

Overview and Scrutiny Committee Agenda



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

For enquiries regarding this agenda;

Contact: Democratic Services (01737 276182).

Email: Democratic@reigate-banstead.gov.uk

17 December 2019

To the Members of the OVERVIEW AND SCRUTINY COMMITTEE

Councillors: N. D. Harrison (Chair),

S. Parnall

R. Absalom

M. S. Blacker

G. Buttironi

J. C. S. Essex

R. J. Feeney

J. Hudson

F. Kelly

J. P. King

J. E. Philpott

K. Sachdeva

S. Sinden

R. S. Turner

S. T. Walsh

Substitutes

Conservatives:

Residents Group:

Green Party:

Liberal Democrats

Councillors:

D. Allcard, R. Michalowski, N. C. Moses, C. M. Neame and
C. Stevens

G. Adamson, J. S. Bray and C. T. H. Whinney

H. Brown, S. L. Fenton, S. McKenna and R. Ritter

S. A. Kulka

For a meeting of the **OVERVIEW AND SCRUTINY COMMITTEE** to be held on
TUESDAY, 17 DECEMBER 2019 at 7.30 pm in the New Council Chamber - Town Hall,
Reigate.

John Jory
Chief Executive

1. MINUTES (Pages 5 - 16)

To confirm as a correct record the Minutes of the previous meeting.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

To receive any apologies for absence and notification of any substitute Members in accordance with the Constitution.

3. DECLARATIONS OF INTEREST

To receive any Declarations of Interest (including the existence and nature of any Party Whip).

AUDIT REPORTS

4. INTERNAL AUDIT 2019/20 - Q2 PROGRESS REPORT (Pages 17 - 32)

To consider progress in quarter 2 against delivery of the 2019/20 internal audit plan.

OVERVIEW AND SCRUTINY REPORTS

5. BUDGET SCRUTINY PANEL REPORT: SERVICE AND FINANCIAL PLANNING 2020/21 (Pages 33 - 62)

For the Budget Scrutiny Panel to report back to the Committee with their findings and make recommendations to the Executive in line with the Council's budget and policy procedure rules.

6. LEADER'S UPDATE

To receive an update on the work of the Council and future plans.

7. QUARTERLY PERFORMANCE REPORT (Q2 2019/20) (Pages 63 - 82)

To consider Council performance in the second quarter of the year in regard to Key Performance Indicators, Revenue and Capital Budget Monitoring and Risk Management.

8. CALENDAR OF MEETINGS 2020/21 (Pages 83 - 88)

To consider the proposed Calendar of Meetings 2020/21.

9. FUTURE WORK PROGRAMME - DECEMBER 2019

(Pages 89 - 104)

To consider updates to the Work Programme for the Overview and Scrutiny Committee for 2019/20 and to consider the Action Tracker from the previous meeting.

10. EXECUTIVE

To consider any items arising from the Executive which might be subject to the 'call-in' procedure in accordance with the provisions of the Overview and Scrutiny Procedure Rules set out in the Constitution.

11. 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: Under the Committee and Sub-Committee Procedure Rules set out in the Constitution, items of urgent business must be submitted in writing but may be supplemented by an oral report.)

WEBCASTING OF MEETINGS

The Council webcasts some of its public meetings.

Meetings are broadcast live and available to view online for six months. A copy is retained for six years after the meeting.

In attending any meeting you are recognising that you may be filmed and consenting to the webcast being broadcast online and available for others to view.

If you have any queries or concerns please contact democratic@reigate-banstead.gov.uk.

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

Customers requiring either the translation facility or an alternative format should contact Customer Services: Telephone 01737 276000

Agenda Item 1

Overview and Scrutiny Committee
17 October 2019

Minutes

BOROUGH OF REIGATE AND BANSTEAD

OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Overview and Scrutiny Committee held at the New Council Chamber - Town Hall, Reigate on 17 October 2019 at 7.30 pm.

Present: Councillors N. D. Harrison (Chair), S. Parnall (Vice-Chair), R. Absalom, M. S. Blacker, G. Buttironi, J. C. S. Essex, R. J. Feeney, J. Hudson, J. P. King, S. Sinden, R. S. Turner, S. T. Walsh, D. Allcard (Substitute) and S. A. Kulka (Substitute).

Also present: Councillors C. T. H. Whinney, T. Schofield and V. H. Lewanski.

1. MINUTES

RESOLVED – the Minutes of the previous meeting on 12 September 2019 were approved as a correct record.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Committee Members: Councillor J. Philpott (substituted for by Councillor S. Kulka), Councillor F. Kelly (substituted for by Councillor D. Allcard)

Other Members: Councillor T. Archer – Portfolio Holder for Investment and Companies

Membership change

In accordance with the Council's Constitution and Delegation 1.29 of the Officer Scheme of Delegation, Councillor M. Brunt as Conservative Group Leader requested that the Conservative Group representation on the Overview and Scrutiny be changed as follows:

- Councillor C. Neame, Committee Member, will become a Substitute Committee Member.
- Councillor K. Sachdeva, Substitute Committee Member, will become a Committee Member.

The supporting Officer Decision was approved by the Head of Legal and Governance and published on our website. The change was in effect for this meeting of the Committee and was reported to Council on 31 October 2019.

Committee Chair, Councillor N. Harrison, welcomed Councillor K. Sachdeva to the meeting.

Nominations for the Budget Scrutiny Panel – it was noted that the two further Conservative nominations for the Budget Scrutiny Panel taking place on 21 November 2019 were: Councillor K. Sachdeva and Councillor D. Allcard.

Agenda Item 1

3. DECLARATIONS OF INTEREST

Councillor S. Walsh declared a non-pecuniary interest in Item 7 – Housing Delivery Strategy 2020-25 in respect of his capacity as a partner of a property management company.

4. REPORT FROM THE EXTERNAL AUDITORS ON THE 2018/19 FINANCIAL ACCOUNTS (ISA 260 REPORT)

The final report from the External Auditors on the 2018/19 Financial Accounts (ISA 260 Report) was considered by the Committee.

The Portfolio Holder for Finance, Councillor T. Schofield, gave an overview of the final report from External Auditors, Deloitte, and their conclusions. It was a challenging and thorough audit but overall the Council received an unqualified audit opinion. The approved statement of accounts, including Deloitte's audit opinion was published on the statutory publication deadline of 30 September 2019. As this was Deloitte's first year as Reigate and Banstead Borough Council's external auditors, it invariably brought new perspectives on the Council's approach to preparing accounts and the auditors had set out some areas for development on valuation of property assets and drafting the Statement of Accounts. An action plan for the 2019/20 accounts has been drawn up to address these points.

Members had a number of questions and comments in the discussion that followed:

- **Audit completion** – Members noted that the accounts had been published on the statutory deadline day for signing off the accounts which they felt did not leave time to consider the final report fully. It was identified that it took significant time to work through many of the new auditors' questions, for example, regarding information from third party suppliers on asset valuations. Challenges for Deloitte included working to new audit specifications at a time of a shortfall in experienced public sector auditors. It was reported that Reigate and Banstead was in a better position than many other local authorities in Surrey.

Members asked for assurances that there would be more time built into the reporting process for the 2019/20 Statement of Accounts.

- **Balances on Trust Funds** – the Council acts as a trustee for a number of Trust Funds of specific areas of land and other facilities for use by the public such as Reigate Baths Trust which were earning interest. Members asked for a written answer about the background of each fund to understand any restrictions on how the capital could be used for the benefit of residents.
- **Pension deficit** – it was noted that the net pension liability administered by Surrey Pension Scheme had increased from £71.1m at 31 March 2018 to £79.2m at 31 March 2019. This was in line with the slight increase in discount rates, movements in asset values and impact of the McCloud legal judgement.
- **Short Term Borrowing** – there was a short term borrowing requirement of £12m at the end of the financial year. This was in line with the treasury management strategy and was fully repaid in early 2019/20. Members asked for a written answer on the interest rate that was paid on the loan.

Agenda Item 1

- **Valuation of property assets** – Members noted that the auditors identified a number of errors in the valuations of property assets which had been amended. These corrected misstatements were included in the audit adjustments in the ISA260 report. Members asked what changes would be made to learn from this next year.

The Head of Finance and Assets explained that Deloitte's work had required amendments to asset records that dated back over several years and which had not been raised during previous audits. A review of all assets at this level of depth is now being undertaken to ensure that their accounting treatment is correct and the supporting processes and procedures are being updated for this coming year end.

- **Gains and Losses** – Members asked for more information on the expected credit loss provision in loans to trading companies (Gains and losses recognised in the Income and Expenditure Account and Movement in Reserves Statement of 2018/19) and on the group accounts for Pathway for Care Ltd. A written response would be provided.

The Chair noted that a new set of auditors added value to the process. It was positive that auditors did not find any significant value for money risks in their report and the Council's use of resources were reported positively. However, as the Deloitte report had identified some medium priority items (amber priorities) on internal control and risk management, it was agreed to ask for a progress report in these areas at the Committee's January meeting.

RESOLVED that:

- (i) the final report from the External Auditors on the 2018/19 Financial Accounts (ISA 260 Report) be noted.
- (ii) the published version of the Statement of Accounts 2018/19 be noted.
- (iii) an update progress report on the Statement of Accounts 2019/20 was requested for the Committee's meeting in January.

5. HALF YEARLY TREASURY MANAGEMENT REPORT FOR 2019/20

Members considered the Half Yearly Treasury Management Report for 2019/20. This progress report updated Members on the performance of the Council's treasury management activities including the latest investment and borrowing position and updated prudential indicators and policies.

The Portfolio Holder for Finance, Councillor T. Schofield, said the current forecast of the treasury management performance was on track and would be presented to the Executive on 7 November 2019. Performance was better than assumed in the budget as long term borrowing had not been necessary to date. It was anticipated that borrowing of up to £41.5m would be undertaken during the second half of 2019/20 to fund delivery of the approved Capital Programme. As the Capital Programme expenditure plans became more certain, the supporting borrowing and investment forecasts had been refreshed. The treasury forecasts in the report also reflected the £25m that had been delegated to the Commercial Ventures Executive Sub-Committee (CVESC) for commercial investment.

Agenda Item 1

It was noted that the update on expected movements in interest rates in the report, provided by the Council's advisers, did not anticipate the recent announcement from the Treasury of a 1.0 per cent increase in the Public Works Loan Board (PWLB) loan interest rate.

There were a number of questions in the discussion that followed:

- **Capital Expenditure and Financing** (Table 1 in the report) – Members asked for follow-up information about the £1.704m actual spend on capital expenditure.
- **Public sector borrowing** – Members asked what the impact would be on the Council's investment plans because of the unexpected rise in the PWLB interest rate rise. It was noted that this added 1.0 per cent to all borrowing interest rates irrespective of the loan term. It was reported that the CVESC and finance teams were looking into the impact on capital expenditure plans and revenue expenditure forecasts. It does not have any impact on the Minimum Revenue Provision charge but, as PWLB interest rates are now 3.0 to 3.5 per cent, it will reduce the forecast return on new commercial investments.
Members asked how the interest rate rise might affect cash flow and how best to mitigate the cost to the Council.
- **Treasury Investments** – it was noted that the total treasury investments were £36m at 30 September 2019. Members asked if some of these funds could be used instead of borrowing money. It was identified that the Council was required under treasury rules and regulations to keep minimum balances. If it falls below a certain limit (£10m) then this restricts the types of investment the authority may make with consequent impacts on investment returns. An updated Treasury Management Strategy for 2020/21 would be presented to Members early next year and a key factor will be to confirm the minimum balance required going forward.
- **Brexit** – the commentary in the report on the impact of Brexit was noted, along with subsequent recent developments. Updates on the outcome of Brexit on the economy and investments would be reflected in future reports.
- **Investment portfolio** – non-Treasury investments – it was confirmed that the £1.1m value reported for the investment in Pathway for Care was still an accurate position.

Members agreed to ask the Commercial Ventures Executive Sub-Committee (CVESC) to note the increase in the PWLB borrowing rate and to consider the impact on the Council's commercial investment strategy. They also asked the CVESC to consider the minimum balances that were required on the investment side.

RESOLVED that the Half Yearly Treasury Management Report for 2019/20 and the updated prudential indicators be noted and the observations of the Committee be considered by the Commercial Ventures Executive Sub-Committee at its meeting on 7 November 2019.

Agenda Item 1

6. PORTFOLIO HOLDER BRIEFING - ORGANISATION PORTFOLIOS

Members received a briefing from the Organisation Portfolio Holders on the Organisation business area and their portfolios. The three Organisation Portfolios Holders were: Finance, Investment and Companies, and Corporate Direction and Governance. These three portfolios were aligned with the themes set out in the Council's current and emerging Corporate Plans.

Finance Portfolio

Councillor T. Schofield, Deputy Leader and Portfolio Holder for Finance, gave an overview of the ongoing work in the Finance area which included Service and Financial Planning, Treasury Management, legal services, procurement and land charges. A report to the Committee set out a progress update on the Finance Portfolio's objectives. These objectives included adopting a Capital Investment Strategy, approval of the Medium Term Financial Plan 2020-25, a procurement review, developing an asset management strategy and establishing working groups to guide key areas such as a Budget Advisory Group with Portfolio Holders.

The draft budget proposals for 2020/21 were due to be considered by the Executive on 7 November and reviewed by the Budget Scrutiny Panel on 21 November 2019 before it was reported back to this Committee.

Members commented on the following areas:

Procurement – Members noted the review of the procurement and contract management processes. They requested sight of the report and its recommendations when it was completed so improvements could be made to these areas.

Budget 2020/21 status – It was confirmed that Legal services which had overspends in previous years was expected to be on the existing budget from 2020/21. The new legal support arrangements were welcomed.

Investments and Companies Portfolio

The Portfolio Holder for Investments and Companies, Councillor T. Archer, was unable to attend the meeting, so Portfolio Holder for Finance, Councillor T. Schofield gave an overview of the Investment and Companies area of business. This included the Council's assets and management, companies and commercial investments.

A report to the Committee set out progress on objectives which included ongoing oversight on existing companies via the Commercial Ventures Executive Sub-Committee, determining the Horley Business Park investment approach, considering new investment opportunities as they arose and ensuring effective monitoring and reporting of existing investments.

Members commented on the following areas:

- **Performance of companies** – noted that a report on the performance of the companies owned or part-owned by the Council was considered under Agenda Item 8 of the meeting.

Agenda Item 1

- **Updated asset management strategy** – work was being undertaken to review the Council's current assets to maximise returns from its commercial properties and land. The review would also be looking in detail at each asset held. The updated Asset Management Strategy would be considered for approval by the Commercial Ventures Executive Sub-Committee once completed. It was noted that the Committee requested a report, when the review is completed, on the assets held in terms of purchase price, value and overall returns.
- **Building energy ratings** – Members asked if information was held on the building energy ratings for properties we lease to ensure compliance with new regulations.

Corporate Direction and Governance Portfolio

Councillor V. Lewanski, Portfolio Holder for Corporate Direction and Governance, gave an overview of the ongoing work in the Corporate and Governance areas. This included Legal and Governance (including Mayoral support), performance and project reporting, an improved Employment Committee, a review of the Standards Committee, HR and organisational development, the ICT roll out of Windows 10 and Office 365 and updates to the Customer Contact Strategy.

The Portfolio Holder reported that the Employment Committee was now operating in line with its updated terms of reference and had engaged with the recruitment process for both a new Head of Finance and a Director of Organisation.

The training programme for Members had been greatly expanded with a Member Learning and Development Programme which would be developed to sit alongside the Corporate Plan 2020-25.

In the performance and project reporting area, updated Key Performance Indicators (KPIs) mapped to the Corporate Plan 2020-25 were being developed in consultation with Heads of Service and Executive Members. An informal KPI Working Group had been set up to review KPIs which involved Overview and Scrutiny Committee Members.

It was noted that work was underway to update the priorities of the Great People Programme to encourage employee engagement, customer focus and creativity. The Staff Survey would ask more detail about staff views on working for the Council.

Updates to the Council's strategy on communications and customer contact had delivered significant efficiencies and savings. Work was now in progress to make sure that it remained practical and convenient, particularly for vulnerable and older residents who could not use online or digital ways of accessing services, to contact the Council using methods other than via online forms and email.

Members thanked Councillor V. Lewanski for his work in this Portfolio business area.

Committee Members had a number of questions and comments in the discussion that followed:

Agenda Item 1

- **Apprenticeships** – the Portfolio Holder for Corporate Direction and Governance said that 0.5 per cent of the Council's total pay bill was paid to the Government for the apprenticeship levy. The Council drew down approximately £5.8k a month of this money to pay for training people in different roles from accountants to gardeners. This was something Members wanted to continue to do so as to develop the talent pool and take on apprentices permanently after their training had been completed. Members asked for a breakdown on the number and type of apprenticeships, particularly at Levels 2 and 3, as there was a skills shortage at this entry level in employment. Many young people left education at age 16 without a Level 2 qualification and it was important that the levy helped young people onto this first rung of the career ladder.

It was confirmed that the Council targets a broad range of different roles through its apprenticeship schemes. It had also focused on training local young people who were not in education, employment or training.

Members asked for more information in a written answer about the Council's apprenticeship programme – how much it spent on the levy, how many apprenticeships there were at each training level and their roles.

- **ICT** – Members asked how the roll-out of Windows 10 and Office 365 across the business was being managed to ensure that business change was achieved in addition to new hardware updated.
- **Communications** – Members noted improvements to this service. They asked how the Council measured how effectively it was communicating with residents to make sure that improvements that had been made were monitored.
- **Customer contact** – Members reported concerns from residents that it could take a long time to get through on the phone to different departments via the central customer contact number. Members asked if the initial welcome introductory message could be reviewed as it was a long three-minute message which added to the waiting time for residents. Other Members reported that residents did not have difficulties submitting a question online but getting a response back to their online questions (which were passed to the relevant department) could take time.

Members asked what was in place to measure the Council's responsiveness online to questions from the public. It was identified that the work on developing KPIs could look at this area.

Councillor Lewanski said that ICT was looking at how many forms for residents were being filled out by Council staff as opposed to people filling out forms online themselves as this was a high number. He welcomed the feedback from Members who suggested a survey of their experiences.

- **Informal Working Group** on KPIs – it was confirmed that this group was due to meet in a few weeks. The Chair, Councillor N. Harrison asked Conservative and Green Party Members to give their nominations directly to the Portfolio Holder for Corporate Direction and Governance.

Agenda Item 1

- **Standards Committee** – it was noted that the Head of Legal and Governance was reviewing this area to formalise the work of this Committee and work was continuing. A draft report would be produced early in the new year.

RESOLVED that: the Portfolio Holder Briefings on the Organisation Portfolio and the observations of the Committee for consideration by Executive Members be noted.

7. HOUSING DELIVERY STRATEGY 2020-2025

Members considered the draft Housing Delivery Strategy 2020-25 and provided feedback on the strategy prior to it being finalised for the Executive on 5 December 2019.

The Director of People Services gave an overview of the Housing Delivery Strategy. The Executive Portfolio Holder for Housing and Benefits Councillor G. Knight was not present at the meeting.

The strategy document was an important step towards delivering the Corporate Plan 2020-25 housing objective to develop and implement a housing delivery strategy. It outlined the Borough's housing priorities, considered affordability issues as well as the planning policy background and construction challenges. An all-Member briefing had taken place on 26 September. The strategy set out six objectives to enable more households working or living in the Borough to have a home that is affordable to them. Underpinning these objectives was a commitment to partnership work with housing associations, public landowners, investors, developers and others. An Action Plan 2020-25 was set out in the document.

Councillor S. Walsh declared a non-pecuniary interest in respect of his capacity as a partner of a property management company.

Committee Members had a number of questions and comments in the discussion that followed:

- **Affordable housing** – Members noted the Council had a good track record of meeting the Government's affordable housing target each year but the target for delivering affordable housing on Council land was still small. Members asked if affordable housing schemes could be expanded on current development projects such as Cromwell Road in Redhill town centre. Members asked if the objective to deliver housing to meet local needs through planning policy (objective 6) could set out more detail about how the plans for building affordable housing were linked with transport strategies and support for local businesses through employment opportunities.

Members asked whether the aim to provide more affordable homes could be set out in the housing vision so it was clear for residents that the housing strategy was not only about building more homes. Clear statements setting out the legal definitions of affordable housing, affordable rented and shared ownership and shared equity also would be helpful for residents who did not feel schemes were currently affordable for them. It was noted that if more affordable housing was not built then young people would move outside the

Agenda Item 1

borough to Croydon and Crawley where there was more social rented housing.

It was noted that the Council had increased the affordable housing requirement on greenfield sites to 35 per cent in the Core Strategy. The Corporate Plan committed Reigate and Banstead Borough Council to deliver a minimum of 30 per cent affordable housing on all Council development schemes. Members asked if the 35 per cent target could apply for the Council's own schemes. They also commented whether the 35 per cent figure could be achieved on greenfield sites due to the high cost of land.

Members pointed out that building on the green belt led to additional costs to put in infrastructure such as roads and other services. It was more cost effective to use existing land and buildings such as converting space above shops into residential flats.

- **Council Assets** – Members asked about the strategy to use Council land and assets to deliver additional housing and how much of it could be used for this purpose. It was noted that officers were currently working on an assessment of its lands and assets. It owned a modest number of sites across the Borough and was identifying if there were innovative ways to unlock the potential of land the Council did own.

In response to these questions, officers identified that the Action Plan 2020-25 set out an outline timetable on the six objectives. Work underway included appraising Council land and looking at developable sites. The Council was also working on bids with partner organisations such as Raven Housing Trust which brought in not just resources but also access to new skill sets of experienced professionals in this area. An affordable housing development manager had been recruited with a specific brief to work on the affordable housing strategy.

Achieving 30 per cent of affordable housing on the Council's own land was a minimum target and the aspiration set by the Executive was to achieve a higher figure. Executive Members had discussed this housing strategy at a recent awayday and proposed budget plans would be set out in the Service and Financial Planning report to the Executive on 7 November 2019.

In addition, Members raised the following issues:

- **Environmental sustainability** – increased insulation meant new and upgraded houses would be more affordable as heating bills reduced. It was confirmed that the Housing Delivery Strategy would include reference to environmental sustainability and the current work to develop this strategy.
- **Permitted development rights** – Members had concerns about proposals for offices to be converted to housing where developers did not need to provide affordable housing units or to upgrade building stock. It was noted that officers were working hard to address these issues. Members had lobbied local MPs to bring about a change in planning legislation.
- **Private rented sector** – Members noted the increase in the average rental property in the Borough which had risen by 29 per cent between 2011 and 2017 and asked if a standard for private rents could be set. It was confirmed that unfortunately the Council did not have control over private sector rents

Agenda Item 1

but it was looking at delivering some private sector rented tenures on a site by site basis.

Members agreed to feedback the Committee's observations set out in the Minutes to the Executive meeting on 5 December 2019. In addition, the Committee recommended that the six objectives set out in the Action Plan 2020-25 be prioritised with key dates for delivery, including the people and resources that would be required to achieve these aims.

RESOLVED that: the Housing Delivery Strategy 2020-25 be noted and the observations of the Committee taken into consideration for the Executive on 5 December 2019.

8. COMPANIES PERFORMANCE UPDATE, 17 OCTOBER 2019

Members considered a report on the performance of the companies owned or part-owned by the Council. To support good governance of the Council's companies the Overview and Scrutiny Committee received six-monthly updates. These companies currently consisted of Greensand Holdings Ltd, Horley Business Park Development LLP, Pathway for Care Ltd and RBBC Ltd. All these companies were currently considered to be performing in line with the Council's objectives.

Greensands Holdings currently held one property which provided a rental income sufficient for the company to meet its repayment and loan obligations to the Council and to generate an income.

Horley Business Park Development was a joint venture set up to bring forward planning and subsequent development of land in the Horley area. The business park site was allocated for employment purposes in the Reigate and Banstead Development Management Plan (2018-2027) which was adopted by full Council on 26 September 2019.

