

Agenda

Executive

Thursday, 17 September 2020 at 7.30 pm

Remote meeting via video link



This meeting will be held **remotely**. Committee Members will be provided with the details of how to connect to the meeting one day before the meeting.



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

Members:

M. A. Brunt (Leader)

T. Schofield

T. Archer

R. H. Ashford

R. Biggs

N. J. Bramhall

A. C. J. Horwood

E. Humphreys

G. J. Knight

V. H. Lewanski

Mari Roberts-Wood
Interim Head of Paid Service

For enquiries regarding this agenda;

Contact: 01737 276182

Email: democratic@reigate-banstead.gov.uk

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

- 1. Minutes** (Pages 5 - 10)
To approve the minutes of the meeting of the Executive held on 28 July 2020.
- 2. Apologies for absence**
To receive any apologies for absence.
- 3. Declarations of interest**
To receive any declarations of interest.
- 4. Delivering Change in Horley Town Centre** (Pages 11 - 30)
To consider the report of the Executive Member for Place and Economic Prosperity.
- 5. Five Year Plan Performance Report 2019/20** (Pages 31 - 44)
To note the report of the Executive Member for Corporate Direction and Governance.
- 6. Quarter 1 2020/21 Performance Report** (Pages 45 - 82)
To note the report of the Deputy Leader and Executive Member for Finance, and the Executive Member for Corporate Direction and Governance.
- 7. Risk Management - Quarter 1 2020/21** (Pages 83 - 94)
To consider the report of the Executive Member for Corporate Direction and Governance.
- 8. Statements**
To receive any statements from the Leader of the Council, Members of the Executive or the Chief Executive.
- 9. Any other urgent business**
To consider any item(s) which, in the opinion of the Chairman, should be considered as a matter of urgency – Local Government Act 1972, Section 100B(4)(b).

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

10. Exempt business

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

- (i) it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- (ii) the public interest in maintaining the exemption outweighs the public interest in disclosing the information.



Our meetings

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



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

BOROUGH OF REIGATE AND BANSTEAD

EXECUTIVE

Minutes of a meeting of the Executive held as a Remote Meeting on 28 July 2020 at 7.30 pm.

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

Also present: Councillors M. S. Blacker, J. C. S. Essex, N. D. Harrison, S. A. Kulka, S. McKenna, R. Ritter and S. Sinden.

20. MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 25 June 2020, be approved.

21. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Archer and Councillor Knight.

22. DECLARATIONS OF INTEREST

There were none.

23. ENVIRONMENTAL SUSTAINABILITY

The Executive Member for Neighbourhood Services, Councillor Bramhall, described how the Environmental Sustainability Strategy committed the Council to undertake activities across three themes:

- Energy and carbon
- Low impact consumption – (the consumption of natural resources); and
- Biodiversity and the natural environment

The themes were then translated into actions which would help the Council, and the borough, become more environmentally sustainable, and to move toward a reduction in net carbon emissions.

Councillor Bramhall cautioned that the Council's continuing response to the Covid-19 emergency (and any future waves) may impact on the staff or financial resources available to deliver the action plan, which would be regularly reviewed. The emergency also presented an opportunity to change the way people live and work, and those opportunities would be further explored as part of the Council's recovery work. Additional resources would be required to deliver the Strategy and initial provision had already been made in the 2020/21 budget.

Councillor Bramhall stressed that contextually, as a second tier authority, there were limits to the powers that were available to generate change. Therefore, it was important that the Council continued to work closely with Surrey County Council and the other Surrey boroughs and districts to agree a jointly owned action plan, which

Agenda Item 1

Executive
28 July 2020

Minutes

would enable the best use of the powers and resources that were available, and provide a stronger voice to lobby for more.

Progress in delivering the Environmental Sustainability Strategy would be reported annually to the Overview & Scrutiny Committee, and the established cross-party task group would continue to review progress.

The Leader of the Council, Councillor Brunt, commended the Strategy and emphasised that it set out the ambition of the Council, and reaffirmed the need for urgent action on climate change and environmental sustainability issues, as previously identified in the Corporate Plan.

In response to questions and observations from Visiting Members, Executive Members explained that:

- The Council was already demonstrating its commitment to environmental sustainability through, for example, working with partners in relation to the Green Homes Initiative, the local cycling plan, the introduction of electric vehicles; and the recruitment of a dedicated resource to drive the delivery of the strategy
- A climate conference would be a meaningful engagement opportunity in the future and resident feedback was already being sought via the Surrey Greener Futures tool
- The Council would continue to seek external funding opportunities
- Subject to clarification from Officers, the notes of the cross-party task group would be made available on the Council's website
- Whilst some Councils had declared a climate emergency, they may not have a strategy or action plan to achieve change
- Training on environmental sustainability would be provided for Planning Committee Members
- A written response to a query about the funding of Reigate Baths would be provided to Councillor Sinden.

RESOLVED that:

1. That the Executive recognises the need for urgent action on climate change and environmental sustainability issues
2. That the Environmental Sustainability Strategy (Annex 1) and accompanying action plan and performance measures (Annexes 2 and 3) be approved for publication and implementation
3. That the Head of Corporate Policy be authorised, in consultation with the Portfolio Holder for Neighbourhood Services, to make any additional minor amendments to the Environmental Sustainability Strategy to ensure factual accuracy and clarity prior to publication
4. That the Executive agrees to continue with the cross-party member task group to review and feed back on the implementation of the Environmental Sustainability Strategy, and that progress in delivering the strategy will be reported annually.
5. That the Executive supports the overall approach within the recently adopted Surrey County Council Climate Change Strategy and commits to continue to work with the County Council and other Surrey boroughs and districts to

develop a jointly owned action plan and achieve shared climate change objectives.

Reason for decision:

Approval of the Environmental Sustainability Strategy reflects the Council's recognition of the need for urgent action on climate change and environmental sustainability issues and explains how it will focus its activities and resources to deliver positive progress towards achieving national targets. To deliver its climate change and environmental objectives the Council will need to work closely with a range of partners, including Surrey County Council and other Surrey boroughs and districts.

Alternative options: As set out in the report, and decision notice.

24. TREASURY MANAGEMENT OUTTURN REPORT 2019/20

Councillor Schofield, Executive Member for Finance and Deputy Leader of the Council, reported that with one exception, the Council had complied with its legislative and regulatory requirements. The exception related to the year-end when the Government paid over tens of millions of pounds in emergency funding to the Council at short notice as part of the national COVID-19 pandemic response. It had not been possible to spread those funds across a range of banks and financial institutions to ensure compliance with the limits set out in the Treasury Management Strategy. Councillor Schofield explained that this was now being resolved, through opening additional accounts with new institutions to spread the counterparty risk. Overall, the report showed that the Council's treasury management activity for the last year had been robust, and complied with the limits that had previously been approved.

In response to questions and observations from Visiting Members, Executive Members explained that:

- Each commercial opportunity explored by the Council would continue to take account of statutory guidance on Minimum Revenue Provision (MRP) and the Council's own MRP Policy
- Loans to subsidiaries, to date, had been made from internal borrowing
- The interim Head of Finance would provide a clarification briefing note on the company loans and Minimum Revenue Provision, to those Members present, after the meeting.

Resolved to Recommend to Council:

1. **To note the Treasury Management Performance for 2019/20;**
2. **To approve the outturn against the 2019/20 Prudential and Treasury Management Indicators and the Annual Treasury Management Report (Annex 1).**

Reason for decision:

Compliance with the requirements of the regulatory framework for treasury management.

Alternative options: As set out in the report, and decision notice.

Agenda Item 1

Executive
28 July 2020

Minutes

25. MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2025/26

Councillor Schofield, Executive Member for Finance and Deputy Leader of the Council, introduced the report and explained that local government continued to face a challenging financial situation. Government funding was set to reduce further, and the Council was continually challenged to find new ways to make more efficient use of existing resources whilst at the same time seeking new sustainable income streams.

The Government had not provided clarity of the timing for many of the proposed funding changes, and there was a further delay due to the COVID-19 pandemic. The Council would, however, continue to plan for the future, and had started budget preparations for next year despite the competing demands of responding to the COVID-19 crisis and the additional uncertainty it represented.

The Medium-Term Financial Plan provided a detailed initial assessment of the information that would be used for budget setting for 2021/22 onwards. It included a five-year forecast for the budget gap that would emerge if action was not taken to reduce costs or increase income. Work was underway with Officers to develop the detailed budget proposals for consideration by the Executive in November.

Councillor Schofield explained that Members of Overview & Scrutiny Committee would be invited to provide feedback on how to address the forecast revenue budget challenge for 2020/21 onward, which would be then be considered in the preparation of budget proposals.

In response to questions and observations from Visiting Members, Executive Members explained that:

- Each project or initiative to deliver the Environmental Sustainability Strategy, including any capital funding, would be considered as part of the service and financial planning process for 2020/21
- The Plan confirms when borrowing will be necessary to fund the approved capital programme, and that the Council would continue to seek new forms of income generation to mitigate the revenue budget challenges identified in the Plan
- The budget allocation relating to Preston Regeneration, as shown on page 138, would be clarified by the interim Head of Finance, for those Members present, after the meeting.

RESOLVED that the Medium-Term Financial Plan be adopted as the framework for the budget elements of service and financial planning for 2021/22 onwards.

Reason for decision:

The Council is required to set a budget by 11 March each year. This report and the associated documents will support this obligation for 2021/22.

Alternative options: As set out in the report, and decision notice.

26. CAPITAL INVESTMENT STRATEGY 2021/22

Councillor Schofield, Executive Member for Finance and Deputy Leader of the Council presented the Capital Investment Strategy 2021/22. The Strategy described how the Council's capital decisions took account of stewardship, value for money, prudence, sustainability, and affordability. This was the second year since the requirement to publish a Strategy had been introduced, and it now included more detailed information about the assets owned by the Council, how they were used and how they were performing. It also included information about the new assets that the Council was planning to invest in and how they would be funded.

The Strategy reflected the outcome of the work that had been carried out over the past year to further develop the Council's approach to capital and commercial investment, which was overseen by the Commercial Ventures Executive Sub-Committee, and Officer Board.

Councillor Schofield affirmed that further work would be undertaken on future capital investment plans as part of the 2020/21 service & financial planning process.

In response to questions and observations from Visiting Members, Councillor Schofield explained that:

- To date no external borrowing had been necessary to acquire existing buildings, and the guidance on Minimum Revenue Provision would apply to any new borrowing
- Whilst the gross yield on buildings was stated in the Strategy, the interim Head of Finance would provide an update on the net yield to Members present, after the meeting
- The proposed changes to the availability of Public Works Loan Board funding will be taken account of, when confirmed

The Leader of the Council thanked the Executive Member for Finance; and commended the detailed work produced by the interim Head of Finance, her team, and the property services team in preparing the Strategy.

RESOLVED That the Capital Investment Strategy be adopted as the framework for the capital programme elements of service and financial planning for 2021/22 onwards.

Reason for decision:

The Council is required to set a budget by 11 March each year. This report and the associated documents will support this obligation for 2021/22.

Alternative options: As set out in the report, and decision notice.

27. STATEMENTS

There were none.

28. ANY OTHER URGENT BUSINESS

There was none.

Agenda Item 1

Executive
28 July 2020

Minutes

29. EXEMPT BUSINESS

There was none.

The Meeting closed at 8.52 pm



REPORT OF:	Director of Place
AUTHOR:	Catherine Radziwonik Principal Development Manager
TELEPHONE:	01737 276337
E-MAIL:	catherine.radziwonik@reigate-banstead.gov.uk
TO:	Executive
DATE:	17 September 2020
EXECUTIVE MEMBER:	Portfolio Holder for Place and Economic Prosperity

KEY DECISION REQUIRED:	Y
WARD (S) AFFECTED:	Horley Central and South

SUBJECT:	Delivering Change in Horley Town Centre
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RECOMMENDATIONS:	
<p>(i) Approval is sought from Executive to agree:</p> <ul style="list-style-type: none"> (a) The scope of the Horley Town Centre revitalisation programme as set out in the report be approved. (b) That the programme is progressed in accordance with the key stages as set out in the report. (c) That a total of £600,000 already included in the Council’s approved Capital Programme 2020–2025 be allocated to undertake the High Street public realm improvement works in the town centre in accordance with the scope outlined in the report. (d) That a total of £37,600 be approved from the Council’s Commercial Ventures (Feasibility Studies) Reserve to progress a feasibility and options study in relation to the development of the High Street Car Park to deliver a mixed-use housing led scheme in accordance with the policy and site allocation set out in the Council’s adopted Development Management Plan (funding to be capitalised should the project proceed). (e) That a total of £53,900 is approved from the Council’s Capital Programme for the delivery of pay-on-exit car parking at the Victoria Road and Central car parks in accordance with the report. (f) The Head of Place Delivery be authorised in consultation with the Executive Member for Place and Economic Prosperity and Head of Finance to agree 	

Agenda Item 4

Executive

17 September 2020

Agenda Item: #

Delivering Change in Horley Town Centre

provisional budget allocations to (i) progress the High Street Car Park project to planning and (ii) deliver the project within the Capital Programme.

- (g) The Head of Place Delivery be authorised in consultation with the Executive Member for Place and Economic Prosperity to make the necessary consultancy and contractor appointments to complete the feasibility studies and design development for the Delivering Change in Horley Town Centre programme.
- (h) The Head of Place Delivery be authorised in consultation with the Executive Member for Place and Economic Prosperity to undertake and complete the procurement, design and management of the works and to enter into any documentation required as part of the workstreams.
- (i) That the Head of Place Delivery be authorised to enter into all necessary agreements with partners including Network Rail and Surrey County Council in order to undertake works to the public highway and on privately owned structures.
- (j) That the Head of Neighbourhood Services, in consultation with the Executive Member for Neighbourhood Services, be authorised to enter into a contract for the supply, installation and maintenance of pay-on-exit equipment at the Central Car Park and Victoria Road Car Park.
- (k) That the Head of Neighbourhood Services, in consultation with the Executive Member for Neighbourhood Services, be authorised to make amendments to the Reigate & Banstead Parking Order (2019) including the placing of advertisements.
- (l) Following the successful completion of Stage 1 of the High Street Car Park development project and a further report to Executive that the Head of Place Delivery be authorised to submit a planning application(s) for the redevelopment of the High Street site.
- (m) That the Head of Place Delivery be authorised to enter into any highway agreements including Section 278 agreements.
- (n) That the Head of Place Delivery, in consultation with the Executive Member for Place and Economic Prosperity and Head of Finance, be authorised to make any necessary changes to the scope and the funding of the programme provided they it does not require any additional funding from the Council's capital programme.

REASONS FOR RECOMMENDATIONS:

The recommendations are required to progress the Delivering Change in Horley Town Centre programme (the Programme), a comprehensive programme of investment that will deliver and unlock maximum benefits for the town centre. The Programme recognises the role of Horley as an important local centre in a strategically important

location, and the opportunity that is presented now to accelerate the Council's programme of transformation.

EXECUTIVE SUMMARY:

Horley Town Centre has long been identified as a regeneration priority by the Council. The Delivering Change in Horley Town Centre programme will deliver a targeted programme of interrelated projects that provide practical solutions to help address challenges faced by Horley Town Centre and achieve wider benefits including the opportunity to use Council assets to deliver new affordable homes in the heart of the town centre. There are three complementary workstreams forming the programme:

- (i) A refurbished subway and public realm improvements to the High Street to address the poor-quality environment;
- (ii) Installation of pay-on-exit parking in the Victoria Road and Central car parks to overcome perceived issues of parking being a barrier for town centre visitors; and
- (iii) Bringing forward the development of the underutilised High Street Car Park site to deliver much needed new homes through a mixed-use residential led scheme.

The Programme addresses objectives set out in the Reigate and Banstead 2025, the Housing Delivery Strategy 2020-2025, the Core Strategy, Development Management Plan together with County and Town Council policies.

The Programme has a total funding requirement of £1.51m [excluding the costs of progressing the High Street Car Park post feasibility] that includes several funding streams, namely RBBC revenue (that will be capitalised should the project proceed), RBBC Capital Programme, Surrey County Council S106 Contributions and external grant funding.

The Council has been successful in being awarded external grant funding of £229,600 from the Coast to Capital Local Enterprise Partnership Local Growth Fund (LGF) for the Programme. The £229,600 has been allocated by Council officers across the Programme workstreams.

Each workstream has a net anticipated budget, including contingency of:

- Public realm improvements: £617,700 (RBBC capital funding and LGF grant)
- Subway refurbishment: £646,858 (Surrey County Council S106 contributions and LGF grant)
- Pay-on-exit car parking: £140,000 (RBBC capital funding and LGF grant)
- High Street Car Park feasibility: £103,400 (RBBC revenue funding (to be capitalised if the project proceeds) and LGF grant)

A preliminary funding requirement has been identified to take the High Street Car Park development through to planning of £420,000 of which £103,400 is for feasibility, this is made up of £37,600 of revenue funding from the Council's Commercial Ventures (Feasibility Studies) Reserve (to be capitalised should the project proceed) and £65,800

Agenda Item 4

Executive

17 September 2020

Agenda Item: #

Delivering Change in Horley Town Centre

of external grant. The budget to planning will be refined and presented to Executive for approval at a later date.

Executive has authority to approve the above recommendations.

STATUTORY POWERS

1. The Council has wide ranging powers to promote the economic, environmental and social well-being of the borough. These powers are derived from the Local Government Act 2000 and also include the powers of general competence under section 1 of the Localism Act 2011 to do anything that individuals with full capacity generally may do, subject to the provisions of the Act.

BACKGROUND

2. Horley Town Centre has long been identified as a regeneration priority by the Council. Although in a strategic location with excellent transport links, the town has struggled to adapt to changes in the retail sector and to respond to the opportunities associated with local growth.
3. The Delivering Change in Horley Town Centre programme (the Programme) will deliver a package of coordinated initiatives focused primarily in and around the High Street north area to help address these challenges and deliver wider benefits, such as the delivery of new homes.
4. The Programme is made up of three complementary workstreams that are expanded upon later in this paper, these are:
 - High Street public realm improvements and a refurbished subway
 - Installation of pay-on-exit parking in town centre car parks
 - Bringing forward the development of the High Street Car Park site
5. Significant investment is being made by the Council and Surrey County Council to support the Programme which aims to regenerate and revitalise Horley. The investment takes the form of capital funding from the Council and S106 contributions from Surrey County Council, together totalling over £1.28m.
6. In addition, the Council has been awarded £229,600 from the Coast to Capital LEP Local Growth Fund to contribute to the Programme. This combined investment enables these workstreams to be progressed at a time when the investment in Horley Town Centre could not be more needed.
7. The LGF grant has been awarded on the basis that the award can be spent fully within this financial year, and that each of the projects can be delivered by 2025.
8. To ensure that the Programme is fully coordinated in all aspects and that it is designed in a comprehensive manner, officers have commenced a competitive procurement process to commission a single professional team to lead the design

process across the Programme, including the design development of the public realm improvements and subway refurbishment, and the development of the High Street Car Park site.

KEY INFORMATION

9. Over the last 10 years, Horley town centre has faced challenges, which have had a significant effect on its ability to fulfil its potential. These challenges have included:

- Loss of high street names as a result of retail market changes generally (for example, Threshers, Peacocks, Dolland & Aitchison) and the lack of modern retail floorspace in the town (meaning that multiples tend to choose to locate to other nearby centres instead);
- Growth in convenience retail and a contraction in service-based retail uses in the town, and consequential decline in visit numbers and dwell time;
- Competition from larger centres and out-of-town stores; and
- Loss of major employers such as Virgin and Tata, and loss of smaller business premises through changes of use.

10. The Council's 2019 town centre monitoring shows that Horley town centre experiences a higher percentage of vacant units than the borough average at 10.5%. Its retail offer is limited, with a relatively high number of takeaways and charity/second hand retailers for its size. Local businesses have reported a decline in footfall and spend in the town centre in recent years and a reduction in business confidence. This has been exacerbated by the COVID-19 pandemic.

11. Horley, like all town centres, needs to adapt to the structural changes that are happening to high streets across the country. Positive and proactive intervention is needed to ensure that the town is able to continue to fulfil its role as an important local centre.

12. The Programme recognises the role of Horley as an important local centre in a strategically important location, and the opportunity that is presented now to accelerate our programme of transformation.

13. The Programme comprises three related components.

Component 1: High Street public realm improvements and a refurbished subway

14. The poor quality of the pedestrian environment and public realm, and particularly the subway connecting the High Street and Station Approach, has been identified within Horley Town Council's Town Centre Improvement Study as key contributor to negative perceptions about the town centre.

High Street public realm improvements (Component 1)

15. This workstream will deliver public realm improvements in the High Street and complementary improvements to the subway. Building on the improvements that

Agenda Item 4

Executive

17 September 2020

Agenda Item: #

Delivering Change in Horley Town Centre

have been recently delivered in the precinct, it will be delivered in partnership with Surrey County Council (SCC).

16. £600,000 of funding has been made available within the Council's approved capital programme 2020-2025 to undertake the High Street public realm improvements in the town centre. These improvements will be concentrated along the High Street extending from the precinct to the subway entrance at the end of the High Street with a view to creating a coordinated and comprehensive series of improvements to enhance the look, feel and flow of the High Street.
17. The public realm improvements will aim to create a high quality and attractive streetscape along the High Street. The enhanced public realm will improve public perception and business confidence, helping to attract visitors and investment and contributing to the Council's aims to regenerate the town centre.
18. Preliminary design proposals will be prepared and publicly consulted upon prior to progressing to detailed design and implementation. It is currently envisaged that design works will be developed with Surrey County Council as Highways Authority to ensure that the designs meet their requirements. An agreement will be put in place between Surrey County Council and Reigate and Banstead Borough Council (RBBC) outlining the expectations and obligations of both parties.
19. Improvements are likely to include street furniture, planting and signage as well as considering improving pedestrian connectivity and cycle priority through investment in the pavements and crossings and measures to promote cycling. The public realm improvements will aim to create a high quality, attractive street scene that enhances facilities for pedestrians and cyclists.
20. The current anticipated timescale for the delivery of the High Street public realm improvements is for preliminary design to be completed in January 2021, detailed design to be undertaken between March and July 2021 with the works being completed by March 2022.

A refurbished subway (Component 1)

21. The subway between High Street and Station Approach was built in 1905 to replace a level crossing, it is in a very poor condition, uninviting and is subject to flooding.
22. The subway is owned and managed by Network Rail and has a right of way, footpath number 546, which is the responsibility of SCC. The subway also forms part of National Cycle Route number 21, a 95-mile route from Greenwich to Eastbourne. As the subway is unattractive and poorly signed it discourages use by cyclists.
23. Significant S106 contributions have been secured through the Horley Master Plan by SCC towards the refurbishment of the subway that will be utilised to undertake improvement works to the subway. There is no RBBC funding requirement for the subway refurbishment project. RBBC officers are working closely with their counterparts at SCC to bring forward this project.
24. A key initial piece of work for the professional team will be to review extensive information provided by Network Rail in relation to the subway and to recommend works to be undertaken. It is not possible at this stage to confirm the exact capital

works until feasibility is completed however the scope of works might include: drainage and electrical works, structural work to the wing walls at the High Street entrance, improved lighting, decoration, footway improvements and public art installation.

25. It is intended that a report is presented to Executive following completion of the feasibility work to fully set out the scope and cost of the subway refurbishment project.

26. The current anticipated timeframe for the delivery of the subway refurbishment is for the feasibility study to be completed by the end of this year, detailed design development to be undertaken through to August 2021 with the works being completed by June 2022.

Component 2: Install pay-on-exit parking in town centre car parks

27. One of the other challenges the town centre faces is that residents and businesses perceive parking in the town as a barrier to customer visits.

28. This component would replace existing pay and display from the most frequently used Council-owned Central Car Park and Victoria Road Car Park with pay-on-exit parking, to encourage increased visits and lengths of stay.

29. Pay-on-exit car parking has been proven to increase the length of stay in town centres and the economic benefits have also been demonstrated by the Association of Town Centre Management in their report *In Town Parking: What Works?* (2014).

