

Executive Agenda



Reigate & Banstead
BOROUGH COUNCIL
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For enquiries regarding this agenda;

Contact: Democratic Services (01737 276182)

Email: Democratic@reigate-banstead.gov.uk

11 June 2019

To the Members of the EXECUTIVE

Councillors:	M. A. Brunt	Leader of the Council
	T. Schofield	Deputy Leader, Finance
	T. Archer	Investment and Companies
	R. H. Ashford	Community Partnerships
	R. Biggs	Planning Policy
	N. J. Bramhall	Neighbourhood Services
	A. C. J. Horwood	Wellbeing and Intervention
	E. Humphreys	Place and Economic Prosperity
	G. J. Knight	Housing and Benefits
	V. H. Lewanski	Corporate Direction and Governance

For a meeting of the **EXECUTIVE** to be held on **THURSDAY, 20 JUNE 2019** at **7.30 pm** in the New Council Chamber - Town Hall, Reigate.

John Jory
Chief Executive

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Notice is given of the Executive's intention to hold part of its meeting on Thursday, 20 June 2019 in private for consideration of reports containing "exempt" information

1. **MINUTES** (Pages 7 - 16)

To confirm as a correct record the Minutes of the Executive meeting held on 30 May 2019.

2. **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

3. **DECLARATIONS OF INTEREST**

To receive any declarations of interest.

4. **SUPPORTING OUR VOLUNTARY AND COMMUNITY SECTORS (VCS)** (Pages 17 - 82)

Executive Member: Portfolio Holder for Community Partnerships

To consider a report outlining proposals to support and strengthen the Voluntary and Community Sectors (VCS).

5. **QUARTERLY PERFORMANCE REPORT (Q4 2018/19)** (Pages 83 - 98)

Executive Member: Portfolio Holder for Corporate Direction and Governance

To consider the Quarterly Performance report for Quarter 4 2018/19.

6. **FIVE YEAR PLAN PERFORMANCE REPORT 2018/19** (Pages 99 - 114)

Executive Member: Leader of the Council

To consider the 5 Year Plan Performance Report 2018/19.

7. **ANNUAL GOVERNANCE STATEMENT 2018/19** (Pages 115 - 124)

Executive Member: Deputy Leader and Portfolio Holder for Finance

To consider the Annual Governance Statement for 2018/19.

8. **PROVISIONAL OUTTURN REPORT 2018/19** (Pages 125 - 158)

Executive Member: Deputy Leader and Portfolio Holder for Finance

To consider the Provisional Revenue and Capital Outturn for the 2018/19 financial year.

9. **DEBT WRITE OFF & RECOVERY** (Pages 159 - 166)

Executive Member: Deputy Leader and Portfolio Holder for Finance

To consider the debt write-off and recovery performance for the period.

10. **PROPERTY ACQUISITIONS**

Executive Member: Portfolio Holder for Investment and Companies

To consider any property acquisitions proposed.

11. **STATEMENTS**

To receive any statements from the Leader of the Council, Members of the Executive or the Chief Executive.

12. **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).

13. **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.

14. **PROPERTY ACQUISITIONS (EXEMPT)**

Executive Member: Portfolio Holder for Investment and Companies

To consider exempt information in relation to these proposals.

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BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held at the New Council Chamber - Town Hall, Reigate on 30 May 2019 at 7.30 pm.

Present: Councillors M. A. Brunt (Leader), R. H. Ashford, N. J. Bramhall, A. C. J. Horwood, T. Schofield (Deputy Leader), T. Archer, R. Biggs and V. H. Lewanski.

Also present: Councillors R. Absalom, J. C. S. Essex, N. D. Harrison, S. A. Kulka, K. Sachdeva and C. T. H. Whinney.

1. MINUTES

RESOLVED that the minutes of the Executive meeting held on 18 April 2019 be approved as a correct record and signed.

2. APOLOGIES FOR ABSENCE

Executive Members: Councillor E. Humphreys and Councillor G.J. Knight.

Non-Executive Members: Councillor M.S. Blacker.

3. DECLARATIONS OF INTEREST

Councillor Mrs N.J. Bramhall declared a non pecuniary interest in Items 6a and 11a – Acquisition of freehold land in Horley in respect of her capacity as a Portfolio Holder position on Surrey County Council.

Councillor V.H. Lewanski declared a pecuniary interest in Items 6a and 11a – Acquisition of freehold land in Horley in respect of his declared shareholding in Taylor Wimpey.

Councillor N.D. Harrison declared a non pecuniary interest in Items 6a and 11a – Acquisition of freehold land in Horley in respect of his capacity as a Member of Surrey County Council.

4. COMMERCIAL GOVERNANCE: CHANGES TO EXECUTIVE SUB-COMMITTEES

The Leader of the Council, Councillor M.A. Brunt introduced the report as presented to the Executive, which included a number of changes to Executive sub-committees and associated delegations to update the Council's commercial governance arrangements.

The Leader referred to the work of the Commercial Governance Task Group, chaired by former Councillor J.M. Ellacott, that reported its findings to the Executive in March 2019. This report had been prepared to provide the framework for the

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implementation of the Task Group's recommendations that had been adopted by the Executive. One of the recommendations had been to establish a new Commercial Ventures Executive Sub-Committee to monitor and take decisions upon the Council's commercial ventures, in accordance with the Commercial Governance Framework established.

It was noted that the previous Executive sub-committees were proposed to be disbanded and their work absorbed into the new coordinated approach.

The report also recommended associated delegations, to support the approach to investments and commercial ventures. These allowed the Council to respond to unexpected circumstances in a timely manner, and to investigate potential investment opportunities. Decisions taken using these delegations would be reported to the Sub-Committee.

In response to Member questions the Leader confirmed that the delegations had been proposed to respond to prevailing circumstances without delay and that the key principles set out in the Governance Framework would apply including the use of the checklist. There would be clear transparency and record keeping of all decisions. It was also confirmed that the delegation levels could be reviewed in the future as required to ensure that they had been set at the right level. With that in mind the Leader indicated the importance of the Overview and Scrutiny Committee in reviewing the performance of the Council's commercial governance activities including whether the Framework's key principles were being applied as intended.

The Leader, in response to further questions, confirmed that the delegations taken by the Director would be reported to the next available meeting of the Sub Committee, which was expected to meet on a monthly basis, with additional meetings if required.

RECOMMENDED that:

- (i). **a Property and Investment Contingency Fund be established, with a value of £1.0m, funded within the £25m that has been allocated in the approved Capital Programme 2019/2024 for investment in new capital schemes to support delivery of the Corporate Plan, Housing Strategy and Investment Strategy, and that principle (vii) should be added to Article 14.3.3 of the Constitution, with the following wording:**

(vii) decisions on the use of resources from the Property and Investment Contingency Fund of a value of more than £500,000 should be regarded as significant, superseding principles (i) and (iii) for such decisions.

- (ii). **the Director of Finance and Organisation be authorised to approve the use of resources from the Property and Investment Contingency Fund for commercial investments in cases where this is judged to be necessary to mitigate the risk of the Council incurring significant financial or reputational costs, in consultation with the Leader, the Chair of the Commercial Ventures Executive Sub-Committee and Executive Member(s) with responsibility for investments and property matters, and that the Officer Scheme of**

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Delegation be updated accordingly.

- (iii). **the Director of Finance and Organisation be authorised to approve the use of resources from the Property and Investment Contingency Fund for other capital investments in cases where this is judged to be necessary to mitigate the risk of the Council incurring significant financial or reputational costs, in consultation with the Leader, the Chair of the Commercial Ventures Executive Sub-Committee and Executive Member(s) with responsibility for investments and property matters, and that the Officer Scheme of Delegation be updated accordingly.**

RESOLVED that:

- (i). the Property Executive Sub-Committee be dissolved;
- (ii). the Health and Wellbeing Executive Sub-Committee be dissolved;
- (iii). the powers previously delegated to the Property Executive Sub-Committee and Health and Wellbeing Executive Sub-Committee revert to the Executive, unless otherwise specified in the following recommendations;
- (iv). a Commercial Ventures Executive Sub-Committee be established, with the remit and terms of reference as set out at Annex 1 to the Executive's report;
- (v). the shareholder function of the Council, with regard to Greensand Holdings Ltd, be delegated to the Commercial Ventures Executive Sub-Committee;
- (vi). the shareholder function of the Council, with regard to Pathway for Care Ltd, be delegated to the Commercial Ventures Executive Sub-Committee;
- (vii). the shareholder function of the Council, with regard to RBBC Ltd, be delegated to the Commercial Ventures Executive Sub-Committee;
- (viii). the partnership function of the Council, with regard to Horley Business Park Development LLP, be delegated to the Commercial Ventures Executive Sub-Committee;
- (ix). the Commercial Ventures Executive Sub-Committee be authorised to agree the incorporation and the proposal of winding up of companies, subject to relevant shareholder agreements, by the Council, to be conducted in accordance with the requirements of the Commercial Governance Framework, as set out in the terms of references of the Executive Sub-Committee;
- (x). the Commercial Ventures Executive Sub-Committee be authorised to agree the following arrangements as part of the establishment of companies by the Council, and in relation to companies, other commercial entities and partnerships thus established to the Council:

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- the Articles of Association for the entity
 - the Shareholder Agreement between the entity and the Council, including the initial Business Plan
 - the appointment of Directors of the company, including Non-Executive Directors
 - any Director Service Agreements
 - the appointment of a Company Secretary and Auditor.
- (xi). the Commercial Ventures Executive Sub-Committee be authorised to undertake the shareholder function of the Council with regard to future companies established by the Council;
- (xii). the Commercial Ventures Executive Sub-Committee be authorised to agree write-off of debts owed by Companies established by the Council to the Council, in consultation with all Executive Members;
- (xiii). the Commercial Ventures Executive Sub-Committee be authorised to agree Resourcing Agreements for commercial ventures established by, and being established by, the Council to use Council staff and facilities in furtherance of their business;
- (xiv). the Commercial Ventures Executive Sub-Committee be authorised to agree all matters in relation to the following, in line with the priorities in the Council's Capital Investment Strategy:
- Loan, Grant, and Draw Down agreements with regard to commercial ventures established by, and being established by, the Council
 - Investment in properties
 - Other capital investments
 - Performance of investments

These matters to be agreed within a total limit of £25.0m for 2019/20, as allocated in the approved Capital Programme for 2019/2024 for investment in new capital schemes to support delivery of the Corporate Plan, Housing Strategy and Investment Strategy, and henceforth in subsequent financial years within limits to be set and reviewed each year during the service and financial planning process, as subject to approval by Executive and Full Council.

- (xv). the Director of Finance and Organisation be authorised to agree, in consultation with members of the Commercial Ventures Executive Sub-Committee, spending on feasibility studies of potential commercial and investment opportunities, having regard to the Commercial Governance Framework which forms appendix 1 to the terms of reference of the Executive Sub-Committee. These matters to be agreed within a total

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limit of £250k for 2019/20, funded within the approved 2019/20 revenue budget, and henceforth within subsequent financial years within limits to be set and reviewed each year during the service and financial planning process, as subject to approval by Executive and Full Council;

- (xvi). all decisions of the Director of Finance and Organisation making determination on the use of resources from the Property and Investment Contingency Fund shall be reported to the Commercial Ventures Executive Sub-Committee at the next meeting where it is practical to do so;
- (xvii). the Constitution be updated by the Monitoring Officer to reflect the dissolution of the Property Executive Sub-Committee and the Health and Wellbeing Executive Sub-Committee, as an administrative update; and
- (xviii). the Constitution be updated by the Monitoring Officer to reflect the establishment of the Commercial Ventures Executive Sub-Committee and its agreed terms of reference as an administrative update.

Reason for decision:

The establishment of a Commercial Ventures Executive Sub-Committee will support the effective and efficient administration of the Council's commercial ventures and investments, in accordance with the Commercial Governance Framework adopted by the Council, following the Executive meeting of 18 March 2019 and following the recommendations of the Commercial Governance Review Member Task Group.

The Commercial Ventures Executive Sub-Committee will conduct all business which would previously have been conducted by the Property Executive Sub-Committee and the Health and Wellbeing Executive Sub-Committee. These Executive Sub-Committees are therefore no longer required.

The accompanying recommendations will support the effective decision making of the Executive Sub-Committee and implementation of decisions made, by allowing for supporting actions to be taken, within clearly defined limits to be set out each year.

Alternative options:

Make no changes to Executive Sub-Committees and the Council's commercial governance arrangements.

Request that alternative changes to the Council's commercial governance arrangements and/or Executive Sub-Committees and associated delegations be investigated.

5. APPOINTMENT TO THE BOARD OF THE BANSTEAD COMMON CONSERVATORS

Councillor Mrs N.J. Bramhall, Executive Member for Neighbourhood Services reported on the outcome of the nomination process for the annual appointment of representatives to serve on the Banstead Commons Conservators.

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It was noted that there were three vacancies to be determined for three year periods. Two of the vacancies had arisen from the expiry of the term of office and the resignation of former Councillor Curry resulted in the third vacancy.

Dr Peacock (currently the Chair of the Board) had indicated that he would like to be considered for a further term of office. The Executive noted that Councillor N. Moses had been nominated together with Dr Bellenger.

The details of the non-Councillor nominations were provided to the Executive in the Exempt section of the Executive's agenda. It was noted that the background information provided in the exempt part of the report should be included in the public section of the report in future.

RESOLVED that the following representatives be appointed to serve on the Banstead Commons Conservators for a three year period to May 2022:

- Dr J.H. Peacock
- Dr W.S. Bellenger
- Councillor Nadean Moses

Reason for decision:

To ensure that positions on the Board of the Banstead Commons Conservators are suitably filled.

Alternative options:

To decide which nominees to appoint or ask officers to seek new nominations.

6. PROPERTY ACQUISITIONS

It was noted that there was one property acquisition proposed, the acquisition of a freehold in Horley as set out below.

6.1 Acquisition of Freehold in Horley

The Leader of the Council, Councillor M.A. Brunt presented a report that sought authority to acquire a parcel of land near Horley as a strategic investment. It was accompanied with further information set out in the Exempt part of the Executive's agenda that contained commercially sensitive details for the proposed acquisition.

The Leader emphasised that the opportunity to bid for this land had emerged unexpectedly. As a result the Leader apologised for the late publication of the reports that were presented in an addendum to the Executive's agenda. However the Leader assured the Executive that the report provided the latest available information and that he and relevant portfolio holders had been consulted in advance on the proposals.

It was noted that the land acquisition opportunity supported future benefits in the local area and presented a potential investment that could provide a future financial return to the Council and support the delivery of wider services.

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As a potential strategic investment, the land acquisition was recognised as one with long term benefits and returns, which was recognised as not without risk, but were considered to be appropriate in relation to the potential future benefits. The Executive were asked to make a judgement on the balance of the proposals based on further detailed risk considerations that had been provided in the exempt section of the Executive's agenda.

Clerk's note – At this point in the meeting agenda item 6a (Acquisition of Freehold in Horley) was adjourned so that the exempt information, agenda item 11a (Exempt Business) could be considered ahead of making a decision.

Clerk's note – The minutes of the meeting reflect the order of business listed on the published agenda, not the order taken during the meeting.

During the exempt discussion, a number of issues were considered, including:

- Information on the land valuation, land conditions, location, timetable, demand and financial implications for the proposed acquisition;
- Process for evaluating the due diligence information including modelling exercises and surveys being conducted;
- Ongoing negotiations and potential benefits regarding the proposed acquisition; and
- An assessment of the risks, alternatives, return on investment and possible exit arrangements.

On conclusion of agenda item 11a the Executive returned to agenda item 6a and

RESOLVED that subject to a satisfactory due diligence, the Head of Legal and Governance, in consultation with the Head of Finance & Assets, Leader of the Council, and Executive Members with responsibility for Place & Economic Prosperity, Finance, and Investment & Companies, be authorised to:

- a. acquire the freehold land in Horley, as referred to in the part 2 section of the Executive's report, as a strategic investment to support the delivery of the Council's Corporate Plan objectives, and to finalise the Heads of Terms and associated agreements to support the acquisition, in line with the principles and financial requirements of the report.
- b. To fund the acquisition and supporting costs from the funding allocated within the approved Capital Programme for 2019/2024 for

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investment in capital schemes to support delivery of the Corporate Plan, Housing Strategy and Investment Strategy, as set out in paragraphs 8 and 9 of the part 2 section of the report to the Executive.

Reason for decision:

To obtain Executive authority to acquire, subject to due diligence, the specified freehold of land in Horley, which will support the delivery of the Council's Corporate Plan objectives and provide the potential to generate additional income for the Council.

Alternative options:

Investigate alternative models for acquisition of the freehold land or to do nothing.

Note: Councillor V. Lewanski left the room for the consideration of the report.

7. STATEMENTS

None.

8. ANY OTHER URGENT BUSINESS

None.

9. EXEMPT BUSINESS

RESOLVED 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.

10. APPOINTMENTS TO THE BOARD OF THE BANSTEAD COMMON CONSERVATORS (EXEMPT)

RESOLVED that the exempt information in relation to the appointment of representatives to be appointed to the Board of the Banstead Commons Conservators be noted.

11. PROPERTY ACQUISITIONS (EXEMPT)

It was noted that there was one property acquisition proposed, the acquisition of a freehold in Horley as set out below.

11.1 Acquisition of Freehold in Horley (Exempt)

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RESOLVED that the exempt information in relation to the acquisition of freehold in Horley be noted.

The Meeting closed at 8.49 pm

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SIGNED OFF BY	Head of Community Partnerships
AUTHOR	Justine Chatfield, Head of Community Partnerships
TELEPHONE	0173 7276084
EMAIL	Justine.chatfield@reigate-banstead.gov.uk
TO	Executive
DATE	20 th June 2019
EXECUTIVE MEMBER	Cllr Rod Ashford, Executive Member for Community Partnerships

KEY DECISION REQUIRED	Yes
WARDS AFFECTED	All

SUBJECT	Supporting our Voluntary and Community Sectors (VCS)
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RECOMMENDATIONS
<p>Recommendations</p> <p>1: To replace the Council's current financial support arrangements for the Voluntary and Community Sectors (VCS), on a cost neutral basis, with:</p> <ol style="list-style-type: none"> A Small Grants Fund of £45,000 from 2020/21 (£30,000 for 2019/20), offering grants of up to £2,000, based on the criteria for award set out at Appendix 2. A Medium Grants Fund of £50,000 offering grants for expenditure from 2020/21 of £2,000 - £20,000, based on the criteria for award set out at Appendix 3. A Commissioning Fund of £285,000 for expenditure from 2020/21, targeted at some of our currently core funded VCS partners whose services are central to our corporate priorities, as set out in paragraphs 11 and 12 of the report and Table 11 of Appendix 1. <p>2: To strengthen the Council's offer of 'in kind support' to the VCS, by authorising the Head of Community Partnerships, in consultation with the Portfolio Holder with responsibility for Community Partnerships and other Executive Members and Heads of Service as appropriate to :</p> <ol style="list-style-type: none"> Develop and introduce a policy for free / discounted use of Council meeting rooms. Develop and introduce an employee volunteering policy, with an emphasis on skills based volunteering. Respond to specific in kind support requests from VCS partners. <p>3: To note the Head of Community Partnership's proposals to improve dialogue with the Council's VCS partners as set out at paragraph 16 in the report and in paragraph 8.4 of Appendix 1.</p> <p>4: To authorise the Head of Community Partnerships to implement proposals that will increase skills</p>

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based volunteering, amongst our business community, our residents and our own workforce.

5: To authorise the Head of Community Partnerships to raise public awareness of the activities of the Borough's VCS in order to give greater recognition of the value of volunteering to our residents.

6: To authorise the Head of Community Partnerships to undertake a programme of activities that can assist with the development of the skills and performance of the Council's VCS partners.

7: To approve that the Officer Scheme of Delegation in the Council's Constitution be amended to reflect the changes at Recommendation 1 above by, replacing paragraph 2.8 (*"Determine applications for capital grants, including Local Area Capital Grants, and allocate core grant funding"*) and paragraph 2.9 (*"Approve Councillor Community Awards in accordance with the agreed criteria"*) with:

- (i) *"Determine applications for the small and medium sized grants fund on the basis of the financial limits and criteria determined by the Executive"*, with authority delegated to the Head of Service with responsibility for Voluntary Sector funding, in consultation with the Portfolio Holder with responsibility for the Voluntary Sector funding.
- (ii) *And "Enter into and manage service level agreements for commissioned VCS services on the basis of the financial limits and criteria determined by the Executive"*, with authority delegated to the Head of Service with responsibility for Voluntary Sector funding, in consultation with the Portfolio Holder with responsibility for Voluntary Sector funding.
- (iii) Removing the Councillor Community Awards Scheme from the Constitution with effect from the 2019/20 Municipal year.

REASONS FOR RECOMMENDATIONS

Delivering these recommendations would strengthen our VCS through partnership working with both individual organisations and with Voluntary Action Reigate & Banstead (VARB). It would also encourage our business and resident communities to strengthen our VCS through greater skills based volunteering.

EXECUTIVE SUMMARY

In autumn 2018, the Portfolio Holder for Leisure & Wellbeing asked Officers to review how we support our VCS. The intention was to improve the impact of the support we provide, both on our communities and on the Council, but not to reduce the current funding levels. We have now undertaken a thorough review of how we currently support our VCS which has identified a host of opportunities for us to strengthen our VCS and its impact, without needing to increase the budgets required. These opportunities encompass updating the approach to the financial support which we offer, alongside non-financial support.

In terms of financial support, the review recommends adopting a three year commissioning rather than grant giving approach for those organisations who play a central role to the delivery of our corporate priorities, as well as updating our approach to grant giving through the introduction of new grants funds to replace current arrangements.

The review recommends strengthening the non-financial support available to our VCS in a number of ways including: encouraging skills based volunteering amongst RBBC staff; working with Voluntary Action Reigate & Banstead (VARB) to raise public awareness of the activity of our VCS and to encourage more of our residents to recognise the value of volunteering; and developing the skills and performance of our VCS partners including through expert organisational health checks, collaborative fundraising & joint training.

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We will have more regular dialogue with the VCS organisations which we fund, to develop a deeper understanding of who we fund, the impact of our financial investment, and facilitating and enabling our VCS partners to achieve more for our residents and to rely less on cash funding from us. This in turn will encourage a better understanding of RBBC's role amongst the VCS, and greater awareness of the breadth and impact of VCS activity amongst Members.

Executive has authority to approve recommendations 1-6. Full Council has authority to approve recommendation 7.

STATUTORY POWERS

1. Whilst there is no statutory duty for a local authority to support its voluntary and community sectors, there are a number of pieces of legislation which inform the approach to this area of work, including in relation to grant giving. These are Section 111 of the Local Government Act 1972, Section 1 of the Localism Act 2011 and section 149 of the Equality Act 2010.

BACKGROUND

2. There are over 300 voluntary and community organisations and over 60 faith groups operating within the borough. For a number of years we support our VCS partners directly or indirectly in a number of ways, including direct funding (Core Grants, Councillor Community Awards, Capital Grants, direct funding from specific services), providing subsidies (Rental Grant Subsidy), ad hoc in kind support (staff time, use of meeting rooms) and facilitating support for our VCS partners from our business community. In 2018/19 we provided a total of circa £380k of financial support (through grants) to approximately 50 organisations. We also provided support through mandatory business rate relief to registered charities occupying premises in our borough.
3. The Portfolio Holder for Leisure & Wellbeing asked Officers to review how we support our VCS, in order to increase impact and effectiveness, both for us and for our VCS partners. The objective was not to reduce our financial support, but rather to achieve more with the same budget. At the same time, internal audit reviewed our grant giving mechanisms. The resultant report (Appendix 1), entitled *Working Better Together to Support our Voluntary and Community Sectors*, considers how we work with our VCS partners and makes a number of recommendations. These recommendations are summarised in this Executive report.

KEY INFORMATION

Working Better Together to Support our Voluntary and Community Sectors

4. The report considers the strengths and weaknesses of each aspect of our current approach to supporting and engaging with our VCS, alongside the opportunities to refresh our approach to increase the impact on our residents. It provides the broader context to our VCS, including explaining the role of Voluntary Action Reigate and Banstead (VARB), as well as considering good practice elsewhere.

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5. The report recommends reconfiguring the current financial support (Core Grants, Councillor Community Awards, Capital Grants) into:
 - **A small grants fund** of £45,000 from 2020/21 (£30,000 for 2019/20), offering grants of up to £2,000.
 - **A medium grants fund** of £50,000 offering grants for expenditure from 2020/21 of £2,000 - £20,000.
 - **A commissioning fund** of £285,000 for expenditure from 2020/21, targeted at some of our currently core funded VCS partners whose services are central to our corporate priorities.

Small Grants Fund

6. The proposed Small Grants Fund will provide smaller grants (up to £2,000) to enable the VCS to deliver smaller activities or projects which respond to local community needs and support our corporate priorities. Awards will be considered for provision of activities, projects and one-off initiatives. Applicant organisations will need to approach ward Councillors for endorsement of their applications. The application guidance for the proposed Small Grants Fund is attached at Appendix 2.
7. Applications will be assessed in batches after each application deadline has passed. (There will be 2 deadlines in 2019/20 and 3 deadlines from 2020/21.) A scoring matrix will assess applications fit with our corporate priorities, the level of Member endorsement, the anticipated impact on our residents, and other considerations including equality and accessibility, financial viability and longer term sustainability. Only applications which support our corporate priorities will be considered. In 2019/20, we will only award approximately 50% of the available budget in each application period to ensure funds remain available later in the financial year.
8. The effectiveness of the new Small Grants Fund will be reviewed towards the end of 2019/20 to inform 2020/21 onwards.

Medium Grants Fund

9. The proposed Medium Grants Fund will provide grants of between £2,000 and £20,000 for either revenue or capital funds. Some organisations currently receiving core funding (who are not eligible for the Commissioning Fund, see paragraphs 11 and 12 below) are anticipated to apply to this fund. The application guidance for the proposed Medium Grants Fund is attached at Appendix 3.
10. Applications will be assessed at the same time after the annual application deadline. A scoring matrix will be used to assess applications fit with corporate priorities and the anticipated impact on our residents.

Commissioning Fund

11. The proposed Commissioning Fund will support selected key VCS partners whose services are central to our corporate priorities, with a more stable source of core funding, especially those seeking larger financial contributions. We will specify the services we are seeking from these VCS partners, and will work with them to enter service level agreements for up to 3 years. These service level agreements will define specific outcomes which the VCS partner will need to report to us against, to demonstrate the impact of Council funding.
12. Commissioned partners' funding will consequently be more stable, enabling them to

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place greater focus on service quality and organisational development. The commissioning approach will enable us to demonstrate the impact of our financial commitments more clearly, and to tie our funding awards more closely to performance.

Awarding Funds

13. In line with the current delegation arrangements (for Core Grants, Capital Grants and Councillor Community Awards), awarding decisions will be made by the Head of Community Partnerships in consultation with the Executive Member for Community Partnerships. The scheme of delegation will be updated accordingly as set out in Recommendation 7.

