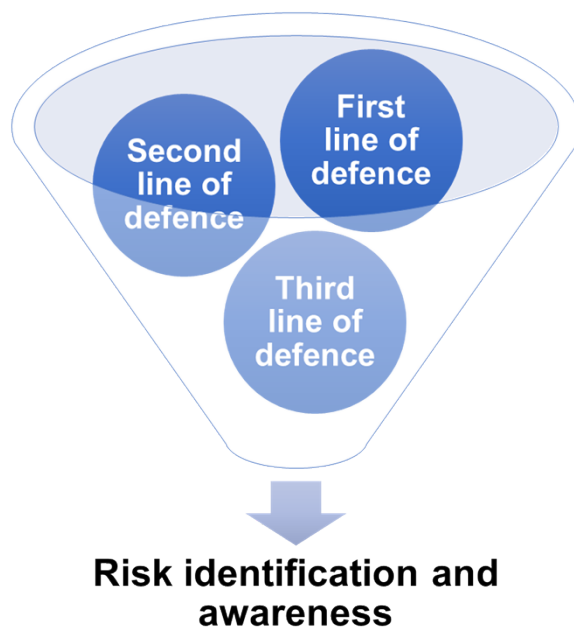
Risk identification and awareness

Risk identification is about identifying what could happen and what the impacts could be on the Council.

A mature risk culture is founded on a well-developed understanding and perception of risk, often known as 'risk awareness'. The ultimate aim of risk identification is to build a rich and evolving picture of the Council's overall risk profile. This is a continual and ongoing process and encompasses all areas of the Council's operations. Risks should be identified and considered regardless of whether they are under the Council's direct control; we are fundamentally concerned with the impact that risks may have on our objectives to allow for an informed management response.

Activities concerned with identifying risks are embedded throughout the Council in accordance with the three line of defence model.

Service management have primary responsibly for the management and identification of risks. As such, a key mechanism for identifying risks is the annual service and financial planning process. As part of this process, service managers and Heads of Service are expected to document the risks that they face and consider what the potential impacts are.

However, risks may emerge and be identified at points outside service or other formal planning cycles. Indeed, the risks set out in service plans are often those known as 'known knowns' or 'known unknowns'. That is, risks where the likelihood and/or the impact is

reasonably available for management to measure, assess and plan for as part of business planning.

Not all risks are reasonably foreseeable or evident, and so the first line of defence must be supported by management systems and processes that are established throughout the three lines of defence model to identify risks as they emerge and to provide assurance that the Council's risk profile is robust and well informed.

Once a risk has been identified it should be documented and recorded as a key first step of the risk management cycle.

All identified risks must be allocated a **risk owner.** The risk owner is the appropriate individual and/or body that takes accountability for the risk, including efforts made to manage it. Most risk owners will be Heads of Service, though strategic risks may be owned by Senior Management. A corresponding owning Executive Member should also be identified.

Risk assessment

Once a risk has been identified it should be assessed.

The potential impacts of a risk are initially considered in the identification phase. Risk assessment adds further detail and insight to this by scoring risks in terms of **likelihood** and **impact.** The assessment is carried out using the scoring matrix as set out in the methodology document which accompanies this strategy.

Risks should initially be assessed in terms of their **inherent risk**. Inherent risk refers to the likelihood and impact of a risk occurring without any controls or mitigations in place. A risk control is a process, policy or activity that reduces the likelihood of a risk materialising, whilst a risk mitigation reduces the impact of a risk should it occur. The impact of risk is considered against a number of risk categories as set out in the accompanying methodology document.

The next step is assessing the controls and mitigations in place to ascertain their effectiveness, otherwise known as the **current risk.**

```
        ┌──────────────────┐
        │      Risk        │
        │  identification  │
        └──────────────────┘
                 │
                 ▼
        ┌──────────────────┐      Controls and mitigations assessed. Likelihood
        │      Risk        │      and impact combined to give an overall risk
        │   assessment     │      score for (1) inherent and (2) current risk
        └──────────────────┘
                 │
                 ▼
 Yes    ┌──────────────────┐
◄───────│   Acceptable?    │      Current risk compared to the risk appetite
        └──────────────────┘
 │               │ No
 ▼               ▼
┌──────────────┐ ┌──────────────────┐
│ No further   │ │ Add to corporate │   Treat to the desired level in accordance with the
│ action       │ │  risk register   │   risk appetite
│ required –   │ └──────────────────┘
│ keep under   │
│ review       │
└──────────────┘
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Risk appetite

Assessing the current risk must be done with reference to the Council's **risk appetite**. Risk appetite is defined as the amount or level of risk that an organisation is prepared to accept, tolerate or be exposed to in pursuit of its objectives. An organisation should have an overall risk appetite though it is also important to note that different categories of risk may well require different approaches and risk appetites.

Overall, the **Council prefers a cautious approach to risk** but acknowledges that it in some areas it is necessary to accept higher levels of risk to ensure the achievement of objectives.

The risk appetite has been set in accordance with the Council's wider values and strategy and in consultation with the Audit Committee, senior management and the Executive. Its formal articulation helps establish the accepted boundaries for risk taking and ensures that accepted risks and activity are proportionate to the possible rewards and, ultimately, the achievement of corporate objectives.

Defining the limits of a risk appetite is about identifying at what point decisions regarding the management of a risk are escalated for decision and/or wider corporate awareness. Risk appetite forms part of the overall framework around which decisions are made at the Council. Our appetite for risk should not be static and inflexible but instead should serve as a guide in the decision-making process. The clear definition of a risk appetite – broken down by risk type or category – supports the maintenance of this flexibility, as does the periodic review of the risk management strategy and appetite to ensure it remains fit for purpose and relevant to the Council's objectives and wider risk profile.

The assessment of the current risk against the Council's risk appetite allows management to judge whether the controls and mitigations are adequate and appropriately applied to the level of risk that is faced. If they are **adequate** in accordance with the risk appetite, no further action is needed; the risk should be included on the assurance framework document (if not already), alongside the corresponding controls and/or mitigations for ongoing monitoring and awareness. A future review date should also be identified, as well as a risk owner.

Conversely, it is possible that the controls or mitigations may be excessive and disproportionate to the level of risk faced. It is in this regard, therefore, that a robust risk assessment process, informed by a clear definition of risk appetite, supports the effective and appropriate deployment of the Council's finite resources to manage risk.

If the controls or mitigations are found to be **inadequate**, however, then consideration should be given to whether the risk should be included on the relevant **corporate risk register**.

Risk registers, at their simplest, are management tools used to record information on the risks that have been identified. It is in this regard that risk registers are similarly purposed to the Council's assurance framework.

Their distinctiveness from the assurance framework, however, is centred on the nature of the risks that they detail.

To explain, and as we have seen, the Council faces a considerable number of risks. These include risks inherent to the diverse range of services provided, but also those that stem from the environment in which the Council operates. Risks that have been assessed and which are regarded as sufficiently controlled and/or mitigated should be documented in the assurance framework.

It is important for purposes of governance, risk management and control, however, that primary attention is focused on risks of concern, as defined by their assessment against the Council's risk appetite.
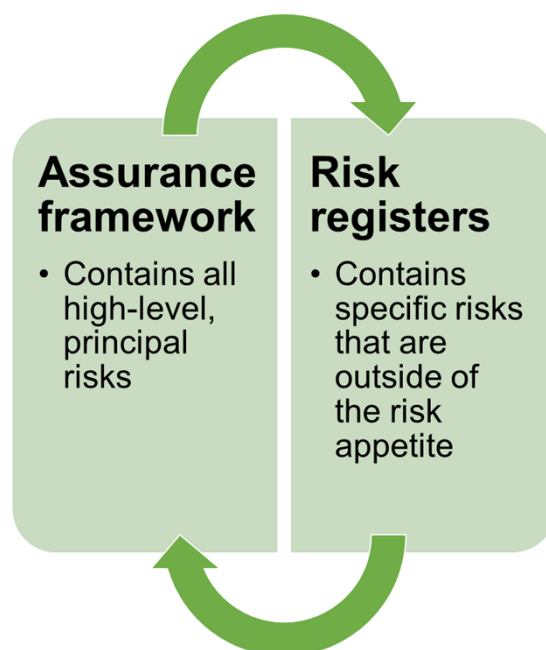
The Council's risk registers should therefore **focus on those risks that are of concern** and are being actively **treated** or responded to by management. These are risks that are outside the usual course of management and may therefore require a wider corporate response, utilising services from across the three lines of defence.

The Council maintains two corporate level risk registers:

- **Strategic risk register:** risks that could have a negative impact on the Council's medium to long term objectives and priorities as set out in the Corporate Plan or other corporate level policies and strategies, including the Medium-Term Financial Plan (MTFP). Strategic risks typically originate from the environment within which the Council operates, though may also stem from an internal source – such as major project – if the impact merits its categorisation as a strategic risk.

  Members of the Council's Senior Management Team and Executive members have shared responsibility for strategic risks.

- **Operational risk register:** risks that are encountered in the delivery of services and which affect service objectives. These risks are ordinarily managed as part of the usual course of management by services, including their business-as-usual activities and projects that are being delivered. However, where the operational risk cannot be managed within the service or if its score is outside of the Council's risk appetite, then it should be considered for inclusion in the operational risk register.

  Heads of Service and service managers have responsibility for operational risks.

The creation and maintenance of corporate level risk registers does not preclude, however, other risk registers being created and maintained as useful management tools.

Projects and programmes, for instance, introduce change and therefore involve varying degrees of risk. The Council's project and programme management frameworks require projects and programmes to maintain risk registers to support effective project and programme governance.

Project and programme risk registers should give assurance that risks arising from them are being appropriately and effectively managed. Should this process raise a concern, then, in the same process as noted above, the risk may be considered for inclusion on the relevant corporate risk register. Risk registers are thus valuable sources of assurance and should be used in the compilation and maintenance of the assurance framework.

Risk treatment

Risk treatment is the collective term that refers to the various options that management have at their disposal to manage a risk.

The primary responsibility for risk management lies at the first line of defence – namely, service management. The first line 'owns' the risk and is responsible for designing processes, procedures and policies (known collectively as controls and mitigations) to manage risk.

The Council's utilisation of the three lines of defence model should be regarded as empowering first line management to manage and treat risks in accordance with the Council's overall risk management strategy and risk appetite. This is based on clearly articulated and well understood roles and responsibilities across the organisation, as well as management confidence to escalate concerns for wider corporate awareness and treatment when required.

Roles and responsibilities, including the Council's commitment to training management and officers in the core tenets of the risk management strategy are set out in detail in the accompanying methodology.

The effective, collective functioning of the three lines of defence should largely deal with risk management as part of business as usual, with risks identified and management processes designed to minimise and treat risk in accordance with the Council's risk appetite. The assurance framework serves as a key control within the three-lines of defence model inasmuch as it documents these risks, assesses their controls and mitigation as part of gaining assurance that risks are being treated appropriately. It is a key resource for the second and third lines in their assurance roles.

Previously unknown risks may emerge at any point, however, and present concern to management. Likewise, a previously identified risk may change substantively enough to render the controls in place inadequate against the corporate risk appetite, therefore changing its current score and raising cause for concern.

As we have seen, these risks, residing outside of business-as-usual arrangements, should be recorded on the relevant corporate risk register, with the **inherent, current and target risk score** clearly set out.

Whilst the inherent and current risk score have been defined above, the **target risk score** refers to where the Council is aiming to treat or manage the risk to. It sets out the desired end point of the risk management cycle. For purposes of governance and the exercising of effective internal control, the target risk score should be included in both the assurance framework and the corporate risk register.

Risk treatment is concerned with selecting the most appropriate course of action for managing a risk, balancing the potential benefits of action against the costs and disadvantages, as well as against the likelihood and impact of the risk itself. Reference to the risk appetite is crucial to completing this proportionately and effectively.

Consideration should also be given to the ability of the Council to influence the risk, in recognition that some risks are such fall outside of the Councill's scope for action.

Risk treatment options include:

- **Avoidance –** simply stop doing the activity that creates the risk, or elements therein.

- **Transfer –** transfer all or part of the risk to another party, such as to insurance or to an agency or contractor.

- **Reduce –** take steps to reduce the likelihood and/or impact of the risk, such as introducing new or modifying existing controls and mitigations.

- **Accept –** accept the risk and take no measures to reduce the likelihood and/or impact.

Before a risk treatment option is selected, an options appraisal should be undertaken to inform the selection of the most appropriate and effective course of action. This appraisal forms a core component of management's primary risk management role at the first line of defence. Whilst there is no expectation that this options appraisal is formally documented and reported on, risk owners may decide that doing so is appropriate in certain instances, such as where considerable costs are involved, where the overall impact of the risk is significant or where other Council governance and decision-making processes require it.

For the purposes of maintaining effective governance and control, all decisions taken must be done so under the authority of the appropriate individual authorised by the Constitution and scheme of delegation. This will usually be the risk owner.

Risk monitoring and reporting

Once a risk has been identified, assessed and treatment options chosen, it should be regularly monitored and reported on.

Effective risk reporting is predicated on ensuring that the right and appropriately tailored and presented information is given to the right people, at the right level and at the right time.

Risk monitoring and reporting helps ensure:

- That the corporate risk profile remains relevant and up to date and that there is a good awareness of it across the Council;
- That effective decision-making is maintained by providing timely information on risk, helping management and other stakeholders gain confidence that the right decisions are being made in accordance with the risk appetite; and,
- The ongoing the adequacy and effectiveness of internal controls and helps coordinate and effectively deploy other sources of assurance.

Taken together, robust risk monitoring and reporting is integral to the overall effectiveness of the risk management cycle and is a core component of effective corporate governance.

The assurance framework and corporate risk registers – serving as a comprehensive record of the risks faced by the Council – should be reviewed, at a minimum, on a quarterly basis by the identified risk owners, supported by the Projects and Business Assurance Team as part of their second line of defence responsibilities. However, risk owners are encouraged to review their risks on a more regular basis as part of the usual course of management.

Identified risks will have controls and/or mitigations documented, as well as the inherent, current and target risk scores. Risk monitoring should critically assess the latest situation and the current effectiveness of the controls and mitigations in place and consider whether the risk score has changed following risk management activities or a change in the inherent risk.

Risk monitoring should also provide updates on the implementation of the agreed controls and mitigations, which is particularly relevant for the risk registers which detail the risks of concern.

Other sources of assurance from the second and third lines of defence should be drawn upon in reviewing risks, such as that gained from recent internal audit reports or externally issued guidance notes.

Any resultant changes to risks should be recorded in the assurance framework or the relevant risk register. It is possible that – following a change in the risk environment – a risk may move from the assurance framework to the corporate risk register, or vice versa.

Risk reporting is a regular mechanism to provide key updates to key stakeholders and is the ultimate output of risk monitoring. High quality and timely reporting provides assurance to key stakeholders that the risk management cycle is working effectively and as intended.

 It has the following benefits:

- The embedding of a consistent understanding of risks – existing and those that are emerging – across the Council, reducing uncertainty and promoting risk awareness;
- Monitoring progress in the management of risks to the target level;
- Enabling wider corporate awareness of the effectiveness of internal controls and providing information to support timely and informed interventions as required;
- Providing assurance to key stakeholders that risks are being effectively managed; and,
- Providing oversight of business activities, supporting responses to unplanned events that may threaten the delivery of corporate objectives.

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Jesper Glasius, Risk Management Consultant
Zurich Resilience Solutions
16th November 2022

ZURICH®
Resilience Solutions

Risk Management Review

Risk Management Framework and Methodology

Reigate and Banstead Borough Council

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Risk Support Services

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General Comment

Zurich Resilience Solutions (ZRS) were asked to provide feedback from an outside perspective in the process of updating the risk management strategy and methodology for Reigate and Banstead Borough Council.

These documentes define how risk management is perceived and applied within the council. In particular, the focus of this process was to have a view comparing the proposed documents with what is present throughout the local authority sector.

The process has resulted in a comprehensive and well worked strategy document. Structures and processes both evidence a risk management programme with clear definitions of roles and responsibilities. This is supported by the risk methodology which shows a good understanding of risk management practices and application.