Pathway for Care which provided supported living facilities and support for their residents at a number of sites in the borough was projected to generate a net profit in 2020. The Council was a minority shareholder in the company with the majority shareholding sold to Paul Green, a founder and former director of Fairhome Group PLC (the previous majority shareholder) in September 2019.

RBBC Ltd (Pathway Digital) was a potential digital technology business but as no external investment was secured the company was inactive and in the process of being closed.

Members noted the report and asked questions on the following points:

- **Horley Business Park Development** – Gatwick Airport and its published Masterplan proposed to use a small part of the Council's land for storing construction works. If the airport was expanded, and use of the reserve runway received consent from the Secretary of State, would a neutral position be agreed? It was confirmed that the Council had not yet adopted a position regarding Gatwick's proposals or formally responded as a local authority to a possible future application for a Development Consent Order.
- **Governance arrangements** – was there an update on the review of governance issues including those of non-executive directors? It was

Agenda Item 1

confirmed that work on new governance arrangements for the Council's companies was ongoing including resourcing these companies and commercial activities. A report from the Monitoring Officer would be considered by the Commercial Ventures Executive Sub-Committee early in the new year which would address the issue of non-executive directors.

- **Greensand Holdings** – it was noted that David Beck had been appointed by the Commercial Ventures Executive Sub-Committee as an interim Council Property Advisor to a vacant director post in the company in May 2019. This was a temporary post which was an external resource to ensure that the appropriate number of directors were on the Board. The Commercial Ventures Executive Sub-Committee had approved the appointment and had oversight of his work.

RESOLVED that:

- (i) the Companies Performance Update as set out in the report (17 October 2019) and the Exempt information be noted.
- (ii) the observations of the Committee be noted by the Commercial Ventures Executive Sub-Committee at its meeting on 7 November 2019.

9. FUTURE WORK PROGRAMME - OCTOBER 2019

Members reviewed the Future Work Programme for the Overview and Scrutiny Committee for 2019/20 and considered the Action Tracker from the previous meeting.

It was noted that the report from the Budget Scrutiny Panel: Service and Financial Planning 2020/21 would be considered at 11 December 2019 Overview and Scrutiny Committee meeting.

The Chair noted that the Staywell contract to run three community centres was due to end on 31 March 2020. A cross-party consultative group was being established looking into the work to transfer the services back to the Council. The Committee requested a report on the transfer before the 1 April due date.

Projects update – as requested at the September Overview and Scrutiny meeting and set out on the Action Tracker, Members had received a written response on current timescales of major development projects – Marketfield Way, Cromwell Road, Lee Street and Pitwood Park.

Members requested further detailed information be provided in order to understand in more detail the current performance of these projects. It was suggested that reporting of the RAG status of these projects would be helpful with regards to time and budget for instance.

It would also be useful for Members to receive detailed information such as spend to date, design status, number of tenders received and any other relevant information.

It was noted that Committee Members currently received detailed performance updates via quarterly reports which included the capital programme within the established governance framework. All projects and programmes were reviewed in

Agenda Item 1

Overview and Scrutiny Committee
17 October 2019

Minutes

detail on a monthly basis with the relevant Portfolio Holder Executive Member and any significant changes reported to them.

The requirement for programme and project reporting was identified as a new request from the Committee.

It was agreed that Councillor N. Harrison would progress this request with the relevant officers.

RESOLVED that: updates to the Future Work Programme for 2019/20 and the observations on the Action Tracker be noted.

10. EXECUTIVE

It was reported that there were no items arising from the Executive that might be subject to the 'call-in' procedure in accordance with the provisions of the Overview and Scrutiny Committee Procedure Rules.

11. ANY OTHER URGENT BUSINESS

There were no items of urgent business.

12. EXEMPT BUSINESS

RESOLVED: that members of the Press and public be excluded from the meeting for the consideration of Item 12 of the agenda (Medium Term Financial Plan Update (Exempt)) 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.

13. COMPANIES PERFORMANCE UPDATE, 17 OCTOBER 2019 (EXEMPT)

Members noted the information in relation to the Medium Term Financial Plan Update in the Exempt part of the meeting.

The Meeting closed at 9.40 pm

Agenda Item 4



SIGNED OFF BY	Head of Projects and Performance
AUTHOR	Luke Harvey, Project & Performance Team Leader
TELEPHONE	Tel: 01737 276519
EMAIL	Luke.Harvey@reigate-banstead.gov.uk
TO	Overview and Scrutiny Committee
DATE	Tuesday, 17 December 2019

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Internal audit 2019/20 - Q2 progress report
----------------	---

RECOMMENDATIONS

- (i) That the Committee note the Internal Audit Progress Report attached at annex 1;
- (ii) That the Committee make any comments and/or observations on the report to the Council's Chief Finance Officer

REASONS FOR RECOMMENDATIONS

Under the Council's constitution the Overview and Scrutiny Committee fulfils the role of the Audit Committee. As part of this role the Committee is required to review the quarterly internal audit progress report which details the progress of delivering the audit plan for 2019/20.

EXECUTIVE SUMMARY

This report provides a progress update on the delivery of the 2019/20 Internal Audit Plan and is presented to the Committee in its role as the Council's Audit Committee. At the end of Q2 2019/20, delivery of the audit plan is on track. Additional detail is available within the body of the report and in the report of the Council's internal auditors (made available to the Committee at annex 1).

The Committee has the authority to approve the above recommendations.

Agenda Item 4

STATUTORY POWERS

1. The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which state that authorities must: 'undertake an effective internal audit to evaluate the effectiveness of [their] risk management, control and governance processes, taking into account public auditing standards or guidance'.
2. The latter standards are defined in the Public Sector Internal Audit Standards (updated in 2017).
3. In accordance with these standards and the Council's internal audit charter, the internal auditors are required to provide regular written progress reports to the Council's senior management and Audit Committee.

BACKGROUND

4. The Southern Internal Audit Partnership (SIAP) are the Council's internal auditors, having taken over from the previous provider on 1 April 2019.
5. The Council has entered into a Partnership Agreement with SIAP for the provision of internal audit services. The Council has joined SIAP as a Key Stakeholder Partner and, in so doing, has discharged its internal audit function as permitted under section 101 (5) of the Local Government Act (1972).
6. The Council's Chief Finance Officer (Section 151) holds statutory responsibility for the overall financial administration of the Council's affairs and is therefore responsible for maintaining an adequate and effective internal audit function. The Head of Projects and Performance has day to day responsibility for managing the SIAP contract.
7. Under the Council's constitution the Overview and Scrutiny Committee fulfils the role of the Audit Committee. The Committee is therefore receiving this report in its role as the Audit Committee which is distinct from its scrutiny function.
8. The role of scrutiny is to review Council policy and challenge whether the Executive has made the right decisions in delivering policy goals. The Audit Committee and function, however, is charged with providing independent assurance of the adequacy of the risk management framework and the associated control environment, as well as independent scrutiny of the Council's financial and non-financial performance insofar as it affects the Council's exposure to risk. CIPFA's guidance on the role of the Audit Committee in Local Government (2018) provides further background and context to this requirement.
9. In accordance with its constitutional responsibilities, the Overview and Scrutiny Committee endorsed the SIAP internal audit plan for 2019/20 on 14 March 2019 (agenda item 4).
10. As set out under Part 3a of the Council's Constitution, the Committee is responsible for reviewing internal audit progress reports and monitoring delivery of the annual

Agenda Item 4

audit plan.

11. In order to facilitate the latter, progress reports on internal audit plan delivery are provided to the Committee on a quarterly basis. The purpose of the report is therefore to aid the committee in the fulfilment of its audit responsibilities as defined in the Constitution.
12. The attached progress report:
 - Summarises the status of 'live' audit reports' (an audit is considered to be 'live' if there are outstanding management actions);
 - Provides an update on the delivery of the annual audit plan;
 - Summarises internal audit performance, including assurance opinions given; and,
 - Summarises any adjustments made to the audit plan.

KEY INFORMATION

Q2 progress update

13. Section 3 of SIAP's report details the overall progress of delivering the 2019/20 audit plan.
14. In summary, good progress has been made and delivery of the 2019/20 audit plan is on track.
15. Internal audit reviews result in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. SIAP's assurance opinions are categorised as follows:

Substantial	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

16. Since the Q1 progress report was presented to the Overview and Scrutiny Committee on 12 September 2019, a further three audits have concluded; the detail of these audits is contained in section 7 of SIAP's report.

Agenda Item 4

17. The table below details the assurance opinions on the audits that have concluded so far this year:

Audit	Assurance opinion
Corporate Plan	Substantial
Decision Making and Accountability	Substantial
Human Resources and Organisational Development	Adequate
Income collection	Adequate
Investments	Adequate
Refuse, Recycling and Street Cleansing	Adequate

18. Section 4 of SIAP's report provides an overview of the management actions that have been agreed following the conclusion of individual audit assignments as well as progress as to their implementation. At the end of Q2 there were no overdue management actions.
19. Section 8 of SIAP's report details any revisions made to the audit plan for the year. Since the Overview and Scrutiny Committee considered the Q1 progress report there have been no further amendments to the audit plan for 2019/20.
20. Further detail can be found in SIAP's report which is available at annex 1.
21. Moreover, individual audit assignment reports are available to Members via eMembers.

OPTIONS

22. The Committee has two options:
23. Option 1: Note the report and make any observations and comments on its contents to the Council's Chief Finance Officer.
24. Option 2: Note the report and make no observations to the Council's Chief Finance Officer.

LEGAL IMPLICATIONS

25. The Committee's review of the quarterly progress report assists in the fulfilment of the Council's statutory duty to maintain an independent and effective internal audit function.
26. There are no other legal implications resulting from this report.

FINANCIAL IMPLICATIONS

Agenda Item 4

27. There are no financial implications arising from this report. Internal audit fees are funded within the annual revenue budget.

EQUALITIES IMPLICATIONS

28. There are no equality implications arising from this report.

COMMUNICATION IMPLICATIONS

29. There are no communications implications arising from this report.

HUMAN RESOURCES IMPLICATIONS

30. There are no human resources implications arising from this report.

RISK MANAGEMENT CONSIDERATIONS

31. An effective internal audit function is an important part of effectively managing risk.
32. The Council's strategic and operational risk registers were utilised in the development of the annual internal audit plan.

OTHER IMPLICATIONS

33. There are no other implications arising from this report.

CONSULTATION

34. This report has been considered by the Council's Corporate Governance Group as part of its governance role in monitoring audit performance.

POLICY FRAMEWORK

35. Internal audit makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all Corporate Plan Priority areas.

BACKGROUND PAPERS

None

This page is intentionally left blank

Internal Audit Progress Report

October 2019

Reigate & Banstead Borough Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

Contents:

1.	Role of Internal Audit	3
2.	Purpose of report	4
3.	Performance dashboard	5
4.	Analysis of 'Live' audit reviews	6
5.	Executive summaries 'Limited' and 'No' assurance opinions	7
6.	Planning and resourcing	7
7.	Rolling work programme	7-9
8.	Adjustments to the Plan	10

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

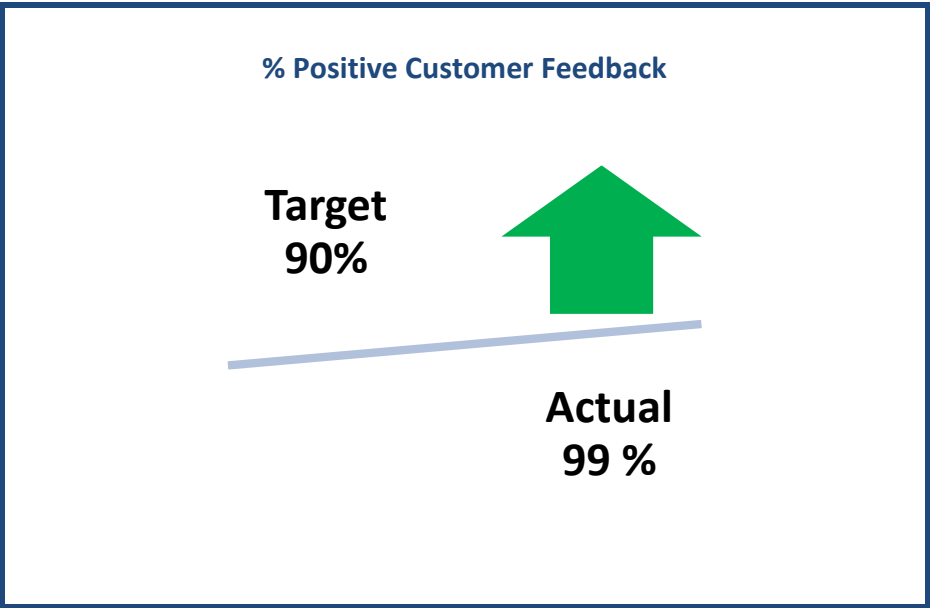
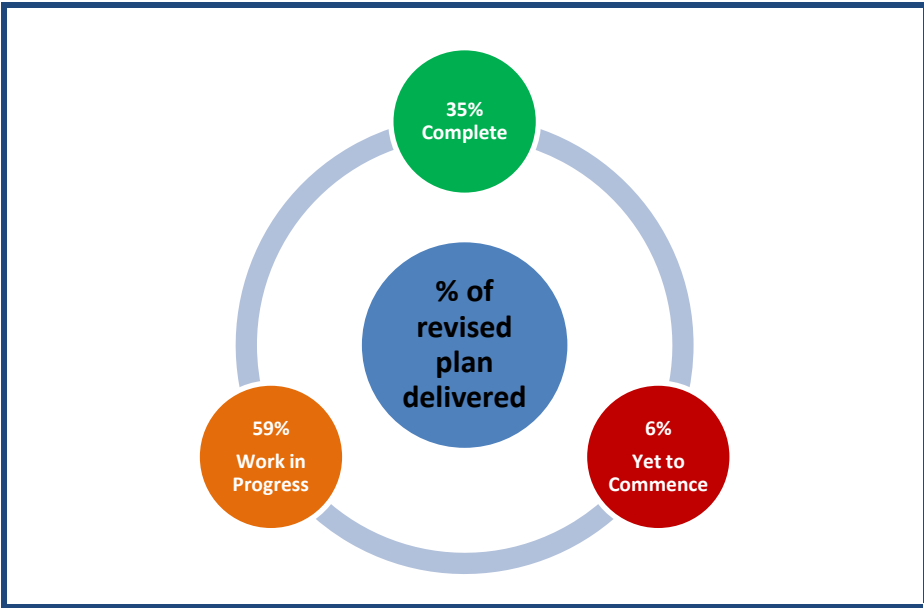
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

- Substantial** A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
- Adequate** Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
- Limited** Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
- No** Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

3. Performance dashboard

27



Compliance with Public Sector Internal Audit Standards	
	<p>An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:</p> <p><i>'It is our view that the Southern Internal Audit Partnership 'generally conforms' to all of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).</i></p> <p>In accordance with PSIAS, a further self assessment was completed in April 2019 concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.</p>

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ("High Priority")						
				Total Rec's Reported	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Human Resources and Organisational Development	3.10.19	HofOD	Adequate	7(0)	0(0)	7(0)	0(0)	-	-	-
Investments	3.10.19	HofF&A	Adequate	4(0)	0(0)	2(0)	2(0)	-	-	-
Refuse, Recycling and Street Cleansing	15.10.19	HofNO	Adequate	15(3)	0(0)	11(0)	4(3)	-	-	-
Income Collection	13.11.19	HofF&A	Adequate	4(0)	0(0)	4(0)	0(0)	-	-	-

28

Audit Sponsors			
HofCP	Head of Corporate Policy	HofW&I	Head of Wellbeing and Intervention
HofPP	Head of Projects and Performance	HofCP	Head of Community Partnerships
HofOD	Head of Organisational Development	HofC&CC	Head of Communications and Customer Contact
HofIT	Head of IT	HofP	Head of Planning
HofL&G	Head of Legal and Governance	HofPD	Head of Place Delivery
HofF&A	Head of Finance and Assets	HofEP	Head of Economic Prosperity
HofH	Head of Housing	HofNO	Head of Neighbourhood Operations
HofRB&F	Head of Revenues Benefits and Fraud		

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There are no new reports published concluding a “limited” or “no” assurance opinion.

6. Planning & Resourcing

The internal audit plan for 2019-20 was approved by the Corporate Governance Group and the Overview and Scrutiny Committee in March 2019.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
2019-20									
Corporate Cross Cutting									
Programme & Project Management	HofP&P	✓	✓	✓				✓	Q3
Corporate Plan	HofCP	✓	✓	✓	✓	✓	Substantial	✓	Q1/Q2

29

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Corporate Governance									
Decision Making & Accountability	HofL&G	✓	✓	✓	✓	✓	Substantial	✓	Q1
Fraud & Irregularities	HofRB&F	✓						✓	Q4
Human Resources & Organisational Development	HofOD	✓	✓	✓	✓	✓	Adequate	✓	Q2
Information Governance	HofL&G	✓						✓	Q4
Ethical Governance	HofL&G	✓	✓	✓				✓	Q3
Information Technology									
Information Security	HofIT							✓	Q4
System Development & Implementation	HofIT	✓						✓	Q3
Core Financial Reviews									
Main Accounting	HofF&A	✓	✓	✓				✓	Q3
Council Tax	HofRB&F	✓	✓	✓				✓	Q3

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Income Collection	HofF&A	✓	✓	✓	✓	✓	Adequate	✓	Q2
NNDR	HofRB&F	✓	✓	✓				✓	Q3
Organisation									
Investments	HofF&A	✓	✓	✓	✓	✓	Adequate	✓	Q1
People									
Housing	HofH	✓	✓	✓				✓	Q3
Refuse, Recycling & Street Cleansing	HofNO	✓	✓	✓	✓	✓	Adequate	✓	Q1
Development Management & Planning Policy	HofP	✓	✓					✓	Q4

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations for 2019/20	
Removed from the plan	Reason
Supporting Families	Deferred to 2021/22 at the request of the client in order to bring forward the audits noted below.
IT Business Continuity	
Payment Card Industry Data Security Standard	
Housing Benefits	
Added to the plan	Reason
Fraud and Irregularities	Added to the plan at the request of CGG and O&S Committee.
Information Security	Added to the plan at the request of CGG and O&S Committee.
Main Accounting	Added to the plan at the request of the Interim Head of Finance and Assets.

Agenda Item 5



SIGNED OFF BY	Interim Head of Finance and Assets
AUTHOR	Catriona Marchant, Democratic Services Officer
TELEPHONE	Tel: 01737 276066
EMAIL	catriona.marchant@reigate-banstead.gov.uk
TO	Overview and Scrutiny Committee
DATE	Tuesday, 17 December 2019
MEMBER	Chairman of the Overview and Scrutiny Committee

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards)

SUBJECT	Budget Scrutiny Panel: Service and Financial planning 2020/21
----------------	---

RECOMMENDATIONS
<p>(i) That in response to the Service and Financial planning 2020/21 report to Executive on 7 November 2019, the following observations be submitted for the consideration of the Executive:</p> <ul style="list-style-type: none"> a) That the Overview and Scrutiny Committee thanks the Executive Member for Finance, Executive and Officers for preparing initial revenue and capital budget proposals for 2020/21; b) That the Overview and Scrutiny Committee considers the following to be achievable, realistic and based on sound financial practices and reasonable assumptions: <ul style="list-style-type: none"> (i) Revenue Budget Savings and Additional Income proposals totalling £1.618m net (ii) Revenue Budget Growth proposals totalling £3.742m (iii) Capital Programme Growth proposals of £9.910m c) That the Overview and Scrutiny Committee considers the potential negative impact of the savings and growth proposals on service delivery to be minimal and in fact include some service improvements;

Agenda Item 5

(ii) That the Overview and Scrutiny Committee notes growth in the baseline budget for services of £2.12m, including funding for 23 new posts, plus 5 that were previously funded through the Corporate Plan Delivery Fund (CPDF), to achieve the Council's corporate priorities. Whilst recognising that the growth and each new post can be justified in its own right, and the Council has substantial reserves to fund such expenditure over the short term, the Overview and Scrutiny Committee is concerned that the overall increase in the Revenue budget is unsustainable in the long term, unless additional sustainable revenue income sources are brought on stream.

(iii) That capital budgets for investment in the Corporate Plan and the Housing Delivery Strategy are yet to be finalised, as well as the Central revenue budget proposals, and for this reason the Overview and Scrutiny Committee has yet to draw a conclusion on the overall budget proposals for 2020/21.

REASONS FOR RECOMMENDATIONS

The Committee is requested to consider the report and recommendations of the Budget Scrutiny Review Panel and make any observations on the Service and Financial Planning proposals for 2020/21, for consideration by the Executive in line with the Council's budget and policy procedure rules,

EXECUTIVE SUMMARY

Based on the information and explanations provided, and its assessment of the risk factors, the Panel concluded that each element of the 2020/21 Budget proposals were achievable, realistic and based on sound financial practices and reasonable assumptions.

The Panel noted that the Council continued to manage its finances well and had maintained services and delivered priority projects despite the removal of the Government Revenue Support Grant in 2017/18. The revenue budget outturn position for services in 2018/19 was a £1.6m underspend compared to the approved budget, and the current forecast for 2019/20 is an underspend of almost £800k.

The Panel concluded the proposed Budget for 2020/21 was a cautious one, with expenditure items fully costed and revenue not overstated, but the overall impact was a significant increase in service budget costs, totalling £2.1m, and the gap would grow further in future years with an anticipated £0.7m reduction in retained business rates.

The Panel recognised that savings might be found in Central Revenue Budgets, but the revenue consequences of borrowing to fund additional Capital Programme investment had yet to be incorporated in the revenue budget. The current Revenue Reserves were over £35m of which £12m was in the General Fund Balance which provided a secure financial base compared to many other local authorities. It was likely that reserves would be used to balance the budget in 2020/21.

In reviewing the growth in the services revenue budget of £2.1m, the Panel noted that half was funding for new posts. The net increase in staffing was 23, plus 5 posts previously funded in 2019/20 through the Corporate Plan Delivery Fund (CPDF). This net increase was after reflecting transfers relating to the previously outsourced Community Centres and transfers out following the loss of the Tandridge parking contract, and also adjusting for Harlequin staff previously employed on a casual contract.

The additional staffing effectively added back, in total terms, the staff reductions which

Agenda Item 5

had been made since 2009/10. The Panel was told that the increases reflected the need to invest in staff with expertise and to meet changes in functions, whereas the previous reductions reflected the delivery of service efficiencies. The Panel was told that Portfolio Holders had made sure that all these new posts were justified in their service areas. The Panel concluded that nevertheless it was a substantial budget increase which would be carried forward into future years, and advised caution.

The Council was developing its commercial approach to support future commercial and investment activity, but this work had progressed more slowly than expected. No substantial additional income was budgeted from the existing property portfolio, and current development projects would not bring in income for 2020/21.

The Panel noted that the Housing Delivery Strategy and Environmental Sustainability Strategies were in development and the capital investment proposals for their implementation had not yet been fully costed. Other key budget items remained to be finalised, including any additional Capital Programme budget growth proposals for 2020/21 to 2024/25, the review of Central Budgets and Revenue Reserves and the final Council Tax increase proposals.

These were significant elements of the budget and should be subject to scrutiny at the meeting of the Overview and Scrutiny on 23 January 2020. Other areas of uncertainty remained on levels of government spending, pension costs and any impacts of cuts to Surrey County Council's budgets, and these too could be reviewed further if new information was forthcoming in time for the January meeting.

STATUTORY POWERS

1. The Local Government Act 1972 requires the Council to set an annual budget as part of proper financial management through the Service and Financial Planning report each year.
2. The Local Government Act 1992 requires councils to set a balanced budget and announce the Council Tax level by 11 March each year.
3. The Local Government Act 2000 makes it clear that the role of scrutiny in the financial process is to hold the Executive to account and to ensure that its decisions are in the best interests of the community.