Non-financial Support

14. The report identifies a host of opportunities to regularise and enhance our non-financial support to the sector, as set out below:
15. **Providing greater in kind support** – for example: developing a consistent policy for offering free / discounted use of Council meeting rooms, developing an employee volunteering policy, responding to specific ad hoc in kind requests.
16. **Improving dialogue with our VCS partners** – by identifying RBBC single points of contact to improve our understanding of and relationship with the VCS.
17. **Increasing skills based volunteering** – both our own, and amongst our business and residential communities.
18. **Raising Member and public awareness of the activity and impact of our VCS and recognising the value of volunteering** – for example: encouraging partners to get to know their local Councillors.
19. **Supporting the development of the skills and performance of our VCS partners** – for example, regular networking opportunities to enable joint working and sharing of expertise, and joint training opportunities.

OPTIONS

20. The options available to the Executive are set out below:
21. **Option 1: Approve the findings of the VCS review for implementation.** The review has identified a significant number of opportunities for us to refresh and enhance our support for our VCS partners, in order to increase the positive impact on our residents. The review's recommendations are borne out of research into good practice and feedback from the VCS. Approving this option will have a substantial positive impact on our VCS partners and our partnership working with them to support our corporate priorities. **This option is recommended.**
22. **Option 2: Reject the findings of the VCS review and continue with our previous approach to supporting the VCS.** This option would not secure the best impact for our substantial existing budget allocation to support the VCS, and would not take advantage of the opportunities to expand and regularise our in kind support for the VCS. The positive impact on the VCS and our residents would be lost.
23. **Option 3: Only approve some of the findings of the VCS review for implementation.** Whilst some of the recommendations could be pursued in isolation of others with some positive impact, there are some interdependencies which would

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reduce the scale of positive impact. For example, placing a greater emphasis on in kind support, such as skills based volunteering, will help to counteract any issues experienced by VCS partners who are used to receiving certain level of financial support from the Council.

LEGAL IMPLICATIONS

24. This report seeks approval for the Council's approach to VCS support, including financial support, in line with our Corporate Plan. This financial support includes reworking our existing grant support into a Commissioning Fund, a Medium Grants Fund and a Small Grants Fund.
25. There is no strict legal definition of a grant and generally a grant is deemed to be a "gift". However with the expenditure of public funds, the recipient voluntary organisations and community groups are expected to have in place appropriate policies and strategies and the Council imposes appropriate conditions and implements relevant monitoring mechanisms.
26. The Council has an obligation to ensure that all members of its community have a fair opportunity to benefit from the Council's resources, therefore, any grants made must be subject to an open application procedure. The evaluation criteria for grant awards must be published in advance. The Council must also be able to demonstrate a clear decision making process and rationale for awarding a grant. The Council's operational methods for application and award of Small and Medium Grants are set out in Appendices 2 and 3.
27. The Council's award of a grant payment must be supported by statutory power. There are two general statutory powers which permit the Council to provide community grants.
28. **Section 111 of the Local Government Act 1972** gives the Council power to do anything which is "calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions". For the purposes of this report Section 111 can permit authorised expenditure of public funds for the provision of grants.
29. **Section 1 of the Localism Act 2011** gives the Council a general power of competence to do anything that individuals generally may do, subject to specified restrictions and limitations imposed by other statutes. This general power of competence may also support the payment of grants.
30. The Council must also have "due regard" to the need to eliminate unlawful conduct in accordance with requirements of the **Equality Act 2010**. Having "due regard" means consciously thinking about the three aims of the Equality Duty as part of the process of decision-making. The three aims of the Equality Duty are that public bodies must have due regard to the need to:
 - eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
 - advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
 - foster good relations between people who share a protected characteristic and people who do not share it. (NB: "protected characteristics" – age, disability, gender reassignment, pregnancy and maternity, race which includes ethnic or national origins, colour or nationality, religion or belief which includes lack of

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belief, gender and sexual orientation).

31. The “Public Sector Equality duty” under **section 149 of the Equality Act 2010**, therefore requires the Council to advance equality of opportunity and foster good relations between persons who share protected characteristics and those who do not. A proportionate level of equality analysis is required to discharge that duty. The Council must ensure that the equality analysis is undertaken throughout the process when determining how the overall budget for the grants is divided and for the award of grants in each area.
32. It is also important that the Council is mindful that each grant or area of grants is clearly linked to the discharge of a particular function of the Council and in accordance with its corporate priorities.

FINANCIAL IMPLICATIONS

33. The VCS review’s recommendations do not change the overall net budget requirement for our VCS support. Whilst revenue growth of £20,000 is required in 2020/21 Service and Financial Planning, the net RBBC cash outflow remains unchanged as £20,000 of capital budget would be removed from the capital programme. This relates to the move away from a dedicated £20,000 capital grants budget to the flexibility of the medium grants budget which could be used for either revenue or capital grants from our revenue budget.
34. The review does include a number of recommendations for in kind support, most of which can be delivered without direct financial implications. Implementation of the recommendations will enable us to have a greater positive impact on our VCS, and thereby our residents, while investing the same level of financial resource.

EQUALITIES IMPLICATIONS

35. The completed Equalities Screening Toolkit is attached at Appendix 4. The screening shows that these recommendations will have positive equalities implications, both directly to the VCS organisations which we support, and indirectly to several target groups amongst our residents whom the VCS organisations support.

COMMUNICATION IMPLICATIONS

36. Our Partnerships Team have already identified lead officers to liaise with each of the organisations which we currently core fund. One to one meetings are also planned with the VCS partners that we have identified to move to a commissioned model of financial support.
37. A group session is planned with a number of our VCS partners to share the Executive’s decision and to start the process of implementing the review’s recommendations. Alongside this, these lead officers will proactively meet with all of the organisations which we currently core fund to discuss the implications of the review’s findings for these organisations, to gain a better understanding of their support needs, and thereby to explore new (sometimes not / less financial) ways to support these organisations work for our residents.
38. We are already working with our communications team to explore further avenues to

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communicate and promote the changes, including the potential to include an article in the next edition of Borough News. Our web pages will be updated to reflect the new grant arrangements.

HUMAN RESOURCES IMPLICATIONS

39. One of the review's recommendations is to develop an employee volunteering policy. This would benefit both the local VCS and the personal development of our workforce.

RISK MANAGEMENT CONSIDERATIONS

40. There are no anticipated risks arising from the implementation of the VCS review.

OTHER IMPLICATIONS

41. Implementing the review's recommendations will have positive implications for a number of our service areas, as it will strengthen our relationships with and stabilise our support for key VCS partners, in particular those whose services are more central to our corporate priorities. For example, our support for East Surrey Domestic Abuse Service (ESDAS) is key to the delivery of one of our Community Safety priorities. Transferring ESDAS onto the commissioned model will give them greater financial stability and therefore more time to focus on their service delivery and their longer term strategies.

CONSULTATION

42. The VCS review has included talking to our VCS partners and our internal colleagues through a range of methods including the use of questionnaires and semi-structured interviews to gain their insights and understand the impact of the current arrangements. In addition, Voluntary Action Reigate and Banstead (VARB), hosted a consultation meeting where we gathered the views of many of the agencies that are supporting our residents.

POLICY FRAMEWORK

43. The recommendations of the VCS review support the objectives of the *People* themes of both our current Five Year Plan and our emerging Corporate Plan.

APPENDICES

1. Working Better Together to Support our Voluntary and Community Sectors (VCS): A Review of our Current Approach (March 2019)
2. Small Grants Fund Guidance
3. Medium Grants Fund Guidance
4. Equalities Impact Assessment

BACKGROUND PAPERS

None

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Working Better Together to Support our Voluntary and Community Sectors (VCS)

A Review of our Current Approach

March 2019

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1.0 Executive Summary

- 1.1 This document reviews our approach to supporting our voluntary and community sector (VCS) partners. It sets out the range of ways in which we currently do this, considering the strengths and weaknesses of each.
- 1.2 The report considers the local and Surrey context, as well as considering good practice and national research into supporting a thriving VCS.
- 1.3 To date our VCS support has focussed around our grant giving. This review identifies a wealth of opportunities to strengthen and support our VCS alongside our cash funding, which will improve the impact and value for money of our cash funding, the sustainability of our VCS partners and the positive impact of our VCS support on our residents. Section 7 identifies a range of opportunities to improve our support to our VCS partners, namely:
 - To overhaul our grant giving and financial support to increase efficiency and impact.
 - To offer in kind support, in some instances in lieu of some grant funding.
 - To improve our dialogue with our local VCS.
 - To increase skills based volunteering.
 - To work with Voluntary Action Reigate & Banstead (VARB) to raise public awareness of the activity in our VCS and to recognise the value of volunteering to our residents.
 - To develop the skills and performance of our VCS.
- 1.4 Section 8 of the report makes a number of recommendations, grouped around these 6 opportunity areas. The recommendations include:
 - Reconfiguring the financial support that we currently offer (namely core funding, Councillor community awards and capital grants) into the three funding pots as detailed in the table overleaf, in order to improve the impact, effectiveness and accountability of the financial support.
 - Increasing our emphasis on in kind support, including skills based volunteering and use of space.
- 1.5 Delivering these recommendations would facilitate and enable a stronger VCS through partnership working with both individual organisations and with Voluntary Action Reigate & Banstead (VARB), our VCS infrastructure organisation. It would also encourage our business and resident communities to strengthen our VCS, through greater skills based volunteering.
- 1.6 The next steps (section 9) summarise the priorities for the Community Partnerships service in the coming months to implement the review's recommendations, subject to Member approval. We will regularly consider the effectiveness and impact of this new approach in order to fine tune it where

necessary and maximise the positive impact of our cash, service and other in kind resources on our residents.

Summary of proposed RBBC funding streams

	Small Grants Fund	Medium Grants Fund	Commissioning Fund
What is it for?	Smaller grants to enable community groups & voluntary organisations to deliver activities or projects which support our key priorities.	Medium sized awards aimed at supporting groups that are already working with local people and communities.	Commissioning selected key VCS partners whose services are central to our corporate priorities, especially those seeking larger financial contributions.
Budget	£45,000 pa from 2020/21 £30,000 for 2019/20	£50,000 pa from 2020/21	£285,000 pa ¹ from 2020/21
Value of award	Up to £2,000	£2,000 - £20,000	Over £10,000
Length of award	Up to 1 year	Up to 1 year	Up to 3 years
Key criteria	All of our financial support, whether commissioned or via grant applications, will be focussed on supporting the delivery of our corporate priorities, and will prioritise services which provide value for money and have a demonstrable positive impact on our communities. We will not fund individuals.		
	Members will be encouraged to identify opportunities to support community groups / voluntary organisations whose work supports our corporate priorities. In some instances applications may be accepted which are not instigated by Member contact with VCS organisations. We will use 2019/20 as a trial period.	Applications may be for core costs, pilot projects or capital works. Applications with match funding / in kind support from other sources will be given more weight in the assessment process.	RBBC will specify services sought and invite the selected VCS partners to enter into a commissioned contract, and work together on a service level agreement.
Potential Examples	Foodbank, holiday activities for vulnerable young people	Kitchen upgrade in a community building	VARB, ESDAS, Community Debt Advice

¹ This figure includes £85,000 to the Banstead Commons Conservators

2.0 Introduction

- 2.1 The purpose of this document is to review of our approach to engaging with and supporting our voluntary and community sector (VCS) partners. There are over 300 voluntary and community organisations and over 60 faith groups operating within the borough.
- 2.2 As a Council, currently we support our VCS partners directly or indirectly in a number of ways, including:
- Our Core Grants annual funding programme
 - Our Councillor Community Awards programme
 - Our Capital Grants programme
 - Rental Grant Subsidy
 - National Non-Domestic Rate Relief
 - Direct funding from specific teams' budgets
 - Ad hoc in kind staff time
 - Ad hoc free use of space for meetings
 - Facilitating support for our VFCS partners from our business community
- 2.3 In the main, we have delivered this support in the same way for a number of years. It is therefore timely to review our approach, to consider if we should refresh our approach to increase the impact and effectiveness, both for us and for our VCS partners.

3.0 Approach

- 3.1 This report has been produced through researching good practice and talking to our VCS partners and our internal colleagues through a range of methods:
- The use of questionnaires and semi-structured interviews to gain their insights and understand the impact of the current arrangements.
 - Voluntary Action Reigate and Banstead (VARB) hosted a consultation meeting where we gathered the views of many of the agencies that are supporting our residents.
 - Research into the approach of other local authorities.
 - The report also takes into account the different factors that influence our grant making; agreements such as the Surrey Compact and national research highlighting the perspective of the grant holders.

4.0 How we currently support our Voluntary and Community Sector (VCS) partners

4.1 The following tables outline the different ways we currently support our VCS partners. Each one summarises the purpose, current budget, impact, strengths, weaknesses and opportunities associated with each type of support.

Table 1: Core grants annual funding

Description	<p>Core funding costs are essentially running or operational costs, including support costs, and governance activities. Whilst there is no statutory responsibility to grant fund our VCS, it is recognised that our support for the VCS helps us to deliver the priorities in our Corporate Plan. The Council has provided core funding for many of the same organisations in the same way for a number of consecutive years. A review of core funding in 2014 recommended moving from three year funding to annual applications.</p> <p>Appendix A provides a list of 2019/20 core funded organisations.</p>
Current Budget	£334,000 per annum
Impact	<p>The funding is intended to meet our corporate priorities for our residents. In reality some of the organisations we fund are much more closely aligned with our corporate priorities than others. Historically, measurement of the impact of core funding is limited; therefore it is difficult to determine whether our funding is achieving what the applicants said it would.</p>
Strengths	<p>Core funding sustains some of our key partner organisations, contributing to their essential running costs. Typically it is harder for VCS partners to secure charitable grants for core / back office costs than to secure funds for projects. Core funding is often an advantage for partners when applying for project funding from other sources.</p> <p>For 2019/20 we have introduced new grant agreements, prepared by our legal team to ensure that there is a clear expectation on the part of the grantee to achieve the outcomes stated.</p>

Weaknesses	<p>Consulting with our partners has revealed the annual process and the length of time that it takes for the application to be processed:</p> <ul style="list-style-type: none"> • Causes financial insecurities and detracts from the day to day operations. (Applications are submitted in September with decisions made in January / February.) • Affects recruitment and retention of staff and volunteers. • Limits the amount of time they have left to make alternative bids if their core funding bid is unsuccessful. This is especially problematic where our funding is crucial to their existence.
Opportunities	<p>New networking opportunities have been successfully established by the Community Development team. Our VCS partners are telling us that they want to have more communication and are keen to work with us and with each other. We could improve the effectiveness of our core funding by shortening the application process, lengthening the funding period, changing how we measure impact and how we monitor and provide support to build resilience and expertise.</p>

Table 2: Councillor Community Awards

Description	This is an award of £500 per Councillor, available annually, established to assist Councillors in their community leadership role and help with engagement locally. Councillors can choose to make a single award, divide the allocation among a number of projects within their ward or combine their award with other Councillors.
Current Budget	£26,000 per annum.
Impact	The impact has not been measured.
Strengths	Some worthwhile projects are supported; such as a shower being installed at The Renewed Hope Trust for use by homeless people and the part funding of a pop up restaurant, a project for our Syrian Refugee Families.
Weaknesses	<ul style="list-style-type: none"> • It is administratively intensive, especially for the small amounts of money involved in each application and particularly when a Councillor uses his / her allowance on more than one project. • Not all Councillors choose to nominate, leaving some monies left over. At the time of the 14 December 2018 funding application deadline, approximately £9000 had not been applied for by Councillors. • Not all applications are completed with necessary detail, with some Councillors expecting Council staff to fill out the forms. Councillors are not necessarily aware if other Councillors have awarded funding to the same organisation. For example, one organisation has received 4 separate Councillor Community Award payments at different points in the year.
Opportunities	More local networking opportunities between the VCS and our Councillors might ensure that funding is applied to a wider variety of projects, potentially with a closer alignment to corporate priorities.

Table 3: Capital Grants

Description	<p>Capital grants either create a new asset for the local community, or substantially enhance an existing one. Examples of recent projects include:</p> <ul style="list-style-type: none"> • The changing rooms at the YMCA Inclusive Sports Facility • St John’s Church Community Facility (enabling match-funding to be accessed through Surrey Community Buildings Grants Scheme).
Current Budget	£20,000 per annum
Impact	<p>Given the nature of the projects which have been funded we believe that these funds will have had real impact, however, we have not historically gathered evidence of this from the funding recipients.</p>
Strengths	<p>It can provide community organisations with the ability to access match funding for capital projects.</p>
Weaknesses	<p>Due to the nature of capital projects often taking longer than planned, funding awards often have to be carried forwards to subsequent financial years. This is a finance administrative issue only.</p> <p>There is limited awareness of the fund.</p> <p>The scale of the budget is small given the fund is for capital works.</p>
Opportunities	<p>The application process could be improved to allow for better measurement of outcomes. We need to be sure that there is a clear methodology around the decision making process, and that there is clarity for potential applicants of the fund’s availability. In addition, we could improve measurement of the impact that the funding has made</p> <p>We can explore the potential for greater coordination with allocation of Section 106 funds.</p>

Table 4: Rental Grant Subsidy (RGS)

Description	A subsidy paid to those tenants who occupy land or buildings that we own that they are using under lease or licence.
Current Budget	Currently around £60,000 per annum (Note it is effectively foregone income rather than a cash budget.)
Impact	This subsidy supports community use of our buildings and land, which through a wide range of clubs and organisations meet a diverse range of needs. This improves the wellbeing and quality of life for our residents inclusive of those with additional needs.
Strengths	Subsidies are granted for the length of the lease or until the lease rent review date, allowing the tenant the security they need to plan ahead. Supports a thriving voluntary and community sector.
Weaknesses	The application form needs to be updated to ensure that it captures all the information necessary in order to assess the application.
Opportunities	Not applicable

Table 5: National Non Domestic Rate (NDR) Recovery

Description	<p>This is relief for not for profit organisations on business rates, which is applied for every two years.</p> <p>All charities are entitled to mandatory 80% relief. We have discretion to give further relief above the mandatory level, dependent on how they score against our criteria. We currently automatically award recipients of core funding the additional 20%.</p>
Current Budget	There is no ceiling.
Impact	Several of our partners have commented on how valuable this is to them and it is particularly important to a lot of smaller organisations.
Strengths	<p>This process follows government legislation. The documentation is stored separately securely, and is audited externally. The good practice guidance ensures fair decision making and consistency.</p> <p>It is also efficient as any money rebated is shared between central government, Surrey County Council and us.</p>
Weaknesses	None
Opportunities	<p>To improve NDR Recovery information on our website to clearly state our policy.</p> <p>As the cost of this rebate is shared with SCC and central government, we could consider awarding this to more than core funded partners.</p>

Table 6: Direct funding from specific teams' budgets

Description	Direct funding occurs when there is a close working relationship between a Council team and a partner who can help us to deliver our specific objectives. These payments which are made to single agencies, with an expectation that they work with us to achieve a certain outcome. The directly funded organisations include ESDAS from the Community Safety budget and Community Debt Advice from the Housing budget. ²
Current Budget	Circa £30,000 per annum.
Impact	This expenditure is targeted to support the objectives of specific Council services and has clear positive impact on the delivery of relevant teams' service plans.
Strengths	Direct funding demonstrates good mutual working relationships and is very efficient. There is good communication between the Council team and the recipient partner.
Weaknesses	Allocating money in this way places the burden of funding responsibility on an individual Council service area when the benefits of the partner's service may be felt across several Council service areas.
Opportunities	To review how these financial commitments complement core funding and whether or not this expenditure could be incorporated into a different funding stream.

² CDA and ESDAS also receive core funding

Table 7: Ad hoc support in kind

Description	<p>A variety of ad hoc, in kind support, including</p> <ul style="list-style-type: none"> • Offering available space for meetings at the Town Hall or the Harlequin • Offering our own staff time to provide free, specialist support. For example: <ul style="list-style-type: none"> - A recent talk by our Data Protection Officer on GDPR was very well received. - Members of our Housing team have also sat in on Housing Drop-in consultations at CAB, which was also found to be extremely useful for both parties. <p>Other types of in kind support not currently offered include:</p> <ul style="list-style-type: none"> • Potential use of office space or co-location • Consideration of preferential rates for paid-for services (e.g. theatre tickets as raffle prizes, discounted fees for waste collection services etc.)
Current Budget	N/A
Impact	This supports our VCS partners by making their budgets go further or increasing the effectiveness of the services they offer.
Strengths	It enables limited VCS budgets to go further.
Weaknesses	The current RBBC offer is inconsistent.
Opportunities	<p>To have a consistent position and to raise awareness of any offer to VCS partners.</p> <p>Has the potential to enable us to support a broader range of VCS partners without requiring an additional budget.</p> <p>There is an opportunity for us to offer our own staff skills to work with VCS partners, and to extend the range of support, e.g. supervision for those working on the frontline with vulnerable members of the public, or IT skills. This is something we are exploring with our Human Resources colleagues. As well as supporting our VCS partners it would support the personal development of our staff.</p> <p>The Council could lead by example in encouraging support from the business community for VCS.</p> <p>We could explore opportunities to offer premises which provide a stable base, possibly in lieu of some cash support in some cases.</p>

Table 8: Facilitating support for our VCS partners from our business community

Description	<p>Our Economic Prosperity Team has been working for some time with VARB and Crispin Blunt’s office to encourage our business community to support our VCS partners.</p> <p>More recently, Skylark, a small group of local volunteers with management consultancy backgrounds, have collaborated with VARB to offer pro bono diagnostic assessments of some of our VCS partners and identify projects where this would be most valuable.</p> <p>VARB has then matched the projects to suitable corporate volunteers. Some examples include a new website for Age Concern Merstham, Redhill, Reigate and a strategic review for ESDAS.</p> <p>Skills based volunteering matches professional volunteers with charities who will benefit from their professional advice and expertise. Ambitious employees, keen to test their abilities in new environments and expand their networks, usually warmly welcome these opportunities.</p>
Current Budget	N/A
Impact	<p>This is very valuable and could have wide-reaching and mutual benefits. This supports our VCS’ partners to address a long- held challenge which improves their long term sustainability.</p>
Strengths	<p>The advantage is that local businesses are helping with local projects and their expert advice is contributing to our VCS’ partners’ capacity for growth.</p> <p>The sharing of specific expertise has been well received, evidenced in the partner network meeting feedback.</p>
Weaknesses	Skills based volunteering offer is currently limited and ad hoc.
Opportunities	<p>VCS partners are very keen that this area of support is expanded. Skills-based volunteering can:</p> <ul style="list-style-type: none"> • Improve the professionalism and productivity of VCS organisations. • Enhance opportunities for staff development, which would strengthen the local economy. • Create short term and or explicitly defined opportunities for volunteering might encourage more people to be involved. • Explore the possibilities of other types of in kind support, such as free print services.

5.0 Surrey and Wider Context

5.1 An important part of this review has been to understand the Surrey and wider context to our support for our VCS partners.

5.1 Voluntary Action Reigate and Banstead (VARB)

5.1.1 VARB is the umbrella organisation for the VCS in Reigate and Banstead. VARB are an important partner to Reigate and Banstead and receive £20,000 from core funding annually. We are part of a tripartite Partnership Grant Funding agreement – the other funders are Surrey County Council and East Surrey Clinical Commissioning Group. VARB's performance is measured through an agreed performance scorecard (included as Appendix B) and regular performance monitoring.

5.1.2 VARB's objectives are

- To increase successful volunteering opportunities within the Borough
- To improve VCS organisations' access to diverse forms of funding and to make better bids.
- To support improvements in the VCS's governance and business development
- To support VCS organisations to respond to evidence led needs and trends
- To influence policy affecting the VCS in Reigate and Banstead
- To work with statutory agencies to recruit and prepare volunteers for an emergency situation.
- To work with partners in local forums to build resilient communities

5.1.3 This is a successful organisation despite having limited resources of funds, staff and premises. Recruiting volunteers is harder because of a lack of footfall to their offices at the back of the Belfry Shopping Centre. In comparison, Mole Valley CAB and Central Surrey Voluntary Action are co-located just off the high street in Dorking.

5.1.4 VARB has the knowledge of the sector that is needed to support the changes recommended in this review.

5.2 Surrey Community Action (SCA)

5.2.1 Surrey Community Action are a countywide independent charity which supports voluntary and not-for-profit groups with advice and services to help them to operate more effectively. SCA is both a Rural Community Council and a Council for Voluntary Services. This allows them the knowledge to be an expert in the sector and influence the agenda. They have developed a wide range of services and resources for use in the VCS, including the Surrey Compact and the Impact Framework which can be used to measure impact. (See Appendix C)

5.3 The Surrey Compact

5.3.1 We are signed up to The Surrey Compact. Its basic principles should guide our practice. To demonstrate its relevance an extract from the guidance is reproduced below. This review will reference guidelines from the Compact as best practice examples.

The Surrey Compact is a commitment to continually improve relationships between the public, voluntary, community and faith sector and organisations representing service users and carers. It is an agreement that changes how partners behave, engage and work together at all levels. It helps us provide better services to the people of Surrey by:

- *Making sure we are open and respectful in how we work together*
- *Understanding each other, build trust and foster openness*
- *Involving the right people and appreciate that voluntary action is an essential component to a democratic society*
- *Sharing information between best practice and partners*
- *Giving an equal voice to all*
- *Simplifying and improving processes, including funding*
- *Preventing and resolving disputes.*

Figure 1: Extract from the Surrey Compact

5.3.2 There are six codes within the Compact, all of which in some way are relevant to this review:

- Working with Communities Code,
- Equality and Diversity Code,
- Funding and Procurement Code,
- Volunteering Code and Communication,
- Consultation and Engagement Code.
- Positive Disputes Resolution Code

5.4 Surrey County Council

5.4.1 Surrey County Council has, since a review in 2012/13, developed their commissioning role with Surrey's volunteer bureaux³ which has a strong focus on measurable outcomes. The process involves annual meetings with phone calls each quarter. It has developed a scorecard which is a visual tool capturing all the outcomes on one sheet. (See Appendix B)

5.5 The Reigate and Banstead Community Fund

5.5.1 The Community Foundation for Surrey has recently set up a Reigate and Banstead Community Fund. We have invested £5,000 into this fund, which has levered in £2,500 of top up funding from an anonymous benefactor. The initial target for the fund is £300,000, of which about 40% has been raised

³ VARB is the volunteer bureau for our area.

already. Below is an extract from Community Foundation for Surrey's webpage, announcing the new fund which will launch in 2019.

The proposed new fund, which will be the 8th borough/district Area Fund across the county managed by the Community Foundation for Surrey, has been developed in partnership with Reigate and Banstead Borough Council, the Community Foundation for Surrey, and representatives from the local community.

The Reigate and Banstead Community Fund will build a significant and sustainable fund for the long-term benefit of local projects across the borough. The fund will act as a collective, allowing residents and businesses to combine their giving into one place, which will then make grants to local groups in our borough.

Figure 2: Extract from the Community Foundation for Surrey's webpage

- 5.5.2 A panel will make decisions on use of the monies held in the Reigate and Banstead Community Fund. We are represented on that panel by our Head of Community Partnerships. This gives us the opportunity to influence the allocation of those grants towards organisations and projects which are aligned to our corporate priorities.