The reviewed documents leave an impression of a well developed risk management strategy and methodology, which now includes a defined risk appetite statement and instructions for how to apply this risk appetite in the wider risk management process. This approach is comparable to what is present throughout the sector and conforms to guidelines such as "The Orange Book".

While no significant gaps were found in the risk management framework or methodology, the success of the update and risk management in general will be determined by it's application and organisational adoption of the strategy and methodology.

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Reigate & Banstead Borough Council

Risk management methodology

2023/24 to 2025/26

Contents

Introduction

This risk management methodology provides the information and additional detail that is required to apply the principles and achieve the objectives that are set out in the Council's risk management strategy.

The methodology sets out the roles and responsibilities relating to risk management across the Council and across the three lines of defence, as well as detailing the processes and procedures that collectively (and sequentially) comprise the Council's risk management cycle.

The methodology should therefore be read alongside the risk management strategy, where it follows a similar structure for the ease of use and reference.

The methodology is targeted at all levels of management at the Council, as well as the Council's Projects and Business Assurance team who provide support to the achievement of the Council's risk management objectives.

Identifying risks

Risk identification is the first step in the process of building an organisation's risk profile and developing risk awareness.

Processes for identifying risks

Risk identification is about identifying what could happen and what the impacts could be on the Council.

Risks should be considered at all levels of the Council and in all aspects of decision-making, including in setting priorities, objectives and in deploying resources. The identification and management of risk is the primary responsibility of service management at the first line of defence. Managing risk is a core component of effective, competent management and the Council is keen to empower first line service management to deal with risk effectively as part of business-as-usual.

It is important that all risks threatening the Council's objectives are identified and documented as a key first step in managing the risk to an acceptable level, as defined by the risk appetite. All risks, even those outside the direct control of the Council should be considered.

Examples of situations where risk should be considered include:

- As part of the **routine course of service and department management** (the first line of defence), where managers and Heads of Service are expected to design and manage their services to reduce risk (both service and corporate) as part of business-as-usual arrangements.

- During the **annual service and financial planning process**, which informs the Council's annual budget. Risks facing services should be considered and documented in each respective service business plan.

- On a **quarterly basis** alongside Heads of Service and the Senior Management Team, where existing risk registers and the Council's assurance framework is reviewed to identify if there have been any substantive changes to its contents and, by extension, the Council's risk profile, with appropriate action taken.

- During the annual update of the Council's **Medium-Term Financial Plan (MTFP)**. The MTFP highlights the key financial risks facing the Council and the action being taken to mitigate them.

- As part of developing and implementing any **policy or strategy.** Consideration must be given to how the Council's ambitions detailed therein may be adversely affected by risk, with appropriate action planned to control and/or mitigate the risk through various treatment options.

- When any **delegated or constituted decision-making body makes a decision**, the risks associated with the decision (or non-decision) must be considered.

- Throughout the **project and programme management life cycle**, including in developing the initial business case as well as ongoing implementation and reporting against it.

PESTLE analysis is a widely used business tool that involves identifying and evaluating political, economic, social, technological, legal and environmental factors that affect a business. It is particularly useful in risk management in identifying risks arising from the **external environment** and should be used as part of the annual service and financial planning process to support service design and risk management.

Political	Factors arising from the political environment, including the national, local and regional. Closely related to legal.
Economic	Factors which include economic growth, the fiscal environment, interest rates, exchange rates, inflation, wage rates, working hours and the cost of living.
Social	Factors that include cultural, health and wellbeing and wider demographic issues.
Technological	The development and impact of technology both on business operations and on customer/stakeholder expectations.
Legal	Changes in the legislative environment affecting the organisation.
Environmental	Impacts of climate change or how the environment affects business operations.

Not all risks are reasonably foreseeable or evident, however. Likewise, many risks are inherent and ever present, where the environment within which they exist may drastically shift

with little warning. Similarly, previously robust controls and mitigations may fail, drastically changing the wider control and risk environment. As such, it is crucial that the first line of defence is supported by other systems, processes and best practice to proactively identify risks or failures of controls so that appropriate management action may be taken. This support is provided by the second line of defence.

The role of the second line of defence typically includes assessing service compliance with agreed corporate and operationally defined standards. It also includes review activity to determine, in the context of risk, the extent to which standards, expectations and policies and procedures are set at the correct level and whether these are being met.

Full roles and responsibilities are set out in the roles and responsibilities section below.

The third line of defence is comprised of internal and external audit.

An independent internal audit function will, through a risk-based approach to its work, provide an objective evaluation of how effectively the organisation assesses and manages its risks, including the design and operation of the first and second lines of defence. All risks faced by the Council should be in the internal auditor's scope.

Internal audit's role is to identify potential weaknesses in systems, controls and procedures that may expose the authority to risk. Whilst internal audit highlights these weaknesses, it is the responsibility of management to design and implement actions that address them and, in so doing, control and mitigate risk.

External audit is responsible for reviewing and verifying the Council's annual statement of accounts. External auditors also have a duty to inform key stakeholders of matters of importance arising from their reviews, including governance and risk management concerns.

Recording risks

The Council has two core mechanisms for maintaining corporate visibility of risk:

- The assurance framework
- Corporate risk registers (strategic and operational)

Assurance framework

The assurance framework should record all principal risks faced by the Council and which are reasonably foreseen as part of service planning and the usual course of management. It should also include those risks that are regarded as being sufficiently controlled in accordance with the Council's risk appetite.

The assurance framework cannot reasonably or usefully be expected to identify every risk the Council faces in specific detail, or all specific permutations or situations within which risk may be manifested. Instead it should focus and group risks by high-level category – referred to as principal risks – for the ease, clarity and effectiveness of analysis. Doing so will also provide clarity of assurance to key stakeholders. The identification of sub-categories of principal risks may also be appropriate to aid its use.

Example principal risk areas include:

- Health and safety (staff and resident)
- Safeguarding
- Cyber security
- Business continuity
- Governance and decision-making
- Political and officer leadership (capacity and culture)
- Recruitment and retention
- Management (systems and processes)
- Legislation and regulations
- Financial
- Contracts
- Suppliers and supply chains
- Projects
- Civil emergencies
- Market factors
- Fraud (internal and external)

The assurance framework should be compiled annually as an output of service and financial planning. It should be reviewed quarterly as a basis for regular conversations with service management on risk, with any new risk areas added as appropriate.

The Projects and Business Assurance Team maintains the Council's assurance framework alongside service management and the Council's wider Senior Management Team.

Corporate risk registers

The Council maintains two corporate level risk registers: strategic and operational.

- **Strategic risk register:** risks that could have a negative impact on the Council's medium to long term objectives and priorities as set out in the Corporate Plan or other corporate level policies and strategies, including the Medium-Term Financial Plan (MTFP). Strategic risks typically originate from the environment within which the Council operates, though may also stem from an internal source – such as major project – if the impact merits its categorisation as a strategic risk.

  Members of the Council's Senior Management Team and Executive members have shared responsibility for strategic risks.

- **Operational risk register:** risks that are encountered in the delivery of services and which affect service objectives. These risks are ordinarily managed as part of the usual course of management by services, including their business-as-usual activities and projects that are being delivered. However, where the operational risk cannot be managed within the service or if its score is outside of the Council's risk appetite, then it should be considered for inclusion in the operational risk register.

  Heads of Service and service managers have responsibility for operational risks.

Risk registers deal with risks of current concern; that is, risks that are not sufficiently controlled and/or mitigated in accordance with the Council's risk appetite.

Risks on the risk register are likely to be specific manifestations of principal risks and/or those that are situationally specific and the outcome of a particular constellation of circumstances, including previously 'unknown unknowns' and which present a threat to the Council until they are sufficiently controlled and/or mitigated. They may also arise from a breakdown of current controls and/or mitigations, either due to a change in the risk environment or from a degradation in the Council's internal control environment.

To be clear, risk registers are distinct from the assurance framework in that they are separate documents. The assurance framework, in order to heighten risk awareness and support

effective governance, should list all theoretical, principal risks facing the authority. Risk registers deal with risks by exception, and which are of current concern given their assessment and scoring in terms of the Council's risk appetite.

Risks will remain on the appropriate corporate risk register until they are treated to the desired level.

Additional detail on risk monitoring and reporting is provided below. At this point, however, it is important to note the following:

- Corporate Governance Group is responsible for maintaining and approving the Council's assurance framework as part of its governance role. It does so in close collaboration with the Executive and, in so doing, benefits from comments and/or observations made on its contents by the Audit Committee.

- The Executive is ultimately responsible for approving the strategic risk register and changes made therein – including closing risks and raising new risks – following recommendations made by Corporate Governance Group and any observations made by the Audit Committee.

- Corporate Governance Group maintains oversight of the operational risk register, including its annual compilation and in adding in new risks or closing existing risks. Operational risks are reported to the Executive when they are at a level of concern (red rated).

The assurance framework and risk registers support one another and represent the successful and mature operation of the Council's risk management cycle. They are fundamental, supporting components of effective risk management, governance and control through giving management and key stakeholders confidence that the Council's risk management profile is comprehensive and well understood, is supported by an effective control environment and that management attention is being focused in the right areas.

It is important to note that risks may also be captured in other key corporate and management documentation, including in committee reports, project level risk registers and health and safety reports, amongst many others. The corporate assurance framework and risk registers do not hold the monopoly on documenting risks. Instead, the assurance framework should document high-level, principal risks and avoid unnecessary granularity, whilst the corporate risk registers should document risks that are of current concern and are receiving concerted management attention.

Describing a risk

Once a risk has been identified it should be described. It is important that a risk should be described clearly so that it is fully understood and to assist with the identification of controls and mitigations, both current and potential. A clear risk description also helps with assessing the likelihood and impact of risks.

The risk description should avoid being lengthy and detailed, though should give sufficient information to clearly understand the cause and potential consequences or impacts of the risk.

The risk description should:

- Set out the **cause** of the risk. This refers to the relevant context and background. A cause may be a discrete element or an event or occurrence which either happens or does not happen in giving rise to the risk.

- Set out the **consequences** of the risk should it occur and which will need to be managed, with particular reference to the impact on objectives.

Once a risk has been identified it should also be allocated a risk owner.

A risk owner is the officer(s) and relevant Executive Member that owns the impact of the risk should it materialise. They are ultimately accountable for controlling and mitigating the risk to the desired level and minimising its potential impact on the Council's objectives. Risk owners are usually Heads of Service, though, depending on the risk, may also include members of the Senior Management Team.

To aid ownership and accountability there should be as few risk owners as necessary, though risks that are cross cutting in their nature may necessarily have more than one owner.

The risk owner may not have primary operational responsibility for implementing controls and/or mitigations related to the risk, which may be delegated to another team or department within the Council. The officer risk owner is ultimately accountable for the risk and its mitigation, however, and should therefore have sufficient authority and seniority to identify, prioritise and deploy resources to manage risks in accordance with the Council's risk appetite.

Assessing and analysing risks

Once a risk has been identified it must be assessed to ascertain the potential impact and for treatment options to be designed.

Risk appetite

It is good practice for an organisation to articulate and communicate its appetite for risk with a formal risk appetite statement. The risk appetite statement provides a sound management foundation for risk management and exercising effective internal control across the organisation.

Whilst an overall risk appetite may be articulated, it is important to note that the Council's risk appetite varies by the category of risk faced. Indeed, in some risk category areas we have a low appetite for risk, whereas in others we are more open. Categorising or grouping risks in this way supports the development of an integrated and holistic view of risks and supports their effective management.

Risk appetite statements can be used in two core ways:

1. When considering and evaluating the best response to risks threatening corporate objectives; and,
2. When making decisions and considering the risk implications of accepting or rejecting a course of action.

Defining the limits of a risk appetite is about identifying at what point decisions regarding the management of a risk are escalated for decision and/or wider corporate awareness. Risk appetite forms part of the overall framework around which decisions are made at the Council. Risk appetite should not be applied as a rigid target, but instead serves as a guide to the levels of risk that we are willing to take if supported by a strong consideration of all relevant factors.

Risk appetite may be expressed in terms of differing 'levels' of appetite. These levels reside on a sliding scale, from averse to eager. Particular behaviours, attitudes and approaches are typically associated with these risk appetite levels, and are summarised in the table below:

Appetite	Typical behaviours
Averse	A preference for avoiding risks and activities giving rise to risk, could be referred to as 'playing it safe'. Inherent risks will be controlled as far as is feasibly possible. This may mean incurring expense associated with doing so, ceasing certain activities and/or the loss of potential opportunities arising from inaction. Risk aversion is also characterised by a strong desire for full certainty in decision-making related to risk.
Cautious	A preference for options and activities that have a low degree of inherent risk, and a preference for high levels of certainty of achieving successful outcomes in any actions or opportunities involving risk. Risk and uncertainty will generally be avoided. If it can't be, it will be controlled and/or mitigated to a level that significantly reduces the risk of negative outcomes, although these are still possible. Innovation and transformation are generally avoided if marked by high degrees of uncertainty and will only be pursued if a successful outcome is highly likely.
Open	Prepared to take calculated risks where successful outcomes are reasonably expected, particularly where appropriate controls and mitigations are in place to help secure them and to control the inherent risk. Risk openness seeks to strike a more even balance between risk and reward. Risk does not stop the pursuit of opportunity, innovation and change. Rather it prompts the control and mitigation of risk to a level that is acceptable and which, on balance, minimises negative outcomes (in whole or in part). Failure is therefore possible though not reasonably expected.
Eager	Risk is positively embraced in pursuit of significant reward, and failure is expected and tolerated. Change, innovation and transformation are actively pursued, despite the possibility of the anticipated benefits not materialising or investment proving abortive.

Risk, and the Council's appetite for it, should be considered in all aspects of decision-making and not just when management considers formal risk management reports, such as the quarterly receipt of risk registers.

A clear, well understood risk appetite statement helps ensure:

- Risks are appropriately considered in decision making and that acceptable outcomes are achieved;
- Responses to risks are proportionate;

- Consistency in decision-making with respect to risk from across the Council's functional business areas;
- That the accepted risks are commensurate to the opportunity or reward to be gained;
- Corporate oversight and understanding of the Council's diverse range of risks, underscoring effective management and corporate governance; and,
- Risk controls and mitigations (either those for inherent risks and those of concern) are appropriately tailored to the level of risk faced.

As noted, the risk appetite of the Council varies by the category of risk faced. As such, our risk appetite should be segmented by the different categories of risk we face.

The risk categories used by the Council are as follows:

- **Environmental –** risks that concern the environmental impact of Council services and investment priorities.

- **Financial (revenue) –** risks related to not achieving income and savings targets, as well as the incurrence of unexpected revenue costs. It covers both internal budgetary pressures and external macro level economic changes, such as changes to funding agreements with central government and other agencies.

- **Financial (capital) –** risks associated with the council's assets and investment in physical infrastructure, such as property or the council's fleet vehicles, financial assets, and investment portfolio.

- **People & Communities –** risks of not meeting – or jeopardising – the needs of residents or worsening social outcomes. This could arise from not responding to changes in demographic or socio-economic trends that impact on the Council's ability to meet its objectives. The consequence of these risks could be credibility loss or a diminution in trust.

- **Corporate objectives –** these are risks that will put delivery of the corporate plan and other strategic policies at jeopardy. These risks, if likely to materialise, may cause consideration of the hierarchy of the Council's objectives and whether some must be prioritised over others.

- **Operational –** risks associated with the delivery of day-to-day services. This includes maintaining the resilience of the organisation, such as capacity and workforce risks; the failure to meet service plans that impact the achievement of objectives set out in

the corporate plan; health and safety of employees; and adequate delivery of statutory duties.

- **Legal/reputational –** risks that can result in legal challenges and being subjected to litigation and external sanction. These risks include non-compliance with legal frameworks and statutory requirements, employment, health and safety processes etc. It also includes risks of the changing national regulations that could threaten the Council's operations and processes. Included in this category are risks that would result in negative reputational impacts.

- **Technological –** risks that are connected with technology, including the protection of data and the integrity of internal systems as well as how technology processes work for both internal (officers) and external (residents) stakeholders. This also includes the adoption of new systems and the maintenance of legacy systems as well as the security awareness of officers to keep information secure as well as the capacity of the Council to deal with technological advancements and changing demands.

