Agenda

Overview and Scrutiny Committee

Thursday, 9 December 2021 at 7.30 pm

New Council Chamber, Town Hall, Reigate



This meeting will take place in accordance with Government guidance. The Committee will assemble at the Town Hall, Reigate. Members of the public, Officers and Visiting Members should attend remotely.

Please wear a face covering at all times in the chamber, except when you are speaking, or, if you are seated at least 2 metres distance from others.



Members of the public may observe the proceedings live on the Council's <u>website</u>.

Members:

N. D. Harrison (Chair)

M. S. BlackerG. Buttironi

Z. Cooper M. Elbourne

J. C. S. Essex

P. Harp

A. King

N. C. Moses

S. Parnall

S. Sinden

M. Tary

R. S. Turner

S. T. Walsh

C. T. H. Whinney

Substitutes:

For enquiries regarding this agenda;

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Published 08 December 2021



| Conservatives: | R. Absalom, J. Baker, A. C. J. Horwood, J. P. King and C. Stevens |
|--------------------------|---|
| Residents Group: | G. Adamson and R. Harper |
| Green Party: | J. Booton, P. Chandler, S. McKenna, R. Ritter and D. Torra |
| Liberal Democrats | J. E. Philpott |

Mari Roberts-Wood Head of Paid Service **1. Minutes** (Pages 7 - 18)

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

To approve as a correct record the Exempt Minute of the previous meeting.

2. Apologies for absence and substitutions

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

3. Declarations of interest

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

4. Homelessness & Rough Sleeping Strategy 2022-2027

(Pages 19 - 102)

That the Committee:

- Notes the activities and actions to tackle homelessness set out in the Homelessness Review at Annex 1 and the Homelessness and Rough Sleeping Strategy 2022-2027 at Annex 2, the Action Plan at Annex 3; Equality Impact Assessment at Annex 4; and
- 2. Makes any observations for consideration by the Executive.

5. Observations on Budget Proposals - Budget Scrutiny Panel report

To receive a report from the Budget Scrutiny Panel from its meeting on 1 December 2021 to:

- 1. Consider the provisional budget proposals for 2022/23
- 2. Make recommendations to the Executive in line with the Council's budget and policy procedure rules.

6. Quarter 2 Performance Report 2021/22

(Pages 103 - 134)

That the Overview and Scrutiny Committee:

- Note Key Performance Indicator (KPI) performance for Q2 2021/22 as detailed in the report and in Annex 1 and make any observations to the Executive;
- 2. Note the Budget Monitoring forecasts for Q1 2021/22 as detailed in the report and at Annex 2 and make any observations to the Executive.

7. Commercial Strategy - Part 2

(Pages 135 - 186)

That the Committee:

- Notes the Commercial Strategy Part 2 Report and Annex 1 and the Summary of the O&S Commercial Strategy Scrutiny Panel meeting on 2 November 2021 (Annex 2); and
- 2. Provides any observations for consideration by the Executive.

8. Overview and Scrutiny Committee Forward Work (Pages 187 - 196) Programme 2021/22

To consider and agree any changes to the schedule for Overview and Scrutiny Committee's Forward Work Programme 2021/22 in Annex 1 and note the Action Tracker (Annex 2).

9. 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:

- (1) It involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act as the information in the report relates to the financial or business affairs of the authority; and
- (2) The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10. Executive

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

11. Any other urgent business

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

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



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.



Minutes

BOROUGH OF REIGATE AND BANSTEAD OVERVIEW AND SCRUTINY COMMITTEE

Minutes of a meeting of the Overview and Scrutiny Committee held at the New Council Chamber - Town Hall, Reigate on Thursday, 21 October 2021 at 7.30 pm.

Present: Councillors M. S. Blacker, G. Buttironi, M. Elbourne, J. C. S. Essex, P. Harp, N. D. Harrison (Chair), A. King, S. Parnall, S. Sinden, M. Tary, R. S. Turner and S. T. Walsh

Also in attendance: Councillors T. Archer, V. Lewanski, T. Schofield.

34. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies for absence were received from Councillor Moses.

Councillor Cooper and Councillor Whinney attended the meeting remotely.

35. MINUTES

The Minutes of the previous meeting on 9 September 2021 were approved.

36. DECLARATIONS OF INTEREST

There were no Declarations of Interest.

37. ORGANISATION PORTFOLIO HOLDER UPDATES

Members received briefings from the three Organisation Executive Members overseeing three areas of the Council's work: Corporate Policy & Resources, Finance & Governance and Investment & Companies.

The <u>presentations from each of the Executive Members/Portfolio Holders</u> were published on the Council's website as part of the Committee's agenda pack.

Councillor Lewanski, Portfolio Holder for Corporate Policy & Resources, gave an overview of the Council's work. This included: rapid implementation of IT systems to enable staff and Members to work remotely and securely, revision of ICT strategy in line with future ways of working; scoping improvements required for data centre and telephony systems, updates to delivery of online automated transactions, corporate policy development, project management updated framework and reporting, communications to support emergency COVID-19 response and use of data and insight to deliver services more efficiently.

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Organisational Development and HR had been reviewing different ways of working to benefit residents post the pandemic, including hybrid working to enable remote working with future physical workspaces, as well as workforce planning and resourcing.

Members made observations and asked questions on the following areas. This included supplementary questions arising from Written Answers to Members' Advance Questions:

- Customer relations approximately 60 plus online transactions with the public were handled through the Customer Relationship Management (CRM) system currently. Work was ongoing to review the work done to date to move processes online which had been facilitated by the CRM platform. The Head of IT confirmed that around 30,000 people had signed up to request Council services in this way. Over 50,000 transactions a year were carried out using the digital platform. Members asked for further information as a follow-up written answer.
- Cyber-attacks Members highlighted the increase in cyber-attacks on IT systems of companies and organisations more generally, following the increase in online working. The Head of IT confirmed on the cyber front that IT monitors all systems and blocks around 2000 attempts a month. There was secure access to systems via Council-issued laptops and the organisation had to meet public sector network accreditation each year set by the Cabinet Office.
- Fraud and identity fraud how did the Council ensure it was protecting residents against fraud with the decrease in face-to-face contact and remote working? This included dealing with potential identity fraud, such as criminals purporting to be calling from the Council. It was confirmed that the Revenues, Benefits and Fraud team dealt with any reported cases of fraud. Members requested more information in a follow-up written answer.
- Telephony it was confirmed that plans to replace the entire telephony and remote access systems in 2022 were underway. There had been some problems with external calls going direct to a staff extension number due to remote access systems. This had not affected the Borough Council's main phone line or internal calls.
- Hybrid working HR was working through the detail on hybrid working with staff and the impact this might have on working conditions before communicating more widely the future planned approach. All staff could book a desk to work in the offices.

Councillor Schofield, Portfolio Holder for Finance & Governance, gave an overview to the Committee. This included supplementary questions arising from Written Answers to Members' Advance Questions.

Regular updates had been given to Executive on COVID-19 budget impacts during 2020/21, an updated Medium-Term Financial Plan and business grants. Service & Financial Planning for 2022/23 was on schedule with reports to 18 November Executive and Budget Scrutiny Panel on 1 December.

The Legal team had been strengthened with the recruitment of an experienced Planning solicitor and Property solicitor with very little work outsourced. A review of land charges services had been undertaken to increase the quality of land charges

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information. Further work had been carried out to strengthen the centralised procurement service to seek best value for money when procuring goods and services.

Council Tax collection had increased slightly for the same period in 2020/21 but still not back to pre-Covid level. Counter Fraud cumulative figures had identified savings from counter fraud work of £1.3m including housing fraud, Council Tax, business rates and benefits. The fraud team had received a national award for excellence in partnership work with Oxford City Council. A total of 7,640 payments had been made to local businesses from April 2020 under various criteria totalling £42.391m.

Members made observations and asked questions on the following areas:

- Counter fraud Members asked about the savings relating to counter fraud work which related to savings on the cost of temporary accommodation and social housing tenancies as well as additional council tax over time following Cabinet Office measurements.
- Parking income parking revenues and reduced income from parking season tickets for businesses, for example, was under review following the pandemic and increased remote working.

Councillor Archer, Portfolio Holder for Investment & Companies, gave an overview of the Council's work. The focus was on overall strategy, Council owned or partowned companies and assets. The bulk of the work related to managing existing investments. Work was underway to develop Commercial Strategy Part 2 with Part 1 agreed in December 2020. (An update on existing companies was provided in Minute 39). The income-generating portfolio included properties in Redhill, Reigate, Merstham and Horley. During the pandemic, 94% of rent was collected, with only a 6% shortfall (resulting from two Company Voluntary Arrangements - CVAs) which was a strong performance. Programmes included good progress on Marketfield Way in Redhill and development feasibility work underway for Horley Car Park site. Following planning permission refusal of the Woodhatch Crematorium proposal, next steps were under consideration.

Supplementary questions arising from Written Answers to Members' Advance Questions included questions on Horley Business Park future development plans.

Members commented and asked questions on the following areas:

- **Woodhatch Crematorium** Following refusal of planning permission at Planning Committee at the end of September, the project and next steps were being considered.
- Affordability of market rent apartments owned by Kooky Ltd (part of the Delph Group) – Members asked for more information on the rental apartments being developed on the Council-owned site on Marketfield Way site, Redhill. A written answer was requested on 1) service management charges 2) ground rents and to confirm best practice was being followed with regard to leasehold property management.
- Horley Car Park scheme Members asked about the development feasibility work underway. This was at an early stage to identify if it is a viable scheme to meet housing and commercial objectives for regeneration of

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Horley town centre. However, recent steep increases in building costs were an issue.

- Marketfield Way, Redhill it was confirmed that an agreement with a future cinema provider was being finalised and other lease agreements with tenants were being negotiated.
- **55-63 Victoria Road, Horley property** Members asked about this property asset which had been boarded up for some time. The Property Services Manager reported that plans for a temporary shop front and a new marketing campaign were underway.

RESOLVED – that the Committee:

- 1) Note the Executive Portfolio Holder updates on the activities and work undertaken within the Organisation portfolio service and policy areas;
- 2) Provide observations and comments for consideration by Executive Members as set out in the Minutes.

38. ENVIRONMENTAL SUSTAINABILITY: PROGRESS UPDATE

The Committee received an annual update on the work towards the objectives set out in the Council's Environmental Sustainability Strategy, adopted in July 2020.

Councillor Lewanski, Portfolio Holder for Corporate Policy and Resources, outlined the work that had taken place over the past year. More detail was given in the <u>environmental sustainability strategy update slide pack</u> published as part of the agenda pack. In addition, the agenda pack included two annexes: Annex 1 which set out the progress, challenges and next steps of the Action Plan in 2020/21. Annex 2 set out additional proposed actions.

During the past year, the new sustainability team had been established at the Borough Council. Despite the challenges faced during the pandemic, good progress had been made and action on more sustainable ways of working was being weaved throughout services across the Council. These activities were based on four key themes: energy and carbon, low impact consumption, biodiversity & the natural environment and implementation cross-cutting areas such as Planning, partnership working and procurement.

The sustainability team had two main areas of focus:

- 1) To work to become a more sustainable Council. Actions to date have included purchasing energy with renewable tariffs and offsetting so our energy supply could become carbon neutral; switching to low carbon vehicles as these were replaced and improving the Borough's green spaces to absorb more carbon dioxide and to support biodiversity. A range of activities to support and train staff and Members to underpin a more sustainable future was underway.
- 2) To support residents and businesses to become a more sustainable Borough such as: joint working with Surrey local authorities and Surrey County Council; bidding for Government funding for decarbonisation of housing stock; supporting schemes such as Solar Together to install solar panels in

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the borough; installing new electric vehicle charging points in Horley (with more to come in Banstead); working with community groups to identify areas to plant trees; planned work to engage young people on climate change through local schools.