30. The objectives of the project are to:

- Allow car park users to benefit from more convenient, modern and cost-effective parking payment systems;
- Generate more, and longer, visits to the town, with increased dwell-time;
- Increase town centre vibrancy and in-centre spend;
- Make parking in the town more attractive and convenient; and
- Address the perception that parking is a barrier to the town centre.

31. A performance specification has been produced by an internal project team of officers for the supply, installation and maintenance of pay-on-exit equipment and the Council has commenced a procurement process for the replacement infrastructure via the ESPO Parking Management Solutions framework. This covers the supply, installation and maintenance of pay-on-exit products and services.

32. The programme for the installation of the pay-on-exit infrastructure is for installation to commence in early 2021 and to be completed by the end of financial year 2020/21.

33. In order to actively monitor and issue Penalty Charge Notices, parking orders will have to be updated and advertised. This paper seeks approval for the Director of Place Services in liaison with the portfolio holder to progress and agree any changes necessary to implement the new orders.

Component 3: Bring forward development of the High Street car park site

Agenda Item 4

Executive

17 September 2020

Agenda Item: #

Delivering Change in Horley Town Centre

34. Horley is over-served by visually unattractive surface car parking, yet at the same time has a lack of attractive town centre living choices and modern flexible units for commercial, business or leisure use.
35. In line with Reigate and Banstead 2025, the underutilised High Street Car Park therefore presents the Council with a real opportunity to secure the delivery of homes that can be afforded by local people and which provide a wider choice of tenure, type and size of homes.
36. As a site within the Council's ownership, the Council can work in a targeted way to address local affordability issues to provide affordable rent homes, maximising site density to improve viability.
37. The development of this site will contribute towards fulfilling Objective 1 of the Council's Housing Delivery Strategy, to use Council assets to deliver additional housing via a Housing led scheme. Like Pitwood Park and Cromwell Road, the Council will be delivering homes on its own land.
38. The site is allocated in the Development Management Plan for a residential led mixed use development incorporating retail/leisure as part of policy HOR1 and this component will enable the Council to progress plans for a high-quality scheme, providing
- Well-designed homes that offer a choice of tenures and sizes.
 - Delivery of up to 1,500 sqm of flexible use space such as commercial, community, leisure and or employment uses.
 - An improved pedestrian environment and better relationship between this site and the rest of the town centre, particularly the subway and the High Street public realm improvements (a requirement of the Development Management Plan is that the development is subject to the improvement of the subway).
 - Leverage a revenue income stream for the Council via the commercial units and retention of the freehold.
39. Progression from feasibility to the next stage of design development will be dependent on further approval from Executive. It is intended that a report will be presented to Executive at a later date presenting the outcome of the feasibility study, to approve project costs to planning and to proceed to the submission of the planning application.
40. The anticipated timeframe for this project is for feasibility to be undertaken between October and December 2020 and, subject to further Executive approval, for a planning application to be submitted early in financial year 2021/22.

Professional Team Procurement

41. To ensure that the Programme is fully coordinated in all aspects and that it is designed in a comprehensive manner, officers have commenced a competitive procurement process to commission a single professional team to lead the design process across the Programme, including the design development of the public realm improvements and subway refurbishment, and the development of the High Street Car Park site.

42. Funding for the commissioning of the professional team is included within the individual project budgets set out within this paper.
43. The procurement process for the professional design team is via restricted tender as the value is anticipated to be less than the OJEU threshold for services with each project being considered as a separate commission.
44. A range of professional and technical services will be required to bring forward the Programme. The professional design team will include Architect, Landscape Architect, Civils and Structural Engineer and Building Services Engineers in addition to a range of other consultancy services such as Contract Administrator, Project Manager and Quantity Surveyor.
45. For the professional design team, the procurement process will cover Royal Institute of British Architects design stages to planning submission with each stage having to be instructed before the consultants progress to the next stage. Progression to the next stage will be subject to approval, funding being in place and an instruction from RBBC to proceed.
46. A tender has also commenced for Contract Administrator, Project Manager and Quantity Surveyor consultancy services from a single company. These services will be tendered for all project phases, from inception through to completion, with progress to the next stage again subject to approval, funding being in place and an instruction from RBBC to proceed.

Project Phasing

47. Each element of the Programme has a separate timeframe, that combined can be summarised as phases as shown in the table below; note that the project timescales are indicative at present.

Phase	Description	When
Phase 1	Procurement of professional team for the High Street public realm improvements, subway refurbishment and High Street Car Park Procurement of contractor to design, supply and install pay-on-exit car parking	Now – October 2020
Phase 2	Preliminary design and feasibility/options studies for the High Street public realm improvements, subway refurbishment and High Street Car Park	October 2020 – January 2021

Agenda Item 4

Executive
17 September 2020

Agenda Item: #
Delivering Change in Horley Town Centre

Phase 3	Detailed design and planning for the High Street public realm improvements, subway refurbishment and High Street Car Park Implementation of pay-on-exit car parking	January 2021 – August 2021 January - March 2021
Phase 4	Implementation and construction: High Street public realm improvements Subway refurbishment High Street Car Park redevelopment	Autumn 2021 – spring 2022 Winter 2022 – summer 2022 Summer 2022 – winter 2023

OPTIONS

48. **Option 1 (not recommended):** Do nothing - do not take forward further regeneration activity in Horley Town Centre, rather let 'market forces' determine how the town responds to macro-economic and local development pressures.
49. This option does not deliver any improvements or change in the town centre to help the town respond to ongoing challenges or make it a more attractive place to visit or invest.
50. **Option 2 (recommended):** Deliver a comprehensive package of improvements to the town centre to make it more attractive to access and visit.
51. This option is the preferred way forward as it continues the programme of High Street improvements and addresses the longstanding issue of the poor condition of the subway. It also addresses a recognised barrier to residents parking and spending time in the town centre and moves forward the development for one of the key remaining regeneration opportunities in the town centre, delivering new housing, commercial and leisure uses and demonstrating the public sector's commitment to ongoing change and improvement.
52. **Option 3 (not recommended):** Deliver pay-on-exit parking at Central and Victoria Road car parks, public realm improvements and subway refurbishment but do not progress with the development of the High Street car park.
53. This option would continue the programme of public realm improvements, address the longstanding issue of the subway and tackle the recognised barrier to residents parking and spending time in the town. However, the unattractive High Street Car Park will remain undeveloped and the opportunity for vibrant new mixed-use development will not be realised. The success of the public realm and subway works would be undermined by the continued presence of the unattractive High

Street Car Park and the success of Central and Victoria Road car parking improvements would be undermined by the High Street Car Park remaining undeveloped and in use.

54. **Option 4 (not recommended):** Deliver public realm and subway improvements but do not progress with the development of High Street Car Park or pay-on-exit car parking at Central and Victoria Road car parks.

55. Option 4 continues the programme of public realm improvements and addresses the longstanding issue of the subway. However, it does not address the recognised barrier of poor parking options for residents and visitors wishing to spend time in the town. The unattractive High Street Car Park will remain undeveloped and the opportunity for its development will not be realised. Success of public realm works and subway improvements will be undermined by continued presence of unattractive High Street Car Park.

56. **Option 5 (not recommended):** Deliver pay-on-exit car parking at Central and Victoria Road car parks but do not progress with public realm or subway improvements or the development of the High Street car park.

57. Option 5 addresses the recognised barrier to residents parking and spending time in the town. However, the High Street Car Park will remain undeveloped and the opportunity for its development will not be realised together with the opportunity to extend successful High Street public realm works. The unattractive subway would remain a barrier to increasing walking / cycling journeys to the town centre.

58. The preferred option (Option 2) will deliver and unlock maximum benefits for the town centre. The inter-related and complementary nature of the components proposed means that without any single component the rest of the package will not deliver maximum value or benefit for the town centre.

LEGAL IMPLICATIONS

59. The Council has general powers of competence under Section 1 of the Localism Act 2011 to undertake any activity which an individual with full capacity may undertake. This includes improving service provision and quality of life in identified regeneration areas by developing the Council's own land.

60. The Council has wide ranging powers to undertake development activity for the well-being of the Borough as outlined above. The recommendations in this report do not conflict with the statutory powers available to the Council.

61. The procurement of consultants and contractors required to perform the contract will comply with the Council's Contract Procedure Rules and any applicable EU or subsequent national legislation.

62. The legal risks associated with this matter continue to be fully assessed and mitigated.

Agenda Item 4

Executive
17 September 2020

Agenda Item: #
Delivering Change in Horley Town Centre

FINANCIAL IMPLICATIONS

63. A summary of the Programme budget requirements are summarised in the table below.

Budget Source	Budget activities	Amount
RBBC capital programme	Public realm works	£600,000
	Pay-on-exit car parking	£53,900
RBBC revenue budget programme (reserves)	Housing schemes	£37,600 (feasibility and options study only)
External grant	For the programme as a whole	£229,600
SCC Section 106 funding	Works to the subway	£586,858

64. An overview of each project budget is provided below with a detailed breakdown in Appendix 1. The LGF allocations are provisionally allocated across the projects and are subject to change based on individual project funding requirements:

High Street public realm improvements

65. The public realm improvements have a budget allocation within the Council's Capital Programme of £600,000. Together with a provisional LGF grant funding allocation of £17,700, the total anticipated budget is £617,700 net of VAT.

66. The public realm works will be agreed with SCC as Highway Authority as it is their responsibility to manage and maintain the works once completed.

Subway refurbishment

67. The subway refurbishment project has a budget of circa £647,000 which is made up primarily of S106 contributions held with SCC and an element of LGF grant funding.

68. The programme of works and the detailed costings of the recommended subway works will be available once the feasibility study is completed; this will be reported back to Executive at a later date.

69. The scope of the works and any future maintenance requirements need to be agreed between Network Rail, SCC and RBBC and the scheme will be designed to ensure that on-going costs are minimal. Should a maintenance requirement be identified that is greater than existing maintenance budgets held by third parties, this will be negotiated and contingency options considered.

Pay-on-exit car parking

70. Pay-on-exit car parking currently has an anticipated funding requirement of £140,000 with £86,100 of this being external grant funding. Additional funding of £53,900 is requested from the Council's Capital Programme to make up the shortfall. The budget will be refined on receipt of tender returns from suppliers.

71. It is anticipated that there will be an operational saving through the installation of the new equipment; this will be ascertained during the tender process. It is estimated that there will be a minimum of 5% savings on current costs as advised by the Council's Parking team.

72. It is further forecast that there will be an uplift in parking income albeit that it will be from a lower starting position as a result of COVID-19 and it is estimated that the total parking income for 2021/22 in Horley will be an estimated third lower than usual.

High Street Car Park

73. The High Street Car Park has an anticipated funding requirement of £103,400 including contingency to complete the feasibility stage. This will be funded by £65,800 LGF grant funding together with £37,600 funding from the Council's Commercial Ventures (Feasibility Studies) Reserve. The Commercial Ventures (Feasibility Studies) funding will be capitalised should the project proceed.

74. It is requested that a provisional capital allocation be made at an early stage for the costs relating to taking the project to planning. A preliminary budget has been identified to take the development through to planning of £420,000 of which £103,400 is for feasibility. A more refined project budget will be presented to Executive on completion of feasibility to confirm capital requirements.

75. The estimated costs post planning have not yet been quantified as the total project costs will be developed in collaboration with a Quantity Surveyor and will continue to be further refined as design development takes place. The estimated total project budget will be presented to Executive at a later date.

76. The on-going costs in relation to the project post completion will be ascertained in liaison with the Council's Housing and Property teams and external advisers. A number of factors that will be developed during the project design stages will impact on the potential revenue costs associated with an operational asset, these include:

- The number and nature of any non-residential spaces and anticipated rental income;
- The number and tenure of new homes built i.e. the mix of private sale, shared ownership and affordable rent homes;
- External spaces being provided; and
- The management and maintenance regime for the new asset.

Agenda Item 4

Executive

17 September 2020

Agenda Item: #

Delivering Change in Horley Town Centre

77. There are several income streams associated with the existing car park; these relate to rental income from a council owned property on the site, the advertising hoardings located on the perimeter of the site and parking income.

78. The type of income streams that can be anticipated from the new development include items such as capital receipts from the sale of any market sale or shared ownership homes and rent from residential and commercial units.

EQUALITIES IMPLICATIONS

79. An Equalities Impact Screening Assessment has been completed for each project within the Programme. These have identified that when completed the Programme will have positive or neutral impacts on all equalities target groups.

COMMUNICATION IMPLICATIONS

80. The Council's Communications Team working with the Place Delivery Team will take overall responsibility for Programme and project communications to the public. As such, a Communications Plan will be prepared.

81. As well as utilising existing channels such as the Council's website and social media to convey key messaging regarding the investment in Horley town centre to businesses and residents, proactive communication with stakeholders will be undertaken at all stages of the Programme. As such, an extensive stakeholder matrix has been prepared.

82. The Programme will seek to engage residents and businesses in relation to the proposals. It is envisaged that a minimum of one round of public engagement will be undertaken to seek feedback to design proposals in relation to the public realm improvements, subway refurbishment as well as emerging proposals for the High Street. The appropriate method of engagement will be discussed and agreed with relevant Council teams and the Council's communications channels used to promote the engagement.

83. A member officer working group is being established to oversee progress in relation to the Programme; the group will also be involved in reviewing and helping to implement the programme level Communications Plan and stakeholder management in relation to each of the projects. This will include liaising with Horley Town Council and SCC members.

84. Regular updates will be provided to the emerging Place and Prosperity Partnership and it is anticipated that the Programme will form part of the initial agenda that is communicated to the group.

RISK MANAGEMENT CONSIDERATIONS

85. The Programme will be managed within the Council's programme management office to ensure accountability. Project documentation will include the maintenance of a risk registers for the programme and each project. This will be a dynamic document that is regularly reviewed and updated. Key risks will be reported to the officer level People and Place Board as part of monthly highlight reports.

86. As each of the projects is at an early stage, pre-feasibility, project costs are a risk together with programme overrun. For this reason, as highlighted earlier in the report, it is anticipated that the High Street Car Park development and subway refurbishment be brought back to Executive when the feasibility is completed. At this stage, there will be greater certainty regarding project costs and programme.

87. COVID -19 has been identified as a potential risk that could impact on the Council's ability to recruit a professional team/consultants/suppliers leading to delays to project expenditure and outputs. In order to mitigate this as far as possible, procurement will be via a competitive process; a number of companies will be invited to tender for services and works, this will reduce the likelihood of delay and increase the likelihood of identifying a supplier that is able to undertake works within the required timeframes. Programmes have been designed to accommodate some scope for additional time to procure, if required.

88. The risk of a lack of public support to the proposals will be mitigated through early engagement and communication to ensure that stakeholders are informed and have an opportunity to give their views about the proposals.

89. Capacity to deliver the projects at an internal and partner level could also be a risk. Detailed project planning will identify any need for further resourcing at the outset and realistic timescales set.

90. Both the subway improvement and High Street Car Park development project will need close liaison with Network Rail as each require Network Rail's approval to proceed. A Basic Asset Protection Agreement will be entered into with Network Rail to ensure that there is close liaison with this adjoining landowner and initial conversations have already taken place. A Report on Title has been commissioned to better understand site constraints, restrictive covenants, easements, wayleaves etc.

91. If the Capital funding requests are not approved, the primary risk to the project is that the Council would not be able to progress the Programme in a timely manner which would put the external grant at risk, this would lead to a reputational risk to the Council as it has committed to being able to spend the £229,600 of LEP grant funding fully within this financial year.

92. Should the Council be unable to spend the grant in full or not be able to complete the projects by 2025, the funding could be lost and the Council could be asked to repay the grant. The Council would therefore be accountable to Coast to Capital for why it is no longer able to deliver one or more of these projects. The Council might have to repay any money that it has claimed and this would then place financial pressure on the Council to cover any expenditure incurred to date. This risk would need to be mitigated through negotiation with the funding body at an early stage should it be identified that the anticipated timescales are at risk.

OTHER IMPLICATIONS

93. There are no other implications arising from this programme.

Agenda Item 4

Executive

17 September 2020

Agenda Item: #

Delivering Change in Horley Town Centre

CONSULTATION

94. Public consultation and engagement regarding the Programme and individual projects therein will be undertaken as set out above. The Council will proactively engage with stakeholders to ensure that there is an opportunity to comment on the town centre regeneration proposals.
95. The programme has been presented to Leadership. This is supported by Portfolio Holder briefings with the Executive Member for Place and Economic and the Executive Member for Housing and Benefits.
96. Representatives from Council teams including Housing, Neighbourhood Services, Economic Prosperity and Property participate in project team meetings and are directly involved in the Programme. A representative from SCC is also invited to participate in project meetings.
97. This report has been prepared in consultation with the Council's Finance, Human Resources and Legal teams.

POLICY FRAMEWORK

98. There is strong strategic justification for investing in this area of Horley.
99. Surrey County Council's Community Vision for Surrey includes key 'place' ambitions, including appropriate housing for all, that businesses thrive in Surrey, and for well-connected communities with effective infrastructure, that grow sustainably. This programme, through partnership working with Surrey, will contribute to achieving these ambitions in Horley.
100. Reigate & Banstead 2025: this sets out the Council's priorities for the next five years. This project is consistent with the plan's objectives to:
- With our partners, invest in our town and village centres, so they continue to be places where people choose to live, work and visit
 - Drive the continued economic prosperity of the borough
 - Secure the delivery of homes that can be afforded by local people
 - Work with partners to create strong, safe and welcoming communities
101. The Core Strategy: this sets the vision for Horley that by 2027 'the vitality and vibrancy of Horley will be restored'. It prioritises Horley Town Centre as a regeneration area requiring further investment. The Programme is consistent with this policy and will help deliver the Council's regeneration ambitions for the town.
102. The Horley Masterplan sets out the Council's long-term strategy to deliver high quality sustainable new development in the town accompanied by regeneration of the Town Centre. Through the Masterplan, a considerable amount of new housing has already been provided in Horley. The Programme will contribute to the continued delivery of the Masterplan, building on the considerable public sector investment that has happened in and around the town in recent years.

103. The Development Management Plan allocates the High Street Car Park for a mixed use development with approximately 40 homes and 1,000 sqm of retail/leisure as part of policy HOR1.
104. Housing Delivery Strategy 2020-2025: this sets out the Council's housing priorities for the next five years. The High Street Car Park project is consistent with the strategy's ambition and objectives to:
 - Boost the numbers of homes that are affordable to more households in the borough
 - Use our land and assets to deliver additional housing
105. Surrey County Council's draft 2018 Reigate and Banstead Local Transport Strategy seeks to encourage economic growth across the borough, encourage more sustainable transport in the borough (by foot, bicycle and public transport), and improve air quality.
106. The Local Transport Strategy particularly identifies an opportunity to improve accessibility to promote economic regeneration in Horley town centre, as well as (more generally) to improve walking and cycling provision and reduce car use and congestion, which this programme will contribute to.
107. The Horley Town Improvement Study undertaken by Horley Town Council and Horley Town Management Group, supported by the Council, includes proposals to 'improve the look and feel of the public realm' (including the underpass), improve the leisure offer, address the parking 'barrier' by implementing different payment options, and consider redevelopment of some under-used car park sites.
108. The Horley Town Centre Vision prepared by the Horley Town Centre Management Group (comprised of local business and community representatives) builds on the Improvement Study. It includes proposals to implement different payment options at car parks, consider redeveloping surplus car park(s), and improve the subway.
109. This programme will help deliver the community vision set out in these two Horley Town Council documents.

Background Papers:

None.

Appendix 1
Detailed Budget Breakdown

Project	Funding Requirement					Funded By				Notes
	Revenue / Capital	2020 / 2021	2021 / 2022	2022 / 2023	Total	RBBC	SCC (Surrey County Council - S106 funding)	Grant funding (Local Growth Fund)	Total	Notes
		£000	£000	£000	£000	£000	£000	£000	£000	
Subway Improvements	Capital	82.5	282.2	282.2	646.9	0	586.9	60.0	646.9	
High Street Public Realm phase 4	Capital	17.7	600	0	617.7	600	0	17.7	617.7	£600k already included in the council's approved capital programme 2020-2025.
Central and Victoria Car Parks pay on exit	Capital	140	0	0	140	53.9	0	86.1	140	£53.9k in-year capital cost pressure to be approved.
High Street Car Park redevelopment site	Revenue funding initially	103.4	0	0	103.4	37.6	0	65.8	103.4	Initial funding for feasibility and options study only
		343.6	882.2	282.2	1508	691.5	586.9	229.6	1508	

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Agenda Item 5



SIGNED OFF BY	Mari Roberts Wood, Acting Chief Executive
AUTHOR	Abi Vine, Performance Officer Tom Borer, Policy Officer
TELEPHONE	Tel: 01737 276609
EMAIL	abi.vine@reigate- banstead.gov.uk
TO	Executive
DATE	17 September 2020
EXECUTIVE MEMBER	Cllr Lewanski, Executive Member for Corporate Direction and Governance

KEY DECISION REQUIRED	No
WARDS AFFECTED	All (All Wards);

SUBJECT	Five Year Plan Performance Report 2019/20
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RECOMMENDATIONS
<p>1. To note the progress during the final year of the Council's 2015-2020 Five Year Plan priorities, as set out in the report, and to consider any observations from the Overview and Scrutiny Committee.</p>
EXECUTIVE SUMMARY
<p>2019/20 represented the final year of the Council's 2015-2020 Five Year Plan, which commenced in 2015-16.</p> <p>A new plan for the period 2020-2025 has now been adopted, so this report provides the final progress annual report for the 2015-2020 plan, covering the period 1 April 2019 to 31 March 2020.</p> <p>As a high performing organisation, the Council developed the 2015-2020 Five Year Plan in order to identify its vision and objectives over the medium term period. The plan sought to ensure that the Council continued to meet the needs and aspirations of our residents and Members, whilst overcoming the challenges (particularly financial) facing the organisation, and the wider local government sector, over the plan period.</p>

Agenda Item 5

From April 2020, Reigate and Banstead 2025 (as adopted by Council on 16 January 2020) will provide the framework for Council activity. Performance against the new Plan will be reported on an annual basis as the plan progresses.

The Executive has the authority to approve the above recommendation.

STATUTORY POWERS

1. There is no statutory requirement for the council to produce a five year plan or Corporate Plan.
2. The Council adopted its 2015-2020 Corporate Plan to set out the vision and priorities that would guide its service and financial plans. This is consistent with a best practice adopted by many organisations, in both the public and private sector.

BACKGROUND

3. The Reigate & Banstead 2015-2020 Corporate Plan was adopted five years ago as a result of substantial research and consultation. The core purpose of the plan was to put into action what is important to our residents, who should be at the heart of everything we do. The plan has ensured that our work and resources have been directed towards the issues that matter the most to our residents. The plan has covered a challenging time for the Council, as central funding for local authorities has been taken away, whilst the need to support our communities has continued. Despite this context, the plan was ambitious in its goals and was supported by sound financial management, smart ways of working, and dedicated staff.
4. The plan is organised around three key themes:
 - People, supporting residents to enjoy healthy and happy lifestyles;
 - Place, a great place to live and work; and
 - Organisation, a great council.
5. This report represents the final report into progress in delivering the 2015-2020 corporate plan.
6. Looking to the future, the Council has now adopted an updated Corporate Plan, Reigate & Banstead 2025, covering the period 2020-2025. In a similar way to this plan, the new plan explains the Council's priorities for the next five years, and how we will deliver services to those living, working and spending time in the borough. The new plan has been developed looking at local evidence, resident feedback, and what has changed and is likely to change in the borough in the five years. We will continue to report on the progress of the new plan, with the first progress report to come this time next year.
7. Additional information on how the progress on delivering the 2015-2020 Corporate Plan and the challenges faced by the Council were considered and taken into account in developing the 2020-25 Corporate Plan is set out in Annex 1 to this report.
8. The current situation around the COVID-19 pandemic has clearly had a significant impact on many people, and may continue to do so for some time. Matters such as unemployment levels, exercise and leisure, and many businesses will likely be

influenced by this for an extended period. The Council has been heavily engaged in the local response to the situation. Detail about the Council's role in the COVID-19 response and recovery has been reported elsewhere.