BACKGROUND

4. The Executive on 18 March 2019 supported the Committee's request for the Budget Scrutiny Review Panel to be re-established for 2019/20 and included in its work programme. This was subsequently approved by Council on 11 April 2019.
5. The Budget Scrutiny Review Panel 2019 focused on consideration of the draft Budget proposals for 2020/21.
6. The Service and Financial Planning 2020/21 Report and supporting documents were circulated as part of the Advance Questions process for the Budget Scrutiny Review Panel Members on 11 November 2019. The responses provided by officers were circulated in advance to Panel Members before the Panel meeting on 21 November 2019.

Agenda Item 5

7. The Panel was requested to offer its comments and recommendations to the Overview and Scrutiny Committee on 17 December 2019 on its review of the consultation document. The Executive was due to approve the proposed Budget for 2020/21 on 30 January 2020 after considering the recommendations from the Overview and Scrutiny Committee.
8. The objective of the Panel was to satisfy its Members that the Budget plan was achievable, realistic and based on sound financial practices. It scrutinised the following: the assumptions which underpinned the budget, the impact of any savings on service delivery, the justification for growth proposals and how the revenue budget and capital plan related to the delivery of corporate priorities.

CONCLUSIONS

Approach

9. It was noted that the proposals were a cautious approach to service and financial planning (expenditure items fully costed; revenue not overstated) which was the right approach in a challenging financial climate. Local authorities would face unprecedented events and change next year – the impact of Brexit was unknown and the funding for local government was uncertain. Public spending could rise but it was difficult to predict what this might look like in 2020.
10. The final budget proposals for 2020/21 would be considered at Overview and Scrutiny Committee on 23 January 2020, ahead of the Executive meeting on 30 January 2020, when future government funding plans for local government became clearer, and other remaining budget items are finalised.

Commercialisation Agenda

11. The Commercial Ventures Executive Sub-Committee was developing a Commercial Strategy, but progress had proved slow with no additional revenue budget income from new commercial activities included in the 2020/21 budget proposals.
12. Specialist legal and tax advice had been acquired when needed to support specific commercial and development projects. However, it was noted that there had been no recruitment to date of dedicated staff to support the commercial approach, although a new project manager had started work on the Council's housing projects.
13. Three new properties that were added to the asset base last year were forecast to bring in an income in 2019/20 and this was expected to increase only slightly for 2020/21. The three properties were 61E Albert Road North, Reigate, Regent House, Redhill and Units 1-5 Redhill Distribution Centre in Salfords. The Council had sought to acquire other assets, but apart from one major acquisition (which would not bring in additional revenue for 2020/21), other opportunities were turned down after scrutinising the business cases.
14. Major developments underway included the Marketfield Way, Pitwood Park and Cromwell Road projects. Capital receipts from the pre-sale of the residential units in Marketfield Way would be paid at key milestones according to the terms of the agreement and at a market rental rate. Rental income from letting out the

Agenda Item 5

Marketfield Way commercial units would not be realised until 2023. Tenders for the Cromwell Road project were currently being assessed.

15. The Panel noted the significant increase in Public Works Loan Board (PWLB) borrowing charges, announced in October 2019, and their potential impact on the return on property investments. To generate the required £2.1m additional net income to the revenue budget (for example) would require borrowing and re-investment in income-generating assets of circa £106.1m (based on current PWLB rates). This illustrative figure showed the amount of investment that would potentially be needed to close the funding gap if relying on commercial investments alone.
16. It was noted that the Revenue and Benefits team was carrying out some small-scale commercial activity and trading to customers which generated around £450k (gross) income per year. A firm of consultants (Mutual Ventures) had been engaged to help forecast future revenues and costs, and options for the future operating model.

Grant Funding

17. It was confirmed that the only specific change in the budget proposals as a result of Surrey County Council's reduction in funding was for Place delivery. The Council was not aware at this stage of other budget decisions that would have an impact on the Borough Council. Officers would look at functions where Surrey County Council was proposing to reduce services, such as ending its universal youth services, to review how it affected residents and whether there was scope for the Borough Council to provide some local services for young people.
18. Funding for the Money Support Services comes from the Homelessness Reduction Act grant up to March 2021. It was uncertain if this funding would continue after 2020.

Business Rates and Other Income

19. The latest government announcement on Business Rates Reform indicates that changes will be implemented in 2021/22. On Business Rate Appeals, the Council had made provision for appeals based on past patterns. £2.347m was the NNDR (National Non-Domestic Rates/business rates) figure that the government calculates the Council should retain in its Core Spending; the actual sum received is forecast to be higher which reflected the success of the team in collecting the revenue.
20. The Panel noted that the Council has 80 properties currently which attracted the empty homes council tax premium. If these properties all remained empty next year the Council would receive £177k. There were also 52 properties that potentially could be liable for the premium from April 2020.

Revenue Budget

21. The Council was on track to roll out full recycling services to 2,300 flats in 2019/20 and would then become part of the 'business as usual' service. It was continuing to work with private landlords, managing agents and social landlords to encourage them to improve bin storage areas. It was confirmed that there was no additional

Agenda Item 5

funding for this allocated in the roll-out of the recycling collection to flats. Overall the service would be cost neutral as any additional recycling income was offset by the costs of a new crew to meet demand from new homes and the roll-out of flats recycling.

22. Additional income of £233k in 2019/20 came from garden waste subscriptions. The 2020/21 budget plan reflected that current level of income. It was not proposed to increase garden waste subscription fees in 2020/21. Members asked if subscriptions were growing year on year and whether income could be higher than forecast. Officers confirmed that there was a level of risk as the government's draft waste strategy had proposed stopping local authorities from charging for removing garden waste.
23. The Council had access to over 120 temporary accommodation units. In the first 12 months that the Council's 11-unit emergency accommodation has been operating, it has maintained a 95 per cent occupancy level. It has been averaging 21 households per night in nightly paid B&B accommodation and it was anticipated that this level will continue but not increase during 2020/21. It was working with Raven Housing Trust on increasing suitable accommodation in the north of the Borough.
24. It was noted that there had been a net revenue underspend of £1.6m for 2018/19 which related to vacancies, unused contingency, new property income and waste and recycling income in excess of budget which had been transferred to General Fund reserves. For 2018/19 the current forecast was an underspend of £774k.
25. It was noted that the 2019/20 budget included a Headroom Contingency budget of £885.8k. The contingency budget for 2020/21 was under review and will be confirmed in the final report in January.

Reserves

26. Balances on revenue Reserves had increased over recent years. In March 2019 the total was £37.589m which were set out in Annex C. A review was being carried out on each of the Reserve funds and their use. Forecasts for the position at March 2020 were being prepared and the outcome would be included in the January budget report with a view on the level of General Fund and other reserves the Council needed to hold.

Capital

27. It was noted that capital programme work on the Corporate Plan, Housing Delivery Strategy and Environmental Sustainability Strategies was still in progress and would be included in January's budget report. It was noted that in the Transport and Infrastructure section, the most recent Surrey Infrastructure Study estimated that Reigate and Banstead needed £96m to plug the infrastructure gap. It was confirmed that this did not include shifting the Council to having zero carbon emissions. An Environmental Sustainability Strategy was currently being prepared which will set out how the Borough will respond to climate change and carbon emissions.
28. Potential increases in borrowing costs would be taken into account when assessing projects on a case by case basis. Projections draw on the Council's Treasury Adviser's advice and are linked to the Treasury Management strategy. The PWLB

Agenda Item 5

costs of borrowing were set out in the Advance Questions pack (BSP14).

Growth in Revenue Expenditure and New Posts

29. The overall growth in revenue expenditure proposed is £2.12m. New posts and salary growth were set out in Annex B in the Responses to Advance Questions. It was noted that the costs total £1.048m for an additional 41.5 full-time equivalent (FTE) posts. 12.5 related to transfers, being 15 members of staff returning from previously outsourced Community Centres less 2.5 staff following the loss of the Tandridge parking contract. 6 related to employing casual staff at the Harlequin on a permanent basis. The net underlying increase was therefore 23 staff, plus 5 posts funded in 2019/20 from the CPDF. Officers and Portfolio Holders explained these additional posts reflected the need to invest in staff with expertise to make the Council fit for purpose in the future as previous budgets had cut out key resources which had an impact on service delivery. Portfolio Holders had made sure that all these posts were justified in their service areas. The Panel concluded that nevertheless it was a substantial increase to the budget and advised caution.
30. The Panel noted an increase in budget for running the Harlequin theatre venue. It was explained that this was now a realistic budget which would allow for growth and development including a new marketing manager and casual staff transferred into the base budget as explained above. This would ensure the Council could deliver on future operational plans and put the Harlequin in the best position to be more sustainable in the future.
31. Additional costs associated with bringing the three Community Centres in-house from April 2020 were estimated to be £144k based on current assumptions. The provider's contract was due to end on 31 March 2020 with staff transferred back. There might be income from commercial lets to help towards the running costs, but figures were not known currently.
32. A cost of £122.6k for new posts in Licensing was noted. This was due to the increase in the number of Houses in Multiple Occupation (HMO) licences due to changes in legislation related to HMOs. Other new requirements related to animal related licensing and Environmental Health licensing administration.
33. The Tandridge On-Street Parking contract had ceased with a loss of £36k. This was offset by a reduction of 2.5 staff, as discussed above.
34. Budget growth of £120k was proposed for business engagement which included £80k costs for the Towns and Villages priorities set out in the Corporate Plan and £40k for an Economic Prosperity Officer. The Panel was asked if some of the business engagement cost could be drawn from the £40k High Street Innovation Reserve.
35. The Panel noted a significant increase in the HR budget of £202k. It was confirmed that this had been previously approved. These additional posts would support managers through organisational change, employee relations and in resourcing and recruitment. This reflected the challenging recruitment environment and need for greater business support.
36. Additional ICT budgets include £301k to fund increases in the cost of software licensing costs, migration to cloud hosting and capital investment. It was noted that some of these costs related to ICT to support specific service requirements.
37. An asset management plan was in development, including the recruitment of a

Agenda Item 5

Property Services Manager. The objective was to achieve a portfolio of property assets that were appropriate, fit for purpose and affordable with an understanding as to when future investment in existing properties would be needed. This included looking at the energy performance ratings of the Council's properties (set out in Annex D of the Responses to Advance Questions). The £3m refurbishment of Beech House in Reigate included improving energy efficiency as part of the upgrade to meet tenants' requirements and support the level of rents charged.

Concluding Comments

38. New Members asked whether, if a new Government's funding decisions were announced soon after the general election, they would have an impact on proposals to increase Council Tax. It was noted that any additional funding was unlikely to filter through until the following financial year. Funding was more likely to be directed to unitary authorities with social care budgets.
39. Based on the information and explanations provided, and its assessment of the risk factors, the Panel concluded that in relation to 2020/21 each element of the budget proposals was achievable, realistic and based on sound financial practices and reasonable assumptions. However, it was likely that significant Reserves would be used to balance the budget for 2020/21. The Panel was mindful of the serious budget challenges that remained in the years to come.
40. The Panel thanked the Executive Member for Finance, the Chief Executive and Officers, particularly the Finance team, for their work to prepare the Service and Financial Planning report, and thanked Officers for their work in preparing the responses to the Advance Questions. These responses together with the clarifications and further explanations provided through the supplementary questions thoroughly tested the budget assumptions and risks and gave the Panel a sound basis to reach its conclusions.
41. The Executive would consider the report and observations from Overview and Scrutiny Committee and approve the proposed Budget for 2020/21 at its meeting on 30 January 2020. Full Council was due to consider Budget and Council Tax recommendations from the Executive on 13 February 2020.

OPTIONS

42. Option 1 - To submit the recommendations and conclusions of the Panel to the Executive, to inform its consideration of the 2020/21 Budget proposals, and to note the identified change to the baseline budget. This is the recommended option as it will reflect the in-depth analysis of the Budget Scrutiny Review Panel and support effective decision making by the Executive.
43. Option 2 – To not submit the recommendations and conclusions to the Executive, or to not note the identified change to the baseline budget. This is not the recommended option as it will not reflect the in-depth analysis of the Budget Scrutiny Review Panel and will not support effective decision making by the Executive.
44. In addition to the primary options outlined, the Committee may also wish to submit additional observations to the Executive.

Agenda Item 5

LEGAL IMPLICATIONS
45. There are no direct legal implications arising from the recommendations in this report subject to the Council adopting a balanced budget for 2020/21 by 11 March 2020 to meet the requirements of the Local Government Finance Act 1992.
FINANCIAL IMPLICATIONS
46. Financial implications are addressed throughout the Service and Financial Planning 2020/21 report.
EQUALITIES IMPLICATIONS
47. These are considered in the Service and Financial Planning 2020/21 report.
COMMUNICATION IMPLICATIONS
48. These considerations are set out in the Service and Financial Planning 2020/21 report.
RISK MANAGEMENT CONSIDERATIONS
49. These are considered in the Service and Financial Planning 2020/21 report.
POLICY FRAMEWORK
50. Service and Financial Planning – The Budget proposals form part of the Council's budget and policy framework. The annual budget is developed to ensure that the Council can deliver the Corporate Five Year Plan and services to residents and businesses.
ANNEX 1
51. Annex 1 – Responses to Advance Questions put by Budget Scrutiny Review Panel Members.

This page is intentionally left blank

**BUDGET SCRUTINY PANEL (BSP) – 21 NOVEMBER 2019
ADVANCE QUESTIONS – INDEX OF DOCUMENTS IN PACK**

SECTION	TOPIC
BSP 1	Budget Summary 2020/21 – Overview
BSP 2	Budget Report 2020/21
BSP 3	Budget Report 2020/21 – Policy Context
BSP 4	Budget Report 2020/21 – Medium Term Financial Plan Summary
BSP 5	Budget Report 2020/21 – Service growth, Income and Savings Proposals
BSP 6	Budget Report 2020/21 – Capital Investment Strategy Summary
BSP 7	Budget Report 2020/21 – Capital Programme Growth proposals
BSP 8	Budget Report 2020/21 – Fees & Charges Policy
BSP 9	Budget Report 2020/21 – Revenue Reserves at 31.3.19
BSP 10	Budget Report 2020/21 – Reserves Policy
BSP 11	Budget Outturn 2018/19
BSP 12	Q1 Budget Outturn Forecast 2019/20
BSP 13	Comparison of Service Base Budgets 2019/20 and 2020/21
BSP 14	PWLB Borrowing Note
BSP 15	Commercial Investment Properties at October 2019
BSP 16	Waste & Recycling Budgets Note
BSP 17.1	Salary Budget vs FTE Staff 2009 to 2021
BSP 17.2	FTE analysis
BSP 18	Five Year Plan Performance Report 2018/19
BSP 19	Service Plans 2020/21

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response												
	Cllr Harrison	1	Commercial Approach	<p>Last year's budget report said "we will need to continue to continue to work towards becoming a more commercial organisation and generating new income to secure long term financial stability. Our 2019/20 proposals recognise that we need to invest in our skills and staff to achieve this."</p> <p>This year's budget report uses almost identical wording, except that the date for action is moved forward by one year.</p> <p>The supporting papers describe the preparatory and positioning work undertaken so far to become more commercial, but progress would seem to be slow.</p> <p>Specific questions arise:</p>	BSP 2 Page 2 Executive Summary													
Q1	Cllr Harrison	1		a) To achieve the commercial approach, what new staff have been / will be recruited in 2019/20 and what further staff are now required in 2020/21?		There has been no recruitment to date of dedicated staff to support the commercial approach - Paragraph 28 on page 10 refers to the Commercial Strategy being developed through the Commercial Ventures Executive Sub Committee and this work consider the staff resources that are required. The Council as acquired consultancy support for specific projects and continues to build capacity to support commercial activities in back office teams.												
Q2	Cllr Harrison	1		b) What new properties have been added to the asset base and what is the anticipated extra, new income that is included in the forecast for 2019/20 and the budget for 2020/21?		<table border="1"> <thead> <tr> <th></th> <th>19/20 Income Forecast</th> <th>20/21 Income Budget</th> </tr> </thead> <tbody> <tr> <td>61E Albert Road North, Reigate</td> <td>-£54,000</td> <td>-£71,250</td> </tr> <tr> <td>Regent House, Queensway, Redhill</td> <td>-£902,500*</td> <td>-£860,000</td> </tr> <tr> <td>Units 1-5 Redhill Distribution Centre</td> <td>-£833,224</td> <td>-£833,224</td> </tr> </tbody> </table> <p>* This included a contribution for voids from the vendor.</p>		19/20 Income Forecast	20/21 Income Budget	61E Albert Road North, Reigate	-£54,000	-£71,250	Regent House, Queensway, Redhill	-£902,500*	-£860,000	Units 1-5 Redhill Distribution Centre	-£833,224	-£833,224
	19/20 Income Forecast	20/21 Income Budget																
61E Albert Road North, Reigate	-£54,000	-£71,250																
Regent House, Queensway, Redhill	-£902,500*	-£860,000																
Units 1-5 Redhill Distribution Centre	-£833,224	-£833,224																
Q3	Cllr Harrison	1		c) Are there firm, agreed target implementation dates for our major developments in Marketfield Way, Pitwood Park, Lee Street and Cromwell Road. What further capital investment is required and what returns are expected from these projects, and what is the timing of this income?		<p>Marketfield Way An update report will be considered by Executive on 4th December. It is now anticipated that the expenditure forecast will be within the budget previously allocated to the project in the Capital Programme, as approved by Full Council in February 2019. The Council will begin the demolition of the High Street properties in January 2020. However until we have entered into a JCT build contract we cannot confirm exact dates for the main build though we are currently working to an April/May date. Capital receipts from the pre-sale of the residential units will be paid at key milestones according to the terms of the agreement. Income from the commercial units will be derived from 2023 onwards on a phased basis once units have been let and rent free periods have expired.</p> <p>Pitwood Park Tenders have been returned and are currently being assessed. The returned tenders are within the approved budget and no further capital growth is anticipated. We currently expect to enter into a JCT building contract in December 2019. Until we enter into contract and the contractor has confirmed their programme we cannot provide an exact date for a start on site. However with the JCT contract with a bill of quantities we would normally expect this to be four to six weeks after contract signing. The anticipated return is as forecast, however due to a proposed tenure change, from starter homes to alternative affordable housing this income may be derived earlier.</p> <p>Cromwell Road Tenders have been returned and are currently being assessed. The returned tenders are within the approved budget and no further capital growth is anticipated. We currently expect to enter into a JCT building contract in December 2019. Again until we enter into contract and the contractor has confirmed their programme we cannot provide an exact start on site date. However with the JCT design and build contract we would normally expect this to be circa 15 weeks after contract signing. The anticipated return is as forecast.</p> <p>Lee Street Following the deferral of the scheme at Planning Committee and consultation with key members, the project will now be redesigned. As a consequence the timetable and budget for this project will need to be revised and a further report will need to be considered by Executive.</p>												
Q4	Cllr Harrison	1		d) What % net returns after funding and allowance for MRP are now targeted for new investments and what size of balance sheet is needed to bridge the future gaps in funding, on top of the four projects above? How many years is it forecast for the gap to be closed? What level of reserves will be sued in the meantime?		Paragraph 52 on page 15 sets out the scale of investment needed to close a £2.1m budget gap. The speed with which investment returns can be delivered will depend on the type and size of project selected. The final Service and Financial Planning projections for 2020/21 will be available in January 2020 and these will identify the level of reserves to be utilised to balance the budget for that year.												