Councillor Lewanski thanked the Cross Party Member Sustainability Working Group for their detailed questions and feedback on the strategy.

Written answers had been provided to members on the Council's staged approach to working towards the Council's 2030 net zero carbon target and use of carbon offsetting measures and hedge cutting in the borough. A supplementary question from Councillor Essex requested more detail on offsetting schemes and costs as a follow-up written response.

Committee Members highlighted four priorities which would require significant planning, financial spend and delivery to achieve carbon reduction and get the Council to net zero by 2030.

These were:

- Improving the Council's own assets and buildings.
- A plan to convert the Council's fleet.
- Rolling out electric vehicle (EV) charging infrastructure including for taxis and private hire vehicles.
- A plan for domestic retrofit programmes.

Members asked questions and made observations on the following areas:

Engagement with young people – Members asked about plans for working with young people on climate change and sustainability issues. Plans were underway for a pilot scheme to work with one primary and one secondary school in the Borough initially before expanding more widely to schools and colleges

Electric vehicle (EV) charging points – plans for EV charging was discussed in the north of the Borough such as Tadworth and Tattenhams where many residents parked on roads and there were limited public car parks to access EV charging points. Officers confirmed that they wanted to ensure a good geographic spread of EV points. Surrey County Council as highways authority was due to roll out trials of EV charging points next year in the Borough. Officers were working with the Energy Saving Trust to review where additional charging points in the Borough's own car parks could be placed.

Members asked about procurement and funding models for future EV charging points. It was noted that there are various different models available. Members highlighted Community Infrastructure Levy (CIL) funding as a way of investing in strategic projects to assist environmental sustainability. It was noted that Councilowned land and facilities (not only Council car parks) could be used to benefit the community in this area such as EV charging points.

Work with Surrey County Council – the Committee noted that Surrey County Council had published its Climate Change Delivery Plan at the end of October and asked how RBBC's Action Plan dovetailed with this to avoid any overlaps and also highlight any gaps. Officers reassured the Committee they were working closely

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with the County Council including input into its Climate Change Delivery Plan to make best use of limited resources that were available to local authorities.

Publicising the RBBC action plan – updated web pages giving guidance and funding advice to residents and businesses about climate change and sustainability, articles in the Borough News and social media campaigns had been published as part of the communications plan. Members requested further public-facing messaging to further increase awareness of the work the Council was doing to combat climate change and help residents act sustainably. Further work was planned to gather feedback and views from residents.

Borough-wide emissions – the data graph on p45 of the agenda pack showed Borough-wide emissions in domestic use and transport were higher than in Surrey and England. This was common in more affluent areas where there were a greater number of residents living alone in larger detached houses and using their cars rather than public transport. The Council's total carbon footprint was well under 1% of the Borough's emissions.

Planting new forestry - Members noted the work to improve the natural environment – the Council had planted 181 trees and created or improved 128 square metres of soft landscaping within the borough. Members drew attention to Council-owned fields next to Banstead Common and asked if some of this area could be considered for planting new forestry to extend Banstead woods to assist work on enhancing the Borough's ecology rather than its current use as low-level agriculture land. Officers confirmed this idea would be explored with the Greenspaces team.

Fleet replacement strategy – 13 low-emission vehicles within the Council's fleet (10% of total) had been purchased with moves to use more efficient diesel refuse lorries. An electric refuse vehicle was being trialled.

Insulating Council-own buildings – Members asked for information on plans to improve the insulation of buildings owned and leased by the Council and plans to install alternative heating sources. A written answer would be provided.

Domestic retrofit of homes – the Committee asked about support for residents who may struggle in harder to heat homes. The Council had been working with the Solar Together Surrey project to support solar panel and battery storage discounts and the Green Jump Surrey scheme which helped to fund grants towards home energy efficiency upgrades.

Natural environment – as part of ecological improvements, glyphosate (a type of weedkiller) was only used as a last resort. Member asked how the Council liaised with stakeholders who owned land next to Council land to ensure that they also adopted this approach.

RESOLVED that the Committee:

1. Note the progress on work towards the objectives set out in the Council's Environmental Sustainability Strategy and proposed new actions provided at Annex 1 and Annex 2.

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2. Provide observations set out in the Minutes for consideration by the Executive at its meeting on 18 November 2021.

39. COMPANIES PERFORMANCE UPDATE - AUTUMN 2021

The Committee received a six-monthly update on the performance of companies owned or part-owned by the Council from the Portfolio Holder for Commercial and Investments, Councillor Archer. Further information was set out in a report to the Committee – *Companies Performance Update – Autumn 2021 –* which was published in the meeting agenda pack. To support good governance of the Council's companies, the Committee, and the Commercial Ventures Executive Sub-Committee (CVESC) received regular updates on the performance of these companies.

The three operational companies owned or part-owned by the Council currently consisted of:

- Greensands Holdings Ltd (a property development and investment company wholly owned by the Council which owns an office building and a plot of development land). This was currently considered to be performing overall in line with the Council's objectives and expectations. Members noted that the current directors of the company were William Pallett, Derek Beck and Councillor Michalowski.
- Horley Business Park Development LLP (which is a joint venture to bring forward planning and development of the proposed Horley Business Park with Millhill Properties (Horley) Ltd and Berwick Hill Properties Ltd). The Council is a partner in this proposed development. This was not currently performing in line with objectives due to activity being limited by matters currently being resolved with the joint venture partners.
- Pathway for Care Ltd, a supported living provider, where the Council is a minority shareholder. The majority shareholding was held by Transforming Healthcare Group Ltd. Additional information was being sought from the majority shareholders on current performance.

It was reported to Members that Camelia Close (Tadworth) Residents Management Company was set up in May 2021 as a short-term arrangement. This was not a Council-owned company but related to a RBBC development site and would be in place until all units were sold, when leasehold management would be transferred to a specialist resident management company.

The Council was currently developing Part 2 of its Commercial Strategy to set out its approach to future commercial activity. The O&S Commercial Strategy Scrutiny Panel was due to meet on 2 November 2021 to receive an overview of current work to date.

Members asked questions and made the following observations:

• Business rates collection – long-standing proposals to reform business rates were still under consideration by the Government. The Council received around £50m through business rates and retained approximately £2m.

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 Gatwick Airport 'strategic gap' – this was Surrey County Council-owned land between the proposed Horley Business Park development site and the M23 spur road. The emerging plans for Gatwick Airport proposed that some of this land be used as a site compound temporarily to aid with other proposed construction work at Gatwick Airport.

- Greensand Holdings Ltd rental income Members asked for clarification on rental income and loan interest. It was confirmed that modest rental income was received on Council owned land at Fishers Farm (part of the Horley Business Park development land). A loan to purchase the land via Greensands Holdings accrued loan interest of £1.152m as of 31 March 2021. The office building provided rental income sufficient for the company to pay interest on the loan for that purchase to the Council.
- Replanting trees as set out in the Companies Performance update report
 to the Committee on 18 March 2021, a number of trees on land owned by
 Millhill Properties were felled in November 2020 without the knowledge or
 approval of the Council. Members asked about replanting oak woodland and
 Tree Preservation Orders. It was confirmed that this was land not owned by
 the Council and was subject to an ongoing investigation by the Forestry
 Commission.
- Pathway to Care Ltd Members asked about income from this company. It
 was confirmed that majority shareholder, Transforming Healthcare Group,
 had not yet declared a dividend income to the Council.

RESOLVED - that:

- 1. The Committee notes the Companies Performance Update, Autumn 2021, as set out in the report to the Committee
- 2. The observations of the Committee, set out in the Minutes, be considered by the Commercial Ventures Executive Sub-Committee at its meeting on 18 November 2021.

40. CONSTITUTION OF BUDGET SCRUTINY PANEL

Members noted the timetable and scope of the Budget Scrutiny Panel due to take place on 1 December 2021 to consider and respond to the draft Budget proposals for 2022/23 due to come to Executive on 18 November 2021.

The Committee agreed membership of the Budget Scrutiny Panel as Councillors Baker, Blacker, Buttironi, Elbourne, Essex, Harrison and Tary.

RESOLVED – that the Committee:

- 1. Agreed the membership and timetable of the Budget Scrutiny Panel set out in the report and due to take place on 1 December 2021.
- 2. Agreed the scope of the Budget Scrutiny Panel's work.

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41. OVERVIEW AND SCRUTINY COMMITTEE FORWARD WORK PROGRAMME 2021/22

Members considered the Forward Work Programme 2021/22 for the Committee set out in Annex 1 of the report.

It was agreed that the membership of the Commercial Strategy Scrutiny Panel (constituted at Overview and Scrutiny Committee on 21 January 2021) was Councillors Blacker, Elbourne, Essex, Harrison, King, Parnall and Walsh. The Panel was due to meet on 2 November 2021.

Members asked for a note from the Head of Legal to give a further update on progress with the Charitable Trusts legal work (set out in Annex 2 - Action Tracker).

RESOLVED that the Committee noted its proposed Forward Work Programme 2021/22.

42. EXECUTIVE

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

43. ANY OTHER URGENT BUSINESS

There were no items of urgent business.

44. EXEMPT BUSINESS

RESOLVED – that members of the Press and public be excluded from the meeting for the consideration of Item 12 of the agenda (Companies Performance Update, Autumn 2021) (Exempt) under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- (i) It involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act at the information in the report relates to the financial or business affairs of the authority; and
- (ii) The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

45. COMPANIES PERFORMANCE UPDATE, AUTUMN 2021 (EXEMPT)

The Meeting closed at 10.01 pm

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| Signed off by | Head of Housing |
| Author | Alison Robinson, Housing Strategy Manager |
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| Email | Alison.Robinson@reigate- banstead.gov.uk |
| То | Overview and Scrutiny Committee |
| Date | Thursday, 9 December 2021 |
| Executive Member | Portfolio Holder for Housing and Support |

| Key Decision Required | N |
|-----------------------|--------------|
| Wards Affected | (All Wards); |

| Subject Homelessness & Rough Sleeping Strategy 2022-2027 |
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|--|

Recommendations

That the Overview and Scrutiny Committee:

(i) Notes the activities and actions to tackle homelessness set out in the Homelessness Review at Annex 1 and the Homelessness and Rough Sleeping Strategy 2022-2027 at Annex 2, the Action Plan at Annex 3 and makes any observations for consideration by the Executive.

Reasons for Recommendations

The Council is required to publish a Homelessness Review and Homelessness and Rough Sleeping Strategy every five years. The current Strategy expires in March 2022. The new Strategy, set within a revised legislative framework, contains priority activities and actions to prevent homelessness, support those who are homeless and deliver more suitable accommodation options. It underpins the Council's homelessness service whilst adopting a partnership approach to improve outcomes for those in housing need.

Executive Summary

The current Homelessness Strategy expires in March 2022, therefore a new Homelessness Review and Homelessness and Rough Sleeping Strategy have been developed. The impacts of Homelessness Reduction Act 2017 (HRA), which was implemented in April 2018, have shaped the priorities and workstreams in the new document. The Housing

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Service is working with new client groups, undertaking more intensive casework, and responding to many more clients with support needs. Working in partnership with statutory agencies, housing providers, support services, charities and others is crucial to delivering services and suitable accommodation options and is reflected in our approach.

This new Strategy, consulted upon in October 2021, reflects the on-going and the new challenges involved in tackling homelessness. It has a strong focus on homelessness prevention, assisting the increasing numbers of applicants with support needs, tackling rough sleeping and securing more accommodation options. The Housing Service continues to be supported by Council revenue funding, annual homelessness government grant funding and short-term government homelessness grants for specific projects.