9. Notwithstanding the Council's response to the COVID-19 pandemic, this report provides an update of the progress we as a Council have made during the last, and final year of the Reigate & Banstead 2015-2020 Corporate Plan.
10. This report was considered by the Overview and Scrutiny Committee on 10 September 2020, who were invited to make any observations on its content to the Executive.

KEY INFORMATION

PEOPLE – Supporting residents to enjoy healthy and happy lifestyles

11. This section sets out a summary of the performance during 2019/20 under our People priority area. Our priorities have been to support residents into employment, provide great services to help older people stay independent, encourage healthy lifestyles through use of our leisure centres and open spaces, and help keep our communities safe. We have also provided a broad range of support across areas such as homelessness, benefits payments, dealing with anti-social behaviour, money support and community development.

Across our plan priorities:

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

12. Employment levels have been at record highs nationally, and this has been reflected in the borough, with metrics consistently exceeding national averages. The Council's Family Support Programme has helped families with complex needs find employment opportunities that work for them, and the Council has provided additional direct opportunities for over 250 people through our Workers scheme and apprenticeships. The current COVID-19 situation has evidently had an impact on many people, and we will be continuing to look at what action is needed locally and where we can help as we seek to deliver our 2020-2025 plan objectives.

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

13. The average age of residents in the borough has been going up, so we've been working to ensure that systems are in place to enable older people to stay active and access the services they need. These include subsidised leisure centre memberships, taxi vouchers and home improvements. We also operate social activities from the Harlequin Theatre and community centres around the borough, and work with our partners to support a range of sporting options, along with specific assistance for concerns such as dementia.
14. Participation and satisfaction figures for our leisure and community centres have remained on target in 2019/20, and we've updated our work with the voluntary sector to help different groups to coordinate effectively. Our website maintains an updated directory of available activities and services for older people.

Agenda Item 5

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

15. We have continued to work, both directly and with partners, to ensure that all residents have access to high quality leisure centres and open spaces. Leisure centre visits have remained at a consistently high level of over 1.2 million annually, whilst parks across the borough have continued to be popular for both individual activities and a range of events.
16. The use of our sites and facilities has been supported by the Wellbeing Prescription Service, which is operated in partnership with NHS East Surrey and Surrey Downs Clinical Commissioning Groups, Tandridge District Council and Surrey County Council. Its wellbeing advisors offer expert advice and direct local people to services to assist their wellbeing and help them maintain healthy lifestyles. User feedback from the service has been very positive.

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

17. The Council was nominated for a Surrey Tackling Anti-Social Behaviour award in 2019, reflecting the work of our Community Development Workers in supporting and developing the strengths of our communities. The JET team have also worked to reduce anti-social behaviour through updated patrol arrangements and a focus on identified hotspots.
18. We have also continued to work with the East Surrey Community Safety Partnership to raise awareness around and help to reduce serious organised crime, domestic abuse and other concerns such as modern slavery and preventing terrorism. Coordination between community development workers, the JET team, and other Council services and agencies has helped us to continue to support safer communities and protect our most vulnerable residents.
19. Other notable areas of activity across the people theme have included:
 - a. The wellbeing prescription programme has grown by more than 25% to support over 2500 people within the standard service during 2019/20 and another 260 people accessed the Plus service. The majority of people accessing the service were able to reduce their need for GP appointments following intervention, and in the fourth quarter 98.2% of users reported that they found the service useful or very useful.
 - b. The leisure centre contract performance in 2019/20 continued to be on target, as demonstrated by monthly performance reports from (GLL) Greenwich Leisure Limited, covering areas such as customer satisfaction, health and safety and usage figures. During 2019 there were over 1.2 million visits to the council's three centres. A large focal point is to promote the health and wellbeing of our residents. This was important to the community based on results from a 2019 survey.
 - c. The Family Support Programme supports families with complex and multiple needs, particularly around Education, Employment, Crime and Anti-Social Behaviour, Children's Services, Domestic Abuse and Health. Quantitative data shows that all families show improvement with the average change being 59%. This is 7% higher than average. The family feedback shows that 79% of families feel their lives have improved as a result of our intervention, with 95.4% rating the service they receive from the team as Good or Excellent.

- d. The Council's Refugee Resettlement continues to support 10 households within the borough, 4 of which joined in 2019. The households consist of 20 adults and 15 children. 3 of the adults are in paid employment, 5 are engaged in volunteering activities, and 5 are undertaking training for future employment. All 15 children are in full time education.
- e. The Money Support team supports families and individuals to help people save money, avoid debt and maximise their income. In 2019 we supported an additional 122 families which resulted in £13,331 of overall debt cleared.
- f. The Council helps around 7,000 households in the borough with help through Housing Benefit (£32m) and Council Tax Support (£7m)
- g. The Revenue and Benefits service collect £119.5m of Council Tax per year from 61,585 households. Our collection rate is one of the best in England and Wales at 99.10%
- h. This service has a forecast income totalling £378K in 2019/20 from external work such as providing high quality, and bespoke services around the areas that we do best – Council tax, business rates, debt recovery, benefits and fraud.
- i. The Council received 1105 approaches during 2019/20 relating to housing issues, of which 536 became homeless applications. Following casework, 339 cases (64 more than previous year) received positive outcomes (homelessness prevented) and the main housing duty (to secure affordable accommodation) was accepted for a further 72 cases.
- j. The Council also nominated 335 households from the waiting list to social housing vacancies whilst for the same period the waiting list grew from 841 households to 884 households. Just over 700 households made unsuccessful applications to join the housing register. Throughout the year the average number of households living in B&B accommodation was 19 (up average of 2 on previous year).
- k. Through the successful detection of fraud, in 2019/20 the fraud team made savings of £786,065.04. Due to high performance that had secured a measurable impact on fraud prevention and detection, the Council won the "Excellence in counter fraud" award at the Institute of Revenues Rating and Valuation (IRRV) annual ceremony in 2019.
- l. The establishment of a team of Community Development Workers supporting and developing the strengths of our communities has resulted in us being nominated for a Surrey Tackling Anti-Social Behaviour Award in 2019.

PLACE – A great place to live and work

- 20. This section sets out a summary of the performance during 2019/20 under our Place priority area. Our priorities have been to encourage existing and new businesses in the borough, ensure our towns and public spaces are clean and attractive, and establish a DMP reflecting the needs of the borough. We have also provided a broad range of support across areas such as planning, refuse and recycling, parking enforcement and environmental health.

Across our plan priorities:

Agenda Item 5

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

21. Businesses in the borough have continued to support local prosperity and offer jobs for local people. As identified above, employment levels have remained above national and regional levels, and business survival rates have been similarly strong. Since the start of the plan, the number of businesses in the borough grew by over 25%.
22. We have been continuing to encourage local businesses through providing advice, networking and grants to local businesses, including the first ever Reigate & Banstead Business Awards event in June 2019. Although falling outside this reporting period, with the recent COVID-19 concerns for businesses, we have been helping to provide additional support through business support grants and business rates relief, which we were one of the fastest authorities in the country to process.

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

23. The cleanliness and quality of town centres and public spaces has consistently been ranked as an important factor for residents, and we have maintained our efforts to ensure that they continue to meet to the expected standards.
24. Recent efforts have included the completion of our compulsory purchase order and commencement of enabling works at Marketfield Way which will help the Council to bring forward its mixed use leisure scheme in Redhill town centre; completion of a comprehensive upgrade to Horley's pedestrian precinct; improvements to Preston Park, including path resurfacing and a new outside gym; and the installation of new playground equipment in Priory Park.

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

25. The new DMP was approved and adopted early in the year. This set out plans to enable appropriate development for homes and businesses, whilst managing activity to ensure that the borough retains its character and qualities. A review of the Local Plan Core Strategy was also conducted and was determined in July to remain up to date, supporting development management in the borough remaining plan-lead and reflective of local conditions.
26. These key elements have been supported by the adoption of the Local Enforcement Plan, providing certainty around planning enforcement, and the development of additional supplementary planning documents and guidance to help inform developers and encourage best practice.
27. Other notable areas of activity across the place theme have included:
 - a. The Community Infrastructure Levy has started successfully operating since 2016 and has generated millions of pounds from new development to be spent on new

- and improved infrastructure within the Borough, including schools, roads, green spaces and community facilities.
- b. The DMP replaced the remaining 2005 Borough Local Plan, some policies of which dated back to 1994. This means applications are determined against an up-to-date policy base giving greater certainty and allowing for better results from development, such as realistic parking, more affordable housing and better environmental and sustainability measures. A recent review of our Core Strategy has allowed our Local Plan to remain up to date, enabling the Council to keep control over development, its housing needs and as a result remaining a plan-led authority.
 - c. We have adopted The Local Enforcement Plan, which sets out how planning breaches will be considered and against what timeframe, giving certainty and accountability for residents and developers.
 - d. Home building is consistently meeting annual targets, indicating that local planning policy and development control are working effectively to meet requirements.
 - e. The new Housing Delivery Strategy was adopted by the Executive in December 2019, and projects at Cromwell Road, Pitwood Park and Lee Street all received approval to progress in February 2020.
 - f. The first ever Reigate & Banstead Business Awards event was held in June 2019. The event succeeded in celebrating the vibrancy of our local economy and raising the profile of the Council's work to support local business. The event attracted 57 nominations across 8 categories. More than 100 business guests attended and almost £3,500 was raised for charities Stripey Stork and George & the Giant Pledge.
 - g. Our highly successful Business Support Grant programme has continued to provide up to £1,000 to businesses wishing to start, develop or grow in the Borough. The Business Support Grants programme has supported more than 250 local small businesses since it was launched in 2013 (more than £250k in total). Follow-up research completed in 2019 has found that the funding helps businesses to improve productivity, grow their customer base/ turnover and take on more employees (32% of recipients have gone on to employ new staff - equating to an additional 96 employees plus contract staff).
 - h. In 2019-2020, the Council paid out £265,000 in funding to over 30 local voluntary and community organisations.
 - i. The Council has awarded £14,000 in grants to 7 local organisations. The latest organisations to receive funding are Sight for Surrey, Princess Alice Hospice and Age Concern Merstham, Reigate and Redhill, who have each received between £1500 and £2500. Their projects include communication classes for the visually impaired in Redhill, and a community allotment in Banstead.
 - j. Our annual Big Bang Careers Fair, held at the Harlequin, provides local pupils with a fun and informative way of finding out where their STEM studies can lead them. In 2019, the Big Bang Careers Fair welcomed more than 600 students from local schools with 15 local employers to inspire the next generation of talent.
 - k. The fleet of vehicles delivering the Council's domestic refuse collection is now being refurbished and replaced. The new and updated vehicles are more reliable and efficient, and we've also been implementing the use of electric bins lifts to further reduce fuel usage. As the service has been working to extend its recycling service to an additional 4000 flats, it is important that our fleet is as efficient and cost effective as it can be.

Agenda Item 5

ORGANISATION – A great organisation

28. This section sets out a summary of the performance during 2019/20 under our Organisation priority area. Our priorities have been to be financially self-sufficient without impacting our residents' priorities, communicate and engage with our residents and businesses, increase the value of and income from Council assets, and maximise the potential of our staff. We have also continued to promote transparency and openness, efficient practices, and moved towards environmental sustainability.

Across our plan priorities:

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

29. As the Council now receives no direct central government funding, and continues to face increased demands for local services, remaining financially self-sufficient in presents a considerable challenge.
30. Revenue budget expenditure in 2019/20 was £15.4 million. This was less than the allocated budget for the year of £17.5 million, with an underspend greater than the allocated use of reserves, due significantly to in-year savings and increased income. As such, the Council was therefore able to operate financially self-sufficiently last year.
31. However, with the Council now receiving less than 70p for every £1 it received per resident in 2010 from regular funding, allowing for inflation, maintaining services will need to be supported through efficient operating, maximisation of the value of Council assets and an effective approach to commercial and investment activity.

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

32. Work has been continuing to enhance our engagement with the community and improve the customer experience. We have expanded our digital and social media offerings, including the roll-out of an individual focussed tool (My Reigate & Banstead) whilst maintaining the availability of more traditional engagement routes.
33. The My Reigate & Banstead Account for residents offers a one-stop-shop for most services, and the number of users continues to grow. Increased webcasting of meetings, and the introduction of Facebook Live Q&As with the Leader have also helped increase openness and accessibility.

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

34. When the Five Year Plan 2015-2020 came into effect in 2015, the Council generated £1.3 million annually from property and assets. Income from property and assets in 2019/20 was assessed at over £3.5 million, representing an increase of over 175%.
35. The Council has developed a new capital investment strategy, and will need to continue to maximise the return on its assets, whilst maintaining benefits to the local

community and economy, in order to support the delivery of future services. The new Commercial Ventures Executive Sub-Committee has been taking a lead role in overseeing this work.

We will maximise the potential of our staff

36. Over the period of the 2015-2020 Five Year Plan, the Council has developed its organisational culture and worked with all those in the organisation to establish its values. The Great People programme has sought to create a positive and supportive work environment and enable staff to perform to their best.

37. We have been an Apprenticeship Levy paying employer since 2017 and our 2019-20 budget to fund the Levy payment was £63,900. We accessed the fund to provide training and improvement opportunities via apprenticeships for new and existing employees and have been meeting our target to employ an average of at least 2.3% of staff as new apprentices.

We work in partnership with the Surrey District and Borough Councils to provide a shared generic training programme to upskill managers and employees. During 2019-20 nearly twice as many of these courses (204) were booked by our employees compared to other authorities which demonstrates our healthy and positive learning culture.

38. Whilst outside the period of the 2015-20 corporate plan, and therefore not strictly within this scope of this report, it should be noted that during the recent COVID-19 pandemic, our staff have had to adapt to a range of new ways of working under challenging circumstances, whilst continuing to deliver services to our residents.

39. Other notable areas of activity across the organisation theme have included:

- a. In 2019 the Council introduced paperless committee meetings with the implementation of tablets. It is a modernised integrated software approach, which in turn has reduced risks. Meetings now operate with members using a tablet provided by the Council. They have full access to all papers, and as the documents are encrypted, they are much more secure. The introduction of paperless meetings supports our emerging Environmental Sustainability Strategy.
- b. Results from a survey conducted on elected members found that 91% agreed that access to, and transparency of, supporting information and key policy documents (e.g. Annual Budget, Borough Local Plan etc.) has either improved or is easy with the tablet.
- c. 18 apprenticeships were live in 2019-20 within various teams across a range of different levels.
- d. Savings in the electoral budget after the boundary review has contributed to budget efficiency.
- e. 2019 saw the implementation of Windows 10, Office 365, new laptops for staff and an upgrade of the Windows server environment. By having secure and future proofed systems, we will enable staff to deliver their workload with fit for purpose technology.
- f. The multi-award-winning Graphical Information Systems (GIS) service hosting hundreds of internal datasets to over 120 users has contributed to speeding up decision-making and supporting service improvement. Customer satisfaction in the

Agenda Item 5

IT Service Desk has improved significantly since 2016, and remained at a high (80%) confirmed satisfaction level in 2019/20.

NEXT STEPS FOR 2020-21 AND BEYOND

40. The Council have adopted its new corporate plan for the period 2020-2025, 'Reigate & Banstead 2025'. This plan includes updated priorities under the themes of "People, Place and Organisation", based on consultation and engagement with residents, councillors and staff, progress in delivering the 2015-20 corporate plan and national and local policies and priorities.
41. New priorities include in relation to housing provision (with a new Housing Delivery Strategy having been agreed in December 2019) and environmental sustainability (with a new Environmental Sustainability Strategy agreed at Executive in July 2020).
42. Whilst the COVID-19 pandemic has meant that the focus for the first few months of 2020/21 have been on our emergency response, based on what we currently know it is considered that the objectives set out within Reigate & Banstead 2025 remain appropriate. The council continues to manage the COVID-19 emergency response and recovery with governance structures in place, including the Recovery Scrutiny Panel. However, in the short to medium term, consideration will need to be given to how we prioritise their delivery given current and ongoing resource diversion.

OPTIONS

43. Members are asked to note the report and any observations from the Overview & Scrutiny Committee. No decision is required.

LEGAL IMPLICATIONS

44. No direct legal implications have been identified regarding this report.

FINANCIAL IMPLICATIONS

45. No direct financial implications have been identified regarding this report.

EQUALITIES IMPLICATIONS

46. 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.
47. 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.

48. There are no direct equalities implications of this report, however an awareness of the Council's obligations with respect to these duties should form part of the consideration of this report.
49. The development of the Council's new corporate plan, Reigate and Banstead 2025, was supported by an Equality Impact Assessment, to assess its implications with regard to these duties. The new plan also sets out the Council's commitments to these duties more strongly, and consideration of these duties will form part of ongoing reporting against the performance of the plan.

COMMUNICATION IMPLICATIONS

50. No direct communication implications have been identified regarding this report.

RISK MANAGEMENT CONSIDERATIONS

51. In support of its corporate plan and service delivery, the Council has a robust risk management system in place with regular reports to Executive, Audit Committee, and Management Team.

CONSULTATION

52. The material for this Five Year Plan performance report has come from the activities identified in service business plans for the reporting period noted above.

BACKGROUND PAPERS

53. Corporate Plan 2015-20 - http://www.reigate-banstead.gov.uk/download/downloads/id/610/our_5_year_plan_2015-20.pdf
54. Borough Quality of Life Profile – 2018 - http://www.reigate-banstead.gov.uk/download/downloads/id/5146/borough_quality_of_life_profile_2018.pdf
55. Reigate & Banstead 202 - http://www.reigate-banstead.gov.uk/download/downloads/id/6014/rbbc2025_full_plan.pdf

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Additional information: Five Year Plan Performance Report 2019/2020

1. Introduction

- 1.1 This Annex provides further information about how progress on delivering the 2015-2020 Corporate Plan (the subject of the main report) was taken into account in preparing the 2020-2025 Corporate Plan. The 2020-2025 Corporate Plan was adopted by Full Council in early 2020.
- 1.2 In developing the 2020-2025 Corporate Plan, consideration was given to:
 - a. National, sub-national and local challenges
 - b. Progress and experience in delivering the 2015-2020 plan (both positive and negative)
- 1.3 These things (as well as borough-level evidence in the Borough Profile and the outcomes of consultation and engagement) informed the final Plan. How they were taken into account was reported to Executive meetings and this Committee at the time¹, but are also summarised below for ease of reference.

2. Challenges

- 2.1 In preparing the 2020-2025 Corporate Plan, some of the new challenges identified included:
 - a. Economic uncertainties associated with Brexit
 - b. Government plans for local authority funding reform and business rates reform
 - c. Ongoing challenges of housing affordability
 - d. The need for urgent action on climate change
 - e. Changes to national policy and legislation including in relation to industrial strategy, environment, housing and homelessness, planning and welfare reform
 - f. Changes at the sub-national level to how healthcare is planned and delivered and to how transport and economic development is funded
 - g. Financial challenges being faced by partner organisations
- 2.2 This resulted in the identification of some new objectives for the Council in the 2020-2025 Plan, including:
 - a. Housing
 - b. Environmental sustainability
 - c. Town and villages
- 2.3 Many of the challenges identified in 2019 have continue to evolve and new ones have arisen (e.g. Covid and Local Government Reorganisation). Therefore, it will be important that the Council continues to prepare annual reports to demonstrate its progress but to also highlight new challenges or threats and how we respond to these.

¹ See reports to [Executive, March 2019](#); [Executive, July 2019](#); [O&S Committee, September 2019](#); [Executive, December 2019](#)

3. Learning from implementing the 2015-2020 Plan

3.1 Much of what is in the new Corporate Plan represents an evolution from what is in the 2015-2020 one, reflecting the new challenges and borough-level evidence.

3.2 Areas where our experience in delivering the 2015-2020 Plan suggested a need to change our approach or emphasis included:

Supporting residents (particularly the vulnerable) into employment:

3.3 Our activity in delivering this 2015-2020 priority demonstrated that our most vulnerable residents need wider support than just 'getting into employment'. The new Plan therefore refers to the Council providing a much wider range of support - both in terms of targeted support for vulnerable residents, but also wider support for local communities.

3.4 Linked to this, the new Plan recognises that social isolation is not just an issue for older people but for all age groups.

Leisure and healthy lifestyles:

3.5 Delivery on this priority has been positive (as set out in the main report). However, local evidence, combined with our experience working with health partners, highlighted that we need to support both physical and mental wellbeing (as well as 'physical exercise').

3.6 This wider emphasis on wellbeing is therefore reflected in the new Plan.

Financial self-sufficiency:

3.7 The Council is still on the journey towards achieving financial self-sufficiency. This priority has therefore been carried forward into the new Plan in two new objectives – Financial Sustainability and Funding our Services. Delivery of these new objectives will be supported by the associated commercial governance structures now in place.

3.8 Linked to this, the 2015-2020 Plan talked about acquiring property assets outside the borough, which is something that the Council has not yet done. The new Corporate Plan adds clarity about acquisitions needing to be within our economic area.

Agenda Item 6



SIGNED OFF BY	Head of Projects and Performance, Interim Head of Finance
AUTHOR	Toyin Bamidele, Interim Finance Manager, Luke Harvey, Project & Performance Team Leader, Mark Herdman, Group Accountant
TELEPHONE	Tel: 01737 276756, Tel: 01737 276519, Tel: 01737 276557
EMAIL	Toyin.Bamidele@reigate-banstead.gov.uk, Luke.Harvey@reigate-banstead.gov.uk, Mark.Herdman@reigate-banstead.gov.uk
TO	Executive
DATE	Thursday, 17 September 2020
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance, Portfolio Holder for Corporate Direction and Governance

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Quarter 1 (Q1) 2020/21 performance report
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RECOMMENDATIONS
<p>That the Executive note:</p> <ul style="list-style-type: none"> (i) The Key Performance Indicator performance for Q1 2020/21 summarised in the report and at Annex 1. (ii) The revenue full year outturn forecast variance at the end of Q1 2020/21 of £1.68m (6.5%) lower than budget. (iii) The potential financial implications to the Council in respect of the COVID-19 pandemic, as set out in the report. (iv) The full year Capital Programme forecast at the end of Q1 of £30.48m (24%) below the approved Programme for the year.

Agenda Item 6

REASONS FOR RECOMMENDATIONS
For the Council's performance to be reviewed.
EXECUTIVE SUMMARY
<p>This report provides an overview of the Council's performance for Q1 2020/21, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring.</p> <p>Of the ten KPIs reported in Q1, six are on target or within the agreed tolerance. Three KPIs are off target (therefore red rated) and we are unable to report on one. Additional detail is provided in the report below as well as at annex 1.</p> <p>The Revenue Budget full year outturn forecast variance (excluding COVID-19 expenditure and/or loss of income) at the end of Q1 for Service budgets is £0.38m (2.5%) higher than the management budget; Central budgets are reporting £2.06m (21.7%) lower than budget, resulting in an overall forecast of £1.68m (6.5%) lower than budget.</p> <p>The Revenue Budget for 2020/21 that was approved in February 2020, was agreed before the impacts of the COVID-19 pandemic on the UK became apparent. It does not therefore consider the significant additional financial impacts that are now faced during 2020/21 on service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates. The potential financial implications are set out in the annexes to this report. The situation continues to be monitored closely and use of budget contingencies and Reserves may be necessary to offset any costs or income losses that are not funded by Government.</p> <p>The full year Capital Programme forecast at the end of Q1 of £30.48m (24%) below the approved Programme for the year. The variance is as a result of £30.10m slippage and a £0.38m net underspend.</p> <p>The Overview and Scrutiny Committee considered this report on 10 September 2020. The agenda pack for this Executive meeting was published before the Overview and Scrutiny Committee met, meaning that any observations/recommendations from the Committee will be tabled at the meeting of the Executive.</p>
The Executive has the authority to approve the above recommendations

STATUTORY POWERS
<ol style="list-style-type: none">1. Following the abolition of Best Value Performance Indicators (BVPI) in 2008 and the National Indicator Set (NIS) in 2010, there is no statutorily imposed framework for local authorities to manage performance.2. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This report is part of that process.3. The Local Government Act 1992 requires councils to set a balanced budget and announce the Council Tax level by 11 March each year. Section 65 of the Act requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year.