5.6 Social Value

- 5.6.1 The Public Services (Social Value) Act came into force on 31 January 2013. It requires commissioners to think about how they can also secure wider social, economic and environmental benefits. The Act helps us to get more value for money out of our procurements. It urges us to think about facilitating better designed services, with new and innovative solutions.
- 5.6.2 Social value is defined as '*The benefits to the community from a commissioning/procurement process over and above the direct purchasing of goods, services and outcomes*'. This is best approached by considering each local context and needs. Examples of this include the employment of ex-service users in delivery and contractors required to employ local youngsters and long term unemployed.

5.7 The Institute for Voluntary Action Research (IVAR)

- 5.7.1 The IVAR is an independent charity that works with local and national organisations that are striving for social change. It uses research to develop practical responses to the challenges being faced. We are examining this research to better understand these challenges, helping us to develop our strategies to better support our VCS partners in line with our approach of 'working better together'.

5.7.2 It has produced a study that looked at life for voluntary organisations in 2018 called ‘**Duty to Care? How to ensure grant-making helps and doesn’t hinder.**’ (See Appendix D) Below is an extract summarising their findings:

Life for voluntary organisations in 2018

- 1. The instability we described in our 2012 Duty of Care study feels like a permanent fact of life*
- 2. After recent scandals, the public and media have higher expectations of transparency and professionalism*
- 3. Organisations are trying hard to adapt and it is an ongoing journey (e.g. investing more in measuring and evidencing outcomes/impact; taking steps to diversify funding sources; and broadening service offers.)*
- 4. Organisations struggle with commissioning and procurement processes*
- 5. Organisations have been able to keep going thanks to the determination of their people*
- 6. Maintaining services is more common than growth and more organisations feel vulnerable.*

Figure 3: Extract 1 from IVAR’s Duty to Care study

5.7.3 In addition, the IVAR has identified three areas of practice where funders might consider adapting or innovating for the benefit of grant holders they seek to support.

Considering how to adapt or innovate

- The first is to take a risk with an organisation that may be facing an uncertain future – the grant may give them the ‘breathing space’ they need.*
- The second is to simplify the funding process to make it more purposeful and less burdensome for the organisations we fund.*
- Thirdly is that we build relationships and have better conversations with our grantees to build mutual understanding and honesty.*

Figure 4: Extract 2 from IVAR’s Duty to Care study

5.8 Skylark

- 5.8.1 Skylark is a pro bono consultancy, based in Reigate and Banstead, focused on helping local charities to improve their effectiveness. Skylark completes an initial diagnostic assessment using business management theory and strategies, to identify priority projects which could be delivered through skills based volunteering support. They then work closely with VARB to match corporates' offer of employees for skills based volunteering to projects.
- 5.8.2 Skylark in some instances offers direct support with strategic planning and governance.
- 5.8.3 They have worked successfully with local organisations including Age Concern Merstham, Redhill, Reigate and East Surrey Domestic Abuse Service. Their offer of intensive, targeted, skills-based support could have huge benefits for some of our key partners.

6.0 Good practice elsewhere

6.1 We have considered good practice in other authorities' approach to supporting their VCS partners to inform our findings. The following paragraphs provide some relevant examples.

6.2 Brighton and Hove

6.2.1 As part of their community and voluntary sector support, Brighton and Hove have a **Third Sector Investment Programme** which is made up of two parts.

6.2.2 The funding is divided into a three year commissioning programme and smaller annual grants of up to £15,000. The Third Sector Investment Programme recognises and builds on the assets of the voluntary and community sector. The programme focuses investment on the changing pattern of need across the city. It challenges the voluntary sector to show the evidence of impact of their work to their beneficiaries.

Brighton and Hove Communities and Third Sector Commissioning Prospectus

This is a three year strategic programme. It facilitates investment into key organisations working in partnership to provide services and activities that deliver against council priorities.

Before each new tranche of funding, they hold a consultation event so that organisations can find out more about the council's principles, outcomes and processes.

They also publish a table of the projects funded which groups the projects according to strategic outcome. In addition to this they publish a yearly update on the progress of each project, which is externally evaluated.

Brighton and Hove Communities Fund

What is it called?	The Engagement Fund	The Resilience Fund	The Collaboration Fund
Who is it for?	Open to applicants with an income of up to £20,000 per annum	Open to applicants with an income of up to £100,000 per annum	The Collaboration Fund supports existing community and voluntary organisations and not-for-profit social enterprise to form operational and strategic partnerships to support the city's most vulnerable residents.
What is it for?	The Engagement Fund supports groups to engage and empower local people, communities or neighbourhoods in the city.	The Resilience Fund aims to support groups already working with local people and communities.	For joint projects. Applicants need to complete a simple expression of interest form, requiring a named third sector lead, supporting partners and support from council officers.
How much is it for?	Awards of up to £2,000.	Awards up to £10,000.	Awards up to £15,000.

Table 9: Brighton and Hove: Funding and Commissioning

6.3 Wigan

6.3.1 As part of the Wigan Deal, Wigan BC has created “The Deal for Communities’ Investment Fund. There are different levels of funding available (see Table 10 below) ranging from small investments of up to £2000 to ‘Big Idea investments’ of three years for innovative and developed ideas with grants over £10,000.

Levels of funding available

Tiers of investment				
	Small investments	Start up investments	Cultural education investments	Big idea investments
What is it for?	A small investment to do new things to address key priorities and outcomes.	An investment and support package to nurture a great idea that needs developing further.	New to 2018 , this is a one-off investment to support cultural education in the borough, as part of our new Cultural Strategy.	A 3 year investment for innovative, developed ideas.
How much can I apply for?	Up to £2000	Up to £10,000	Up to £20,000	Greater than £10,000
How long is the investment for?	1 year	1 year	1 year	3 years

Table 10: Wigan’s Deal for Communities Investment Fund

6.3.2 Wigan BC match funds (up to £1000) for new and creative projects which raise their own funds through crowdfunding.

6.3.3 Wigan BC strongly encourages its entire staff to volunteer in work time for 5 days per annum for organisations / projects within their borough.

7.0 Opportunities

7.1 Our research has identified a number of opportunities to improve our support to our VCS partners. The following paragraphs consider each of these in turn.

7.2 To overhaul our grant giving support to increase efficiency and impact

7.2.1 We propose to increase the efficiency and impact of our grant administration through:

- Moving core funding from an annual grant to outcome focused commissioning of up to three years (**the “Commissioning Fund”**), for organisations receiving more substantial sums. We would align this more closely with our corporate objectives and where appropriate we would require agencies working in the same service area to submit joint bids.
- Creating two new funding streams for small grants of up to £2,000 (**the “Small Grants Fund”**) and larger grants of between £2,000 and £20,000 (**the “Medium Grants Fund”**).
- Moving away from the current arrangements for Councillor Community Awards to a new model (the “Small Grants Fund”), where the administrative burden is more proportionate to the sums being awarded, and where the use of funds is more targeted, and impact can be demonstrated.
- Incorporating some social value principles into the assessment of funding applications.
- Taking into account the recommendations of The Institute for Voluntary Action Research ‘Duty to Care?’ study (see section 5.7), reducing time frames for decision making.

7.2.2 Table 11 overleaf summarises these three proposed new funds. The total budget which would be required for these funds equals the current cash commitment to supporting our VCS through our current grant giving arrangements.

Summary of proposed RBBC funding streams

	Small Grants Fund	Medium Grants Fund	Commissioning Fund
What is it for?	Smaller grants to enable community groups & voluntary organisations to deliver activities or projects which support our key priorities.	Medium sized awards aimed at supporting groups that are already working with local people and communities.	Commissioning selected key VCS partners whose services are central to our corporate priorities, especially those seeking larger financial contributions.
Budget	£45,000 pa from 2020/21 £30,000 for 2019/20	£50,000 pa from 2020/21	£285,000 pa ⁴ from 2020/21
Value of award	Up to £2,000	£2,000 - £20,000	Over £10,000
Length of award	Up to 1 year	Up to 1 year	Up to 3 years
Key criteria	All of our financial support, whether commissioned or via grant applications, will be focussed on supporting the delivery of our corporate priorities, and will prioritise services which provide value for money and have a demonstrable positive impact on our communities. We will not fund individuals.		
	Members will be encouraged to identify opportunities to support community groups / voluntary organisations whose work supports our corporate priorities. In some instances applications may be accepted which are not instigated by Member contact with VCS organisations. We will use 2019/20 as a trial period.	Applications may be for core costs, pilot projects or capital works. Applications with match funding / in kind support from other sources will be given more weight in the assessment process.	RBBC will specify services sought and invite the selected VCS partners to enter into a commissioned contract, and work together on a service level agreement.
Potential Examples	Foodbank, holiday activities for vulnerable young people	Kitchen upgrade in a community building	VARB, ESDAS, Community Debt Advice

Table 11: Summary of proposed RBBC funding streams

⁴ This figure includes £85,000 to the Banstead Commons Conservators

- 7.2.3 Longer term funding awards would be accompanied by SMART targets, reviewed regularly, and the use of a quarterly scorecard, such as we have seen used by Surrey County Council (Appendix B). Longer term agreements could possibly also include phased funding to reduce dependency.
- 7.2.4 We could begin the process of transferring from grant funding to commissioning from 2020/21 with our key partners such as ESDAS, VARB, CAB and CDA. This would allow us to begin more quickly and pilot this new approach. (Under current arrangements, core funding applications for 2020/21 would need to be submitted by September 2019.)
- 7.2.5 We could make more explicit our use of the Surrey Compact's Funding and Procurement Code to demonstrate our adherence to best practice guidelines and give confidence to VCS partners.

7.3 To offer in kind support, in certain instances in lieu of some grant funding

7.3.1 This in kind support could include:

- Providing staff time / expertise, in a broadly similar way to employee skills based volunteering
- Free / discounted use of Council meeting rooms or discounted rates for our chargeable services (subject to the financial impact of those services).
- Exploring the potential to offer office premises to selected VCS partners for example in underutilised areas of the Town Hall

7.4 To improve our dialogue with our local VCS

- 7.4.1 We firmly recognise the value of our VCS in supporting our communities, and recognise the importance of regular communication across the sector, irrespective of whether we directly fund or provide other support to an organisation. We propose to have more regular dialogue with the VCS organisations which we fund, focussed on understanding the impact of our financial investment, and facilitating and enabling our VCS partners to achieve more for our residents and to rely less on cash funding from us.
- 7.4.2 Organisations across the VCS, irrespective of whether or not we fund them, have indicated that they would like greater clarity about who to contact at the Council and opportunities to collaborate. We will identify a single point of contact for VCS organisations and will develop new and more productive ways of working better together. This will improve the effectiveness of our contact with the VCS by building relationships and developing knowledge and expertise.
- 7.4.3 Through this new type of relationship, we will be able to help the VCS to find better and different ways to articulate their successes. As the IVAR report states, we can 'take the burden away from grant-holders to explain

themselves by actively enquiring about them'. Closer mutual understanding would also allow us to identify synergies and increase cross-referrals and enable the services to be more accessible to staff across the Council.

7.4.4 Forging better links between the VCS and elected Members would also be beneficial. We could support this through offering networking opportunities and more showcasing for the VCS services on offer. Some key partners have told us they have not met their ward Councillor. They would like Councillors and staff to come and see what they do and how they do it and be better informed about the decisions they are making. In order to facilitate this we should think carefully about opportunities, perhaps marketplace type events, which would bring together ward Councillors with their local VCS.

7.5 To increase skills based volunteering

7.5.1 We propose to place greater emphasis on encouraging skills based volunteering to support our VCS partners through:

- Exploring the scope to introduce a Council employee volunteering scheme, with a focus on skills based volunteering
- Working with VARB, Skylark and our Economic Prosperity colleagues to encourage more businesses to get involved in the same way

7.5.2 There is also potential to harness the skills of many of our residents of all ages, for example through links with local churches, to encourage more of our highly skilled residents to offer some of their professional skills on a pro bono basis to our local VCS. This could particularly apply to residents who have retired or parents who have taken a career break. We also need to develop more of a 'pipe line' of volunteers by encouraging younger people to get involved. Younger trustees would be particularly welcomed.

7.5.3 We could encourage the VCS to offer short discrete pieces of work or opportunities for those who are new to volunteering. Many people are afraid to volunteer as they think it will be a long term commitment. We could exploit our social media platforms to highlight this type of opportunity for voluntary work in the borough.

7.6 To work with Voluntary Action Reigate & Banstead (VARB) to raise public awareness of the activity in our VCS and to recognise the value of volunteering to our residents

7.6.1 By identifying opportunities for our VCS to speak for themselves, especially those we directly fund / support, we can celebrate the good work that is done and assist in attracting additional volunteers to these organisations. We could look to do more to articulate the voices and experiences of those who give and receive the support in our VCF sector. VARB and our Community Development Workers are ideal starting places for this.

7.6.2 By working with VARB and the Mayor's Office, we could explore ways of potentially enhancing the Mayor's Volunteer Awards to broaden the recognition of the important role of volunteering in our communities.

7.6.3 We should explore the use of the internet and social media to highlight the work of our VCS partners. For example:

- We could demonstrate the value of the work with case studies or 'stories' which are designed to raise awareness of volunteering opportunities.
- We could publicise the local nominations for The Queen's Award for Voluntary Service, which is the highest award given to Volunteer groups across the UK.
- We could look at highlighting the work of our partners, perhaps having a 'Charity of the Month', raising the profile of its work and opportunities to get involved on our staff intranet, on e-members and social media.

7.7 To develop the skills and performance of all our VCS partners

7.7.1 Our research shows that there are noticeable differences in the skill and knowledge levels amongst our VCS partners, in terms of paid staff, volunteers and trustees. Reducing reliance on Council funding will only work if we can help to facilitate improvements where appropriate to the VCS's skills and knowledge. There are several ways this can happen:

- **Facilitating regular networking opportunities for information sharing and regular digital information updates to all parties.** Many have expressed a lack of knowledge about other support and services offered in the community. The Community Development Team's partner network meetings have been extremely well received, as was a recent network meeting organised by VARB.
- **Working with VARB and Skylark on initial diagnostic assessments of some of the VCS partners which we currently fund.** This would be a natural progression from the improved regular dialogue referred to in paragraph 7.4.
- **Identifying opportunities for VCS organisations to work in partnership with agencies across the public and VCS sectors, and make joint funding bids.** More access to fundraising training could enable all VCS partners to become much more sustainable but also to learn to collaborate better.
- **Providing joint training opportunities.** Surrey County Council, through VARB, offers up (for free) any spare spaces on staff training courses to the VCS when they are available. SCC has told us that these opportunities are always taken up. We could explore the potential for us to do the same. In

addition, we are having conversations with VARB about the potential to deliver fundraising training which both Council and VCS staff could attend.

- **Working with VARB to help existing and potential Trustees to be more effective and recognise their key role.** We should also be looking at ways of recruiting new trustees through skills based volunteering.
- **Encouraging peer support amongst the VCS.** The strengths in skills and knowledge inevitably varies between VCS organisations. As well as encouraging more skills based volunteering and in kind support from the public and private sectors, there are opportunities for certain VCS organisations to offer peer support, thereby making our local VCS more robust and resilient.
- **Working with our partners to deliver improved skills and performance.** Organisations like Voluntary Action Reigate & Banstead (VARB) and Skylark could have a role in this. (See paragraphs 4.3 and 4.4.) As far as possible we would look to VARB to take a lead on much of this work.

8.0 Recommendations

- 8.1 The tables overleaf summarise the recommendations and the anticipated impact of these changes if they are implemented. To maximise the positive impact of these recommendations, they need to be implemented together – the sum is greater than its component parts.

Recommendation 1: To overhaul our grant giving and financial support to increase efficiency and impact

	Recommendations	Explanation	Anticipated impact
a.	To move from annual grant applications to longer term commissioning with service level agreements for those VCS partners who are most aligned to our corporate priorities, with a greater focus on demonstrating impact.	These service level agreements should be led by the most relevant service, in particular, our commissioning of the Banstead Commons Conservators should move to Neighbourhood Services, who are the best placed to oversee the BCC's work.	More certainty and stability for our key VCS partners – those partners whose services are fundamental to us being able to deliver our corporate priorities.
b.	For approximately £285k per annum of our current core funding budget to be allocated to a new Commissioning Fund . Where applicable, to coordinate this commissioning with both internal and external partners such as SCC and the CCGs (as is already the case with our financial support for VARB).	Where there is more than one VCS organisation in a particular sector who currently receives funding from us, we could move to a lead agency model so that we have one service level agreement to cover our support for those organisations. These awards should be focussed on core support rather than project support.	Greater collaboration between VCS partners who are working with similar client groups. Clear expectations of our VCS partners and focus on impact.
c.	The Councillor Community Awards budget (£26k) plus some of the remaining core funding budget (£19k) be combined to form a Small Grants Fund (£45k per annum from 2020/21, £30k for 2019/20) to create smaller grants to enable community groups & voluntary organisations to deliver activities or projects which address our key priorities. Awards would be up to a maximum of £2000. To provide 2 or 3 windows for applications during the financial year, in order to better manage the grant administration and availability of funds throughout the year.	Members will be encouraged to identify opportunities to support community groups / voluntary organisations whose work supports our corporate priorities, without a per ward budget restriction. In some instances applications may be accepted which are not instigated by Member contact with VCS organisations. We will use 2019/20 as a trial period.	To make the grant administration proportionate to the amount of funding being sought in an individual application. To provide greater oversight of what is being applied for, and therefore more robust decision making and impact. To increase equality of opportunity for VCS organisations to secure smaller grants.

	Recommendations	Explanation	Anticipated impact
d.	<p>The existing Capital Fund (£20k) plus the remainder of the Core Funding budget (£30k) be combined to create a Medium Grants Fund. Awards would be for between £2,000 and £20,000.</p> <p>To review the application process and create a new way of measuring the outcomes.</p>	<p>This would be aimed at supporting organisations that are already working with local people and communities, and may include some organisations currently in receipt of core funding. This could be capital contributions towards refurbishments of village halls, or investment to support the development or sustainability of a service.</p> <p>Applications would be invited in 2019/20 for expenditure in 2020/21.</p>	Increasing the VCS's ability to secure external funding, as many external funders require match funding.
e.	To continue to give the opportunity to apply for Rental Grant Subsidy (RGS)	RGS is an effective way to support VCS partners using our premises/land.	N/A
f.	To review the criteria for discretionary National Non-domestic Rate (NNDR) relief.	In the light of proposed changes, some organisations may fall inside or outside of scope for discretionary NNDR relief so the criteria may need to be updated to reflect our desired outcomes.	Ensure that our corporate priorities inform the targeting of support.
g.	Improve our web information about our grant offer.	To take into account new arrangements and ensure all those who are seeking information can access it.	Clearer information.
h.	To review direct funding from individual service area budgets to complement core funding and determine whether or not it could be incorporated in a different way.	Direct funding occurs when there is a close working relationship between a Council team and a partner who can help us to deliver our specific objectives. These payments are made to single agencies, with an expectation that they work with us to achieve certain outcomes.	That the money allocated is spent fairly in relation to how those services are then accessed.

8.3 Recommendation 2: To offer in kind support, in certain instances in lieu of some grant funding

	Recommendations	Explanation	Anticipated impact
a.	To develop a policy for offering free / discounted use of Council meeting rooms	This would increase the support we can give to some VCS partners at no / limited cost to us, and without this support being reliant on how well a VCS partner knows RBBC.	More VCS partners supported.
b.	To work with Human Resources to develop an employee volunteering policy.	This would encourage greater staff volunteering to support VCS partners in our borough	Greater staff understanding of the communities they are employed to serve. Greater staff satisfaction.
c.	To work with key service areas (primarily in the Finance and Organisation Directorate) to respond to specific in kind support requests from VCS partners	We already have examples of where we have done this for one off situations which has provided real benefits for VCS partners with limited RBBC staff time.	Increase the skills and knowledge of our VCS partners.
d.	To explore the potential to offer office premises to selected VCS partners for example in underutilised areas of the Town Hall	This would increase the financial stability of selected VCS partners and increase their opportunities to secure external grant funding. Any such offer of premises would need to be made in the context of charging market rent with the potential to secure rental grant subsidy.	It would increase collaborative opportunities with RBBC staff, to increase the positive impact on our residents. Improved space and facilities for some of our VCS partners.
e.	To explore offering discounted rates for our chargeable services	For example, commercial waste collection	This could be a significant saving for our VCS partners.

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Recommendation 3: To improve dialogue with our VCS partners

	Recommendations	Explanation	Anticipated impact
a.	That we commit to improving communication between the Council and the VCS organisations we fund.	A Partnerships Officer could be responsible for developing new and more productive ways of working better together. They could monitor the desired partnership improvements and manage quarterly review meetings. This would also allow for referral routes to the services provided to be better shared and accessed by all Council staff.	Better, regular communication with a single point of contact could improve the effectiveness of our relationship with the VCS sector. This would build relationships on a personal level and develop maximum knowledge and expertise for the role.

8.5 Recommendation 4: To increase skills based volunteering

	Recommendations	Explanation	Anticipated impact
a.	To place greater emphasis on encouraging skills based volunteering to support our VCS by raising the profile of volunteering. This could be for a specified period only.	This would encourage more of our highly skilled residents, young and old, to offer some of their professional skills as volunteers and trustees.	A significant increase in the amount of volunteer hours given to our partners, boosting their capacity to meet the needs of our residents.
b.	For Community Partnerships and Economic Prosperity to continue working with VARB and Skylark to increase VCS needs diagnostics and skills based volunteering of our business community. This could involve shared training and new and increased forms of publicity.	Our Economic Prosperity Team has been working for some time with VARB and Crispin Blunt's office to encourage our business community to support our VCS partners.	More awareness could increase the number of businesses offering skills based volunteering through short and long term volunteering/trusteeships and more in kind support.

8.6 Recommendation 5: To raise public awareness of the activity in our VCS and recognise the value of volunteering to our residents

	Recommendations	Explanation	Anticipated impact
a.	Raise public awareness of the activity in our VCS sector through increased publicity and exploring the use of social media to highlight the work that our VCS partners do.	We could look to do more to articulate the voices and experiences of those who give and receive support in our VCS to share on digital platforms such as our webpages and all social media.	That our employees, Members, residents and local businesses are more aware of the work that is being done and how they could contribute their support.
b.	To improve ward Councillors awareness of their local VCS organisations and vice versa.	Partners have expressed a wish to meet and have more dialogue with elected Councillors so that they can become more familiar with what they do for our residents. This could help to publicise the work being done to draw in funding and much needed new volunteers.	Councillors will be better informed about services in their areas.

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Recommendation 6: To develop the skills and performance of all our VCS partners

	Recommendations	Explanation	Anticipated impact
a.	To facilitate improvements where appropriate to the VCS's skills and knowledge.	<p>Regular networking opportunities will enable joint working and create opportunities for some of our VCS partners to share their expertise with their peers.</p> <p>The same networking could facilitate access to joint training opportunities. A focus on fundraising training would improve resilience and promote better working together.</p> <p>Trustees may also need some support to contribute effectively to an organisations' development.</p>	Our VCS partners will have the skills to fundraise, collaborate where appropriate, improve impact recording and recruit enough volunteers. This will improve their resilience and performance.

9.0 Next Steps

9.1 The following sets out the next steps, all of which are subject to securing the political support for the recommendations:

What	When
a) Set up regular dialogue with VCS partners	From April 2019
b) Launch new funding arrangements including current core funded organisations of the new approach	Post-election
c) Scope service requirements for proposed initial tranche of commissioned VCS services	By July 2019
d) Improve public awareness of our VCS through greater RBBC communications and collaboration with the VCS organisations themselves, especially Voluntary Action Reigate & Banstead	From Spring 2019
e) Work with Voluntary Action Reigate & Banstead and Skylark to strengthen opportunities to develop the skills and performance of our VCS partners	From Spring 2019
f) Determine the realistic timescales for developing Council policies around employee volunteering, use of subsidised Council space, providing discounted rates for chargeable services such as waste collection	Summer 2019
g) Complete initial tranche of commissioning of VCS services (to relate to 2020/21 onwards)	December 2019
h) Review effectiveness of new small grants fund to inform 2020/21 arrangements.	March 2020

Appendices

Appendix A

Core funded partners 2019-20

Name of organisation	Amount of core funding
Voluntary Action Reigate & Banstead	£20,000
Citizens Advice Reigate & Banstead	£118,336
ESDAS ⁵	£20,314
Community Debt Advice ⁶	£10,000
Reigate and Redhill Live at Home Scheme	£15,000
Age Concern Banstead	£15,000
Age Concern Merstham Redhill Reigate ⁷	£15,000
Banstead Commons Conservators	£85,500
Reigate & Banstead District Sports Council	£5,500
Borough of Reigate & Banstead Arts Council	£4,000
Home-Start East Surrey	£3,000
Loveworks ⁸	£3,000
Stripey Stork	£2,500
Lucy Rayner Foundation	£2,500
Reigate & Banstead Women's Aid ⁹	£5,000
East Surrey Community Mediation	£1,500
Furnistore	£1,500
Susy Radio	£250

⁵ In 2018/19 and 2019/20, ESDAS has received / are receiving £1000 for its Sanctuary Scheme from the Housing budget

⁶ In 2018/19 and 2019/2020, Community Debt Advice has received / are receiving £10,000 from the Housing budget

⁷ In 2018/19, Age Concern MRR also received £10,000 in capital grants

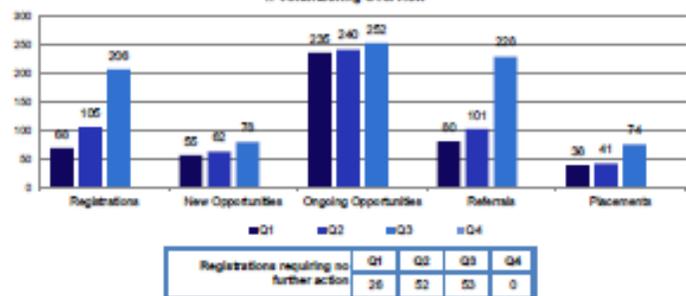
⁸ In 2018/19, Loveworks received £1,000 from Councillor awards

⁹ In 2018/19, R&B Women's Aid received £250 in Councillor awards

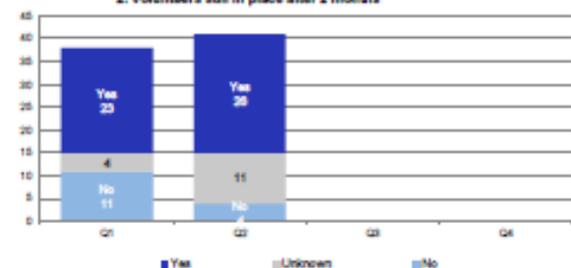
Quarter 3 Voluntary Action Reigate & Banstead (VARB) Scorecard

January 2019

1. Volunteering Overview



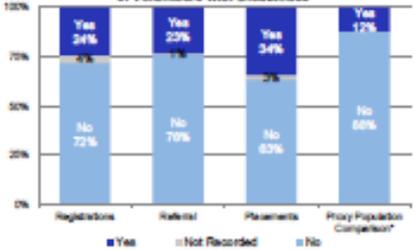
2. Volunteers still in place after 2 months



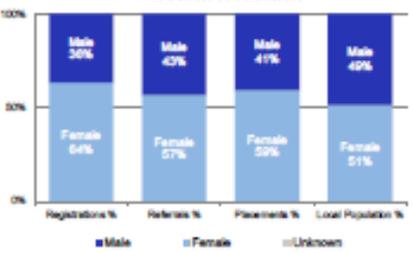
Top Three Achievements this quarter.
 1. VARB held a Volunteer Fair for young people at Reigate College in October. Over 140 young people attended and met with 22 different organisations - all with opportunities suitable for 16 to 18 year olds. (VARB has also promoted volunteer opportunities at the Big Bang event for young people and the Surrey Ethnic Minority Job fair.)
 2. Working in partnership with other local charities and PFIac, VARB ran a publicity campaign #letsGivChristmas, to generate public donations for local Christmas appeals. VARB received over £1000 of donations in cash and in kind to support our Festive Feast - a free community Christmas day meal for people facing Christmas alone. Over 140 local people took part in the Festive Feast this year.
 3. Corporate volunteering is continuing to expand in Reigate & Banstead. In the last quarter VARB helped to match 228 volunteers from 17 different teams on a range of placements. These included fundraising, environmental tasks, marketing and volunteering with people with support needs. There is growing interest in skills based volunteering and VARB is helping to promote more opportunities in this area.