Executive has authority to approve the above recommendations

Statutory Powers

- 1. The Homelessness Act 2002 requires local housing authorities to take strategic responsibility for tackling and preventing homelessness.
- 2. The Council is required by the Homelessness Act 2002 to publish a Homelessness Strategy and Housing Review every five years, the current Strategy expires in March 2022.

Background

- 3. This strategy has been drafted in the context of national legislation, guidance and priorities to respond to local housing pressures, homelessness trends, housing need, partnership work and resources.
- 4. New homelessness legislation in the form of the HRA, has widened the Council's homelessness responsibilities and duties. At the same time, it also placed more responsibility on applicants to cooperate and help themselves.
- 5. This Strategy marks a continuation of partnership working to deliver good housing outcomes, applying for and securing external funding and capitalising on opportunities to deliver more accommodation options for local people.

Key Information

Homelessness facts and figures

6. The Homelessness Review examines homelessness and need in the borough during the previous 3-5 years. Homelessness data is provided from April 2018 onwards, which is the point from which legal duties changed significantly, up to April 2021 which marks the end the financial year. Given the significant changes in legal duties introduced by the HRA, it is not meaningful to compare data with previous years. A relatively small data set is available, and homelessness activity is also set within the context of the impacts of the Pandemic.

- 7. During 2018-2021 a total of 1,530 initial assessments of homeless households were completed, around a further 1,500 contacts were made to the team for advice / signposting which did not trigger an assessment. Of the assessments, a prevention duty was accepted to over 1,000 applicants and a relief duty accepted to just under 500 households.
- 8. The proportion of households with support needs has risen. Since 2018, over 3,200 support needs were identified by applicants with two thirds reporting multiple needs. The most common single need is mental ill-health, followed by physical ill-health or disability, and thirdly risk of or having experienced domestic abuse.
- 9. Since 2018, the number of single people owed a prevention or relief duty now accounts for 50 percent of cases. Prior to the HRA the dominant group owed a homelessness duty was families with children. This change in the client type reflects the wider statutory duties imposed by the HRA and the increasing numbers of people with support needs. More intensive case management and support is needed, and the lack of suitable accommodation is a challenge.
- 10. The most common cause of homelessness has changed since the previous strategy. For those owed a prevention duty the main specific causes are family / friend eviction, end of a Private Rent Sector (PRS) tenancy, end of a social tenancy. For relief duty applicants the main causes are family / friend eviction, domestic abuse, end of a PRS tenancy.
- 11. In terms of outcomes, 51 percent of prevention duty cases were assisted to move to alternative accommodation to resolve their housing issue and 16 percent were assisted to stay put. At the relief duty 46 percent of applicants secured accommodation.
- 12. During 2018 2021, 241 main duty decisions were taken, of these a duty was accepted for 188 households. Of these households, 70 percent were families.
- 13. Until the pandemic numbers on the Register were fairly static at around 800 households. Numbers have risen. At the end of October 2021, 1,177 households were on the Register.

Homelessness Strategy 2022-2027

14. The draft Strategy priorities outlined below, build upon our existing good practice, the use of prevention tools embedded in the Housing Team, whilst responding to more specific issues around support needs and rough sleeping.

Priority one: Prevent homelessness and sustain tenancies

15. Preventing homelessness at the earliest opportunity underpins our approach and this will continue to produce positive outcomes for households despite challenges around securing affordable housing options. Our areas of activity are: supporting those at risk at the earliest opportunity; directing households to money advice services; preventing the loss of a private tenancy; accessing private rented accommodation and tenancy sustainment.

Priority two: Respond to support needs

16. We provide advice, support and make multiple referrals to support agencies and accommodation providers for clients with support needs. There is a good supply of low support housing, but not enough medium to high support housing. Working in partnership is crucial to providing effective support and accommodation options. Our

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priority areas are: mental health; prison leavers and ex-offenders; alcohol and substance misuse; young people and care leavers and domestic abuse.

Priority three: Tackle Rough Sleeping

17. Whilst the number of street homeless people is low, the numbers of clients at risk of rough sleeping due to insecure accommodation arrangements remains an issue. Analysis of the support needs reported, shows this group when combined with people with a history of repeat homelessness form the second largest support need group. Our priority areas of activity are: complex need supported housing scheme, East Surrey Outreach Service (eSOS); tenancy support; and move on schemes.

Priority four: Improve access to and the range of accommodation options

18. Securing the delivery of additional housing options is an on-going long-term challenge supported by the Council's planning policy, the Corporate Plan and Housing Delivery Strategy. We also rely on existing housing to meet housing need and our homelessness duties. Our priority areas of activity are: Housing Register and choice based lettings; delivering new affordable homes, council led schemes and funding our partners to deliver housing.

Action plan

19. The Strategy action plan is focused on new activities and areas of work to support and enhance the good practices we have currently employ and continue to review.

Options

- Option 1 Approve the recommendations in this report. This is the recommended option. The Homelessness and Rough Sleeping Strategy will be approved for adoption and activity on new actions to help prevent and manage homelessness will commence.
- 2. Option 2 Defer approval of the recommendations to enable further work on the Strategy to be undertaken. This is not recommended. This draft strategy has been prepared to respond to local housing need and in consultation, furthermore the current strategy period ends early next year.

Legal Implications

3. The review and strategy have been produced in accordance with the Homelessness Act 2002 and Homeless Reduction Act 2017 and accompanying guidance.

Financial Implications

- 20. Funding for the homelessness service over recent years has comprised sums allocated in the Council's annual Revenue Budget and Capital Programme plus a range of time limited and one-off sources of funding. Much of the time limited funding has either been paid via a government grant or the been secured through a bidding programme.
- 21. The Housing Service revenue budget for 2021/22 is £1.000 million and approved capital budget £0.850 million sourced from Section 106 developer contributions.
- 22. In recent years additional revenue funding has been secured from government in the form of grants or successful bids to funding programmes. A total allocation of £0.812

million was received in 2020/21 and a further £1.100 million in 2021/22. The grant funding comprises the annual Homelessness Prevention grant, Next Steps accommodation funding for rough sleepers, Rough Sleeper Initiative Funding, Cold Weather funding as well as other sources. Funding is allocated for specific uses or projects, for example the annual Homelessness Prevention Grant totalling £1.138 million over two years funds 5 x full time housing staff to manage the additional responsibilities brought in by the HRA, 2 x fraud officers, 2 x Money Support staff, East Surrey Outreach Service, rent in advance, deposits and loans and YMCA NextStep.

- 23. The team has secured capital grant from Homes England of £0.190 million towards the Council led project to deliver four bungalows in Horley as well as revenue grant funding towards support services. The Housing Service worked in partnership to secure £0.150 million capital through the Rough Sleeper Accommodation Programme in 2020/21 towards the purchase of two flats for rough sleepers which will be delivered by Transform Housing.
- 24. The Service has good success at securing grant funding following bids to various government homelessness prevention schemes and will continue to apply as appropriate. Local authorities are notified about programmes at short notice this presents a challenge in terms of forward planning.
- 25. Many future actions and activities will be funded by our current budgets. Additional capital funding will be required to deliver additional accommodation in the form of supported housing for single people and temporary and emergency accommodation for homeless households. The aim is to reduce expenditure on private nightly paid accommodation and provide a local emergency response to homeless households. These projects will be presented as they are developed.

Equalities Implications

26. An Equalities Impact Assessment (EIA) of the strategy has been completed and is attached at Annex 4. The EIA has identified that several groups will be impacted positively, including people who are vulnerable through age; people with a disability or long-term health impairment; those who are pregnant and people experiencing deprivation. No negative impacts have been identified.

Communication Implications

27. There are no specific communication implications from approval and publication of the strategy and review.

Risk Management Considerations

28. The Housing Service and delivery of the strategy are funded by the annual housing budget. This is further supported by annual funding and short-term grant funding from the Department for Levelling up Housing and Communities. A risk to the strategy and to service delivery would be a cessation of the annual Homelessness Prevention grant during the next five years. The loss of short-term grant availability would limit opportunities to undertake activities beyond the scope of statutory activities such as

Agenda Item 4

outreach work, however the normal activities of the housing service are not dependent on short-term grants.

Consultation

- 29. The draft Homelessness & Rough Sleeping Strategy was available on the Council's website for comment from 14th September to 14th October accompanied by a survey seeking views on the Council's homelessness service and activities. A social media campaign throughout this period encouraged participation alongside staff email signatures promoting participation to clients and professionals.
- 30. On 6th October an on-line stakeholder consultation event took place. A range of organisations were invited to attend including local housing providers, NHS staff, County colleagues from mental health, adult social care and commissioning teams, Police, domestic abuse specialists abuse, support providers, Probation, and advice agencies. Invitees were also encouraged to complete the on-line survey and to share their invitation with colleagues. Around 20 individuals attended and were extremely positive about our work and approach. The trend of rising numbers of single people with support needs was recognised along with the gap in supply of suitable supported accommodation for this group.
- 31. The need for and commitment to partnership and joint working was endorsed by professionals. This is already evidenced in the workstreams to deliver support services for complex needs clients already underway across organisations. The consultation event did trigger options for further discussion around supported housing provision, which will be explored further. The consultation also triggered an invitation to talk about our homelessness approach at the Surrey multi-agency homelessness forum. This invitation was accepted and provided another opportunity to cement a partnership approach to resolving the challenges in provision for single people with support needs.
- 32. An all Member workshop also took place on 6th October and was attended by 13 Members, generating questions, comments and interest in single homeless people, accommodation options, the winter night shelter, securing the right affordable housing through planning and queries about private renting. Members expressed their support and interest in the variety of activities undertaken by the team to help households facing homelessness.
- 33. At close of the on-line survey, 37 completed surveys had been submitted from a mix of clients, professionals, front line workers and others. The relatively small number of responses limits generalisations. However, these points emerged:
 - Most participants found it easy to contact the team, some opportunities for changes to further strengthen communication were suggested
 - The public have a slightly lower awareness of the advice and information on the Council's website than professionals, although both groups had found it helped to some extent resolve their housing issue, improvements to add and tailor content to meet different needs and abilities was highlighted
 - Overall respondents rated the housing team positively in its effectiveness in resolving issues, feedback on staff at a personal level was positive from all respondents

- Respondents were largely satisfied with the support provided by the housing team in assisting clients with specific support needs such as mental ill health
- Mental ill health was most frequently mentioned by client respondents as a support need
- Overall participants reported there was not enough suitable accommodation for people with support needs, mental ill health, substance misuse and rough sleepers
- Professionals largely felt joint working arrangements were effective
- Professionals and clients expressed frustration at the lack of housing availability in the borough.
- 34. The survey highlighted areas in which the housing team can make small changes to improve the customer experience, it also highlighted the need to review our website content and raise awareness of it. These improvements and changes will be made within day to day service delivery.
- 35. The issues flagged around support needs, gaps in suitable supported housing and lack of affordable housing more generally, endorse the priorities set out in the Homelessness Strategy.

Policy Framework

36. The Corporate Plan 2025 sets a housing objective to secure the delivery of homes that can be afforded by local people and choice of tenure, type and size. A series of actions explain how this will be achieved. Actions include working with partner organisations to deliver homes for local people, providing local temporary and emergency housing whilst continuing to secure private rented and social housing to prevent homelessness, working with Raven to identify estate renewal opportunities, prioritising local people for affordable housing, and using or planning policies to secure affordable housing. The Strategy will make a significant contribution towards meeting these Corporate objectives.