Risk appetite statement

In pursuit of its wider strategic objectives, the Council recognises that it will be required to take calculated, well-informed risks.

Overall, the Council **prefers a cautious approach to risk** but acknowledges that in some areas it is necessary to accept higher levels of risk to ensure the achievement of objectives.

The Council's risk appetite will be subject to review on a three yearly basis as part of the regular, cyclical review of the Council's risk management strategy – or more frequently if necessary.

The Council's risk appetite statements on the above categories are set out in the table below.

It should be noted that the risk appetite statements apply to the level of residual risk. Residual risk is the level of risk after controls and mitigations have been applied.

Risk appetite statements by category

Risk category	Appetite	Risk appetite statement
Environmental	**Averse**	We will only accept the risk of negative impacts to the environment from our activities where we can demonstrate clear benefits of accepting this risk when weighed against other considerations and other risks. Tolerable risks could take the form of direct negative outcomes for the environment or delays to our commitment of reducing emissions and environmental impacts; however, any accepted risks will only be local and generally short term in their nature.
Financial – revenue	**Cautious**	We will only take measured risks and prefer initiatives where we can be confident in positive outcomes or where the risk of financial loss is minimal and/or minimised.
Financial – capital	**Open**	We acknowledge that investment comes with risk, and we are willing to be open in our approach. This means that we are prepared to accept higher levels of risk but will do so in a controlled manner and weighted against other considerations and categories of risk.
People and communities	**Open**	We are willing to make decisions that could prove to be unpopular in the short term, where clear benefits can be demonstrated in the medium and longer term.
Corporate objectives	**Cautious**	We will set realistic and achievable targets given the organisation's capacity and resourcing levels and, as such, we expect them to largely be achieved. However, we accept that there are risks that may delay the delivery of our objectives, though we aim to control and/or mitigate these to a level that is reasonable.

Risk category	Appetite	Risk appetite statement
Operational	**Open**	We accept that change initiatives carry short-term risks of compromising some operational areas and service delivery for a generally limited time. Exceptions are health and safety of staff and residents, and any statutory duties we hold, where there is a very low (averse) appetite for risk of lapses or non-compliance.
Legal/ reputational	**Cautious**	We will act lawfully and in conformance with established standards and codes of regulation as it is the right thing to do. We are also reluctant to incur the risk of reputational damage or external sanction. As such, we will generally err on the side of caution. Where reasonable and ethical, we are prepared to explore areas of opportunity within legislation and codes of regulation, and we are willing to defend our position where challenge could occur.
Technological	**Cautious**	We will be cautious with technology related risks. When we look to upgrade and deploy new technology, we prefer investing in proven solutions although we are conscious of - and will take account of - the risks associated with not acting in time or applying continuous upgrades and maintenance.

Note – the colours in the appetite column correspond to the risk scoring matrix below.

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Risk assessment: analysing and evaluating impact and likelihood

Whilst the risk appetite sets out the overall level of risk that the Council is prepared to accept in pursuit of its objectives, it is necessarily high level. In order to apply the risk appetite effectively and ensure it guides decision making, the overall risk appetite must be underpinned with individual, robust risk assessments following the risk identification process.

Whilst each risk may be important on its own, a degree of measurement is required to evaluate its overall significance, thereby supporting effective and risk informed decision-making. Without a standard for measurement and comparison it is not possible to effectively compare and prioritise the various possible responses to risks.

Prioritisation is predicated on the undertaking of robust risk assessment which, in turn, incorporates effective risk analysis.

Risk analysis must use a common and overarching set of risk scoring criteria to foster a consistent interpretation and definition of risk, based on an assessment of the **likelihood** of the risk occurring and the type and level of **impacts** that are expected should it do so.

The upshot and ultimate purpose of this process is to use the insight gained to evaluate the extent to which the identified risks align with the Council's risk appetite. Doing so helps determine what, if any, action is required or whether the current controls and/or mitigations are excessive and out of proportion to the risk faced.

Identified risks must therefore be analysed and scored on a **likelihood and impact matrix**.

In terms of **likelihood**, the following levels are used:

- **Almost certain (5)**   Very likely to happen (>80% chance)
- **More than likely (4)**   Likely to happen (60-80% chance)
- **Possible (3)**   Might happen (30-60% chance)
- **Unlikely (2)**   Unlikely to happen (10-30% chance)
- **Rare (1)**   Highly unlikely to happen (<10% chance)

The timeframe for assessing the likelihood of a risk occurring is within the next two to three years.

Once the likelihood has been assessed, the **impact of the risk** should then be considered. The risk impact scoring matrix below sets out the impact categories and thresholds to be considered when scoring the impact of a risk. It also defines the relationship to the Council's risk appetite, with additional information on this set out in greater detail later.

Risk impact scoring matrix

	1 Almost none	2 Minor	3 Moderate	4 Significant	5 Grave
Environmental	Little or negligible impact on the local environment	Short term minor local impact with no ongoing negative effects **(3)**	Medium term, moderate and reparable local impacts **(2)**	Large scale and long-term damage to the environment **(1)**	Extensive and potentially irreparable damage to the environment **(1)**
Financial – revenue[1]	<0.1% of net revenue budget	0.1-0.5% of net revenue budget	>0.5% of net revenue budget **(2)**	0.6-1% of the net revenue budget **(1)**	>1% of the net revenue budget **(1)**
Financial – capital[2]	<0.1% of the capital programme	0.1-0.5% of the capital programme	0.5-1% of the capital programme **(3)**	1-2% of the capital programme **(3)**	>2% of the capital programme **(2)**
People and communities	Little to no negative impact to community resilience and social cohesion	Short term impact on community resilience and social cohesion	A section of the community impacted for the medium term. Some loss of credibility for the Council **(3)**	Long term, significant community impacts. Trust in the Council compromised **(3)**	Community resilience and social cohesion is severely compromised **(2)**
Corporate objectives	Up to 5% variation in achievement of corporate targets	5-20% variation. Workaround required within RBBC resources to deliver objective	20-40% variation. Resources must reassigned and prioritised **(2)**	40-60% variation. Reconsideration of viability of corporate objectives **(1)**	>60% variation. Unable to deliver objectives. Failure to meet community needs **(1)**
Operational	Little to no impact to service delivery	Failure to meet standard customer expectations and needs	Failure of several non-statutory services **(3)**	Temporary loss or disruption to critical services **(3)**	Sustained loss of disruption to critical services **(2)**
Legal/ Reputational	Minor adverse publicity in the local media	Sustained local media and online criticism. Potential for minor financial penalties	Adverse publicity in the national media. Potential for legal sanction and/or moderate fine **(2)**	Negative national media attention or criticism from an external agency. Litigation likely with some defence **(1)**	Sustained negative national media coverage. Penalties likely with little defence from litigation **(1)**
Technological	Negligible service disruption of less than 0.5 days. Critical systems unavailable for less than 1 hour	Disruption of service for 1-2 days. Critical systems unavailable for up to 0.5 days	Disruption of service for 3-7 days. Critical systems unavailable for up to 1 working day **(2)**	Disruption of service for 7 to 21 days. Critical systems unavailable for 2 working days **(1)**	Disruption of service >21 days. Critical systems unavailable for more than 2 working days **(1)**

(#) is the lowest __LIKELIHOOD__ score that, when multiplied by the __IMPACT__ score, would most likely render the risk outside of appetite. The colour corresponds to the risk scoring matrix should this threshold be breached (see below). See the guidance notes below for additional information on how to apply this.

[1] The net revenue budget in 2022/23 was £19.8 million.
[2] In 2022/23 the total capital programme value was £52 million.

The likelihood and impact scores are then combined to give an **overall risk score**. This is done by multiplying the likelihood score by the impact score.

The total risk score is then plotted on a scoring matrix to illustrate the risk scoring visually:

IMPACT		(1) Rare	(2) Unlikely	(3) Possible	(4) More than likely	(5) Almost certain
Grave	(5)	5	10	15	20	25
Significant	(4)	4	8	12	16	20
Moderate	(3)	3	6	9	12	15
Minor	(2)	2	4	6	8	10
Almost none	(1)	1	2	3	4	5
		(1)	(2)	(3)	(4)	(5)
LIKELIHOOD		Rare	Unlikely	Possible	More than likely	Almost certain

It is important that identified risks should be **scored and assessed** on the following three points:

1. **The inherent risk –** refers to an analysis focused on identifying the likelihood and impact of a risk occurring without any controls or mitigations in place.

   A risk control is a process, policy or activity that reduces the likelihood of a risk materialising, whilst a risk mitigation reduces the impact should it do so.

   The analysis should be done alongside the identified risk owner and relevant service area.

2. **The current risk –** refers to analysing and assessing the current controls and mitigations that are in place to reduce the likelihood and impact of a risk materialising. Risk control and mitigation are not exclusive, binary concepts. They should be designed by management to work together to reduce the overall impact of risk on the Council in a balanced and proportionate way.

   The analysis should be substantive though proportionate and based on evidence. Any limitations of the evidence should be recognised.

   As with assessing inherent risk, the assessment of the current risk must be done alongside the risk owner and the relevant service to harness their specialist knowledge. However, it may also be appropriate to draw on other sources of assurance, including internal audit reports as well as any other relevant pieces of consultancy or advice.

   As part of this process, it is important that the risk controls and mitigations are clearly documented, at a minimum, on the Council's assurance framework. The assurance framework considers *principal risks* and so the content relating to controls and mitigation should be tailored appropriately.

   Assessing the current risk must be done with reference to the Council's **risk appetite** by category. The impact table set out above details how the overall risk score (arrived at by multiplying the impact by likelihood) relates to the Council's risk appetite. The impact table sets out the *minimum* likelihood value that, when multiplied by the impact score, would likely render the risk outside of appetite.

   The scoring matrix should serve as a guide to ascertaining whether a risk is outside of the risk appetite, and appropriate management discretion should be exercised in applying it to real life risks, particularly when factoring in the uncertainties of risk scoring.

   Risks invariably have multiple impacts and so the highest scoring category should be used to score the impact of the risk. Moreover, due to the individual nature of risks, the table and the relationship to the Council's risk appetite should be used as a guide, with appropriate discretion exercised in application, particularly where gaps in information exist or where its quality or certainty is in doubt.

   If, following assessment, the risk score is **within the Council's risk appetite** as set out above, then no further action is required. The risk (in its high level, principal form) and the corresponding controls and mitigation should be recorded on the assurance framework for review at a later date (likely at the end of the next quarter).

However, if the risk score is **outside of the Council's risk appetite** as set out above, then the risk should be considered for inclusion on the relevant corporate risk register for wider corporate awareness and oversight.

Risk treatment options – i.e. new controls and mitigations – are considered below.

3. **The target risk –** is concerned with where management are aiming to treat or manage the risk to. The target risk sets out the desired and acceptable end point of the risk management cycle.

   For purposes of governance and the exercising of effective internal control, the target risk should be documented for all risks that have been identified.

   The target risk must be set with reference to the Council's risk appetite which defines the levels of risk the Council is prepared to accept.

   Setting the target risk is crucial to evaluating and confirming the adequacy and effectiveness of (a) the current controls and/or mitigations; and (b) the new controls and/or mitigations proposed in response.

   The target risk score should be set at a realistic level and recognise the Council's ability to influence the risk. It is certainly possible – and likely – that, for certain risks where the Council has limited scope to act, the current risk score may remain in excess of the target score. These risks should still be documented as appropriate, however, to maintain the effectiveness of the Council's risk profile.

   Additional detail on risk treatment options is set out in the section that follows.

Treating risks

Risk treatment is ultimately concerned with selecting the most appropriate course of action for managing a risk and returning it to within the accepted corporate risk appetite, balancing the potential benefits of action against the costs and disadvantages, as well as against the Council's ability to influence or act against a risk.

The Council's approach to risk management (as set out in the three lines of defence model) delegates primary responsibility for managing risks to service management. The effective, collective functioning of the three lines of defence model should therefore largely deal with risk management as business as usual, with risks identified and management processes designed to minimise and treat risk in accordance with the Council's risk appetite.

It is important for purposes of governance and the exercising of effective internal control that risk treatment is carried out in a standardised way, with adequate ownership and oversight maintained. The process articulated below should apply as part of effective, routine service management and not just for risks deemed to be of concern and captured on the corporate risk register.

Actions and options

The risk owner is responsible for treating the identified risk and taking action to move it to being within the risk appetite or, if this is not possible, to take action to return it to a level that is as close to being acceptable as possible. This will in most instances take the form of designing and implementing a range of actions or measures which will reduce the likelihood of the risk materialising (a control), and/or the impact should it do so (a mitigation).

These actions should be specific, measurable, achievable, relevant and time-bound (SMART) and should be regularly reviewed and reported on. The process for risk monitoring and reporting is set out below.

Before designing treatment options, risk owners should carry out an options appraisal to gauge the most effective and advantageous course of action. There is no expectation that this should be formally documented and reported on, though risk owners may decide that doing so is appropriate in certain instances, such as where considerable costs are involved, where the overall impact of the risk is significant or where other Council governance and decision-making processes require it. Such an appraisal would likely form a key part of any business case where additional or unbudgeted costs are to be incurred as part of a management response.

Risk owners will be supported in carrying this out by the Council's Projects and Business Assurance team who provide advice as part of their second line of defence function, as well as any other services at the second line of defence.

The options appraisal should consider how to treat the risk on the following basis:

- **Avoidance –** simply stop doing the activity that creates the risk, or elements therein. This may not be possible or desirable, however, particularly where the risk is unavoidable or arises from activity that the Council is obliged to undertake. Risk avoidance must also be balanced against the effect of doing so on the Council's objectives and how this reconciles with the wider risk appetite. Indeed, there are invariably risks associated with ceasing an activity and which must be likewise considered to give a rich, fulsome picture of the Council's wider risk profile.

- **Transfer –** transfer all or part of the risk to another party, such as to insurance or to an agency or contractor. The risk owner still maintains ultimate ownership of the risk, however. There will likely be costs associated with this course of action and these must be considered appropriately.

- **Reduce –** take steps to reduce the likelihood and/or impact of the risk, such as introducing new or modifying existing controls and mitigations.

- **Accept –** accept the risk and take no measures to reduce the likelihood and/or impact. This is not ordinarily a recommended course of action, though if the risk is outside of the Council's control it then it may be the only option available.

Depending on the risk, the pursuit of a combination of these options may be appropriate.

The appraisal should consider the associated costs, resources, time pressures and potential financial and non-financial benefits of any course of action. Advice from specialist staff – including those at the second and third line of defence – should be taken where appropriate.

It is worth noting that the benefits of action will not always be solely financial. Risk owners must therefore use their professional knowledge and judgement to ascertain whether costs are justifiable in terms of non-financial benefits to the Council. On occasion, it may thus be reasonably concluded that the costs of action outweigh the perceived benefits.

Costs should not be the overriding determining factor in implementing risk treatment options, however. At a minimum, all categories set out it the risk appetite should also be considered to ensure that risk treatment aligns with the Council's risk appetite.

However, it is imperative that any chosen option should be well reasoned, proportionate, effective, lawful and in full conformance with standards of good and ethical governance.

As part of selecting and developing risk treatments, the risk owner is responsible for defining how the chosen option(s) will be implemented in a way that is well understood by key parties and stakeholders. This should include:

- The rationale for the option(s) chosen, including the expected benefits;
- The proposed actions (e.g., implementing new controls and/or mitigations);
- Identifying those that are accountable and responsible for the implementation of any actions arising;
- The resources required;
- Any key performance indicators that may be used to demonstrate progress of implementation or any other indicators which may demonstrate a change in the nature of the risk or control environment;
- When actions are expected to be undertaken and completed by; and,
- Any constraints and dependencies to be aware of.

Ultimately, the category of treatment option chosen, as well as all controls and mitigations, should, as required, either be recorded on the Council's assurance framework or the relevant corporate risk register.

Whilst the former sets out principal risks which are regarded as being sufficiently controlled, the latter sets out current risks of current concern. As such, corporate risk registers will necessarily include greater specific detail on the control and/or mitigation of risk.