Registrations requiring no further action	Q1	Q2	Q3	Q4
	26	52	53	0

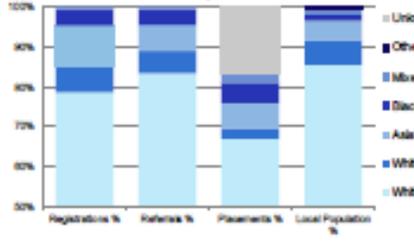
3. Volunteers with Disabilities



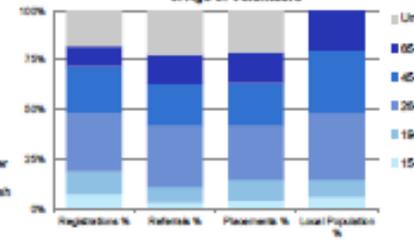
4. Gender of Volunteers



5. Ethnicity of Volunteers



6. Age of Volunteers



Corporate Volunteering	Q1	Q2	Q3	Q4
Number of events	7	11	17	
Number of volunteers	80	133	228	
Volunteering England 2013/14 Accreditation				✓
POASGO Level	None	1	2	3

One Off Volunteering	Q1	Q2	Q3	Q4
Number of events	1	2	4	
Number of volunteers	1	2	82	
Volunteering hours				

Frontline Survey Responses	Have used service in the last 12 months	Voluntarily referred with service
28 out of 571 organisations stated they had used VARB in the last 12 months		
Providing information, guidance & support on volunteer recruitment		
Support for your organisation in the last 12 months by providing funding advice, information or searches?		
Support with governance advice		
Support with back office functions eg DBS checks		
Support through local businesses		
Support through training / conference / networking etc		



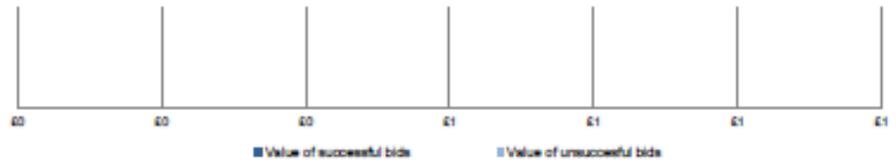
Frontline Survey
 Voluntary Organisations who have a Business Plan in Place



Frontline Survey
 Voluntary Organisations who have a Governance Framework in Place



Voluntary Organisations who have a Complaints Procedure in Place



*Proxy population comparator is based on individuals aged 16+ living in a household who answered that their daily activities were limited a lot or a little by a long term health problem or disability. This includes problems related to old age. Source: 2011 Census

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Executive
 20 June 2019

Appendix C

To view the Surrey Compact, please visit: <https://www.surreyca.org.uk/surrey-compact/>

Appendix D

To view the IVAR report – Duty to Care? Report, please visit: <https://www.ivar.org.uk/our-research/duty-to-care/>

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Supporting our VCS Executive Report June 2019

Appendix 2: Small Grants Fund Guidance

1. The purpose of the Small Grants Fund

- 1.1 The Small Grants Fund will distribute £30,000 of funds in 2019/20 and £45,000 of funds annually from 2020/21 onwards to support our local voluntary, community and faith sector partners to deliver activities or projects which benefit our residents in order to:
- Respond to local community needs
 - Encourage engagement between the voluntary, community and faith sectors and the Council to support our residents
 - Promote the role of Councillors as community leaders.
- 1.2 The Small Grants Fund will award grants of up to £2,000.

2. Who we will support

- 2.1 Registered charities working for the benefit of the people in Reigate and Banstead.
- 2.2 Voluntary and community groups who are charitable in purpose and are working for the benefit of the people in Reigate and Banstead.
- 2.3 Not for profit organisations such as a Community Interest Company with a clear social purpose and who are working for the benefit of people in Reigate and Banstead
- 2.4 Local faith groups, where the project clearly benefits the wider community.

3. Projects we will fund

- 3.1 Awards will be considered for provision of activities, projects and one-off initiatives.
- 3.2 Funding must be spent on projects that support one or more of the Council's corporate priorities. (See our current Corporate Plan 2015-2020 and emerging Corporate Plan 2020-25, www.reigate-banstead.gov.uk/corporateplan.)
- 3.3 Only projects with no maintenance implications for the Council (over and above any maintenance costs included in the grant application sum) will be considered.
- 3.4 Applications for £1,000 - £2,000 are more likely to be successful if they can demonstrate some or all of the following:
- Added value through the involvement of the community in their delivery, building the skills of volunteers.
 - Accessibility and diversity.
 - Sustainability of the project / activity beyond the life of the grant.
 - Evidence of working in partnership with other charitable organisations.
 - Planned impact measurement.
 - Use of original and creative approaches to respond to changing local needs.
 - Long term solutions for the people they are helping.

- Evidence of match funding or how the remainder of funding will be realised.
- 3.3 We will **not** fund activities that are statutory responsibilities.
- 3.4 We will **not** normally fund the same applicant organisation more than once in a financial year.

4. The process

- 4.1 Before applying, the applicant should ensure that their application meets the criteria.
- 4.2 The organisation must contact Councillors to endorse their bid:
- Applications for up to £500 will require the endorsement of one Councillor
 - Applications for up to £1000 will require the endorsement of two Councillors
 - Applications for over £1000 will require the endorsement of three Councillors.
- 4.3 The Councillor needs to be satisfied that the application meets one or more Corporate Plan priorities & will benefit local residents before agreeing to endorse the bid.
- 4.4 The applicant must then complete the application form, including the name(s) of the Councillors who are endorsing the bid, and submit their application to the Partnerships Team.
- 4.5 Bids must be submitted before the deadlines. In 2019/20, the funding deadlines will be 30 September 2019 and 31 December 2019. From 2020/21 onwards, there will be three deadlines, 30 June, 30 September and 31 December.
- 4.6 The Partnerships Team will then evaluate against the criteria and seek confirmation from the Councillors endorsing the bid, before recommending for approval or rejection.
- 4.7 The Council's Head of Community Partnerships will consult with the Executive Member for Community Partnerships to make a final decision.
- 4.8 The Partnerships Team will then notify the applicant and endorsing Councillor(s) of the outcome of their application and provide feedback.
- 4.9 Should the bid meet the criteria but there be insufficient funds available, the Partnerships Team will notify the applicant and endorsing Councillor(s) that the application will be held over to the next deadline to be reconsidered if applicable.

5. What we will ask for

- 5.1 Applicants must have a bank or building society account with two unrelated people authorised to sign cheques or make withdrawals.
- 5.2 Copies of the following will also be requested, if relevant:
- the organisation's most recent annual accounts (unless a newly formed organisation)
 - the last three months bank statements

- the governing documents
- safeguarding and equality & diversity policies
- evidence of what the spend is to go towards (eg. quotations).

6. Conditions of the Award

- 6.1 All monies must be spent by 31st March in the financial year in which it is awarded and must be accounted for. You may be asked for evidence that the money has been spent in the correct way and in the agreed timeframe.
- 6.2 Confirmation of outcomes will be sought at the end of the year to ensure that the aims of the projects are suitably achieved.
- 6.3 Failure to provide evidence of the delivery/outcomes of the project as required may prevent the organisation from re-applying for small grants in future.

7. Publicity

- 7.1 Successful applicants will be required to acknowledge the Council's funding. This could be through a variety of ways, for example including the Council's logo on relevant publicity materials, recognition on social media, a plaque (for capital works). Successful applicants will be notified of requirements as part of the process of grant offer.
- 7.2 Details of grants made will periodically be published on the Council website.

Appendix 1: How we will assess the applications for Small Grants

Evaluation considerations	Status	Score
<p>Councillor endorsement</p> <p>The project or activity has Councillor endorsement.</p>	Essential	/20
<p>Corporate Priority</p> <p>The application is aligned with one or more of our corporate priorities.</p>	Essential	/20
<p>Does the project promote Equality and Diversity?</p> <p>The project or activity is accessible. The project or activity meets corporate priorities for the wider community.</p> <p>Will you work in partnership? Publicity, improved accessibility.</p>	Essential	/20
<p>Impact on the community</p> <p>The impact of the project or activity will be evidenced.</p> <p>The project or activity will generate other additional benefits e.g. volunteering, environmental improvements.</p> <p>The organisation has provided evidence of impact for all previous bids. How will you recognise the Council's contribution to your project?</p>	Essential	/20
<p>Project viability / match funding</p> <p>Permissions are in place</p> <p>Match funding is available.</p> <p>Additional fundraising has or will be undertaken.</p> <p>The organisation has provided evidence of delivery for all previous bids.</p>	Preferred	/10
<p>Sustainability</p> <p>The project or activity will have benefits beyond the lifetime of the grant.</p>	Preferred	/10
<p><i>As part of the evaluation, a discretionary up to +/- 10 points may be awarded to inform the total score.</i></p>		
Total Score		/100

Supporting our VCS Executive Report June 2019

Appendix 3: Medium Grants Fund Guidance

1. The purpose of the grants

1.1 The Medium Grants Fund will distribute £50,000 of funds annually to support our local voluntary, community and faith sector partners to deliver projects which benefit our residents in order to:

- Support larger projects or activities which meet our corporate priorities.
- Allow revenue activities or capital works to be carried out, which meet local community needs

1.2 The Medium Grants Fund will award grants of between £2,000 and £20,000.

2. Who we will support

2.1 Registered charities working for the benefit of the people in Reigate and Banstead.

2.2 Voluntary and community groups who are charitable in purpose and are working for the benefit of the people in Reigate and Banstead.

2.3 For any capital applications, the project or activity must be located within the borough of Reigate and Banstead.

2.3 Not for profit organisations such as Community Interest Companies (CICs) with a clear social purpose and are working for the benefit of people in Reigate and Banstead.

2.4 Local faith groups, where the project clearly benefits the wider community.

3. Projects we will fund

3.1 Awards will be considered for new projects, existing projects and one-off initiatives.

3.2 Funding must be spent on projects that support one or more of the Council's corporate priorities. (See our current Corporate Plan 2015-2020 and emerging Corporate Plan 2020-25 www.reigate-banstead.gov.uk/corporateplan.) Awards will be considered for provision of activities, projects and one-off initiatives.

3.3 Only projects with no maintenance implications for the Council will be considered.

3.4 Projects are more likely to be successful if they can demonstrate all or some of the following:

- Added value through the involvement of the community in their delivery, building the skills of volunteers.
- Accessibility and diversity.
- Sustainability beyond the life of the grant.

- Evidence of working in partnership with other charitable organisations.
- Planned impact measurement.
- Use of original and creative approaches to respond to changing local needs.
- Long term solutions for the people they are helping.
- Evidence of match funding or how the remainder of funding will be realised.

3.5 We will **not** fund activities that are statutory responsibilities.

3.6 We will not normally fund the same applicant organisation more than once in a financial year.

4. The process

4.1 The applicant must complete the application form electronically and email it to the Partnerships Team (communitypartnerships@reigate-banstead.gov.uk).

4.2 Applications should be received by 31 October to be considered for funding in the following financial year (April – March). Applications received after 31 October will not be considered.

4.3 The Partnerships Team will then evaluate against the criteria and either recommend the application for approval or rejection. Strong applications may be unsuccessful if the Fund is oversubscribed.

4.4 The Council's Head of Community Partnerships will consult with the Executive Member for Community Partnerships to make a final decision.

4.5 Applicants will then be notified by the Partnerships Team, whether successful or unsuccessful, and feedback given.

4.6 Details of allocations will periodically be published on the Council website.

5. What we will ask for

5.1 Applicants must have a bank or building society account with two unrelated people authorised to sign cheques or make withdrawals.

5.2 Copies of the following will also be requested, if relevant:

- The organisation's most recent annual accounts (unless a newly formed organisation)
- copies of the previous three months bank statements in the organisation's name
- A copy of the governing documents
- Copies of Protection and Safeguarding
- Copies of Equality & Diversity policies

5.3 For capital applications, the application must include:

- Full written quotations.

- Confirmation that planning permission has been secured (if applicable), or that the process of a planning application has begun.
- Information on how the quality of the works will be ensured (e.g. through the appointment of suitably qualified architects).

5.4 Capital applicants should note that payment of the grant will be on completion of the works, conditional on the results of site visit(s) carried out by the Council's own qualified staff.

6. Conditions of the award

6.1 Bids must be submitted by 31st October to allow time for assessment. Monies will be awarded from 1st April and must be spent before 31st March.

6.2 You will be asked for evidence that the money has been spent in the correct way and in the agreed timeframe.

7. Recognition of Council funding

7.1 Successful applicants will be required to acknowledge the Council's funding. This could be through a variety of ways, for example including the Council's logo on relevant publicity materials, recognition on social media, a plaque (for capital works). Successful applicants will be notified of requirements as part of the process of grant offer. -

7.2 Details of grants made will periodically be published on the Council website.

Appendix 1: How we will assess the application for Medium Grants

Evaluation considerations	Status	Score
<p>Corporate priorities</p> <p>The Project is aligned with one or more of our corporate priorities</p>	Essential	/20
<p>Does the project promote Equality and Diversity?</p> <p>The project is accessible. The project meets corporate priorities for the wider community.</p>	Essential	/10
<p>Impact and quality assurance</p> <p>For capital projects, how will you ensure the quality of the project?</p> <p>The project or activity will generate other additional benefits e.g. volunteering, environmental improvements.</p> <p>The organisation has provided evidence of impact for all previous bids.</p>	Essential	/10 /10 /10
<p>Partnership working</p> <p>How are you planning to work with partners?</p>	Preferred	/10
<p>Project viability/match funding</p> <p>Is match funding available?</p> <p>Is there additional fundraising already undertaken or planned?</p> <p>The organisation has provided evidence of delivery for all previous bids.</p>	Preferred	/10
<p>Sustainability</p> <p>The project or activity will have benefits beyond the lifetime of the grant.</p>	Preferred	/10
<p><i>As part of the evaluation, a discretionary up to +/- 10 points may be awarded to inform the total score.</i></p>		
Total score		/100

Appendix 4: Equality Impact Assessment Form

Part 1: Screening

Name of Strategy/Policy/Project/Function:	Voluntary and Community Sector Review
Completing Officer's Name:	Cerys Williams
Completing Officer's Telephone Number:	
Date Completed:	8/5/2019

Please send a copy of the completed form to the Equalities Group at equalities@reigate-banstead.gov.uk.

Section One: Identify Your Aims and Objectives

The purpose of an Equality Impact Assessment is to improve the work of the Council by making sure that we promote equality and do not discriminate. This method is used to ensure that individuals and teams consider the likely impact of their work on residents and take action to improve strategies, procedures, projects and functions where necessary.

What is the main purpose of this strategy?

To improve our support for and funding of the local voluntary and community sector (VCS)

List the main activities & objectives or main policy areas of this strategy

- To strengthen our key partners whom we recognise as delivering necessary services particularly for our more vulnerable residents by moving towards longer term commissioning. A closer relationship with these key partners will ensure that services meet our corporate priorities to meet the needs of the wider community and that outcomes can be better monitored and influence future strategy.
- More effective partnership working will increase the knowledge of our Community Partnerships service of local inequalities of opportunity and how to address these gaps through working better together.
- To replace previous funding arrangements with more opportunity for small grants which can be better measured against our corporate priorities.
- To increase the emphasis on in-kind support, which will help to promote diverse volunteering opportunities.
- To increase community engagement by creating more equal opportunity to access grant funding.
- To strengthen the relationship between the voluntary and community sector and local councillors.
- To better support the users of our community buildings, prioritising support for those who have inclusive policies.

Who are the main beneficiaries of this strategy?

Direct beneficiaries: Voluntary and community sector organisations supporting our residents
Indirect beneficiaries: Our residents who are supported by the voluntary and community sector organisations which we support.

In what way are the main beneficiaries affected by this strategy?

The VCS will be better supported by RBBC and will be more resilient, and thereby be more able to deliver good quality services to the residents which they support.

Section Two: Consider Data and Research

Exploring available data and conducting research will help to give an indication as to what impact the strategy will have on equality and diversity.

Where data is limited or unavailable, managers should identify this as a limitation and identify ways to overcome this. This may include contacting specialist or other external organisations, or by conducting further research of existing regional and national data.

What data is available to help direct the EIA?

We ask for evidence of:

- how an organisation supports the needs of the wider community through innovative projects
- output figures
- impact measurement
- engagement with the voluntary sector e.g. via workshop
- discussion with various internal service managers regarding the needs of residents and services available
- research on best practice

Are there any gaps in data that may require further research or consultation?

We have robust data sets on our more vulnerable residents (who are key indirect beneficiaries of implementing this review), and a good understanding of our local VCS.

Section Three: Assess The Impact on Equality Target Groups

Assess where you think the strategy could have a negative impact on any of the equality target groups i.e. where it could disadvantage them. Also consider where the strategy could have a positive impact or could contribute to promoting equality, equal opportunities or improving relations with equality target groups.

Consider the following:

- *Publicity, including design, distribution and accessible communications issues*
- *Physical access*
- *Location, geography*
- *Poverty, deprivation and social exclusion issues*
- *Employment*
- *Safety*
- *Direct discrimination: does the strategy intentionally exclude a particular equality group? If so, is this exclusion justified? Are the strategy and its outcomes likely to be equally accessed by all (are there barriers that might inhibit access to the service for some people)?*

Lack of data may make completing this section difficult, but is not be a reason to halt the process. Please continue to complete this form.

Completing the table below will predict the likely impact on the target groups. You are not required to complete each box, only those that are relevant. Relevant boxes are those where there is a disproportionate or greater impact either way.

		Positive Impact	Neutral	Negative Impact	Reason
Age	Older people	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	New and improved ways of working with providers of services for older people
	Younger people & children	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	Potential support for sports clubs and other local organisations focusing on this age group
Disability <i>Long-term health impairment includes mental health problems, asthma, heart conditions, chronic fatigue etc</i>	Physical	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	Implementation of the review will either have a neutral or a positive impact on this group, depending on whether organisations supporting this group seek financial or in kind support following implementing the review.
	Sensory	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	
	Learning	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	
	Long-term Health Impairment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	
Gender	Women	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	DA services (for example) are available to all sections of the community though typically accessed by women in the main;
	Men	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	Increased support for VCFS generally will enable more overall service provision &/or increased focus on targeting 'hard to reach' groups
Gender reassignment	Trans-men and -women	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	As above
Marriage and civil partnership	People who are married or in a civil partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	As above
Pregnancy and	Mothers or women who	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	As above

maternity	are pregnant				
Race <i>These categories are those used in the 2001 census</i>	Asian	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	as above
	Black	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	as above
	Mixed race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	as above
	White	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	as above
	Chinese	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	as above
	Other racial or ethnic groups (specify)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	as above
Religion or belief <i>Consider faith groups individually and collectively</i>	Faith groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	The review will encourage engagement of the faith community in supporting wider community engagement and volunteering.
Sexual orientation	Heterosexuals, lesbians, gay men and bisexuals	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Low <input type="checkbox"/> <input type="checkbox"/> High	

If you have indicated that there is a potential negative impact on any target group, are these Intentional and/or of a High Impact?

Intended? i.e. can be justified in terms of legislation e.g. concessionary fares older people Yes No

High Impact? i.e. it is or may be discriminatory against one or more groups Yes No

Is the negative impact **NOT INTENDED** and/or of **HIGH IMPACT**?

- If **YES**, a full assessment is required. Please complete the **Equality Impact Assessment Form Part 2: Full Assessment**.
- If **NO**, complete the rest of this form. Do not ignore low impacts- these could help you to develop services in the future.

Section Four: Improvement Planning

It is important to consider any influence that the strategy is having, or could potentially have, on the individual strands of equality. The strategy should be examined for its effectiveness in:

- Promoting equality
- Eliminating discrimination
- Achieving equality

Could negative impacts be removed or minimised? Could positive impacts be improved and if so, how?

Analysis must be undertaken with the strategic objectives of the Council in mind and the questions should reflect legal requirements, the emerging Local Development Framework and population needs.

Use the table below to record how you could minimise or remove any low negative impact or improve the positive impact of the strategy.

Issue	Action

If there is no evidence that the strategy promotes equality, equal opportunities or improved relations, could it be adapted so that it does? If so, how?

Section Five: Monitoring and Reviewing

What data do you have that monitors the impact of the strategy on protected groups?

We do have data on the activities and support that are provided. We are looking to develop new diagnostics to enhance our impact monitoring.

How is this data used?

This data is used to ensure that the services we are funding are meeting our corporate priorities and that we are getting good value for the money spent. .

If there is no data, explain how you intend to continue monitoring the impact of this strategy:

We are developing new ways of working with the voluntary and community sectors, involving building productive relationships with key commissioned partners and regular meetings with the whole of the local network. Attendees will be encouraged to use good practice and new strategies to build data and work better together with each other and with Council representatives.

We will routinely assess applicants for grant funding against equality & diversity criteria.

Please send a copy of the completed form to the Equalities Group at equalities@reigate-banstead.gov.uk.

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Agenda Item 5



SIGNED OFF BY	DOULA PONT, HEAD OF PROJECTS AND PERFORMANCE
AUTHOR	LUKE HARVEY
TELEPHONE	01737 276519
EMAIL	LUKE.HARVEY@REIGATE-BANSTEAD.GOV.UK
TO	EXECUTIVE
DATE	20 JUNE 2019
EXECUTIVE MEMBER	COUNCILLOR V. LEWANSKI

KEY DECISION REQUIRED	NO
WARDS AFFECTED	ALL

SUBJECT	QUARTERLY PERFORMANCE REPORT (Q4 2018-19)
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RECOMMENDATIONS
(i) To note the Council's performance for the fourth quarter of financial year 2018-19.
REASONS FOR RECOMMENDATIONS
To consider Council performance for the fourth quarter of financial year 2018-19
EXECUTIVE SUMMARY
<p>The attached report (Annex 1) provides the headline issues in relation to the Council's performance for quarter four 2018-19.</p> <p>The report was considered by the Overview and Scrutiny Committee on 6 June 2019.</p> <p>The committee made several observations on the report, the detail of which is captured in the minutes of the meeting.</p> <p>The committee made one formal recommendation to be reported to the Executive which concerned key performance indicators. The committee requested that it have the opportunity to review the key performance indicators for 2020/21 before they are adopted.</p>
Executive has authority to approve the above recommendations

Agenda Item 5

Subject:	Quarterly Performance Report (Q4 – January to March 2019)
Officer:	Doula Pont
To:	Overview and Scrutiny Committee, 6 June 2019
Purpose:	To consider the key service performance for the fourth quarter of the year 2018-19.

Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 4.

The detailed information showing all performance is available for Members to review at the eMembers room.

The headline performance information is set out in the following sections:

Key Performance Indicators – Q4 2018-19	Section 1
Risk Management	Section 2
Internal audit	Section 3

Recommendation

The Committee is requested to review the performance report and consider any advance questions received in relation to strategic issues and make any observations to the Executive.

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KEY PERFORMANCE INDICATORS

Headline Information

Of the 15 Key Performance Indicators reported on this quarter, 9 are on target or within the agreed tolerance.

KPIs 4-8 are contextual homelessness indicators introduced to reflect the changes required by the Homelessness Reduction Act (2017). As the impact of the new legislation is uncertain, no target has been set for these indicators this year. Performance this year will therefore inform targets for 2019/20.

Major variances (those off target)

KPI 3 – number of affordable home completions	
Target	Actual
100	68

Achieving this target is largely outside the Council's control and is instead dependent on the performance of private developers. At the end of Q4, 55 affordable dwellings were under construction, with the construction of a further 5 affordable dwellings having commenced during Q4.

eMembers room information

A copy of the full schedule can be found in the eMembers room.

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RISK MANAGEMENT

Overview

This report covers two aspects of risk management:

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 Five Year Plan and the Medium Term Financial Strategy. The Management Team has shared responsibility for the Strategic Risks.

Operational risks

Operational risks are those short term risks that are encountered in the course of the day to day delivery of services and functions. Individual operational managers will have responsibility for their own operational risks. The Management Team will be responsible for monitoring the operational risk registers.

New strategic risks

There were **no new strategic risks** identified in Q4 2018/19.

On 14 March 2019 (agenda item 10) the Executive agreed the new strategic risks for 2019/20. All strategic risks from 2018/19 will either be transferred and/or incorporated to the 2019/20 risk register or will be closed.

Risk update

In quarters 2 and 4 an update on the risk rating of all strategic risks and RED rated operational risks is provided.

All risks are actively monitored by the Management Team to ensure that appropriate controls are in place.

The table below provides a definition of the risk ratings that the Council employs.

Rating	Action
Red risk	Where management should focus attention. Immediate actions should be identified and plans put in place to reduce risk as a priority .
Amber risk	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.

Rating	Action
Yellow risk	These should have basic mechanisms in place as part of the normal course of management.
Green risk	Where risk is minimal if does not demand specific attention but should be kept under review.