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q5	Cllr Harrison	1		e) What is the position with regards to the Revenue and Benefits project? What range of income after cost (fully loaded and marginal) is anticipated?		The Revs & Bens team are already carrying out some small-scale commercial activity and trading, providing Debt Collection, Counter-Fraud and other related services and expertise to a range of customers including other Local Authorities, some private companies and the housing providers. This work largely utilises existing resources/capacity and as at November '19, gross contract values totalling around £450k per annum have been signed although some of the contracts have only commenced recently. A firm of consultants (Mutual Ventures) have been commissioned to advise on the options for different delivery models and to investigate potential future revenues and the likely associated costs but to date it is anticipated that only small-scale profits are being generated.
Q6	Cllr Harrison	2	Use of Reserves	The report states there will be a need to call on reserves <u>AGAIN</u> this year (ie 2020/21). I thought we were not using reserves in the current year, 2019/20, except for agreed drawdown of CPDF?	BSP 2 Page 6 Executive Summary	The Council has previously set aside specific earmarked reserves including the Corporate Plan Delivery Fund, the New Posts Reserve, Government Funding Reduction Reserve which may be used in year. We anticipate that some of these reserves may be called upon in 2019/20 and 2020/21. The Council also has a balance on the General Fund which is significantly higher than the minimum balance required.
Q7	Cllr Harrison	3	Discount for care leavers	How will this work out – only Surrey Care leavers? Other authorities? How will this be checked? What if the care leaver is sharing a property with a non-care leaver?	BSP 2 Page 7 Executive Summary	The new discount will apply to care leavers, formerly under the care of Surrey County Council. We will be able to obtain details of most of the care leavers from Surrey County Council, and will also have information and an on-line application on our website for anyone who is not referred by SCC for whatever reason. Verification will be obtained from Surrey County Council. Where a care leaver is sharing with a non-care leaver, it will only be the care leaver who attracts the discount. We are advised by the County Council that the number of eligible applicants will be low - around 25 per year.
Q72	Cllr Essex	1	SCC service reductions	Please can you confirm what specific service reductions by SCC have been planned for and what level of revenue/capital budget resource has been allocated to address this	BS2, para 21	The only specific change allowed for in the budget proposals is the reduction in County Council funding for Place Delivery.
Q9	Cllr Harrison	5	Partner Funding	What grant funding or other changes in SCC services are anticipated or are in discussion between the Borough and County Council (for example, verge maintenance, family support services, open session youth work, libraries, other)? What is the financial risk?	BSP 2 Page 9 Para 21	The only specific change allowed for in the budget proposals is the reduction in County Council funding for Place Delivery.
Q8	Cllr Harrison	4	Business Rate Appeals	What is anticipated to change with the system for Business Rate Appeals being looked at again? What financial overhang / risk do we have in open appeals? Do we have a provision for open appeals or appeals yet to be lodged?	BSP 2 Page 9 Para 17	Business Rates Reform : The government intends to carry out a full Business Rates reset for 20/21. A full reform is the preferred option, however partial or phased reform is still possible. The Council has a provision for open appeals or appeals yet to be lodged, which is based upon a combination of past patterns, information about future pending appeals, and national appeals information. As part of the proposed reforms we understand that responsibility for funding successful appeals will pass from local to central government.
Q73	Cllr Essex	2	Waste	Please can you provide a schedule setting out the number of flats to be completed in 19/20, the number in 20/21, the number left at the end of 20/21 financial year and confirm when this roll-out of full recycling service across the borough will be completed	BS2, para 25	2019/20 target for roll out of flats this year is 2,300 which we are on track to achieve. 2020/21 roll out of flats at this point becomes business as usual and we will continue to work with Managing Agents & Social Landlords etc to achieve results in this initiative.
Q60	Cllr Philpott	7	"Whilst three years' worth of ring-fenced funding has been made available to the Council by Government to assist in managing the implications of the Homelessness Reduction Act, we await news of any further funding announcements".	Does this ring fenced funding stay outside of this budget process and not due to be accounted for? (Assume answer is yes. If the answer is yes it is outside of this budgeting process, no need to discuss openly in the budget review panel)	Para 26 Pg 10	Yes. It falls outside the scope.
Q74	Cllr Essex	3	Community Centres and Harlequin Theatre	Please can you provide the business case and cost implications of taking these three community centres in-house – and indicate how much of the budget is to maintain current services, and how much to change or improve what is offered in these centres. Please can you confirm that funding includes for a wider public consultation on future use of the Council's community centres and business plan for the Harlequin Theatre and cinema.	BS2, para 27 + 94	On 1 April 2019 Staywell, who currently operate our community centres, gave 1 year's notice to terminate the management contract. Bringing these centres back in house is a direct consequence of the contract termination, and provides the Council with the opportunity to consider its future vision for the centres. The budget is for service continuation and evolution. The one off costs of the in sourcing and transformation project are being funded separately through CPDF. Consultation costs are part of the one-off project costs . The vision paper for the future operation of the Harlequin - which will include consultation - is included within this CPDF funding and will be delivered before the end of 2019/20.
Q75	Cllr Essex	4	Env Sustainability	How is the commitment in this area reflected in the capital and revenue budgets for 20/21? It is noted that these are 'not yet fully costed'. Does this mean a provisional sum has been included? Please confirm when posts in relation to this area will be established and which new posts in this area are proposed.	BS2, para 29-30	We have engaged Consultants to provide the Council with an Environmental Sustainability Action plan and Strategy. Until this this work is complete and we know the type of action we as a council commit to take we cannot put a figure on how much this will cost. We are expecting the results of this work to be delivered in January.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q10	Cllr Harrison	6	Developing Strategies	It is noted that the Housing Delivery Strategy and the Environmental Sustainability Strategies are in development and have not been fully costed. It is said that estimates of spending have been made on the best information currently available. What are these estimates, what are they for and are they included in the current budget plan? Are other elements of the emerging Corporate Plan have yet to be costed out and incorporated into the budget?	BSP 2 Page 10/11 Para 30	The budget work around the Housing Delivery Strategy is still work in progress but will be included in January's report. These include confirmation in relation to the Housing Delivery Strategy (with options for investment of £30m over 3 years currently being explored) and capital requirements to deliver the Environmental Sustainability Strategy (ESS) (currently uncosted). The revenue budget includes £50k of growth to deliver the ESS (page 55). Other elements of the draft budget that contribute to the delivery of the new corporate plan include business engagement (towns and villages – p57) and resident insight (p61). A number of the new staff posts will also contribute to the delivery of plan priorities and commitments (for example, community development, intervention, communications, project and business assurance). The priorities in the new corporate plan run for five years. Work will continue to identify the activities that will be undertaken to deliver these priorities over this period. Should additional growth be required (eg to support our new commercial strategy, wellbeing strategy etc) this will be either highlighted in January or in future years' budgets as appropriate.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q63	Cllr Allcard	1	1 FINANCIAL CONTEXT	Para 31 how much of the underspend is due to unfinished projects>		The revenue underspend for 2018/19 relates to vacancies, unused contingency, new property income and waste and recycling income in excess of budget.
Q64	Cllr Allcard	2	2I	Is the underspend carried forward in this year's budget in order to finish the projects		Revenue underspends result in a surplus on the Comprehensive Income and Expenditure Account which is transferred to General Fund reserves. Slippage on capital projects is generally carried forward to later years, whilst underspending on capital projects generally results in a reduction to the capital programme.
Q13	Cllr Harrison	9	Sources of Funding	Please relate the figure of £2.347m in table 2 to the government funding of £4.6m in Table 1	BSP 2 Tables 1 & 2 Paras 33 & 43	The £2.347m figure is the NNDR that the government calculates that the Council should retain in its Core Spending Power calculations, this is less than the Council's assessment of the amount of retained business rates shown in Table 1.
Q11	Cllr Harrison	7	CIPFA FM Code	Is it expected that any identified gaps will have a financial impact?	BSP 2 Page 11 Para 34	The new CIPFA FM Code (published in October 2019) consolidates existing guidance on best practice into a consolidated Code. The Finance team will be reviewing the Council's position against the Code requirements ready for April 2020 when the Code comes into operation. Introduction of the Code itself will not have any direct financial implications; the purpose is to ensure more consistency and transparency of financial management reporting across the sector and completeness of relevant information for decision-making.
Q12	Cllr Harrison	8	Budget Gap	Paragraph 37 and Table 3 and 4 show a budget gap of £2.1m in the provision of services for 2020/21, but do not make any comment on the impact of central budget changes, or of council tax changes, or of government grant /UBR changes. There is no mention of interest income/expense or of rental income. Please provide a full comparison of the 2019/20 forecast outturn and a complete 2020/21 budget.	BSP 2 Pages 12-17 Para 37 onwards	<p>As explained in the November Service & Financial Planning 2020/21 report (BSP2) - the proposals relating to Central Budgets and Sources of Funding will be reported in the January budget report (Executive Summary on page 6). The work that is underway to review these aspects of the budget and the factors that are being taken into account when doing so are explained in the report. As in previous years, a significant proportion of the information relating to these budget elements was not available at the time of preparing the November report - eg. Government Funding Settlement, outcome of the Pension Fund revaluation 2019, confirmation of the final Capital Programme to confirm the associated borrowing requirement, etc. Other matters including the use and distribution of Reserves, council tax increase proposals and approach to managing budget risks through use of contingencies are under consideration by Executive.</p> <p>Rental income is reported within the Property Services Budget. Document BSP15 includes details for the Council's commercial properties, including annual rental income.</p> <p>Comparison of the 2019/20 outturn position for services with their 2020/21 base budget proposals is a complex exercise that cannot be completed within Budget Scrutiny timescales. The outturn position compares forecast in-year expenditure during a financial year to the in-year Management Budget which comprises the original Base Budget allocation to a service plus subsequent approved in-year budget changes (for example in-year allocation of grants and reserves). These in-year changes would have to be tracked, reversed and explained before then applying new growth proposals to arrive at the new Base Budget for the new year. The Finance Team maintain this 'audit trail' at a detailed budget level (of course) but it is not customary to produce this type of reconciliation for reporting purposes. A more relevant comparison is between Base Budget 2019/20 to proposed Base Budget 2020/21 - which has been provided in the November report. If Members have any specific questions relating to a particular cost centre a follow up report may be possible.</p>
Q54	Cllr Philpott	1	"Carrying out fees and charges benchmarking across all service"	Noting BSP8 that shows the Fees & charges Policy and shows that it is normally an operational decision. Para 39 pg 12 sets out what seems like a benchmarking initiative to review Fees and Charges in an event associated with looking to try and overcome the budgeting challenges. Is it appropriate to have visibility in a sort "income scrutiny" agenda item carried out by O&S committee on the outcome if the benchmarking and the proposals put forward in the context of the plans for the 2020/21 budget? Recommend an agenda item on future work plan of O&S committee. Just to reiterate – not asking to deviate away from the existing policy on the day-to-day charging decisions.	Para 39 Pg 12	Feedback on operation of the Council's Fees & Charges Policy and the suggested follow up by Overview & Scrutiny has been noted.
Q55	Cllr Philpott	2	"Carrying out fees and charges benchmarking across all service"	Is there any risk that benchmarking could lead to showing us where we charge more than average for some services compared to similar councils e.g. garden waste licences are twice more in RBBC than West Oxfordshire District Council Note: This question is not of significant impact to the Budget review and if relevant could be addressed offline	Para 39 Pg 12	Feedback on operation of the Council's Fees & Charges Policy has been noted.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q56	Cllr Philpott	3	"Considering options for asset sales to realise capital receipts and reduce or avoid new borrowing costs"	Are any of these potentials current revenue streams? Any counter intuitive to selling to put in alternative yet similar investments? Are there also opportunities for refinancing that realise some capital receipt?	Para 39 Pg 12	No specific asset disposal options have yet been considered and there is no borrowing at present to refinance.
Q14	Cllr Harrison	10	Legal & Governance	Why does this service show a net income budget? If this is income from property, it would probably be more helpful to separate out from other elements	BSP 2 Page 14 Table 3	The Legal and governance budget includes income from property of £4.4m in 19/20. A more detailed analysis is provided at BSP13 on page 95.
Q15	Cllr Harrison	11	Table 3	Could the budgets for both years be analysed between staff costs, other running costs and income, so as to allow comparison with table 4?	BSP 2 Page 14 Table 3	Additional detail provided at Annex F.
Q107	Cllr Essex	4	Fees and charges - Recycling and allotments	Please confirm what fees and charges are proposed to increase and provide details. Please confirm if any changes are proposed (if any) in pricing of allotments and garden waste recycling bins.	Bs2, para 49	The allotment fees are due to increase by 2%, with the annual cost of a half plot increasing by £1 to £45 and a full plot by £2 to £90. We are not proposing an increase in Garden Waste subscription fees in 2020/21. We are proposing an increase in the Trade Waste Fees to reflect an increase in the cost of disposal, which is charged by Surrey County Council. We have not been notified how much this is likely to be yet.
Q76	Cllr Essex	5	Investment Returns	How does the 'significant increase in PWLB borrowing costs' affect the income from existing investments. Please provide a breakdown and details. Please also provide an indication of any change in rental income noting, for example, that the 'commercial retail market slowing considerably'. Please confirm how the above relate to the predicted change in Property Rental Income.	BS2, para 52 and BS3, para 1.21	The 'significant increase in PWLB borrowing costs' will have no affect on the income from existing investments for the Council at this time. Of greater impact on the investment returns are economic and political outlook and Bank of England interest rates. The economic outlook remains weak, whilst Bank of England interest rates remain low. The current investment position is provided in the Half year Treasury Management report provided to Executive in November. Property rental income has not been changed as a result of wider economic market changes.
Q21	Cllr Harrison	17	Central Budgets and Revenue Budget Funding	It will probably be quite difficult for the panel to draw overall conclusions without figures and explanations for these items for 2020/21.	BSP 2 Pages 15 - 17 Paras 53 - 60	Noted
Q16	Cllr Harrison	12	Staff Costs	Please provide an analysis of the change in staff costs between regular pay increases (what % is assumed?), promotional increases, allowance for bonuses, and additional staff roles (which should be related to the additional 41.5 establishment in table 13)	BSP 2 Page 15 Table 4	A Cost of Living increase of 2.3% has been negotiated = £407.7k Contractual changes = £133.9k (e.g. Promotion/Change in hours worked) Performance reviews (incremental) = £91.8k Additional Pension and NI costs relating to all the above = £95.5k For headcount information, please see Annex B
Q17	Cllr Harrison	13	Net increase in other running costs	How much of the increase relates to inflation, and how much to other, new initiatives?	BSP 2 Page 15 Table 4	Service budget lines have no general allowance for inflation for non-pay lines though individual growth proposals may be related to inflationary pressures or contract changes related to price changes. There is a central budget allowance for pay awards (referred to at paragraph 54 on page 16) which will be finalised for the January Service and Financial Planning report.
Q18	Cllr Harrison	14	Income	Please relate the changes in income to inflationary changes and other increases and decreases.	BSP 2 Page 15 Table 4	Annex 3 on page 51 provides additional detail of all proposed changes to income for all services.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q19	Cllr Harrison	15	Example Investment Returns	This shows an expected 2% return (£2.1m on £106.1m). Please compare with the returns of the investment properties in BSP15, which shows about £3.5m of income on assets purchased since 2014 at a cost of about £55m – a return of about 6.5%. Please explain the key factors – funding, MRP, market changes, other.	BSP 2 Page 15 Para 52	BSP15 does not include the Minimum Revenue Provision. The valuation for accounting purposes may also be different from the cost of acquiring assets as it will reflect the current Fair Value (highest and best use) of investment properties.
Q20	Cllr Harrison	16	Budget Contingencies	Is this the headroom budget?	BSP 2 Page 15 Table 5	Yes, this includes the headroom contingency budget of £835k. Further details will be provided in the January report.
Q77	Cllr Essex	6	Headroom	Please confirm how much headroom is assumed in the budget and how this has changed from previous years	BS2, para 54	The approved 2019/20 budget includes a Headroom Contingency budget of £885.8k. The budget for 2020/21 will be covered in the January budget report taking account of overall forecast budget risks for the year. The values of this contingency budget in past years are as follows: 16/17 £789.4k 17/18 £863.4k 18/19 £1,335.8k 19/20 £835.5k
Q57	Cllr Philpott	4	"Initial indications are that £5 is marginally to this Council's advantage as it yields a slightly higher level of income."	£5 provides an unfair proportion of increased revenue on those who can afford it less, assuming those in lower value banded properties are less well off than those in higher banded properties. Please can this be taken into account when making the finalised recommendations?	Para 57 Pg 17	The £5 increase is the additional amount per annum that would be charged to Band D properties. Annex E sets out the impact of the increase on each Council Tax Band.
Q58	Cllr Philpott	5	"Every 1% additional council tax income generates £0.137 million income for this Council"	Would the 1%, 1.99% (or £5) only apply to the RBBC section of a council tax bill? Assume yes, but looking to double check.	Para 58 Pg17	Yes, the 1% referred to is for the RBBC share of the Council Tax
Q59	Cllr Philpott	6	"Every 1% additional council tax income generates £0.137 million income for this Council"	Before or after the new policies enforced in paragraphs 61 and 62 of the same page?	Para 58 Pg 17	This will be after having taken into account the policy changes referred to in Paragraphs 61 and 62, which will have a minimal effect on the full amount of Council Tax collected
Q22	Cllr Harrison	18	Charges on empty homes	How much revenue is expected from such empty homes	BSP 2 Page 17 Para 62	There are currently 80 properties attracting the empty homes premium. If these properties all remained empty next year the Council would receive £177k in empty homes premium. This year the Council will have generated £70k in empty homes premium to date. There are also 52 properties that potentially could be liable for the empty homes premium from April 20, however these could become occupied by then.
Q78	Cllr Essex	7	Empty Homes	Please can you confirm the level of council tax receipts anticipated for the two bullets in paragraph 62.	BS2, para 62	The Council currently has 80 properties with the empty homes premium. If these properties all remained empty next year the Council would receive £177k in empty homes premium. This year the Council has generated £70k in empty homes premium to date. There are also 52 properties that potentially could be liable for the empty homes premium from April 20, however these could become occupied by then.
Q79	Cllr Essex	8	Reserves	Please confirm the current projected over/underspend for the current financial year.	BS2, para 72	Quarter 1 budget monitoring provided a forecast revenue underspend for the year of £774.4k. The outturn forecast as at Quarter 2 will be reported to Executive in January.
Q80	Cllr Essex	9	Reserves – Feasibility Studies	Please confirm the proposed size for all (new and existing) reserves and Please confirm whether the feasibility study reserve will include all potential bids to LEPs, including in line with their new Energy Strategy (2019) and for the capital funding needed for major projects to address the climate emergency such as building retrofit.	BS2, para 73	Forecasts for the Reserves position at March 2020 are currently being prepared taking into account planned use of reserves during 2019/20. Annex C sets out the Council's revenue reserves position as at 31 March 2019. Table 8 at page 19 sets out the options for the review of reserves and further detail will be provided in the January budget report.
Q109	Cllr Essex	6	Reserves	Please provide indications of any plans to spend any of the New Homes Bonus reserves over this and next financial years.	Bs2, table 8	Forecasts for the Reserves position at March 2020 are currently being prepared taking into account planned use of reserves during 2019/20. This will include confirming the strategy for the allocation and use of reserves going forward. The outcome will be included in the January budget report. This will include the criteria for drawing on individual earmarked reserves, including the New Homes Bonus reserve.
Q23	Cllr Harrison	19	Reserves Review	To be reviewed when proposals are available	BSP 2 Pages 19 - 20 Table 8	Noted

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q65	Cllr Allcard	3	3 TABLE 8	What plans are in place to replenish rapidly dwindling reserves.		Balances on revenue Reserves have increased over recent years March 2017 - £24.987m March 2018 - £34.250m March 2019 - £37.589m Forecasts for the position at March 2020 are currently being prepared taking into account planned use of reserves during 2019/20. This will include confirming the strategy for the allocation and use of reserves going forward. The outcome will be included in the January budget report.
Q66	Cllr Allcard	4	4 CAPITAL Programme	Detail required of funding sources and borrowing costs for new Capital schemes		Further information will be provided in the January budget report.
Q24	Cllr Harrison	20	Other Capital Growth Proposals	To be reviewed when proposals are available	BSP 2 Pages 21 - 23 Table 11	Noted
Q108	Cllr Essex	5	Salary budget	What is the current pay award increase assumed in the budget as it stands? What is the measure used (e.g. RPI, CPI) used to consider what is the fair 'cost of living' increase for staff pay? What does this amount to in total?	Bs2, para 104 etc	The percentage used for the cost of living increase has been agreed following negotiation between this authority and the unions.
Q104	Cllr Essex	1	Posts	Please provide a breakdown of the posts and budget remaining in the Corporate Plan Delivery Fund.	Bs2, table 13 etc.	Please see Annex C for balances of the reserves including Corporate Plan Delivery Fund In 2020/21 1 new FTE "Recruitment Business Partner" is being charged to the Corporate Plan Delivery Fund.
Q105	Cllr Essex	2	Posts	Please provide the number of posts that are vacant, and which of these are proposed to be deleted in the current budget.	Bs2, table 13 etc.	As at 14th November 2019, there were 14 active vacancies being recruited to. 2.5 posts are proposed to be deleted from Car Parking.
Q25	Cllr Harrison	21	Staff Establishment	Although each individual initiative may be justified in its own terms, but the overall impact is to increase staff numbers back to previous levels, and to create a substantial ongoing increase to the revenue gap. Comments?	BSP 2 Page 27 Table 13	Over the short-term the strategy will be to accommodate the net budget impact of these pressures through the use of one-off budget savings and the use of reserves (where necessary). Over the medium term to intention is, among other priorities, to harness this additional capacity and skill-base to deliver new sustainable sources of income.
Q110	Cllr Essex	1	Brexit	Please provide any details of analysis and assumptions carried out regarding the likely impact of Brexit that council has carried out or received. Has there been any estimation of budgetary impact, including on business rate receipts.	Bs3, 1.1-1.3	Detailed planning for the financial impact of BREXIT has not been possible at this point. If possible, further detail will be provided in the January report.
Q67	Cllr Allcard	1	1 GLOBAL ECONOMYD	Decline in high street retail sales will impact our business rate take. How are we treating risks arising from this		Recent analyses indicate that 20% of this Council's business rates income relates to retail premises which is relatively low compared to other districts. The Council's economic development team proactively encourages businesses to locate in the borough to help achieve a mix of business types.
Q81	Cllr Essex	1	Industrial strategy	Please can you confirm if RBBC have inputted into this, what envisaged impact it is expected to have and if/how this is reflected in the budget.	BS3, para 1.11	RBBC responded to the recent Local Industrial Strategy (LIS) evidence base consultation and continues to engage with the LEP in relation to LIS development. It is understood that the timeframe for the LEP to engage in LIS development with Government runs until April 2020. There is no funding attached to the LIS.
Q111	Cllr Essex	2	Local council tax support scheme and austerity	Please confirm if there has been a review of the Local council tax support scheme in light of the recent benefits changes, including the roll-out of Universal Credit in Reigate and Banstead.	Bs3, para 1.12-1.17	The Scheme is reviewed annually, and Universal Credit has been taken into account within the local procedures since initial roll out in 2016
Q82	Cllr Essex	2	Welfare Reform	Welfare reform changes are noted that make housing less affordable for under 35s and Universal Credit is noted to have 'presented some challenges' for recipients and the council. Please can you share analysis of the impacts of these (ongoing) changes and what the council has budgeted to do, in addition to the Money Support Service highlighted.	BS3, para 1.12-1.13	Funding for the Money Support Service comes from the Homelessness Reduction Act Grant, there are no other specific revenue budgets to counter the impact of welfare reform. A new Housing strategy is currently being developed.
Q112	Cllr Essex	3	Homelessness	Please indicate how the number in temporary accommodation, emergency accommodation and B&B has changed in the past year, and what change is anticipated in 2019/20 to underpin the no-change in the budget for this area.	Bs3, 1.15	We have access to over 120 temporary accommodation units which are always tenanted. In the first 12 months that the Council's 11-unit emergency accommodation has been operating we have maintained a 95% occupancy level. We have also been averaging 21 households per night in nightly paid B&B accommodation. It is anticipated that this level will continue but not increase during 2020/21.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q83	Cllr Essex	3	Homelessness	Please confirm the level of ring fenced funding provided by the government, what this does and does not cover, and what the shortfall/surplus is.	BS3, para 1.15	The three years ringfenced funding is £1,283,409. At the end of Q2 the balance was £714,000. The grant is to be used to prevent homelessness, it also includes grant money for new ICT required to implement the legislation.
Q84	Cllr Essex	4	House Prices	What minimum income now required to purchase the least affordable homes for sale in the borough (please provide details)? What is the waiting list time for affordable homes for those who are on a lower income and/or without sufficient saving for this.	BS3, para 1.16	The most up to date information about the level of housing challenge in the borough, including in relation to housing affordability and the numbers of people on the housing register, was presented to the Overview & Scrutiny Committee in October 2019.
Q26	Cllr Harrison	22	Homeless Reduction Act	What is the level of the funding gap if the government grant is not received? What has been assumed?	BSP 3 Page 31 Para 1.15	There is no funding gap for 2020/21, previous grant money ringfenced for homelessness has not been fully spent so will be carried forward.
Q27	Cllr Harrison	23	Housing Delivery Strategy	The draft strategy said that most initiatives could be supported through existing resources. What level of new funding is proposed?	BSP 3 Page 31 Para 1.17	The budget work around the Housing Delivery Strategy is still work in progress but will be included in January's report.
Q85	Cllr Essex	5	Recycling	Please confirm the level of over recovery in 2018/19, situation in 19/20 and how that is reflected as a level of risk for under/over recovery in 20/21	BS3, para 1.22	The over-recovery in 2018/19 was £588K, I refer to the response to Q42 and the steps we have proposed to correctly reflect our income. 2019/20 we are currently forecasting an over recovery circa £300K – the risk to income from recycles materials is listed on our Operational Risk Register. See response to Q42.
Q86	Cllr Essex	6	Climate Change	1.24 notes a debate over 'whether action required to reduce emissions needs to be accelerated'. In light of the current emissions gap nationally (see https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/794590/updated-energy-and-emissions-projections-2018.pdf), and the commitment to act on the climate emergency and embed this in the council's corporate plan, that you confirm that you accept the need to rapidly accelerate acts to reduce emissions locally.	BS3, para 1.24	Para 1.25 notes that at the national level 'There continues to be debate over whether the current targets are sufficiently ambitious, or if action to reduce emissions needs to be accelerated. As previously reported to Full Council, at the local (borough) level an Environmental Sustainability Strategy is currently being prepared which will set out (amongst other things) how the borough will respond in relation to climate change and carbon emissions.
Q87	Cllr Essex	7	Infrastructure needs	Please can you confirm whether this £96m includes the actions required to shift RBBC to zero carbon and how much of this £96m would align to this plan?	BS3, para 1.30	As noted in the report the £96m is taken from the Surrey Infrastructure Study available at https://www.surreycc.gov.uk/_data/assets/pdf_file/0008/163349/180307-Surrey-Infrastructure-Study-2017.pdf It does not include shifting R&B to zero carbon. As previously reported to Full Council an Environmental Sustainability Strategy is currently being prepared which will set out (amongst other things) how the borough will respond in relation to climate change and carbon emissions.
Q88	Cllr Essex	8	Infrastructure needs	Para 1.33 implies that the government is supportive of 'better use of existing runways' whilst it has accepted that to expand Heathrow flights at existing runways will be reduced (Airports Commission reports). Please confirm that is the council's position too.	BS3, para 1.33	Para 1.33 refers to the Government's policy paper 'Making Best Use of Existing Runways' which was published in June 2018. The Council's position in relation to Gatwick Airport's expansion proposals remains as most recently reported to Full Council in July 2019.
Q28	Cllr Harrison	24	Long to medium term financial management	CIPFA Financial Standards: In relation to FM Standards F and I, where is the credible and transparent resilience assessment (F) and the rolling multi-year financial plan consistent with sustainable service plans (I)? It would seem we have identified gaps but not set out additional revenue or cost savings plans.	BSP 4 Page 37 Table 1	The new CIPFA FM Code (published in October 2019) consolidates existing guidance on best practice into a consolidated Code. The Finance team will be reviewing the Council's position against the Code requirements ready for April 2020 when the Code comes into operation. The current Budget Risk assessment is set out in the latest Medium Term Financial Plan that was approved by Executive in July 2019, summarised on the November Service & Financial Planning report (BSP2) and Annex 2 (BSP4).
Q29	Cllr Harrison	25	Funding Assumptions	The narrative states "funding changes delayed to 2020/21" – should this be beyond 2020/21?	BSP 4 Page 40	Yes, funding changes announced in 20/21 will apply to later years.
Q61	Cllr Philpott	1	Stated assumption: "Council taxbase growth of c1.00% per annum and council tax increases capped at a maximum of 1.99% or £5"	Acknowledging a comment in the opening report (BSP2) which said that council tax increase barely addresses the financial challenge ahead, there is still a notable difference between 1% and 1.99% (or the £5 approach) to both the council budgeting assumptions and most importantly, the residents. Which is the value really being assumed in the budget? Recommend to opt for the conservative view of 1% per annum for this budgeting purpose? (Please also note the question above in review section for BSP2 about £5).	Section 2 Pg 40	Each 1% increase in Council tax results on £137,000 additional income to this Council. The Executive's final proposals on the council tax increase for 2020/21 will be set out in the January budget report. For budget-modelling purposes the current assumption is that the maximum increase within the Government's referendum limit will be recommended, being £5 per band D equivalent which yields an extra £300,000 per annum.
Q30	Cllr Harrison	26	Business Rates	Have we made an assessment about loss of business rates – eg L&G or conversion of office blocks to housing? What are the consequences?	BSP 4 Page 42	The Council forecast national non-domestic rates (NNDR) to be collected by local authorities and the associated amount of relief they expect to grant, in government returns required for national NNDR planning. Officers combine local planning information with patterns of reliefs to make judgements about future NNDR changes. The Councils Medium Term Financial Plan is informed by these processes'.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q89	Cllr Essex	1	New Homes Bonus	This is described in the medium term financial strategy as 'incentivising and rewarding housing growth'. Please confirm how this has incentivised housing growth in Reigate and Banstead and what the council has, and plans to do, with the rewards received since 2011/12. Please confirm how much has, and how much is planned to be spent on affordable homes.	BS4, section 6	New Homes Bonus is a retrospective un-ringfenced financial 'reward' for prior delivery of new housing. There are no constraints on how an authority applies those funds. Unspent New Homes Bonus funding is held in an earmarked Reserve. Forecasts for the Reserves position at March 2020 are currently being prepared taking into account planned use of reserves during 2019/20. This will include confirming the strategy for the allocation and use of reserves going forward. The outcome will be included in the January budget report. This will include the criteria for drawing on individual earmarked reserves, including the New Homes Bonus reserve.
Q90	Cllr Essex	2	Pensions	These section refers to an actuarial review to be carried out at 31 March 2019 and reported later this year. Can you please confirm if this is the correct date, and when it is due to be reported. If it has already been reported now then please provide details.	BS4, section 7	The triennial actuarial review was carried out at 31 March 2019 and the outcome is scheduled to be reported soon. More pension information is expected in time for inclusion in the January budget report.
Q31	Cllr Harrison	27	Pension Costs	Has the actuary shared the numbers for ongoing and deficit pension contributions?	BSP 4 Page 44	The Actuary has not yet shared the numbers for ongoing and deficit pension contributions. More pension information is expected by in time for the January 20 budget setting report.
Q32	Cllr Harrison	28	Risks	Why are new income streams only rated as "medium" risk likelihood?	BSP 4 Page 45	Budget proposals for 2020/21 do not rely on the introduction and delivery of new income streams therefore currently associated risks are not considered to be significant. This risk will be subject to review as budget proposals for future years are developed especially where they rely on the introduction of new sources of income.
Q68	Cllr Allcard	1	1 STRATEGIC RISK	How are potential increases in borrowing rates factored into our risk analyses		Forecast borrowing projections are provided by Link Asset Services the Council's independent Treasury Advisor. These forward projections are used in assessing projects on a case by case basis. The chief objective when borrowing is to strike an appropriate risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change.
Q91	Cllr Essex	3	Strategic Risks	Please provide a copy of the full strategy risk register (only extract provided). Please confirm whether failure to act on climate change sufficiently quickly is also considered to be a strategic risk, and if not, why not?	BS4, appendix 1	The full strategic risk register is available to all members via E Members. Strategic risks are presented annually to the Overview & Scrutiny Committee for review and comment. Climate change is not included as a strategic risk - the need to act is recognised in the new corporate plan with more detail about how the Council will respond to be set out in the Environmental Sustainability Strategy.
Q49	Cllr Harrison	66	BSP 5	Could these increases in BSP 5 all be cross-referenced to Table 13?	BSP 5 Versus Table 13 on page 27	Table 13 cross-referenced to BSP5 at Annex A.
Q62	Cllr Philpott	1	Prioritisation of Service Growth	Has a prioritisation process already happened on all of the items set out in BSP5 (that ultimately leads to the summary in table 3 of para 47)? In other words, is there anything listed that if the council doesn't execute, it carries very unmanageable impact? Has there already been an exercise that looked at anything that could be deferred until capital investments begin to provide returns?		Individual service growth proposals at BSP5 have been considered in depth by lead Portfolioholders, and by Executive collectively, as they were developed over the summer for inclusion in the November budget report. These reviews took into consideration the relative benefits of each proposal compared to the implications of the additional costs along with timing options.
Q33	Cllr Harrison	29	Housing Benefit Administration	Could the budget growth and savings be explained in more detail? Are any changes in headcount involved?	BSP 5 Page 51	The Growth & Savings proposals do not directly affect headcount, rather, they address the withdrawal of DWP grant that has occurred over recent years and is set to continue in 2020/21. As a result of these changes, a £252k growth bid has been proposed in order to enable the writing-down of the current income target to realistic levels. However, the HoS for Revenues, Benefits and Fraud has made stringent efforts to mitigate the level of growth required and is offering savings of £156k against some other budget headings. This all results in net growth of £96k being proposed for Housing Benefit Administration.
Q92	Cllr Essex	1	Housing Benefit Administration	Please confirm whether the DWP grant is now sufficient to cover costs in this area. Please confirm how this affects how this affects the council's plans for a local authority owned trading company operating in this area.	Bs5, p51	The DWP grant is not sufficient to cover the whole cost of the Benefits service and there is a requirement for a contribution from council budgets to deliver the service. The Benefits Service is in scope for consideration of establishing a local authority owned trading company for the Revenues, Benefits & Fraud service. A firm of consultants (Mutual Ventures) have been commissioned to investigate options. It is anticipated that these options will be presented to the Commercial Ventures Executive Sub-Committee in early 2020.
Q34	Cllr Harrison	30	Leisure	Why the additional manager – this is an outsourced service? Doesn't seem to be included in the additional headcount in Table 13 on page 27. Where are the casual staff budgeted currently?	BSP 5 Page 52	This is not an additional post. This post has existed within the team but was not transferred to base budget from reserves - as part of the organisation-wide budget transfers in advance of the 19/20 financial year - in error. The post - Wellbeing and Intervention Team Leader - is included in the 'additional headcount' table. There are no casual staff in this area.
Q35	Cllr Harrison	31	Supporting People	Why the additional manager? How is this function managed currently?	BSP 5 Page 52	This is not an additional post. This post has existed within the team but was not transferred to base budget from reserves - as part of the organisation-wide budget transfers in advance of the 19/20 financial year - in error.
Q69	Cllr Allcard	1	1 HARLEQUIN	Increase appears large. How many casual staff are being added to the base budget		The Head of Wellbeing and Intervention reports that the increase in the budget is in response to the reality of the needs of the venue. It is a realistic budget which will allow for growth and development to ensure that we are able to deliver on the future operational plans. 6 casual posts are being transferred (please see table 13, page 27)