Background Powers

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

Annexes

Annex 1: Homelessness Review

Annex 2: Homelessness & Rough Sleeping Strategy 2022-27

Annex 3: Homelessness & Rough Sleeping Strategy Action Plan 2022-27

Annex 4: Equality Impact Assessment

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Annex 1

Homelessness Review

Draft November 2021

Homelessness & Rough Sleeping Strategy 2022-27



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Introduction

This Homelessness Review is written to accompany the Homelessness and Rough Sleeping Strategy 2022-27. The review examines homelessness in the borough during the last 3-5 years, related issues around affordability and supply of affordable homes. This enables the Council to identify and understand the trends in housing need and homelessness and our response.

Homelessness is caused by multiple factors. This document looks at levels of homelessness within the context of the wider housing market, the costs of market homes, private rented properties as well as the maximum levels of benefit paid towards housing costs.

Much of the data around homelessness is taken from the introduction of the Homelessness Reduction Act 2017 (HRA), enacted April 2018. This significantly changed our duties and the amount of information available at each stage of an applicant's housing journey. This also means it is not possible to compare outcomes between the old and new legal duties.

Terminology

The Homelessness Reduction Act 2017 (HRA) introduced new processes and terminology for the way local authorities manage homelessness applications. The data in this document is presented in terms of 'duties'. These terms are explained briefly below.

Prevention Duty

Anyone can approach the Council for housing advice and assistance. A prevention duty applies when the Council is satisfied an applicant is eligible and threatened with homelessness within 56 days. This duty triggers co-production with the applicant of a

personalised housing plan (PHP) and casework including a variety of activities to prevent that an applicant becoming homeless. The prevention duty ends:

- If the prevention activities remove the homelessness threat
- After 56 days if the applicant becomes homeless
- If the applicant refuses an offer of suitable accommodation

Relief Duty

This duty applies when the Council is satisfied an applicant is eligible and is homeless. The Council has a duty to assess and provide a PHP. The duty ends:

- If the relief help works and the applicant is no longer homeless
- If suitable accommodation is available for six months
- If the applicant deliberately and unreasonably refuses to cooperate
- If the applicant refuses a suitable offer of accommodation

Main Duty

The 'main' duty is defined in section 193 Housing Act 1996 and applied to priority need applicants only, but they are excluded from the full duty if they:

- Deliberately and unreasonable refused to co-operate, in this case they are still entitled to a 'final offer' of a 6 month private sector tenancy
- Refuse a final offer of suitable accommodation at the relief stage

About the borough

Population

According to the 2016 mid-year population estimates, Reigate & Banstead has a population of 145,648. This has increased by 5.7% since mid-2011. The population of Reigate & Banstead is 35% higher than the average of the other districts and boroughs in Surrey. The gender of the population is split fairly evenly between males and females and the 2011 Census showed that 85% of the population is classified as white British.

Income and employment

The claimant count of those aged 16-64 required to look for work in England was 5.5% of the population according to the Office for National Statistics in August 2021. Within Surrey 23,615 claimants were seeking employment accounting for 3.2% of the working population. The borough rate stood at 3,145 claimants or 3.5% of the local population and is joint third highest in the county, although still below the England average. In the UK the average

resident income was £25,780 in 2020. The median borough resident earned income was recorded as £32,310. This is above the Surrey median earned average of £30,896 and higher than the South East and UK averages.

Deprivation

The borough has low levels of income deprivation although this masks differences within the borough. In Reigate & Banstead 6.7% of the population was income deprived in 2019 according to the Department for Levelling up Housing and Communities statistics. Of the 316 local authorities in England, the borough is ranked 273rd most income-deprived. Looking more closely at the 86 neighbourhoods in the borough, Merstham was amongst the 20 percent most income-deprived in England.

The Local Housing Market

Whilst some caution should be applied to current figures available on tenure as they are based on 2011 Census data, they provide a guide. It is worth noting, the Council had no housing stock in 2011, we can assume this option was selected in tenure in error by respondents. The Census 2021 is likely to show a small shift between tenures, perhaps with a slight increase in numbers of private rented homes reflecting the upwards shift in average age of households buying a first home, the impacts of changing mortgage lending practices and the rising cost of market sale homes.

Table 1: Borough tenure split

| Owned outright | Owned with mortgage / loan | Shared ownership | Rent from council | Other social rented | Private rented | Living rent free |
|----------------|----------------------------|---------------------|-------------------|---------------------------|-------------------|------------------|
| 33.2% | 39.9% | 1.2% | 2.4% | 9.5% | 12.9% | 0.9% |

Source: Census 2011, Surreyi

It is also interesting to consider the proportions of different types of property within the borough to understand the supply, the types of properties and related housing costs for those seeking to move or purchase. Again, these figures are extracted from Census 2011 and since this time the borough has delivered additional new build homes, some office conversions have created residential dwellings and some houses will have converted to flats.

Table 2: Borough dwelling types

| Detached | Semi- detached | Terraced | Flats | Caravan or other mobile or temporary structure |
|----------|-------------------|----------|-------|--|
| 28% | 30% | 17% | 24% | 1% |

Source: Census 2011, Surreyi

The Land Registry reports in their Price Paid Data that during 2020/21, the average sale value of properties in the borough was £567,685 in quarter 4, having decreased by 4.9 percent during the year. For those buying their first home, most entry level purchases are for flats and maisonettes and some terraced houses which are typically lower value properties. The average flat / maisonette value during this time was £270,330 and average terraced house £418,439.

Housing market affordability is recognised as the most significant challenge facing the housing market and one that has intensified in recent decades. A comparison of median incomes and average house prices shows over 12 times income ratio are needed to purchase.

High market housing costs have also impacted on private rental costs. According to the Valuation Office Agency in 2019 the average median monthly one bedroom rent was £825, two bedroom rent was £1,075, three bedroom rent £1,375 and four bed rent £1,900. Looking at current prices on Rightmove during September 2021, typical rents are now higher. A one bed flat is around £850 a month, two bed flat around £1,200 a month and three bed house around £1,600 a month.

In comparison local housing allowance rates (LHA), which is the maximum benefit paid towards housing costs, are below average private rents. Households facing homelessness tend to have lower incomes therefore face even less choice when entering the private sector market. They can only afford lowest quartile rents and these are in short supply. The borough falls within two Broad Rental Market Areas and this means two different LHA rates have been set geographically.

Table 3.1: Borough local housing rates 2021/22 – 1 April 2021 LHA rates Crawley and Reigate

| | Shared | 1 bed | 2 bed | 3 bed | 4 bed |
|--------------|---------|---------|---------|-----------|-----------|
| Weekly cost | £101.61 | £172.60 | £218.63 | £276.16 | £356.71 |
| Monthly cost | £440.31 | £747.93 | £947.40 | £1,196.69 | £1,545.74 |

Table 3.2: Borough local housing rates 2021/22 – 1 April 2021 LHA rates Outer South (North of the borough including Preston)

| | Shared | 1 bed | 2 bed | 3 bed | 4 bed |
|-----------------|---------|---------|-----------|-----------|-----------|
| Weekly cost | £103.56 | £201.37 | £253.15 | £316.44 | £399.29 |
| Monthly cost | £448.77 | £872.60 | £1,096.98 | £1,371.24 | £1,730.26 |

Discretionary Housing Payments

Discretionary Housing Payments (DHP) are administered by the Housing Benefit team with many applications made by applicants supported by Housing Services. The funding is used to prevent homelessness and bridge affordability gaps of households experiencing financial difficulty. Normally DHP funding is set at 0.1% to 0.2% of expenditure. Since 2010 there have been funding increases in recognition of the impacts of welfare reform. Unfortunately, the additional funding is being phased out. The table below shows DHP funding has increased each year generally. Typically, households assisted by the Housing Team account for up to half of DHP spend annually.

Table 4: Discretionary Housing Payment budget

| Year | Total DHP fund | Total Spend |
|---------|----------------|-------------|
| 2020-21 | £340,034 | £286,767 |
| 2019-20 | £268,903 | £265,255 |
| 2018-19 | £253,984 | £229,604 |
| 2017-18 | £271,256 | £265,491 |
| 2016-17 | £185,815 | £185,463 |

New Housing Delivery

The Council has a housing target to deliver at least 6,900 dwellings over the local plan period (2012-2027) averaging at 460 net dwellings per annum. Since 1st April 2012, 4,922 net dwellings have been completed equating to an annual average of 547 per year.

The Council's Local Plan has a target to deliver 1,500 affordable homes over the Plan period, as part of the overall delivery of additional homes. This averages at 100 net affordable dwellings per year. Between 2012/13 and 2020/21 a total of 918 affordable homes were completed, this target is on track.

Graph 1: Annual new build affordable housing delivery



All the affordable units delivered to date are based on a tenure mix of 40 percent social / affordable rented homes and 60 percent shared ownership. To date, 45 percent of completions (413 homes) are for social / affordable rented homes and 55 percent (505 homes) shared ownership. This tenure mix was revised in 2020 to 60% social / affordable

rented and 40% shared ownership reflecting changing needs and affordability challenges in the borough. Sites based on the revised mix have yet to be delivered.

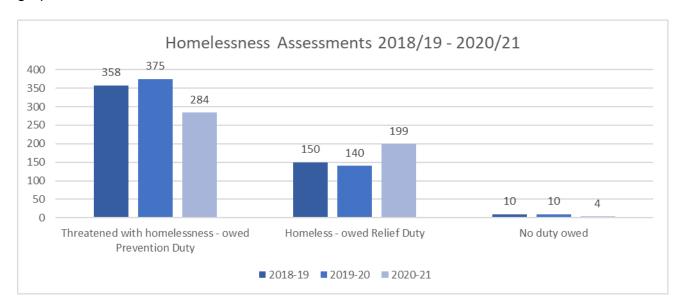
Trends in Homelessness

Homelessness Reduction Act

The Homelessness Reduction Act (HRA), enacted April 2018, placed new legislative requirements on local authorities and extended many of the duties and responsibilities on local authorities set out in the Housing Act 1996. The legislative changes, which built upon the homelessness prevention approach already adopted by the team, are fully embedded into the Housing Service. New software was installed to better support our strong casework approach and enable the team to manage the additional administration burden of the Act. The team implemented new practices, changed its structure, and expanded to manage the duties and administration. A revised team structure is in place with a Prevention Team managing all initial housing enquiries, advice and homelessness prevention duties. The Relief Team provides overlap with the Prevention Team and in addition handles all homelessness relief and main duty cases.

Homelessness applications

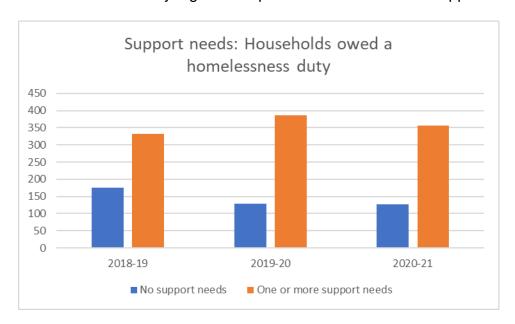
The Housing Team carried out a total of 1,530 initial assessments of homeless households during 2018-2021. In reality a higher number of applicants contacted the Team, but not all contacts led to an application as many were resolved with advice and signposting. The graph below shows a breakdown of the duties.