Strategic risks

Ref	Risk description	Rating
SR1	<p>Long-term financial sustainability</p> <p>The Council receives no Revenue Support Grant from government, and although piloting local retention, we anticipate business rate income to reduce significantly.</p> <p>The Council is therefore reliant on other income including council tax, fees & charges. Increasingly these are impacted by wider economic factors.</p> <p>The Council also has long term Capital requirements and will need to address replenishment of capital.</p> <p>The Council will set out an Investment Strategy to support Revenue and Capital budget requirements in order to help ensure the Council's long term financial sustainability. The Council will therefore need to determine the extent to which we will need to invest further in Treasury management, property and other commercial activities to generate revenue income and capital returns.</p> <p>The Council is therefore seeking a diverse range of investment and commercial opportunities. These will require capacity, skills, expertise and behaviours within the organisation to generate new initiatives that can be used to invest in our services to residents and businesses. Without this investment, there is a risk that funding reductions or economic downturn could result in cuts to service provision.</p> <p><i>Note: this risk will be managed under SR2 – 'Financial sustainability' on the Strategic Risk Register from Q1 2019/20.</i></p>	Yellow
SR2	<p>Housing, homelessness and welfare</p> <p>An increasing number of residents are being affected by a combination of welfare reforms – such as Universal Credit – and increasing housing costs. This increases the risk of residents being threatened with homelessness, leading to their health and wellbeing being affected, which could also subsequently increase cost pressures on the Council.</p> <p>A lack of affordable accommodation increases the Council's reliance on expensive bed and breakfast, although following the opening of temporary emergency accommodation we are expecting this to stabilise.</p>	Amber

Ref	Risk description	Rating
	<p>At the same time, the Homelessness Reduction Act – coming into effect from 3 April 2018 – has significantly increased the statutory requirements of local authorities in respect of homelessness, including a new prevention duty.</p> <p>As a result, we will experience a marked increase in casework, administration and statutory reviews, which will have resource implications. As well as this, the number of households that we have a statutory obligation to accommodate is likely to increase, and for longer periods.</p> <p><i>Note: this risk will be managed under SR6 – ‘Welfare reform’ on the Strategic Risk Register from Q1 2019/20.</i></p>	
<p>SR3</p>	<p>Development Management Plan</p> <p>Following the Regulation 18 consultation in 2016/17, in 2017/18 the draft Development Management Plan has been prepared, and further consultation (Regulation 19) has been undertaken prior to submission to the Secretary of State for Examination.</p> <p>The process for the allocation of specific sites for development will be politically sensitive and could result in negative publicity, impacting on the Council’s reputation.</p> <p>Formal allocation of development sites through an adopted Local Plan will help the Council manage where and how development goes ahead, and will minimise the risk of speculative (particularly greenfield) planning applications.</p> <p>It is important that the draft DMP complies with the national planning policies: at the Examination a planning inspector will need to be satisfied that the plan is sound (evidence based, deliverable and consistent with national policy). If the draft DMP is found to be not sound, the adoption of the plan will be delayed until issues are rectified.</p> <p><i>Note: this risk will be managed under SR9 – ‘Local plan’ on the Strategic Risk Register from Q1 2019/20.</i></p>	<p>Amber</p>
<p>SR4</p>	<p>Property Development</p> <p>In order to support the Council’s financial sustainability, we will need to invest further in property to generate revenue income. The Council will need a well-defined and resourced Asset Management Plan to support this activity, with a programme of investments, developments and acquisitions. This may be carried out by the Council, the property company, or as part of joint working arrangements within and outside the Borough.</p> <p>Expanding our activities in this area increases our exposure to the property market fluctuations and the normal development risks.</p> <p>Also the future uncertainty surrounding access to borrowing from the Public Works Loan Board may make it necessary for the Council to have to seek funding from the money markets in line with other commercial</p>	<p>Amber</p>

Ref	Risk description	Rating
	<p>property companies</p> <p>These risks may be exacerbated by Brexit, as markets react to the negotiations that are ongoing following the triggering of Article 50.</p> <p>Failure to invest in property will result in the Council not delivering the required savings and income to deliver services and to fulfil our corporate objectives.</p> <p><i>Note: from Q1 2019/20 this risk will be incorporated into SR2 – ‘Financial sustainability’ on the Strategic Risk Register.</i></p>	
SR5	<p>Cyber security</p> <p>Computer Viruses including new Trojans such as Ransomware are being released onto the Internet at an ever increasing rate. More sophisticated approaches and new variants suggest that on occasions it is possible that viruses will get through corporate defences and could be activated by unsuspecting ICT consumers. The effects of activating a virus are varied but at their worse the results can be destructive, service affecting or can leave the organisation with data protection issues.</p> <p><i>Note: from Q1 2019/20 this risk will be managed as SR7 – ‘Cyber security’ on the Strategic Risk Register.</i></p>	Amber
SR6	<p>Economic prosperity</p> <p>Economic prosperity is essential for the wellbeing of the borough, creating employment and wealth that benefits local people.</p> <p>Increasingly, this also has a direct link to the Council’s finance position and impacts on the demand for our services. Reforms to the business rate system mean that the council is liable for any reductions, but also has the potential to benefit from increases (especially through the business rate pilot).</p> <p>Economic prosperity cannot be taken for granted, and there are risks such as uncertainty from the withdrawal from the EU, future interest rate levels, increasing consumer debt and high housing costs.</p> <p><i>Note: from Q1 2019/20, the Brexit element of this risk will be managed under SR1 – ‘Brexit’ on the Strategic Risk Register, whilst the rest will be managed under SR5 – ‘Economic prosperity’.</i></p>	Amber
SR7	<p>Partner decisions</p> <p>Funding pressures are impacting the whole public sector, not just RBBC. Decisions by other public service providers in our area may impact on our residents, businesses, and directly on RBBC itself. SCC are the social care provider, and reductions in funding may impact on the service and support that is provided to our communities, and RBBC may need to increase services or support as a result.</p> <p><i>Note: from Q1 2019/20 this risk will be managed under SR3 – ‘Local government reorganisation and partner public sector funding decisions’.</i></p>	Red

Ref	Risk description	Rating
SR8	<p>Recycling credits</p> <p>There is a risk that Surrey County Council and the Surrey Waste Partnership could withdraw recycling credits which would have a further negative impact on the council's budget.</p> <p><i>Note: SR8 will be closed, with a revised risk on the Waste and Resources Strategy added to the Council's operational Risk Register from Q1 2019/20.</i></p>	Yellow
SR9	<p>Data Protection and General Data Protection Regulations (GDPR) – Now the Data Protection Bill passing through Parliament</p> <p>We have always been aware of the potential risk of personal information being disclosed in breach of the Data Protection Act 1998 (DPA) and the associate penalty notice and other enforcement actions that would have a negative impact on the Council reputation. On 25 May 2018 the General Data Protection Regulations (GDPR) will replace the DPA and represents the biggest change to data protection law for 20 years.</p> <p>The implications of breaching the GDPR are potentially significant, with some breaches carrying fines of up to 4% of global annual turnover or 20 million Euros.</p> <p><i>Note: SR9 will be closed on the strategic risk register with a revised risk added to the Council's operational risk register from Q1 2019/20.</i></p>	Amber

Operational risks (exception reporting)

The table below highlights those operational risks that have been rated as RED.

At the end of Q4 the following risk was rated as RED:

Ref	Risk description
OR13	<p>Community centres</p> <p>It is possible that the Council may be required to introduce an alternative delivery model for the Community Centres service, potentially at short notice and at a considerable cost.</p> <p><i>This risk description was agreed by Corporate Governance Group in February 2019.</i></p>

eMembers room information

The strategic and operational risk registers are available in the eMembers portal.

INTERNAL AUDIT

Background

The annual Audit Plan is agreed by the Overview and Scrutiny Committee.

SCORING

RED	<p>Taking account of the issues identified, the Authority cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.</p> <p>Urgent action is needed to strengthen the control framework to manage the identified risk(s).</p>
AMBER/ RED	<p>Taking account of the issues identified, the Authority can take partial assurance that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).</p>
AMBER/ GREEN	<p>Taking account of the issues identified, the Authority can take reasonable assurance that the controls in place to manage this risk are suitably designed and consistently applied.</p> <p>However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).</p>
GREEN	<p>Taking account of the issues identified, the Authority can take substantial assurance that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.</p>

Headline Information

During the last quarter four internal audits have been completed:

Name of Audit	Score
GDPR Governance (Advisory only)	Not scored
Governance Arrangements for Property Investment Company (Advisory only)	Not scored
Commercial Governance Framework (Advisory only)	Not scored
Grants Funding	Amber /Red

Recommendations/observations with a high priority

Grants Funding:

Core Funding

A sample of core funding grants that were awarded were reviewed. It was noted that a standard assessment process was used in evaluating these applications. A summary assessment sheet is completed for each application, with the Finance team also completing a financial evaluation and making a recommendation as to whether funding should be awarded.

The audit confirmed for each award sampled that the outcome had been communicated to the applicants by letter or email, with these stating the conditions attached to the award. It was further noted that the Council has recently introduced grant agreement forms that are to be sent out to successful applicants for completion going forward.

The audit found that for one of the sampled core funding grants, the Council's Finance team had made the recommendation not to award funding as part of their financial assessment, but that funding was still awarded. It was noted that Finance's recommendation is evaluated in the context of the wider assessment of applications, and that an award can still be approved even if Finance give a negative view.

However, through reviewing the officer comments made on the summary assessment sheet and the financial assessment form, the auditors were unable to see a clear record of the reasoning behind why this application was awarded funding. There is a risk that the details of the assessment process carried out by the Council, including the reasoning behind the final decisions made are not being clearly recorded.

Management actions

The Council will ensure that assessment sheets completed when evaluating Core Funding applications include a clear summary, noting the final verdict and the reasons for the decision. This should include, where relevant, the reasoning for any award made which goes against the recommendation provided by the Finance team.

eMembers room information

Copies of the individual audit reports are available on the eMembers portal.

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SIGNED OFF BY	Head of Projects and Performance
AUTHOR	Aisling Byrne, Project and Performance Officer
TELEPHONE	Tel: 01737276468
EMAIL	aisling.byrne@reigate-banstead.gov.uk
TO	Executive
DATE	Thursday, 20 June 2019
EXECUTIVE MEMBER	Leader of the Council

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Five Year Plan Performance Report 2018/19
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RECOMMENDATIONS
That the positive progress against the Council's Five Year Plan (2015-2020) priorities, as set out in the report, be noted.
REASONS FOR RECOMMENDATIONS
To note the Five Year Plan progress for 2018-19.
EXECUTIVE SUMMARY
<p>On 4 December 2014 Executive approved the Council's Five Year Plan, which commenced in 2015-16.</p> <p>As a high performing organisation, the Council developed the Five Year Plan in order to identify its vision and objectives over the medium term period. The plan seeks to ensure the Council continues to meet the needs and aspirations of our residents and Members, whilst overcoming the challenges (particularly financial) facing the organisation, and the wider local government sector, over the plan period.</p> <p>This report provides an update and summary of the progress made against the Five Year Plan priorities for the period 1 April 2018 to 31 March 2019.</p> <p>A review of the Council's Five Year Corporate Plan is underway, with a view to a new plan being adopted by the end of the year. Performance against the current Plan is being taken into account in developing the new Plan.</p>
Executive has authority to approve the above recommendations.

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STATUTORY POWERS

1. There is no statutory requirement for the council to produce a Five year plan or Corporate Plan.
2. The Council has adopted a Corporate Plan to set out the vision and priorities that guide all our service and financial plans. This is the approach taken by the best performing organisations, in both the public and private sector.

BACKGROUND

3. Reigate & Banstead's Five Year Plan was developed from considerable research and consultation with residents, Members and partner organisations, and articulates our vision for how we will deliver great services to those living and working in our borough.
4. Reigate & Banstead's vision is to be a leading council as recognised by our residents, peers and partners. The plan seeks to ensure that we continue to meet the needs and expectations of our residents whilst simultaneously overcoming the challenges we face.
5. In so doing, the plan is organised around three key themes:
 - People, supporting residents to enjoy healthy and happy lifestyles;
 - Place, a great place to live and work; and
 - Organisation, a great council.
6. Within each of these themes are a series of ambitious priorities that we have set ourselves in order to deliver our wider vision. Each priority has, in turn, an associated set of objectives and outcomes. These are set out in full within the Five year plan document.
7. Whilst there are major projects within the Five Year Plan delivery, it is also important to recognise that the majority of actions take place within existing service areas.
8. This report provides an update of the progress made against the Five Year Plan's priorities for the period of 1 April 2017 to 31 March 2018, and evidences the considerable progress made during the period.

KEY INFORMATION

FIVE YEAR PLAN PERFORMANCE: PEOPLE

9. The following sections provide a summary of performance against each priority within the people theme of the Five Year Plan.

We will support residents into employment – particularly those in vulnerable families and young people.

10. In Reigate and Banstead 0.8% of the population aged 16-64 are claiming job seekers allowances (JSA), this is below the south east average of 1.3%. However, in comparison to Local Authorities within Surrey, Reigate and Banstead is above the 0.7% average. Although the Council recognises this is a reflection of the borough's greater population size, there is also awareness that the Council can support the reduction of this figure with the correct investment of time and resources.
11. The Council is directly helping residents into employment by recruiting apprentices. In 2017, public sector targets were introduced requiring at least 2.3% of staff (approx. 42) to be employed as new apprentice starts between 1 April 2017 and 31 March 2021. The Council

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welcomed this target, and this positive attitude has resulted in us meeting the 2.3% target in 2019, having 21 employees starting apprenticeship schemes since 2017. We are confident we will continue to meet or exceed this target over the next two years. The Council continues to encourage current and new staff to take up apprenticeships.

12. In addition to apprenticeships, the Council runs a Workers Scheme which provides unemployed residents with the skills and experience to help them gain future employment, by guaranteeing them at least 25 hours of work for 26 weeks. Since 2011, over 240 people have joined the scheme, many of which have gone on to gain full time employment from the Council, other local authorities, the NHS and the private sector.
13. The Council is aware that the varying needs of residents means different methods of supporting people into employment are necessary. Joint partnership working has developed methods to help those facing significant barriers. The Council entered into a collaborative project with organisations across the borough, such as Raven Housing Trust and YMCA East Surrey to form the East Surrey Pathway to Employment. This project is an intensive, targeted service which intervenes to support those within and around the borough overcome significant barriers and move closer to the job market, or even into work. Currently, 86 people are being supported by the pathway, 14 people have moved into employment, and 3 people have moved into education. The success of the partnership has resulted in a 2 year extension to 2021.
14. In May 2018, the Council launched an employment and skills group to support residents by bringing partners together and using their combined knowledge to identify gaps in the employment market. This information is being used to advise residents on what skills to obtain to help improve their access into employment. Organisations involved hope they can focus on sector specific areas that are struggling to recruit and fill these positions with local residents.
15. Since 2012, Council staff have engaged as mentors with pupils from schools within the borough who are undergoing their GCSEs. The scheme allows pupils to talk about problems, share experiences and receive advice from working professionals, providing them with added support and helping them through the exam process. This support helps to improve their skills and encourages success in future studies or career pathways, maximizing the potential of young residents within the borough.
16. The Council teams that form the Wellbeing and Intervention service play a pivotal role in the achievement of this priority. They work with vulnerable families across the borough, including refugees, to ensure they have access to the support they need.
17. Supporting the changes to Welfare reform, including the introduction of Universal Credit, is a key aim of the priority. The Council have worked with families to prepare for the change to universal credit over the past year, and the support received from the Council teams has been vital to ensure problems such as debt do not escalate as a result of this change.
18. The Intervention team has supported refugees over the past year into employment and to build their lives within the borough. Specific groups, including an English language group at the Harlequin, Redhill, have also supported refugees in gaining the skills they need to enter into the work force. Currently, of 16 adult refugees within the borough, 3 have secured paid work, 5 are receiving training and 5 are active volunteers in the borough, this means in Reigate and Banstead more than 80% of refugees that the Council have worked with are part of, or entering into our work force.
19. The Council have successfully supported families who are in need of money support. Since October 2018, when the new Money Support Team was launched, approx. £3,200 of overdue rent payment has been cleared, approx. £5,000 of debt has been cleared and approx. £5,500 of extra income has been claimed.
20. Feedback from families which have been supported by the Family Support team further demonstrates the life changing work we provide, with all families worked with showing an

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average improvement of 65% against the embedded progress monitoring tool, and 96.3% of families giving feedback that the team were 'good' or 'excellent'.

We will work with and support our partners to provide great services for older people to help them stay independent

21. The borough has a rapidly increasing population of those aged 65 and over, with an estimated increase of 26% within this demographic over the next 10 years. It is crucial that support systems and activities are in place to allow this demographic to maintain their independency and high quality of life.
22. Our leisure centre provider Greenwich Leisure Limited (GLL) subsidises memberships for those aged 65 and over, with allotted periods in their timetable dedicated to elderly residents. A range of classes specifically for those who are over the age of 55 are available including Pilates, Total Body Conditioning and Circuits. Maintaining strength is important for older people as it can reduce the risk of accidents, and their severity, including falls. 11.1% of GLL members in the borough are aged 65 and over, an increase from last year, and the provision of coffee mornings and specific classes encourages their use of leisure centres and enables them to maintain social, active lifestyles. Along with our leisure centres, in the borough we also own community centres in Banstead, Woodhatch and Horley, all which offer a space for socialisation and activities targeted at elderly residents, including exercise classes.
23. The Harlequin theatre in Redhill is also used to provide entertainment and opportunities for elderly residents to socialise. Hi-Days, a voluntary organisation for older people, run workshops and social events every Monday throughout term time that elderly residents can attend. Each term there is an average of 50 local residents who sign up to attend the weekly sessions and in future this number is expected to increase as improved methods of advertisement are employed. Elderly residents are also encouraged to join the volunteer team at the Harlequin, which currently has 50 residents, predominantly of retirement age, who help with the daily activities and front of house duties. This is a great way in which the Council has been combatting social isolation and helping older residents feel valued in the community.
24. Difficulties faced by elderly residents include social isolation and an inability to carry out routine tasks outside of the house without support. To tackle these issues, again in 2018/19, the Council provided elderly and vulnerable residents with taxi vouchers. This is a vital means of maintaining independence, often used to get to/from hospital and GP visits, shopping trips, and our community centres. 345 voucher booklets were given to residents this year to provide flexible transport for older and vulnerable people. The Council have also established a transport scheme in Redhill, similar to Merstham Neighbours, where local residents volunteer as drivers for elderly residents. This is another way that helps elderly resident's access low cost transport. As both schemes continue to grow, so do the opportunities that elderly residents have to leave their homes and carry out activities, including at our leisure and community centres, that otherwise they do not have the required support to do.
25. The Council is conscious that elderly residents want to remain in their own homes, where they feel secure and independent. To help safeguard this independence, in December 2018 the Council entered into partnership with Millbrook Healthcare to provide home improvements and emergency repairs to residents who have disabilities, are elderly or otherwise vulnerable. Alongside home improvements there has also been the provision of a 'handy man' that operates within the borough. This service allows residents to remain independent in their own home, with the knowledge that they are living in safe, secure and water tight conditions.
26. Specific issues, such as Alzheimer's have continued to be supported by the Council. Since

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the withdrawal of funding from the Alzheimer's Society in 2017 from all of its Surrey services, there has been a need for support and signposting to elderly residents who are suffering with this disease. The Council provides support to a number of key dementia support services across the borough, and last year, the Council helped establish a Dementia Action Alliance which went on to run a series of events during dementia awareness week. With funding in all areas continually at risk it is vital that the Council is pro-active in identifying areas where extra support is needed, so that our elderly residents may continue to access the help and signposting they need.

We will encourage healthy lifestyles, particularly through the use of our leisure centres, parks and open spaces.

27. Through joint collaboration with partners including the Surrey Health and Wellbeing Board, local Clinical Commissioning Groups, Public Health partners and GLL, we have continued to encourage the use of the borough's facilities, both indoors and outdoors, as a means of helping to improve the health of our residents.
28. During the last year the use of the borough's leisure centres has continued to be high, with 1.2 million visits having been recorded across all three sites. Since 2015 there has been investment in the facilities – including at Donyngs which now boasts a spin studio and a range of new, high quality gym equipment following a £400k investment. This has allowed the Council's centres to continue to attract visitors and members despite increased competition from new providers in the borough. In addition to maintaining positive visitor numbers, the borough's centres receive consistently high levels of positive feedback in regular user surveys.
29. The Council is involved with the Wellbeing Prescription Service – now the largest scheme of its kind in the country – which has continued to go from strength to strength in the last year.
30. Wellbeing Prescription is a form of social prescribing where GPs refer clients to a trained Wellbeing Advisor who can help them lead a healthier lifestyle through providing them with advice, as well as connecting them with partners and services in the community. The scheme is particularly important in addressing health and wellbeing issues which are not necessarily clinical in their nature, or in assisting with the management of chronic health conditions that can be alleviated through non-clinical means, such as exercise. The scheme offers long term health benefits to individuals and also the wider health system by helping tackle the root cause of health issues.
31. In the last year, over 2000 people have been referred to the programme, with 78% of those having sustained positive change after one month. Moreover, 94% of surveyed participants found the service to be either 'useful' or 'very useful' in helping them overcome their health and wellbeing issues, with a further 48% of referees having visited their GP less following their time on the programme.
32. The Council is acutely aware of the importance of parks and open spaces to the health and wellbeing of residents and, as such, has delivered a number of innovative initiatives within the last year to encourage their use.
33. One such highly popular example of the latter is the recent 'Little Free Libraries' initiative, where five miniature libraries have been installed in five parks across the borough. The project's aim is to encourage residents to borrow and exchange books, share a love of reading with one another and encourage them to stay longer in our parks.

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34. In addition to new initiatives, the Council has continued to support a number of ongoing events in the borough's parks and open spaces, thereby ensuring that these continue to be a valuable community resource. Particularly well attended events include baby ballet classes at Memorial Park, Redhill, and the Silent Summer Screenings cinema, Lady Neville Recreation Ground, Banstead. The Council also actively supports Run Reigate, an award winning running event (delivered by an external third party) that achieved a record number of participants in 2018.
35. The Council is also continuing to identify and consider a wide range of exciting future events to take place in our parks and greenspaces in order to attract visitors and visitor spend and to further enhance the profile of the borough.
36. Resident engagement in the maintenance of the boroughs parks and greenspaces is invaluable to the Council. The Council works with several groups. One group, for example – the Woodchip Conservation Volunteers – a group of between 14 and 22 volunteers help maintain Chipstead Downs Nature Reserve and Banstead Woods, one of the boroughs three sites of Special Scientific Interest. The work completed by these groups ensures that the nature of the area can flourish, but also that visitors to the site can enjoy the area by ensuring paths are clear and habitats are maintained, which inevitably increases their use. The Council continues to support and encourage volunteers within the borough to help maintain parks and greenspaces as not only does this encourage pride within the community, but also helps to combat issues such as social isolation.
37. The Harlequin, much like our leisure and community centres, enables a strong sense of inclusion and the Council encourages groups including the 'Saturday Morning Cinema club' which provides discounted tickets for children, and special screening sessions for those who suffer with dementia to use the facilities that are available, allowing the Harlequin both to provide services to residents and increase the profit it is able to turn over.

We will improve safety through joint working with Surrey Police and other partners.

38. The latest borough profile shows that levels of anti-social behaviour have reduced by 24% compared to the previous year; this has been achieved despite increasing population and other pressures. The Council use the resources available and knowledge of trends in crime to intervene early and deter anti-social behaviour wherever possible. However, it is recognised that levels of anti-social behaviour are also affected by wider national trends and the emergence of new threats, which may require different action to be taken in the future to address these problems.
39. The need for additional resourcing to help deliver the Community Safety Action Plan was identified and the Council have now recruited a new Anti-Social Behaviour Officer.
40. The Council continues to be an active participant on the East Surrey Community Safety Partnership (ESCSP) which covers Reigate and Banstead, Tandridge, Mole Valley and Epsom and Ewell. In addition to a continued focus on antisocial behaviour, during the last year the Partnership agreed it would prioritise domestic abuse, Prevent (counter-terrorism) and serious and organised crime. The Council has developed a Community Safety Action Plan, setting out our local priorities and how they will be delivered.
41. The Council is involved in various initiatives to help tackle anti-social behaviour. The Community Harm and Risk Management Meeting (CHaRMM), a multi-agency group who work with individuals and groups whose anti-social behaviour is having a detrimental impact upon the local community is one way that the Council can positively influence levels of anti-social behaviour. During the year there were 20 referrals made to CHaRMM, which meant the Council could deliver a range of successful interventions, including anti-social behaviour

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contracts, engagement with local support services and the use of statutory powers such as Criminal Behaviour Orders. Currently there are just four individuals being managed by the CHaRMM.

42. Anti-social behaviour within towns and public spaces is also being combatted. Following the success of the Public Spaces Protect Order (PSPO) which was introduced in October 2017, an annual review has formed the basis of the decision to maintain the PSPO for Redhill Town Centre. The annual review found the PSPO powers were used on 30 occasions by Council and police officers to deal with low level anti-social behaviour early before it had the chance to escalate. Having such powers has contributed to the downward trend seen in the borough profile.
43. The Council is also active in a number of initiatives that seek to signpost individuals to support and to also raise awareness of issues such as domestic abuse, counter terrorism and serious and organised crime. There are also many ways in which the Council support victims, including contributing towards a sanctuary scheme that helps improve home security for victims of domestic abuse, and signposting support services such as Alliance Support Coaching for victims of anti-social behaviour. There is continual work to ensure residents are aware of these forms of support, an example of this is the communications campaign that was run to raise awareness of modern slavery, which saw a significant increase in awareness, including 900 people pledging to support the initiative to recognise the signs and report any suspicions of modern slavery.
44. The Council is also delivering a partnership project called 'Get Connected'. The project's objective is to bring together local agencies to develop a shared understanding and joint action plan that will address issues of youth exploitation and serious violence. The Council have given presentations at forums to partners including Surrey Police, to help engage and inform on the impact of such issues locally and possible actions moving forward. The Council understands the importance of collaborative working to tackle threats to the safety of residents and so takes a leading role in developing action plans to eradicate these issues.
45. The Council's Joint Enforcement Team (JET) and Surrey Police have continued to strengthen their relationship by participating in joint monthly meetings, attending weekly morning police briefings, carrying out joint patrols and attending crime prevention days where they can develop and improve their knowledge.
46. The JET team has dealt with the following issues during 18/19:
 - 934 reports of abandoned vehicles
 - 1218 reports of fly tipping
 - 93 reports of graffiti, 25 of fly posting
 - 31 of race crimes and 287 of anti-social behaviour
 - 22 unauthorised encampments
 - 21 Fixed Penalty Notices issued for littering

FIVE YEAR PLAN PERFORMANCE: PLACE

47. The following sections provide a summary of performance against each priority within the place theme of the Five Year Plan.

Encourage existing businesses to thrive and grow within Reigate and Banstead and attract new businesses to the borough.