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q93	Cllr Essex	2	Supporting People Programme	Please confirm what the three options set out mean, and how this would affect the budget.	BS5, p52	The scheme has met the initial commitment of resettling 10 households before the end of March 2020. The three options laid out in the paper were: Option 1: Make no further commitment Option 2: Commit to resettling 10 more households over the next 5 years Option 3: Commit to resettling 20 more households over the next 5 years The 3 costs options were £0/£45k/£80k which would be required for 1 (option 2) or 2 (option 3) posts to manage both the new commitment and the ongoing support to those families who are already resettled. For budget planning purposes, £45k was included in the Budget Scrutiny Panel papers. On 11th November, the Executive agreed to progress the second option.
Q113	Cllr Essex	1	Community Development Workers	Please confirm how the additional community development worker post will change the geographical coverage provided. Please confirm if this work will extent to providing a stronger social safety net in the pockets of poverty associated with private rented housing across the borough.	BS5, p53	The additional Community Development Worker (CDW) post is focused on Woodhatch and Whitebushes. Whilst the work of individual CDWs is focussed on their target geographic area, their local partner networks invariably bring together frontline workers operating across a wider geography, thereby increasing the public and voluntary sectors' impact in supporting residents (in particular our most vulnerable residents) across the borough, regardless of tenure.
Q114	Cllr Essex	2	Voluntary and Community Service Funding	Please confirm how the council reviews the level of support provided as core funding to charities to ensure sufficiency? For example, where there is a social need highlighted by a waiting list for services.	BS5, p53	We require core funded organisations to provide monitoring information to demonstrate the impact of their grant. As a result of the VCS Review which was approved by Executive in June 2019, 2019/20 is the last year of core funding. The Partnerships Team is developing strong working relationships with the organisations which we support financially, to further our understanding of how their services support our residents.
Q115	Cllr Essex		Voluntary and Community Service Funding	Please confirm whether through this or another budget the council is providing any support to increase youth provision locally as the County Council has now announced it will no longer be funding universal youth work in the future.	BS5, p53	The Community Partnerships Service is working closely with YMCA East Surrey and SCC to seek to mitigate the impact of SCC ceasing to fund universal youth work, which may involve some external fundraising. The Service also leads the "Youth Practitioners Forum". The Service has secured external funding to support the provision of basic training for volunteers wishing to work with young people. The small and medium grants funds provide opportunities for partners to apply for funding to support youth provision.
Q36	Cllr Harrison	32	Partnerships	Is this a new headcount – what are the "restructure costs"	BSP 5 Page 53	When the Community Partnerships Service was created in September 2018, a roles restructure followed, with the net increase in the cost of posts initially funded from the New Post Reserve ahead of being transferred to base budget from 2020/21 onwards. The non Community Development Worker costs growth reflects the net increase in budget required to fund the Head of Service post.
Q37	Cllr Harrison	53	Community Centres	Although staff are being brought in house, aren't there offsetting savings in the cost of the Staywell contract?	BSP 5 Page 53	The current operator has reported that the management fee the Council pays falls substantially short of the operating costs of the centres. The Council has used this understanding to inform the cost and income estimates for the centres for 2020/21.
Q38	Cllr Harrison	55	Community Development	This role doesn't appear as headcount growth in Table 13? What are the restructure costs?	BSP 5 Page 53	When the new Community Partnerships Service was created in September 2018, a roles restructure followed. A Community Development Worker for Woodhatch and Whitebushes was employed in July 2019. The net increase in cost of posts from the restructure and the additional Community Development Worker are funded for 2019/20 from the New Posts Reserve ahead of being transferred to base budget from 2020/21 onwards.
Q39	Cllr Harrison	56	Partnerships and Wellbeing support	This role doesn't appear as headcount growth in Table 13? What are the restructure costs?	BSP 5 Page 53	When the Community Partnerships Service was created in September 2018, a roles restructure followed, with the net increase in cost of posts initially funded from the New Post Reserve ahead of being transferred to base budget from 2020/21 onwards. These administrative posts were approved in 19/20 and are not included in the table.
Q94	Cllr Essex	3	Community development/ partnerships & wellbeing business support	Please explain what is meant by restructure costs and provide a breakdown and cost for this.	BS5, p53	When the Community Partnerships Service was created in September 2018, a roles restructure followed to ensure that the service would be able to contribute effectively to achieving the Council's priorities. The net increase in cost of posts has been initially funded from New Post Reserve ahead of being transferred to base budget from 2020/21. The CDW costs relate to the employment of an additional CDW during 2019/20. The non-CDW costs of Community Development growth reflects the net increase in budget required to fund the Head of Service post. The Partnerships growth costs reflects the net cost of roles restructure.
Q95	Cllr Essex	4	Voluntary and Community Service Funding	VCS Review	BS5, p53	Additional information will be provided outside of this meeting if requested.
Q40	Cllr Harrison	57	Planning Policy	Why are additional resources needed now we have agreed the DMP – can't these costs be met by redesignating the resources used for the DMP?	BSP 5 Page 54	These resources are to cover the anticipated consultant and other costs associated with formulating the planning policy evidence base. There is no budget within Planning Policy to cover these costs and they have historically been drawn down from CPDF as and when required. Rather than draw down from CPDF periodically, it was felt better to incorporate these costs into the base budget. They cannot be redesignated from within existing resources/budget as there are no resources for external consultant costs.
Q41	Cllr Harrison	58	Place Delivery	What is the cost of this service and how are they met (county vs borough funding)?	BSP 5 Page 54	The costs of the service in 2019/20 are forecast to be around £288k. £38k is expected from Surrey C.C as their contribution towards staffing costs. The remaining £250k is funded directly by RBBC, the majority of which (£215k) relates to staffing costs.

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q96	Cllr Essex	5	Planning policy	Please provide details of what it is that Surrey County Council are not expected to fund going forward.	BS5, p54	(It is assumed that Cllr Essex is referring to Place Delivery rather than Planning Policy). Discussions are currently underway with Surrey C.C regarding the Head Of Place Delivery & Place Project Manager posts. Historically Surrey C.C have been prepared to contribute towards one role but arrangements for 2020/21 onwards are currently still under discussion and future income is expected to reduce resulting in a Place Delivery growth bid of £45k.
Q42	Cllr Harrison	59	Refuse and Recycling	Could officers run through this complex area of budgeted changes at the meeting. Please relate to current outturn for 2019/20? Also comment on recycle price assumptions used for the budget in comparison with the current prices.	BSP 5 Page 55	The request for more information to be provided at the meeting is noted. In the main, the budget changes reflect actual performance. The recycle price assumption is based on information provided by our current contractors, however, the market is highly volatile.
Q97	Cllr Essex	6	Waste	Please confirm what additional revenue is anticipated as result of the roll-out of the recycling collection to flats.	BS5, p55	No additional revenue is anticipated in the implementation of this service. We have to pay to dispose of the waste collected.
Q98	Cllr Essex	7	Climate Change	Please confirm what the growth linked to delivery of environmental sustainability studies entails. Does this include new post(s)?	BS5, p55	The 50K in the budget is to create a new post or posts, to support the work coming from the Action Plan & Strategy around Environmental Sustainability.
Q43	Cllr Harrison	60	Licensing	What are the legislative changes? Relate to the additional headcount of 4.	BSP 5 Page 56	There has been a change to the Housing Act as it relates to the licensing of Houses in Multiple Occupation (HMO) brought about by The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 20182. This has increased the number of HMOs licensed by this authority and has led to the recruitment of 1 additional officer in the Private Sector housing team (EH) for that purpose. The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 have significantly changed and increased the requirements for animal related licensing and 1 additional officer is to be recruited as a result to assist with this and other licensing functions. Both of these are offset by income from fees detailed in the corresponding lines. Additional recruitment through business need adds an Environmental Health and Licensing Senior Business Support Officer to the team covering the administration duties of the whole department and a previously unbudgeted business support apprentice.
Q44	Cllr Harrison	61	Food	What is this budget for?	BSP 5 Page 56	The food team has a target income set in previous years for additional food inspection (Rating) revisits and for primary authority status for a number of businesses. This ambitious income level has not been achieved and this change therefore reflects adjustment to that target.
Q45	Cllr Harrison	62	Tandridge Parking	Where is the offsetting reduction in staffing? 2.5 heads in table 13?	BSP 5 Page 56	This is correct - 2.5 FTE in Table 13 offsets the reduction in income.
Q46	Cllr Harrison	63	Business Engagement	How will these monies be spent? What are the priorities?	BSP 5 Page 57	Monies are allocated to the four town centres to facilitate minor works addressing public realm maintenance issues. Issues will be identified and prioritised through regular audit and consultation with local Ward Councillors, Town Centre Guilds, Management Groups and the Portfolio Holder for Economy & Place. This new budget allocation reflects the new 'towns & villages priority within the new Corporate Plan'.
Q99	Cllr Essex	8	Business Engagement	Please share the Town and Villages Corporate Plan and confirm what the costs associated with this are for in both the revenue and capital budgets.	BS5, p57; BS7, p80.	The text refers to the Towns & Villages objective in the Five Year Plan, Reigate & Banstead 2025. A revenue allocation of £80k p.a has been sought via the 20/21 Growth submissions for Economic Prosperity. A further £100k of capital funding has also been sought for each of the next 5 years which would ensure that larger issues can be addressed if any are identified. All monies would be allocated to the four town centres to facilitate minor works addressing public realm maintenance issues.
Q100	Cllr Essex	9	Human Resources	Please provide details on the balance between front-line delivery and back-office support for the new posts. Why are 4 new posts required in HR?	BS5, p58	Human resources is a back office service. Reasons for Post requirements are given below: HR Business Partner: An additional HR professional resource to better support the organisation/managers through organisational change, manage employee relations matters and support managers in more effective deployment of their HR resources. HR Systems Expertise: Additional resource to review the effectiveness of HR process/systems and make efficiencies; also on using people/organisation data more effectively to inform better decision making. HR improvement and efficiency/ recruitment: Short term external resource to help review of employee brand and provide a more tailored approach to talent attraction and the job application process

Unique ID	Question by	Question No.	Issue/ Subject	Question	Reference	Response
Q47	Cllr Harrison	64	ICT	Have alternatives been considered? Is there a professional assessment of need? Please relate to the modest growth in capital plans on Page 78.	BSP 5 Page 58	The growth detailed on page 78 relates to: Establishing a rolling replacement programme for laptop and desktop computers so that a third of the estate is updated year on year. This ensure that we do not have to undertake a 'big bang' approach to equipment refresh every three to four years. This approach is less resource intensive and enables the activity to be delivered as Business As Usual and with existing internal resource. Additional growth has been identified in 2022/23 to ensure that our Disaster Recovery systems are up to date and meet any change requirements following a review of the Data Centre which will take place in 2021/22. 2023/24 marks the end of our current contract for printers and multi-functional devices. Therefore funding will be required to update the printer estate. Further work is underway to assess the need for additional investment and will be reported in on in January.
Q48	Cllr Harrison	65	HR Posts	When were these posts previously approved? Are they necessary? Are they already recruited for?	BSP 5 Page 58	These posts were approved earlier in 19/20 via discussions with the Management Team/ the leader/the Portfolio holder for Corporate Direction and Governance. Recruitment is currently in progress for these positions.
Q101	Cllr Essex	10	Outside Bodies	Please provide a list of how much the council contributes to outside bodies, including the Coast 2 Capital LEP.	BS5,p61	The interim Head of Finance will provide this information separately.
Q102	Cllr Essex	11	Resident's Insight	Please provide details of what this item is, and how it relates to equality and climate change.	BS5,p61	This item relates to a programme of measures to gather more feedback and views from our residents, including but not limited to via a residents survey. It will include seeking resident insight on a wide range of issues including corporate plan priorities (such as environmental sustainability). Resident insight will be carried out in a manner consistent with our equality duty and reflecting industry best practice.
Q50	Cllr Harrison	67	Review of Property Service	Could this independent review be made available? (outside the budget panel)	BSP 6 Page 70	The Director for People Services will respond separately to Panel Members on this request.
Q70	Cllr Allcard	1	1 CAPITAL GROWTH	More detail needed of planned future investments and costs of these plus returns when known		This information will be provided in the January budget report.
Q51	Cllr Harrison	68	Management Information	Is this work on management information complete? Could we have sight of the new formats? (outside the budget panel)	BSP 6 Page 74	The Director for People Services will respond separately to Panel Members on this request.
Q103	Cllr Essex	1	Strategic Property	Please provide energy performance rating of all major council owned properties and to what extent the maintenance works on buildings includes improvements in energy efficiency.	BS7, p77	Please see Annex D.
Q52	Cllr Harrison	69	Beech House	What is this £3m of maintenance work?	BSP 7 Page 77	The £3m budget is a contribution paid to the tenant to carry out a comprehensive refurbishment of the building. The scope of the work comprises:- replacement of air conditioning and ventilation systems; replacement of lighting, emergency lighting and associated controls/distribution boards; replacement of suspended ceilings; refurbishment of lift, WCs and reception area; upgrading of main entrance doors and replacement of external lighting to car park. The budget includes an allowance for fees, a contingency and VAT.
Q53	Cllr Harrison	70	Fees & Charges Policy	Should there be a reference to the use of benchmarking?	BSP 8	This is addressed at paragraph 39 in the November 2019 Service & Financial Planning report (BSP2)
Q71	Cllr Allcard	1	1 OVERALL RESERVES	Can we see a consolidated table showing current reserves, difference from last year and already earmarked reserves. Both Capital and revenue		Please see annex C.
Q106	Cllr Essex	3	Greenspaces	Addressing the silting up of Frenches Pond was previously allocated departmental budget to address. Please confirm when the next silt removal works are programmed to be carried out.	Greenspaces service delivery plan	Weather dependent, the next silt removal works are expected to take place at Frenches Pond in early 2020.