Risk monitoring and reporting

The Council's risk profile should be regularly monitored and reported on. This is because:

- Previously identified risks may change over time and treatment options may require adaptation;
- The internal control environment may degrade and action is required as a result;
- Previously unknown or new risks may emerge, with current controls and/or mitigations possibly proving inadequate; and,
- Following management attention or a change in circumstances, known risks may merit closure.

Monitoring and reporting are two distinct though mutually reinforcing processes that underpin the effective operation of each stage of the risk management cycle.

Risk monitoring involves teams and functions from across the three lines of defence model.

Whilst each line of defence and team therein has its own distinct functional role, they should operate in an integrated way to support the ongoing development of understanding on the Council's risk profile and how this may change over time. It provides assurance that risk controls and mitigations are operating as intended to provide reasonable assurance over the management of risks to an acceptable level, as defined by the Council's risk appetite.

Risk monitoring should thus be carried out before, during and after the implementation of risk treatment options for those risks that are being given active management attention (and therefore set out on the relevant corporate risk register), as well as those that have been identified as being sufficiently controlled and/or monitored (and therefore set out on the assurance framework).

The results of risk monitoring are incorporated into the Council's wider performance management and governance activities and must be reported and communicated to stakeholders as appropriate.

Monitoring

Risk monitoring is fundamentally within the scope and remit of service management, given that the Council's risk management strategy empowers them to manage risk as part of business-as-usual arrangements.

As experts in their field first line management are responsible and accountable for designing and implementing adequate risk monitoring processes as part of effective service

management and in accordance with the Council's constitution and scheme of delegation. They are supported by specialist services found at the second and third lines of defence (internal and external).

There are many ways in which risk existing risks may be monitored by the first line of defence, including:

- Monitoring of trends, key performance indicators or other contextual indicators which may suggest a change in the control and/or external environment;
- Deep dive reviews into particular risk areas, either carried out by management or commissioned by teams at the second and third lines of defence;
- Learning from incidents, issues and/or the experiences of others or wider sector best practice;
- Testing of the effectiveness of identified controls and mitigations; and,
- Horizon scanning for changes in the external risk environment, using tools such as PESTLE as set out above.

Taken together, the Council's assurance framework and corporate risk registers serve as a comprehensive record of the risks faced by the Council and are key corporate control documents for risk monitoring.

The assurance framework and corporate risk registers must be reviewed at least on a quarterly basis, though management are encouraged to do so more regularly if necessary as part of the usual course of service management.

The Council's Projects and Business Assurance team will support service management in undertaking risk monitoring via the quarterly risk management review process.

The quarterly risk management review process will review all identified risks alongside the risk owner – namely, those principal risks set out in the assurance framework and the risks of concern set out in the corporate risk registers.

The quarterly risk management review will:

- Consider whether the risk description continues to adequately cover the risk (particularly important for the risk registers, given their specificity);
- Critically assess the prevailing effectiveness of controls and/or mitigations that are in place;
- Ensure the recorded controls and/or mitigations are up to date and reflect the latest position;
- Review and confirm the inherent, current and target risk scores to ensure they are accurate and reflect the current situation; and,

- Consider whether any further action or escalation may be required.

The quarterly risk management review process will also consider whether any new risks have emerged in accordance with the process as set out in the risk identification and assessment section of this methodology.

Not all risks are reasonably foreseeable or evident, however, and may not be recorded on the Council's assurance framework and/or corporate risk register. Likewise, many risks are inherent and exist perennially, where the environment within which they exist may drastically shift with little warning. Previously robust controls and mitigations may also fail, changing the internal control and wider risk environment.

It is therefore crucial that the first line of defence is supported by other systems, processes and best practice to monitor and review the Council's risk profile so that appropriate, corrective management action may be taken. This support is provided by the second and third lines of defence.

The second line of defence provides the overarching policies, frameworks, tools, techniques, and support to enable risk and compliance to be managed effectively by the first line, and conducts monitoring activity to judge how effectively this is being done. It may take the form of bespoke, commissioned pieces work, or may be undertaken as part of the second line's 'business-as-usual'. In any case, the second line of defence is a key source of assurance in the context of risk and must be drawn upon as part of the quarterly risk review process.

The second line of defence should not solely rely on the corporate risk monitoring and review process to escalate concerns and should have a direct reporting route into senior management via Corporate Governance Group should any concerns arise.

The teams in the second line of defence as set out in the risk identification section of this methodology will exercise a similar function in risk monitoring; full roles and responsibilities are set out in a later section of the methodology.

The third line of defence relates to independent, external assurance in risk monitoring and is largely focused on the roles of internal and external audit.

Internal audit, through its annual risk-based audit plan, will provide an objective opinion on governance, risk management and internal control. It sits outside of the first and second lines of defence, where its main role is to ensure that the first two lines are operating effectively and to also advise how they may be improved. The Council's assurance framework and corporate risk registers are key sources of information in helping to direct internal audit activity.

Internal audit reports to Corporate Governance Group and the Audit Committee. Matters of concern arising from internal audit reviews should be included within the assurance framework and/or corporate risk registers as appropriate.

External audit reviews and verifies the Council's annual statement of accounts. External auditor has a duty to inform key stakeholders of matters of importance arising from their reviews, including governance and risk management concerns. Any such findings made by external audit will be acted upon by management and the political leadership as necessary.

Reporting

Risk reporting is the ultimate output of risk monitoring. High quality and timely reporting provides assurance to key stakeholders that the risk management cycle is working effectively and as intended. It has the added benefit of helping ensure that the organisation's risk profile is well understood, supporting key stakeholders to focus their attention on areas of where they may add greatest value.

Risk reporting aims to:

- Transparently and effectively communicate risk management activities and outcomes across the Council and to key stakeholders;
- Provide information for robust and informed decision-making;
- Improve risk management activities; and,
- Assist stakeholders exercise their roles and responsibilities with respect to risk management.

Risk reporting should be:

- **Collaborative –** in aligning with other processes and mechanisms across the Council, and also drawing on the insight and expertise of the relevant risk owners and contributors.

- **Evidence based –** in making use of appropriate management information to provide assurance on risk as well as in containing the information necessary for the reader to make decisions or fulfil their role.

- **Focused on the delivery of objectives –** through providing the information required for risk informed decision-making as required.

- **Informative –** through providing a clear understanding of risks, confidence in the assessment of the treatment of risks and the taking of prompt corrective action.

- **Integrated –** through being integrated with other governance processes across the three lines of defence.

- **Tailored –** in being appropriately adapted to the intended target audience.

The **assurance framework** is set and reported annually to Corporate Governance Group, the Audit Committee and the Executive. Its annual reporting gives these groups assurance in their respective governance roles that there is a rich and comprehensive picture of the Council's risk profile. It provides assurance that controls and/or mitigations have been identified or implemented by management, rendering these risks adequately controlled in accordance with the Council's risk appetite.

The assurance framework should be reviewed on a quarterly basis, with amendments and additions made as appropriate.

The **corporate risk registers** – given that they report on current risks of concern and where management attention is being focused – are reported to Corporate Governance Group, the Audit Committee and the Executive on a quarterly basis.

Operational risks are reported to the Audit Committee and Executive where their rating is 'red', as per the risk scoring matrix.

A summary of the Council's risk reporting arrangements is provided in the table below. the table should be read alongside the list of roles and responsibilities relating to risk which is provided in the section that follows.

Output	Reported to	When
The assurance framework (for the next financial year)	Corporate Governance Group The Audit Committee The Executive	As part of Q3 reporting each year, ahead of the next financial year
Strategic risks (for the next financial year)	Corporate Governance Group The Audit Committee The Executive	As part of Q3 reporting each year, ahead of the next financial year
Operational risks (for the next financial year)	Corporate Governance Group	As part of Q3 reporting each year, ahead of the next financial year
The assurance framework (for the current financial year)	Corporate Governance Group	As part of Q2 and Q4 reporting
Strategic risk register – updates	Corporate Governance Group The Audit Committee The Executive	Quarterly
New strategic risks	Corporate Governance Group The Audit Committee The Executive	Quarterly
Operational risk register – updates	Corporate Governance Group To the Audit Committee and the Executive if 'red' rated.	Quarterly
New operational risks	Corporate Governance Group	Quarterly

The assurance framework and corporate risk registers are made available to all staff and members of the Council via the Council's intranet and document portal.

Roles and responsibilities

Effective risk management is founded on well-established and understood roles and responsibilities.

The Council operates a three line of defence model in respect of risk management. The model is predicated on the threefold notion that:

(i)   Risk should not be left to risk management specialists;

(ii)   Everyone in the Council has some responsibility for risk management; and,

(iii)   The varying roles, parts and levels of the Council play different, but complementary, roles within effective risk management. It is the interplay between these roles that determines how effective the organisation is in managing risk and is of fundamental importance to the delivery of effective corporate governance.

The successful operation of the Council's risk management strategy is founded on the roles and responsibilities set out in the sections below. It is organised around the three lines of defence to help illustrate where each function and team resides within it.

It is not intended to be exhaustive, though nevertheless serves as a useful guide to the various roles and responsibilities that are found at the three lines of defence and beyond.

At the first line of defence

Heads of Service and service management (managers/team leaders) will:

- Identify, implement and maintain effective internal controls to manage risk on a day-to-day basis and in accordance with the Council's risk appetite.
- Ensure the ongoing adequacy and effectiveness of identified controls and take any remedial action as required.
- Proactively identify potential risks which could affect the delivery of services and ensure that these are recorded and managed appropriately, in full accordance with the risk management strategy.
- Ensure staff within the service/team understand the potential risks facing the service and wider organisation and that they are aware of how to escalate concerns.
- Ensure that staff are adequately trained in accordance with key service and corporate controls.
- Seek the support from other services as and when required.
- Escalate concerns relating to risk as appropriate.

- Ensure that the appropriate Executive Member(s) is briefed on all key risks facing the service.
- Ensure that risks are considered in all aspects of decision making.
- Ensure that risk is considered as part of the annual service and financial planning process and ultimately that their section within the Council's assurance framework is comprehensive and robust.
- Act in collaboration with other services and/or organisations as appropriate.

Risk owners will:

- Take accountability for the identified risk and its control and/or mitigation, including reporting on progress of risk treatment.
- Act in collaboration with other services and/or organisations as appropriate.

All Council employees will:

- Act lawfully and ethically at all times and within the Council's constitution, scheme of delegation and employee code of conduct.
- Maintain a good awareness of the types of risk that the Council faces.
- Follow all service and corporate risk controls and/or mitigations adequately and faithfully.
- Understand how to identify, report and control and/or mitigate risk in accordance with the risk management strategy.

At the second line of defence

Emergency planning and business continuity will:

- Mitigate risk through the creation of robust emergency plans and operational arrangements that enable the Council to respond to a range of civil emergencies in accordance with its statutory responsibilities.
- Support services to systematically manage the risk of service disruption due to a range of business continuity events, ensuring any weaknesses are understood and that controls and mitigation measures are in place to overcome any disruption and to maintain the delivery of core services as far as is reasonably practicable.
- Support in the recovery from emergency incidents and/or business continuity events.

Democratic Services will:

- Ensure that processes and procedures are designed and implemented allowing decisions to be made and authority exercised in accordance with the constitution and

scheme of delegation, in full conformance with prevailing standards of good corporate governance in local government.

- Maintain the code of corporate governance and annual governance statement.
- Manage the corporate complaints process. Identify where complaints have risk management implications and escalate as appropriately.

Data protection will:

- Ensure that the Council maintains high standards of data protection and information governance and acts in conformance with the Data Protection Act (2018), as well as all other appropriate statutory guidance.

Corporate Policy, Projects and Performance will:

- Maintain the Council's risk management strategy which sets out the Council's overarching approach to the management of risk.
- Support the effective operation of the Council's risk management cycle, including by undertaking quarterly risk management reviews with Heads of Service and Senior Management and reporting on risk to appropriate governance groups, including the Audit Committee and Executive.
- Support service management in their primary risk management role and help coordinate the activities of other services at the second and third lines of defence.
- Support the establishment of effective operational and strategic relationships between risk management and all other corporate governance processes, including annual budgeting and service and financial planning, as well as performance management.
- Monitor and report on corporate and service performance in accordance with the Council's performance management framework. Escalate performance and compliance issues that have a relation to risk management as appropriate.
- Maintaining a comprehensive knowledge of the wider local government policy context and potential risks residing therein. Use this insight to support services in the management of risk.
- Provide training to staff on the Council's approach to risk management.

The Programme Management Office (PMO) will:

- Maintain and ensure the effective operation of the Council's project and programme management frameworks, which helps ensure that projects and programmes are initiated on a sound business case and are delivered efficiently and with due regard to the management of risk.

Finance will:

- Design and apply the Council's core financial controls to ensure that the public money administered by the Council is spent effectively and is appropriately accounted for.
- Maintain the Council's insurance arrangements and ensure that the Council has adequate and proper insurance cover against risks that are faced.

Fraud will:

- Provide a proactive and reactive counter fraud service to support all departments within the Council in cases of suspected internal or external fraud.
- Maintain the Council's anti-fraud and anti-corruption policies, as well as the whistleblowing policy.
- Provide fraud awareness training for staff to help them recognise and report the signs of fraud.

Human Resources will:

- Ensure the ongoing effectiveness of the Council's employment practices and policies and likewise monitor staff and service compliance.

Legal will:

- Provide appropriate legal advice to ensure that the Council acts lawfully in its business.
- Defend the Council's interests if the Council is subjected to legal challenge.

Procurement will:

- Maintain the Council's procurement and contract management strategies.
- Support services to derive best value from contracts and spend.
- Monitor the Council's compliance with the contract procedural rules and all public procurement legislation and requirements.

Corporate health and safety will:

- Provide competent health and safety advice to support services to maintain staff and resident welfare.
- Ensure that accident and incident investigations are carried out, with lessons learned implemented and any required preventive action taken.
- Maintain corporate risk assessments and support services to maintain departmental level risk assessments.
- Regularly review the Council's health and safety management system to ensure its effectiveness and compliance with all legislative requirements.

Information Technology (IT) will:

- Implement and maintain the Council's IT strategy. The strategy sets out the specific measures and controls to protect and defend the Council's systems and data from attack, malicious or otherwise.
- Maintain the Council's disaster recovery plan and procedures to support recovery from an IT security incident or business continuity event.

At the third line of defence

Internal audit will:

- In adopting and following a risk based internal audit plan and charter, identify potential weaknesses in systems, controls and procedures that may expose the authority to risk.
- Operate in accordance with the prevailing public sector internal audit standards.
- Report findings to the Audit Sponsor, Corporate Governance Group and the Audit Committee.
- Produce an annual report and opinion on the overall effectiveness of risk management and control at the Council.
- Use the assurance framework and corporate risk registers to inform the annual risk based internal audit plan.

External audit will:

- Report any concerns relating to risk management arising from the audit of the statement of accounts to the appropriate body.

Governance roles and responsibilities

As noted above, constituted governance bodies and senior management are not considered to reside within a line of defence in the model. Instead, they are key stakeholders that themselves are served by the collective operation of the three lines of defence.

However, each governance body has varying governance roles and responsibilities, the detail of which is set out below.

All Members of the Council will:

- Maintain an awareness of the Council's risk profile and that of the wider sector to aid the fulfilment of their role as local representatives.

- Ensure their awareness and familiarity with key corporate risk controls and/or mitigations, and act in full conformance with them and the member code of conduct.

The Executive will:

- Be ultimately responsible for ensuring that the Council adequately addresses the risks that it faces.
- Delegate the effective, day to day management of risk to officers.
- Ensure that risk is adequately considered in all aspects of decisions taken by the Executive in accordance with the constitution and scheme of delegation.
- Approve:
    - o The Council's strategic risks for the forthcoming financial year in Q3 of the current year.
    - o In year new risks for inclusion on the strategic risk register.
    - o In year closure of strategic risks.
- Receive:
    - o The Council's assurance framework for the forthcoming financial year in Q3 of the current year.
    - o Quarterly updates on strategic risks.
    - o Quarterly updates on red rated operational risks.