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48. Reigate and Banstead has the highest 5 year business survival rate in comparison to other Local Authorities in Surrey, at a rate of 48.6%. The Borough Profile also shows the success of businesses within Reigate and Banstead, having a growth rate of 26.8% of the number of businesses registered since 2010. The Council supports and encourages this growth by working to make our borough a desirable location to initiate business ventures.
49. Reigate and Banstead ranks 29 out of 324 local authority areas in England regarding prosperity – meaning we have an economy that is producing wealth and jobs – according to the Grant Thornton Vibrant Economy Index 2018. This places us in the top 10% of boroughs for this category and we aspire to maintain this level of prosperity, as well as improve our position. To do this, it is essential that the correct investments are made and opportunities are provided to support both businesses and residents to succeed in the borough.
50. The Council has identified the need for improved transport links within and around major towns to help deliver against this priority. Therefore, the Council will be recruiting a member of staff dedicated to the delivery of transport projects. Future work to improve transport connections will focus on ensuring an ease of access between our towns and business hubs such as Gatwick airport.
51. The Council is part of a joint venture to deliver Horley Business Park which will be located strategically adjacent to Gatwick airport. The business park will create thousands of job opportunities which will be open to local people, new opportunities for already established businesses and improved public transport routes, pedestrian footpaths and cycle routes to increase the ease by which residents and employees can access the town centre, which is currently undergoing regeneration work. Currently 35k residents that live within the borough travel outwards for work. Schemes such as Horley Business Park will provide increased opportunities for residents to work within the borough, allowing the retention of skilled workers. Positive progress has been made towards securing a development site allocation in the DMP.
52. Support for local business is ongoing, with grants available for small businesses of up to £1,000 for those wishing to start, develop or grow. Businesses who are successful in their bid are also gifted a free year's subscription to Enterprise Nation. In 2018 the council invested £57k into local business to help them grow and succeed, this money has been spent in various ways including on new equipment, training and paying for new members of staff.
53. Local businesses are encouraged to network and develop their business skills and acumen at the free learning lunches that run at the Town Hall. These lunches run once a month and attendees have the opportunity to hear an informative speaker followed by the chance to network. The lunches are well established and cover topics such as marketing, using social media and artificial intelligence in finance, with the aim at providing local business with the chance to better understand and receive advice as to how they can improve.
54. The Reigate & Banstead Business Awards have launched for 2019, giving the diverse local businesses present in the borough a chance to be recognised for their success. Winning an award gives a business the chance to demonstrate to potential customers and investors the success they have had, as well as motivate employees. There are eight categories ranging from start-up of the year, customer service of the year and employer of the year, each sponsored by large businesses within the borough, including Gatwick airport. The event will take place at Reigate Manor on the 6 June, hosted by broadcaster Nicholas Owen.
55. The fifth Entrepreneurs Academy concluded in November 2018. This is a six month project, run in conjunction with East Surrey College, where budding local entrepreneurs are provided with the opportunity to gain and develop the essential business skills to turn an idea into reality, including business planning, finance, and marketing and online business promotion.

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Ten Academy members pitched their business start-up ideas to a panel of three 'dragons'. The winner, who impressed the judges with their pitch on homemade polymer crafts, received a cash prize of £5k to use towards the establishment of their business. The sixth Entrepreneurs Academy launches in April 2019.

To ensure our towns and public spaces are clean and attractive to residents, businesses and visitors.

56. In the 2019 Retail Vitality Rankings, Reigate & Banstead came twelfth out of 1,000 retail locations. Whilst this is positive, the Council is keen to continue investing in the four major towns within the borough Horley, Redhill, Banstead and Reigate. It is essential that all four major high streets are clean and attractive.
57. In January 2019 the revitalisation of Horley High Street began which received a £530,000 investment from RBBC and £220,000 from Surrey County Council. This project is creating a clean and attractive space in Horley for both residents and business, as well as an area for hosting events. This investment in our high streets encourages visitors and new businesses into the area. The pedestrian precinct will see updates to lighting, pathways and areas to sit which will be completed at the end of July 2019.
58. The Council's continues to deliver regeneration work in Redhill Town Centre, for which a Future High Streets Fund application was submitted in March 2019. The major regeneration works at the Marketfield Way site in Redhill will encourage footfall into the area by introducing new options for retail and the food, beverage and entertainment industry, further increasing the desirability of the area to residents and visitors. A major step forward was taken in 2018/19 with the confirmation of the Compulsory Purchase Order.
59. In addition to the investment in the boroughs town centres, parks and open spaces are well looked after and invested in. Two of Reigate and Banstead Boroughs parks received a Green Flag award in August 2018. This is an international award that means those areas maintain the highest possible environmental standards, are beautifully maintained and have excellent visitor facilities. This is the ninth time Priory Park, Reigate, has received this award and second time for Memorial Park, Redhill. The Council continue to make improvements to our parks, including the revitalisation of playground equipment in Priory Park, which is due to start in May. Not only does this fulfil our priority of ensuring our parks are clean and tidy, but also our priority to encourage their use.
60. In Horley, the Council is now responsible for the maintenance of the Riverside Green Chain. This greenspace was created during the last year by developers of The Acres residential area to protect the environment and floodplain. Now, this greenspace in Horley has a public bridleway, new bridges and play areas that residents can enjoy.
61. The borough benefits from an active community of volunteers – 23 separate groups – that regularly litter pick in their local area, and are supported by the Council's Cleansing team who provide all necessary equipment and disposal of the waste that is collected. As there are 481 miles of road in the borough, it is vital we support volunteer groups to ensure high performance each quarter when the Council's Joint Enforcement Team carry out the cleanliness survey, on a randomly selected section of road. The cleansing operations team value the support from volunteers and the Council continue to support and encourage resident participation.
62. The Cleansing Operations Manager regularly attends the Keep Britain Tidy conferences, by attending these conferences the Council can further their understanding of the challenges Local Authorities face when trying to keep their streets clean and tidy, and this can lead us to

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new, innovative ideas on how to maintain cleanliness. One way has been through resident engagement, and the Council received training on how to engage residents in the cleaning activities of the borough, which is reflected in the healthy number of volunteer groups.

Establish a Development Management Plan (DMP) to deliver affordable and other types of housing, employment space and infrastructure, whilst protecting the borough's pleasant environment.

63. The Development Management Plan (DMP) includes policies to guide decision making on planning applications, policy designations and development site allocations.
64. The DMP was first prepared and presented to the public in August 2016. Over the past year, significant progress has been made in bringing forward the DMP with the document being submitted to the Secretary of State for examination in July 2019. Examination hearings were held in autumn 2018 and in January 2019 the Planning Inspector published their initial advice and findings, including the main modifications needed to make the DMP sound. Public consultation on these Main Modifications was completed from 6 March – 18 April 2019 and the responses have been provided to the Inspector to enable a Final Report to be drafted.
65. After considering the submitted DMP and evidence presented to the examination hearings, the initial feedback of the Planning Inspector indicated that much of the document was sound, including some important new policy requirements such as the increase in the amount of affordable housing that developers of our sustainable urban extensions will be required to provide from 30% to 35%. This will go a long way in helping the Council deliver its targets on affordable homes in the borough. Adoption of the DMP is anticipated to occur early within the next year of the Corporate Plan.
66. In 2018/19 the borough saw the construction of 515 residential dwellings, with 1,864 still under construction at the end of Quarter 4 (Q4). There have also been 68 affordable homes completed, with a further 55 under construction at the end of Q4. In addition, affordable housing products are proposed on Council owned sites at Cromwell Road and Pitwood Park sites, both of which were granted planning permission over the past year. These are being delivered directly by the Council using land owned by and resources belonging to the Council to help progress the delivery of affordable housing.
67. The Community Infrastructure Levy (CIL) is in place and collections have continued throughout the year. This provides developer funding for infrastructure and other projects to address the demands placed by development in the area. A strategic infrastructure programme (SIP) has been developed that sets the council's priorities for CIL spending. More than £3.3 million has been collected since the adoption of CIL in 2016.
68. A number of projects on the SIP have progressed over the past 12 months. The Council is supporting the delivery of projects led by partners such as Three Arch Road junction improvements, which in the last year has had preliminary designs prepared, agreed and consulted on. Extension works to a school within the borough and a General Practitioners surgery were also completed in the past year, supported by CIL funding from the Council.
69. The Council has set up Panels for the prioritisation of projects using money from the Local Fund, which is 15% of the total CIL fund. This will deliver small projects that will benefit the local area, particularly our greenspaces and parks across the borough.

FIVE YEAR PLAN PERFORMANCE: ORGANISATION

70. The following sections provide a summary of performance against each priority within the organisation theme of the Five Year Plan.

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We will be financially self-sufficient by 2020, without impacting on residents' priorities.

71. Achieving financial self-sufficiency is essential to ensure the continued delivery of high quality services despite the continued withdrawal of funding from Central Government. Currently, the Council is on track to achieve this goal, evidenced by the achievement of a balanced budget in 2018/19 whilst maintaining prudent levels of monetary reserves, without any revenue support grant from central government.
72. A key element of achieving self-sufficiency has been to identify and develop new income streams. By offering the services we provide to other Local Authorities and private organisations we are able to generate income in areas including Revenues, Benefits & Fraud, Greenspaces and Property and Facilities.
73. Our Revenues, Benefits & Fraud service generated over £250k over the past year delivering benefits, council tax, debt recovery and fraud investigation work for public sector organisations. Clients of the service include other local authorities, as well as housing associations and charities. Plans have been developed to further increase this income through both public and private sector opportunities.
74. The Revenues, Benefits and Fraud service continues to maintain high levels of council tax and business rate collections; at the start of 2018 the Council was identified as having the highest rate of business tax collection in England and Wales thanks to the hard work of the team. The service also helps to save money by supporting the housing team in identifying fraudulent applications before they enter the system, which has saved the Council several million pounds over the past few years of the Five Year Plan period.
75. The Council has reduced expenditure on temporary emergency accommodation, making savings of approximately £321k in the past year. This is a result of opening new council owned emergency accommodation in September 2018, combined with a strong focus on homelessness prevention. This has improved the quality of life for those who are in the emergency accommodation, allowing them to maintain their life in the borough, as previously they may have had to relocate to access housing. This is a clear example of how the Council can both save money, generate income, and benefit residents at the same time.
76. To help the Council achieve its goal of self-sufficiency, services were tasked with ensuring they were operating in the most efficient manner possible. The Electoral Services team have excelled at this task, achieving savings of £9k through for the 18/19 annual canvass. Not only were savings made, but a high response rate of 95.8% was obtained, and the team reduced the amount of homes they needed to visit from 20k to 10k.
77. My Reigate&Banstead accounts launched on 28 January 2019 and are now available for residents and local businesses to sign up for from the council website. The 'My' account is the first online account Reigate and Banstead have developed and gives quicker and easier access to a range of council services online, working to further our channel shift strategy, which encourages residents to self-serve – a key aim of this priority. Functions such as pre-populating forms will save users time and make the provision of services more efficient and reduce the amount of unnecessary customer contact time.

Communicate and engage with our residents and businesses, to help inform service delivery.

78. The Council's communications and engagement strategy, adopted in June 2016, focuses on delivering key behaviour change and marketing campaigns, including: council reputation, community safety, financial wellbeing (Universal Credit), health and wellbeing, channel shift,

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and support for commercial services. Inclusion and communication are key to the success of the Council; if we are failing to communicate with our residents we are unable to make informed decisions.

79. The strategy states the ambition of the Council using the right channels to engage with residents. To achieve this, the Council has invested resource in developing social media channels resulting in healthy follower numbers and engagement with us via Twitter (10k followers), Facebook (6k followers), and Instagram (1.7k followers) as of March 2019.
80. Regular drop in sessions, attended by Council employees from our Community Development team, are held in Redhill, Horley, Merstham and Preston. In these sessions residents can raise concerns and resident led solutions can be discussed and implemented such as the creation of a WhatsApp group which has connected local older people and challenged isolation.
81. Pre-empting the difficulties that residents and our partners could face following the introduction of Universal Credit, the council ran the 'Working Better Together to Tackle Poverty' event which saw over 100 attendees. The event ran in October 2018 before the roll out of universal credit – one of the strategies key areas of focus – launched and had key note speakers from the Centre for Social Justice. This event improved, partners understanding of the issues facing residents experiencing poverty and encouraged greater focus on and multi-agency collaboration to tackle poverty in our borough. A summary report was produced after the event, capturing actions and next steps to maximise impact.
82. The Council has delivered very successful campaigns throughout the year, on a variety of topics:
 - In partnership with the Clewer Foundation and Surrey Police, a campaign to raise awareness and encourage reporting of modern slavery demonstrated a significant increase in awareness and over 900 people pledging to support the crackdown on modern slavery.
 - The council's 'Be A Councillor' campaign also delivered tangible results. Aimed at attracting a more diverse range of potential councillors, 65% of people who registered for more information following the campaign met one or more of the Council's ambitions.
 - The Council's support for the LGAs national #Ourday social media marathon showing how public sector workers and volunteers' work improves the lives of residents, resulted in RBBC reaching 646,000 Twitter feeds and 6,600 Facebook timelines.
83. A boundary review for the borough was completed in January 2019 which has seen the number of councillors reduced from 51 to 45 after the May 2019 elections. Having fewer wards means the Council will deliver better electoral equality for voters in local elections and that all councillors represent approximately the same number of electors.

We will increase the value of, and income derived from, the Council's property and assets.

84. Property investment and development is a key component of the Corporate Plan. In order to meet the shortfall seen with increased withdrawal of funding from Central Government, the Council embarked on a programme of acquiring additional income and potential capital-generating commercial investment opportunities. The Council has prioritised its outline Capital Investment Strategy which will further excel the investment success that has already been seen.
85. When the current Five Year Plan came into effect in 2015, the Council generated £1.3 million

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annually from property and assets. At the end of the 2018/19 financial year there is a net income of £3.57 million, which is an increase of 168%, three times greater than the desired increase of 50% stated in the Five Year Plan.

86. The Council owned property Investment Company that was established in December 2016 – Greensand Holdings Limited – held £2.6 million worth of property at the end of 2018/19. Greensand's also generates over £100k per annum in interest for the Council
87. This priority also encompasses the assets that the Council already own, including the Harlequin theatre in Redhill, which became a member of the Redhill Business Guild in 2019. The Council's ambition for the Harlequin to become a cost neutral asset to the Council that not only generates income, but provides entertainment and works as a social hub for residence has been positively progressing since the start of the current plan. At the end of the 2013 financial year the Harlequin cost the Council £312k, which has now reduced by 55% to £173k per annum and this includes money spent investing in the facilities such as a new stage winch system and website development.
88. The services and entertainment provided by the Harlequin continue to develop as income streams for the Council. A record breaking pantomime season ran in December 2018 which sold 151k tickets and generated over £4.5k for four charities that the council supports. Since 2015, the amount of tickets that have sold each year for the annual pantomime have continually increased and planning for the next show has already begun to continue the positive trend of increased popularity. The space has also proven popular with schools, dance shows, community groups and even the East Surrey Opera club who all choose to use the Harlequin as a venue for their events.

We will maximise the potential of our staff

89. The Council is committed to attracting, developing and retaining talent. Our values of 'do the right thing', 'be bold and confident' and 'make a difference' and the associated behaviours of being flexible, supportive, positive and innovative, are at the centre of everything that is done. During the recruitment process the Council will consider all these qualities within each applicant, and we ensure ongoing training and support is available to nurture these behaviours as well as ensuring these values and behaviours are monitored and assessed in our performance management approaches.
90. Since 2015 31 employees have participated in three different formal talent development programmes, for those aspiring to take on more senior roles. As a result many of the participants have enjoyed career progression, increased job satisfaction, and brighter career futures. We have a strong talent development culture and there are great examples of career progression where staff have demonstrated the right qualities, created or accessed new work opportunities, and engaged with formal or informal learning and development to progress within the organisation.
91. The Council has a positive attitude towards apprenticeships and recognises the value they add through the combination of working whilst studying. To that end, the number of staff starting an apprenticeship since 2017 has doubled this year, having 21 members of staff taking advantage of these opportunities by the end of 2018-2019 compared to 10 at the end of the previous year. The Apprenticeship Levy introduced in 2017 has meant we have been able to take advantage of additional funding and alternative approaches to utilising apprenticeships throughout the council and we will continue to use this funding to upskill new and existing staff.

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92. 106 nominations were submitted in the autumn 2018 round of our Great People Recognition Scheme, where staff can recognise their colleagues for evidencing one or more of our corporate behaviours (flexible, supportive, positive, innovative). This is the second highest number of nominations since the scheme was first launched, and nominations were for individuals throughout the council's various teams and sites, highlighting that the behaviours are well embedded in our culture and that our staff are engaged with the concept of recognition and the value this can bring.

NEXT STEPS FOR 2019-20

93. A review of the Council's Five Year Corporate Plan is underway to ensure that the Council's priorities continue to reflect the needs of residents and businesses. Performance against the current Plan is being taken into account in developing the new Plan. A first draft of the new Corporate Plan 2020-2025 was agreed by the Executive in March 2019, and further member engagement on this draft Plan is currently underway. It is anticipated that public consultation on the draft Plan will be undertaken over the Summer, and that the updated Plan will be adopted by the end of 2019.
94. In parallel with the development of the new Corporate Plan, the Council is preparing its Capital Investment Strategy and reviewing governance arrangements, to ensure the new Plan can be funded and delivered efficient and effectively. The emerging new Corporate Plan priorities will also inform the 2020/21 service and financial planning/budget setting process

OPTIONS

95. Members are asked to note the report. No decision is required.

LEGAL IMPLICATIONS

96. There are no legal implications to this report.

FINANCIAL IMPLICATIONS

97. There are no financial implications to this report.

EQUALITIES IMPLICATIONS

98. There are no equalities implications to this report.

COMMUNICATION IMPLICATIONS

99. There are no communication implications to this report.

RISK MANAGEMENT CONSIDERATIONS

100. In support of the Five Year Plan and service delivery, the council has a robust risk management system in place with regular reports to Executive, Overview and Scrutiny and Management Team.

OTHER IMPLICATIONS

101. There are no other implications to this report.

CONSULTATION

102. The material for this Five Year Plan performance report has come from the activities

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identified in service business plans for the reporting period noted above.

POLICY FRAMEWORK

103. The Five Year Plan forms part of the council's policy framework.

BACKGROUND PAPERS

1. Corporate Plan 2015-20 - http://www.reigate-banstead.gov.uk/council_and_democracy/about_the_council/plans_and_policies/corporate_plan/index.asp
2. Borough Profile - http://www.reigate-banstead.gov.uk/download/downloads/id/5146/borough_quality_of_life_profile_2018.pdf

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REPORT OF:	HEAD OF FINANCE & ASSETS
AUTHOR:	PAT MAIN
TELEPHONE:	01737 276063
E-MAIL:	Pat.Main@reigate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	20 JUNE 2019
EXECUTIVE MEMBER:	COUNCILLOR T. SCHOFIELD

KEY DECISION REQUIRED:	NO
WARD (S) AFFECTED:	ALL

SUBJECT:	ANNUAL GOVERNANCE STATEMENT
RECOMMENDATION:	(i) That the Annual Governance Statement set out in Annex 1 be endorsed.
REASONS FOR RECOMMENDATIONS:	To seek Executive endorsement of the Council's Annual Governance Statement before it is included within the annual Statement of Accounts.
EXECUTIVE SUMMARY:	<p>The Council is required to publish an annual statement on its corporate governance arrangements. This should accompany the Council's annual Statement of Accounts.</p> <p>Statutory regulations recommend that the body charged with overall responsibility for governance within the Council should review and endorse the statement prior to its formal signature by the Leader of the Council and the Chief Executive.</p>

Executive has authority to approve the recommendation.

STATUTORY POWERS

1. The *Accounts and Audit Regulations 2015* require the Council to prepare and publish annually a statement on the adequacy of its internal control and governance framework. This is known as the Annual Governance Statement (AGS).

BACKGROUND

2. The Accounts and Audit Regulations require that the AGS accompany the Council's annual Statement of Accounts.
3. The *Code of Practice on Local Government Accounting* recommends that the Statement should be endorsed by a body within the Council that is responsible for overall corporate governance. Under the Council's Constitution, that responsibility sits with the Executive.

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4. The Code also recommends that the AGS should then be formally signed by the Leader of the Council and the Chief Executive.

GOVERNANCE STATEMENT

5. The Statement is compiled from the following sources of evidence:
 - Annual Internal Auditor Report.
 - External Audit and Inspection Reports.
 - Issues identified from the Council's Risk Registers.
 - Annual assurance statements signed by the Management Team that confirm that the Council has achieved 'best value' and has complied with all relevant legislation, regulations and codes of practice.
6. Based on the above sources of evidence a statement for the year ended 31 March 2019 has been compiled and is attached as Annex 1.

OPTIONS

7. The Executive can accept, reject or amend the contents of the statement in Annex 1.

LEGAL IMPLICATIONS

8. There are no legal implications.

FINANCIAL IMPLICATIONS

9. There are no direct financial implications associated with this report.

EQUALITIES IMPLICATIONS

10. There are no equalities implications.

COMMUNICATIONS IMPLICATIONS

11. There are no communications implications.

CONSULTATION

12. The Executive Member for Finance was consulted during the preparation of this report.

POLICY FRAMEWORK

13. There are no policy issues to raise as part of this report.

Background Papers: None

Annex 1

Reigate & Banstead Borough Council

Annual Governance Statement

1. Scope of Responsibility

Corporate governance describes how organisations direct and control what they do. For local authorities this also includes how a council relates to the communities that it serves.

The changing needs of our residents and communities, significant reductions in resources and central government reforms present a challenge to all councils. In addressing these challenges we must ensure that governance arrangements support the effective delivery of services and management of risk.

By applying the principles in our Code of Corporate Governance (summarised below) and applying the Principles of Standards in Public Life, we are committed to planning and delivering services to the residents of the borough in a way that demonstrates accountability, transparency, effectiveness, integrity and inclusivity.

Our Code of Corporate Governance outlines our governance principles:

- i. Focusing on the Council's purpose and community needs;
- ii. Having clear responsibilities and arrangements for accountability;
- iii. Requiring good conduct and behaviour;
- iv. Taking informed and transparent decisions which are subject to effective scrutiny and risk management;
- v. Developing the capacity and capability of members and officers to be effective;
- vi. Engaging with local people and other stakeholders.

This statement describes how we have complied with our Code of Corporate Governance and how we have met the requirements of the Accounts and Audit Regulations 2015. Compliance with our Code of Corporate Governance is shown on the Council's website in the following areas :

Corporate Governance webpage

Councillor Code of Conduct webpage

Risk Management webpage

2. The Purpose of the Governance Framework

Our governance arrangements are designed to manage risk to a reasonable level. The arrangements cannot eliminate all risks but can provide reasonable assurance of our effectiveness.

The governance framework has been in place for the year to the date of approval of this annual governance statement.

3. The Governance Framework

Our governance framework comprises the systems and processes, and culture and values that allow us to achieve our strategic objectives and establish the extent to which services are delivered in an appropriate and cost effective way.

These are summarised below:

- Our Five Year Plan and other documents contained in our Budget and Policy Framework that set out priorities and intended outcomes for residents and service users.
- The Executive, Committees and Panels we have established to ensure democratic engagement and accountability is central to our key and other important decisions, as well as stronger governance to support our commercial activities.
- Our arrangements for the oversight and scrutiny of decisions and policy development by Councillors.
- A review of our governance arrangements in 2018 in relation to our changing commercial plans.
- The delegation and authorisation arrangements which document the roles and responsibilities of Executive and non-Executive councillors and our statutory (and other senior) officer functions.
- Our risk, performance and accountability arrangements that measure the quality of services - ensuring they are delivered in accordance with our objectives and that they represent the best use of resources. Our commercial decisions are subject to due diligence process and risk analysis.
- Our business plans and associated resource plans, , role profiles, organisation vision, values and behaviours and codes of conduct which underpin how Members and employees work.
- Our arrangements for consultation and engagement with the community.
- Our independent internal audit service arrangements which provide risk-based assurance as well as supporting wider audit requirements.
- The independent oversight and challenge provided by our external auditors, the Information Commissioner, Freedom of Information (Act 2000) requests

for information, General Data Protection Regulations and the Local Government Ombudsman;

- Our procedure rules and internal management processes for:
 - Financial management
 - Procurement
 - Project management
 - Risk Management
 - Information governance & data security
 - Health & safety
 - Decision making
 - Whistleblowing
 - Complaints handling
 - Anti-fraud & corruption

4. Review of Effectiveness

We regularly review the effectiveness of our governance arrangements through the officer Corporate Governance Group, by evaluating our performance against the CIPFA/Solace framework (*Delivering Good Governance in Local Government*) and through independent audit reviews.

Our review of effectiveness considers decisions taken and matters considered by full Council, the Executive, the Management Team, the work of the Overview & Scrutiny Committee, the Corporate Governance Group, internal auditors, work undertaken by external auditors and the opinion of the Local Government Ombudsman.

A self-assessment of our effectiveness

Our planning, performance and risk management framework has enabled us to focus on the delivery of our corporate priorities and provides the Overview & Scrutiny Committee and Executive with the information to check and challenge attainment of our priorities.

An internal audit review of our risk management function was undertaken in 2018/19 which provided full assurance of adherence to our risk strategy.

Overview & Scrutiny Committee and Executive Members have reviewed the register of the strategic business risks facing the Council. The Executive has received assurances about the operation of the arrangements for identifying and managing risk.

Our Capital Investment Strategy will provide a new framework within which all of the Council's investment decisions can be assessed.

Effective financial planning and management

The 2018/19 budget represented a challenge for the Council and required savings of £0.7m. Despite volatile economic conditions, expenditure was controlled and the final outturn was an underspend equivalent to 9% of the budget (£1.618m).

The Chief Finance Officer has ensured that effective budget monitoring and reporting arrangements, involving the Management Team, Executive and Overview & Scrutiny Committee and Corporate Governance Group have remained in place. Given the scale of the financial challenges, the Overview & Scrutiny Committee (and Budget Scrutiny Panel) also reviewed the proposed savings as part of the budget preparation process in Autumn 2018 noting that the proposals were clear, focused, achievable, realistic and based on sound financial practices.

Effective arrangements for accountability

We have reviewed the Constitution to reflect legislative changes particularly in relation to procurement. We also continue to review the Scheme of Delegation for the Council and Executive responsibilities to reflect various legislative and organisational changes. All Managers are being asked to participate in a review of document authorisation procedures for decisions made under the scheme to provide a clear description of decision making responsibilities and transparency of our decision making.

The Overview & Scrutiny Committee has agreed the Audit Plan and received an end of year report from Internal Audit.

Effective Conduct Arrangements

The Standards Committee has operated in accordance with our published local arrangements, supported by the Monitoring Officer, since the abolition of the statutory requirement to have a Standards Committee.

The Council has a locally adopted Code of Conduct and all Councillors are given training regarding the conduct requirements. A review of the Member and Officer Code of Conduct is proposed for 2019/2020 to ensure it remains fit for purpose.

Our Councillor conduct complaint handling arrangements are approved by the Standards Committee and published on our website. Emphasis is placed on a speedy informal resolution of concerns where possible. A set of principles has been agreed by the Political Group Leaders who work together to support this process. The Monitoring Officer maintains a register of complaints and resolutions and provides, as a minimum, an annual report to the Standards Committee.

Registers of Interest for Elected Members and senior Employees have been maintained and arrangements are in place for the declaration of appropriate interests when decisions are taken. We have also appointed a pool of Independent Persons, (shared with 6 other local authorities in Surrey) for four years up to 2023 to provide stronger options to meet this statutory responsibility.