Table 13 – Staff Establishment - FTE Movements 2019/20 to 2020/21		
STAFF ESTABLISHMENT 2019/20 (including fixed term posts)		
		487.5
Posts Funded Through CPDF - Approved During 2019/20:		
Project Manager ICT	1.0	
Technical Analyst ICT	1.0	
Open Space Development Manager	1.0	
Community Centres Transformation Manager	1.0	
HR Improvement and Efficiency Recruitment Post	1.0	
		5.0
UPDATED STAFF ESTABLISHMENT 2019/20		
		492.5
Base Budget Growth Proposals 2020/21 - Transfers In/Out		
Community Partnerships - Community Centres (Staywell) 15.0	15.0	
Neighbourhood Services - Car Parking (2.5)	(2.5)	
		12.5
New Posts to be Created as part of 2020/21 Service & Financial Planning Growth		
Finance Apprentice	1.0	
Property Services Manager	1.0	
ICT Posts	3.0	
Waste and Recycling New Crew	3.0	
Fleet Training Officer and Apprentices	3.0	
Communications and Customer Contact	2.0	
Project and Business Assurance	1.0	
Economic Prosperity Officer	1.0	
Human Resources Posts	2.0	
Harlequin Casual Staff	6.0	
Wellbeing and Intervention Team Leader and Refugee Co-ordinator	2.0	
Environmental Health and Licencing Posts	4.0	
		29.0
Movement in Fixed Term Roles (funded through CPDF) in 2020/21		
Economic Prosperity (1.0)	(1.0)	
Human Resources 1.0	1.0	
		0.0
STAFF ESTABLISHMENT 2020/21		
		534.0
NET INCREASE		
		41.5

Annex A

Ref to BSP5

Page 53

Page 56

Page 59

Page 60

Page 58

Page 55

Page 55

Page 61

Page 58

Page 57

Page 58

Page 52

Page 52

Page 56

Page 57

Page 58

New Posts and Salary Growth 2020/21

Annex B

<i>Service</i>	<i>Description</i>	<i>Value £'000</i>	<i>FTE</i>
Community Partnerships - Community Centres (Staywell)	Staff returning from previously outsourced Community Centres	97.0	15.0
Neighbourhood Services - Car Parking	Staff returning to TDC on termination of parking contract	-66.0	-2.5
Finance	Level 4 Finance Apprentice	25.0	1.0
Property	Estates Manager	81.0	1.0
ICT	Technical Support Analyst	43.0	1.0
ICT	Business Improvement Analyst	43.0	1.0
ICT	Data protection Assistant	30.0	1.0
Waste & Recycling	Additional vehicle crew - demand for new homes	85.0	3.0
Fleet	Fleet Training Officer	40.0	1.0
Fleet	Apprentice 1	20.0	1.0
Fleet	Apprentice 2	20.0	1.0
Communications & Customer Contact	Communications Manager	63.0	1.0
Communications & Customer Contact	Graphics & Digital Media Officer	10.0	0.2
Communications & Customer Contact	Restoration of part-time post savings	28.0	0.8
Projects & Business Assurance	Additional Project Manager	65.0	1.0
Economic Prosperity	Economic Prosperity Officer - make time limited post permanent	40.0	1.0
Human Resources Posts	HR Business Partner	60.0	1.0
Human Resources Posts	HR Systems specialist	54.6	1.0
Harlequin Casual Staff	Long Term Casual Staff made permanent	88.0	6.0
Wellbeing & Intervention	Wellbeing & Intervention Team Leader	54.0	1.0
Wellbeing & Intervention	Refugee Coordinator	45.0	1.0
Environmental Health and Licencing	Senior Business Support Officer	28.5	1.0
Environmental Health and Licencing	Housing Licensing and Enforcement Officer	44.5	1.0
Environmental Health and Licencing	Animal/Taxi Licensing Officer, linked to Income	32.3	1.0
Environmental Health and Licencing	Business Support Apprentice - make post permanent	17.3	1.0
		1048.2	41.5

	31/03/2018	31/03/2019
	£m	£m
<u>General Reserves</u>		
General Fund	12.547	12.547
New Home Bonus	14.498	17.086
<u>Earmarked Revenue Reserves</u>		
Government Funding Reduction Reserve	0.800	2.019
Superannuation Reserve	1.507	1.507
Corporate Plan Delivery Fund	2.736	1.206
Business Rates Equalization Reserve	1.000	1.000
Insurance Reserve	0.550	0.550
New Posts	0.000	0.500
Homelessness Prevention	0.048	0.407
Growth Points Reserve	0.286	0.286
Feasibility Studies	0.000	0.250
Business Support Scheme	0.147	0.147
Neighbourhood Improvement Reserve	0.091	0.044
High Street Innovation Reserve	0.040	0.040
Total Earmarked Revenue Reserves	<u>7.205</u>	<u>7.956</u>
Total Revenue Reserves	34.250	37.589
<i>Note: For the purpose of reserves, please see annex 7.1 in the November Budget Report - BSP02.</i>		
<u>Capital Reserves</u>		
Capital Receipts Reserve	15.810	0.627
Capital Grants Unapplied	13.308	16.038
Total Capital reserves	<u>29.118</u>	<u>16.665</u>

ENERGY PERFORMANCE RATINGS

Annex D

"The Energy Performance ratings of the Council's major investment properties (as per the table at BSP 15 on page 97 of the report) are as follows:

Property	EPC Rating	Notes
Regent House, Redhill	B	
Units 1-5 Redhill Distribution Centre, Salfords	All C	
Beech House, Reigate	F	To be improved as part of planned refurbishment.
Forum House, Redhill	C	
Travelodge, Redhill	B	
Linden House, Reigate	Gnd Fl: E, 1st & 2nd Fl: C	
Warwick Quadrant, Redhill	N/A	EPC not obtained as held on long lease.
Crown House, Gloucester Road, Redhill	D	
1, 3, 4, 6, 14-16 and 20 Reading Arch Road, Redhill	N/A	EPCs not obtained as all held on long leases.
1-4 Quarrydene Parade, Merstham	All B	
55-57, 59, 61 & 63 Victoria Road, Horley	B, D, B & C	No. 59 not yet let and in shell condition. EPC will improve once fitted out.
61E Albert Road North, Reigate	C	

As regards the capital works included in the Strategic Property section of the Capital Programme Growth Proposals, the works at Beech House comprise a refurbishment that does include items that will improve the energy efficiency of the building. The works at Albert Road comprise a roof replacement that may improve the energy efficiency of the building but is required regardless of energy efficiency implications. The works at Forum House, if required, will have no impact on energy efficiency. As regards the maintenance to Council occupied properties, these buildings do not need EPCs (except where required specifically in respect of parts leased -out to third parties). However, some of the works included in that item will improve energy efficiency improvements such as replacement of boilers / air conditioning, roof works and window replacements."

£5 increase for Band D

Annex E

	<u>Band A</u>	<u>Band B</u>	<u>Band C</u>	<u>Band D</u>	<u>Band E</u>	<u>Band F</u>	<u>Band G</u>	<u>Band H</u>
Council Tax	154.97	180.80	206.63	232.46	284.12	335.78	387.43	464.92
- increase per dwelling (£ p)	3.33	3.89	4.44	5.00	6.11	7.23	8.33	10.00
- % increase	2.16%	2.16%	2.15%	2.16%	2.15%	2.16%	2.16%	2.16%

Comparison of Service Budget 2019-20 to 2020-21		APPROVED BUDGET 2019/20				PROPOSED BUDGET 2020/21				Annex F
Head of Service	Service	Pay £m	Non-Pay £m	Income £m	Total £m	Pay £m	Non-Pay £m	Income £m	Total £m	
Andrew Benson	Building Control	£0.00	£0.52	-£0.49	£0.03	£0.00	£0.52	-£0.49	£0.03	
	Development Services	£1.13	£0.10	-£0.87	£0.36	£1.13	£0.10	-£0.87	£0.36	
	Planning Policy	£0.33	£0.01	£0.00	£0.35	£0.33	£0.04	£0.00	£0.37	
Caroline Waterworth	Democratic Services	£0.36	£0.46	£0.00	£0.82	£0.36	£0.46	£0.00	£0.82	
	Electoral Services	£0.22	£0.18	£0.00	£0.40	£0.22	£0.18	£0.00	£0.40	
	Land Charges	£0.07	£0.09	-£0.27	-£0.11	£0.07	£0.09	-£0.27	-£0.11	
	Legal Services	£0.80	£0.02	-£0.06	£0.76	£0.80	£0.02	-£0.06	£0.76	
	Property & Facilities	£0.48	£2.06	-£4.48	-£1.94	£0.56	£2.23	-£4.48	-£1.69	
Carys Jones	Communications	£0.33	£0.06	£0.00	£0.39	£0.41	£0.07	£0.00	£0.47	
	Customer Contact	£0.34	£0.01	£0.00	£0.35	£0.37	£0.01	£0.00	£0.38	
Darren Wray	Information & Communications Technology	£0.72	£0.46	£0.00	£1.18	£0.84	£0.64	£0.00	£1.48	
	Web & Information	£0.24	£0.06	£0.00	£0.30	£0.24	£0.06	£0.00	£0.30	
Doula Pont	Chief Executives Office	£1.06	£0.06	£0.00	£1.12	£1.06	£0.07	£0.00	£1.13	
	Corporate Support	£0.06	£0.06	£0.00	£0.12	£0.06	£0.06	£0.00	£0.12	
	Projects & Assurance	£0.40	£0.10	£0.00	£0.49	£0.51	£0.10	£0.00	£0.61	
Duane Kirkland	Harlequin	£0.51	£0.49	-£0.84	£0.16	£0.66	£0.48	-£0.84	£0.29	
	Leisure Services	£0.08	£0.06	-£0.29	-£0.15	£0.14	£0.06	-£0.29	-£0.09	
	Supporting Families	£0.39	£0.04	-£0.34	£0.09	£0.39	£0.04	-£0.34	£0.09	
	Supporting People	£0.08	£0.00	£0.00	£0.08	£0.13	£0.03	£0.00	£0.15	
Justine Chatfield	Community Centres	£0.00	£0.26	£0.00	£0.26	£0.10	£0.31	£0.00	£0.41	
	Community Development & Business Support	£0.29	£0.00	-£0.02	£0.27	£0.41	£0.00	-£0.02	£0.39	
	Partnerships	£0.14	£0.22	£0.00	£0.36	£0.14	£0.26	£0.00	£0.40	
	Voluntary Sector Support	£0.00	£0.36	£0.00	£0.36	£0.00	£0.38	£0.00	£0.38	
Kate Brown	Human Resources	£0.58	£0.04	£0.00	£0.63	£0.78	£0.04	£0.00	£0.83	
Morag Williams	Car Parking	£0.51	£0.16	-£2.87	-£2.20	£0.51	£0.16	-£2.72	-£2.05	
	Engineering & Construction	£0.05	£0.02	-£0.02	£0.06	£0.05	£0.07	-£0.02	£0.11	
	Environmental Health & JET	£1.00	£0.12	-£0.17	£0.96	£1.07	£0.11	-£0.12	£1.07	
	Environmental Licencing	£0.21	£0.03	-£0.54	-£0.30	£0.26	£0.03	-£0.54	-£0.25	
	Fleet	£0.38	£0.53	-£0.13	£0.78	£0.46	£0.53	-£0.13	£0.86	
	Greenspaces	£1.36	£0.52	-£0.60	£1.27	£1.36	£0.52	-£0.60	£1.27	
	Refuse & Recycling	£3.03	£1.54	-£3.27	£1.30	£3.11	£1.57	-£3.57	£1.11	
	Street Cleansing	£0.86	£0.20	-£0.08	£0.99	£0.86	£0.20	-£0.08	£0.99	
Pat Main	Finance	£0.88	£0.22	-£0.01	£1.10	£0.91	£0.22	-£0.01	£1.12	
Peter Boarder	Place Delivery	£0.21	£0.04	-£0.02	£0.23	£0.21	£0.04	£0.03	£0.28	
Richard Robinson	Housing Services	£0.57	£0.54	-£0.12	£0.99	£0.57	£0.54	-£0.12	£0.99	
Simon Bland	Economic Prosperity	£0.26	£0.02	£0.00	£0.28	£0.30	£0.10	£0.00	£0.40	
Simon Rosser	Benefits	£1.15	£39.16	-£40.38	-£0.07	£1.15	£39.11	-£40.23	£0.02	
Total Service Budgets before Corporate Items		£19.10	£48.83	-£55.85	£12.08	£20.53	£49.42	-£55.75	£14.20	

This page is intentionally left blank

Agenda Item 7

Subject:	Quarterly Performance Report (Q2 – July to September 2019)
Officer:	Doula Pont
To:	Overview and Scrutiny Committee, 17 December 2019
Purpose:	To consider the Council's performance for the second quarter of the year 2019-20.

Introduction

This report provides the headline issues on major variances in relation to the Council's overall performance for Quarter 2.

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	Section 1
Risk Management	Section 2
Revenue budget monitoring	Section 3
Capital budget monitoring	Section 4

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.

This page is intentionally left blank

KEY PERFORMANCE INDICATORS

Headline Information

Of the 14 Key Performance Indicators reported on this quarter, 10 are on target or within the agreed tolerance. 2 are outside of tolerance, 1 is contextual and 1 is unable to report.

KPI 4 is a contextual indicator that tracks the number of individuals/households that approach the Council for homelessness support. Whilst this figure is outside the direct control of the Council – and no target is therefore able to be set – it provides valuable context for the other homelessness performance indicators.

A copy of the full performance schedule is available in the eMembers portal.

Major variances

KPI 2 – Total number of residential completions	
Target	Actual
230	122

The target and performance for this indicator is cumulative for the year.

The trend that was observed in Q1 continues. The low total number of completions reflects the phasing of some major developments and, in particular large developments of flats, which can result in an uneven distribution of housing completions through the year.

Housing completions are dependent on a ‘pipeline’ of homes. The pipeline starts at the planning permission stage, through to the build (the start of which is called a ‘commencement’) and then ultimately completion.

It can take circa 12 months for a commencement to feed through into a completion – though, in some instances, this can be even longer. In 2017/18 there were 366 commencements. This is lower than that received in previous years and has therefore resulted in lower completions in the first two quarters of this year.

The latter notwithstanding, there were 597 commencements in 2018/19 – many of which are part of large developments, including flats. Commencements in 2018/19 are high in comparison to previous years, meaning that these builds should eventually lead to commensurately high numbers of completions in the upcoming quarters.

At the end of Q2 there were 2,041 units under construction, 56 of which commenced construction during the quarter.

KPI 12 – Trade waste – increase in the number of customers	
Target	Actual

15

-11

The primary reason for the reduction in the number of active trade waste accounts is the closure of accounts following the non-payment of invoices. Recovery of outstanding monies due will follow the Council's usual debt recovery processes.

Unable to report

We have been unable to report on one Key Performance Indicator:

KPI 1 – Maintain levels of self-service transactions	
Target	Actual
80%	-

This indicator reports the percentage of key transactions that are completed online. The transactions are: paying a parking fine, buying a new/replacement bin and reporting a missed bin.

The systems upgrade reported in Q1 is almost complete, meaning that we are now able to report on 2 of these 3 measures:

- Paying a parking fine: 97% online
- Purchasing a new/additional bin: 92% online

The reporting functionality for reporting a missed bin, however, is not currently fully operational in the new CRM, meaning that we are unable to provide an accurate overall figure and are therefore unable to report.

eMembers room information

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

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 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 are responsible for monitoring the operational risk registers.

New strategic risks

There were **no new strategic risks identified in Q2 2019/20**.

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.

Red	Where management should focus attention. Immediate actions should be identified and plans put in place to reduce risk as a priority.
Amber	Where management should ensure that contingency plans are in place. These may require immediate action and will require monitoring for any changes in the risk or controls. These will be a key area of assurance focus.
Yellow	These should have basic mechanisms in place as part of the normal course of management.
Green	Where risk is minimal if does not demand specific attention but should be kept under review.

Strategic risks

Ref.	Risk description	Rating
SR1	<p>Brexit</p> <p>There is a high possibility that the UK's exit from the European Union will result in disruption to the borough and Council services. However there is a high degree of uncertainty surrounding the scale of impact that could be experienced by the Council as a result of Brexit, therefore making this risk difficult for the Council to effectively manage and control.</p>	Amber
SR2	<p>Financial sustainability</p> <p>The Council receives no Revenue Support Grant from Central Government. Whilst council tax and business rates make up a significant portion of the Council's funding, they do not cover the full extent of the Council's expenditure.</p> <p>The Council's ability to generate income from investments may be restricted by changes in regulations and codes of practice.</p> <p>The Council must therefore put in place a capital investment strategy, supported by appropriate governance structures and resources, to generate additional income to sustain service provision. The failure to generate this income will jeopardise the delivery of corporate objectives. Managing this risk well is dependent on Officers and Members remaining ambitious.</p>	Amber
SR3	<p>Local Government reorganisation and partner public sector funding decisions</p> <p>The public sector as a whole is experiencing significant funding pressures. Budgetary decisions made by other public service providers will impact this borough's residents and businesses as well as the Council itself. The Council may need to increase its services or the support provided, which could have funding and resource implications.</p> <p>In addition, funding pressures could result in the financial failure of partner public sector organisations. A failure of this nature within Surrey may prompt a reorganisation of local government which could have adverse effects on this Council and the delivery of services for residents.</p> <p>These funding and structural pressures, juxtaposed with the outcome of the local government Fair Funding review, could also result in this Council assuming a range of new functions or responsibilities that have traditionally sat with Surrey County Council. This Council's ability to influence such decisions will be limited, however the mitigation of this risk may require the diversion of a disproportionate level of Council resources.</p>	Red
SR4	Organisational capacity and culture	Amber

	<p>The Council is on the verge of implementing an ambitious Corporate Plan, supported by a capital investment strategy and housing strategy. Delivering on the ambitions in these plans – to ensure we remain an efficient and effective Council - will require a continually ambitious organisation and culture, including both Members and Officers.</p>	
SR5	<p>Economic prosperity</p> <p>A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people. Economic prosperity cannot be taken for granted and the current economic outlook is very uncertain.</p> <p>Prevailing economic conditions have a direct impact on the Council's financial position and likewise impacts upon the demand for Council services, particularly in terms of income derived from paid for services and the collection of monies owed. Challenging financial circumstances for residents may also increase their reliance on Council services.</p>	Amber
SR6	<p>Welfare reform</p> <p>The borough's residents are being affected by a combination of welfare reforms, increasing housing costs and economic changes. This increases the risk of household budgets being stretched and residents being threatened with homelessness. The latter could result in an increase in cost pressures on the Council as our services are increasingly relied upon.</p>	Amber
SR7	<p>Cyber security</p> <p>Organisations are at an ever increasing risk of cyber attack as the use of digital systems and technologies increases. More sophisticated attacks and new variants of malicious software underscore the risk of corporate defences being compromised.</p> <p>The effects of a cyber attack are wide and varied though at their worst could result in data destruction, disruption to the delivery of services and data theft.</p>	Amber
SR8	<p>Fraud</p> <p>Due to the wide range of activities being undertaken by the Council, there is a risk of fraud being committed which therefore requires robust systems and processes to be in place.</p>	Amber
SR9	<p>Local plan (closed)</p> <p><i>This risk was closed in Q1 2019/20.</i></p>	Closed
SR10	<p>Marketfield Way</p>	Amber

	Marketfield Way is a major place project for the Council and is critical to shaping Redhill and ensuring the town's continued vitality and viability. It will also generate income which can be reinvested in Council services. Delays to this project would have an impact on the delivery of Redhill's regeneration as well as a financial impact on the Council.	
--	---	--

Operational risks (exception reporting)

There are currently no operational risks that are rated as RED.

eMembers room information

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

Summary

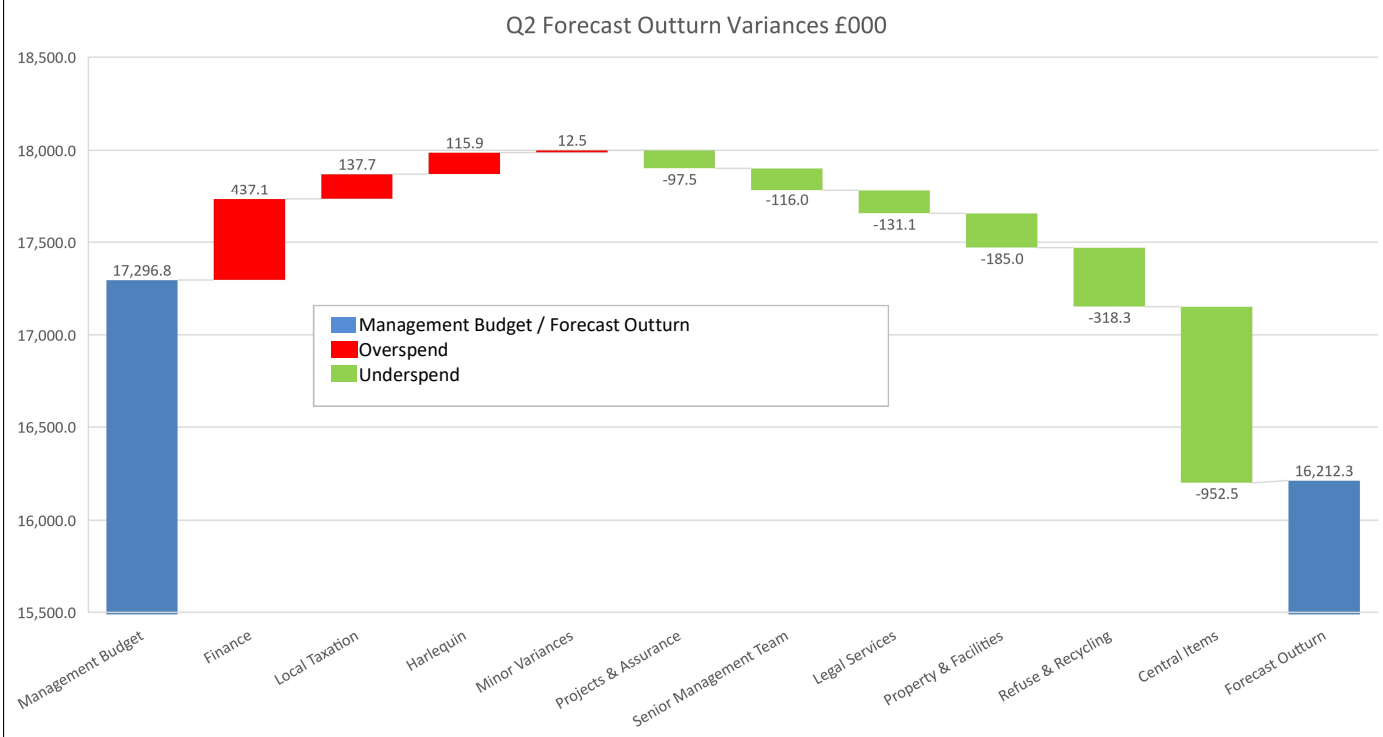
The forecast outturn for services at the end of Quarter 3 is £132.0k (or 1%) lower than the management budget with the overall forecast including central items being £1084.5k (or 6.3%) lower than management budget for the year. This compares to an overall forecast underspend of £774.4k (4.6% lower than budget) reported at Q1. The change relates primarily to a better understanding of the likely use of contingencies at this point in the year.

Reconciliation of Original Budget to Management Budget for 2019-20

	£000	£000
Original Budget		16,294.6
Transfers from Reserves:		
Corporate Plan Delivery Fund	659.3	
CIL funds	<u>342.9</u>	
		1,002.2
Management Budget		<u><u>17,296.8</u></u>

Headline Revenue Budget information 2019-20

	£000
Management Budget	17,296.8
Forecast Year End Outturn	<u>16,212.3</u>
Projected underspend	(1,084.5) (or -6.3% of the budget)



Revenue – total forecast for Services is £132k better than budget:

- Finance, the forecast is £437k over budget as a result of additional work required during the 2018/19 audit of the Statement of Accounts, additional work relating to major projects including the Horley Business Park land purchase, Marketfield Way and Baseball, and the use of interim staff to both cover vacancies and to improve finance processes.
- Benefits/Local Taxation, forecast is £138k above budget due to loss of DWP grant and additional consultancy and printing costs.
- Harlequin, forecast is £116k over budget due to delay in cinema opening and also staff costs higher than budget.
- Projects and Assurance, forecast £97k lower than budget mainly due to vacant posts.
- Senior Management Team, forecast £116k lower than budget due to vacant Director post.
- Legal Services, forecast is £131k under budget due to vacancies.
- Property and Facilities, forecast is £185k better than budget due to new rental from Salfords offset by lower income from Warwick Quadrant and Marketfield Way.
- Refuse and Recycling, forecast £318k better than budget (income £500k better than budget offset by overtime and temp staff costs to cover sickness,

Revenue – Central Items are £952k less than budget:

- Pensions £200k contingency unallocated.
- £835k headroom, part of contingencies budget unallocated.
- £100k redundancy budget part of contingencies budget unallocated.
- Recruitment Costs are forecast to be £109k higher than budget.
- Interest on investments is forecast to be £86k lower than budget.