- Recommend:
    - o That Full Council adopts the Council's risk management strategy following its update and review every three years, or more often if required.

The Audit Committee will:

- Act in conformance with its constitutional responsibilities in respect of risk management.
- Provide independent assurance on the adequacy of the Council's risk management strategy and the internal control environment.
- Provide independent review of the Council's governance, risk management and control frameworks and oversee the financial reporting and annual governance processes.
- Oversee internal and external audit, helping to ensure effective independent assurance arrangements are in place.
- Approve:
    - o The annual internal audit plan and charter.
    - o The annual external audit plan.
- Receive:
    - o The Council's assurance framework on an annual basis.

- o Quarterly updates on strategic risks.
- o Quarterly updates on red rated operational risks.
- o The Council's updated risk management strategy when it is reviewed and updated every three years, or more often if required.
- Make any recommendations relating to risk management to the Executive or Senior Management Team as appropriate.

Corporate Governance Group (comprised of the Senior Management Team and statutory officers) will:

- In acting as the apex of officer governance, hold overall responsibility for the day-to-day management of risks in accordance with the constitution and scheme of delegation.
- Ensure that the Council's risk management strategy is robust, fit for purpose and that it is applied effectively.
- Recommend that:
  - o The Executive approves the Council's strategic risks for the forthcoming financial year in Q3 of the current year.
  - o The Executive approves any new in year risks for inclusion on the strategic risk register.
  - o The Executive approves in year closures of strategic risks.
- Approve:
  - o The assurance framework for the forthcoming year in Q3 of the current year.
  - o The operational risks for the forthcoming year in Q3 of the current year.
  - o Any new operational risks identified in year.
  - o The in year closure of any operational risks.
- Receive:
  - o Quarterly updates on strategic risks.
  - o Quarterly updates on operational risks.
  - o Biannual (Q2 and Q4) updates on the assurance framework.

Training and communication

It is imperative that the risk management strategy is underpinned by management and staff competence and awareness; doing so will help ensure the achievement of the strategy's objectives.

All staff and management have a responsibility for being familiar with the core risk management controls within their service and to similarly be aware of the Council's overarching risk management strategy.

Service management are responsible for ensuring that staff receive adequate support and training to complete their duties safely and in accordance with all corporate, service and other statutory risk controls.

The Council's Projects and Business Assurance Team is responsible for providing appropriate training and guidance on the risk management strategy to managers as required.

The following will be provided by the Projects and Business Assurance Team:

- An annual briefing to all staff on risk management and the risk management strategy;
- An annual briefing to Heads of Service and the Senior Management Team on risk management and the risk management strategy; and,
- Any additional ad-hoc training as required and requested by Senior Management/Corporate Governance Group.

The Projects and Business Assurance Team undertake quarterly risk management reviews with Heads of Service which are to be used as an opportunity to discuss the overarching approach to risk management, as well as the specific operation of the risk management cycle.

The risk management strategy and methodology is made available to all staff via the intranet. It will be made available to members via the ModGov document library. It will also be published on the Council's website.

Corporate risk registers and the assurance framework will be made available to all staff via the intranet. They will also be made available to members via the ModGov document library.

The risk management strategy will form part of the essential reading for new staff as part of the induction process.

Future review

The risk management strategy and methodology will be subject to a substantive review every three years at a minimum.

The review will include all aspects of the Council's approach to risk management, including the risk appetite statements and the thresholds set out therein. Regular review is crucial to ensuring that the strategy remains relevant to the Council, its risk profile and wider corporate and management structures/processes.

An administrative review will be carried out on an annual basis.

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SIGNED OFF BY:	Chief Finance Officer
AUTHOR:	Martin Trenaman
TELEPHONE:	01737 276561
E-MAIL:	Martin.Trenaman@Reigate-Banstead.Gov.Uk
TO:	Executive
DATE:	Thursday 23 March 2023
EXECUTIVE MEMBER:	Deputy Leader and Portfolio Holder for Finance and Governance

KEY DECISION REQUIRED:	NO
WARD (S) AFFECTED:	ALL

SUBJECT:	DEBT WRITE OFF & RECOVERY 2022/23

RECOMMENDATIONS:

Executive is recommended to approve:

(i)   That six irrecoverable debts totalling £203,770.73 (Annex 1) be written out of the Council's accounts.

REASONS FOR RECOMMENDATIONS:

The six debts relate to National Non Domestic Rates (NNDR).

All possible action has been taken to recover these amounts. This report is seeking approval to write them out of the Council's accounts.

EXECUTIVE SUMMARY:

This report explains the action and the reasons for recommending that six debts proposed for write-off totalling £203,770.73. It also provides an overview of debt recovery performance for 2022/23

The Executive has authority to approve the above recommendation.

Agenda Item 12

STATUTORY POWERS

1. The Council has the powers under various Acts of Parliament and Statutory Regulations to charge for the services it provides and for collection of taxation monies e.g. the *Local Government Finance Act 1992.*

2. The powers to waive the collection of properly determined and levied debts are set out within the Financial Procedures Rules in the Council's Constitution. Under the Constitution all debts valued over £10,000 require approval of the Executive.

3. The debt write off is requested in order for the Council to show the true position in its accounts. All possible action has been taken to recover these amounts and this report is seeking approval to technically write them out of the accounts.

4. In addition, irrecoverable bad debts have been approved under delegated authority by:

    (i) The Head of Benefits and Fraud:

    - 81 debts valued under £1,000 totalling £24,772.45 relating to NNDR, council tax and benefit overpayments

    (ii) The Chief Finance Officer

    - 27 debts valued under £1,000 totalling £2,581.75 relating to sundry debts

    - 82 debts valued between £1,000 and £10,000 totalling £333,858.12 relating to NNDR, council tax, benefit overpayments and sundry debts.

Debt Recovery Performance

5. A schedule of performance information relating to the Debt Management function is set out at Annex 2. It confirms that the Council continues to perform well and remains in the top quartile nationally for its low write-off levels.

OPTIONS

The Executive has three options:

Option 1   To approve the recommendations in this report so that the write-offs can be updated in the authority's statement of accounts This is the recommended option.

Option 2   To defer a decision and ask officers to provide more information and/or clarification on any specific points This would potentially mean that the write-offs are not reflected in the authority's 2022/23 statement of accounts.

Option 3   To reject the recommended write-offs. This would potentially mean that assets (debtors) are over-stated in the authority's statement of accounts

LEGAL IMPLICATIONS

6. There are no additional legal implications associated with this report.

FINANCIAL IMPLICATIONS

7. The total value of the debts is approximately 0.8% of the Council's gross budget and is the equivalent of 18% of the provision that has previously been set aside for bad debts in the Council's accounts.

COMMUNICATIONS IMPLICATIONS

8.   There are no additional communications implications associated with this report.

EQUALITIES IMPLICATIONS

9.   All recovery processes are carried out in the same way for all persons and companies that owe money to the Council, ensuring a consistent and fair approach.

RISK MANAGEMENT CONSIDERATIONS

10. There are no additional risk management implications.

CONSULTATION

11. The Portfolio Holder for Finance & Governance has been consulted on the proposals in this report.

POLICY FRAMEWORK

12. Debt recovery is operated within the framework set out in the Financial Procedure Rules within the Constitution.

Background papers: None

Annex 1   Debts Recommended for Write-Off

Annex 2   Debt Recovery Performance

NNDR write offs over £10,000

| Account No | Taxpayer's name(s) and address | Period of Liability | | Reason for recommendation for write off | Liability | | Outstanding £ |
		From	To		Due £	Paid £	
2438651	Croydon Coaches (UK) Ltd In Liquidation	11/03/2019	04/04/2022	The company went into liquidation in March 2022 so recovery can no longer continue.	84,286.71	0.00	84,286.71
2422268	Redefine Omnibus Reigate Limited	17/05/2017	09/05/2019	The company was dissolved in September 2021 so recovery can no longer continue.	11,275.09	0.00	11,275.09
2222652	Mr Milton Ofalan	01/04/2012	31/03/2017	Debtor has absconded with no trace.	18,487.25	0.00	18,487.25
2396829	Executors Of Mr Brendan Sheridan, Mr Norbert O'Reilly, Mr Fearghal O'Nolan, Mr Gerard Pierse	29/09/2014	23/07/2015	The debt is over 6 years old and one of the ratepayers is deceased.	32,714.00	0.00	32,714.00
236663X	Executors Of Mr Brendan Sheridan, Mr Norbert O'Reilly, Mr Fearghal O'Nolan, Mr Gerard Pierse	01/04/2014	24/11/2015	The debt is over 6 years old and one of the ratepayers is deceased .	68,219.70	24,582.00	43,637.70
2415436	Mak Retail Management Ltd	12/10/2016	23/09/2018	The company was dissolved in January 2022 so recovery can no longer continue.	16,691.88	3,322.30	13,369.58
				Total for write off			**£203,770.73**

Agenda Item 12

Table 1: Debt Write Off Performance, 1 April 2022 to 7 March 2023

Performance 2021/22 %	Category	Debt Raised £	Write-Off Target 2022/23 [Less than] %	Performance 2022/23 %
0.07%	Council Tax	137.7m	1%	0.06%
0.19%	Business Rates	50.2m	1%	0.72%
6.77%	Housing Benefit Overpayments	£606,837	2%	4.61%[1]
0.17%	Sundry Debts	£8.1m	1%	0.06%

[1] The total value of debts recommended for write off for Housing Benefit Overpayments includes debts raised in previous years. The total current debt outstanding and in recovery is £2.6m – the recommended write off value (£120k) represents 4.61% of debt outstanding and in recovery.

Table 2: Debt Collection Performance, 1 April 2022 to 7 March 2023

Performance 2021/22 %	Category	Collection Target 2022/23 %	Performance 2022/23 %
97.2%	Council Tax	99.0%	97.63%[2]
99.6%	Business Rates	99.8%	99.26%[2]
96.19%	Housing Benefit Overpayments	55.0%	95.11%[2, 3]
99.1%	Sundry Debts	97.0%	92.87%[2]

[2] Performance is on track to meet the annual collection target.

[3] Performance to the end of Q3

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Signed off by	Strategic Head of Legal and Governance
Author	Alex Vine, Democratic and Electoral Services Manager
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Email	alex.vine@reigate-banstead.gov.uk
To	Executive
Date	Thursday 23rd March 2023
Executive Member	Deputy Leader and Portfolio Holder for Finance and Governance

Key Decision Required	Y
Wards Affected	(All Wards);

Subject	Council chamber IT upgrade

Recommendations
To recommend to Full Council an increase of £0.150 million to the approved Capital Programme 2023/24 to 2027/28 to fund the upgrade of hybrid meeting and webcasting equipment in the New Council Chamber.
Reasons for Recommendations
1. To ensure that webcasting and hybrid meeting technology is fit for purpose and delivers a reliable service over its lifetime (see paragraph 3.1 of Annex 1).
2. To maintain the online accessibility and transparency of formal committee meeting webcasts (see paragraph 3.2 of Annex 1).
3. To enable members, officers and members of the public to continue to participate in hybrid committee meetings remotely (see paragraph 3.3 of Annex 1).
4. Where possible, to simplify or improve the user experience for operators (Democratic Services) so that the system is easier to setup and use, and more reliable (see paragraph 3.4 of Annex 1).
5. Where possible, to explore options for consolidation of support and maintenance contracts for both the equipment and software, for the purpose of (a) improving the efficiency of contract management arrangements; and (b) to identify potential savings (see paragraph 3.5 of Annex 1).

6. To improve the audio and video quality of our webcasting and hybrid meetings (see paragraph 3.6 of Annex 1).

Executive Summary

The Council webcasts its public Committee meetings, to increase accessibility, openness, and opportunities for public engagement. This was initiated in 2014, following guidance from Members, and supported the Council's Corporate Priority within its 2011-2015 Corporate Plan to improve the visibility, accessibility and transparency of the Council.

Minor enhancements were made to the equipment in 2021 to enable its use for hybrid meetings, which has provided further benefits for the accessibility of meetings for members of the public, elected Members and officers.

However, the equipment is now at the end of its lifetime, is regularly experiencing technical failures, and is overdue for replacement to ensure the continuation of hybrid meetings and webcasting capabilities in the chamber.

This report therefore seeks approval of an increase of £0.150 million to the approved Capital Programme 2023/24 to 2027/28 to fund the upgrade of hybrid meeting and webcasting equipment in the New Council Chamber.

In accordance with Procedure Rule 6.1.3 of Part 4 of the Council's Constitution, a decision outside the approved budget can only be taken by a meeting of the Full Council.

Statutory Powers

1. There is no statutory requirement for the local authority to webcast or live stream its public meetings.

2. Regulation 4 of The Openness of Local Government Bodies Regulations 2014 places a general duty on the local authority to provide reasonable facilities for members of the public to attend and report on its public meetings.

Background

3. The webcasting hardware and software in the New Council Chamber was set up in 2014 and is now eight years' old. Minor enhancements were made to the equipment in 2021 to enable its use for hybrid meetings, which has provided further benefits for the accessibility of meetings for members of the public, elected Members and officers.

4. A project brief to replace the equipment was prepared in 2019/20 but was postponed due to the COVID-19 pandemic.

5. The system is now failing regularly, resulting in frequent interruptions to the webcasting and hybrid meeting service. This project aims to upgrade the equipment in the chamber to modernise, improve and simplify our technical and supporting contractual arrangements so that we can provide a reliable webcasting and hybrid meeting service for the next eight years (the expected lifetime of the equipment).

Key Information

Business case

6. Section 3 ('Project justification') of Annex 1 of this report provides a detailed explanation of the project's objectives and why it is considered necessary to replace the webcasting and hybrid meeting equipment in the chamber now.

7. Section 4 ('Recommended solution') of Annex 1 outlines the recommended solution for delivering the project objectives, which is informed by soft market testing with potential suppliers.

8. Section 7 ('Project timeline') of Annex 1 sets out the proposed timetable for the procurement and project planning, delivery (during October 2023), and return to business as usual (by November 2023).

Options

Executive has four options:

Option 1: to seek approval to an increase of £0.150 million to the approved Capital Programme 2023/24 to 2027/28 to fund the upgrade of hybrid meeting and webcasting equipment in the New Council Chamber. This is the recommended option.

Option 2: To not replace the equipment – this is not recommended because not replacing the equipment will risk continued failure of the equipment and supporting software, leading to loss of, or continued interruption to, the webcasting and/or hybrid meeting capabilities in the chamber (see paragraph 5.1 of Annex 1).

Option 3: To decommission the current equipment and cease webcasting of meetings – this is not recommended because it would result in a loss of hybrid meeting capabilities (requiring members and officers to be present in the chamber for all meetings) and webcasting functionality, effecting the accessibility and transparency of meetings for members of the public, press, Members and officers (see paragraph 5.2 of Annex 1).

Option 4: To seek a chamber-sharing arrangement with a neighbouring authority with webcasting facilities - this is not recommended because it may result in scheduling conflicts and require additional consultation between partners when planning their annual calendars of meetings, particularly when meetings are rescheduled or convened at short notice; and it may result in an increase in travel and subsistence costs and be less convenient for Members, officers and members of the public (see paragraph 5.3 of Annex 1).

Legal Implications

9. Paragraphs 1 to 2 of this report explain that there is no specific statutory requirement for the Council to provide a webcasting or hybrid meeting service.

10. If funding for this project is approved, appropriate continuity measures are planned to ensure that public meetings remain accessible and transparent in accordance with the law whilst work is undertaken to replace the equipment in the chamber. These measures are outlined under Section 6 ('Risks') of Annex 1.

Financial Implications

Capital Programme

11. The approved Capital Programme does not include capacity to implement the proposals in this report . It is therefore necessary to seek approval from Council to an increase of £0.150 million to the approved Capital Programme 2023/24 to 2027/28 to fund the upgrade of hybrid meeting and webcasting equipment in the New Council Chamber.

Revenue Budget

12. The capital expenditure will be funded through prudential borrowing; the estimated borrowing cost for this capital investment over a five-year term is £0.024m.