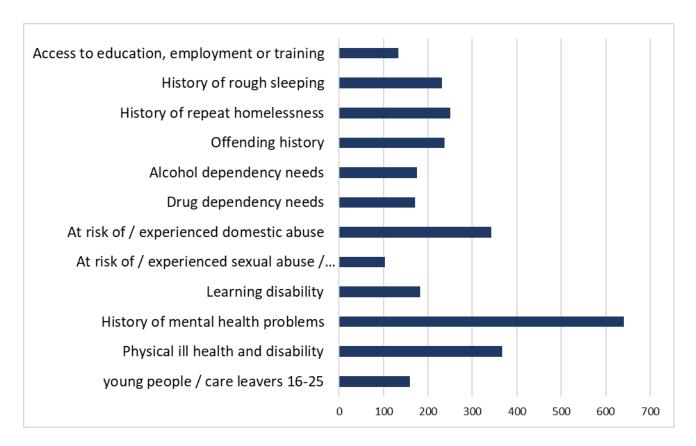
The number of initial assessments for both prevention and relief duties remained broadly consistent over 2018-2020. However, there were slight changes in 2020-21, where initial assessments declined for Prevention duties and increased for relief duties.

Homelessness & support needs

Since the introduction of the HRA, the proportion of households reporting support needs has been consistently high in comparison to those with no support needs.



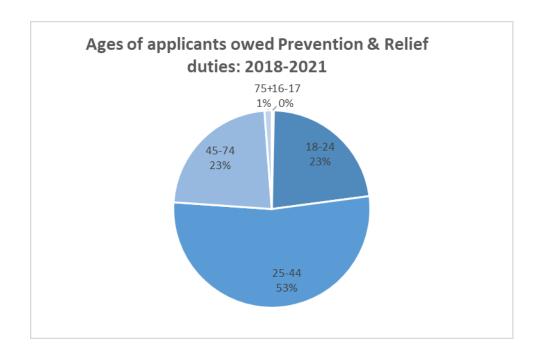
Since 2019, the proportion of households reporting complex needs, defined as multiple support needs, who require more support has risen. This has added pressure on the Housing Teams and other partners to deliver more support and to source and provide appropriate accommodation.



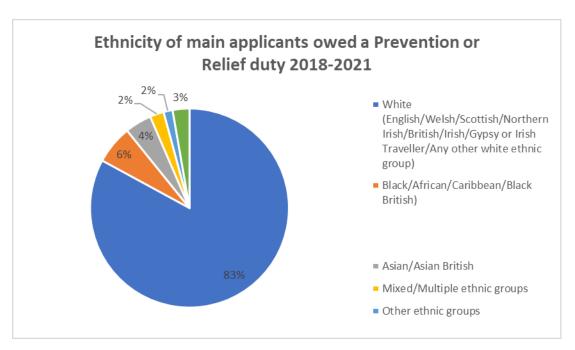
The graph above collates the most common support needs recorded during 2018-21. Over 3,200 support needs were identified by applicants. Mental ill-health is the most common single need accounting for 20 percent of all needs. This is followed by physical ill health or disability, and thirdly by risk of or having experienced domestic abuse, both of which account for 11 percent of needs. However, when you collate the two interconnected needs of having a history of rough sleeping and history of repeat homelessnes this becomes the second most common support need. Further analysis shows the combined sustance misuse groups, become one of the five most common support needs. The reality is that many applicants experience multiple needs and mental ill health unlies many other related support needs.

Homelessness and Age

More than half of all applicants owed a prevention or relief duty between 2018-21 fall into the 25-44 age group. Around an equal number of applicants fall into the 18-24 and 45-74 groups. This indicates homelessness tends to affect working age households, often with children.



Homelessness and ethnicity



The most common ethnicity of the main applicant owned a housing prevention or relief duty is White. In comparison to the last Homelessness Strategy, there has been a one percent increase in the proportion of White main applicants and a 4% decrease of Black applicants. The percentage of Asian applicants has remained the same with a decrease in acceptances from all other ethnic groups. This largely reflects the borough's overall ethnicity.

Homelessness & sexual identification

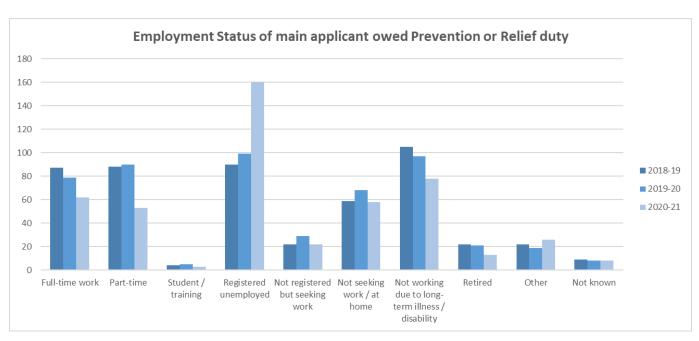
Understanding the specific housing issues facing the LGBTQ+ community helps to shape the advice, assistance, and accommodation options available. The following basic data has been recorded through the quarterly homelessness data collection to government.

Table 5: Sexual identification of homeless applicants

| Sexual Identification | 2019-20 | 2020-21 |
|-----------------------------|---------|---------|
| Heterosexual/Straight | 450 | 431 |
| Homosexual (Gay/Lesbian) | 8 | 6 |
| Other | 15 | 10 |
| Prefer not to say | 43 | 42 |

Between 2019-21, a total of 88% of applicants owed a prevention or relief duty identified as heterosexual / straight and 1% as homosexual (Gay/Lesbian). The remaining, 8% of applicants chose not to disclose, with 3% selecting 'Other'.

Homelessness and employment status

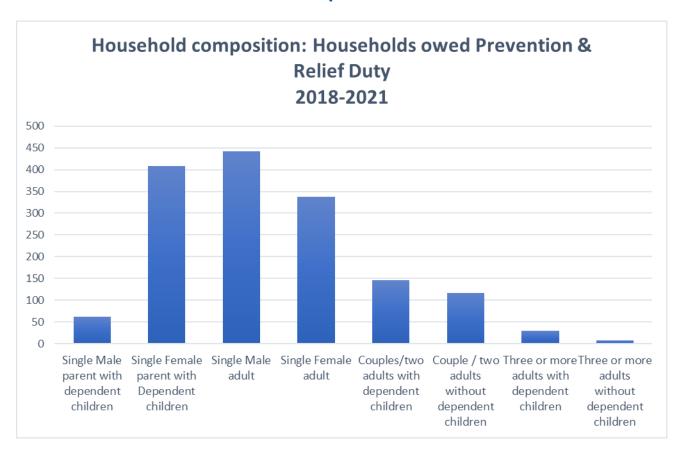


Although difficult to draw trends from such a short time period, in the two years up to the Pandemic the employment status of applicants was stable. This reflects the overall employment market in the borough in which there is high employment. But as the graph above shows, there was a significant increase in the proportion of applicants with an

unemployed status in 2020-21. This reflects the economic impacts of the Pandemic during this time as many workers were made redundant. This is anticipated to be a temporary situation and already the employment market appears to be recovering in many sectors.

Looking closely at the data, we can see that the numbers of applicants not working due to a long-term illness or disability is relatively high. This corresponds with the numbers of households owed a housing duty reporting a support need related to physical ill health and disability and the numbers overall reporting one or more support needs.

Homelessness and household composition



Overall single people account for 50 percent of all prevention and relief duty acceptances. Looking in more detail, at the prevention duty stage, slightly more single females (236) were owed a duty than males (209), but this switches at the relief duty stage to a higher number of single males (233) owed a duty than females (101). This change correlates with the data recorded about the accommodation status of households at the relief duty stage which shows increases in discharges from institutions, no fixed address and rough sleeping which tend to be more common situations for men than women. We also know a high proportion of households experience multiple support needs and that single people with complex needs continue to experience housing instability due to a lack of medium to high support accommodation and outreach housing support.

The next largest household type accepted for a relief duty is single female parents with dependent children households at 26 percent. This correlates with data around non-violent relationship breakdown and domestic abuse and societal trends on caring responsibilities.

Causes of Homelessness

The main cause of homelessness at the point of first contact with the Housing Team has changed over the years from end of a private rented tenancy being the most common cause prior to the HRA, to family / friend evictions being the most common cause. This also correlates with the increase in prevention and relief Duties owed to single people and rising housing costs.

Table 6: Prevention Duty reason for risk of homelessness

| Cause of threat of homelessness | 2018-19 | 2019-20 | 2020-21 | Total |
|--|---------|---------|---------|-------|
| Family / friends eviction | 87 | 105 | 121 | 313 |
| End of private rent assured shorthold | 93 | 95 | 68 | 256 |
| Other | 85 | 61 | 30 | 176 |
| End of social tenancy | 30 | 42 | 12 | 84 |
| Non-violent relationship breakdown | 28 | 27 | 24 | 79 |
| Domestic abuse | 18 | 25 | 21 | 64 |
| Supported Housing eviction | 7 | 10 | 5 | 22 |
| End of non- assured shorthold private rent | 4 | 7 | 6 | 17 |
| Other violence / harassment | 4 | 3 | 2 | 9 |

Source: Reigate and Banstead BC

Table 6 above shows the main causes of homelessness at the point a homelessness prevention duty is accepted. Family / friend eviction is the most common cause, followed by the end of a private rented assured tenancy. Whilst the 'other' category features strongly in years 2018-20 the numbers have declined year on year, reflecting changes in the categorisation of cases. Examples of 'other' causes include unaffordability, loss of tied accommodation, social tenancy succession cases, property guardians and mortgage repossessions. Putting the 'other' category aside, the third most common reason for threat of homelessness is the end of a social housing tenancy.

Table 7: Households owed a Relief Duty by reason for risk of homelessness

| Cause Relief Duty | 2018-19 | 2019-20 | 2020-21 | Total |
|--|---------|---------|---------|-------|
| Family / friends eviction | 33 | 34 | 60 | 127 |
| Domestic abuse | 30 | 25 | 33 | 88 |
| Other | 32 | 21 | 24 | 77 |
| End of private rent assured shorthold | 20 | 17 | 10 | 47 |
| Supported Housing eviction | 11 | 15 | 20 | 46 |
| Non-violent relationship breakdown | 7 | 9 | 21 | 37 |
| End of social tenancy | 7 | 9 | 9 | 25 |
| Other violence / harassment | 6 | 2 | 8 | 16 |
| Left institution with no accommodation available | 3 | 5 | 7 | 15 |
| End of non- assured shorthold private rent | 1 | 3 | 7 | 11 |

Source: Reigate & Banstead BC

In terms of cause of homelessness at the relief duty acceptance stage, the most common cause remains family / friend eviction. At this point domestic abuse as a cause becomes the second highest reason. Putting aside homeless cause classified as 'other', the loss of an assured shorthold tenancy is the third most common reason. Overall, the reduction in numbers owed a duty transferring through from the prevention duty to the relief duty reflects the intensive casework undertaken by the Homelessness Prevention Team who negotiate with family / friends, private landlords to enable households to remain for the foreseeable future or to secure enough time to make a planned move.

Table 8: Accommodation type occupied at time of prevention duty

| Accommodation type: Prevention Duty | 2018-19 | 2019-20 | 2020-21 | Total |
|--|---------|---------|---------|-------|
| Private rented | 145 | 138 | 87 | 370 |
| Living with family | 102 | 120 | 125 | 347 |
| Social rented sector | 44 | 46 | 16 | 106 |
| Living with friends | 33 | 39 | 33 | 105 |
| Other category | 25 | 23 | 20 | 68 |

Source: Reigate & Banstead BC

The type of accommodation occupied at the point a prevention duty is accepted for a household reflects the cause of homelessness. The table above captures the main types. Extremely small numbers of prevention cases are homeowners, from institutions, from refuges, temporary accommodation or national asylum seeker accommodation.