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

BACKGROUND

5. Each quarter the Overview and Scrutiny Committee and Executive receives an update on the Council's performance. The report provides an overview of KPI as well as budgetary performance.
6. KPIs are service level performance measures and are set in order to demonstrate performance against key corporate objectives.
7. A cross-party member working group was convened in the last financial year in order to help develop the indicators for 2020/21. The performance indicators for 2020/21 were approved by the Executive at its meeting on 25 June 2020.
8. A new reporting template has also been developed for KPI reporting. The template – available at annex 1 – includes, where necessary, additional information to place performance within a wider context.
9. In addition to quarterly performance reports, in Q4 of each year the Committee receives the Council's annual corporate plan performance report.
10. Risk management is now reported to the Audit Committee in advance of the Executive. The Q1 risk management will be considered by the Audit Committee on 9 September 2020.
11. Quarterly budget monitoring is a key financial control mechanism that demonstrates that the Council is fulfilling its responsibilities for managing public funds.

KEY INFORMATION

Key Performance Indicators – Q1 2020/21

12. Ten performance indicators are reported on in Q1 2020/21, the full detail of which is provided in annex 1.
13. Of the ten indicators, six are on target or within the agreed tolerance.
14. Three indicators are red rated:
 - KPI 6 – Net housing completions
 - KPI 7 – Net affordable housing completions
 - KPI 10 – Recycling performance (Q4 2019/20)
15. Housing completions (KPI 6 and 7) are off target and outside of tolerance primarily due to the slowdown in the sector as a result of the COVID-19 pandemic. Despite this there are currently over 2,000 units under construction within the borough, with over 300 of these at an affordable rate.
16. The Council's recycling performance (KPI 10) is also off target. Performance is reported one quarter in arrears, with Q4 2019/20 performance reported as part of Q1 2020/21 reporting. Against a target of 57%, 51.4% was achieved. This is primarily due to a reduction in garden waste materials collected at the kerbside. The latter

Agenda Item 6

notwithstanding, the final year's recycling rate of 54.2% is the Council's second-best reported rate.

17. We have been unable to report on one performance indicator:

- KPI 8 – Performance in Local Environmental Quality Surveys

18. We have been unable to report on this indicator due to resources being focused on responding to the COVID-19 crisis.

Finance indicator – 2019/20

19. At Q4 2019/20 the Council was due to report on the finance performance indicator: 'business income expressed as a percentage of the Council's gross budget'. The indicator measures receipts of all business income including fees and charges, commercial income and sponsorship against budget targets. It excludes grant funding.

20. This data was not available for the Q4 report but is now confirmed. Against a target of 20.51%, the Council achieved 22.86%. This indicator is therefore green rated.

Revenue Budget Monitoring

21. The 2020/21 Original Revenue Budget approved by Council in February 2020 is £24.46m. At the end of Q1 the projected full year outturn is £24.22m against a management budget of £25.90m (including £1.44m one-off funding from the Corporate Plan Delivery Fund (CPDF) Reserve and Feasibility Studies (Commercial Ventures) Reserve) resulting in an overall net underspend of £1.68m (6.5%). As set out in the table below.

Table 1: Revenue Budget Monitoring Quarter 1 2019/20	Original Budget £m	Total Variations £m	Management Budget £m	Year End Outturn £m	Year End Variance £m
Service Budgets	14.900	1.503	16.403	16.783	0.380
Central Budgets	9.560	(0.060)	9.500	7.440	(2.060)
Total	24.460	1.444	25.903	24.223	(1.680)

Service Budgets

22. The 2020/21 Original Budget for Services approved by Council in February 2020 is £14.90m. At the end of Q1 the projected full year outturn is £16.78m against a management budget of £16.40m resulting in an overspend of £0.38m (2.5%).

23. The £0.38m overspend is mainly as a result of:

- £0.50m overspend in Finance, which is mostly attributable to the costs of interim staff covering vacant posts and additional support for the closure of accounts and advising on development projects. Permanent staff recruitment has now been completed with three of the permanent staff already in post and two expected to commence in August and October. The Head of Finance post is still covered on an interim basis.

Agenda Item 6

Other overspends within Finance relate to £0.06m increased cost of financial software and £0.02m transactional related charges from the Council's banking provider. These pressures will be addressed during 2021/22 Service and Financial Planning.

- £0.32m combined overspend in Benefits Team and Benefits Paid/Subsidy Received. The Head of Service currently expects around £0.22m of pressures to arise directly as a result of COVID-19 [this is reported separately within the COVID-19 section in Annex 2]. A £0.10m reduction in Housing Benefit subsidy is expected due to an increase in private supported accommodation in the borough, for which the Council is not fully reimbursed by the government. The subsidy rate on all Housing Benefit expenditure is expected to be 99.3% of net expenditure, less than the usual rate of 99.6% that was received in the years leading up to 2019/20.
- £0.16m of Printing and Software related cost pressures are expected to continue from 2019/20. This budget is being reviewed as part of the 2021/22 Service and Financial Planning process.
- Services carried out for other local authorities and some private entities are expected to make a net loss in 2020/21 as the service continues to build its contract base. This loss is currently forecast at £0.17m of which £0.08m is directly related to COVID-19 [reported separately within the COVID-19 section in Annex 2] and £0.09m relates to the underlying trading position. Losses are expected to reduce as more work is brought on stream and additional contracts are confirmed.
- £0.08m overspend in Land Charges: Levels of income from Land charges are subject to seasonal variation. There is the expectation that income levels will increase as the year progresses, but current forecasts indicate this may be optimistic.
- £0.06m overspend in Refuse and Recycling due to expected overspend on temporary staff amounting to approximately £0.06m. COVID-19 has resulted in £0.05m of additional expenditure and £0.04m of reduced income in this service area [reported separately within the COVID-19 section in Annex 2].
- £0.06m underspend in Electoral Services: As elections will no longer take place in 2020/21 due to COVID-19, the unspent budget will be carried forward to 2021/22.
- £0.06m underspend in Greenspaces due to several vacant operative posts. It is anticipated that these vacancies will be filled in a few months. COVID-19 is likely to result in around £0.09m of lost income [reported separately within the COVID-19 section in Annex 2].
- £0.17m underspend in Projects and Assurance due to three vacant posts

Agenda Item 6

- £0.15m underspend in Building Control due to £0.12m underspend on salaries (vacancies and maternity leave) offset by £0.18m of Consultancy cost to cover these posts and £0.20m underspend relating to the provision in the budget for a partnership loss that is not currently expected to be drawn upon this year.
- Car Parking - No variance is expected in the underlying Car parking service area, however COVID-19 is expected to have a material adverse impact on the income receipts this year. Currently an expected loss of £1.6m is predicted and reported separately within the COVID-19 section in Annex 2.

24. Further details are provided at Annex 2.

Central Budgets

25. The 2020/21 Original Budget for Central items approved by Council in February 2020 is £9.56m. At the end of Q1 the projected full year outturn is £7.44m against a management budget of £9.50m resulting in an underspend of £2.06m (21.7%).

26. This underspend is mainly as a result of

- £0.85m forecast underspend in Treasury Management: This is due to the net effect of reduced income on-lending and investments. Includes interest on the second loan to Greensand Holdings Limited (for the purchase of land at Horley).
- £1.25m forecast underspend in Budget Contingencies and New Posts Budget: There are no plans to use these budgets at this time. Any shortfall in Government funding support for COVID-19 expenditure or income losses (Annex 2) or other significant unbudgeted costs will result on a call on this budget in 2020/21.

27. Further details are provided at Annex 2.

COVID-19 Budget Impacts

28. The Revenue Budget for 2020/21 that was approved by Council in February 2020, was agreed before the impacts of the COVID-19 pandemic on the UK became apparent. It does not therefore consider the significant additional financial impacts that are now faced during 2020/21 on service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

29. In July 2020 the Government announced additional support for councils experiencing income losses. This is subject to further validation as the details of how the funding will be allocated but is expected to result in further funding support that will offset up to 70% of income losses.

30. The potential financial implications for this Council are set out at Annex 2. The situation continues to be monitored closely and use of budget contingencies and Reserves may be necessary to offset any costs or income losses that are not funded by Government.

31. Further details on the potential impacts of COVID-19 on Council finances are presented in the Medium Term Finance Strategy 2021/22 which was reported to Executive on 27 July 2020.

Capital Budget Monitoring

32. The Council approved a Capital programme budget for 2020/21 of £96.10m in February 2020. At Q1, the Capital programme budget is £125.46m (including £29.49m of approved carry-forward from 2019/20). The forecast full year expenditure is £94.98m which is £30.48m (24%) below the approved Programme for the year. The variance is as a result of £30.10m slippage and a £0.38m net underspend.
33. The £0.38m net underspend is mainly as a result of:
- £0.23m of Disabled Facilities Grant (DFG). COVID-19 has had a big impact on the number of referrals for DFG works, with these stopping during the early part of lockdown. Works in properties were also suspended for several weeks, due to contractors suspending their entire operations and vulnerable clients unwilling to allow works in their homes. Work is now underway again, but a lower than budget spend over the year is expected.
 - £0.04m underspend of Handy Person Scheme. COVID-19 has resulted in fewer applications being received and progressed for Small Works Grants and Loans than might otherwise be expected.
34. The £30.10m forecast slippage is mainly due to:
- £8.43m forecast slippage against the planned spend on the Marketfield Way. Slippage is due to the extended period it has taken to conclude the build contract and in securing all necessary consents.
 - £3.0m forecast slippage against the planned spend on the Beech House, London Road. Negotiations with tenant (AIG) are still ongoing, slightly delayed by the COVID-19 pandemic. Current assumption is a revised £2.1m major works to be carried out in 2021/22 but this is subject to a review by Knight Frank on the viability of the proposal. Property Services are reviewing the overall deal and will recommend the final sum to the Commercial Ventures Executive Sub-Committee once review completed.
 - £4.23m forecast slippage against the planned spend on the Cromwell Road Development. Spend profile changed following contract signature - slightly behind original profiled schedule.
 - £2.33m forecast slippage against the planned spend on Unit 1 Pitwood Park Tadworth. Spend profile changed following contract signature - slightly behind original profiled schedule.

Agenda Item 6

- Housing Delivery is forecasting a £9.74m slippage against the £10m Capital allocation in 2020/21. The £0.26m forecast expenditure this year relates to the procurement of the design team to include professional services such as quantity surveyor, project manager, architect, civil, structures and building services consultants together with a wide range of technical consultants, procurement of supporting surveys and documentation required for the planning application and future development of the site.

35. Further details are provided at Annex 3.

Overview and Scrutiny Committee – 10 September

36. The Overview and Scrutiny Committee considered this report on 10 September 2020.
37. The agenda pack for this Executive meeting was published before the Overview and Scrutiny Committee met, meaning that any observations/recommendations from the Committee will be tabled at the meeting of the Executive.

OPTIONS

38. The Executive has two options:
Option 1: note the report and make no observations/comments.
Option 2: note the report and many observations/comments to the Head of Projects and Performance and/or Head of Finance.

LEGAL IMPLICATIONS

39. There are no legal implications arising from this report.

FINANCIAL IMPLICATIONS

40. There are no additional financial implications arising from this report.

EQUALITIES IMPLICATIONS

41. There are no equalities implications arising from this report.

COMMUNICATION IMPLICATIONS

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

RISK MANAGEMENT CONSIDERATIONS

43. There are no risk management implications arising from this report. The annual budget report and supporting strategies include full risk assessments of budget proposals.

OTHER IMPLICATIONS

Agenda Item 6

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

CONSULTATION

45. The performance report has been reviewed by the Council's Corporate Governance Officer Group and the Overview and Scrutiny Committee.

46. There are no other consultations implications arising from this report.

POLICY FRAMEWORK

47. Robust performance management is integral to measuring the extent to which policy objectives have been achieved.

BACKGROUND PAPERS

None.

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Q1 2020/21 Key Performance Indicators

Summary

KPI	Status	Portfolio Holder
KPI 1 – Council Tax collection	AMBER	Cllr Schofield
KPI 2 – NNDR collection	GREEN	Cllr Schofield
KPI 3 – Staff turnover	GREEN	Cllr Lewanski
KPI 4 – Staff sickness	AMBER	Cllr Lewanski
KPI 5 – Homelessness positive outcomes	GREEN	Cllr Knight
KPI 6 – Housing completions	RED	Cllr Biggs
KPI 7 – Affordable housing completions	RED	Cllr Biggs
KPI 8 – Local Environmental Quality Surveys	Unable to report	Cllr Bramhall
KPI 9 – Missed bins	GREEN	Cllr Bramhall
KPI 10 – Recycling	RED	Cllr Bramhall

KPI 1 – The % of Council Tax collected

	TARGET	ACTUAL	STATUS
Q1	29%	28.43%	AMBER
Q2	57%		
Q3	85%		
Q4	98.8%		

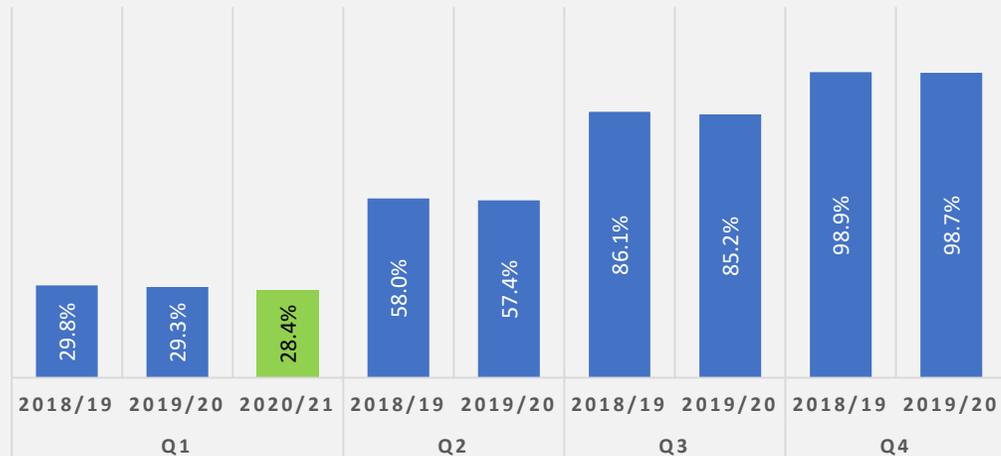
Description

This indicator measures the percentage of Council Tax collected by the Council. The performance reported is cumulative for the year to date. A tolerance of 1% is applied each quarter.

Narrative

Collection of Council Tax is down by £1.05m on target. Recovery action has been on hold during COVID-19, and over 2,000 households deferred their April and May instalments to February and March 2021. In addition, increasing numbers of residents have opted for 12-monthly payments rather than 10.

Council Tax collection



KPI 2 – The % of Business Rates collected

	TARGET	ACTUAL	STATUS
Q1	31%	33.07%	GREEN
Q2	58%		
Q3	85%		
Q4	99.8%		

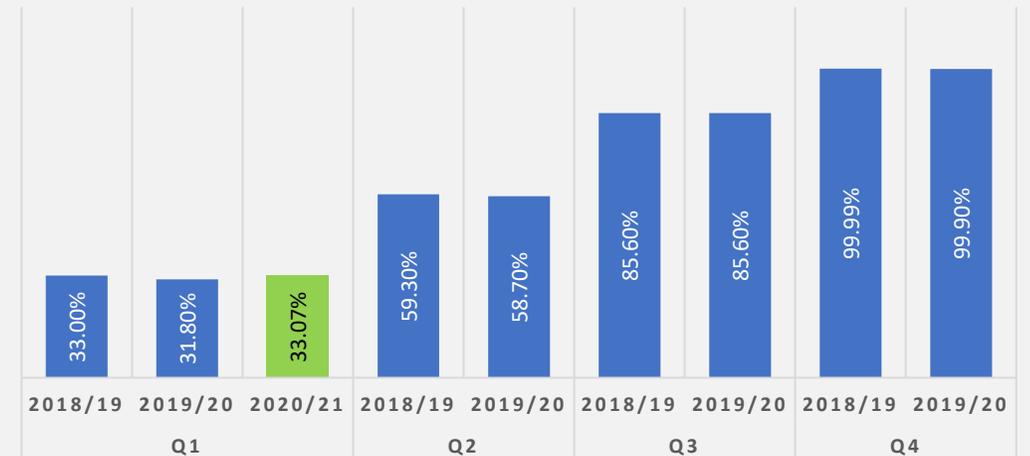
Description

This indicator measures the percentage of non-domestic rates (NNDR) collected by the Council. The performance reported is cumulative for the year to date.

Narrative

The amount of Business Rates collectable has been reduced by around £19m due to the COVID-19 Expanded Reliefs for retail, hospitality and leisure industries and nurseries. This money will be repaid by the government.

Business Rates collection



KPI 3 – Staff turnover

	TARGET	ACTUAL	STATUS
Q1	12%	11%	GREEN
Q2	12%		
Q3	12%		
Q4	12%		

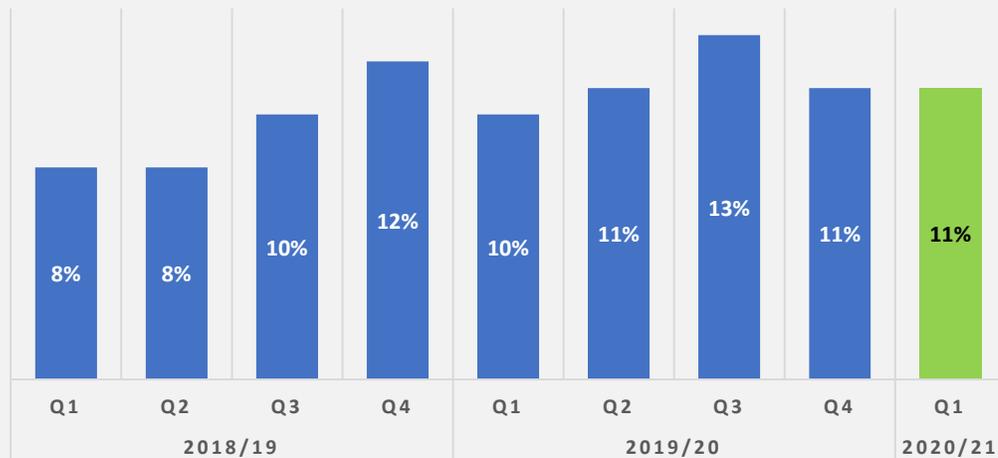
Description

This indicator tracks the percentage of staff that leave the organisation on a voluntary basis. The performance reported is for a cumulative rolling 12 month period.

Narrative

Turnover continues to remain at a similar level to previous quarters. The current turnover of 11% is regarded as being at a healthy level.

Staff turnover



KPI 4 – Staff sickness absence

	TARGET	ACTUAL	STATUS
Q1	4 days	4.27 days	AMBER
Q2	4 days		
Q3	4 days		
Q4	4 days		

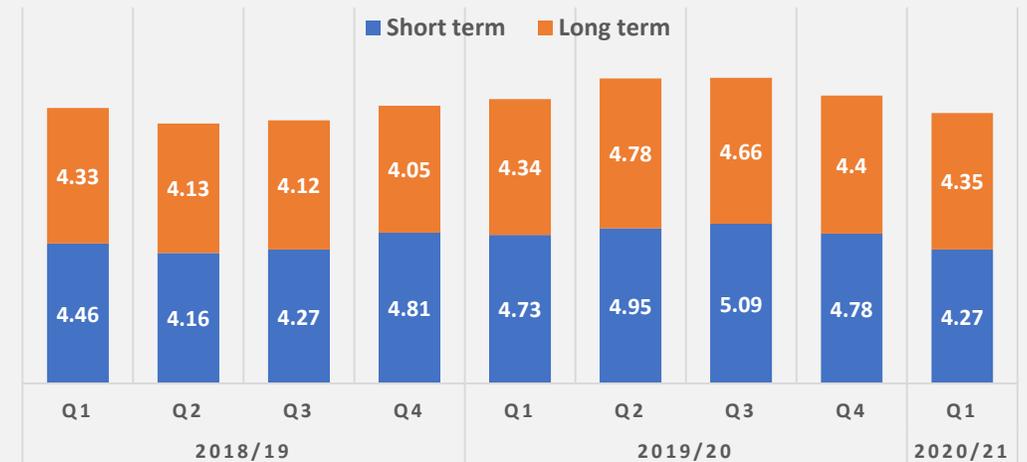
Description

This indicator tracks the average duration of short term sickness absence per employee. The performance reported is for a cumulative rolling 12 month period.

Narrative

In Q1 short term staff sickness absence has slightly exceeded target levels; just over 4 days. Despite this, the overall sickness levels have decreased slightly in Q1.

Staff sickness



KPI 5 – The % of positive homelessness prevention and relief outcomes

	TARGET	ACTUAL	STATUS
Q1	55%	70%	GREEN
Q2	55%		
Q3	55%		
Q4	55%		

Description

This indicator measures the Council’s performance in preventing and relieving homelessness where a household has approached the Council for support and where the Council has a statutory obligation to provide it under the Homelessness Reduction Act. Prevention and relief are terms that are defined by the Act.

Additional information on homelessness and the responsibilities placed on local authorities is available on the [government’s website](#).

Narrative

In Q1 the Council’s **homelessness prevention and relief** performance has been very high due, in large part, to increased multi-agency working during the COVID-19 pandemic. In sourcing accommodation for applicants the Housing service has also proactively engaged with alternative private HMO landlords.

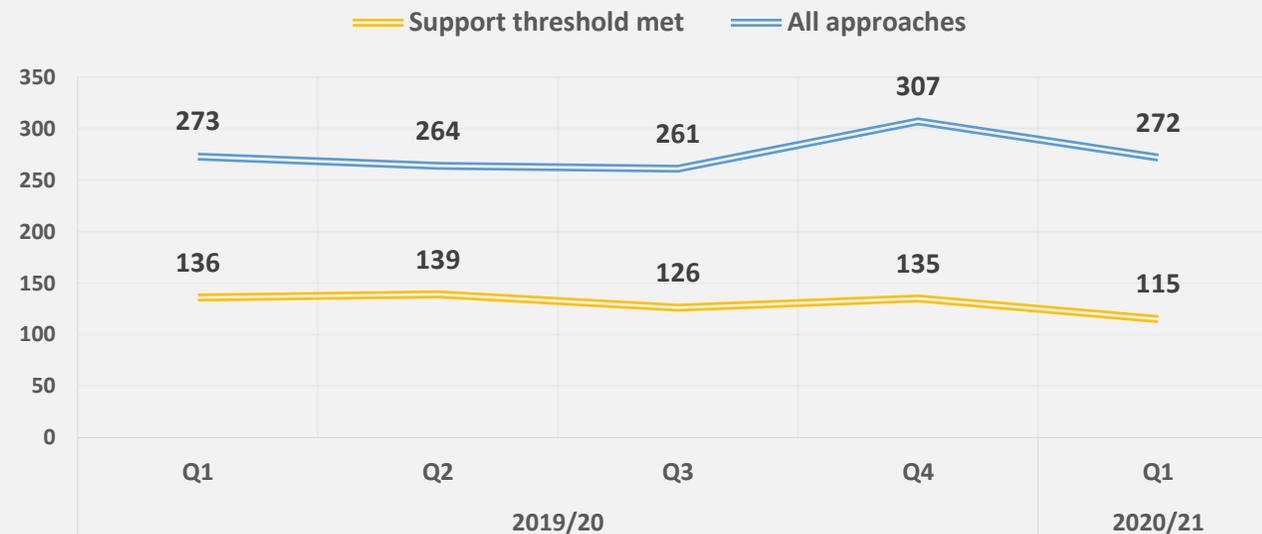
Homelessness approaches have been high in Q1 2020/21, particularly as the government has placed a temporary ban on evictions following the COVID-19 pandemic. The service has seen an increase in approaches from single persons, many of whom have complex needs.

Additional contextual performance information is provided overleaf.