13. In addition, this project commits the Council to ongoing operating costs (for licensing of the webcasting software) which is estimated to cost up to £0.123 million over the eight-year lifetime of the equipment. These costs will be funded within the service's current revenue budget.

14. Further details are provided at Section 9 ('Finance') of Annex 1 to this report.

Equalities Implications

15. Equalities implications are detailed under paragraph 10.3 of Annex 1.

16. In summary, this project supports the equalities objectives of the authority by promoting accessibility of our public meetings for Members, officers and members of the public. It also enables parents and carers to participate in meetings they would otherwise be unable to.

Communication Implications

17. Communication implications are detailed under paragraph 10.4 of Annex 1.

18. In summary, a decision not to fund this project may have a negative impact on public awareness and transparency of the work of the authority. However, there are also communications challenges in terms of funding this project outside of the agreed budget for 2023/24 in the context of the Financial Sustainability Programme and other competing demands during a cost-of-living crisis.

Environmental Sustainability Implications

19. Paragraph 10.2 of Annex 1 considers the environmental sustainability implications of this project, including the impact of hybrid and webcasting meetings on travel and subsistence and recycling and disposal of the redundant equipment.

Risk Management Considerations

20. Section 6 ('Risks') of Annex 1 considers the risks of delivering the project and how these will be mitigated, such as supply chain disruption, market competition, and temporary or complete loss of chamber facilities.

Consultation

21. A business case seeking approval for the project was supported by the officer Organisation Board at its meeting on 12 January 2023, subject to funding approval by the Executive and Full Council and consideration of their comments, which are addressed under Section 8 of Annex 1 to this report.

22. Group Leaders received a briefing paper explaining the headline objectives and funding implications of the project at their meeting on 23 January 2023. Their comments and amendments are also addressed under Section 8 of Annex 1 of this report.

23. No specific observations or concerns were raised by Executive Members in relation to the draft report presented at the Leaders meeting on 27 February 2023.

Policy Framework

24. The webcasting service was introduced in 2014 as an important part of delivering a corporate priority within the 2010 – 2015 Corporate Plan, as follows –

    "The Council will be more visible to its residents in future and operate in an open and transparent way. We will communicate effectively and actively encourage resident involvement in the development and delivery of our services and improvement schemes."

25. Whilst the priorities within the Corporate Plan have changed since 2011-2015, the provision of a webcasting service continues to support the Council's demonstration of good governance under principle 2 of its Code of Corporate Governance:

    Principle 2 - Ensuring openness and comprehensive stakeholder engagement.

    Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Background Papers

None.

Annex 1 – Project Business Case: Council Chamber IT Upgrade

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Annex 1 – Project business case: Council Chamber upgrade 2023/24

This report seeks funding for a corporate project to upgrade the hybrid meeting and webcasting equipment in the New Council Chamber.

20 February 2023

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1. Executive summary

The Council webcasts its public Committee meetings, to increase accessibility, openness, and opportunities for public engagement. This was initiated in 2014, following guidance from Members, and supported the Council's Corporate Priority within its 2011-2015 Corporate Plan to improve the visibility, accessibility and transparency of the Council.

Minor enhancements were made to the equipment in 2021 to enable its use for hybrid meetings, which has provided further benefits for the accessibility of meetings for members of the public, elected Members and officers.

However, the equipment is now at the end of its lifetime and is overdue for replacement to ensure the continuation of hybrid meetings and webcasting capabilities in the chamber. This report therefore seeks funding for a corporate project to upgrade the hybrid meeting and webcasting equipment in the New Council Chamber.

2. Background

The webcasting hardware and software in the New Council Chamber was set up in 2014 and is now eight years' old. Minor enhancements were made to the equipment in 2021 to enable its use for hybrid meetings, which has provided further benefits for the accessibility of meetings for members of the public, elected Members and officers.

A project brief to replace the equipment was prepared in 2019/20 but was postponed due to the COVID-19 pandemic.

The system is now failing regularly, resulting in frequent interruptions to the webcasting and hybrid meeting service. This project aims to upgrade the equipment in the chamber to modernise, improve and simplify our technical and supporting contractual arrangements so that we can provide a reliable webcasting and hybrid meeting service for the next eight years (the expected lifetime of the equipment).

3. Project justification: why do we need to upgrade the equipment?

3.1. To ensure our webcasting and hybrid meeting technology is fit for purpose and delivers a reliable service over its lifetime.

3.1.1. The technology is now failing more frequently, including but not limited to:

Figure 1 - A table which demonstrates IT failures relating to the webcasting and hybrid meeting system during the 2022 calendar year.

Event	What failed	Impact
Overview and Scrutiny, 24 February 2022	Remote meeting software cable port failure	Loss of remote participant audio. Meeting adjourned.
Audit Committee, 14 June 2022	Failure of audio in the Chamber	Members in the chamber unable to hear remote participants.
Audit Committee, 7 September 2022	Server connection failed	Loss of live webcast and poor audio quality on recorded webcast.
Extraordinary Council, 22 September 2022	Failure of audio in rear public gallery	Public attendees unable to hear Chamber audio.
Commercial Ventures Executive Sub-Committee, 26 September 2022	Failure of microphone integration software - "The remote site can't be reached'	Temporary loss of audio and automated cameras
Overview and Scrutiny, 13 October 2022	Temporary loss of power to microphones on inner horseshoe (stage right of the upper dais).	Temporary loss of audio for speakers seated on the inner horseshoe. Temporary loss of automated camera tracking to live microphones.
Overview and Scrutiny, 8 December 2022	Failure of automated cameras to display the speaker	The webcast didn't display the speaker.

3.1.2. Therefore, the replacement of the IT equipment in the New Council Chamber is necessary if the Council wants to continue to provide a reliable hybrid and webcasting facility for Members, officers, and residents.

3.2. To maintain the online accessibility and transparency of our formal committee meeting webcasts.

3.2.1. The webcasting service was introduced in 2014 as an important part of delivering a corporate priority within the 2010 – 2015 Corporate Plan, as follows –

- *"The Council will be more visible to its residents in future and operate in an open and transparent way. We will communicate effectively and actively encourage resident involvement in the development and delivery of our services and improvement schemes."*

3.2.2. Whilst the priorities within the Corporate Plan have changed since 2011-2015, the provision of a webcasting service continues to support the Council's demonstration of good governance under principle 2 of its Code of Corporate Governance:

Principle 2 - Ensuring openness and comprehensive stakeholder engagement.

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

3.2.3. This is reflected in webcasting statistics since 2015, which demonstrates increasing public interest in, and use of, the webcasting service as a means of observing public meetings:

Figure 2 - A table which provides statistical information about the number of views and visits to the Council's webcasting site and video recordings of committee meetings.

Period	Views *The number of times a webcast has been played. The view must be for a minimum of one minute.*	Visits *The number of visits to a page. Robots and web crawlers can sometimes affect the total.*
1 Nov 2015 – 31 Oct 2016	2008	3,528
1 Nov 2016 – 31 Oct 2017	1930	4,212
1 Nov 2017 – 31 Oct 2018	1910	3,804
1 Nov 2018 – 31 Oct 2019	5967	13,008
1 Nov 2019 – 31 Oct 2020	3864	10,472
1 Nov 2020 – 31 Oct 2021	6266	16,437
1 Nov 2021 – 31 Oct 2022	6105	21,370

3.2.4. Between 1 November 2021 and 31 October 2022, the Council's Mod.Gov website, which displays all agendas, reports and minutes for committee meetings, recorded 9,079 visits. During the same period, the Council's webcasting site reached 6,105 viewers. Although a proportion of those visits and views will represent officers and Members of the Council, the variability of views between each meeting suggests that the vast majority are likely to be members of the public. The webcasting therefore represents good value in terms of communicating and engaging with residents, community stakeholders and the press.

3.2.5. The current IT infrastructure in the chamber is overdue for replacement and regularly failing. This project seeks to upgrade the equipment, allowing us to maintain the transparency and openness of our decision-making process and therefore good governance.

3.2.6. In addition, whilst the Town Hall already has facilities for people with disabilities to attend public meetings in person, the provision of hybrid meetings and webcasting facilities further improves the accessibility of our public meetings for people with limited mobility.

3.3. To enable members, officers and members of the public to continue to participate in hybrid committee meetings remotely.

3.3.1. The Council's Hybrid Working Panel meeting on 19 August 2021 made the following recommendation to the Overview and Scrutiny Committee –

- *"Maintaining the positive elements of hybrid working in a post-pandemic world was an opportunity to improve delivery of Council services for the benefit of residents."*

3.3.2. With that recommendation in mind, some of the relevant benefits reported to the Overview and Scrutiny and Employment Committees included:

    a. Members with young families and caring responsibilities reported that they had been able to attend more formal and informal meetings when meeting virtually.

    b. Employers had an opportunity to attract candidates from a wider talent pool without the same geographical constraints.

    c. Staff productivity and engagement whilst working remotely had been high.

    d. With fewer journeys to the Town Hall, there were considerable benefits both for the environment, with fewer cars on the roads, and in considerable accumulated time (and money) saved from not travelling to Town Hall.

3.3.3. Whilst not an exhaustive list, as this paragraph is not intended to provide a justification for the much broader topic of hybrid working arrangements, it illustrates the benefits of hybrid meetings provided by the IT infrastructure in the chamber.

3.3.4. In addition, the Full Council meeting on 2 December 2021 voted to support a motion which called for the Leader of the Council to write to the Secretary of State calling for legislation to enable remote voting at committee meetings on the basis that –

- *"Whilst we will always want councillors to be able to meet in person, there needs to be the provision for some to be online, for example if they are vulnerable, have caring responsibilities or difficulties with transport. It is also in line with reducing carbon emissions to zero by 2030."*

3.3.5. This provides a public commitment for the Council to continue to provide hybrid committee meetings for the foreseeable future, as part of delivering the Council's environmental sustainability objectives.

3.3.6. This project will enable that commitment, by ensuring the hybrid and webcasting equipment in the chamber is functional and reliable.

3.4. Where possible, to simplify or improve the user experience for operators (Democratic Services) so that the system is easier to setup and use, and more reliable.

3.4.1. This should either reduce or remove the need for a dedicated operator (in addition to the clerk), leading to reduced demand on resources.

3.4.2. Currently, the Democratic Services team supports approximately sixty webcasted meetings per municipal year, requiring two officers: one to clerk the meeting and another to setup and run the webcasting equipment.

3.4.3. On average, the webcasting officer will spend approximately three and a half evening hours onsite after ordinary business hours to test and run the webcasting software in the lead up to and during each evening meeting, which will be taken as 'time off in lieu' (TOIL) during ordinary business hours. This estimate is based on recorded meeting start and end times during the 2022-23 municipal year.

3.4.4. Meeting statistics for the 2022-23 municipal year also indicate that approximately 195 working hours are unnecessarily spent each municipal year running an overly complex webcasting and hybrid meeting system. Based on the 2022-23 webcasting rota and officer pay rates, this would equate to approximately £4,070 (including 'on-costs' to cover the provision of statutory benefits such as pensions and holiday pay etc.).

3.4.5. Whilst a relatively modest saving could be made to the salary budget, the hours saved in unnecessary TOIL could provide a valuable growth in capacity and resourcing in both the Democratic Services and the Mayoral Team to promote the governance and civic functions of the Council.

3.5. Where possible, to explore options for consolidation of support and maintenance contracts for both the equipment and software, for the purpose of (a) improving the efficiency of contract management arrangements; and (b) to identify potential savings.

3.5.1. The current arrangements for technical maintenance and support are as follows:

Figure 3 – A table explaining which suppliers are responsible for each part of the webcasting and hybrid meeting IT system in the New Council Chamber.

Aspect	Provider
• **Webcasting software**	• External supplier (A)
• **Hardware**	• External supplier (B)
• **Network**	• ICT (internal)

3.5.2. The current arrangements regularly present operational challenges, such as –

    a. Troubleshooting technical errors with three different service providers presents challenges in terms of establishing ownership and resolving the root cause quickly, particularly given most issues arise within 2 – 3 hours of the meeting start time, when the equipment is tested.

    b. The Democratic Services team have observed poor quality of technical support at times, however –

    c. Managing a supplier's performance and contract is impractical when:

      (i) there is a lack of clarity and ownership of the root cause as a result of dividing responsibility between three service providers; and,

      (ii) ownership of the contracts is shared between Democratic Services and ICT.

    d. A single contract for one supplier to manage the technical maintenance and support of both the software and hardware may provide a potential saving instead of procuring multiple contracts for different aspects of one system.

3.5.3. This project therefore seeks to attempt to address these challenges as a by-product of replacing the failing equipment, which will require the procurement of a new contract(s).

3.6. To improve the audio and video quality of our webcasting and hybrid meetings.

3.6.1. As detailed under 3.1, a frequent issue is the failure of the audio in the chamber.

3.6.2. Members, officers, and Members of the public have regularly complained about the audio quality, particularly in the rear of the chamber, on several occasions during 2022 and has come to the attention of Group Leaders.

3.6.3. The audio quality is determined by a variety of factors which are not always the fault of the equipment, such as the proximity and direction of the speaker to their microphone.

3.6.4. However, due to the regularity of complaints about the audio and the need to replace the equipment, this project provides a timely opportunity for the provision of an improved microphone system, room audio system (if necessary), and an onsite acoustic assessment. This will ensure that all equipment-related issues concerning the poor audio quality have been addressed.

3.6.5. In addition, the replacement of the camera system would improve the video quality by enabling a high-definition live video feed. Currently our webcasting video quality is relatively poor.

4. Recommended solution

4.1. Summary

4.1.1. To procure a contract for the replacement of the IT infrastructure in the New Council Chamber, including the replacement of the microphone consoles, automated camera system, supporting audio and video software and systems, projector and TV display system, integration of systems to support hybrid meetings and webcasting of meetings, and the replacement of carpets in the chamber (at the discretion of Members and officers).

4.2. Primary objectives

4.2.1. **MICROPHONES:** For the delivery of microphone consoles for 45 Members, plus 5 seats on the upper dais, and 1 lectern microphone –

    a. Users must be able to mute and unmute their microphones via their microphone console unit.

    b. The Chairperson's console must have the ability to override / mute all other microphones (excluding the audio input for the remote meeting software, which can be managed via that software on the Chair's tablet device).

4.2.2. **CAMERAS:** For the delivery of an automated, high-quality image, wide angle (capable of viewing the entire outer horseshoe when zoomed-out) camera system which zooms into, and clearly displays, the active speaker's seat.

4.2.3. **PRESENTATION / DISPLAY EQUIPMENT:**

    a. Meeting administrators must be able to switch the projectors and display equipment on/off centrally. The video/audio should automatically default to the hybrid meeting source, with an option to select an alternative source if required.

    b. Presenters must be able to display their slides either remotely via the virtual meeting software, or via an HDMI input located within the chamber.

    c. The display image must be clear and bright enough to be visible when the lights in the chamber are switched on.

4.2.4. **HYBRID MEETINGS:** Attendees must be able to join meetings remotely in a hybrid meeting environment, whereby (notwithstanding any local device/connectivity issues):

    a. Remote participants can be seen and heard by all attendees within the chamber.

    b. Speakers within the chamber can be seen and heard by all remote participants.

    c. Presenters, either remote or in the chamber, can display their presentation slides to all attendees in the chamber and remote participants, via:

        i. Input: via shared screen in remote meeting software, or via HDMI connection in the chamber.

        ii. Output: via projector and display screens (mirrored display) in the chamber.

4.2.5. WEBCASTING OR LIVE STREAMING OF MEETINGS: Members of the public and press must be able to view, via webcast, streaming service, or recorded video, a live video and audio feed of our hybrid meetings in which both speakers within the chamber and remote participants can be clearly seen and heard.

4.2.6. OPERATORS: The system must be simple enough to be reliably operated by one member of staff, allowing them to clerk the meeting simultaneously without requiring further attention (except when necessary to pause and restart the live webcast / video and audio feed during exempt business).

4.3. Secondary objectives

4.3.1. MICROPHONES: preferably, the consoles should (excluding the lectern mic):

    a. Include ID card capabilities, to correctly display the name of the user to observers and the webcast.