Table 9: Accommodation type at time of relief duty acceptance

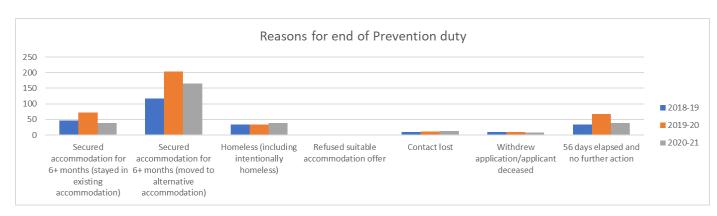
| Accommodation type: Relief Duty | 2018-19 | 2019-20 | 2020-21 | Total |
|------------------------------------|---------|---------|---------|-------|
| Living with family | 35 | 41 | 55 | 131 |
| No fixed abode | 24 | 17 | 23 | 64 |

| Private rented | 20 | 15 | 19 | 54 |
|------------------------------------|----|----|----|----|
| Social rented sector | 10 | 15 | 23 | 48 |
| Homeless on leaving an institution | 10 | 11 | 22 | 43 |
| Refuge | 18 | 10 | 11 | 39 |
| Rough Sleeping | 4 | 13 | 21 | 38 |
| Living with friends | 15 | 13 | 9 | 37 |

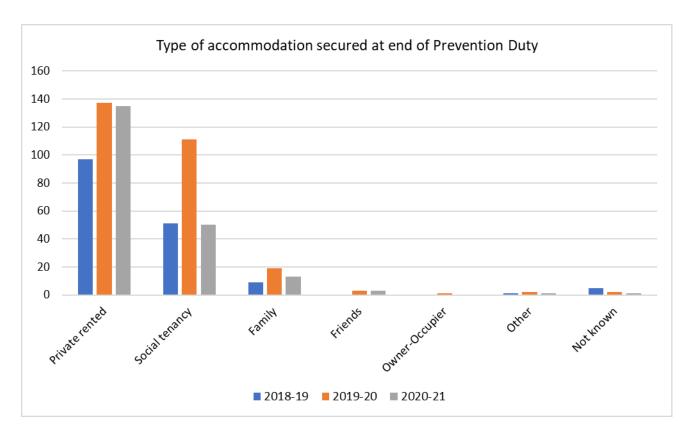
Source: Reigate & Banstead BC

As Table 9 above shows, the living arrangements of households owed a relief duty is different from those at the prevention duty stage. This reflects the different circumstances and acute housing need of households at this stage. At the relief stage, we can see higher proportions of applicants coming from insecure housing or without accommodation. The numbers of people at risk of or rough sleeping is higher.

Homelessness duty outcomes

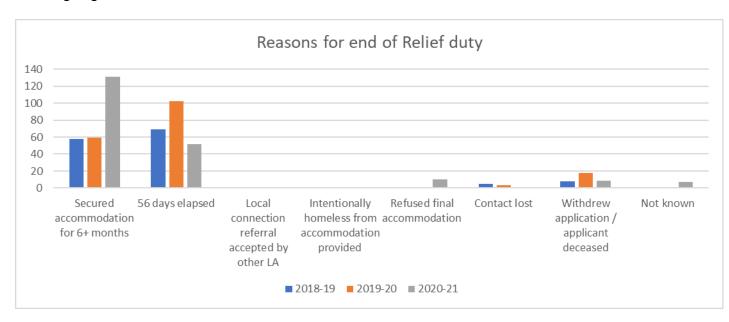


As the graph above shows, for 51 percent of prevention cases their housing issue was resolved by securing alternative accommodation. A good proportion (16 percent) of households are also assisted to remain in their existing homes which is the preferred outcome for many applicants. This is achieved through negotiation with landlords, family and friends, but also by helping with budgeting and money advice to support households to manage financial difficulties which may be impacting on housing affordability. The graph also shows that for 15 percent of cases the duty elapsed and there was no further action.

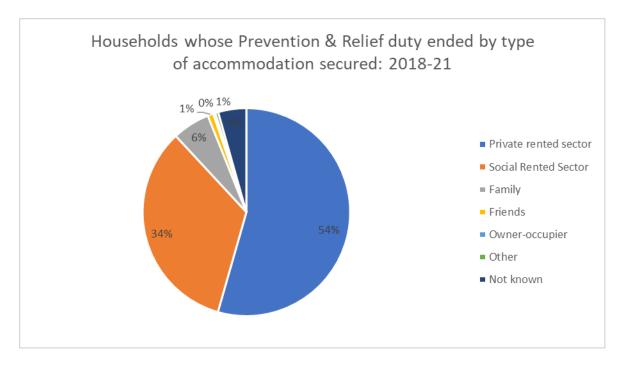


The graph above shows that most households assisted to prevent their homelessness secured or remained in private rented accommodation highlighting the importance of this tenure. A high number of new tenancies and the saving of 'at risk' private tenancies was achieved by the Housing Team, NextStep, and by applicants themselves having received the Team's advice and sometimes financial assistance.

A good proportion were assisted to avoid eviction or secured a social tenancy through the housing register.



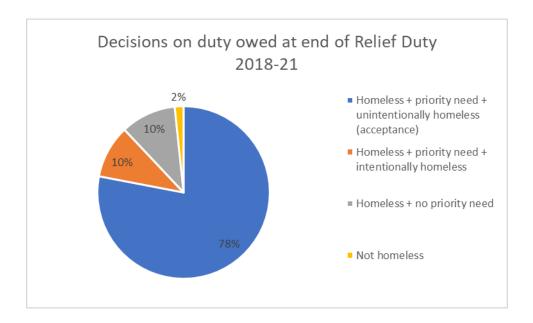
The reasons for end of a relief duty differ from the prevention duty due to their different circumstances, with relief applicants in more acute need. The 2020/21 period shows more than a 50 percent increase in relief duties ending by the securing of accommodation in comparison to the previous two years. The increased numbers of tenancies in 2020/21 reflect the fact more single people approached as a result of the 'Everyone In' initiative which particularly assisted single people in insecure housing or at risk of or rough sleeping. The Council received additional government funding to assist single people and could therefore help with meeting the costs of securing private housing.



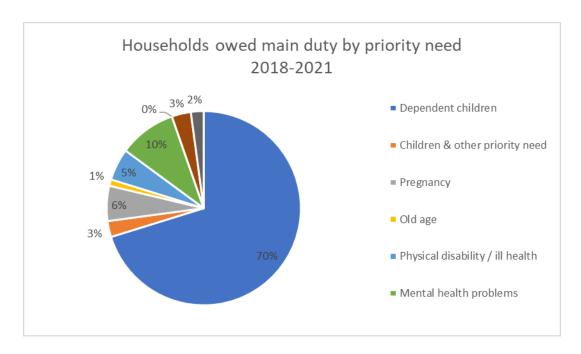
Over half of all prevention and relief duties that ended during 2018-21 secured private rented accommodation. More private rented tenancies were secured for prevention duty cases than relief duty cases. The social rented sector assisted a third of all households, these were households who had already joined and been waiting on the register for some time.

Looking in more detail at the type of accommodation secured by relief duty cases, whilst the securing of private tenancies accounted for 46 percent of successes, securing a supported housing placement accounted for 22 percent of outcomes, followed by 13% securing a social housing tenancy. This reflects the higher numbers of people with support needs being assisted at the relief duty.

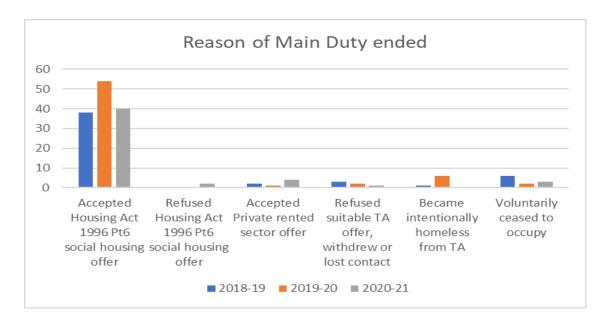
Main duty



At the point the relief duty ends a decision is made by the Council on the main duty owed to each household. During 2018-21 a total of 241 decisions were taken and a main duty accepted to 188 households. Much smaller numbers, were found to be either in priority need and intentionally homeless or homeless with no priority need. Only four households were found to be not homeless. Looking at the numbers accepted in each of the last three years, in the first year of the HRA 68 final duties were accepted, rising to 73 in 2019/20 and declining to 47 in 2020/21. This decline is linked to the particular impacts of temporary legislation during the Pandemic impacting on notice periods and evictions as well as court closures.



Looking in more detail at the household type to whom a main homelessness duty was accepted, 132 equating to 70 percent of the total, were households with dependent children. Despite mental health being the most common reported support need this priority need accounted for 10% of main duty cases.



Almost all households owed a main housing duty during 2018-2021 were placed in band H of the Housing Register and were made and accepted an offer of a social housing tenancy. Only two households declined this offer in 2020-21.

Furthermore, in 2020-21 more households accepted a private rented sector offer reflecting the higher numbers of single people approaching as homeless during this unusual year, the

efforts of the Housing Team and applicants to secure private rented accommodation and additional government funding targeted at single people.

Rough Sleepers

Looking at street homelessness, based on the information received from various agencies on any given night, we estimate there to be a couple of people sleeping rough at any given time. Members of the public are encouraged to report any sightings to Streetlink. These notifications are overseen by East Surrey Outreach Service (ESOS). ESOS locates individuals, makes contact and helps them access an assessment bed as appropriate or other services whilst working closely with the Housing Team. During 2019/20 ESOS received 78 Streetlink alerts and 143 alerts in 2020/21. In terms of direct referrals from agencies, ESOS received around 67 referrals in 2019/20 and 100 referrals in 2020/21.

Generally, the street rough sleepers in the borough tend to be those who have migrated from the London area, or via Gatwick airport. Some are people we have had previous contact with or have assisted with accommodation in the past.

Government guidelines state that a count of street rough sleepers is not required where it is estimated there are less than 10 rough sleepers in a borough / district. However, each year all the Surrey authorities undertake a count in November, this is either an estimate or a street count. Reigate and Banstead usually undertakes a street count, we record on average 2-3 rough sleepers during this snapshot.

Rough sleeping also includes people who are of no fixed abode, so called sofa surfers, those in and out of prison or other institutions or leading chaotic lifestyles. Some of these individuals may find themselves street homeless for short periods. Our data analysis of the last three years shows a total of 62 percent of relief duties were for single people accounting for 334 duties. There is a gender split within this single cohort with males accounting for 70 percent of this single group and a lower proportion of females at 30 percent. Of these relief duties 13 percent reported they were of no fixed abode, 8 percent rough sleeping, and 9 percent homeless on leaving an institution, this is typically prison. The data recorded on support needs also highlights the high proportion of support needs around history of rough sleeping, repeat homelessness alongside other support needs. Many of the single people staying with friends or family usually with insecure arrangements are also vulnerable to homelessness and risk of rough sleeping.

Housing Register

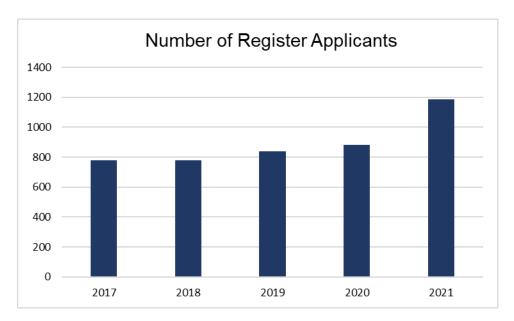
The Housing Register is a list of households with a housing need waiting for an allocation of social housing in the borough of Reigate & Banstead. The Council is a non-stock holding local authority all properties are owned and managed by various housing associations. We

have the right to nominate households to a minimum of 75% vacant homes and in reality, local stockholders tend to offer a higher proportion of vacant homes to the Council.