Effective decision making arrangements

Our decision-making arrangements are one of our significant governance controls, linking to all of the governance principles that are set out in our Code of Corporate Governance. We continue to review these key principles on an ongoing basis and will recommend consideration of changes to reflect new working arrangements as identified.

Positive assurances have been given by all Managers and by the Statutory Officers on risk management activities.

Effectively developing skills and capacity

The Council is developing an Organisational Development Strategy which will set out the approach needed to help ensure officers are engaged and committed to deliver the Council's priorities and services. Personal development plans and investment in "talent management" helps to ensure we have in place effective succession planning and that our workforce has the skills, capability and capacity to meet the challenges facing the Council.

We undertake regular staff engagement, including surveys, and action plans are put in place to address any themes emerging from staff engagement activities.

An induction and Member Learning and Development programme is in place for new and returning Councillors and skills training for regulatory functions takes place annually before Members take up places on the Planning and, Licensing and Regulatory Committees. In addition, all Members are briefed on the requirements of the Member Code of Conduct. A variety of learning events take place during the year to ensure that, where needed, Councillors are briefed on new initiatives or legislative changes. The bespoke training and development undertaken in 2018/19 focused on media training for the Executive and broader communications skills training for all Members, specifically in the areas of use of social media and presentation skills. Training in 2019/20 will include Local Government Finance Training as well as updated social media and presentation skills training.

Effective Engagement

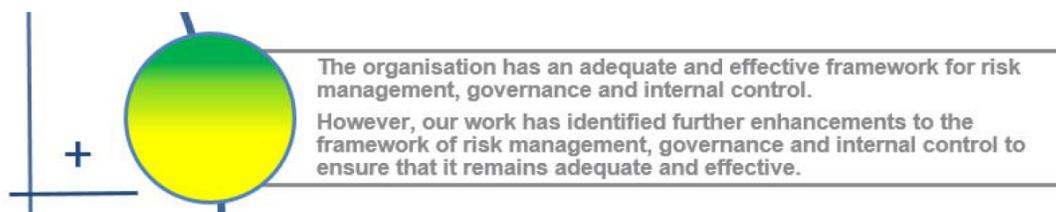
Consultation and engagement had taken place with local people and other stakeholders on a range of issues during the year to inform the plans and decisions taken by the Council. We have reviewed our approach to engagement and continue to improve our use of digital channels to reach audiences with an improved website and a greater use of social media.

Independent Opinions on Effectiveness

The Chief Internal Auditor provides independent assurance on the adequacy and effectiveness of the system of internal financial control. The Internal Audit Annual Report for 2018/19 included the following:

For the 12 months ended 31 March 2019, the head of internal audit opinion for Reigate and Banstead Borough Council is as follows:

Head of internal audit opinion 2018/19



The Annual Audit Letter (from our external auditors - KPMG) summarises the finding of the audit of the Council each year. The last letter received by the Council, in August 2018, in respect of the 2017/18 financial year contained the following conclusions:

- *We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2017-18 on 30 July 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources. To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.*
- *We issued an unqualified opinion on the Authority's financial statements on 30 July 2018. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements include the consolidated financial statements for Authority's Group, which consists of the Authority itself, Pathways for Care and Greensand Holdings Limited.*

A full copy of the KPMG Audit Letter can be found on the Council website:

http://www.reigate-banstead.gov.uk/download/downloads/id/4779/annual_audit_letter_2017-18.pdf

5. Significant Governance Issues

The independent opinions of our internal and external auditors provide considerable assurance in respect of the Council's arrangements. These have identified no significant issues or areas for improvement.

The outlook for local government over the next few years has increased challenges, related to growing demand and declining resources, the Council is confident that it has proposals in place to ensure that resources are directed toward identified priorities and to ensure that it will continue to seek innovative ways of securing value for money.

Councillor Mark Brunt

Leader of the Council

Date 20 June 2019

John Jory

Chief Executive

Date 20 June 2019

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REPORT OF:	HEAD OF FINANCE & ASSETS
AUTHOR:	MARK HERDMAN
TELEPHONE:	01737 276557
E-MAIL:	Mark.Herdman@reigate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	20 JUNE 2019
EXECUTIVE MEMBER:	COUNCILLOR T. SCHOFIELD

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	ALL

SUBJECT:	SERVICE & FINANCIAL PLANNING: PROVISIONAL OUTTURN 2018/19
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RECOMMENDATIONS:

- (i) That the provisional revenue and capital outturn position for 2018/19 is noted.
- (ii) That the use of reserves proposed in paragraph 10 is endorsed and the Head of Finance & Assets is authorised to make the necessary arrangements.
- (iii) That the 2018/19 prudential and treasury indicators in the Annual Treasury Management Report at Annex 3 are approved.

REASONS FOR RECOMMENDATIONS:

To advise Members of the revenue and capital expenditure for 2018/19, to seek authorisation for the proposed changes to reserves and to comply with the Council's reporting requirements in relation to Treasury Management activity.

EXECUTIVE SUMMARY:

This report sets out the 2018/19 provisional outturn for revenue (£1.6m favourable variance) and capital (£3.29m favourable variance). It identifies and explains key variances, and proposes changes to the levels of the Council's reserves. The report also presents the Treasury Management outturn position for 2018/19.

Executive has authority to approve recommendations (i) & (ii).

Full Council is asked to approve (iii).

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STATUTORY POWERS

1. Decisions on the use of reserves affect the Statement of Accounts. The Council is required to produce the Statement by the *Local Government and Housing Act 1989* and the *Accounts and Audit Regulations 2015*.

ISSUES

2. The accounting records for the year ended 31 March 2019 have been closed and work to prepare the formal Statement of Accounts is complete. The Statement will form part of the Annual Financial Report which will be presented to Members on 25 July following audit by Deloitte LLP.
3. The information in this report is therefore still subject to both minor variation and verification.
4. Table 1 below summarises the provisional outturn position.

Table 1: Provisional Outturn Summary

<u>Description</u>	<u>Budget</u> <u>£000</u>	<u>Outturn</u> <u>£000</u>	<u>Variance</u> <u>£000</u>	<u>Variance</u> <u>%</u>
Capital Programme	42,528	39,235	(3,293)	(8%)
Revenue Budget	17,770	16,152	(1,618)	(9%)

Capital Programme Outturn 2018/19

5. The outturn for the capital programme is £39,234,696 against a budget of £42,528,088 which gives a net underspend of £3,293,392. Due to its very nature the capital programme is not easy to profile accurately and has historically underspent by between 10% to 30% per year. The main components of the 2018/19 underspend have been previously reported and are included in the summary below. A full list of capital outturn variances can be found in Annex 1.
 - *Marketfield Way Re-development: £0.48m under spend.* During the year, work streams that were planned to be run in parallel had to be run sequentially. In addition, the project has now reached a planned pause. Outturn underspends are planned to be carried forward to 2019/20.
 - *Vehicles Replacement Programme: £0.53m under spend.* A new purchase plan for vehicles has been approved during the year, with a phased replacement now planned over the next three years.
 - *Lee Street Bungalows: £0.43m under spend.* A change in supplier was required in order to speed up this project's delivery. Now that has taken place, a revised delivery date has been agreed and the allocated funds will be carried forward to 2019/20.
 - *Disabled Facilities Grant under spend: £0.59m.* Grant expenditure is dependent on how many successful grant applications are processed and the capacity of the contractor to complete the work. The value of grants is increasing year on year.

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6. Where necessary, ongoing projects and programmes have been re-profiled to reflect the outturn position and revised plans. Unspent funds have been carried forward to 2019/20.

Revenue Budget Outturn 2018/19

7. In February 2018 the Council set a net revenue budget for 2018/19 of £15,494,500. Transfers from the Corporate Plan Delivery Fund and other grants during the year resulted in a net increase to £17,770,300. Actual expenditure for the year was £16,152,100 giving a favourable outturn position of £1,618,200 (9% of the overall budget).
8. The most significant revenue budget variances for 2018/19 have been highlighted throughout the year and are summarised below:

Income Receipts Greater than Budget:

- *Refuse & Recycling:* As reported during the year, the volumes of Paper, Food and Domestic Recycling were all above budget leading to over-recovery of income. In addition, the numbers of Garden Waste subscribers continued to increase. This has resulted in a higher than expected income and a variance of £588,000 under budget.
- *Development Services:* A £257,000 over-recovery of income was due to greater volumes of planning fees than was anticipated in the budget.
- *Property and Facilities:* The £182,000 over-recovery of income was generated through new rental streams from commercial property purchases during the year.

Government Funding Lower than Budget:

- *Benefits:* £120,000 lower benefit subsidy than was budgeted.

Expenditure Lower than Budget:

- *Finance:* A delay in investing in our property portfolio, resulted in the predicted borrowing of funds being deferred, resulting in lower annual borrowing costs compared to budget. Investing in our property portfolio later in the year (rather than earlier), resulted in additional investment income as well as reduced borrowing costs. As a result £292,200 has been saved.
- *Senior Management Team:* The £260,000 budget saving was caused by vacant posts and lower than originally expected interim management costs.
- *Place Delivery:* Some authorised posts remained vacant during the year leading to a net £164,000 budget saving.

Expenditure Greater than Budget:

- *Legal:* As previously-reported during the year, the £160,000 overspend compared to budget was caused by a reliance on locum staff and external advice to deliver the service.

9. A full list of revenue budget outturn variances is attached at Annex 2.

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Headroom Contingency Budget Outturn

10. The Headroom Contingency Budget was originally established during budget setting in 2012/13 to *'mitigate the reduction in Central Government revenue funding'*. The following costs were charged against the budget during 2018/19.

Table 3: Headroom Contingency Budget

	£
Headroom Contingency Budget 2018/19	1,335,800
Charges Made: : Net Bank Reconciliation adjustments	(475,798)
Headroom Contingency Budget underspend at 31 March 2019	860,002

The bank reconciliation adjustments relate to the outcome of work completed during the year to resolve long-standing unreconciled items. Further details of this work will be reported, following final review by external audit, as part of the annual Statement of Accounts report to Executive on 18 July 2019.

A reduction in the Headroom Contingency Budget was approved during the 2019/20 budget setting process.

Table 4: Changes in the Headroom Contingency Budget 2018/19 to 2019/20

	£
Headroom Contingency Budget 2018/19	1,335,800
Reduction: Released during the Budget Setting process	-500,000
Headroom Contingency Budget 2019/20	835,800

Use of Reserves 2018/19

11. It is recommended that the following transactions take place in order to utilise the net revenue budget variance in 2018/19 to support delivery of 2019/20 spending plans:
- a) That £0.5m is used to create a new reserve for funding the new posts that are being established during 2019/20 to support delivery of corporate priorities.
 - b) That £0.25m is used to create a new reserve for Feasibility Studies for new commercial initiatives.
12. Table 2 below summarises the impacts of these recommendations on Earmarked Reserves along with the final position on the Corporate Plan Delivery Fund Reserve (CPDF).

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Table 2: New Earmarked Reserves and CPDF Outturn 2018/19

	Balance at 31/03/18 £000	Movements During 2018/19 £000	Balance at 31/03/19 £000
Earmarked Reserves:			
Feasibility Studies: new reserve established at the end of 2018/19 to fund feasibility studies for new commercial initiatives	0	250	250
New Posts: new reserve established at the end of 2018/19 to fund new posts that are being established during 2019/20 to support delivery of corporate priorities	0	500	500
Corporate Plan Delivery Fund: funds projects within the Council that are linked to our corporate plan that are not funded through our base budget.	2,736	(1,530)	1,206
Total Impact on Earmarked Reserves	2,736	(780)	1,956

13. The final balances for all Earmarked Reserves for 2018/19 will be reported to Executive in July 2019 as part of the Statement of Accounts 2018/19 report.

Treasury Management

14. It is a requirement of the Treasury Management Strategy that treasury performance - and performance against the Prudential Indicators - is reported annually.
15. During 2018/19 none of the prudential limits were breached and all decisions were taken in accordance with the Treasury Management Strategy. A separate Treasury Management Outturn report is submitted in Annex 3.

16. OPTIONS

- The Executive can accept the proposals to update reserves as set out in paragraph 10. This is the recommended action.
- The Executive can choose to amend the proposals in paragraph 10.
- The Executive can choose to reject the proposals in paragraph 10 by withholding their approval and the reserves will not be updated.

LEGAL IMPLICATIONS

17. There are no specific legal implications beyond the general considerations.

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FINANCIAL IMPLICATIONS

Now

18. The impact of the 2018/19 outturn on the Council's revenue reserves is set out above in paragraph 10. The advantage of the proposed approach is that it provides funds to help deliver priorities and mitigate risks without increasing the burden on taxpayers, all in a climate of reduced funding.

Future

19. Over recent years much work has been undertaken to put this council in the best place possible to respond to external pressures. Whilst we have been planning for financial self-sufficiency for a number of years, the council's financial strategy will drive us towards bridging the impending gap in funding.

EQUALITIES IMPLICATIONS

20. There are no equalities implications.

COMMUNICATIONS IMPLICATIONS

21. There are no communications implications.

CONSULTATION

22. The Overview and Scrutiny Committee considered a draft version of this report at its meeting on 6 June 2019. An update will be provided on the views of the Committee.

POLICY FRAMEWORK

23. The Five Year Plan 2015-2020 includes the priority "we will be financially self-sufficient by 2020, without impacting on residents' priorities."

Background Papers:

Executive	18 March 2019	<i>Quarter 3 Performance Report</i>
Executive	24 January 2019	<i>Quarter 2 Performance Report</i>
Executive	13 September 2018	<i>Quarter 1 Performance Report</i>
Council	8 February 2018	<i>Budget & Council Tax 2018/19</i>

Provisional Capital Outturn 2018/19

	Actual £'000	Live Budget £'000	Variance £'000	Explanation of Significant Variances
CAPITAL GRANTS	1,268.7	1,858.9	-590.3	
Handy Person Scheme	16.3	50.0	-33.7	
Home Improvement Agency SCC Grant	98.0	120.0	-22.0	
Disabled Facilities Grant	821.4	1,420.4	-599.1	Disabled Facilities Grant: we have reacted to the trend of increasing budget by increasing discretionary funding provision, increasing capacity and enhancing processes, and this will continue to develop this year.
Repossession Prevention Fund	51.2	57.5	-6.3	
Flexible Homelessness Support Grant	231.7	191.0	40.7	
Capital Grants	50.0	20.0	30.0	
ENVIRONMENT	27.1	149.6	-122.6	
Land Flood Prevention Programme	1.0	6.0	-5.0	
Air Quality Monitoring Equipment	26.0	83.6	-57.6	The underspend is not required and is being returned.
Contaminated Land - Investigation work	0.0	60.0	-60.0	This is a contingency budget.
LEISURE & CULTURE	319.2	565.4	-246.2	
Leisure Centre Maintenance	12.5	48.5	-36.0	
Harlequin Property Maintenance	18.8	170.5	-151.7	
Play Area Improvement Programme	183.6	218.0	-34.4	Slippage and time constraints prevented planned works from being completed.
Parks & Countryside - Infrastructure & Fencing	60.4	45.0	15.4	
Harlequin Maintenance	41.2	41.0	0.2	
Priory Park Maintenance	2.8	42.4	-39.6	

Provisional Capital Outturn 2018/19

	Actual £'000	Live Budget £'000	Variance £'000	Explanation of Significant Variances
REGENERATION	2,419.8	2,922.5	-502.7	
Horley Public Realm Improvements - Phase 2 and 3	113.3	110.0	3.3	
Marketfield Way Redevelopment	2,015.4	2,496.6	-481.2	Workstreams that were planned to be run in parallel had to be run sequentially in the Marketfield Way redevelopment. In addition, the project has now reached a planned pause. Outturn underspends are planned to be carried forward to 2019/20.
Redhill Public Realm Improvements	21.2	20.0	1.2	
Preston - Parking Improvements	46.6	47.5	-0.8	
Preston - Landscaping	188.5	198.4	-9.9	
Burgh Heath Path Improvement	-0.6	4.0	-4.6	
Merstham Regeneration	35.3	46.0	-10.7	
ROLLING PROGRAMMES	502.7	1,245.3	-742.6	
Vehicles & Plant Programme	80.4	610.0	-529.6	A new purchase plan for Vehicles has been drawn up, with a phased replacement over the next three years. The other underspends are comparatively minor in nature and their budgets will be carried forward to next year where slippage has occurred.
ICT Replacement Programme	80.4	113.4	-33.0	
Council Offices Programme	62.2	111.0	-48.8	
Day Centres Programme	20.7	29.5	-8.9	
Existing Pavilions Programme	23.2	45.0	-21.8	
Commercial Investment Properties	69.7	83.0	-13.3	
Infra-structure (walls)	0.0	15.0	-15.0	
Car Parks Capital Works Programme	103.8	154.0	-50.2	
Public Conveniences	19.3	11.0	8.3	
Cemeteries & Chapel	11.7	20.0	-8.3	
Allotments	22.1	22.0	0.1	
CCTV Rolling Programme	9.2	31.4	-22.2	

Provisional Capital Outturn 2018/19

	Actual £'000	Live Budget £'000	Variance £'000	Explanation of Significant Variances
STRATEGIC PROPERTY	34,595.3	35,636.4	-1,041.1	
Lee Street Bungalows	4.5	430.1	-425.7	Underspend to be carried forward due to delays in finding a suitable contractor. A revised delivery date has now been agreed.
64 Massetts Road	350.4	353.6	-3.2	
200 North Rd, Merstham	100.0	100.0	0.0	
5 Hildenley Close	14.6	0.0	14.6	
27 Manor Close	3.3	0.0	3.3	
Development of Court Lodge Residential Site	-54.4	0.0	-54.4	Underspend against 2017/18 estimates.
Lavender Sandpit	5.4	0.0	5.4	
Warwick Quadrant	0.0	0.0	0.0	
Warwick Quadrant - Hotel	0.6	342.2	-341.6	Works are complete with an underspend.
Cromwell Road Development 2016	601.6	710.0	-108.4	Underspend to be carried forward.
Park Farm	15.3	50.0	-34.7	
Unit 1 Pitwood Park Tadworth	297.6	280.0	17.6	
Acquisition of 61E Albert Road North and Estate Rd	1,002.4	1,003.0	-0.6	
Acquisition of 15 London Road Redhill	38.3	0.0	38.3	
Acquisition of 3, 8 and 20 Reading Arch Road	14.0	0.0	14.0	
Acquisition of Regent House 1-3 Queensway Redhill	16,299.4	16,378.0	-78.6	
Acquisition of Units 1-5 Redhill Dist Centre Salfords	15,902.4	15,989.5	-87.1	

Provisional Capital Outturn 2018/19

	Actual £'000	Live Budget £'000	Variance £'000	Explanation of Significant Variances
WASTE MANAGEMENT & RECYCLING	14.9	10.0	4.9	
Earlswood Depot/Park Farm Depot	4.1	10.0	-5.9	
Bartec Collective Upgrade Garden & Trade Waste	10.8	0.0	10.8	
ORGANISATIONAL CHANGE	87.1	140.0	-52.9	
Disaster Recovery	29.0	70.0	-41.0	
Replacement Printers and Photocopiers	58.1	70.0	-11.9	
Total	39,234.7	42,528.1	-3,293.4	

Provisional Revenue Outturn: Summary 2018/19

Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000
Economic Prosperity	150.4	138.0	288.4	249.1	-39.3
Human Resources	587.0	67.7	654.7	653.1	-1.6
Housing Services	951.2	47.2	998.4	975.5	-22.9
Senior Management Team	1,527.4	-36.0	1,491.4	1,230.6	-260.8
Projects & Assurance	268.9	212.0	480.9	442.5	-38.4
Corporate Support	118.1	0.0	118.1	92.6	-25.5
Community Development	48.7	231.4	280.1	271.4	-8.7
Community Safety	187.3	-4.8	182.5	192.6	10.1
Community Centres	427.2	43.5	470.7	479.2	8.5
Voluntary Sector Support	417.6	49.8	467.4	485.7	18.3
Place Delivery	-5.0	214.0	209.0	44.3	-164.7
Fleet	753.2	0.0	753.2	800.5	47.3
Refuse & Recycling	1,141.2	51.0	1,192.2	604.7	-587.5
Engineering & Construction	103.1	0.0	103.1	54.4	-48.7
Environmental Health & JET	916.8	82.2	999.0	1,030.6	31.6
Environmental Licencing	-331.9	-8.4	-340.3	-320.6	19.7
Greenspaces	1,191.5	27.5	1,219.0	1,223.2	4.2
Car Parking	-2,203.1	0.0	-2,203.1	-2,294.5	-91.4
Street Cleansing	958.4	0.0	958.4	975.4	17.0
Supporting Families	93.1	134.5	227.6	226.4	-1.2
Harlequin	163.8	0.0	163.8	174.0	10.2

Provisional Revenue Outturn: Summary 2018/19

Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000
Leisure Services	-126.2	-26.4	-152.6	-168.2	-15.6
Building Control	-11.5	0.0	-11.5	47.5	59.0
Development Services	306.9	0.0	306.9	49.5	-257.4
Planning Policy	324.1	225.4	549.5	501.0	-48.5
Communications	284.2	162.8	447.0	365.7	-81.3
Customer Contact	384.0	-12.3	371.7	319.4	-52.3
Web & Information	269.0	0.0	269.0	281.4	12.4
Information & Communications Technology	1,105.9	188.6	1,294.5	1,265.3	-29.2
Democratic Services	761.6	104.9	866.5	876.5	10.0
Electoral Services	397.4	112.2	509.6	411.1	-98.5
Legal Services	501.2	36.0	537.2	696.8	159.6
Land Charges	-238.5	0.0	-238.5	-203.4	35.1
Finance	5,220.4	-12.0	5,208.4	4,916.2	-292.2
Property & Facilities	-1,111.3	235.0	-876.3	-1,058.6	-182.3
Benefits Paid/Subsidy Received	342.8	0.0	342.8	410.0	67.2
Benefits	-309.5	0.0	-309.5	-189.8	119.7
Local Taxation	-70.9	12.0	-58.9	41.0	99.9
	15,494.5	2,275.8	17,770.3	16,152.1	-1,618.2

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Annual Treasury Management Outturn Report 2018/19

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PURPOSE

1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. During 2018/19 the minimum reporting requirements were that the full Council should receive the following reports:
 - an annual treasury strategy in advance of the year (Council, 12 April 2018)
 - a mid-year, (minimum), treasury update report (Council, 13 December 2018)
 - an annual review following the end of the year describing the activity compared to the strategy, (this report).
3. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by full Council.
4. This Council confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Overview and Scrutiny Committee before they were reported to full Council. Member training on treasury management issues was undertaken during the year on 12/02/2019 in order to support members' scrutiny role.

EXECUTIVE SUMMARY

5. During 2018/19, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2017/18 Actual £000	2018/19 Original Budget £000	2018/19 Revised Budget £000	2018/19 Actual £000
Capital expenditure:				
General Fund	21,038	49,881	45,714	39,235
Total	21,038	49,881	45,714	39,235
Capital Financing Requirement:				
General Fund	0	40,000	20,000	15,046
Total	0	40,000	20,000	15,046
Gross borrowing:				
Long Term credit arrangements	0	0	0	0
External debt	0	40,000	20,000	12,000
Total	0	40,000	20,000	12,000
Investments:				
Longer than 1 year	8,000	25,000	25,000	25,000
Under 1 year	48,000	23,000	23,000	23,000
Total	56,000	48,000	48,000	48,000
Net borrowing or (Net Investment)	(56,000)	(8,000)	(28,000)	(36,000)

6. Other prudential and treasury indicators are to be found in the main body of this report. The Chief Finance Officer also confirms that borrowing was only undertaken for a capital purpose and the statutory borrowing limit, (the authorised limit), was not breached.
7. The financial year 2018/19 continued the challenging investment environment of previous years, namely low investment returns.

INTRODUCTION AND BACKGROUND

8. This report summarises the following:-
- Capital activity during the year;
 - Impact of this activity on the Council's underlying indebtedness, (the Capital Financing Requirement);
 - The actual prudential and treasury indicators;
 - Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
 - Summary of interest rate movements in the year;
 - Detailed debt activity; and
 - Detailed investment activity.

The COUNCIL'S CAPITAL EXPENDITURE AND FINANCING

9. The Council undertakes capital expenditure on long-term assets. These activities may either be:
- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
 - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.
10. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

£000	2017/18	2018/19	2018/19	2018/19
	Actual	Original Budget	Revised Budget	Actual
	£000	£000	£000	£000
Capital expenditure	21,038	49,881	45,714	39,235
Financed By:				
Capital Grants	2,888	8,108	3,599	3,966
Capital Receipts	18,150	1,273	22,115	20,133
Revenue Contribution		500		90
Total Finance	21,038	9,881	25,714	24,189
Borrowing need	0	40,000	20,000	15,046

THE COUNCIL'S OVERALL BORROWING NEED

11. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2018/19 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
12. Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, (such as the Government, through the Public Works Loan Board ((PWLB)), or the money markets), or utilising temporary cash resources within the Council.
13. **Reducing the CFR** – the Council's (non HRA) underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the non-Housing Revenue Account (HRA) borrowing need, (there is no statutory requirement to reduce the HRA CFR). This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
14. The total CFR can also be reduced by:
 - the application of additional capital financing resources, (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
15. The Council's 2018/19 MRP Policy, (as required by MHCLG Guidance), was approved as part of the Treasury Management Strategy Report for 2018/19 on 12 April 2018.
16. The Council's CFR for the year is shown below, and represents a key prudential indicator. This would include PFI and leasing schemes on the balance sheet, which increase the Council's borrowing need. No borrowing is actually required against these schemes as a borrowing facility is included in the contract. However the Council had no PFI and leasing schemes on the balance sheet at 31 March 2019.

CFR : General Fund	2017/18 Actual £000	2018/19 Original Budget £000	2018/19 Revised Budget £000	31 March 2019 (2018/19) Actual £000
Opening balance	0	0	0	0
Add unfinanced capital expenditure (as above)	0	40,000	20,000	15,046
Less MRP/VRP	0	(300)	0	0
Less PFI & finance lease repayments	0	0	0	0
Closing balance	0	39,700	20,000	15,046

17. Borrowing activity is constrained by prudential indicators for gross borrowing and the CFR, and by the authorised limit.

18. **Gross borrowing and the CFR** - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2017/18) plus the estimates of any additional capital financing requirement for the current (2018/19) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator.

	2017/18 Actual £000	2018/19 Original Budget £000	2018/19 Revised Budget £000	31 March 2019 (2018/19) Actual £000
Gross borrowing position	0	40,000	20,000	12,000
CFR	0	40,000	20,000	15,046
Under / over funding of CFR	0	0	0	3,046

19. **The authorised limit** - the authorised limit is the “affordable borrowing limit” required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2018/19 the Council has maintained gross borrowing within its authorised limit.
20. **The operational boundary** – the operational boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the boundary are acceptable subject to the authorised limit not being breached.
21. **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital, (borrowing and other long term obligation costs net of investment income), against the net revenue stream.