    b. Include recorded voting functionality, which allows the user to either vote for, against or abstain, and for the results to be collated and displayed centrally.

4.3.2. CONTRACTS: where possible, in respect of contractual arrangements for the provision of technical maintenance and support for all associated equipment and software, and with a view to improving the clarity and documentation of the roles and responsibilities and performance management of service providers, to either –

    a. consolidate the contractual arrangements so that one supplier is solely responsible for the quality and maintenance of both the equipment and software (subject to compliance with contract procurement requirements and a fair bidding process); or,

    b. where consolidation of contracts isn't possible, to review existing and any new associated contracts and service level agreements to ensure the roles and responsibilities, troubleshooting reporting processes, and contract performance arrangements are clearly distinguished and effective, so that ownership and resolution of future technical issues is improved; or,

    c. consider alternative options for live streaming instead of webcasting. The benefits, costs and implications of this approach have yet to be fully considered, and would be the subject of a detailed appraisal by the project team during the procurement process when detailed bids are submitted, however the core objective of maintaining the accessibility and transparency the Council's meetings would be the main guiding principle for the decision.

4.3.3. CARPETS: Replacing the IT equipment requires removing the carpet to install new cabling. It may be possible for the existing carpet to be temporarily removed and reinstalled, which would reduce the cost of the project by approximately £20,000. However, it is possible that the process of removing the carpet may cause or require damage to the existing carpet.

4.3.4. The existing carpet has been in place since 2014 and a judgement by Members will be required to determine whether the current condition of the carpet necessitates replacement, or whether it will still be fit for purpose until the next opportunity to replace

it in eight years' time (when the lifetime of any new equipment ends if funding for this project is approved).

4.3.5.   Desktop research indicates that the average lifespan for a medium quality carpet is approximately eight to ten years, which aligns with the expiry of the equipment. This report therefore recommends that the carpet should be replaced at the same time as the equipment is upgraded.

5. Alternative options

5.1.   To not replace the equipment

Loss of webcasting and transparency

5.1.1.   Not replacing the equipment will risk continued failure of the equipment and supporting software, leading to loss of, or continued interruption to, the webcasting and/or hybrid meeting capabilities in the chamber.

5.1.2.   This would harm the accessibility and transparency of our decision-making process and prevent Members, officers, and members of the public from attending committee meetings remotely.

5.1.3.   Webcasting our meetings helps the Council to demonstrate principle 2 of our Code of Corporate Governance, which concerns "ensuring openness and comprehensive stakeholder engagement". Choosing not to replace the equipment will harm our ability to demonstrate principle 2 of our Code of Corporate Governance.

Loss of hybrid meeting capabilities

5.1.4.   Choosing not to replace the equipment that supports hybrid committee meetings will result in continued interruption to, and eventually a total loss of, our ability to support hybrid committee meetings.

5.1.5.   Whilst the Executive Meeting Room could accommodate up to 20 people in person for hybrid meetings, it would not be suitable for Full Council meetings (45+ attendees) or Planning Committee meetings (e.g. when there is high public interest in the business of the meeting).

5.1.6.   This would require Members, officers, and members of the public to attend committee meetings in person. As a result, the benefit of hybrid working, as detailed under paragraph 3.3, would be lost.

5.2.   To decommission the current equipment and cease webcasting of meetings

5.2.1.   This option is not recommended, as it would result in a loss of hybrid meeting capabilities (requiring members and officers to be present in the chamber for all meetings) and

webcasting functionality, effecting the accessibility and transparency of meetings for members of the public, press, Members and officers.

5.2.2. As detailed under paragraph 3.2, webcasting our meetings helps the Council to demonstrate principle 2 of our Code of Corporate Governance, which concerns "ensuring openness and comprehensive stakeholder engagement".

5.2.3. Officers and Members will also not have access to hybrid meeting facilities (except for the Executive Meeting Room, which only supports 20 participants) for other types of meetings.

5.2.4. Lastly, to cease webcasting will likely result either in a loss of democratic participation by residents and public speakers; or an increase in members of the public and press attending meetings in person. Both potential outcomes present costs in terms of harming our governance or managing practical challenges.

5.3. To seek a chamber-sharing arrangement with a neighbouring authority with webcasting facilities

5.3.1. This option is not recommended, as it may result in scheduling conflicts and require additional consultation between partners when planning their annual calendars of meetings, particularly when meetings are rescheduled or convened at short notice.

5.3.2. Whilst the use of Woodhatch Place (Surrey County Council's Headquarters) is located in Reigate and may mitigate the potential for evening meeting clashes, as their current preference is to convene committee meetings during the daytime:

a. There is no guarantee that either organisation would not seek to change their conventional meeting start times in the future, which would present immediate disruption to the continued use of shared facilities; and,

b. Licensing and Regulatory Sub-Committee hearings are required to be convened at short notice, which would amplify challenges with scheduling these meetings in consultation with a third party. Furthermore, due to the short notice required to convene these meetings, they typically take place during the daytime to enable the attendance of applicants and officers – which would likely result in a scheduling conflict with Surrey County Council's daytime committee meetings.

c. Setting up a meeting room and webcasting equipment usually requires at least two hours to complete. The Council's preference is to set up at least 3-4 hours in advance to allow time for any errors to be addressed. Whilst Surrey County Council's daytime meetings would usually be expected to conclude well in advance of the Council's 19:30pm meeting start times, the additional time required to set up the meeting onsite may result in a delay to the start time of the Council's meetings in the event of a longer Surrey County Council committee meeting.

5.3.3. Changing the location of committee meetings to another site may increase the costs associated with travel and subsistence for Members and officers.

5.3.4. It may also be less convenient and accessible for residents within Reigate and Banstead. Officers and Members may also not have access to hybrid meeting facilities (except for the Executive Meeting Room, which only supports 20 participants) for other types of meetings.

5.3.5. There would be no guarantee that the webcast functionality will be supported on our website, as it would have been configured for the host authority's website.

5.3.6. Third party use of another local authority's webcasting facilities may not be permitted contractually by the supplier.

6. Risks

Figure 4 – A table describing the expected risks and mitigating control measures.

Risk description	Mitigating actions/controls
6.1. Supply chain disruption – longer lead-in times for equipment requires additional time between award of contract and project delivery	Early engagement with potential suppliers will identify lead-in times so this can be built into the project plan.
6.2. Competing demand and limited market means choice over project delivery window is restrained	An alternative window has been identified as a backup – during the month of October. There are only two committee meetings scheduled (Overview and Scrutiny and Executive) in October, so disruption will be limited if the work cannot be carried out during summer recess (August).
6.3. Temporary loss of webcasting and hybrid meeting functionality whilst work to replace and test the equipment is ongoing	Work is to be carried out during either summer recess (August) or October (fewer meetings) to minimize the impact on the conduct of meetings. If work commences in October, meetings of Overview and Scrutiny and Executive can be conducted in the Executive Meeting room temporarily until the work is concluded.
6.4. Complete failure of the project to deliver a working solution within the project delivery window, leading to loss of webcasting functionality in the chamber	• Use Executive meeting room and Polycom hybrid equipment for all meetings except Full Council until the chamber is available again. • Full Council meetings to be conducted in the chamber (if possible) without webcasting facilities; or, an alternative venue to be identified (e.g. Harlequin) for temporary use until the chamber is operable again.
6.5. Temporary loss of the chamber - failure of the project to deliver a working solution within the project delivery window, leading to temporary loss of the chamber and unplanned disruption to scheduled meetings	As detailed within the Service Business Continuity Plan, affected meetings to be relocated or rescheduled as appropriate, either: a) In an alternative room in the Town Hall (e.g. Old Council Chamber); b) At Harlequin; or, c) By requesting the temporary use of Woodhatch Place (subject to availability and approval by Surrey County Council).

7. Project timeline

7.1. Phase 1: Project and funding approval (Q3, 2022/23 – Q4, 2022/23)

Figure 5 – A table describing the Phase 1 milestones and actions planned between quarters 3 and 4 of the 2022/23 municipal year. Phase 1 aims to secure approval and funding for the project.

Month	Milestones / actions
November 2022	• Project brief signed-off by Organisation Board.
December 2022	• Soft market testing to develop procurement requirements, identify potential suppliers and scope budget requirement.
January 2023	• Business case signed-off by Organisation Board on 12 January 2023.
February 2023	• Prepare Procurement Engagement Plan (PEP) based on business case and confirm procurement route / timeline.
March 2023	• **Approval of funding for this project at Executive and Full Council in March**

7.2. Phase 2: Procurement (Q4, 2022/23 – Q1, 2023/24)

Figure 6 - A table describing the Phase 2 milestones and actions planned between quarter 4 of the 2022/23 municipal year and quarter 1 of the 2023/24 municipal year. Phase 2 focusses on procuring and awarding a contract to deliver the technical specification to upgrade IT equipment in the chamber.

Month	Milestones / actions
April 2023	• Invite bids from suppliers (allowing a minimum of four weeks between notice of bidding process and submission deadline). • Onsite appraisals from prospective suppliers (if required); and acquire testimonials / appraisals from other clients. • Request indicative project plans from bidders.
May 2023	• Complete scoring / evaluation of bids.
June 2023	• Award of contract; draft and sign contract in consultation with Legal and procurement advisors.

	• Project team meeting with Democratic Services, Facilities Management and ICT to consider deliverables and milestones in draft project plan. • Inform Members and officers about the project (what is happening, why, when etc.) and that the chamber will be unavailable for all meetings throughout October. • Block-book the chamber in October to prevent double-bookings • Prepare draft responses / lines to take with the public in event of public interest in the refit.

7.3. Phase 3: Project planning (Q2, 2023/24)

Figure 7 – A table describing the Phase 3 milestones and actions during quarter 2 of the 2023/24 municipal year. Phase 3 aims to plan the delivery of the project with the successful supplier, in consultation with internal stakeholders such as Democratic Services, ICT and Facilities Management.

Month	Milestones / actions
July 2023	• Project team meeting (1) with appointed supplier, Democratic Services, Facilities and ICT to sign-off: Project Plan, Risk Register and Onboarding Plan (including user acceptance testing and operator training plan).
August 2023	• Project planning – fortnightly meetings (2) • Member newsletter article / Knowledge article reminder to Members and staff about changes to location of Overview and Scrutiny and Executive meetings during October 2023.
September 2023	• Project planning – weekly meetings (4)

7.4. Phase 4: Project delivery (Q2, 2023/24)

Figure 8 – A table describing the Phase 4 milestones and actions during quarter 2 of the 2023/24 municipal year. Phase 4 aims to deliver the project in October 2023, with a return to 'business as usual' in November 2023.

Month	Milestones / actions
October 2023	1 October – 30 October, work to commence in the chamber to: • Remove the carpet (2 days) • Replace the equipment. (10 days) • Replace the carpet. (3 days) • Test the equipment. (1 day)

	• Deliver training for operators. (1 day) • Complete user acceptance testing. (1 day) **Milestone**: agenda publication deadline for Planning Committee on 1 November 2023 is Tuesday 24 Nov 2023. If there is any expected / known delay to project delivery in the chamber, a decision will need to be made about whether to publish the agenda with the New Council Chamber as the location of the meeting (a risk); or change the location of the meeting temporarily to the Old Council Chamber / Executive Meeting Room as required.
November 2023	1 November 2023, Planning Committee – first committee meeting when the equipment is expected to be fully operational.

8. Consultation

8.1. Organisation Board, 12 January 2023

8.1.1. The Organisation Board approved a business case for this project at its meeting on 12 January 2023, subject to consideration of the following points:

    a. **A chamber sharing arrangement.** This point has been addressed under paragraph 5.3.

    b. **Financial sustainability programme**. It was noted that, as part of the Financial Sustainability Programme, the Council is looking at ways to ensure best value is derived from its assets, including its offices and administrative centre. It was queried whether it may be appropriate to hold on the replacement of the equipment in the New Council Chamber. This implication has been considered under paragraph 10.1.

    c. **Recycling of replaced equipment**. This point has been addressed under paragraph 10.2.

8.2. Group Leaders, 23 January 2023

8.2.1. Group Leaders received a briefing paper explaining the headline objectives and funding implications of the project at their meeting on 23 January 2023. The paper sought to gauge political support for the proposal for funding approval was sought from the Executive and Full Council in March 2023.

8.2.2. Group Leaders requested that the following options be added to the proposal:

    a. **A larger screen for the Chair, possibly installed in the desk, rather than a tablet.**

    Provision of a large display monitor linked to a Chair's laptop is considered achievable within the existing funding requirement and can be included as part of the detailed technical specification for the procurement process.

    b. **The spotlights on the dais affect the projector screen.**

    Group Leaders therefore sought an option for these spotlights to be disabled when the projector screen is in use. This is a programming task which is considered achievable within the existing funding requirement and can be included as part of the detailed technical specification for the procurement process.

    c. **The room camera view doesn't display all seats in the chamber.** Group Leaders therefore sought a wider camera angle to enable all Members to be observed at once when the room-view was shown. Wide angle camera lenses which are capable of capturing all seats in the chamber was already included as a requirement during soft market testing. This requirement can also be reflected in the technical specification for the procurement process.

8.2.3. In relation to the business case, Group Leaders suggested that the cost of one member of staff as opposed to two should be included as part of the business case.

8.2.4. The estimated costs detailed under paragraph 3.4 have now been recalculated for one member of staff as accurately as possible, by:

- reviewing the meeting duration statistics for the 2022/23 municipal year to calculate the average number of overtime hours spent setting up and running the equipment for each meeting in the calendar.

- Reviewing the webcasting rota to confirm which officer was assigned to webcasting duties for each meeting.

- Multiplying each officer's hourly pay rate against the number of hours for each evening meeting they were assigned to and calculating the sum of all those costs for the 2022/23 municipal year (including on-costs).

8.2.5. Group Leaders also sought further explanation about how the project would benefit residents. The benefits to residents have been detailed within this report as follows –

a. **Transparency -** paragraph 3.2 explains that the project aims to maintain the online accessibility and transparency of our formal committee meeting webcasts. This is reflected in increasing viewing statistics (see paragraph 3.2.3) and empowers residents to engage with local democracy and the decisions affecting them remotely and with greater flexibility.

b. **Accessibility and equality -** This project also supports the achievement of the Council's equalities objectives. Whilst the Town Hall is accessible for residents, Members and officers with limited mobility (see paragraph 3.2.6), some may prefer the convenience of attending meetings remotely. Furthermore, those with parenting or caring responsibilities already benefit from the flexibility to attend meetings remotely (see paragraph 3.3.2.a).

c. **Environmental sustainability –** paragraph 3.3.2.d explains that the ability to attend meetings remotely results in fewer journeys to the Town Hall for residents, Members and officers, which helps to lower emissions and congestion in the borough, reduces travel and parking costs for meeting attendees, and associated travel and subsistence claims by Members and officers.

8.3. Leader's meeting, 27 February 2023

8.3.1. A draft report was presented to a Leader's meeting on 27 February to consult Executive Members and receive any observations before publication of the report to the Executive on 23 March and Full Council on 30 March 2023.

8.3.2. No specific observations or concerns were raised by Executive Members at the Leaders meeting.

9. Finance

9.1. Costs

Figure 9 – A table outlining the expected costs of the project.

Description	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £	Year 6 £	Year 7 £	Year 8 £	Cumulative total £
Start-up investment/costs	£98,667								£98,667
Delivery Costs	£16,500								£16,500
Implementation Costs	£0								£0
Ongoing Operating Costs [1]	£21,000	£16,000	£17,000	£17,300	£17,600	£18,000	£18,300	£18,600	£143,800
Contingency (10%)	£13,616								£13,616
TOTAL	**£149,783**	£16,000	£17,000	£17,300	£17,600	£18,000	£18,300	£18,600	£272,583 [2]

[1] **Ongoing operating costs –** *are adjusted for the consumer price index by 8% in years two and three, and ~2% annually thereafter.*

Funding for ongoing operating costs is already included within the revenue budget, so no additional funding for this aspect would be required. Additional funding of £150k is therefore recommended for approval, however approval of the recommendation for £150k funding also commits the Council to continue webcasting for the next eight years at an estimated cumulative cost of £144k.