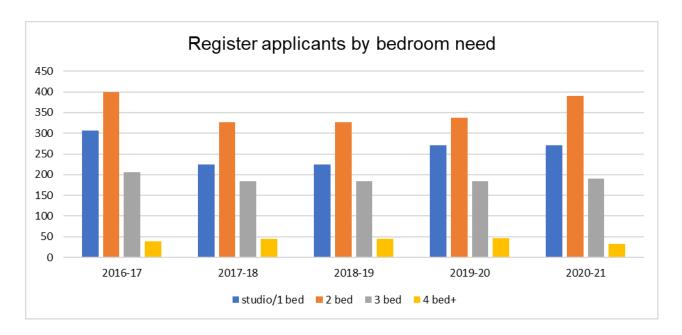
Applications are split into those waiting to move into the social rented sector and those already in social housing who need to transfer. Each application is assessed and placed into one of five bands (A-D or H) to reflect the level of housing need. In many cases, applicants making a community contribution through employment, volunteering or studying will be placed in a higher priority band than those who are not.

The Council operates an online choice-based lettings system called HomeChoice. Most homes are advertised on the HomeChoice website where they are prioritised for one or more priority bands. Applicants can place bids on homes they would like to live in. After close of advertising, bids are assessed and placed in application effective date order. The successful bidder is nominated to the social landlord.

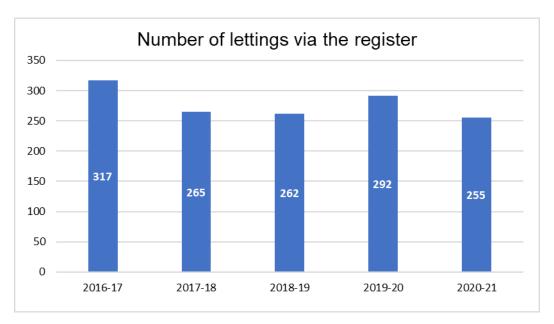
Not all homes are advertised, direct offers are made to band A and band H households, these are households in acute housing need or with specific accommodation requirements. There is a very limited supply of social housing in the borough and demand surpasses the supply.



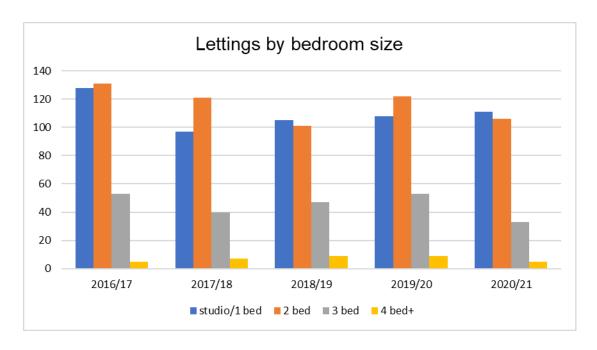
After a drop in the number of applicants on the register during 2017-19, applications have increased. This has created more housing pressure and increased the waiting time on the register for each household. One of the impacts of the Pandemic has been an increase in numbers of households applying to join the Register as households faced reduced incomes, loss in earnings or redundancy.



Over the last 5 financial years, the need by size of property has broadly remained stable. The majority of demand is for 2 bed properties and the least demand is for 4+ bed properties. Despite the relatively small numbers of households in need of 4+ bed homes, the wait time is longer for this group because there is a very limited supply.



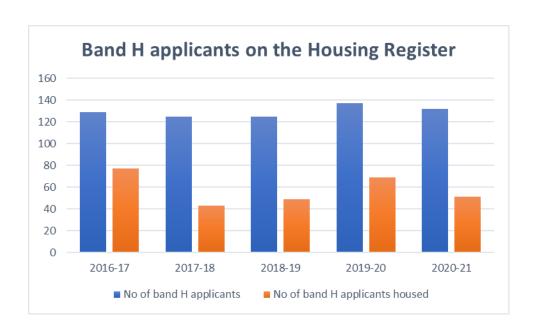
The graph above shows that in 2020/21 the lowest number of applicants were accommodated through the Housing Register into social housing tenancies. The decrease reflects the effects of Pandemic on numbers homes becoming vacant and a temporary slowing down in turn-around times for properties that became vacant.



The graph above shows that over the last 5 financial years, the most common letting is to studio/1 bed or 2 bed properties. This reflects the available social housing stock in the borough, with a higher proportion of smaller homes than larger family homes and also reflects the flow of households through the stock as household size changes. The highest number of lettings took place in 2016-17 after this time they have reduced slightly. During 2020/21 the number of three bedroom or larger homes available for letting reduced even further and the waiting time for larger homes has lengthened.

Band H

Band H applicants are high priority homeless households to whom the Council has accepted a duty to accommodate.



Over the last 5 years, the numbers of Band H applicants have remained fairly consistent. After a sudden decrease in the numbers of Band H applicants being housed through the register in 2017-18, numbers have increased. However, similarly to other applicants on the Register, Band H applicants were also subject to the effects of the Pandemic in 2020-2. With fewer void properties being available there was a slight reduction in band H applicants housed in social tenancies.

Homelessness Accommodation

The Council has access to around 115 self-contained temporary accommodation units in the borough operated by Raven Housing Trust, Accent & Hyde Housing and a very small number operated by the Council. The Council also has non self-contained accommodation in Horley used as emergency housing mainly for families.

In addition, the Council sources nightly paid self-contained accommodation for families and shared facility accommodation for single people both in and out of the borough. We aim to keep as many households as possible in the borough and place out of borough when local options are exhausted. Placements out of area are typically in Crawley, West Sussex and the Croydon area.



Homelessness & Rough Sleeping Strategy

2022-2027

Draft November 2021



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Foreword from Portfolio for Housing and Support

To follow.

1. Introduction

The past five years the social housing sector have been characterised by change, new ways of working and the need for even more innovation. New homelessness legislation introduced in 2018 has widened the Council's homelessness responsibilities and duties whilst also placing responsibilities on households themselves to undertake prevention activities.

Our Housing Service had already shifted its focus to the prevention of homelessness prior to the Homelessness Reduction Act. We recognise the importance of assisting household to avoid homelessness and the many impacts it has on relationships, employment, support networks and schooling. This approach has led to many positive housing outcomes for households over the years and placed us in a strong position to manage the unforeseen challenges of a Pandemic.

We remain committed to delivering positive results with and for our clients. Partnership work is embedded in our approach. Our close work with statutory agencies such as Probation, Surrey and Boarders Partnership, Adult Social Care, Children's Services, Surrey Police, primary care networks, and others is key to securing effective outcomes for our clients. Our many social housing providers which include Raven Housing Trust, our main local stockholder and a range of low support housing providers like Transform Housing and Support help us secure homes and stability for clients. Finally, the many charities we work with such as Furnistore, Stripey Stork and our local food banks provide our clients with items to turn a property into a home as well as delivering essential supplies to those in financial crisis.

Our five year priorities are driven by our on-going commitment to preventing homelessness at the earliest opportunity whenever possible. The borough is a high housing cost area, and this influences the availability of affordable housing options. Securing the supply of affordable social and affordable rent homes is essential alongside sourcing private rented tenancies. For many households, tenancies are one aspect of the housing journey, it is the support and advice, money advice, financial help, tenancy support and practical help that completes the process. This is built into our approach to tackling homelessness.

2. The National Strategic Context

A range of national priorities and policies, alongside legislation have influenced and shaped the Council's strategy and direction. The ending of rough sleeping and reduction in homelessness is a national priority and is linked to other national strategies and initiatives around reducing drug use, reducing delayed hospital discharges, supporting care leavers and those in the criminal justice system. These include the:

- Criminal Justice Act 2003
- National Services Act 2006 and Delayed Discharges Directions 2013
- HM Government Care Leavers Strategy 2013 updated 2014
- Localism Act 2011
- Homelessness Reduction Act 2017
- Working Together to Safeguard Children 2018
- The Rough Sleeping Strategy 2018
- Next Step Accommodation Programme 2020
- Rough Sleeping Accommodation Programme 2021
- Domestic Abuse Act 2021

These strategies and the legislation are set in the wider context of welfare reform which has implemented significant changes to the welfare benefit system, housing costs, benefit caps and sanctions. In more recent times emergency COVID legislation made temporary but significant changes to private renting notice periods and closed courts preventing eviction proceedings including bailiff warrants.

3. Local Strategic Context

At a countywide level the main strategies and programmes that support tacking homelessness and delivering the right accommodation and services are:

- Community Vision for Surrey 2030
- Surrey Against Domestic Abuse Strategy 2018-2023
- Every Adult Matters agenda
- Surrey Health and Well Being Strategy

Heads of Housing Services across Surrey together with Registered Providers, Surrey County Council representatives and Homes England attend the regular meeting the Surrey Chief Housing Officer Association. This group champions stronger working relationships across organisations, the development and maintenance of strategic relationships and projects with

Surrey County Council, health authorities as well as joint bids to Homes England and government funded programmes.

The Surrey Housing Needs Managers group meets regularly with a focus on homelessness agendas including housing waiting lists. It undertakes joint work responding to consultations, new national and local initiatives, to benchmark performance and indicators, develop joint protocols and joint working practices with other agencies and jointly bid for homelessness funding programmes.

At a local level the Reigate & Banstead 2025: Five Year Plan sets out the Council's vision and priorities for the borough. Within it, the housing objective is 'Secure the delivery of homes that can be afforded by local people and which provide a wider choice of tenure, type and size'. Our five year plan highlights the housing challenges facing the borough around affordability, numbers on the Housing Register, in temporary accommodation and delivery of new affordable housing.

In addition, the Council has published and begun implementing the priorities in the Housing Delivery Strategy. With a focus on delivering homes, it is supported by significant financial investment. Several of the projects being delivered through it will support the Homelessness Strategy and are explored in more detail in this document.

4. Priority One: Prevent homelessness and sustain tenancies

The Homelessness Reduction Act (HRA), enacted April 2018, placed new legislative requirements on local authorities and extended many of the duties and requirements on local authorities set out in the Housing Act 1996 and Homeless Act 2002.

The legislative changes, which built upon the homelessness prevention approach already adopted by the team are embedded into the Housing Service. New software was installed to better support our strong casework approach and enable the team to manage the additional administration burden of the HRA. The team implemented new practices, changed its structure, and expanded to manage the new prevention duties and administration. A revised team structure is in place with a Prevention Team managing all initial housing enquiries, advice and homelessness prevention duties. The Relief Team provides overlap with the Prevention Team and in addition handles all homelessness relief and main duty cases.

4.1 Our Housing Options Team and new ways of working

The Housing Options Team expanded in 2018 in response to impacts of the HRA. Since 2018 four Prevention Officers, a Customer Support & Admin Officer and an additional Relief

Officer post was created. The Housing Service receives the Government funded Homelessness Prevention Grant to support our activities and increased staffing.

To manage the impacts of additional and longer duties to households, as well as investment in ICT and staff, we have changed the appointment and duty phone systems. This has built in the additional time needed to undertake full and detailed assessments and comprehensive homelessness prevention activities. A daily Duty Officer from each of the Prevention and Relief Teams is available by telephone for advice, booking document check appointments and for emergency assistance.

The introduction of 'document check' appointments with a dedicated staff member, for every client at risk of homelessness means all relevant information regarding their case is collected in preparation for a detailed casework appointment and development of a personal housing plan (PHP). The Duty system also provides capacity for all staff to undertake intensive casework with individual clients.

Supporting the work of our four Prevention Officers and four Relief Officers is a Housing Support Coordinator. In place since 2018, this role provides more intensive support and practical assistance to individual homeless clients with medium to high support needs. The Housing Service also funds a post in the Fraud and Error Team. This Intelligence Officer assesses homelessness and housing register applications to ensure no fraud is occurring and that social housing and financial support is given appropriately. In 2020/21 344 Prevention and Relief cases were assessed and of these 8 cases being found to be potentially fraudulent. According to the Cabinet Office methodology for calculating financial saving through fraud prevention, the cases saved £25,920 in public expenditure.