Positive homelessness prevention and relief outcomes

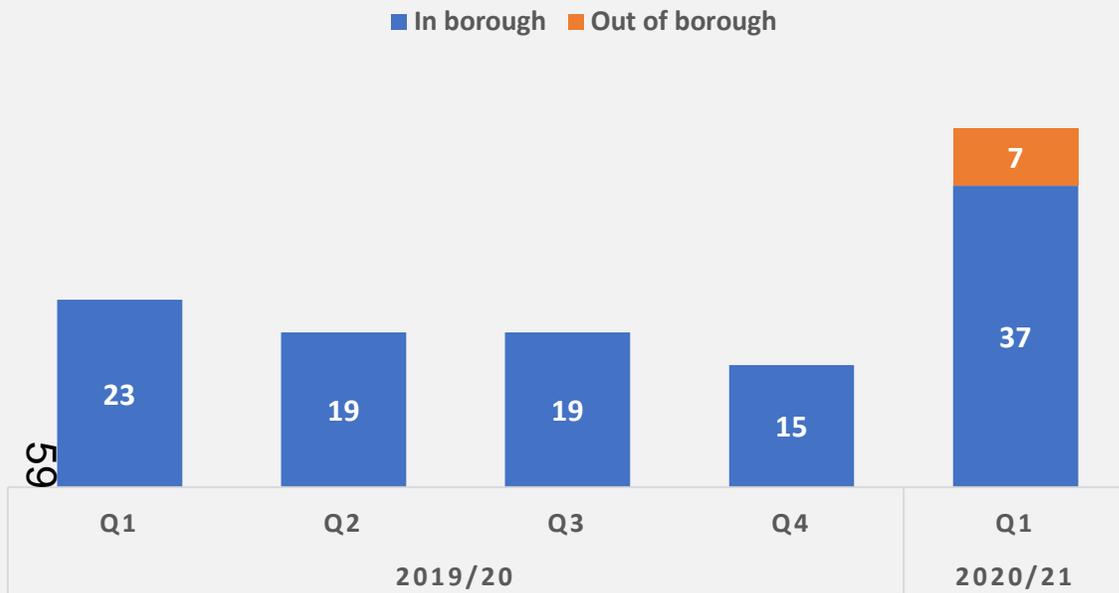


Homelessness approaches (contextual)



KPI 5 – The % of positive homelessness prevention and relief outcomes (continued)

Average number of households in temporary emergency accommodation (contextual)

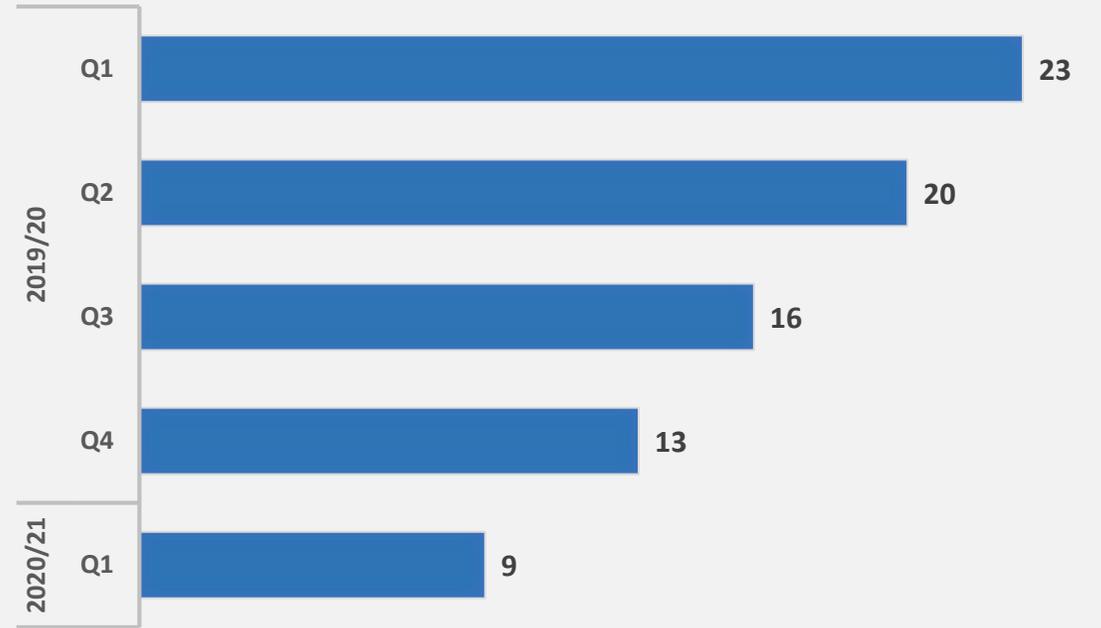


Out of borough data not available for 2019/20.

The **average number of households placed in temporary emergency** accommodation is considerably higher than usual due to the Council being required to house rough sleepers during the COVID-19 pandemic. The above chart also details the number of households that are accommodated outside of the borough. The service will always seek to ensure households are accommodated within the borough where this is possible.

In Q1 the **occupancy rate of Council owned accommodation** has stood at 28%. The service has had to run the accommodation at a much reduced capacity due to COVID-19 social distancing measures as well as the need to retain additional capacity as usual suppliers for emergency accommodation have closed due to the pandemic.

Main duty acceptances (contextual)



In Q1 there were 9 **main duty homelessness acceptances** in a continuation of the downward trend of previous quarters.

The main housing duty is a duty to provide accommodation until more secure accommodation is found.

This good performance in Q1 is a result of the service having increased success with finding accommodation for applicants during the relief period prior to being required to make a main duty decision.

KPI 6 and KPI 7 - Housing completions

KPI 6 - Net housing completions

	TARGET	ACTUAL	STATUS
Q1	115	45	RED
Q2	230		
Q3	345		
Q4	460		

KPI 7 - Net affordable housing completions

	TARGET	ACTUAL	STATUS
Q1	25	0	RED
Q2	50		
Q3	75		
Q4	100		

Description

KPI 6 measures the number of net residential housing completions that have taken place in the borough, whilst KPI 7 details the number of these which are affordable. The targets mirror those set in the Council’s Development Management Plan. Performance reported is cumulative for the year.

Given the fluctuations in housing completions throughout the year (see below graph), a tolerance of 60 applies each quarter for KPI 6, whilst a tolerance of 10 applies for KPI 7.

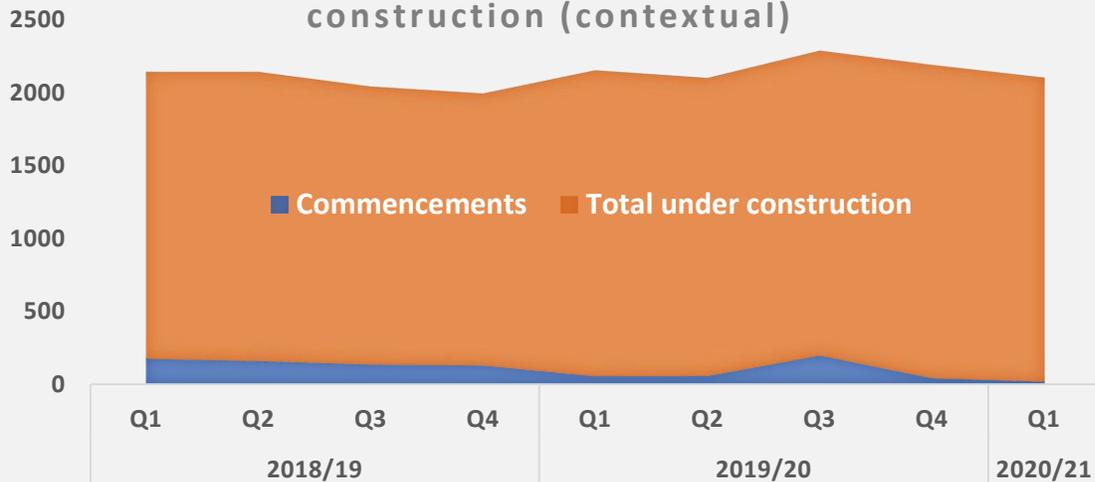
Narrative

In Q1 there were reduced completions for both market rate and affordable housing in comparison to previous quarters. This is due to the slowdown in the construction sector due to the effects of the COVID-19 pandemic and resultant lockdown.

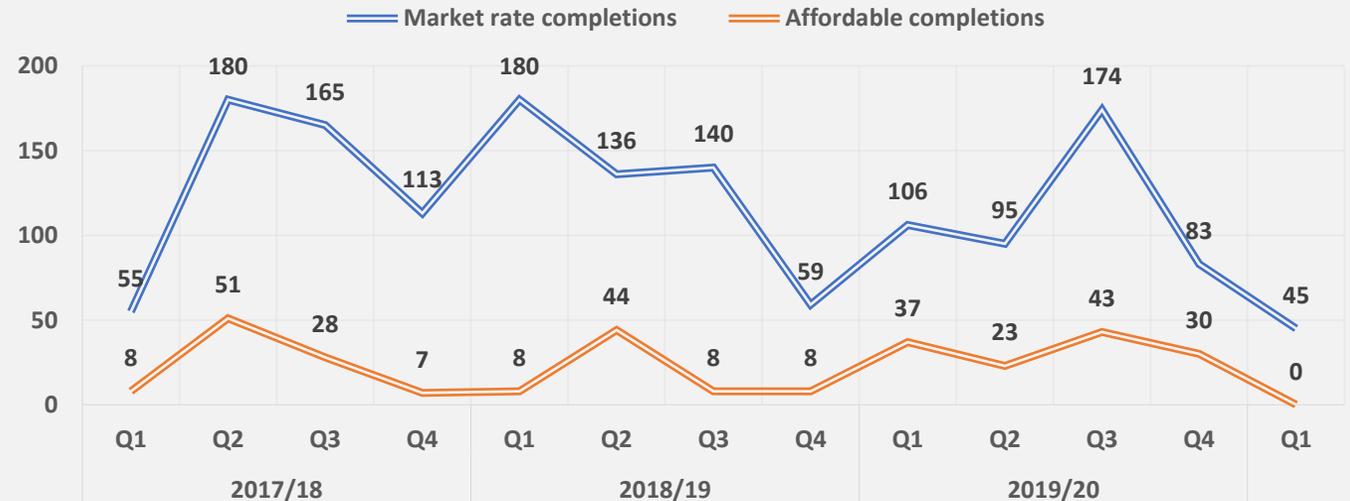
The pandemic has also impacted upon the number of unit commencements, where 17 units started construction in Q1 2020/21. By way of comparison, 55 units commenced construction in Q1 of last year.

At the end of the quarter there were 2,084 units under construction in the borough. Of these, a total of 305 are affordable units.

Total number of dwellings under construction (contextual)



Housing completions by quarter



KPI 8 - Performance in Local Environmental Quality surveys

	TARGET	ACTUAL	STATUS
Q1	90% of sites grade B	Unable to report	Unable to report
Q2	90% of sites grade B		
Q3	90% of sites grade B		
Q4	90% of sites grade B		

Description

Local Environmental Quality Surveys (LEQs) are a robust and well recognised methodology for measuring the cleanliness of places.

The methodology is developed and maintained by [Keep Britain Tidy](#). It is important to independently review local environmental quality to identify key issues and assess standards. It's also crucial to monitor the impact and effectiveness of campaigns and interventions that aim to reduce littering and improve local places.

Narrative

Due to the COVID-19 pandemic the Council has been unable to report on this indicator due to resources being focused on responding to the crisis. The indicator will be picked up in future quarters.

KPI 9 - Number of missed bins per 1,000 collected

	TARGET	ACTUAL	STATUS
Q1	10	1.33	GREEN
Q2	10		
Q3	10		
Q4	10		

Description

This indicator tracks how many refuse and recycling bins have been missed per 1,000 that are collected. Performance is measured and reported on quarterly.

Narrative

Despite the challenges of the COVID-19 pandemic the Council has maintained a reliable statutory waste collection service for residents.

KPI 10 – Recycling: The percentage of household waste that is recycled and composted (2019/20)

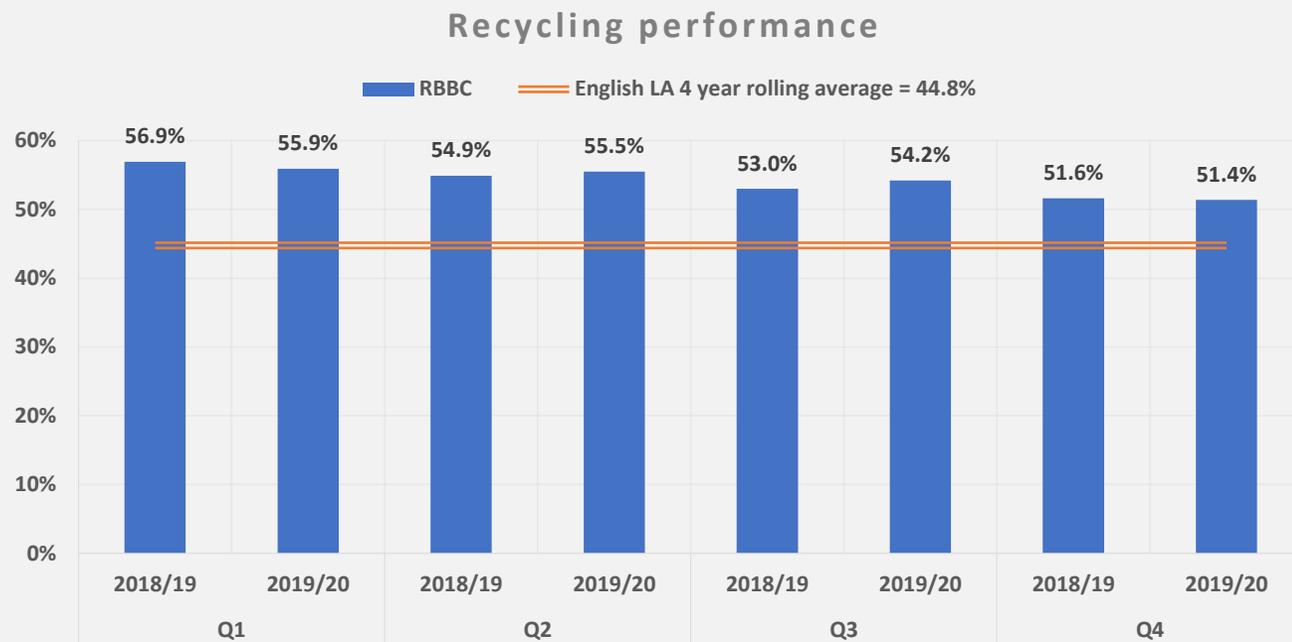
	TARGET	ACTUAL	STATUS
Q1	57%	55.9%	AMBER
Q2	57%	55.5%	AMBER
Q3	57%	54.2%	AMBER
Q4	57%	51.4%	RED

Description

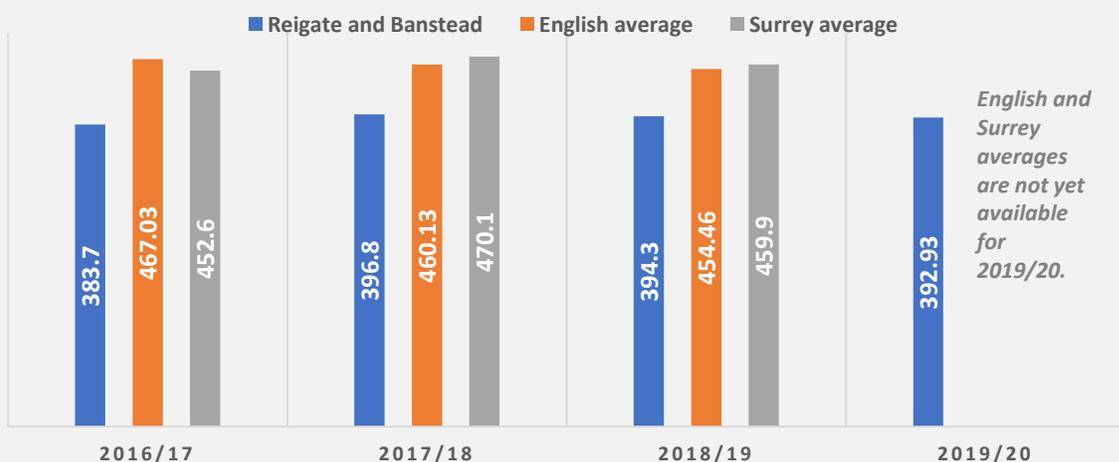
This indicator measures the percentage of household waste collected by the Council at the kerbside that is recycled and composted. Performance is reported one quarter in arrears, with Q4 2019/20 performance reported in Q1 2020/21. Recycling performance is affected by seasonal variations and it is therefore most appropriate to compare each quarter's performance with that achieved in the same quarter of previous years. The target for this indicator has incrementally increased in recent years in pursuance of the 60% recycling target set in Surrey's Joint Waste Management Strategy, to which the Council is a signatory.

Narrative

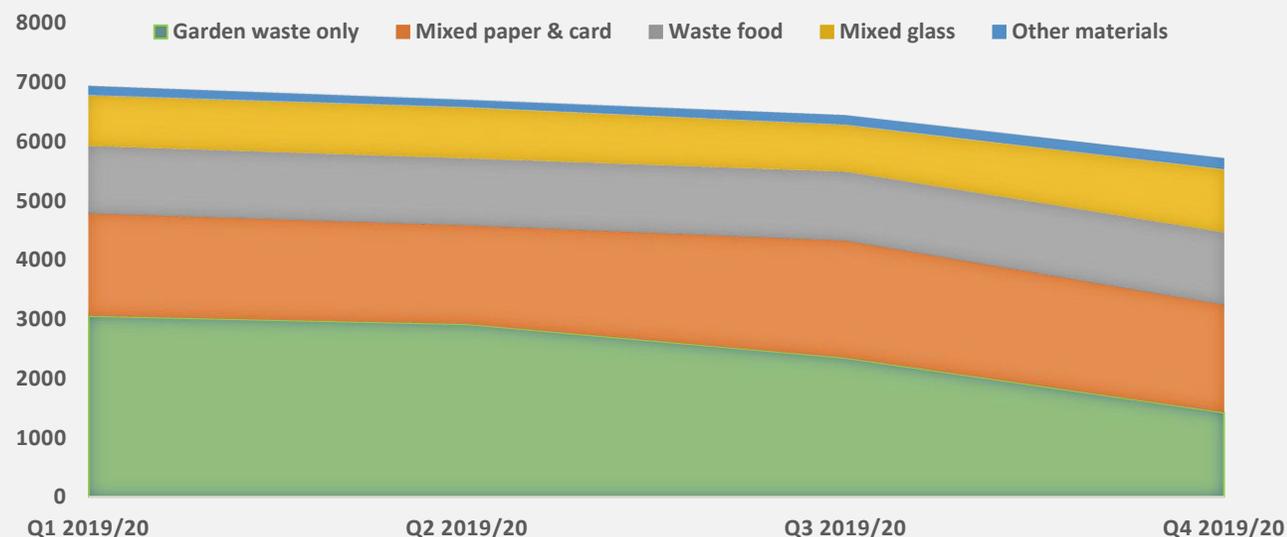
Quarter 4's results have remained in line with previous Q4 results. Low garden waste collections over the winter period are the key contributor to these lower figures. However, the final year 2019/20 recycling rate outturn of 54.2% is the Council's second best reported rate ever.



Residual waste per household (kg) (contextual)

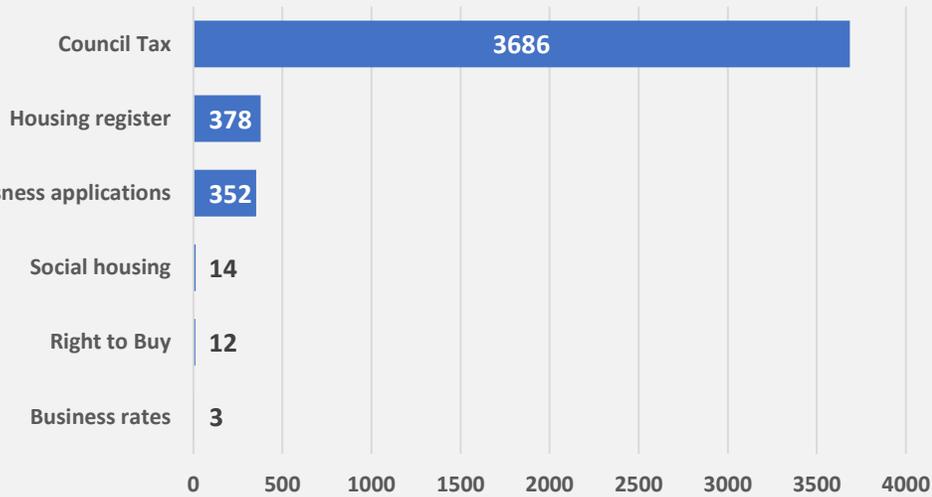


Top recycling streams collected by tonnage (contextual)



Contextual indicator – Fraud service performance for financial year 2019/20

Fraud referrals by type



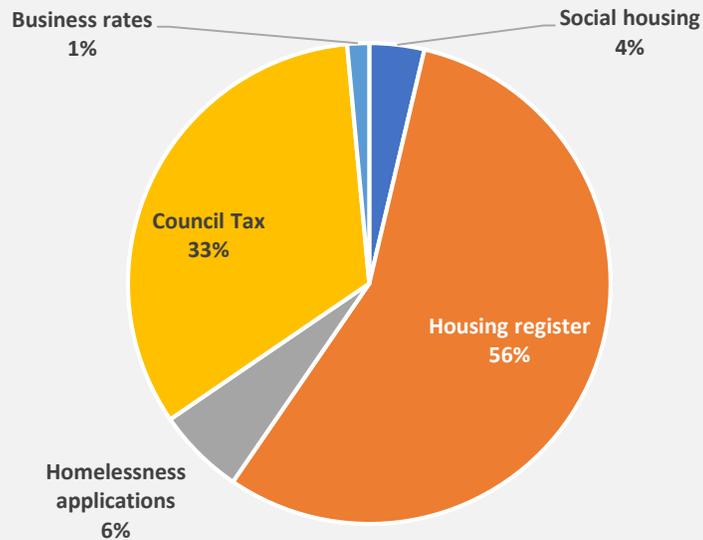
The Council has an in-house fraud investigations team. The team works to prevent and detect fraud affecting and, when necessary, undertakes investigations and takes legal action to recover monies.

Through the successful detection of fraud, in the 2019/20 financial year the fraud team identified fraudulent applications that would have cost the Council **£786,065.04** through the misuse of public funds (calculated as per Cabinet Office methodology).

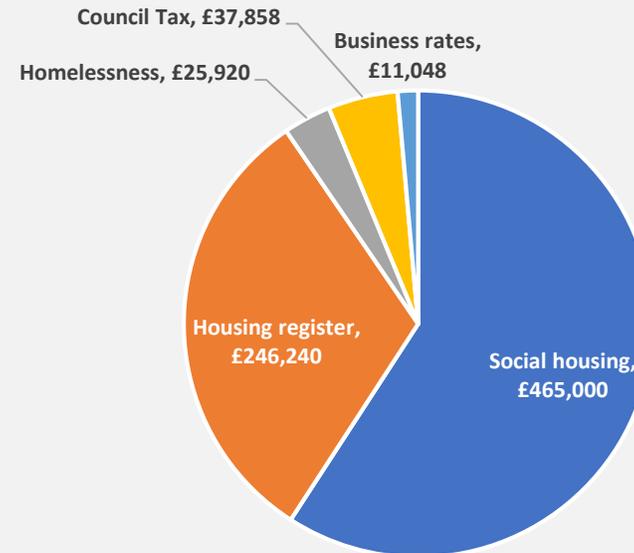
Fraud investigations are both proactive and reactive. Council Tax referrals are significantly higher than other types of fraud. This is largely a result of the National Fraud Initiative’s periodic data matching exercise. More information on the latter is available on [the government's website](#).

Due to high performance, the Council’s fraud team won the “Excellence in counter fraud” award at the Institute of Revenues Rating and Valuation (IRRV) annual ceremony in 2019.