Use of alternative live streaming services instead of a webcasting service has yet to be fully considered (see paragraph 4.3.2c), and may present potential savings in relation to the ongoing operating costs.

[2] **Cumulative total cost -** *the estimated revenue budget borrowing costs (interest and MRP) for this capital investment are £0.024m over 5 years.*

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9.2. Financial benefits

Figure 10 - A table outlining the potential financial benefits of the project.

Description	Year 1 £	Year 2 £	Year 3 £	Year 4 £	Year 5 £	Year 6 £	Year 7 £	Year 8 £	Cumulative total
Total Revenue Budget – additional income	-	-	-	-	-	-	-	-	-
Total Revenue Budget - cashable budget savings [3]	-	(4,700)	(4,700)	(4,700)	(4,700)	-	-	-	(18,800)
TOTAL	-	(4,700)	(4,700)	(4,700)	(4,700)	-	-	-	(18,800)
NET	-	(4,700)	(4,700)	(4,700)	(4,700)	-	-	-	(18,800)
Total Revenue Budget – additional income	-	-	-	-	-	-	-	-	-

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[3] *Projections are based on one supplier being to provide the technical maintenance and support as part of a 4-year contract, based on soft-market testing. This saving is therefore subject to the achievement of paragraph 4.3.2a, if that is determined to be the best course of action by the project board (according to the primary objectives of this project listed under section 4.2); and, subject to the Head of ICT offering the residual funding as a revenue budget saving during the annual service and financial planning process. No savings are projected in year 1 as costs for the existing technical maintenance and support contract would overlap with any new contractual arrangement.*

However, as detailed in paragraph 4.3.2c, the use of alternative live streaming services instead of a webcasting service has yet to be fully considered, which may present more substantial potential savings in relation to the ongoing operating costs detailed under Costs Figure 9 – A table outlining the expected costs of the project..

Potential savings because of a reduction in resourcing required to run less complex system (see paragraph 3.4) of approximately £4k are subject to the outcome of a decision by the Pay Review Panel in relation to any future vacancies arising from normal staff turnover. This potential saving is therefore not included in Figure 10.

10. Other considerations

10.1. Financial Sustainability Programme

10.1.1. This project requires a significant investment to deliver the project, at a time when the Council is delivering its financial sustainability programme. In view of this, one alternative option is to continue using the existing equipment, however the impact of doing nothing is considered under paragraph 5.1. This is not recommended as the equipment has passed its expected lifetime, is beginning to fail, and will eventually fail completely, leading to either an immediate loss of transparency or significant disruption to replace the equipment at short notice, which may not result in the most cost-effective procurement outcome.

10.1.2. The project has the potential to deliver modest revenue budget savings of £4,700 per annum to provide better value technical maintenance and support of the equipment. However, until the benefits of this project have been confirmed in Autumn 2023; and service and financial planning for 2024/25 has commenced, there can be no guarantee that this saving will be realised.

10.1.3. In addition, the expected benefits of this project are to deliver a less complex webcasting and hybrid meeting infrastructure which requires only 1 operator (the clerk) rather than two. This reduction will translate to fewer hours reclaimed as TOIL by Democratic Services Officers to operate a webcasting system at evening meetings. This saving in officer hours will allow us to reallocate resources, leading to increased capacity (in the Democratic Services or Mayoral Team) to support additional work.

10.1.4. Further potential savings may be also identified as part of the procurement process in terms of the ongoing operating costs, which is already funded as part of the annual revenue budget at a cost of approximately £21,000 per annum. The implications of this potential saving is detailed under paragraph 4.3.2c, and is conditional on a decision by the project team based on the primary project objectives detailed under paragraph 4.2.

10.2. Environmental sustainability implications

10.2.1. As detailed under paragraph 3.3.2, the continuation of hybrid meeting capabilities will support the Council's Environmental Sustainability Strategy by enabling Members, officers and members of the public to participate in meetings remotely, therefore requiring less travel and leading to lower carbon emissions.

10.2.2. A large quantity of obsolete IT equipment will be surplus to requirements because of this project, and therefore disposal of this equipment may have a negative environmental impact if it is not disposed of correctly.

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10.2.3. This presents an environmental challenge, which is proposed to be overcome as part of the contract specification during the procurement process. A requirement will therefore be included in the contract specification for the appointed supplier to dispose of any redundant IT equipment responsibly, using a specialist recycling service. This obligation will include a requirement to report on the disposal (and recycling, where possible) to the project team, as part of the contract management plan.

10.3. Equalities implications

10.3.1. The intended outcome of this project is to maintain our webcasting and hybrid meeting service, which improves the accessibility of our public meetings for people with limited mobility.

10.3.2. The continuation of hybrid meetings also supports parents or people with caring responsibilities to participate in meetings remotely which they would otherwise not be able to attend in person.

10.3.3. This project also involves replacing the induction hearing loop in the chamber, which will ensure people with hearing disabilities can continue to observe and participate in our public meetings.

10.4. Communications implications

Externally

10.4.1. A decision not to fund this project will likely result in either an increase in public attendees and members of the press attending committee meetings in person (particularly for matters of increased public interest, such as meetings of the Planning Committee and any planning inquiries); or a loss of accessibility of public meetings and therefore public awareness and accountability of the work of the Council.

10.4.2. A decision to fund this project at an additional cost of £150,000 to upgrade the webcasting and hybrid meeting equipment in the context of a living-cost crisis and other competing needs may present some communications challenges. However, this project will provide residents with transparent and accessible meetings for the next eight years, at a cost of approximately £1 per resident (based on population data for the 2021 census), enabling residents to participate in local democracy and hold their representatives to account. Funding a considered and planned project now may also present better value for money than reacting to a complete loss of the existing equipment in the short term (see paragraph 10.1.1).

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10.4.3. The project business case has identified and considered how key external stakeholders will be informed as appropriate, as follows:

Stakeholder	What is the impact	How will this be managed
a) **Members of the public**	Members of the public attend the chamber for the conduct of committee meetings, either attending remotely or in-person. This relies on the maintenance of the IT infrastructure in the chamber, to ensure the continuation of hybrid and webcasting functionality.	Committee agendas and forward plans will be amended to reflect any temporary relocation arrangements, to ensure public attendance and transparency is maintained. Whilst live webcasting is unavailable and where possible, recordings of hybrid committee meetings conducted in the Executive Meeting Room will be uploaded to our website after the meeting.

Internally

10.4.4. The project business case has identified and considered how key stakeholders will be informed and consulted as appropriate, as follows:

Team/organisation	What is the impact	How will this be managed
a) **Democratic Services**	This team is the primary user of the equipment in the chamber. This project should therefore consider the operational impact on the team's ability to continue operating hybrid and webcast meetings.	The project delivery and procurement process is to be led by Democratic Services, which ensures their requirements are considered.
b) **ICT**	This project affects the ICT infrastructure in the New Council Chamber. ICT must therefore be consulted throughout the project to ensure (a) there is wider operational knowledge of the setup in the chamber; and, (b) that the project considers ICT's security and network requirements.	A project support officer to be nominated by the Head of IT is requested to attend project team meetings, ensuring IT are consulted throughout the project.

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Team/organisation	What is the impact	How will this be managed
c) Planning / property	The Town Hall is a grade II listed building. As the refresh of the IT infrastructure in the chamber involves the replacement of cables, carpets and wall brackets, it is proposed that the planning and property department are consulted as appropriate.	Planning and property officers to be consulted by the Project Manager during: • the procurement phase, as part of the development of contract requirements; and, • the project planning phase, as part of the design and layout planning with the supplier. - to ensure any deliverables are sympathetic and of minimal impact to the character of the chamber.
d) Facilities Management	The Facilities Management team supports the building and general provision for staff welfare, such as car parking, caretaking, security, cleaning, meeting rooms, staff facilities, vending and waste disposal. The IT upgrade in the chamber requires the removal and replacement of carpets in the New Council Chamber.	A Facilities Management officer is invited to attend the project team meetings to provide advice and guidance on behalf of the facilities management team. It is also considered appropriate that the purchase and installation of a new carpet in the chamber be arranged by the facilities management team, if a new carpet is required.
e) Members	Members use the chamber for the conduct of committee meetings, either attending remotely or in-person. This relies on the maintenance of the IT infrastructure in the chamber, to ensure the continuation of hybrid and webcasting functionality.	• Group Leaders will be consulted and updated regularly (at the start and end of each phase) on the project at Group Leaders' meetings. • Committee Chairs will be consulted by the relevant committee clerk(s) on temporary arrangements for the relocation of meetings during the project delivery phase. All Members will be briefed on the project in June 2023, immediately following the award of a contract (via all-Member email and a newsletter article).

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Team/organisation	What is the impact	How will this be managed
f) **Officers (Management Team and Heads of Service)**	Officers use the chamber for the conduct of committee meetings, either attending remotely or in-person. This relies on the maintenance of the IT infrastructure in the chamber, to ensure the continuation of hybrid and webcasting functionality.	The Service Manager will report to the Project Sponsor (Head of Service) on progress following each project team meeting. Management team and Heads of Service will be briefed on the project immediately following the award of a contract.

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Signed off by	Strategic Head of Legal and Governance
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To	Executive
Date	Thursday, 23 March 2023
Executive Member	Portfolio Holder for Community Partnerships

Key Decision Required	N
Wards Affected	Banstead Village; Lower Kingswood, Tadworth and Walton; Nork; Tattenham Corner and Preston;

Subject	Appointment to the Board of Banstead Commons Conservators (2023)

Recommendations
i. **To consider each of the nominations to the Banstead Commons Conservators and elect two Conservators for the period April 2023 to March 2026.** ii. **To appoint one landowner representative for the period April 2023 to March 2026 or until they no longer serve as a Councillor.**
Reasons for Recommendations
To ensure that positions on the Board of the Banstead Commons Conservators are suitably filled, and that there is clarity on landowner appointments.

Executive Summary
This report covers the annual appointment of representatives to serve on the Banstead Commons Conservators. Officers have delegated authority to accept those nominations (paragraph 1.14 of Officer Scheme of Delegation). In the event that the number of nominations received exceed the number of vacancies, or where nominations come from non-members the matter is passed to the Executive for determination.
Executive has authority to approve the above recommendations

Statutory Powers

1. Representation on outside bodies is made in accordance with Local Government Acts 1972 and 2000.

2. The appointment of Banstead Commons Conservators is laid down by the Scheme set out in the Schedule to the Metropolitan Commons (Banstead) Supplemental Act 1893.

Background

3. The Council works with several bodies to ensure high standards of care and ensuring effective access to public open space owned by the Council. The Banstead Commons Conservators (BCC) carries out an important role in one of the largest areas being 1350 acres of Metropolitan Common land in the Borough (Banstead Heath, Banstead Downs and Park Downs).

4. These areas form a strategically important part of the Green Belt, separating North Surrey from Greater London and make up almost 50% of total Reigate and Banstead Borough Council public open space. They provide recreation for both the local population and visitors from farther afield and are widely used for dog walking, horse riding etc. They form an important part of the local landscape and are acknowledged as an important wildlife habitat with nationally rare and unusual species of plants and animals. Banstead Downs and Park Downs are designated as Sites of Special Scientific Interest (SSSI) and Burgh Heath and Banstead Heath are Sites of Nature Conservation Interest (SNCI).

5. The primary and statutory duties of the Banstead Commons Conservators are to ensure the integrity of the Commons and free legal access to all. Site management includes general amenity management, maintaining rights of way and ensuring the various wildlife habitats are maintained and improved.

6. Management objectives fall into two distinct categories. Firstly, those demanded by statute:
   - To maintain and protect the integrity of the Banstead Commons,
   - To ensure the free, legal, and safe access of all to the Commons,
   - To provide safe and healthy working environment for employees.

   Secondly, those related to recognition of the commons as important amenity and activity areas for residents and visitors from farther afield, together with recognition of the diversity of wildlife in these areas:

- To maintain and improve the Commons as an amenity for all,
- To maintain and improve the Commons as a wildlife habitat.

Key Information

Board membership and meetings

7. The board consists of eight conservators appointed on a rolling basis and each serving a three-year term of office.

8. Two of the eight positions are appointed by the Council to represent the Council as landowner. The appointed landowner representatives should be the liaison between the Conservators and the landowner to support environmental and land management objectives.

9. The remaining six positions are elected in accordance with the criteria listed at paragraph 13. However, both the appointed and elected Conservators have the same statutory responsibilities and their function as a conservator should not therefore be influenced by public opinion.

10. Board meetings are held on a quarterly basis.

11. The posts are voluntary and unpaid. Whilst the bodies nominating conservators has changed over the 125 years since the Commons areas were defined, the position has now settled so that all appointments are made by the Council.

12. Advertisements were placed around the Common seeking applications for the 2 elected conservator positions from the 9 January 2023, with a closing date for applications on 13 February 2023. Group Leaders were emailed seeking applications for the Landowner representative with a closing date for applications of the 20 February 2023.

Suggested selection criteria

13. Elected representatives should ideally demonstrate the following criteria:
    - A local person with knowledge and interest in local community development matters
    - A regular user of one or more of the commons with an interest in habitat and access preservation and improvement
    - Ability to attend regular evening/weekend meetings
    - Existing knowledge, and prior experience of land management or ecology/botany would be a distinct advantage
    - Professional competencies that would support the Conservators in delivering their objectives, such as:
        o Legal
        o Financial
        o Marketing
        o Public Relations

Nominations

14. Three of the Conservators terms conclude at the end of March 2023, including one of the positions nominated by the Council to represent it as landowner. The nominations received are set out below:

Representative	Term ends	Role	Nominees
Cllr Peter Harp	March 2023	Landowner representative	Cllr Peter Harp
Mr Nick Cull	March 2023	Elected Conservator	1. Mr David Atkins 2. Mr Philip Harrington 3. Mr Ben Steele 4. Ms Miriam Maxim
Mr David Atkins	March 2023	Elected Conservator	

15. The nominees' expressions of interest are attached as an exempt report to the agenda.

Recommendations from Banstead Commons Conservators

16. Banstead Commons Conservators would like to recommend that Mr. David Atkins is reappointed as a Conservator due to his wealth of knowledge on Banstead Commons and common land legislation and to ensure continuity on the board.

17. The Conservators feel that any one of the remaining applicants would be appointable and bring additional skills to the table. The Conservators expect that any new appointments will enable effective governance of this important statutory body and that professional skills and relevant work experience are prioritised in the recruitment process.

Options

Option 1: The Executive have the authority to appoint a nominated person.

Option 2: The Executive may ask officers to seek new nominations.

Legal Implications

18. Representation on outside bodies is made in accordance with Local Government Acts 1972 and 2000.

19. The appointment of Banstead Commons Conservators is laid down by the Scheme set out in the Schedule to the Metropolitan Commons (Banstead) Supplemental Act 1893.

20. The provisions of the Act make it clear that the Council may appoint such persons as it sees fit. There is no stipulation restricting who may be appointed except that someone who is bankrupt or has compounded with his creditors is not eligible.

Financial Implications

21. There are no financial implications relating to the appointments.

Equalities Implications

22. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
    - Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
    - Advance equality of opportunity between people who share those protected characteristics and people who do not
    - Foster good relations between people who share those characteristics and people who do not.

23. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civic partnership status applies to the first part of the duty.

24. The method of nominations for this position will comply with all necessary equality legislation and duties.

25. It is important that appointments to outside bodies are made by the Council in a fair and representative way best suiting the interests and diversity of Borough residents.

Communication Implications

26. A public notice inviting applications was posted on notice boards across the Commons.

27. The appointments will be publicised on noticeboards across the Banstead Commons and nominees notified of the outcome of the Executive decision.

Environmental Sustainability Implications

28. The Conservators play an important role in maintain and protecting the Commons.

Risk Management Considerations

29. None.

Consultation

30. The positions have been notified to all Members through Group Leaders.

31. The Board's clerk notified the current representatives whose terms were expiring to determine whether they would stand for re-appointment.

Policy Framework

32. There are no policy framework implications.

Background Powers

None

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