1. General Fund Reserve		£000	
Balance at start of year			12,546.8
Less: Transfers out			0.0
Add Projected underspend			1,084.5
Anticipated balance at end of year *			13,631.3
* Note: Minimum General Fund Balance Required (15% of total Management Budget) i	2,600.0		
2. Corporate Plan Delivery Fund (CPDF) Reserve		£000	£000
Balance at start of year			1,206.3
<u>Revenue</u>	Allocation type:		
Carried Forward - Customer Relationship Mngt.	Digital Delivery	18.7	
Carried Forward - Staff Recognition Scheme	Staff Development	3.9	
18-02 Community Development Team	Salary	8.6	
18-02 Residents Satisfaction Survey	Regeneration	9.0	
18-02 One-off Election Expenses	Elections	125.0	
18-05 CRM Procurement	Digital Delivery	16.9	
18-06 Projects - Corporate Plan	Organisation	8.5	
18-08 Feasibility Studies	Place	20.6	
18-10 Housing Licensing Resource	Salary	23.6	
18-11 Housing Strategy Development	Place	18.0	
19-05 Traveller Preventative Measures	Place	40.0	
19-07 Economic Prosperity Officer	Place	38.5	
19-08 Community Transition Budget	People	135.0	
19-09 Democratic, Commercial & Policy Officer	Organisation	103.0	
19-15 Housing Needs Strategy - Consultancy	People	25.0	
19-15 DMP Examination -Inspector Costs	Place	65.0	
			659.3
<u>Capital</u>			
19-10 Laptops, MS Office 365, Windows 10	Digital Delivery	196.0	
19-11 IT Improvements @ The Harlequin	Digital Delivery	69.0	
19-12 Civica Upgrade	Digital Delivery	25.0	
19-13 Netcall Liberty Upgrade	Digital Delivery	105.0	
19-14 Northgate iWorld	Digital Delivery	40.0	
			435.0
Balance before any further transfers in year			112.0
3. Uncommitted Contingencies			
Contingency Budgets		1,007.5	
New Posts Fund		0.0	
			1,007.5

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Simon Bland	Economic Prosperity	277.6	38.5	316.1	316.1	0.0	
Kate Brown	Human Resources	546.2	3.9	550.1	565.2	15.1	Maternity Cover for one person within this function.
Richard Robinson	Housing Services	989.7	18.0	1,007.7	966.6	-41.1	Income generated from Temporary accommodation and Masset's Road expected to be more than budget.
Doula Pont	Senior Management Team	1,184.4	5.5	1,189.9	1,073.9	-116.0	The forecast is £116k lower than budget due to the vacant Director post.
	Projects & Assurance	584.7	8.5	593.2	495.7	-97.5	Forecast lower than budget mainly due to vacant posts.
	Corporate Support	120.3	0.0	120.3	124.0	3.7	
Justine Chatfield	Community Development	208.0	193.3	401.3	409.2	7.9	Shortfall on income, this is a recovery of costs that is dependent on the successful outcome of external funding.
	Partnerships	269.1	133.4	402.5	402.4	-0.1	
	Community Centres	263.5	135.0	398.5	398.5	0.0	
	Voluntary Sector Support	421.7	-61.6	360.1	360.1	0.0	
Peter Boarder	Place Delivery	169.5	60.6	230.1	230.1	0.0	
Morag Williams	Fleet	771.4	0.0	771.4	800.5	29.1	Until the ageing fleet of waste vehicles are replaced, they will require greater expenditure on spare parts to keep running. Waste vehicles are planned to be replaced over a three year period beginning 2020/21.
	Refuse & Recycling	1,302.6	0.0	1,302.6	984.3	-318.3	
	Engineering & Construction	56.9	0.0	56.9	56.9	0.0	Variance is predominantly relating to Air Quality Monitoring. Historically this attracted more capital expenditure than revenue. Growth proposals have been requested for 20/21 Budget Setting to correct it, however income is received from Gatwick Airport and the expenditure does not exceed it.
	Environmental Health & JET	973.6	8.6	982.2	1,020.7	38.5	
	Environmental Licencing	-296.5	0.0	-296.5	-296.5	0.0	
	Greenspaces	1,274.8	153.5	1,428.3	1,428.1	-0.2	
	Car Parking	-2,202.2	0.0	-2,202.2	-2,267.1	-64.9	Parking receipts (all types) are forecast to be £124k higher than budget. Pay and Display and advance tickets are all doing better against budget than are Parking Fines issued. Against this, there have been additional costs relating to annual service and support for equipment, that related to prior years.
	Street Cleansing	985.4	0.0	985.4	960.8	-24.6	Fuel for the vehicles used in street cleansing has been less than allowed for in the budget.
Duane Kirkland	Supporting People	84.3	0.0	84.3	84.3	0.0	
	Supporting Families	90.0	0.0	90.0	90.0	0.0	

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
	Harlequin	162.9	0.0	162.9	278.8	115.9	The forecast is £116k over budget due to delay in cinema opening and also staff costs higher than budget.
	Leisure Services	-148.6	0.0	-148.6	-96.3	52.3	Budget affected as a result of the 2018 restructure - (Ageing Well) growth bid already made for 2020/21.
Andrew Benson	Building Control	28.5	0.0	28.5	11.3	-17.2	Overall, the Planning budgets are expected to break-even at year-end. Income is expected to slow-down over the Winter months but this has been factored into the current forecast.
	Development Services Planning Policy	355.2 346.3	65.0 275.0	420.2 621.3	319.0 739.7	-101.2 118.4	
Carys Jones	Communications	391.2	9.0	400.2	410.7	10.5	Design work not included in the budget is causing this overspend.
	Customer Contact	348.9	0.0	348.9	369.6	20.7	This is a staffing overspend that is being addressed in 2020/21 Budget setting process.

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Darren Wray	Web & Information Information & Communications Technology	296.3 1,180.4	0.0 35.6	296.3 1,216.0	296.3 1,208.2	0.0 -7.8	
Caroline Waterworth	Democratic Services	827.5	103.0	930.5	941.6	11.1	Forecast overspends on Members training and refreshments for mayoral events.
	Electoral Services	403.3	125.0	528.3	517.3	-11.0	Vacancy in electoral officer post for part of the year
	Legal Services	764.8	0.0	764.8	633.7	-131.1	The forecast is £131k under budget due to vacancies.
	Land Charges	-111.1	0.0	-111.1	-125.1	-14.0	Levels of income currently predicted to be better than budget. This income is highly variable based on seasonal trends.
	Property & Facilities	-1,882.0	-66.1	-1,948.1	-2,133.1	-185.0	The forecast is £185k better than budget due to new rental from Salfords offset by lower income from Warwick Quadrant and Marketfield Way.
Pat Main	Finance	1,183.6	-22.7	1,160.9	1,598.0	437.1	The forecast is £437k over budget as a result of additional work required during the 2018/19 audit of the Statement of Accounts, additional work relating to major projects including the Horley Business Park land purchase, Marketfield Way and Baseball, and the use of interim staff to both cover vacancies and to improve finance processes.
Simon Rosser	Benefits Paid/Subsidy Received	342.8	0.0	342.8	382.5	39.7	Forecast is £138k above budget due to loss of DWP grant and additional consultancy and printing costs.
	Benefits	-298.4	-18.7	-317.1	-369.5	-52.4	
	Local Taxation	-118.7	18.7	-100.0	50.4	150.4	
Subtotal		12,147.9	1,221.0	13,368.9	13,236.9	-132.0	(1.0%)

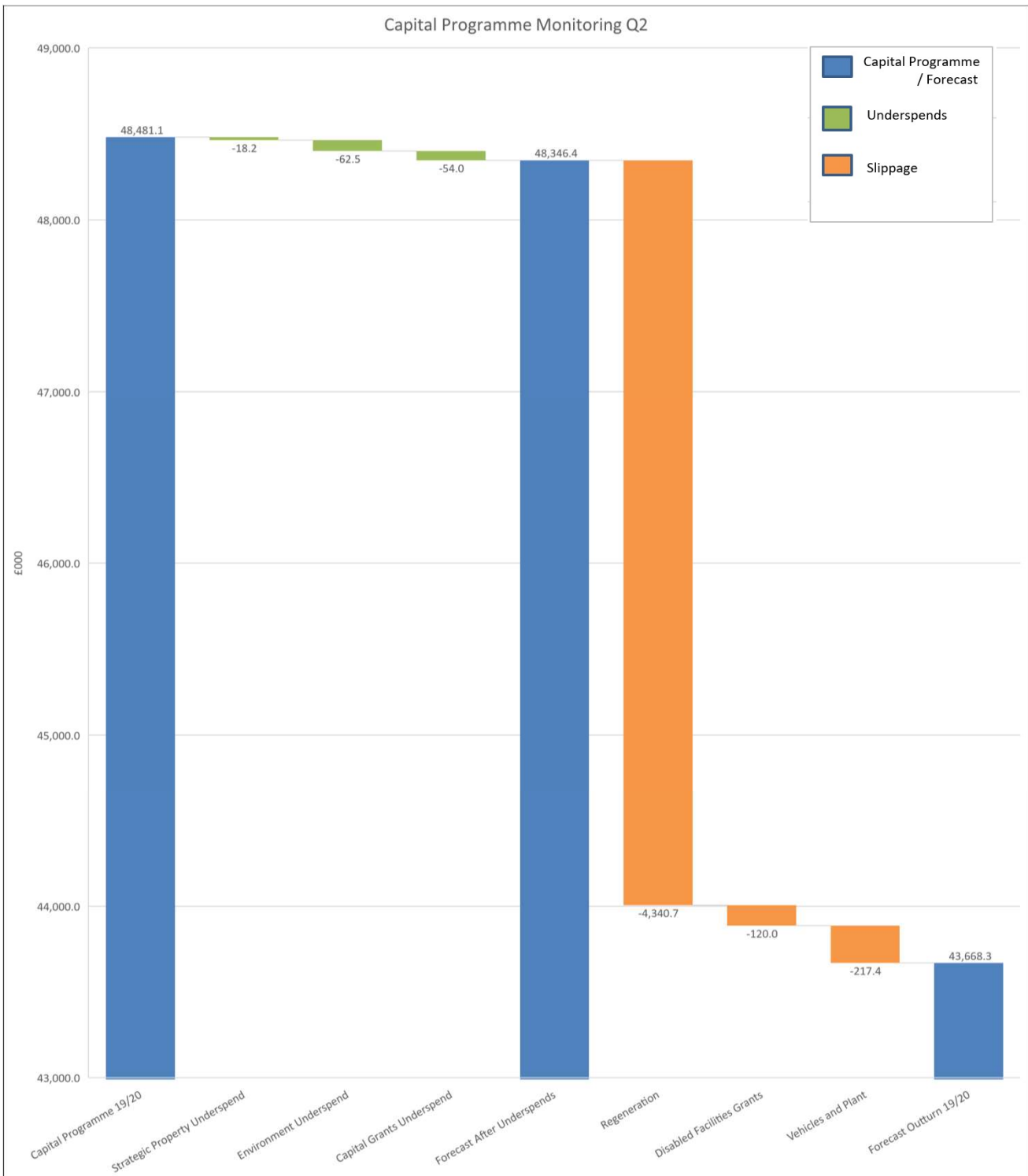
Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Pat Main Central Items	Insurance	452.1	0.0	452.1	482.1	30.0	Increase in insurance costs to be corrected in 20/21 through service and financial planning budget growth.
	Treasury Management - Interest on Investments	-563.9	0.0	-563.9	-477.7	86.2	The treasury investments portfolio has been reduced in order to reduce the amount of external borrowing required - leading to a consequent reduction in forecast investment interest.
	Treasury Management - Interest on Borrowing	157.0	0.0	157.0	173.6	16.6	Increased costs due to increased borrowing needs to reflect the approved capital programme.
	Treasury Management - Interest on Trust Funds	36.0	0.0	36.0	36.0	0.0	Forecast expenditure will be in line with budget at outturn.
	Employer Pension costs	2,338.0	0.0	2,338.0	2,138.0	-200.0	Budget requirement to be reviewed for 2020/21.
	Apprenticeship Levy	63.9	0.0	63.9	63.9	0.0	Forecast activity will be in line with budget at outturn.
	Recruitment Expenses	16.0	0.0	16.0	125.0	109.0	Fees relating to recruitment of vacant senior posts including the Director for Organisation, Head of Finance, Property Services Manager and vacancies arising from the Finance Team restructure.
	Corporate HR Expenses	66.8	0.0	66.8	77.7	10.9	Includes senior staff development costs.
	Budget Contingencies	1,280.5	-60.0	1,220.5	213.0	-1,007.5	The £60k change in the budget reflects a transfer to the Harlequin capital budget to pay for new projectors and the £213k forecast outturn is the expected transfer to capital at the year-end.
	New Posts Budget	250.0	-158.8	91.2	91.2	0.0	Budget is forecast to be fully utilised by year-end.
	External Audit Fees	50.3	0.0	50.3	52.6	2.3	Forecast expenditure will be in line with budget at outturn.
	Subtotal	4,146.7	-218.8	3,927.9	2,975.4	-952.5	
	Grand Total	16,294.6	1,002.2	17,296.8	16,212.3	-1,084.5	(6.3%)
	Budget Contingencies						
	Miscellaneous salaries	49.9	0.0	49.9	0.0	-49.9	Historic unused budget - to be deleted in 20/21.
	Redundancy and Severance Payments	100.0	0.0	100.0	0.0	-100.0	No expenditure in current forecast.
	Headroom Contingency	835.8	0.0	835.8	0.0	-835.8	Underspend will offset service in-year budget pressure.
	Revenue Contributions To Capital	500.0	-60.0	440.0	213.0	-227.0	Current contributions to Capital funded via revenue.
	Preceptor Grants	57.5	0.0	57.5	0.0	-57.5	Payments to Parish Councils relating to services which would otherwise be delivered by the Council.
	Miscellaneous income	-262.7	0.0	-262.7	0.0	262.7	Contingency Income budgets to be issued from or absorbed into during the year.
	Central Budget Contingencies	1,280.5	-60.0	1,220.5	213.0	-1,007.5	

Summary

Forecast expenditure against the capital programme as at the end of Quarter 2 is £43.7m which is £4.8m or 9.9% below the approved programme for the year (there was no significant variance reported at Q1). The majority of the £4.8m relates to slippage as shown below).

Headline Capital Budget Information, Quarter 2 2019/20

Current Budget (annex 1):	£48,481,100
Projected Underspend	(£134,700) (or 0.3% of programme).
Projected Slippage	(£4,678,100) (or 9.6% of programme)
Forecast Capital Expenditure	£43,668,300



Underspends

- Strategic Property
64 Massetts Road - £18.2k is an actual underspend as the final work is now completed and no further expenditure expected.
- Environment
Air Quality Monitoring Equipment - Service attracts both revenue and capital funding, this year has seen a higher revenue expenditure impact and less capitalisable spend/commitment.

Contaminated Land Investigation Work - Spend is contingent on the need for investigation works being identified, no scheme currently identified.
- Capital Grants
Handy Person Scheme - The small works assistance scheme is being more widely publicised to promote uptake. Further increase in uptake expected in future years due to changes in availability of other sources of funding for home adaptations.

Home Improvement Agency SCC Grant - The Home Improvement Agency service annual contract cost is £120,000. The £34,000 brought forward from 18/19 is no longer required as provision is adequate for all service related projected spend for the year.

Slippage

- Regeneration
Marketfield Way - Enabling works to bring forward the scheme is now scheduled to be undertaken in the fourth quarter 2019/20, with main build commencing in first quarter 2020/21.

Preston Regeneration - Works to Chetwode Road have been approved by Local Committee and are programmed to get underway in the fourth quarter 2019/20 with further spend in 2020/21 to complete the project.
- Capital Grants
Disabled Facilities Grants - Current budget and forecast outturn are both lower than the 19/20 allocation of £1.133m but reflects the current performance. Recently approved new housing assistance policy will likely improve the outturn, the service is continually assessing the pipeline of applicants.
- Vehicles and Plant
The reported underspend is a slippage identified from the recently completed review of programmed vehicles roll-out.

Waste and Recycling - £665k has been spent in 19/20 on three 26 tonne rcv's as part of the fleet replacement project. A fourth 26 tonne RCV was purchased for £222k as part of the ongoing fleet replacement program. These vehicles are set to be delivered by the 31st of March 2020. £198k spent on the purchase of one Dennis Elite dustcart and £18k was used to purchase a second hand Luton type vehicle with tail lift to replace an accident damaged vehicle.

Cleansing - Total spend of £66k to replace three 3.5 tonne cage vans with tail lifts.

Green Spaces - Current spend of £73k to replace existing equipment. An estimated £50k is still due to be used for the purchase of one arborist van and one Playground repair vehicle within this financial year.

Pool cars/Democratic Services - A total of £17.5k will be used from this capital budget for the lease costs of all pool cars and the Mayoral vehicle, a total of 5 vehicles.

Workshop/Transport - £25k has been allocated to replace the current workshop breakdown vehicle.

Other - £8k has been spent on the acquisition of three market trailers.

Notes - £120,000 was allocated for the refurbishment of two 26 tonne RCV's, this procurement exercise has yet to be awarded.

Capital Annex 1

Reconciliation of Capital Programme to Approved Budgets 2019-20

	£000
Original Capital Programme for 19/20	45,926.8
Additions (detailed at Annex 2)	
Carry Forwards from previous year	1,456.3
Additional Approvals In Year	450.0
Reprofiling of projects	0.0
CPDF - (in -year allocation)	435.0
Revenue Contribution to Capital	213.0
Current Capital Programme for 2019/20	48,481.1

Capital Programme Monitoring: Summary by Project 2019-20

Project	Original Capital Programme 19/20	Carry Forwards	Additional Approvals In Year	Reprofiled	Revenue Contribution to Capital (RCC)	Other Changes	Current Capital Programme 19/20	Forecast Year End Outturn	Forecast Year End Variance	
	£000	£000	£000	£000		£000	£000	£000	£000	
Horley Public Realm Improvements - Phase 2 and 3	390.0	0.0	0.0	0.0		0.0	390.0	390.0	0.0	Works completed and full spend to be achieved.
Marketfield Way Redevelopment	6,192.1	414.9	0.0	0.0		0.0	6,607.0	2,500.0	(4,107.0)	Enabling works to bring forward the scheme is now scheduled to be undertaken in the fourth quarter 2019/20, with main build commencing in first quarter 2020/21.
Redhill Public Realm Improvements	24.8	0.0	0.0	0.0		0.0	24.8	24.8	0.0	Works completed and full spend achieved
Preston - Regeneration	418.5	15.2	0.0	0.0		0.0	433.7	200.0	(233.7)	Works to Chetwode Road have been approved by Local Committee and are programmed to get underway in the fourth quarter 2019/20 with further spend in 2020/21 to complete the project.
Merstham Recreation Ground	100.0	0.0	0.0	0.0		0.0	100.0	100.0	0.0	
Regeneration	7,125.4	430.1	0.0	0.0		0.0	7,555.5	3,214.8	(4,340.7)	
Leisure Centre Maintenance	30.0	36.0	0.0	(15.0)		0.0	51.0	51.0	0.0	
Harlequin Property Maintenance	40.0	71.7	0.0	(82.0)		0.0	29.7	29.7	0.0	
Play Area Improvement Programme	222.0	20.5	0.0	0.0		0.0	242.5	242.5	0.0	Outstanding repairs to play areas were unable to be actioned within previous financial year.
Parks & Countryside - Infrastructure & Fencing	45.0	0.0	0.0	0.0		0.0	45.0	45.0	0.0	
Harlequin Maintenance	25.0	0.0	0.0	0.0		0.0	25.0	25.0	0.0	
Priory Park Maintenance	5.0	34.6	0.0	0.0		0.0	39.6	39.6	0.0	
Leisure and Culture	367.0	162.8	0.0	(97.0)		0.0	432.8	432.8	0.0	
Lee Street Bungalows	380.1	45.6	0.0	0.0		0.0	425.7	425.7	0.0	Planning Committee deferred the planning application. Project to be reworked to traditional brick build construction, revised planning application to be made and out to retender. New timetable not agreed yet.
64 Massetts Road	0.0	18.2	0.0	0.0		0.0	18.2	0.0	(18.2)	£18.2k is an actual underspend as the final work is now completed and no further expenditure expected.
Cromwell Road Development 2016	5,707.3	118.9	0.0	0.0		0.0	5,826.2	5,826.2	0.0	Tenders received October 2019 and are currently being assessed alongside the review of available approved budget for adequacy.
Unit 1 Pitwood Park Tadworth	4,332.0	0.0	0.0	0.0		0.0	4,332.0	4,332.0	0.0	Tenders received September 2019 and are currently being assessed alongside tenure options being explored and the review of available approved budget for adequacy.
Strategic Property	10,419.4	182.7	0.0	0.0		0.0	10,602.1	10,583.9	(18.2)	
Earlswood Depot/Park Farm Depot	10.0	5.9	0.0	0.0		0.0	15.9	15.9	0.0	
Waste Management and Recycling	10.0	5.9	0.0	0.0		0.0	15.9	15.9	0.0	
Land Flood Prevention Programme	6.0	5.0	0.0	0.0		0.0	11.0	11.0	0.0	The £11k budget will be applied to offset the expenditure on Frenches Pond works - (£20k in 2019/20, and £130k in 2020/21).
Air Quality Monitoring Equipment	48.0	0.0	0.0	0.0		0.0	48.0	15.5	(32.5)	Service attracts both revenue and capital funding, this year has seen a higher revenue expenditure impact and less capitalisable spend/commitment.
Contaminated Land - Investigation work	30.0	0.0	0.0	0.0		0.0	30.0	0.0	(30.0)	Spend is contingent on the need for investigation works being identified, no scheme currently identified.
Environment	84.0	5.0	0.0	0.0		0.0	89.0	26.5	(62.5)	

Capital Programme Monitoring: Summary by Project 2019-20

Project	Original Capital Programme 19/20 £000	Carry Forwards £000	Additional Approvals In Year £000	Reprofiled £000	Revenue Contribution to Capital (RCC)	Other Changes £000	Current Capital Programme 19/20 £000	Forecast Year End Outturn £000	Forecast Year End Variance £000	
Handy Person Scheme	0.0	0.0	50.0	0.0		0.0	50.0	30.0	(20.0)	The small works assistance scheme is being more widely publicised to promote uptake. Further increase in uptake expected in future years due to changes in availability of other sources of funding for home adaptations.
Home Improvement Agency SCC Grant	120.0	34.0	0.0	0.0		0.0	154.0	120.0	(34.0)	The Home Improvement Agency service annual contract cost is £120,000. The £34,000 brought forward from 18/19 is no longer required as provision is adequate for all service related projected spend for the year.
Disabled Facilities Grant	965.0	0.0	0.0	0.0		0.0	965.0	845.0	(120.0)	Current budget and forecast outturn are both lower than the 19/20 allocation of £1.133m but reflects the current performance. Recently approved new housing assistance policy will likely improve the outturn, the service is continually assessing the pipeline of applicants.
Repossession Prevention Fund	30.0	6.3	0.0	0.0		0.0	36.3	36.3	0.0	Funds are used to prevent homelessness predominantly by providing interest free loans to applicants to cover rent in advance, as such expenditure is not at a consistent value throughout the year.
Capital Grants	20.0	0.0	0.0	0.0		0.0	20.0	20.0	0.0	This budget is used for paying capital grants to fund improvement programmes within the borough.
Capital Grants	1,135.0	40.3	50.0	0.0		0.0	1,225.3	1,051.3	(174.0)	
ICT - Disaster Recovery	0.0	41.0	0.0	0.0		0.0	41.0	41.0	0.0	
Organisational Change	0.0	41.0	0.0	0.0		0.0	41.0	41.0	0.0	
Vehicles & Plant Programme	1,302.0	400.0	0.0	0.0		0.0	1,702.0	1,484.6	(217.4)	The reported underspend is a slippage identified from the recently completed review of programmed vehicles roll-out. Waste and Recycling - £665k has been spent in 19/20 on three 26 tonne rcv's as part of the fleet replacement project. A fourth 26 tonne RCV was purchased for £222k as part of the ongoing fleet replacement program. These vehicles are set to be delivered by the 31st of March 2020. £198k spent on the purchase of one Dennis Elite dustcart and £18k was used to purchase a second hand Luton type vehicle with tail lift to replace an accident damaged vehicle. Cleansing - Total spend of £66k to replace three 3.5 tonne cage vans with tail lifts. Green Spaces - Current spend of £73k to replace existing equipment. An estimated £50k is still due to be used for the purchase of one arborist van and one Playground repair vehicle within this financial year. Pool cars/Democratic Services - A total of £17.5k will be used from this capital budget for the lease costs of all pool cars and the Mayoral vehicle, a total of 5 vehicles. Workshop/Transport - £25k has been allocated to replace the current workshop breakdown vehicle. Other - £8k has been spent on the acquisition of three market trailers. Notes - £120,000 was allocated for the refurbishment of two 26 tonne RCV's, this procurement exercise has yet to be awarded.
ICT Replacement Programme	275.0	0.0	0.0	0.0		435.0	710.0	710.0	0.0	(1) Laptop rolling replacement programme (£275k) - will be delivered this financial year and on budget. (2) Microsoft Office 365 Licenses (£156k) - will be delivered this financial year and on budget. (3) Windows 10 resource (£40k) - will be delivered this financial year and on budget. (4) Netcall Upgrade and ATP integration (£105k) - funds committed but possibility of slippage this year with project completion in 2020/21. (5) Civica DMS Upgrade (£25k) - will be delivered this financial year and on budget. (6) Harlequin Theatre IT Improvements (£69k) - funds committed but possibility of slippage this year with project completion in 2020/21. (7) Northgate iWorld cloud migration (£40k) - funds committed but possibility of slippage this year with project completion in 2020/21. (8) Slippage (if any) will be ascertained and reported by Qtr. 3.