Fraud detected



Value of fraudulent applications detected



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Summary

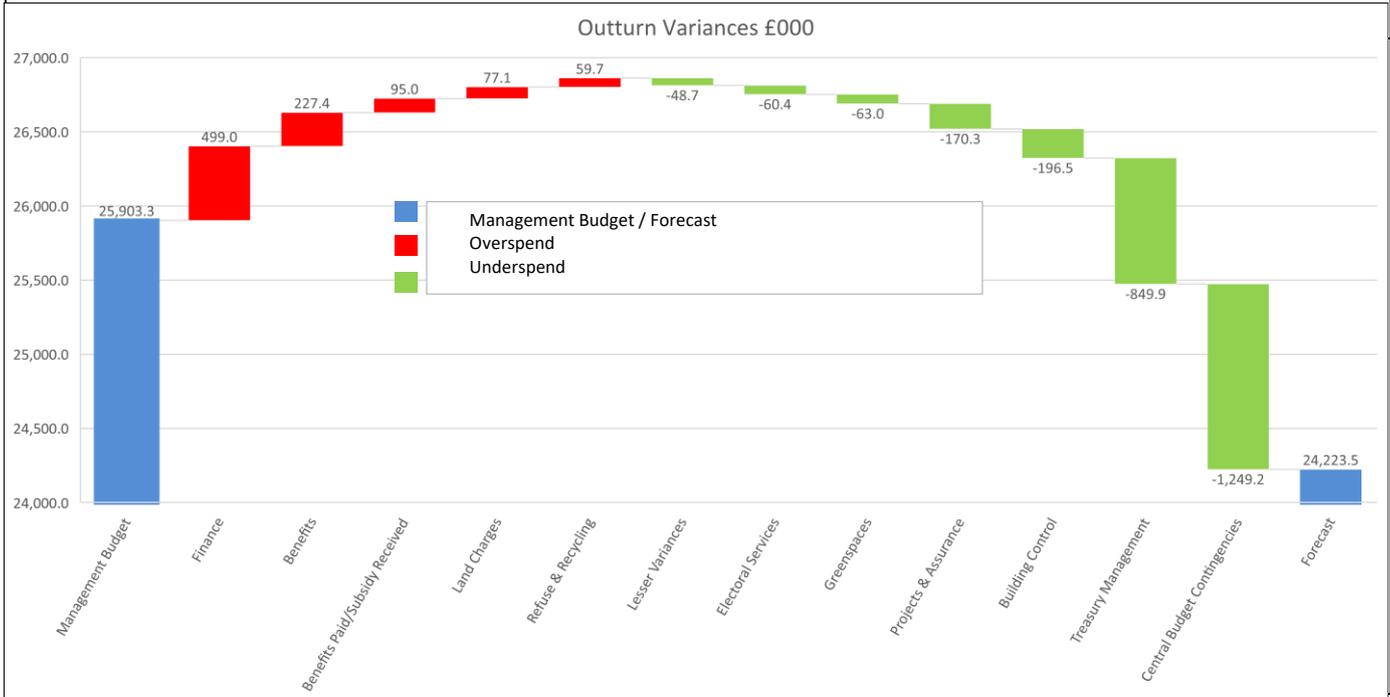
The full year forecast at the end of Period 3 for Service budgets is £0.380m (2.5%) higher than the management budget; the Central budgets are reporting £2.060m (21.7%) lower than budget, resulting in an overall forecast of £1.680m (6.5%) lower than budget.

Reconciliation of Original Budget to Management Budget for 2020-21

	£000	£000
Original Budget		24,459.6
Transfers from Reserves:		
Corporate Plan Delivery Fund	221.0	
Feasibility Studies (Commercial Ventures) Reserve	1,222.7	
CIL Funds	0.0	
	<u>1,443.7</u>	
Management Budget		<u><u>25,903.3</u></u>

Headline Revenue Budget information 2020-21

	£000
Management Budget	25,903.3
Year End Forecast	<u>24,223.5</u>
Projected underspend	<u><u>(1,679.8)</u></u> (or -6.5% of the budget)



Forecast for Services is £380k over budget:

- Finance: £499k overspend is mostly attributable to the costs of interim staff covering vacant posts and additional support for the closure of accounts and advising on development projects. Permanent staff recruitment has now been completed with three of the permanent staff already in post and two expected to commence in August and October. The forecast includes some overlap to ensure adequate handover to permanent staff. The Head of Finance post is still covered on an interim basis. Other overspends relate to £60k increased cost of financial software and £23k transactional related charges from the Council's banking provider. These pressures will be addressed during 2021/22 Service & Financial Planning.
- Benefits Team and Benefits Paid/Subsidy Received: Combined forecast (excluding COVID-19 cost implication) is £322k over budget. The Head of Service currently expects around £219k of pressures to arise directly as a result of COVID-19 [reported separately within the COVID-19 section of this report]. A £95k reduction in Housing Benefit subsidy is expected due to an increase in private supported accommodation in the borough, for which the Council does not get fully reimbursed by the government. The subsidy rate on all Housing Benefit expenditure is expected to be 99.3% of net expenditure, less than the usual rate of 99.6% that was received in the years leading up to 2019/20. £155k of Printing & Software related cost pressures are expected to continue from 2019/20. This budget is being reviewed as part of the 2021/22 Service and Financial Planning process. Services carried out for other local authorities and some private entities are expected to make a net loss in 2020/21 as the service continues to build its contract base. This loss is currently forecast at £172k of which £80k is directly related to COVID-19 [reported separately within the COVID-19 section of this report] and £92k relates to the underlying trading position. Losses will reduce as more work is brought on stream and additional contracts are confirmed.
- Land Charges: Is reporting a £77k overspend. Levels of income from Land charges are subject to seasonal variation. There is a hope that income levels will increase as the year progresses but current forecasts indicate this may be optimistic.
- Refuse and Recycling: Expenditure: COVID-19 has resulted in £50k of additional expenditure and £43k of reduced income in this service area [reported separately within the COVID-19 section of this report]. The £59.7k overspend reported here is due to expected overspend on temporary staff amounting to approximately £55k and £4k of other minor variances.
- Electoral Services: Is reporting a £60k underspend. Elections will no longer take place in 2020/21 due to COVID-19 - the unspent budget will be carried forward to 2021/22.
- Greenspaces: COVID-19 is likely to result in around £91k of lost income [reported separately within the COVID-19 section of this report]. The underlying service area is likely to underspend by £63k, £54k of which is due to several vacant operative posts. It is anticipated that these vacancies will be filled in a few months.
- Projects and Assurance: £170k underspend is attributable to three vacant posts
- Building Control: Approximately £425k of COVID-19 pressures have arisen within this budget, largely relating to a reduction in forecast Planning Fee income [reported separately within the COVID-19 section of this report]. The underlying service forecast underspend of £146.9k is made up of £120k underspend on salaries (vacancies & maternity leave) offset by £180k of Consultancy to cover these posts and a forecast £197k Building Control underspend. The Building Control underspend relates to the provision in the budget for a partnership loss that is not currently expected to be drawn upon this year.

Forecast for Central items is £2.060m under budget

- Treasury Management: The £850k forecast underspend is due to the net effect of reduced income on-lending and investments. Includes interest on the second loan to Greensand Holdings Limited (for the purchase of land at Horley) that was not included in the budget forecast.
- New Posts Budget: £99k underspend, there are no plans to use the budget at this time
- Budget Contingencies: £1.15m underspend is forecast. There are no plans to use the budget at this time. Any shortfall in Government funding support for COVID-19 expenditure or income losses (Annex 3) or other significant unbudgeted costs will result on a call on this budget in 2020/21.

COVID-19 Budget Impacts

The Revenue Budget for 2020/21 that was approved in February 2020, was agreed before the impacts of the COVID-19 pandemic on the UK became apparent. It does not therefore consider the significant additional financial impacts that are now faced during 2020/21 on service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

In summary the financial impacts are forecast to be (details at Annex 3):

	£000
Additional grant support from Government and other funding contributions	(1.614)
Forecast additional expenditure	0.889
Forecasts income reductions compared to 2020/21 budget forecasts	3.749
Net financial impact if no further Government funding support is received	<u>3.024</u>

In July 2020 the Government announced additional support for councils experiencing income losses. This is subject to further validation as the details of how the funding will be allocated but is expected to result in further funding support that will offset up to 70% of income losses.

Options for Mitigation of COVID-19 Financial Impacts

The main options for mitigating the financial impacts of COVID-19 include:

- Continue to lobby Central Government for additional funding in recognition of the impacts on district Councils and their ability to deliver services. The Council is actively working with other councils and networks on this.
- Look to make offsetting savings and efficiencies where possible before calling on the Headroom Contingency Budget of £1.0m that is built into the 2020/21 Revenue Budget. This in turn would require a call on the General Fund Balance to release the resources to do so.
- Make use of other Earmarked Revenue Reserves to close the gap. This has implications for the projects and services that were intended to be funded from these resources.
- Potentially apply capitalisation to some of the costs and financial impacts to enable the Council to borrow and fund them on a long-term basis. Local authorities are lobbying for greater flexibility from Government in this area. This may include using capitalisation flexibilities to cover costs from forecast future capital receipts and could include making targeted asset sales to support this.

Further details on the potential impacts of COVID-19 on Council finances are presented in the Medium Term Finance Strategy 2021/22 which was reported to Executive on 27 July 2020.

1. General Fund Reserve			
The General Fund Reserve acts as a buffer against unpredicted budget pressures			
		£000	£000
Balance at start of year			8,949.0
Less: Transfers out for Pension Fund Lump Sum			4,693.0
Add Projected 2020/21 underspend			1,679.8
Anticipated balance at end of year before Reserves Review/Reallocations *			5,935.8
*Minimum General Fund Balance Required (15% of total Management Budget)		3,885.5	
2. Corporate Plan Delivery Fund (CPDF) Reserve			
The Corporate Plan Delivery Fund Reserve provides time-limited funding to deliver key priorities, Corporate Plan objectives and invest-to-save initiatives, including investment in new technology.			
		£000	£000
Balance at start of year			1,000.0
20-01 Principal Development Manager post	Place	68.0	
20-09 c/f Data Protection Compliance	Housing Services	15.6	
20-09 c/f Customer Relationship Management	I.C.T	8.8	
20-10 c/f Salaries	Community Centres	118.6	
20-11 Environmental Sustainability Strategy	Corporate Policy	10.0	221.0
<u>Capital</u>			
None			
Balance before any further transfers in year			779.0
3. Feasibility Studies (Commercial Ventures) Reserve			
The Feasibility Studies (Commercial Ventures) Reserve is established to ensure that funding is available to prepare business cases and obtain external professional advice for new initiatives designed to deliver new capital schemes, including new sources of sustainable commercial income streams. Once a Capital scheme is approved by Executive, the costs can be capitalised and the funds will recycle back to the Feasibility Studies (Commercial Ventures) Reserve.			
		£000	£000
Balance at start of year			1,934.4
FS 20-01 Feasibility work Horley High Street Car Park	Place	103.4	
FS 20-02 Delivering Change in Horley Town Centre	Place	83.3	
FS 20-03 Charitable Community Benefit Society feasibility study costs	Property & Facilities	8.5	
FS 20-04 Site appraisal costs	Property & Facilities	7.4	
FS 20-05 Property appraisal costs	Property & Facilities	37.2	239.7
<u>Capital</u>			
Project Baseball	Property & Facilities	983.0	983.0
			711.7

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	397.2	9.0	406.2	404.5	(1.7)	A small underspend is expected on salaries as one member of staff is currently filling a full-time post on a part-time basis. The current forecast assumes that the postholder will be full-time in the Autumn but the situation will continue to be monitored.
Kate Brown	Human Resources	764.4	0.0	764.4	764.4	0.0	While the forecast is currently in line with the budget the HR support requirements of the organisation are being assessed; the future forecast may be amended later in the year based on outcome if additional HR resources have to be brought in.
Richard Robinson	Housing Services	1,009.4	15.6	1,025.0	1,018.5	(6.5)	Small underspends at Q1. The nature of Bed & Breakfast and Temporary Accommodation spend is highly volatile so this forecast is subject to change as the year continues.
Doula Pont	Senior Management Team	1,127.4	(90.0)	1,037.4	1,029.6	(7.8)	Small underspend across multiple areas notably expenditure on travel fees and conference expenses
	Projects & Assurance	624.6	0.0	624.6	454.3	(170.3)	Underspends attributable to three vacant posts
	Corporate Support	182.0	0.0	182.0	139.7	(42.3)	In the first quarter there has been significantly lower demand for the purchase of office stationery and demands on postage. The current forecast expects these levels to have picked up and returned to normal by the end of the financial year.
Justine Chatfield	Community Development	406.2	0.0	406.2	416.5	10.3	£10k overspend, relates to expiry of third party grant income that has not yet been reflected in the service budget. This will be addressed during Service & financial Planning 2021/22.
	Partnerships	419.3	0.0	419.3	419.3	0.0	
	Community Centres	407.5	(9.6)	397.9	356.4	(41.5)	Forecast income has reduced by £261k compared to the original budget forecast due to closure of the centres during the COVID-19 pandemic. Other underspend relates to a reduction in cost of services (catering and activities) as a result of the closure with a predicted phased reopening of the Centres in September 2020.
	Voluntary Sector Support	295.1	0.0	295.1	295.1	0.0	
Peter Boarder	Place Delivery	292.8	274.7	567.5	565.8	(1.7)	
Morag Williams	Fleet	860.9	0.0	860.9	878.4	17.5	MOT income is predicted to reduce by £54k as a result of COVID-19 [reported separately within the COVID-19 section of this report]. The ageing fleet of waste vehicles gives rise to the £17.5k overspend and until they are replaced they will require increasing levels of expenditure on spare parts. These vehicles are planned to be replaced over a three year period beginning this year.
	Refuse & Recycling	1,211.3	0.0	1,211.3	1,271.0	59.7	COVID-19 has resulted in £50k of additional expenditure and £43k of reduced income in this service area [reported separately within the COVID-19 section of this report]. The £59.7k overspend reported here is due to expected overspend on temporary staff amounting to approximately £55k and £4k of other minor variances.
	Engineering & Construction	109.2	(50.0)	59.2	58.1	(1.1)	
	Environmental Health & JET	1,066.5	0.0	1,066.5	1,060.8	(5.7)	
	Environmental Licencing	(212.8)	0.0	(212.8)	(209.3)	3.5	£27.9k forecast reduction of Temporary Events Notices, Vehicles and Drivers licensing income due to COVID-19 is forecast [reported separately within the COVID-19 section of this report].
	Greenspaces	1,410.9	0.0	1,410.9	1,347.9	(63.0)	COVID-19 is likely to result in around £91k of lost income [reported separately within the COVID-19 section of this report]. The underlying service area is likely to underspend by £63k, £54k of which is due to several vacant operative posts. It is anticipated that these vacancies will be filled in a few months.
	Car Parking	(2,036.7)	0.0	(2,036.7)	(2,036.7)	0.0	COVID-19 is expected to have a material adverse impact on the income receipts this year. The service manager currently expects the loss to amount to £1.62m [reported separately within the COVID-19 section of this report]. No variance is expected in the underlying service area.
	Street Cleansing	991.9	0.0	991.9	988.7	(3.2)	

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Catherine Rose	Corporate Policy	0.0	150.0	150.0	127.0	(23.0)	Underspend attributable to part year vacancy
Duane Kirkland	Supporting People	157.5	0.0	157.5	157.5	0.0	£365k of income is 'at risk' due to COVID-19 [reported separately within the COVID-19 section of this report] It is expected that there will be some income received when the venue reopens but the Harlequin team reports that demand for tickets is currently low. Underspend reflects the reduction in budgeted levels of casual staff.
	Supporting Families	90.0	0.0	90.0	90.0	0.0	
	Harlequin	351.4	0.0	351.4	327.6	(23.8)	
	Leisure Services	(93.3)	0.0	(93.3)	(117.2)	(23.9)	Forecast reflects the reduction in costs due to activities (e.g. Summer Programs for Kids, Run Reigate and Star For a Night) that will not be going ahead due to COVID-19. Waiver of the GLL leisure services management fee has been agreed until centres are allowed to reopen [reported separately within the COVID-19 section of this report]
Andrew Benson	Building Control	221.5	0.0	221.5	25.0	(196.5)	Approximately £425k of COVID-19 pressures have arisen within this budget, largely relating to a reduction in forecast Planning Fee income [reported separately within the COVID-19 section of this report] The underlying service forecast underspend of £146.9k is made up of £120k underspend on salaries (vacancies & maternity leave) offset by £180k of Consultancy to cover these posts and a forecast £197k Building Control underspend. The Building Control underspend relates to the provision in the budget for a partnership loss that is not currently expected to be drawn upon this year.
	Development Services	211.4	0.0	211.4	254.0	42.6	
	Planning Policy	362.8	0.0	362.8	369.8	7.0	
Carys Jones	Communications	609.9	(53.6)	556.3	539.6	(16.7)	Underspend is attributable to a difference between budgeted and actual salary costs. Also a reduction in the cost of publishing Borough News
	Customer Contact	389.1	0.0	389.1	372.9	(16.2)	Underspend is attributable to a difference between budgeted and actual salary costs.
Darren Wray	Information & Communications Technology	1,778.9	62.4	1,841.3	1,832.0	(9.3)	
Caroline Waterworth	Democratic Services	850.1	0.0	850.1	843.1	(7.0)	Elections will no longer take place in 2020/21 due to COVID-19 - the unspent budget will be carried forward to 2021/22. The £37k overspend relates to the budgeted income target for advising on Section 106 which is now unachievable due to the work being outsourced to external providers. There are significant changes expected to recruitment and outsourcing, which are currently excluded from the forecast due to unavailability of accurate data at the moment. Levels of income from Land charges are subject to seasonal variation. There is a hope that income levels will increase as the year progresses but current forecasts indicate this may be optimistic. £237k of forecast rental income pressures as a direct result of COVID-19 [reported separately within the COVID-19 section of this report] An additional £34k of Rates costs is expected to be incurred on several properties as a result of RBBC taking over the management of community centres from Staywell from 1st April 2020.
	Electoral Services	442.7	0.0	442.7	382.3	(60.4)	
	Legal Services	792.2	0.0	792.2	829.6	37.4	
	Land Charges	(107.8)	0.0	(107.8)	(30.7)	77.1	
	Property & Facilities	(1,691.0)	1,164.2	(526.8)	(501.4)	25.4	
Pat Main	Finance	1,159.5	0.0	1,159.5	1,658.5	499.0	Overspend is mostly attributable to the costs of interim staff covering vacant posts and additional support for the closure of accounts and advising on development projects. Permanent staff recruitment has now been completed with three of the permanent staff already in post and two expected to commence in August and October. The forecast includes some overlap to ensure adequate handover to permanent staff. The Head of Finance post is still covered on an interim basis. Other overspends relate to £60k increased cost of financial software and £23k transactional related charges from the Council's banking provider. These pressures will be addressed during 2021/22 Service & Financial Planning.

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
Simon Rosser	Benefits Paid/Subsidy Received	342.8	125.2	468.0	563.0	95.0	The Head of Service currently expects around £219k of pressures to arise directly as a result of COVID-19 [reported separately within the COVID-19 section of this report] The underlying service is currently forecast to overspend by £322k. A £95K reduction in Housing Benefit subsidy is expected due to an increase in private supported accommodation in the borough, for which the Council does not get fully reimbursed by the Government. The subsidy rate on all Housing Benefit expenditure is expected to be 99.3% of net expenditure, less than the usual rate of 99.6% that was received in the years leading up to 2019/20. £155k of Printing & Software related cost pressures are expected to continue from 2019/20. This budget is being reviewed as part of the 2021/22 Service and Financial Planning process. Services carried out for other local authorities and some private entities are expected to make a net loss in 2020/21 as the service continues to build its contract base. This loss is currently forecast at £172k of which £80k is directly related to COVID-19 [reported separately within the COVID-19 section of this report] and £92k relates to the underlying trading position. Losses will reduce as more work is brought on stream and additional contracts are confirmed.
	Benefits	(295.3)	(94.4)	(389.7)	(162.3)	227.4	
Total Services		14,899.5	1,503.5	16,403.0	16,783.3	380.3	2.3%
CENTRAL BUDGETS							
Pat Main Central Items	Insurance	482.1	0.0	482.1	495.3	13.2	Insurance contract cost are higher rate than anticipated when setting the budget due to late notification of the charges. This will be addressed during service & Financial Planning 2021/22.
	Treasury Management - Interest on Investments	(582.0)	0.0	(582.0)	(1,291.9)	(709.9)	Forecasts are based on current interest rates for on-lending and investments. Includes interest on the second loan to Greensand Holdings Limited (for the purchase of land at Horley) that was not included in the budget forecast.
	Treasury Management - Interest on Borrowing	922.0	0.0	922.0	818.0	(104.1)	Forecasts are based on interest payments relating to borrowing required to implement the capital program. Current Capital slippage is estimated at 21% therefore borrowing requirement is lower than originally forecast when this budget was set.
	Treasury Management - Interest on Trust Funds	36.0	0.0	36.0	0.0	(36.0)	Budgeted investment return unlikely to be achieved due to low interest in balances.
	Treasury Management - Minimum Revenue Provision	528.0	0.0	528.0	528.0	0.0	
	Employer Pension costs	6,579.0	0.0	6,579.0	6,579.0	0.0	This budget represent the three years' employer pension costs that have been paid in advance in 2020/21
	Apprenticeship Levy	71.4	0.0	71.4	71.4	0.0	
	Recruitment Expenses	40.0	0.0	40.0	40.0	0.0	Recruitment to five finance posts means that the budget allocation is already committed. Further recruitment spend will result in an overspend though at this time those costs are not confirmed.
	Corporate Human Resources Expenses	66.8	0.0	66.8	67.8	1.0	The level of spend on occupational health and training is forecast to rise as a result of COVID-19 [reported separately within the COVID-19 section of this report]. Other minor variances within the Corporate HR expenses make up the variance.
	Central Budget Contingencies	1,207.7	0.0	1,207.7	57.5	(1,150.2)	See analysis below.
	New Posts Budget	158.8	(59.8)	99.0	0.0	(99.0)	There are no plans to use the budget at this time
	External Audit Fees	50.3	0.0	50.3	75.1	24.8	Forecast is based on notified fees
Total Central Items excluding COVID-19		9,560.1	(59.8)	9,500.3	7,440.2	(2,060.1)	(21.7%)
Total Central Items		9,560.1	(59.8)	9,500.3	7,440.2	(2,060.1)	
Grand Total		24,459.6	1,443.7	25,903.3	24,223.5	(1,679.8)	(6.5%)

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
	Central Budget Contingencies						
	Miscellaneous salaries	150.2	0.0	150.2	0.0	(150.2)	There are no plans to use the budget at this time
	Headroom Contingency Budget	1,000.0	0.0	1,000.0	0.0	(1,000.0)	There are no plans to use the budget at this time
	Preceptor Grants	57.5	0.0	57.5	57.5	0.0	Any shortfall in Government funding support for COVID-19 expenditure or income losses (Annex 3) or other significant unbudgeted costs will result on a call on this budget in 2020/21.
	Central Budget Contingencies	1,207.7	0.0	1,207.7	57.5	(1,150.2)	

The Revenue Budget for 2020/21 that was approved in February 2020, was agreed before the impacts of the COVID-19 pandemic on the UK became apparent. It does not therefore consider the significant additional financial impacts that are now faced during 2020/21 on service income and expenditure budgets and on Collection Fund income forecasts for council tax and business rates.

Additional COVID-19 Income & Grants

At the time of preparing this report the Government allocated the following additional funding to support the authority in delivery of its COVID-19 Response and to help mitigate the impacts of income losses. In addition contributions have been received from other sources including Surrey County Council.

COVID-19 Sources of Funding		
COVID-19 Funding Received to Date	Actual @ P3 £m	Funding Description
MHCLG Emergency Grants - Allocation 1 (March 2020)	(0.042)	Equates to 64p per household
- Allocation 2 (May 2020)	(1.481)	Equates to £22.70 per household
Other Grants & Contributions	(0.091)	Includes: - Surrey County Council contribution towards accommodation for Rough Sleepers - Raven Housing Trust Donation towards Foodbank - Renewed Hope Trust contribution towards Foodbank - Mayor's Trust Fund Contribution - Income from Temporary accommodation - Other income relating to Food Packs - Income from Temporary Accommodation
Total	(1.614)	

COVID-19 Expenditure

Since the outset of the pandemic the Finance Team has been tracking the financial impacts of the Council's COVID-19 response. New cost codes have been established to identify expenditure and an income and expenditure impacts model has been set up.