	2018/19
Authorised limit	£80m
Maximum gross borrowing position during the year	£12m
Operational boundary	£70m
Average gross borrowing position	£12m
Net financing costs as a proportion of net revenue stream	-4.92%

TREASURY POSITION at 31 March 2019

22. The Council's treasury management debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the end of 2018/19 the Council's treasury, (excluding borrowing by PFI and finance leases), position was as follows:

DEBT PORTFOLIO	31 March 2018 Principal £000	Rate/Return %	Average Life (years)	31 March 2019 Principal £000	Rate/Return %	Average Life (years)
Fixed rate funding:						
-PWLB	0	0%	-	0	0%	-
-Market:	0	0%	-	0	0%	-
Northern Ireland Housing	-	-	-	5,000	0.90%	3 months
Portsmouth City Council	-	-	-	7,000	1.00%	3 months
Total	-	-	-	12,000	0.96%	
Variable rate funding:						
-PWLB	0	0%		0	0%	
-Market	0	0%		0	0%	
Total debt	0	0%		12,000	0.96%	3 months
CFR	0	0%		15.046	0%	
Over / (under) borrowing	0	0%		3.046	0%	

INVESTMENT PORTFOLIO	31 Mar 2018 Principal £000	Rate/Return %	Average Life (years)	31 Mar 2019 Principal £000	Rate/Return %	Average Life (years)
Investments:						
- in house	56,000	0.92%	1 year	48,000	1.27%	1.6 years
- with fund managers	0	-	-	0	-	-
Total investments	56,000	0.92%	1 year	48,000	1.27%	1.6 years

The maturity structure of the debt portfolio was as follows:

	31 March 2018 2017/18 actual	2018/19 original limits	31 March 2019 2018/19 actual
Under 12 months	0%	100%	100%
12 months and within 24 months	0%	100%	0%
24 months and within 5 years	0%	100%	0%
5 years and within 10 years	0%	100%	0%
10 years and within 20 years	0%	100%	0%
20 years and within 30 years	0%	100%	0%
30 years and within 40 years	0%	100%	0%
40 years and within 50 years	0%	100%	0%

23. The Council was debt free until March 2018/19. The limits for maturity structure of the debt portfolio at 100% across the table is a reflection of the fact that the Council is in its early years of borrowing therefore any new borrowing could will potentially be the only borrowing at 100% limit.

INVESTMENT PORTFOLIO	Actual 31 March 2018 £000	Actual 31 March 2018 %	Actual 31 March 2019 £000	Actual 31 March 2019 %
Treasury investments				
Banks	5,000	9%	0	0%
Building Societies - rated	33,000	59%	40,000	83%
Goldman Sachs International	8,000	14%	8,000	17%
Local authorities	10,000	18%	0	0%
Total	56,000	-	48,000	-
Bond funds	-	-	-	-
Property funds	-	-	-	-
Total managed externally	-	-	-	-
TOTAL TREASURY INVESTMENTS	56,000	100%	48,000	100%

INVESTMENT PORTFOLIO	Actual 31 March 2018 £000	Actual 31 March 2018 %	Actual 31 March 2019 £000	Actual 31 March 2019 %
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Non Treasury investments				
Third party loans:	-	-	-	-
Subsidiaries – Greensand Property Holdings Ltd	2,270	3%	2,270	2%
Companies – Horley Business Park Development LLP	552	1%	602	1%
Associate – Pathway for Care Ltd	1,100	2%	1,100	1%
Investment Property	66,055	94%	98,445	96%
TOTAL NON TREASURY INVESTMENTS	69,977	100%	102,417	100%
Treasury investments	56,000	44%	48,000	32%
Non Treasury investments	69,977	56%	102,417	68%
TOTAL OF ALL INVESTMENTS	125,977	100%	150,417	100%

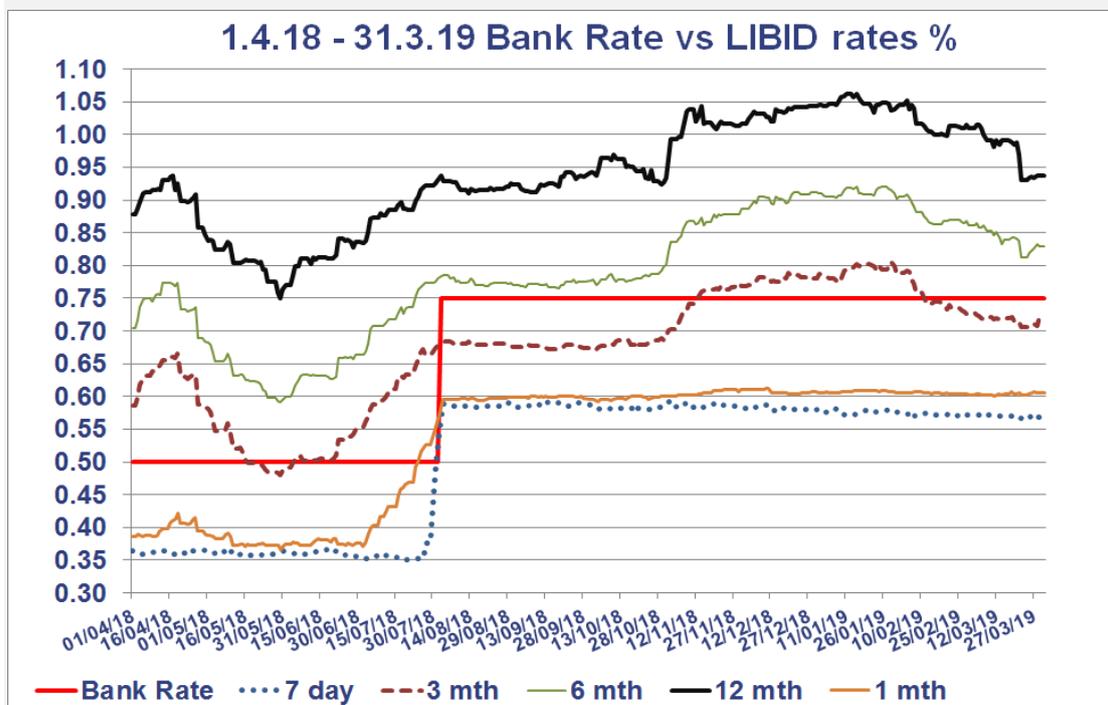
The maturity structure of the investment portfolio was as follows:

	2017/18 Actual £000	2018/19 Budget £000	2018/19 Actual £000
Investments			
Longer than 1 year	8,000	25,000	25,000
Up to 1 year	48,000	23,000	23,000
Total	56,000	48,000	48,000

THE STRATEGY for 2018/19

Link Asset Services Commentary.

Investment strategy and control of interest rate risk



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
01/04/2018	0.50	0.36	0.39	0.59	0.70	0.88
31/03/2019	0.75	0.57	0.61	0.72	0.83	0.94
High	0.75	0.59	0.61	0.81	0.92	1.06
High Date	02/08/2018	01/11/2018	10/12/2018	29/01/2019	15/01/2019	11/01/2019
Low	0.50	0.35	0.37	0.48	0.59	0.75
Low Date	01/04/2018	19/07/2018	30/05/2018	30/05/2018	30/05/2018	30/05/2018
Average	0.67	0.51	0.54	0.68	0.79	0.94
Spread	0.25	0.24	0.25	0.33	0.33	0.31

Link Asset Services Interest Rate View		12.2.18											
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
3 Month LIBID	0.40%	0.70%	0.70%	0.90%	0.90%	0.90%	0.90%	1.20%	1.20%	1.20%	1.40%	1.40%	1.40%
6 Month LIBID	0.50%	0.80%	0.80%	1.00%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.50%
12 Month LIBID	0.80%	1.10%	1.10%	1.20%	1.20%	1.20%	1.30%	1.40%	1.40%	1.50%	1.70%	1.70%	1.70%

Investment returns remained low during 2018/19. The expectation for interest rates within the treasury management strategy for 2018/19 was that Bank Rate would rise from 0.50% to 0.75%. At the start of 2018-19, and after UK GDP growth had proved disappointingly weak in the first few months of 2018, the expectation for the timing of this increase was pushed back from May to August 2018. Investment interest rates were therefore on a gently rising trend in the first half of the year after April, in anticipation that the MPC would raise Bank Rate in

August. This duly happened at the MPC meeting on 2 August 2018. During this period, investments were, therefore, kept shorter term in anticipation that rates would be higher later in the year.

It was not expected that the MPC would raise Bank Rate again during 2018-19 after August in view of the fact that the UK was entering into a time of major uncertainty with Brexit due in March 2019. Value was therefore sought by placing longer term investments after 2 August where cash balances were sufficient to allow this.

Investment rates were little changed during August to October but rose sharply after the MPC meeting of 1 November was unexpectedly hawkish about their perception of building inflationary pressures, particularly from rising wages. However, weak GDP growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

Continued uncertainty in the aftermath of the 2008 financial crisis has promoted a cautious approach whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

Borrowing strategy and control of interest rate risk

During 2018-19, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

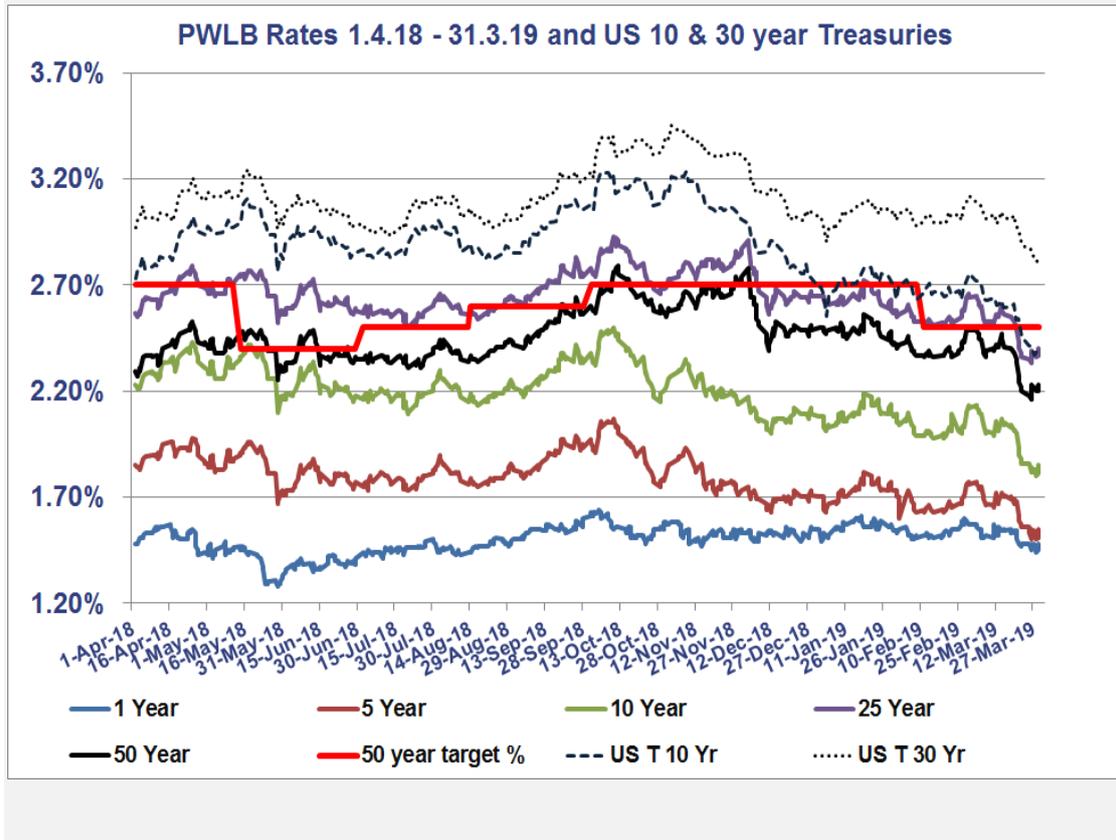
The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

- Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Finance Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks: if it had been felt that there was a significant risk of a gradual RISE in long and short term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

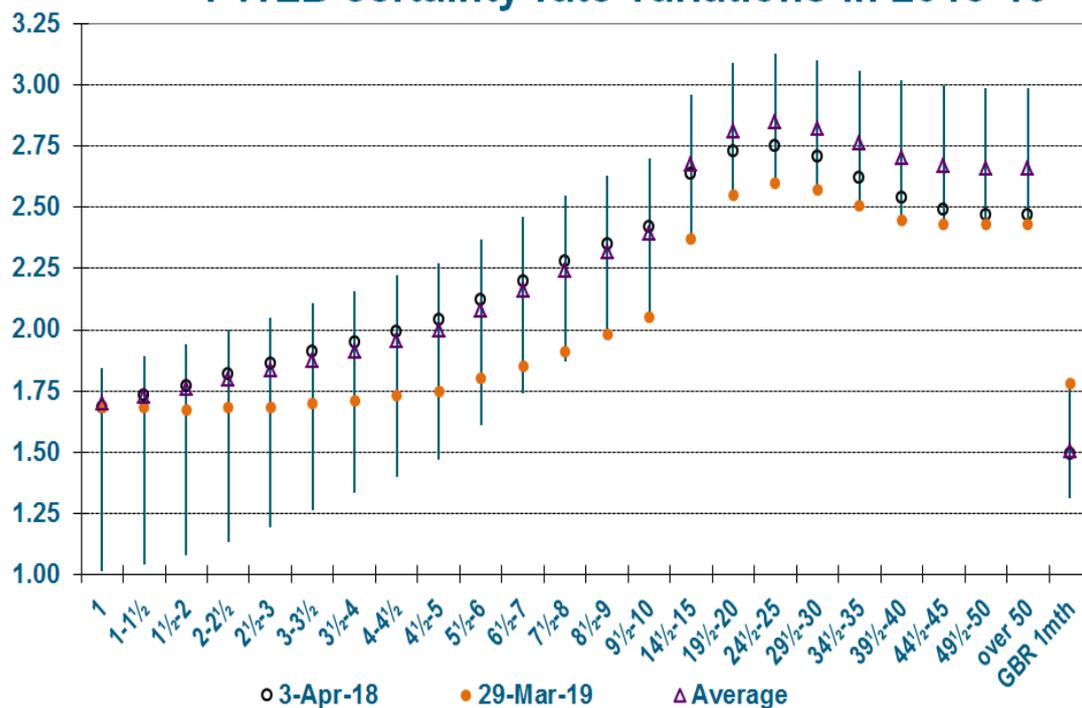
Interest rate forecasts expected only gradual rises in medium and longer term fixed borrowing rates during 2018/19 and the two subsequent financial years.

Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period.

Link Asset Services Interest Rate View 12.2.18													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
5yr PWLB Rate	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%



PWLB certainty rate variations in 2018-19



	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2018	1.48%	1.85%	2.23%	2.57%	2.29%
29/03/2019	1.48%	1.55%	1.85%	2.40%	2.23%
Low	1.28%	1.50%	1.80%	2.33%	2.16%
Date	29/05/2018	26/03/2019	28/03/2019	26/03/2019	26/03/2019
High	1.64%	2.07%	2.50%	2.93%	2.79%
Date	04/10/2018	10/10/2018	10/10/2018	10/10/2018	12/10/2018
Average	1.50%	1.80%	2.20%	2.66%	2.47%

Since PWLB rates peaked during October 2018, most PWLB rates have been on a general downward trend, though longer term rates did spike upwards again during December, and, (apart from the 1 year rate), reached lows for the year at the end of March. There was a significant level of correlation between movements in US Treasury yields and UK gilt yields -which determine PWLB rates. The Fed in America increased the Fed Rate four times in 2018, making nine increases in all in this cycle, to reach 2.25% – 2.50% in December. However, it had been giving forward guidance that rates could go up to nearly 3.50%. These rate increases and guidance caused Treasury yields to also move up. However financial markets considered by December 2018, that the Fed had gone too far, and discounted its expectations of further increases. Since then, the Fed has also come round to the view that there are probably going to be no more increases in this cycle. The issue now is how many cuts in the Fed Rate there will be and how soon, in order to support economic growth in the US. But weak growth now also looks to be the outlook for China and the EU so this will mean that world growth as a whole will be weak. Treasury yields have therefore fallen sharply during 2019 and gilt yields / PWLB rates have also fallen.

BORROWING OUTTURN

24. Borrowing - loans were drawn to fund the net unfinanced capital expenditure and naturally maturing debt.

The loans drawn were:

Lender	Principal	Type	Interest Rate	Start date	Maturity Date	Duration
Short-term Market Loan	£5m	Fixed interest rate	0.90%	14/02/2019	14/05/2019	3 months
Short-term Market Loan	£7m	Fixed interest rate	1.00%	14/03/2019	14/06/2019	3 months

25. This compares with a budget assumption of long term borrowing at an interest rate of 2.5%. The low interest rate financial environment offers opportunity to use short term debt. In addition this was considered to be a short term cash flow shortfall therefore did not warrant the need to borrow on a long term basis.

Borrowing in advance of need

26. The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

INVESTMENT OUTTURN

27. **Investment Policy** – the Council’s investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council on 12 April 2018. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
28. The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
29. **Resources** – the Council’s cash balances comprise revenue and capital resources and cash flow monies. The Council’s core cash resources comprised of usable reserves as follows:

Usable Reserves	2017/18 Actual	2018/19 Actual
	£000	£000
General Fund Balances	12,547	12,547
Earmarked reserves	21,703	25,042
Usable capital receipts	15,810	627
Capital Grants Unapplied	13,308	16,038
Total	63,368	54,254

30. Investments held by the Council

- The Council maintained an average balance of £48m of managed funds.
- The managed funds earned an average rate of return of 1.27%.
- The comparable performance indicator is the average 12 month LIBID un compounded rate, which was 0.947%.
- This compares with a budget assumption of £48m investment balances earning an average rate of 1.3%.
- Total investment income was £863.6k compared to a budget of £607.6k

THE ECONOMY AND INTEREST RATES

Link Asset Services Commentary.

UK. After weak **economic growth** of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.

After the Monetary Policy Committee raised **Bank Rate** from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in **wage inflation** which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate

to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

As for **CPI inflation** itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.

The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in **household spending power** is likely to feed through into providing some support to the overall rate of economic growth in the coming months.

Brexit. The Conservative minority government has so far, (8.4.19), been unable to muster a majority in the Commons over its Brexit deal. The EU has set a deadline of April 12 for the House of Commons to propose what form of Brexit it would support. If another form of Brexit, other than the proposed deal, does get a majority by April 12, then it is likely there will need to be a long delay to Brexit to allow time for negotiations with the EU. It appears unlikely that there would be a Commons majority which would support a disorderly Brexit or revoking article 50, (cancelling Brexit). There would also need to be a long delay if there is no majority for any form of Brexit. If that were to happen, then it increases the chances of a general election in 2019; this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 of 2018 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below President Trump's aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fourth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25 bps by the end of 2020.

EUROZONE. The European Central Bank (ECB) provided massive monetary stimulus in 2016 and 2017 to encourage growth in the EZ and that produced strong annual growth in 2017 of 2.3%. However, since then the ECB has been reducing its monetary stimulus measures and growth has been weakening - to 0.4% in quarters 1 and 2 of 2018, and then slowed further to 0.2% in quarters 3 and 4; it is likely to be only 0.1 - 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The ECB completely ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the downturn in growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. With its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the limit of cutting rates. At its March 2019 meeting it said that it expects to leave interest rates at their present levels “at least through the end of 2019”, but that is of little help to boosting growth in the near term. Consequently, it also announced a third round of TLTROs; this provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

WORLD GROWTH. Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US, though this fear is probably overdone.

OTHER ISSUES

31. **Pooled Investment Funds.** The Council had no pooled investment funds during the year ended as at 31st March 2019.

32. **Non-treasury management investments.** The Council's current approach to making property investment decisions was approved by Executive in 2014 and explains how investment decisions are made, delivery approaches and how risks will be managed. In order to support investment decisions we rely upon the principles established in our evolving Commercial Investment Strategy and powers under the Localism Act 2011. This forms the framework for maximisation of new and existing income streams to support service provision. We will continue to identify suitable property investments and to complete substantial due diligence.

Appendix 1: Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2017/18	2018/19	2018/19	2018/19
	Actual	Original Budget	Revised Budget	Actual
	£000	£000	£000	£000
Capital Expenditure				
General Fund	20,847	49,881	45,714	39,235
Ratio of net financing costs to net revenue stream				
General Fund	-4.98%	-2.37%	-2.37%	-4.92%
Gross borrowing requirement General Fund				
Brought forward 1 April	0	0	0	0
Carried forward 31 March	0	40,000	20,000	12,500
In year borrowing requirement	0	40,000	20,000	12,500
Gross Debt				
General Fund	0	40,000	20,000	12,000
Capital Financing Requirement				
General Fund	40,000	40,000	20,000	15,046
Annual change in Capital Financing Requirement				
General Fund	40,000	40,000	20,000	15,046

2. TREASURY MANAGEMENT INDICATORS	2017/18	2018/19	2018/19	2018/19
	Actual	Original Budget	Revised Budget	Actual
	£000	£000	£000	£000
Authorised Limit for external debt				
Borrowing	80,000	80,000	80,000	80,000
Other long term liabilities	0	0	0	0
Total	80,000	80,000	80,000	80,000
Operational Boundary for external debt -				
Borrowing	70,000	70,000	70,000	70,000
Other long term liabilities	0	0	0	0
Total	70,000	70,000	70,000	70,000
Actual external debt	0	40,000	20,000	12,000

Maturity structure of fixed rate borrowing during 2018/19	upper limit	lower limit
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and within 50 years	100%	0%
Maturity structure of investments during 2018/19	upper limit	lower limit
Longer than 1 year	£30m	£0m
Up to 1 year	£30m	£0m
Total	£60m	£0m

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Agenda Item 9



SIGNED OFF BY	Pat Main
AUTHOR	Martin Trenaman, Finance Operations Manager
TELEPHONE	01737 276561
EMAIL	Martin.Trenaman@reigate-banstead.gov.uk
TO	Executive
DATE	Thursday, 20 June 2019
EXECUTIVE MEMBER	Portfolio Holder for Finance

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	DEBT WRITE OFF AND RECOVERY PERFORMANCE
----------------	--

RECOMMENDATIONS

- (i) That three debts totalling £19,947.88 (as detailed in Appendix 1) be approved for writing out of the Council's accounts.
- (ii) That the Executive notes performance on debt recovery for the 2018/19 financial year.

REASONS FOR RECOMMENDATIONS

Two debts relate to National Non Domestic Rates, and one relates to Housing Benefits overpayments.

All possible action has been taken to recover these amounts and this report is seeking approval to technically write them out of the accounts.

EXECUTIVE SUMMARY

Three debts are irrecoverable and are proposed for write off.

Executive has authority to approve the above recommendations

STATUTORY POWERS

1. The Council has 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*

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Finance Act 1992.

2. The powers to waive the collection of properly determined and levied debts are set out within the Council's Constitution, in the Financial Procedures Rules. Under the Constitution all debts valued over £5,000 require the approval of the Executive.
3. This report is seeking approval to write off three debts.

BACKGROUND

4. The previous occasion when Executive was asked to write off debts was on 8 November 2018.
5. Recovering debt is a key priority of the Council and writing off any debt is seen either as a last resort or a necessity where recovery is legally prohibited, for example where there is a Debt Relief Order in place or the debtor has been made bankrupt. Where debts are passed for write off for other purposes, all possible attempts at tracing and recovery will have been made.
6. For Business Rates (NNDR) debts, a debt cannot legally be recovered where a company has been dissolved. It is noted that in 2018/19 the Council had the highest collection rate in England and Wales for Business Rates, with 99.99% of the liability being recovered during the financial year.

KEY INFORMATION

7. Annex 1 lists the debts proposed for write off with full details.
8. There are a number of circumstances that result in recovery of the debt being legally prohibited. Full details relating to the circumstances of each debt are outlined in Annex 1.
9. A schedule of performance information relating to the Council's Debt Management function is set out on Annex 2. The schedule shows that the Council continues to perform well and is in the top quartile nationally for write off levels.

OPTIONS

10. The Executive has two options.
Option 1 – accept and note the contents of the report.
Option 2 – accept the report, but ask Officers to provide more detail on some specific issues contained in the report.
11. The Executive is asked to approve Option 1.

LEGAL IMPLICATIONS

12. There are no legal implications associated with this report.

FINANCIAL IMPLICATIONS

13. The total value of the debts presented for write off is less than 1% of the Council's gross budget and is the equivalent of 0.75% of the £2.64m provision held for bad debts for 2018/19.

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EQUALITIES IMPLICATIONS
14. All debts and debtors are treated the same whether they relate to individuals or companies. The actions taken to enforce debt recovery is equal and is carried out for as long as we are legally entitled to recover the debt, or until all recovery actions have been pursued.
COMMUNICATION IMPLICATIONS
15. Information is available to debtors on the Council's website about organisations that can provide money and debt management advice.
RISK MANAGEMENT CONSIDERATIONS
16. Debts are only written off when all avenues of recovery have been exhausted or when it would be uneconomical or illegal to take any further action.
CONSULTATION
17. The Portfolio Holder for Finance has been consulted on the write offs proposed in this report.
POLICY FRAMEWORK
18. Debt recovery is operated within the framework set out in the Financial Procedure Rules within the Constitution.
BACKGROUND PAPERS
19. None

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Business Rates Write offs

Account No. Ratepayer's Name & Address	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
2432793 Redhill Food and Wine Ltd 84 Brighton Road Horley RH6 7JQ	01/09/15 – 22/10/17	6,641.15	0.00	Company Dissolved. Debt cannot be recovered.	6,641.15
2308145 Shelvers Hill Garage Ltd R/O Tadworth Service Station Shelvers Hill Tadworth KT20 5PU	01/04/17 – 11/10/18	12,078.82	3,837.38	In Liquidation. Debt cannot be recovered.	8,241.44
				Total Business rates write offs	£14,882.59

Housing Benefit overpayment Write offs

Account No. Ratepayer's Name & Address	Period of Liability	Liability		Reason for Request	Amount Outstanding £
		Due £	Paid £		
505905 Ms S	04/12/06 - 12/12/08	5,065.29	0.00	The landlord was liable for the debt. All efforts to trace the landlord have been unsuccessful and the debt is now statute barred due to the age of the debt.	£5,065.29
				Total Housing Benefit overpayment Write offs	£5,065.29

Table 1: Debt Write-Off, 1 April 2018 to 31 March 2019

Performance 2017/2018 %	Category	Debt Raised £	Write-Off Target 2018/2019 [Less than] %	Value of write offs 2018/19 £	Write-Off Performance 2018/2019 %
0.013%	Council Tax	£113.8m	1%	0.00	0.00% ¹
0.00% ¹	Non-Domestic Rates	£55.1m	1%	7,330	0.00% ¹
0.00%	Sundry Debts	£3.7m	1%	0.00	0.00% ¹

. ¹ Actual write off percentage is less than 0.01% of debt raised

Table 2: Collection Rates, 1 April 2018 to 31 March 2019

Performance 2017/2018 %	Category	Collection Target 2018/2019 %	Collection Performance 2018/2019 %
98.9%	Council Tax	98.6%	99.1%
99.99%	National Non-Domestic Rate	99.6%	99.99%
98.0%	Sundry Debts	97.0%	97.0%

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