Capital Programme Monitoring: Summary by Project 2019-20

Project	Original Capital Programme 19/20 £000	Carry Forwards £000	Additional Approvals In Year £000	Reprofiled £000	Revenue Contribution to Capital (RCC)	Other Changes £000	Current Capital Programme 19/20 £000	Forecast Year End Outturn £000	Forecast Year End Variance £000	
Council Offices Programme	30.0	48.8	130.0	0.0		0.0	208.8	208.8	0.0	Council Offices additional funds are due to be spent this financial year on air conditioning plant and preparation works for boiler replacement. Delivery is on track.
Day Centres Programme	25.0	8.9	0.0	(8.9)		0.0	25.0	25.0	0.0	
Existing Pavilions Programme	30.0	21.8	0.0	(21.8)		0.0	30.0	30.0	0.0	
Commercial Investment Properties	50.0	13.3	80.0	0.0		0.0	143.3	143.3	0.0	Regent House , Redhill maintenance work - £80k and rest of the budget to cover forecast spend on other properties maintenance works.
Infra-structure (walls)	5.0	15.0	35.0	0.0		0.0	55.0	55.0	0.0	
Car Parks Capital Works Programme	30.0	50.2	106.0	0.0		0.0	186.2	186.2	0.0	Car Parks Lift replacement at Bancroft Rd multi storey will be out to tender shortly and programmed for completion this financial year.
Public Conveniences	5.0	0.0	49.0	136.0		0.0	190.0	190.0	0.0	Public conveniences additional funds will be spent on the refurbishment of Banstead High Street toilets which is well under way.
Cemeteries & Chapel	0.0	8.3	0.0	(8.3)		0.0	0.0	0.0	0.0	
Allotments	4.0	0.0	0.0	0.0		0.0	4.0	4.0	0.0	
CCTV Rolling Programme	30.0	22.2	0.0	0.0		0.0	52.2	52.2	0.0	The CCTV service is currently being reviewed. The outcome of the review and any budget impact will be developed and reported by Qtr. 3
Rolling Programmes	1,786.0	588.5	400.0	97.0		435.0	3,306.5	3,089.1	(217.4)	
Commercial Investments	25,000.0	0.0	0.0	0.0		0.0	25,000.0	25,000.0	0.0	Anticipated investment in new capital schemes in 2019/20 onwards to support delivery of the Corporate Plan, Housing Strategy and Investment Strategy. (There has been approximately £11m of expenditure in Q3 to fund the purchase of land for the Horley Business Park).
Commercial Investments	25,000.0	0.0	0.0	0.0		0.0	25,000.0	25,000.0	0.0	
Revenue Contribution to Capital	0.0	0.0	0.0	0.0	213.0	0.0	213.0	213.0	0.0	Harlequin - Projector and printer - £78k. Pittwood - £50k temporary funding allocation for 2019/20. Transaction team additional ICT spend items - £65k (for Civica Icon upgrade and implementation- £50k plus additional icon installation charge £15k). Fenches pond works - £20k forecast spend in 2019/20.
Revenue Contribution to Capital	0.0	0.0	0.0	0.0	213.0	0.0	213.0	213.0	0.0	
Total Capital Budget	45,926.8	1,456.3	450.0	0.0	213.0	435.0	48,481.1	43,668.3	(4,812.8)	(9.9%)

Agenda Item 8



SIGNED OFF BY	Head of Legal and Governance
AUTHOR	Catriona Marchant, Democratic Services Officer
TELEPHONE	Tel: 01737 276066
EMAIL	catriona.marchant@reigate-banstead.gov.uk
TO	Overview and Scrutiny Committee
DATE	Tuesday, 17 December 2019
EXECUTIVE MEMBER	Leader of the Council

KEY DECISION REQUIRED	N
WARDS AFFECTED	N/A

SUBJECT	Calendar of Meetings 2020/21
----------------	------------------------------

RECOMMENDATION

The Overview and Scrutiny Committee are asked to comment on the draft Calendar of Meetings for the 2020/21 Municipal Year at their meeting on 17 December 2019.

REASONS FOR RECOMMENDATION

To establish a timetable to ensure the efficient and effective conduct of Council business for the forthcoming Municipal Year.

EXECUTIVE SUMMARY

The Calendar of Meetings for 2020/21 draws upon the pattern of previous years and is designed to ensure all business is accomplished as efficiently as possible. The comments of the Overview and Scrutiny Committee will be reported to the meeting of the Executive on 30 January 2020. The proposed Schedule of Meetings will then be approved by full Council at its meeting on 13 February 2020.

The Calendar of Meetings requires approval by full Council.

Agenda Item 8

BACKGROUND

1. Under the Constitution the Council approves a Calendar of Meetings for the forthcoming Municipal Year.
2. A draft schedule is attached to this report at Annex 1..

KEY INFORMATION

The following points might be helpful in considering the draft schedule:

- The Employment Committee meets quarterly and on a separate evening to reflect the Committee's revised Terms of Reference.
- The Commercial Ventures Executive Sub-Committee has agreed to meet formally every two months for an hour before each Executive meeting. The informal CVESC will meet every other month (between the formal meetings).
- The deadline for the publication of the Council's annual Statement of Accounts and the opinion of External Auditors is 31 July 2020. The Executive meeting has therefore been set for Tuesday 28 July 2020 to allow enough time to finalise the Statement of Accounts. In 2021, the Executive meeting will be moved to Tuesday 27 July 2021.
- Leader's group requested an additional Executive meeting in mid-August 2020.
- As in previous years, meetings of the Licensing & Regulatory Committee and its sub-committees and the Standards Committee have not been scheduled except for the initial meetings to make appointments to the Chair. The first meeting of the Licensing & Regulatory Committee will be combined with a training session.
- As the initial Standards Committee is expected to be brief, this has been scheduled on the same evening as the Overview and Scrutiny Committee on 11 June 2020.
- The proposed schedule includes indicative dates for meetings at the start of the 2021-22 Municipal Year to assist with planning for future business. These dates will be confirmed as part of the Schedule of Meetings for 2021-22, subject to any revisions.
- Amendments to the schedule may be made at any time in the course of the year and any changes will be publicly notified as and when these occur.

LEGAL IMPLICATIONS

3. There are no legal implications.

FINANCIAL IMPLICATIONS

4. There are no financial implications.

EQUALITIES IMPLICATIONS

5. There are no equalities implications

Agenda Item 8

COMMUNICATION IMPLICATIONS

6. All scheduled meetings will be listed in the Centralised Diary which can be viewed by both officers and Members. Members' calendars on their tablets will be automatically updated with the meetings they attend as committee members.
7. Scheduled meetings will be available to view on the Council's website. Any changes will be publicly notified as and when they occur.

CONSULTATION

8. The draft schedule has been reviewed by the Finance, Projects and Performance and Revenue and Benefits teams.
9. The Corporate Governance Group was consulted at its meeting on 22 October 2019.
10. Leader's group considered the draft schedule at their meeting on 11 November 2019. Group Leaders were consulted on 25 November 2019.

Any comments by the Overview and Scrutiny Committee will be reported to the Executive on 30 January 2020.

ANNEXES

1. The draft schedule is attached to this report as Annex 1.

This page is intentionally left blank

Calendar of Meetings 2020/21

COMMITTEE	TIME	MAY 2020	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN 2021	FEB	MAR	APR
Council	7.30pm	28		30		24	22		10		11		8
Commercial Ventures Executive Sub Committee	6.30pm		4			17		5		28		25	
Employment	7.00pm		24			15			15			31	
Executive	7.30pm		4 25	28	13	17	8	5	3	14 28	25	25	22
Licensing & Regulatory	7.30pm		3										
Overview & Scrutiny	7.30pm		11	2		10	15	19*	9	21	18	18	15
Planning	7.30pm	20	10	8 29		2 30	28	25	16	20	17	17	14
Standards	7.00pm		11										

* Budget Scrutiny Panel 6.30pm

Calendar of Meetings 2021/22

COMMITTEE	TIME	MAY 2021	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR
Council	7.30pm	27		29									
Commercial Ventures Executive Sub Committee	6.30pm		3										
Employment	7.00pm		23										
Executive	7.30pm		3 24	27									
Licensing & Regulatory	7.30pm		2										
Overview & Scrutiny	7.30pm		10	1									
Planning	7.30pm	19	9	7 28									
Standards	7.00pm		10										

Agenda Item 9



SIGNED OFF BY	Head of Legal and Governance
AUTHOR	Catriona Marchant, Democratic Services Officer
TELEPHONE	Tel: 01737 276066
EMAIL	catriona.marchant@reigate-banstead.gov.uk
TO	Overview and Scrutiny Committee
DATE	Tuesday 17 December 2019
EXECUTIVE MEMBER	Not applicable

KEY DECISION REQUIRED	No
WARDS AFFECTED	All Wards

SUBJECT	Overview and Scrutiny Committee's Work Programme 2019/20
----------------	--

RECOMMENDATIONS
<ul style="list-style-type: none"> i. To consider the proposed future work programme for the Overview and Scrutiny Committee, set out in Annex 1; and ii. To note the Action Tracker (Annex 2) from the last meeting.
REASONS FOR RECOMMENDATIONS
<p>The work programme for the Overview and Scrutiny Committee was recommended by the Overview and Scrutiny Committee at its meeting on 14 February 2019 and was agreed by Council on 11 April 2019.</p> <p>Arrangements for implementing the work programme have progressed and the latest plans are outlined in Annex 1. In addition an Action Tracker (Annex 2) which sets out the resolutions and requests from the previous meeting is added to the Agenda.</p> <p>This is a standing item to keep the Committee informed and to prepare for upcoming business.</p>

Agenda Item 9

EXECUTIVE SUMMARY

Background information

The selection and prioritisation of work is essential if the scrutiny function is to be successful, add value and retain credibility. This proposed standing item gives the Committee an opportunity to view and comment on future planning of the Overview and Scrutiny work programme.

Work Programme 2019/20

The Work Programme 2019/20 is a useful tool in planning the overview and scrutiny work programme. The Future Work Programme will be updated before each meeting and feed into the Corporate Forward Plan.

Action Tracker

The Action Tracker sets out the Resolutions and requests for information from the previous meeting.

STATUTORY POWERS

1. The *Local Government Act 2000* (as amended) established Overview and Scrutiny Committees within the Leader with Cabinet model of governance. Subsequent legislation including the *Police and Justice Act 2006*, the *Local Government Public Involvement in Health Act 2007*, the *Local Democracy, Economic Development and Construction Act 2009*, the *Localism Act 2011* and the *Local Authorities (Overview and Scrutiny Committees) (England) Regulations 2012* has provided additional responsibilities on the Committee.

BACKGROUND

2. The Overview and Scrutiny Committee Work Programme 2019/20 was agreed earlier in 2019 and sets out a programme of activity that is in line with the Council's priorities.
3. This report requests the Committee to use the Overview and Scrutiny Committee Work Programme 2019/20 and Action Tracker as a tool to assist the Committee in managing its activities during the year.

OPTIONS

4. The Committee has the option to approve, add to or remove items from the Work Programme or to ask Officers to review the position and report back on alternative options to include any new resource implications.

LEGAL IMPLICATIONS

5. There are no immediate legal implications arising from this report.

Agenda Item 9

FINANCIAL IMPLICATIONS

6. There are no financial implications arising from the recommendations set out in this report. Should any of the work undertaken by Overview and Scrutiny generate recommendations with financial implications then these will be highlighted at that time.

EQUALITIES IMPLICATIONS

7. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.

The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.

8. The Committee should ensure that it has regard for these duties by considering them through the course of its work. This should include considering:
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;
 - Whether there is equality of access to service and fair representation of all groups within the Borough;
 - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

COMMUNICATION IMPLICATIONS

9. There are no communication implications.

RISK MANAGEMENT CONSIDERATIONS

10. There are no risk management considerations.

CONSULTATION

11. Consultation with the Chair and Vice-Chair of the Overview and Scrutiny Committee will take place as part of the Agenda planning process of each meeting.

Agenda Item 9

POLICY FRAMEWORK

12. The Committee's activities through its work programme are designed to support the corporate direction of the Council.
13. The Chair of the Committee will meet regularly with the Leader of the Council to link the Committee's work programme to the Corporate Forward Plan of business.

BACKGROUND PAPERS

Overview and Scrutiny Committee Work Programme 2019/20 report (14 February 2019).
Corporate Plan 2015-20 - www.reigate-banstead.gov.uk/council_and_democracy/about_the_council/plans_and_policies/corporate_plan/index.asp

ANNEXES

- Annex 1 – Future Work Programme 2019/20
- Annex 2 – Committee Action Tracker

REIGATE AND BANSTEAD BOROUGH COUNCIL:

**OVERVIEW AND SCRUTINY
COMMITTEE WORK PROGRAMME**



Date of issue: 09 December 2019

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
21 November 2019 (Budget Scrutiny Panel)								
3 <i>Catriona Marchant, Democratic Services Officer</i>	Chairman of the Overview and Scrutiny Committee	Interim Head of Finance and Assets	Budget Scrutiny Panel: Service and Financial Planning 2020/21 For the Budget Scrutiny Panel to (i) consider the provisional budget proposals for 2020/21; (ii) report back to the Overview and Scrutiny Committee with their findings; and (iii) make recommendations to the Executive in line with the Council's budget and policy procedure rules.	17 Dec 2019 21 Nov 2019	30 Jan 2020		Part exempt	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
17 December 2019								
<i>Luke Harvey, Project & Performance Team Leader</i>	Portfolio Holder for Corporate Direction and Governance	Head of Projects and Performance	Internal audit 2019/20 - Q2 progress report To consider progress in Q2 against delivery of the 2019/20 internal audit plan.	17 Dec 2019			Open	
<i>Tom Borer, Policy Officer</i>	Leader of the Council	Chief Executive	Leader's Update (December 2019) To receive an update on the work of the Council and future plans.	17 Dec 2019			Open	
<i>Luke Harvey, Project & Performance Team Leader</i>	Deputy Leader and Portfolio Holder for Finance, Portfolio Holder for Corporate Direction and Governance	Head of Projects and Performance, Interim Head of Finance and Assets	Quarterly Performance Report (Q2 2019/20) To consider Council performance in the second quarter of the year in regards to Key Performance Indicators, Revenue and Capital Budget Monitoring and Risk Management.	17 Dec 2019	30 Jan 2020		Open	
<i>Catriona Marchant, Democratic Services Officer</i>	Leader of the Council	Head of Legal and Governance	Schedule of Meetings 2020/21 To consider the proposed schedule of meetings.	17 Dec 2019	30 Jan 2020	13 Feb 2020	Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
23 January 2020								
<i>Ross Spanton, Community Safety Officer, Justine Chatfield, Head of Community Partnerships</i>	Portfolio Holder for Community Partnerships	Head of Community Partnerships	Annual Community Safety Partnership Scrutiny - 2019/20 To review the work of the East Surrey Community Safety Partnership in 2019/20.	23 Jan 2020			Open	
<i>Justine Chatfield, Head of Community Partnerships</i>	Portfolio Holder for Community Partnerships, Portfolio Holder for Housing and Benefits, Portfolio Holder for Wellbeing and Intervention	Director of People	Portfolio Holder Briefing - People Portfolios To provide an overview of progress in the Wellbeing & Intervention, Community Partnerships, and Housing & Benefits Portfolios. To include an update on Community Centres.	23 Jan 2020			Open	
<i>Sanjay Sharma, Management & Commercial Accounting</i>	Deputy Leader and Portfolio Holder for Finance	Interim Head of Finance and Assets	Budget 2020/21 and Capital Programme 2020 to 2025 Budget 2020/21 and Capital Programme 2020 to 2025	23 Jan 2020	30 Jan 2020	13 Feb 2020	Open	KEY

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
20 February 2020								
<i>Helen Stocker, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance	Interim Head of Finance and Assets	<p>Progress Update on 2019/2020 Statement of Accounts</p> <p>A report requested by Overview and Scrutiny to provide a progress update on Statement of Accounts 2019/20 preparations.</p>	20 Feb 2020			Open	
<i>Luci Mould, Director of Place, Luci Mould, Director of Place</i>	Portfolio Holder for Neighbourhood Services, Portfolio Holder for Place and Economic Prosperity, Portfolio Holder for Planning Policy	Director of Place	<p>Portfolio Holder Briefing - Place Portfolios</p> <p>To receive a briefing from the Place Portfolio Holders regarding the Place business areas and their portfolios.</p>	20 Feb 2020			Open	
<i>Luke Harvey, Project & Performance Team Leader</i>	Portfolio Holder for Corporate Direction and Governance	Head of Projects and Performance	<p>Draft Key Performance Indicators - 2020/21</p> <p>To receive the latest draft of KPIs for 2020/21</p>	20 Feb 2020			Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Catriona Marchant, Democratic Services Officer</i>	Chairman of the Overview and Scrutiny Committee	Head of Legal and Governance	<p>Overview and Scrutiny Committee: Proposed Work Programme 2020/21</p> <p>To consider the proposed work programme for the Committee for 2020/21.</p>	20 Feb 2020	27 Feb 2020	9 Apr 2020	Open	
19 March 2020								
<i>Luke Harvey, Project & Performance Team Leader</i>	Portfolio Holder for Corporate Direction and Governance	Head of Projects and Performance	<p>Internal audit 2019/20 - Q3 progress report</p> <p>To consider progress in Q3 against delivery of the 2019/20 internal audit plan.</p>	19 Mar 2020			Open	
<i>Luke Harvey, Project & Performance Team Leader</i>	Portfolio Holder for Corporate Direction and Governance	Head of Projects and Performance	<p>Internal Audit Plan 2020/21</p> <p>To endorse the draft Internal Audit Plan for 2020/21.</p>	19 Mar 2020			Open	
<i>Helen Stocker, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance	Interim Head of Finance and Assets	<p>Treasury Management Strategy 2020-2021</p> <p>To consider the Treasury Management Strategy for 2020-21.</p>	19 Mar 2020	27 Feb 2020 26 Mar 2020	9 Apr 2020	Open	PFP

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Helen Stocker, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance	Interim Head of Finance and Assets	<p>Annual Governance Statement</p> <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>	19 Mar 2020			Open	
<i>Luke Harvey, Project & Performance Team Leader</i>	Deputy Leader and Portfolio Holder for Finance, Portfolio Holder for Corporate Direction and Governance	Head of Projects and Performance, Interim Head of Finance and Assets	<p>Quarterly Performance Report (Q3 2019/20)</p> <p>To consider Council performance in the third quarter of 2019/20 in regards to Key Performance Indicators, Revenue and Capital Budget Monitoring and Risk Management.</p>	19 Mar 2020	26 Mar 2020		Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Kirsty Jane Hill, Democratic Services Officer</i>	Portfolio Holder for Investment and Companies	Head of Legal and Governance, Interim Head of Finance and Assets	Companies Performance Update To receive an update on the performance of Council companies.	19 Mar 2020			Part exempt	
16 April 2020								
<i>Pat Main, Interim Head of Finance and Assets</i>	Deputy Leader and Portfolio Holder for Finance	Director of Finance and Organisation	External Audit Plan 2019/20 To endorse the draft External Audit Plan for 2019/20.	16 Apr 2020			Open	
<i>Catriona Marchant, Democratic Services Officer</i>	Chairman of the Overview and Scrutiny Committee	Head of Legal and Governance	Overview and Scrutiny Committee: Annual Report 2019/20 To consider the Annual Report of the Committee's work.	16 Apr 2020		28 May 2020	Open	
To be scheduled								
<i>Simon Rosser, Head of Revenues, Benefits and Fraud</i>	Portfolio Holder for Investment and Companies	Director of People	A Local Authority Trading Company for Provision of Revenues, Benefits and Fraud Services, and Loan Facilities Incorporation of the company and associated governance requirements.				Part exempt	KEY

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Tom Borer, Policy Officer</i>	Portfolio Holder for Neighbourhood Services	Head of Corporate Policy	<p>Update on Carbon Management - Climate Change</p> <p>This is a request from Overview and Scrutiny to receive an update on carbon management – climate change, following the motion at Full Council on 7 February 2019 –Minute 75 – Climate Change.</p>				Open	

Contact: Democratic Services

Email: Democratic@reigate-banstead.gov.uk

Phone: 01737 276182

Address: Town Hall, Castlefield Road, Reigate, Surrey, RH2 0SH

100

Action tracker - Overview and Scrutiny Committee 2019/20 – Updated 4 December 2019.

Meeting 2019	Subject and request	Action	Who	When	Completed and Archived
11 July	Item 5 – Five Year Performance Plan report 2018/19	Money Support Team – it was identified that the Council had supported families but little was known about the work done by the team and the services offered. Members asked for more information about this service.	Request to officers	In progress	The Head of Wellbeing and Intervention’s team have put together a summary of what the money support team does, how it came about, and its impact. With Portfolio Holder. Cllr Alex Horwood. Briefing on the work of the Money Support Team offered to O&S Committee Members. This will be part of the People Portfolio Holder presentations on 23 January O&S.
17 Oct	Item 4 – Report from External Auditors on 2018/19 Accounts (ISA 260 Report)	Balances on Trust Funds – the Council acts as a trustee for a number of Trust Funds of specific areas of land and other facilities for use by the public such as Reigate Baths Trust which were earning interest. Members asked for a written answer about the background of each fund to understand any restrictions on how the capital could be used for the benefit of residents.	Request to officers	Completed	Written answer emailed to O&S Members on 28 November 2019.
17 Oct	Item 4 – Report from External Auditors on 2018/19 Accounts (ISA 260 Report)	Pension Fund deficit – what is the basis for the deficit in the 2018/19 Statement of Accounts.	Request to officers	Completed	Written answer emailed to O&S Members on 28 November 2019.

17 Oct	Item 4 – Report from External Auditors on 2018/19 Accounts (ISA 260 Report)	Gains and Losses – Members asked for more information on the expected credit loss provision in loans to trading companies (Gains and losses recognised in the Income and Expenditure Account and Movement in Reserves Statement of 2018/19) and on the group accounts for Pathway for Care Ltd. A written response would be provided.	Request to officers	Completed	Written answer emailed to O&S Members on 28 November 2019.
17 Oct	Item 5 – Half Yearly Treasury Management Report for 2019/20	Short Term Borrowing – there was a short-term borrowing requirement of £12m at the end of the financial year. This was in line with the treasury management strategy and was fully repaid in early 2019/20. Members asked for a written answer on the interest rate that was paid on the loan.	Request to officers	In progress	Written answer emailed to O&S Members on 28 November 2019.
17 Oct	Item 5 – Half Yearly Treasury Management Report for 2019/20	Capital Expenditure and Financing (Table 1 in the report) – Members asked for follow-up information about the £1.704m actual spend on capital expenditure.	Request to officers	In progress	Written answer emailed to O&S Members on 28 November 2019.
17 Oct	Item 6 – Portfolio Holder Briefing – Organisation Portfolios	Procurement – Members requested sight of the review report of the procurement and contract management processes and its recommendations when completed.	Request to officers	In progress	The review has been carried out and the draft report is underway.
17 Oct	Item 6 – Portfolio Holder Briefing – Organisation Portfolios	Apprenticeships – Members asked for a breakdown on the Council’s apprenticeship programme: number and type of apprenticeships at each training level and role, and how much it spent on the apprenticeship levy.	Request to officers	Completed	Factsheet setting out detailed information requested, emailed to Committee Members on 29 October 2019.

17 Oct	Item 9 – Future Work Programme – October 2019	Projects Reporting - Members requested further detailed project and programme information to understand the current performance of the major development projects: Marketfield Way, Cromwell Road, Lee Street and Pitwood Park. This followed a written response emailed to Committee Members on 15 October 2019.	Request to officers	In progress	Following this request, it was agreed that a set of monthly theme dashboards that are shared with Portfolio Holders are made available to all Members via eMembers from January 2020.

This page is intentionally left blank