The financial impacts have been modelled based on lockdown restrictions lasting for four months from April to July 2020 in line with the parameters specified in the MHCLG's monthly COVID-19 financial impacts monitoring return. These assumptions are subject to regular review. The figures quoted in this report for cost and income pressures are based on actual figures and full-year forecasts at the time of preparing the 31 July MHCLG return.

The forecast additional expenditure for 2020/21 is summarised in the table below which follows the categories specified by MHCLG for the monthly financial data return:

MHCLG Expenditure Category	Forecast @ P3 £m	Expenditure Details
Housing Rough Sleepers	0.184	- Temporary Accommodation - B&B and Donyngs Accommodation
Environment & Regulatory - Waste Management	0.034	- Vehicle Hire
Finance & Corporate	0.511	- Staff redeployment to Support Relief Work - Staff remote working – IT systems and support - Health and Wellbeing support for Staff - Data Team support for response and recovery work - Staff Overtime
Other - PPE (non-Adult Social Care)	0.063	- PPE purchases
Other	0.098	- Support for Shielded Residents – including welfare calls, visits, foodbank and meals - Publicity materials – e.g. social distancing banners
Total Expenditure	0.889	

MHCLG Income Category	Forecast @ P3 £m	Income Details
Cultural & Related Sales, Fees & Charges income	0.570	- Harlequin – income reduction - Community Centre – income reduction - Leisure Services Provider Management Fees Waiver
Planning & Development	0.425	- Reduction in Planning Fee income
Other Sales, Fees & Charges income	1.892	- Reduction in Car Parking Income - Reduction in Rev and Bens Income from 3rd Party Clients - Reduction in Land Charges Income
Commercial Income	0.317	- Reduction in Rev and Ben income from external clients - Reduced rent income from Travelodge - Reduced rent income from other tenants
Other Income losses	0.545	- Trade Waste Income Shortfall - Green Spaces Related Losses
Total	3.749	

COVID-19 Agency Payments - Business Grants

In April 2020 the Government (Department for Business, Energy, Industrial Strategy) paid £23.8 million to the Council to administer the business support grant scheme followed by a further £0.422m in June - £24.222 million in total.

To the end of June (P3) £21.940 million has been paid to local businesses through the first round of grants which was only available to companies on the rating list at mid-March 2020.

The Government subsequently announced an extension to the scheme (up to £1.156 million) for those businesses who may pay rent to a landlord, which includes rent and a contribution to rates. For that reason, they would not appear on the rating list. To date over £0.800million has been paid.

Any residual unallocated funds when the scheme ends on 28 August are to be repaid to Government. These funds are administered on an 'agency' basis for Government therefore the grants have no impact on Council budgets other than receipt of a £0.130 million grant towards the costs of administering the scheme.

COVID-19 - Collection Fund Impacts

The in-year cash flow impact of business rate and council tax income shortfalls will be accounted for through the Collection Fund and eventually impact on the budgets of all precepting authorities (the County Council, the Police & Crime Commissioner and the Government), as well as this Council in 2021/22 onwards.

The main risks to income levels relate to the ability of households and businesses to pay their taxes during a post-COVID-19 economic downturn. Over the short-term the Government has provided £0.737 million additional hardship funding for council taxpayers and £19.391 million additional business rates reliefs which have mitigated many of the immediate impacts. Over the medium to longer term it is difficult at present to forecast the impacts on collection rates. The Government has announced that recovery of 2020/21 Collection Fund deficits can be spread over three financial years and has indicated that funding may be made available to offset some of this loss but the details are yet to be confirmed.

At the July 2020 MHCLG return the forecast risk to the Collection Fund from COVID-19 was £10.137 million, comprising £3.4 million in potential business rate bad debts and £6.2 million council tax losses. However the actual position will not be known until much later in the year.

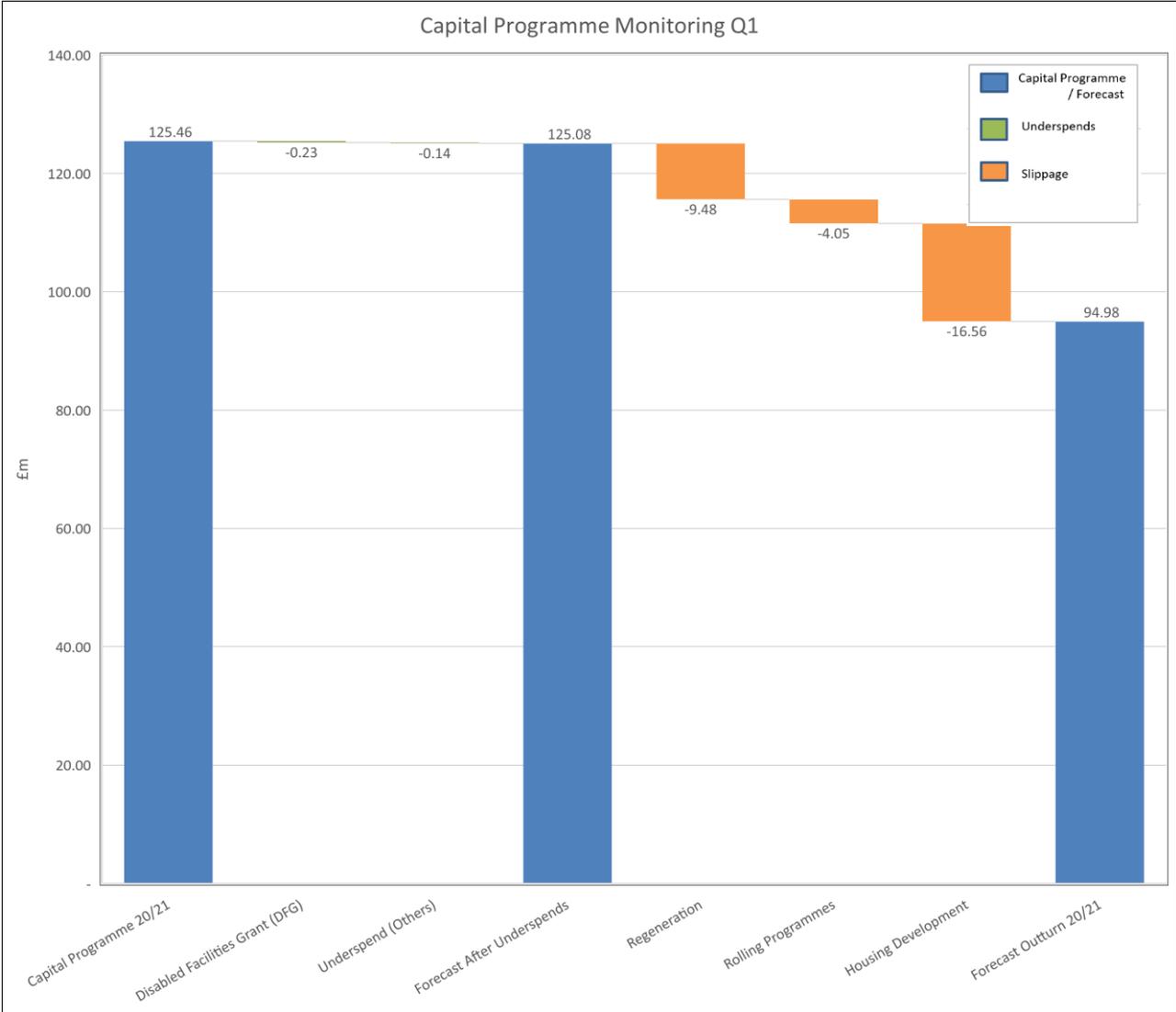
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Summary

Forecast Full Year expenditure against the Capital Programme at the end of Quarter 1 is £94.98m which is £30.48m (24%) below the approved Programme for the year. The variance is as a result of £30.10m slippage and a £0.38m net underspend as set out below.

Headline Capital Budget Information, Quarter 1 2020/21

	£m
Current Budget (Annex 1):	125.46
Projected Net Underspend	(0.38) (or 0.3% of Programme).
Projected Slippage	(30.10) (or 24% of Programme)
Forecast Capital Expenditure	94.98



Underspends

Disabled Facilities Grant (DFG)	(£0.23m underspend) - COVID-19 has had a big impact on the amount of referrals for DFG works, with these stopping during the early part of lockdown. Works in properties were also temporarily suspended for several weeks, due to contractors suspending their entire operations and vulnerable clients unwilling to allow works in their homes. Work is now underway again, but a lower than budget spend over the year is expected.
Underspend (others)	Handy Person Scheme (£0.04m underspend) - COVID-19 has resulted in fewer applications being received and progressed for Small Works Grants and Loans than might otherwise be expected.
	Vibrant Towns & Villages (£0.08m underspend) - This allocation is intended to enhance the revenue allocation for the four town centres to ensure that they remain attractive and vibrant places. The stakeholders we would normally have worked with to identify suitable capital projects were not accessible due to COVID-19 lock down. From the return of non-essential retail their attention has been very much on trying to rebuild trade. As a result they have not had the capacity to engage with us in the process of identifying potential works for consideration. It is unlikely that demands will be made on this programme in 2020/21 due to COVID-19 related disruption, but £0.02m may be required.
	Play Area Improvement Programme - minor overspend of £0.01m.

Slippage

Regeneration	Marketfield Way (£8.43m slippage) - Slippage due to the extended period of time it has taken to conclude the build contract and in securing all necessary consents.
	Preston Regeneration (£0.23m slippage) - Chetwode Road Highways scheme - some delay in securing all the necessary consents for the scheme, main contractor now secured to deliver the project and works will be completed this financial year. Slippage due to remaining project priorities currently being discussed with local members and Portfolio Holder to be delivered next financial year.
	Horley Public Realm Improvements - Phase 4 (£0.08m slippage) - Slippage due to capacity within the team. Team now in place to deliver project.
	Merstham Recreation Ground (£0.74m slippage) - Slippage due to COVID-19 and capacity within the team. COVID-19 has affected our ability to be able to commence early engagement with local residents and stakeholders and delayed the appointment of key initial surveys and studies. Team now in place to deliver project. Initial Concept Plan prepared with main design works commencing in 2020/21 (subject to approval of final scheme by Executive)
Rolling Programmes	Beech House, London Road. Reigate (£3.0m slippage) - Negotiations with tenant (AIG) are still ongoing, slightly delayed by the COVID-19 pandemic. Current assumption is a revised £2.1m major works to be carried out in 2021/22 but this is subject to a review by Knight Frank on the viability of the proposal. Property Services is reviewing the overall deal and will recommend the final sum to the Commercial Ventures Executive Sub-Committee once review completed.
	Priory Park Maintenance (£0.20m slippage) - The tenant (Pistaccios) have been issued a 1-year extension to their concession during COVID-19 and remain in occupation. Works will now be completed as part of the concession contract negotiation, delaying the refurbishment until 2021/22. This allows us the ability to review the overall contract and capital outlay.
	Car Parks Capital Works (£0.18m slippage) - Works were tendered prior to the COVID-19 lockdown measures were imposed and the tender process was unable to be completed, as contractors were unable to price works and submit programmes. Rescheduled for 2021/22.
	Tenanted Properties (£0.10m slippage) - Park Farm Depot. Break clause initiated by the Council. Works to be completed in line with the planned Greenspaces occupation. Detailed survey to be carried out.
	Council Offices Programme - (£0.16m slippage) - Boilers and plant completed. Air conditioning, external decoration and roof works delayed to 2021/22 due to limited resources and contractor/equipment availability due to COVID-19
	Earlswood Depot/Park Farm Depot- (£0.06m slippage) - Earlswood Depot requires major boiler replacement. Works were unable to be completed during COVID-19. Works have now been delayed to 2021/22. Tenant at the Park Farm Depot has been given notice in accordance with the lease. Greenspaces will occupy the unit from January 2021. Works to be completed in line with Greenspaces <u>occupation schedule</u> .
	Unit 61E, Albert Road North (£0.06m slippage) - Roadway maintenance. Currently on hold pending a review of the Council's position as a whole on Albert Road North .
	Cemeteries & Chapel (£0.04m slippage) - Planned external decorations to chapel suspended during COVID-19. Contractors assigned to essential works only.

Housing Development	Lee Street Bungalows - (£0.26m slippage forecast). Project timing has slipped due to delays on other projects.
	Cromwell Road Development - (£4.23m slippage forecast) Spend profile changed following contract signature - slightly behind original profiled schedule
	Unit 1 Pittwood Park Tadworth (£2.33m slippage forecast) - Spend profile changed following contract signature - slightly behind original profiled schedule
Housing Delivery	Housing Delivery (£10m Capital allocation - 2020/21) - (£9.74m slippage forecast). £0.26m forecast expenditure this year relates to the procurement of the design team to include professional services such as quantity surveyor, project manager, architect, civil, structures and building services consultants together with a wide range of technical consultants, procurement of supporting surveys and documentation required for the planning application and future development of the site.
Commercial Investments	£64m balance is currently available of the original £75m allocated capital funding (2019/20 - 2020/21) for investment in new developments and commercial assets and activities that, in addition to local regeneration and place-shaping benefits, deliver a sustainable net income stream to the revenue budget. There has been a drawdown of £1.03m in Q1 to fund the acquisition of Units 3, 6, 8 and 20 Reading Arch Road with additional spend on further acquisitions forecast for rest of the financial year; therefore the current assumption is that all funds will be invested.

Reconciliation of Capital Programme to Approved Budgets 2020/21

	£m	
Original Capital Programme Budget 2020/21	96.10	
Budget approved but not yet released	-	
	<hr/> 96.10	
Additions (detailed at Annex 2)		
Carry Forwards from Previous Year (2019/20)	29.49	
Additional Approvals In Year	0.07	Additional in-year Corporate Plan Delivery (CPDF) funding of £67,850 was approved during the COVID-19 pandemic to fund the Microsoft Teams implementation and Zoom license to improve corporate collaborative working and
Reprofiling of projects	(0.55)	Fleet replacement budgets 2020 to 2025 reprofiled.
Other Changes	0.35	New Capital Grants: Flexible Homelessness Support Grant 2020/21
Revenue Contribution to Capital	-	
Current Capital Budget	<hr/> 125.46 <hr/>	

Capital Programme Monitoring: Summary by Project 2020-21

Quarter 1

Project	Original Capital Programme 20/21 £m	Approved Budgets Not Released £m	Carry Forwards £m	Additional Approvals In Year £m	Reprofiled £m	Revenue Contribution to Capital (RCC) £m	Other Changes £m	Current Capital Programme 20/21 £m	Actuals to Date (P3) £m	Forecast Year End Outturn £m	Forecast Year End Variance £m	Explanation of Significant Variances
Horley Public Realm Improvements - Phase 4	0.100	0.000	0.000	0.000	0.000		0.000	0.100	0.000	0.020	(0.080)	Slippage due to capacity within the team. Team now in place to deliver project.
Marketfield Way Redevelopment	18.859	0.000	3.821	0.000	0.000		0.000	22.680	1.341	14.251	(8.429)	Slippage due to the extended period of time it has taken to conclude the build contract and in securing all necessary consents.
Preston - Regeneration	0.362	0.000	0.421	0.000	0.000		0.000	0.783	0.000	0.550	(0.233)	Some delay in securing all the necessary consents for the Chetwode Road highways scheme. Main contractor now secured to deliver the project and works will be completed this financial year. Slippage due to remaining project priorities currently being discussed with local members and Portfolio Holder to be delivered next financial year
Merstham Recreation Ground	0.700		0.094	0.000	0.000		0.000	0.794	0.001	0.053	(0.741)	Slippage due to COVID-19 and capacity within the team. COVID-19 has affected our ability to be able to commence early engagement with local residents and stakeholders and delayed the appointment of key initial surveys and studies. Team now in place to deliver project. Initial Concept Plan prepared with main design works commencing in 2020/21 (subject to approval of final scheme by Executive)
Regeneration	20.021	0.000	4.336	0.000	0.000	0.000	0.000	24.356	1.342	14.874	(9.482)	
Leisure Centre Maintenance	0.030	0.000	0.007	0.000	0.000		0.000	0.037	0.000	0.030	(0.007)	Unable to gain sufficient access due to COVID-19 and minor works are by arrangement only with GLL (leisure operator) Contractor safety and social distancing are an identified risk. Postponed minor works until 2021/22
Harlequin Property Maintenance	0.040	0.000	0.013	0.000	0.000		0.000	0.053	0.007	0.040	(0.013)	Change of use due to accommodating the Response Centre during COVID-19. Agreed only essential works to take place to protect the welfare of staff working in the building. Postponed remaining works until 2021/22.
Play Area Improvement Programme	0.226	0.000	0.000	0.000	0.000		0.000	0.226	0.003	0.234	0.008	Replacement of Nork Park and Petridgewood Common play equipment - also capital replacement of individual pieces of play equipment in various sites across the borough.
Parks & Countryside - Infrastructure & Fencing	0.045	0.000	0.000	0.000	0.000		0.000	0.045	0.000	0.045	0.000	Various civil works, including footpath, track and car park resurfacing, replacement of fencing and gates and sites across the borough
Harlequin Facilities Maintenance	0.040	0.000	0.000	0.000	0.000	0.000	0.000	0.040	0.004	0.040	0.000	Budget is used for facilities maintenance at the Harlequin.
Harlequin - Service Development	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.100	0.000	0.040	(0.060)	Due to the ongoing work around the venue's future vision and commitments, and delays as a result of the COVID-19 pandemic, previously approved Capital spend are now subject to review.
Priory Park Maintenance	0.198	0.000	0.030	0.000	0.000	0.000	0.000	0.228	0.025	0.025	(0.203)	Pistaccios have been issued a 1 year extension to their concession during COVID-19 and remain in occupation. Works will be completed as part of the concession contract negotiation delaying the refurbishment until 2021/22. This allows us the ability to review the overall contract and capital outlay.
Leisure and Culture	0.679	0.000	0.050	0.000	0.000	0.000	0.000	0.729	0.038	0.454	(0.275)	
Lee Street Bungalows	0.234	0.000	0.387	0.000	0.000		0.000	0.621	0.002	0.365	(0.255)	Project timing has slipped due to increased work on other projects.
64 Massetts Road	0.000	0.000	0.014	0.000	0.000		0.000	0.014	0.000	0.014	0.000	Planned spend for external works to the building in 2020/21.
Cromwell Road Development	3.680	0.000	5.690	0.000	0.000		0.000	9.370	0.007	5.138	(4.232)	Spend profile changed following contracts being signed slightly behind original profiled schedule
Unit 1 Pitwood Park Tadworth	1.745	0.000	4.165	0.000	0.000		0.000	5.910	0.640	3.577	(2.333)	Spend profile changed following contracts being signed slightly behind original profiled schedule
Housing Delivery	10.000	0.000	0.000	0.000	0.000		0.000	10.000	0.000	0.260	(9.740)	Spend on a feasibility and options study of Horley High Street Car Park site that will enable the Council to review and approve a preferred design to progress through concept design to development and preparation of a planning application (the planning application to be submitted in early 2021/22). Expenditure will relate to the procurement of the design team to include professional services such as Quantity Surveyor, Project Manager, Architect, Civils and Structures and Building Services consultants together with a wide range of technical consultants, procurement of supporting surveys and documentation required for the planning application and future development of the site.
Housing Development	15.659	0.000	10.255	0.000	0.000	0.000	0.000	25.914	0.649	9.353	(16.561)	

Capital Programme Monitoring: Summary by Project 2020-21

Quarter 1

Project	Original Capital Programme 20/21 £m	Approved Budgets Not Released £m	Carry Forwards £m	Additional Approvals In Year £m	Reprofiled £m	Revenue Contribution to Capital (RCC) £m	Other Changes £m	Current Capital Programme 20/21 £m	Actuals to Date (P3) £m	Forecast Year End Outturn £m	Forecast Year End Variance £m	Explanation of Significant Variances
Fleet Vehicle Wash-Bay Replacement	0.350	0.000	0.000		0.000		0.000	0.350	0.000	0.350	0.000	Works on the wash bay replacement are ongoing. Though works have been delayed due to COVID-19, it is still anticipated at this stage that works will be completed on schedule .
Earlswood Depot/Park Farm Depot	0.050	0.000	0.030		0.000		0.000	0.080	0.001	0.020	(0.060)	Earlswood depot requires major boiler replacement. Works were unable to be completed during COVID-19 and therefore reassigned to 2021/22. Tenant at the Park Farm Depot has been given notice in accordance with the lease. Green spaces will occupy the unit from Jan 2021. Works to be completed in association with Greenspaces occupation schedule
Waste Management and Recycling	0.400	0.000	0.030	0.000	0.000	0.000	0.000	0.430	0.001	0.370	(0.060)	
Land Flood Prevention Programme	0.006	0.000	0.011	0.000	0.000		0.000	0.017	0.000	0.017	0.000	This funding is for ditch clearance, drainage and swale works
Air Quality Monitoring Equipment	0.108	0.000	0.050	0.000	0.000		0.000	0.158	0.005	0.158	0.000	The Air Quality monitoring capital allocation (£108K) will be used to fund the replacement of the RG1 fixed air quality monitoring station, which is required every 10 years and is due in 2020. We operate this site to meet our statutory duties for air quality and as part of our Section 106 funding agreement with Gatwick Airport Ltd (GAL). Additional £50k will be used to fund replacement of the Rapid Electric Vehicle Charge point at Wray Lane. The rapid charger has reached the end of its serviceable life and is a key part of our local air quality strategy, by encouraging electric vehicle uptake which will in turn reduce emissions of harmful pollutants.
Contaminated Land - Investigation work	0.030	0.000	0.000	0.000	0.000		0.000	0.030	0.000	0.000	(0.030)	This is an emergency contingency budget to be used in exceptional circumstances. There are no plans to use the budget at this time.
Environment	0.144	0.000	0.061	0.000	0.000	0.000	0.000	0.205	0.005	0.175	(0.030)	
Handy Person Scheme	0.050	0.000	0.000	0.000	0.000		0.000	0.050	0.003	0.010	(0.040)	COVID-19 has resulted in fewer applications being received and progressed for Small Works Grants and Loans than might otherwise be expected.
Home Improvement Agency (Surrey County Council) Grant	0.120	0.000	0.000	0.000	0.000		0.000	0.120	0.030	0.120	0.000	The project cost is based on fixed contract price, therefore no cost variation expected.
Disabled Facilities Grant (DFG)	1.134	0.000	0.000	0.000	0.000		0.000	1.134	0.189	0.900	(0.234)	COVID-19 has had a big impact on the amount of referrals for DFG works, with these stopping during the early part of lockdown. Works in properties were also temporarily suspended for several months, due to contractors suspending their entire operations and vulnerable clients unwilling to allow works in their homes. Work is now underway again, but a lower than budget spend over the year is expected.
Repossession Prevention Fund	0.030	0.000	0.012	0.000	0.000		0.000	0.042	0.018	0.042	0.000	The Repossession Prevention Fund is used to provide grants and loans to individuals to prevent homelessness. Last year (2019/20), we were successful in getting grants repaid to enable this fund to help more households.
Flexible Homelessness Support Grant	0.000	0.000	0.000	0.000	0.000		0.350	0.350	0.028	0.350	0.000	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	0.000	0.000	0.020	0.000	0.000		0.000	0.020	0.000	0.020	0.000	South Park Football Club awarded £20k towards the creation of a 3G football pitch in 2019/20. Funding was carried forward into 2020/21 due to delays to work. Latest update from the football club is that works have been further delayed, in part due to COVID-19. The Service is investigating further and will be seeking Portfolio Holder's view on whether to continue to make the grant available to the club. Further update will be provided in Qtr.2 report.
Capital Grants	1.334	0.000	0.032	0.000	0.000	0.000	0.350	1.716	0.268	1.442	(0.274)	
Workplace Facilities: Estate/Asset Development	0.250		0.000	0.000	0.000		0.000	0.250	0.000	0.250	0.000	The Workplace Facilities - Estates/Asset Development programme is currently being reviewed for physical workplace plans post COVID-19. The outcome of the review and any budget impact will be developed and reported later in the year.
Workplace Facilities: additional IT requirement for increase in workforce.	0.030	0.000	0.000	0.000	0.000		0.000	0.030	0.000	0.030	0.000	Funding used for deployment of new laptops for new members of staff, which has seen an increase since the beginning of the year.
Organisational Change	0.280	0.000	0.000	0.000	0.000	0.000	0.000	0.280	0.000	0.280	0.000	

Capital Programme Monitoring: Summary by Project 2020-21

Quarter 1

Project	Original Capital Programme 20/21 £m	Approved Budgets Not Released £m	Carry Forwards £m	Additional Approvals In Year £m	Reprofiled £m	Revenue Contribution to Capital (RCC) £m	Other Changes £m	Current Capital Programme 20/21 £m	Actuals to Date (P3) £m	Forecast Year End Outturn £m	Forecast Year End Variance £m	Explanation of Significant Variances
Vehicles & Plant Programme	3.162	0.000	0.087	0.000	(0.554)		0.000	2.695	1.371	2.695	0.000	2020/21 Tranche 2 of the fleet replacement project is complete, all vehicles have been delivered and are in service. 2020/21 procurement well underway. A number of assets have already been purchased for the greenspaces department. Orbis are facilitating the trial of 6 hybrid/electric cars and vans for use at the depot among a number of other items.
ICT Replacement Programme	0.225	0.000	0.126	0.068	0.000		0.000	0.419	0.206	0.419	(0.000)	Additional in-year funding of £67,850 was approved during the COVID-19 outbreak to fund a Microsoft Teams implementation and Zoom license to improve collaboration and video conferencing facilities All other projects within the programme are expected to continue this year although later than originally scheduled due to COVID-19. These include: - Netcall upgrade to improve resilience for the Contact Centre and enable Payment Card Industry Data Security Standards compliance - Improvements to the Harlequin Theatre network infrastructure
ICT - Disaster Recovery	0.000	0.000	0.018	0.000	0.000		0.000	0.018	0.001	0.018	0.000	Carry forward Budget from 2019/20 to cover ICT disaster recoveries.
Council Offices Programme	0.115	0.000	0.140	0.000	0.000			0.255	0.014	0.095	(0.160)	Boilers and plant completed. Air Conditioning Units, external decoration and roof works reassigned to 2021/22 due to limited resources and contractor/equipment availability during COVID-19
Day Centres Programme	0.075	0.000	0.013	0.000	0.000		0.000	0.088	0.003	0.075	(0.013)	Realigned to work in conjunction with the community centre task force and its proposals for re-opening.
Existing Pavilions Programme	0.090	0.000	0.000	0.000	0.000		0.000	0.090	0.000	0.090	0.000	Upgrades of facilities to be carried out as proposed.
Commercial Investment Properties	0.050	0.000	0.026	0.000	0.000		0.000	0.076	0.002	0.050	(0.026)	Post COVID-19 identified essential works..
003-structure (walls)	0.055	0.000	0.049	0.000	0.000		0.000	0.104	0.000	0.055	(0.049)	Reinstatement of surveys and reprogramming surveying inspections that were on hold during the COVID-19 lockdown.
Car Parks Capital Works Programme	0.190	0.000	0.180	0.000	0.000		0.000	0.370	0.000	0.190	(0.180)	Works were tendered prior to COVID-19. Lockdown measures imposed and the tender process was unable to be completed, contractors unable to price works and submit programmes. Realigned for 2021/22.
Public Conveniences	0.005	0.000	0.040	0.000	0.000		0.000	0.045	0.000	0.020	(0.025)	High Street Banstead completed, Consort Way Horley rescheduled to 2021/22.
Cemeteries & Chapel	0.040	0.000	0.000	0.000	0.000		0.000	0.040	0.000	0.000	(0.040)	Planned external decorations to chapel suspended during COVID-19. Contractors assigned to essential works only.
Allotments	0.014	0.000	0.004	0.000	0.000		0.000	0.018	0.000	0.014	(0.004)	Minor works required with planned maintenance work in 2021/22.
Woodmansterne sports club	0.000	0.000	0.020	0.000	0.000		0.000	0.020	0.000	0.000	(0.020)	Closed due to COVID-19. Further liaison required with the external tenant with access by agreement from the occupant .
Beech House, London Road, Reigate	3.000	0.000	0.000	0.000	0.000		0.000	3.000	0.000	0.000	(3.000)	£3m slippage in 2020/21, negotiations with AIG are still ongoing. Current status is a revised £2.1m Capital investment in 2021/22. Delays in negotiation are with AIG due to COVID-19. The service is reviewing the overall deal and will recommend a course of action to the Commercial Venture Board
Tenanted properties - occupied by third-parties -planned building maintenance	0.100	0.000	0.000	0.000	0.000		0.000	0.100	0.000	0.000	(0.100)	Park Farm Depot. Break clause initiated by RBBC. Works to be completed in line with the greenspaces occupation. Detailed survey required.
Crown House	0.075	0.000	0.000	0.000	0.000		0.000	0.075	0.000	0.075	0.000	Works to be completed this financial year
Units 1-5 Redhill Distribution Centre. Salfords	0.040	0.000	0.000	0.000	0.000		0.000	0.040	0.000	0.000	(0.040)	COVID-19 delays caused by contractor availability. Non essential works were re-programmed during the level 4 lockdown enforcements. Access, travel, social distancing.
Linden House , 51b High Street, Reigate	0.017	0.000	0.000	0.000	0.000		0.000	0.017	0.000	0.017	0.000	Works to be completed this financial year
Unit 61E, Albert Road North	0.055	0.000	0.000	0.000	0.000		0.000	0.055	0.000	0.000	(0.055)	Roadway maintenance. On hold, reviewing Council's position as a whole on Albert Road North .
Forum House, Brighton Road, Redhill	0.070	0.000	0.000	0.000	0.000		0.000	0.070	0.000	0.070	0.000	Works to be completed this financial year
Regent House	0.025	0.000	0.000	0.000	0.000		0.000	0.025	0.000	0.025	0.000	Works to be completed this financial year
Reading Arch Road - (acquisition of units 3, 6, 8 and 20 Reading Arch Road)	0.000	0.000	0.000	0.000	0.000		1.029	1.029	1.029	1.029	0.000	Acquisition of units 3, 6, 8 and 20 Reading Arch Road
Building Maintenance – consultancy/capitalised staff costs.	0.050	0.000	0.000	0.000	0.000		0.000	0.050	0.000	0.050	0.000	Consultancy, essential to the delivery of the 2021/22 schedule
CCTV Rolling Programme	0.030	0.000	0.049	0.000	0.000		0.000	0.079	0.001	0.079	0.000	Outturn dependent on outcome of CCTV review, Member consideration of which has been delayed by the COVID-19 emergency response.

Capital Programme Monitoring: Summary by Project 2020-21

Quarter 1

Project	Original Capital Programme 20/21 £m	Approved Budgets Not Released £m	Carry Forwards £m	Additional Approvals In Year £m	Reprofiled £m	Revenue Contribution to Capital (RCC) £m	Other Changes £m	Current Capital Programme 20/21 £m	Actuals to Date (P3) £m	Forecast Year End Outturn £m	Forecast Year End Variance £m	Explanation of Significant Variances
Vibrant towns & villages	0.100	0.000	0.000	0.000	0.000	0.000	0.000	0.100	0.000	0.020	(0.080)	This allocation is intended to enhance the revenue allocation for the four town centres to ensure that they remain attractive and vibrant places. The stakeholders we would normally have worked with to identify suitable capital projects were not accessible due to COVID-19 lock down. From the return of non-essential retail their attention has been very much on trying to rebuild trade. As a result they have not had the capacity to engage with us in the process of identifying potential works for consideration. It is unlikely that demands will be made on this programme in 2020/21 due to COVID-19 related disruption, but £0.02m may be required.
Rolling Programmes	7.583	0.000	0.751	0.068	(0.554)	0.000	1.029	8.877	2.627	5.086	(3.792)	
Commercial Investments	50.000	0.000	13.977	0.000	0.000	0.000	(1.029)	62.948	0.000	62.948	0.000	Allocated capital funding for investment in new developments and commercial assets and activities that, in addition to local regeneration and place-shaping benefits, deliver a sustainable net income stream to the revenue budget. There has been a drawdown of £1.029m of expenditure in Q1 to fund the acquisition of units 3, 6, 8 and 20 Reading Arch Road with additional spend on further acquisitions forecast for rest of the financial year.
Commercial Investments	50.000	0.000	13.977	0.000	0.000	0.000	(1.029)	62.948	0.000	62.948	0.000	
Total Capital Budget	96.100	0.000	29.491	0.068	(0.554)	0.000	0.350	125.455	4.930	94.982	(30.474)	(24.29%)



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	Executive
DATE	Thursday, 17 September 2020
EXECUTIVE MEMBER	Cllr V. Lewanski

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Risk management - Q1 2020/21
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RECOMMENDATIONS

- (i) That the Executive note the Q1 2020/21 update on risk management provided in annex 1.
- (ii) That the Executive approve the new strategic risk identified in Q1 2020/21 for inclusion on the strategic risk register.

REASONS FOR RECOMMENDATIONS

In accordance with the Council's risk management strategy, the Executive is required to receive regular updates on risk management.

EXECUTIVE SUMMARY

This report provides an update on risk management in Q1 of 2020/21. In Q1 one new strategic was identified.

The Audit Committee received an update on risk management on 9 September 2020. The agenda pack for this Executive meeting was published before the Audit Committee met, meaning that any observations/recommendations from the Committee will be tabled at the meeting of the Executive.

The Executive has authority to approve the above recommendations

Agenda Item 7

STATUTORY POWERS

1. The Council holds various statutory responsibilities for ensuring that its businesses is conducted in accordance with the law and that public money is safeguarded, accounted for and is used economically and effectively.
2. The Council also has a duty under the Local Government Act (1999) to put in place proper arrangements for the governance of its affairs.
3. The discharge of this responsibility includes arrangements for managing risk.
4. The Council's Code of Corporate Governance outlines these core governance principles; compliance with the code is reported each year via the Annual Governance Statement.

BACKGROUND

5. Reigate and Banstead Borough Council has a proactive approach to risk management. It is an integral part of the Council's corporate governance arrangements and is built into management processes.
6. The Council operates a two-tiered risk management process to address the dynamic and inter-dependent nature of risk categorisation. The risk categories are strategic and operational risks.
7. Strategic risks are defined as those risks that have an impact on the medium to long term ambitions and priorities of the Council as set out in the Corporate Plan and in conjunction with the Medium-Term Financial Plan (MTFP).
8. Members of the Management Team and Executive Members have shared responsibility for strategic risks. It is the responsibility of the Executive to formally endorse any new risks for inclusion on the strategic risk register.
9. Operational risks are risks that are encountered in the course of the day to day delivery of services. However, if an operational risk cannot be fully managed within the service or it has a wider organisational impact then it will be considered for inclusion in the operational risk register by the Council's Corporate Governance Group. Heads of Service have responsibility for operational risks.
10. The Executive approved the 2020/21 strategic risks at its meeting on 25 June 2020.

KEY INFORMATION

Risk management reporting

11. The Council's risk registers have been updated at the end of Q1, alongside Directors and Heads of Service.
12. The full risk registers are made available to all members via the ModernGov document library. Risk registers from previous years are available on the eMembers portal.
13. Each quarter the Executive receives an update on risk management. The risk management report provides an update on all strategic risks as well as any red rated operational risks.

14. The update includes the current risk rating, the direction of travel of the risk as well as a summary of key updates.

Risk ratings

15. The Council’s risk management strategy and methodology utilises the following risk ratings:

Rating	Action
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 and does not demand specific attention but should be kept under review.

Q1 2020/21 risk management update

16. An update on the Council’s strategic risks for 2020/21 is provided in annex 1.
17. There were no red rated operational risks in Q1.
18. During the quarter one new strategic risk was identified on COVID-19 second wave/local lockdown, the detail of which is provided in annex 2 for the Executive to approve for inclusion on the strategic risk register.
19. No strategic risks were identified for closure in Q1.

Audit committee observations/recommendations

20. In accordance with its constitutional responsibilities, the Audit Committee received an update on risk management at its meeting on 9 September 2020.
21. The agenda pack for this Executive meeting was published before the Audit Committee met, meaning that any observations/recommendations from the Committee will be tabled at the meeting of the Executive.

OPTIONS

22. The Executive has two options:
23. Option 1: note this report and approve the newly identified strategic risk for inclusion on the strategic risk register; and,

Agenda Item 7

24. Option 2: note this report and do not approve the newly identified strategic risk for inclusion on the strategic risk register.

LEGAL IMPLICATIONS

25. There are no legal implications arising from this report.

FINANCIAL IMPLICATIONS

26. Financial risks are taken into account when preparing the Medium Term Financial Plan, Capital Investment Strategy, Revenue Budget and Capital Programme each year.

27. There are no additional financial implications arising from this report.

EQUALITIES IMPLICATIONS

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

COMMUNICATION IMPLICATIONS

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

RISK MANAGEMENT CONSIDERATIONS

30. The Council's risk registers inform the development of the annual risk based internal audit plan.

31. There are no other risk management implications arising from this report.

OTHER IMPLICATIONS

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

CONSULTATION

33. The contents of this report have been considered by the Council's Corporate Governance Group, as well as the Audit Committee.

POLICY FRAMEWORK

34. The Council's risk management strategy and methodology provides additional information on how the Council manages risk.

BACKGROUND PAPERS

None.

ANNEX 1 – STRATEGIC RISKS 2020/21

Ref.	Risk description	Owner	Rating	Mitigating actions/update	Direction of travel
<p>SR1</p>	<p>Brexit</p> <p>The UK’s withdrawal agreement with the European Union includes a transition period where the pre-Brexit trade arrangements will continue to apply. The transition period ends on 31 December 2020, where, if successfully negotiated, new trade arrangements covering goods and services will be put in place. Despite the COVID-19 pandemic, the government remains committed to leaving the transition period by 31 December.</p> <p>The government has the option to extend the transition period but will need to make this decision by June at the latest. If the option to extend is not exercised any later request will require a new treaty and ratification by all EU member states within a short timeframe.</p> <p>If the extension is refused, this leaves the government limited time to agree new trading arrangements. If new trade arrangements aren’t negotiated then the transition period will elapse without a trade deal being in place, resulting in a no-deal Brexit which will likely have adverse effects on the economy.</p>	<p>Cllr Schofield</p>	<p>RED</p>	<p>As of the end of Q1 the UK government and EU have not negotiated a new trading arrangement. The UK government has also not exercised the option to extend the transition agreement. This has therefore increased the likelihood of a no deal Brexit as there is now a limited timeframe for the negotiation of new trading arrangements.</p> <p>The Council continues to monitor the advice and guidance issued by the Government and the Local Government Association and will take any steps that are required. The Council also continues to liaise with the Surrey Local Resilience Forum.</p>	<p>↑</p>
<p>SR2</p>	<p>Financial sustainability</p> <p>The Council is now operating in a uniquely challenging and uncertain financial context.</p> <p>In the wake of the COVID-19 pandemic and likely recession which will follow, the Council faces a period of unprecedented financial uncertainty.</p> <p>The ongoing financial settlement with the Government also remains unclear with the Fair Funding Review</p>	<p>Cllr Schofield</p>	<p>RED</p>	<p>The Council’s Medium-Term Financial Plan was reported to the Executive in July 2020. This sets out the forecast budget challenges over the coming five years. It will form the basis for service & financial planning for 2021/22 onwards.</p> <p>COVID-19 has resulted in material new financial risks, both in 2020/21 and potentially over the medium term. Additional unbudgeted expenditure has been incurred to deliver the authority’s response and budgeted sources of</p>	<p>—</p>

ANNEX 1 – STRATEGIC RISKS 2020/21

Ref.	Risk description	Owner	Rating	Mitigating actions/update	Direction of travel	
	<p>and Business Rate Reset and Revaluation being delayed.</p> <p>There most significant risks relate to the extent to which the Government will fund the unplanned expenditure that is being incurred to deliver the Council’s COVID-19 responsibilities at the same time as experiencing material reductions in income from fees and charges and local taxes. If this substantial financial burden is not mitigated through direct Government support these unplanned financial pressures will have an adverse impact on the Council’s capacity to deliver against its Corporate Plan ambitions in future years.</p>			<p>income have been impacted by reduced demand during lockdown.</p> <p>Government funding received to date is likely to address a significant proportion of the one-off cost pressures but there remains uncertainty about funding support for lost income from fees & charges and local taxes in 2020/21 as well as about whether income levels will return to pre-COVID levels in the remainder of the year and beyond.</p> <p>The importance of: (i) adopting and implementing strategies that support sustainable income generation and (ii) taking forward income generating projects such as Horley Business Park, remains a high priority.</p>		
08	<p>SR3</p>	<p>Local government reorganisation</p> <p>A reorganisation of local government could be prompted by a range of scenarios and circumstances, including the financial failure of an authority within Surrey or as part of a new devolution agenda.</p> <p>Given the COVID-19 Pandemic, a mandated reorganisation or devolution is unlikely. Instead, changes are most likely to result from a neighbouring or partner authority’s financial failure or distress.</p> <p>The results of a possible reorganisation are uncertain, though it could adversely affect this Council and the delivery of services for residents.</p>	<p>Cllr Brunt</p>	<p>AMBER</p>	<p>Our neighbouring and partner authorities continue to operate in the same strained financial circumstances as detailed in SR2 above.</p> <p>Surrey County Council recently announced its intention to develop a proposal to central government for a single unitary authority to cover the county.</p> <p>The Council was a joint signatory to a letter to the Secretary of State, Robert Jenrick MP, which requested that the government give consideration to alternative proposals for the future of local government in Surrey.</p> <p>On 30 July Full Council agreed that the Leader of the Council should work with other authorities across the County to develop a</p>	<p>—</p>

ANNEX 1 – STRATEGIC RISKS 2020/21

Ref.	Risk description	Owner	Rating	Mitigating actions/update	Direction of travel
				proposal for the future structure of local government in the county.	
SR4	<p>Partner public sector funding decisions</p> <p>The public sector 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.</p> <p>The COVID-19 pandemic has increased pressure on public services. These pressures may result in partners being stretched which may require the Council to increase services and support provided. This could have negative funding and resource implications.</p>	Cllr Schofield	AMBER	<p>Our partner public sector organisations are operating in a similarly challenging financial context as detailed in SR2 above.</p> <p>We will continue to hold meetings to discuss priorities and funding between the Leader, Executive and key partners such as SCC, Police and Raven Housing Trust.</p>	—
SR5	<p>Organisational capacity and culture</p> <p>The Council has adopted an ambitious Corporate Plan, supported by a capital investment, housing and Great People strategy.</p> <p>The COVID-19 pandemic will change the way the Council operates and will drastically change the organisational culture and ways of working.</p> <p>The Council will continue to be ambitious and the new ways of working will need to be embraced by both members and officers in order for objectives to be achieved.</p> <p>The failure to remain ambitious will risk the delivery of these objectives in these unprecedented times.</p>	Cllr Lewanski	AMBER	<p>Before the COVID-19 pandemic significant work was undertaken on the Council's Great People work programme (formerly known as the Organisation Development strategy). This has formed a solid basis for post COVID planning.</p> <p>The pandemic has resulted in a need for the organisation to work differently. The future of this is being proactively driven by the New Ways of Working Recovery group.</p> <p>Priority is currently being given to understanding and addressing staff welfare and wellbeing issues.</p>	↑

ANNEX 1 – STRATEGIC RISKS 2020/21

Ref.	Risk description	Owner	Rating	Mitigating actions/update	Direction of travel
SR6	<p>Economic prosperity</p> <p>A prosperous economy is essential for the wellbeing of the borough, creating employment and wealth that benefits local people and businesses. The COVID-19 pandemic will have negative impacts upon the economy, with forecasts suggesting the worst recession in a century.</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>	Cllr Humphreys and Cllr Schofield	RED	<p>Reigate and Banstead has the highest number of furloughed employees in Surrey (of businesses based in the borough). We will closely monitor the impact of the gradual ending of the government's furlough scheme and the impact on local residents and businesses.</p> <p>The Council has been active in helping to support local businesses throughout the COVID-19 pandemic. This includes the processing of business grants and applications for business rate relief. The Council has also distributed money to businesses via the local authority discretionary grant fund.</p>	↑
SR7	<p>Reliance on the welfare system</p> <p>The COVID-19 pandemic has resulted in increasing numbers of residents being reliant upon the welfare system as the economy is negatively impacted. 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>	Cllr Knight	RED	<p>The COVID-19 pandemic will likely result in significantly negative economic impacts on residents, the full scale of which is currently unknown. The Council will closely monitor the impact of the gradual ending of the government's furlough scheme and the impact on local residents. The scheme is due to conclude in October.</p> <p>The full roll-out date for universal credit has yet to be confirmed. However, the system is live for those experiencing changes in their circumstances. The effects of COVID-19 may therefore increase universal credit claimants in the borough.</p> <p>Evictions were temporarily suspended following the COVID-19 pandemic. However, as the courts recommence evictions and work through a backlog of cases, the Housing service will</p>	↑

06

ANNEX 1 – STRATEGIC RISKS 2020/21

Ref.	Risk description	Owner	Rating	Mitigating actions/update	Direction of travel
				likely experience a marked increased in homelessness applications from families.	
SR8	<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 shift to remote working and teleconferencing in response to COVID-19 could potentially compromise cyber security.</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>	Cllr Lewanski	AMBER	<p>ICT reports data security matters to the Senior Information Risk Officer (SIRO). The ICT customer base will be kept informed of any specific threats and will be continually reminded to be vigilant when opening email or browsing websites, particular those from unknown sources.</p> <p>The annual assessment of ICT security standards, set by the Cabinet office and known as the Public Sector Network Code of Connection (PSN CoCo), has been passed and certificated.</p>	—
SR9	<p>Fraud</p> <p>Due to the wide range of activities being undertaken by the Council, there is a risk of fraud being committed. The latter is exacerbated by the new areas of activity which the Council has launched following the COVID-19 pandemic.</p>	Cllr Knight	AMBER	<p>The new areas of activity that the Council has delivered since the pandemic started (e.g. business rates relief, grants etc.) increase the risk of fraud. The Council nevertheless has robust control measures in place to protect public funds from fraudulent activity. The Council's processes regarding the payment of small business grants will be audited in Q2 of this financial year.</p>	↑
SR10	<p>Marketfield Way</p> <p>Marketfield Way is a major place delivery 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.</p>	Cllr Humphreys	AMBER	<p>The project continues to be on track. Enabling work has continued despite the COVID-19 pandemic. Office based staff are working remotely and social distancing measures are in place on site. These measures are aligned to industry standards as well as all relevant government guidance.</p>	—

91

ANNEX 1 – STRATEGIC RISKS 2020/21

Ref.	Risk description	Owner	Rating	Mitigating actions/update	Direction of travel
	<p>The COVID-19 pandemic will likely negatively impact upon this development, including in its delivery as well as its financial viability.</p>				
<p>SR11</p>	<p>Gatwick Airport</p> <p>The COVID-19 outbreak is likely to have a prolonged negative impact on Gatwick airport. The outbreak has seen a large reduction in air travel which can be expected to continue into the foreseeable future due to the negative economic outlook and likely ongoing global travel restrictions.</p> <p>As a key local employer the financial position of the airport will likely have a negative effect on local employment, which may result in an increased number of residents seeking support from the Council.</p>	<p>Cllr Humphreys</p>	<p>AMBER</p>	<p>This risk is largely outside of the Council’s control and is dependent on any possible support provided by the government to the aviation sector and the commercial decisions made by private companies.</p> <p>Our neighbouring borough of Crawley (the local authority area in which Gatwick is located) has the highest number of furloughed workers in the country, a significant portion of whom work at Gatwick.</p> <p>As furlough figures are reported where the employer is located, it is likely that a high number of Reigate and Banstead residents are on furlough from Gatwick and its associated supply chain. This will continue to be closely monitored particularly as the government’s furlough scheme ends.</p>	<p>—</p>

ANNEXE 2 – NEW STRATEGIC RISK

Risk description	Owner	Rating
<p>COVID-19: second wave/local lockdown</p> <p>In the event of a second wave or local lockdown, the Council will be required to stand up its response to support residents and businesses.</p> <p>This will result in members of staff being redeployed and could result in significant disruption to the delivery of services.</p>	Cllr Brunt	AMBER

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