Up to the start of the Pandemic, our clients were seen face to face. The Pandemic led to rapid changes to the way the team operated. With immediate effect from March 2020 the team moved to 100% telephone-based communication and electronic provision of documentation. This worked successfully. Many households have preferred the convenience of a telephone appointment, particularly working households and those with young children. A hybrid arrangement is likely to operate in the future, with the opportunity for everyone to have face to face interviews if preferred.

4.2 Supporting those at risk at the earliest opportunity

Early intervention is the best way to help people avoid homelessness.

Since the introduction of the HRA in April 2018, the number of households approaching us for housing options assistance remained fairly consistent at just over 1,000 a year. Many of those approaches are offered advice and are signposted without further detailed casework.

Between 2018/19 and 2020/21 a Prevention Duty was accepted to 1,017 households and a Relief Duty accepted to 489 households. Working closely with clients, the team achieved 948 positive outcomes with clients owed either duty during the same period, representing an average homelessness prevention rate of 60%. The number of households owed the main duty where homelessness could not be prevented was 188 over the three years.

In the borough, the most common causes of risk of homelessness are family or friend no longer willing to accommodate threat of or loss of a private sector tenancy. Other reasons include threat of or loss of a social tenancy, relationship breakdown, eviction from a supported housing placement, domestic abuse, or other violence or harassment. Many households seeking housing advice also have other issues and pressures. Money concerns are common, as are mental ill-health, physical health problems, support needs and for some substance misuse needs.

The Prevention Team works to support households at risk of homelessness at the earliest opportunity with constructive advice, support and assistance. Close liaison and negotiation with clients, landlords, agents, and families and friends is crucial to finding solutions for clients to remain in their current accommodation or to agree timeframes to enable planned moves to avoid periods of homelessness.

We use a raft of tools and services to help people remain in their homes. They include financial and money advice, affordability assessments, on-going liaison, and negotiation with all parties to agree next steps, advice and support to domestic abuse survivors, assistance with benefit applications, use of discretionary housing payments and interest free loans. Our team refers to and works closely with other services, agencies, and partners to provide a wide range of more specialist services and support.

The use of Personal Housing Plans (PHPs) have proved to be an important prevention tool. PHPs provide a practical framework and checklist for applicants and staff to understand their responsibilities, what action each party needs to take and when. Their availability on-line makes them easy to access, see what actions need to be completed and to update them.

Our performance on homelessness prevention is good. The rate of positive housing outcomes achieved has increased from over 270 in 2018/19 to over 330 in 2020/21, a most challenging year. The Pandemic led to a change in the household type approaching the Council and a much higher number of single people. In comparison to 2019/20 the Council accommodated almost 100% more single people as a result of the Government 'Everyone In' initiative with a high proportion of this single person group having support needs.

Over the Pandemic, the numbers of families facing eviction declined mainly due to the temporary restrictions placed on landlords of all tenures regarding the service of notices and the closure of Court Services and then subsequent adjournment of many cases when they

re-opened. We expect evictions to increase in 2021/22 as courts fully open with the potential of higher numbers of families placed in emergency and temporary accommodation over the coming few years. There are also indications that more landlords are planning to sell their properties, possible due to the financial impacts of the Pandemic on them.

4.3 Directing households to money advice services

Effective money advice is crucial to preventing some households becoming homeless. Many households seeking housing advice are experiencing money problems. The Prevention and Relief Team make referrals to specialist debt advisors and our internal Money Support Team. Clients with complex debt problems are referred to Community Debt Advice, a local charity, the Citizen's Advice Bureau or other national agencies.

Set up in 2018, in response to the impacts of universal credit and an identified gap in money services, our in-house Money Support team now has three Money Support Advisors. It takes referrals from Council teams only and up to 2021 over 605 referrals have been received. The team's aims are to support residents to maximise income and develop confidence with budgeting to help prevent future debt. Developing independence and resilience is important to enable clients to thrive and get back into work or change jobs, improve their quality of life and manage money effectively.

All clients receive a full assessment within two weeks of referral and any urgent actions are completed. The service has a waiting list, which has remained consistently at 30-40 clients. Working with a caseload of 10 clients for up to 12 around weeks per client, each Advisor helps with budgeting, setting up bank accounts, managing bills online, document / money organisation, digital support, benefit entitlement, reducing debt and maximising income. Unfortunately, the Pandemic has impacted on the complexity of cases and case times extended to 15 weeks.

Of the 605 referrals, the team has successfully closed 305 cases in addition to many 'quick win' emergency interventions for clients. Looking at the 305 closed cases, the team completed 116 additional benefit claims, helped clients clear £30,600 rent arrears, cleared £8,200 Council Tax arrears and £25,100 of other debts. The team has also enabled clients to claim benefit underpayments of £21,600.

Sustaining budgeting is important, 53% of clients complete budgeting plans and only 1% of clients have returned for support.

Clients with complex debt problems need specialist debt support services. Money Support undertakes preparation work with clients ready for intensive debt management support, and referred 47 cases to specialist services such as the local charity Community Debt Advice,

after initial casework. Money Support also refers clients to the local Foodbank and around 60% of open cases have been referred or are currently using one.

The Pandemic has impacted many of those on the Money Support waiting list and during July - December 2020, the Money Support team had a 100% increase in referrals compared to the same time in 2019. Research in October 2020 showed that 20,300 borough residents were furloughed equating to 28% of employed residents. It could take months and years for many households to recover financially from the effects of the Pandemic and we expect this to impact on future housing.

Looking to the future, the team is considering options to expand referral routes to external partner agencies. It is also working on resourcing more 'quick win' emergency interventions to prevent tenancy loss and actions to support quicker access to a tenancy offers such as on-the spot budgeting, UC applications, and completing Council Tax Reduction forms.

4.4 Preventing the loss of a private rented tenancy

We estimate that around 9,600 households in the borough privately rent (Census 2011 uplifted by 26% in accordance with English Household Survey data). This equates to approximately 18% of households in the borough and indicates a 10% increase compared to 2011. Private rentals are an option for the many households who are waiting for the offer of a social housing tenancy and provide an option to households at risk of homelessness.

The number of households approaching the team seeking housing advice due to risk of homelessness has remained over 1,000 since 2018/19. The risk of or ending of a private rented tenancy together with family or friend eviction are the most frequent causes.

High local housing costs, affordability and rent arrears are more common reasons for a threat or loss of a private tenancy, although the sale of properties and relationship breakdown also occur. Effective negotiation with landlords and clients underpins our strategy to prevent homelessness. Wherever possible, we negotiate agreements to sustain tenancies and / or repay arrears.

We undertake detailed casework with each client taking a holistic approach to assessing the household. We consider individual circumstances, support needs, vulnerabilities, disabilities, safeguarding and financial circumstances which inform a realistic and achievable PHP for every client. As circumstances change, PHPs are undated by us and our clients to ensure they remain relevant and helpful.

During our casework with clients we complete financial assessments, give benefit and budgeting advice as well as basic debt advice. Where appropriate clients are referred to the

Money Support Team and complex debt cases are referred to the local charities Community Debt Advice and the Citizen's Advice Bureau. Clients are also signposted to other organisations and websites and given our in-house money advice and debt fact sheets, all of which are available on the Council's website.

We support clients to access Discretionary Housing Payments (DHPs) as appropriate to bridge temporary affordability gaps. DHPs are also an important tool in assisting with rent in advance and deposits.

Our Homelessness Prevention Loan Scheme (HPLS) is also used to assist eligible households with financial difficulties who are at risk of or homeless. The scheme offers interest free loans to help prevent homelessness. Loans can assist with rent deposits, rent in advance, one off payments towards rent or mortgage arrears and other solutions. Funding for this discretionary scheme is dependent on the repayment of loans by those assisted. Applicants are subject to full assessment and not all applicants are suitable for the scheme. Between 2018/19 and 20120/21 132 loans have been made with the highest number at 62 agreed in 2019/20 pre-Pandemic. Most have accessed funding towards rent in advance. We do provide rent deposits but we aim to directly register the funds in a Government approved rent deposit scheme so the funds are returned and can be recycled.

Our success rate with preventing the loss of a private tenancy is good. In some situations, a tenancy ends, and we work with clients directly and through NextStep to support clients to secure a new private rental.

Family or friend evictions are now overtaking private rental evictions in the borough. This number increased through the pandemic, particularly for single people. Our teams negotiate with the parties involved providing advice and support to help people remain in place or for as long as possible or for long enough to make a planned move to other accommodation. However, we recognise that staying put is not always an option in some situations.

4.5 Accessing private rented accommodation

Private rented accommodation is a good option for many households at risk of or homeless. This housing option has significant role in the Council's approach to preventing and relieving homelessness. We provide advice factsheets on our website to help households search, understand landlord and tenant responsibilities and consider affordability.

To maximise opportunities to access the private sector, we fund and work in partnership with NextStep YMCA East Surrey. NextStep work with households with a priority need referred by the Council, assesses affordability, suitability and sources properties. NextStep has excellent working relationships with several local landlords and letting agents. As well as sourcing

properties, landlords and matching clients to properties, the NextStep team provides ongoing tenancy support to clients for at least six months. They assist clients with settling in, benefit applications, budgeting and managing their tenancies. This on-going support and close working relationship with the Prevention and Relief Teams has resulted in 1,279 households being referred to NextStep and the securing of 537 tenancies over the last five years averaging at over 100 per year. They have also intervened when their clients have started to struggle with managing their tenancies and prevented evictions or helped households find alternative accommodation.

Welfare reform has impacted on the private rental option. Universal Credit (UC) continues to provide challenges in securing private rented tenancies and interest from landlords. More landlords are concerned about the inability of agencies to liaise with the DWP about housing costs, consequently more landlords are requiring additional security including up to six months' rent in advance or guarantors. Whilst Local Housing Allowance and UC rates rose temporarily in response to the Pandemic, the benefit cap has not changed, and this has further eroded affordability for this group.

Private renting is not an option for almost all benefit capped households, excepting a very specific household type within a specific borough area. With a total family income capped at £1,667 a month equating to £20,000 a year and the cost of a 2 bed private rented flat starting upwards of £950 a month, the affordability gap is too wide. The cap introduces significant affordability problems for any household already privately renting. In the short-term, discretionary housing payments can assist these households, but are not a long-term solution.

Our Housing Options Team works closely with clients, landlords and letting agents to help clients assess private rented homes. They provide advice to all parties and support clients to access financial support. The Council will provide interest free loans to qualifying households for rent in advance and deposits and assists households to apply for discretionary housing payments towards these costs. On occasion, the Council will act as guarantor subject to limited liability, to eligible clients to secure accommodation.

Over recent years, an increasing number of private landlords and letting agents have raised the financial requirements placed on potential tenants. This trend has seen a prerequisite for households to have at least 30 times monthly rent income levels or a guarantor who is a homeowner. Some letting agents require guarantors to be homeowners and to have more than 30 times rent level incomes. The earnings threshold for many households requiring private rentals has increased significantly.

Private rented options for single people on low incomes or benefits are also limited by affordability. The cost of a room in House of Multiple Occupation (HMO) in the borough is

over £500 per month, more typically at least £600. This cost cannot be met by single people non-Care Leavers under 35 years, because their entitlement to housing costs is limited to the single room rate which set below £500 a month nationally. More good quality and affordable HMO accommodation in the borough would provide a settled accommodation option to single people.

4.6 Tenancy sustainment

For some households, securing a tenancy is the just the first step to having a home. Some households need short term or on-going support to maintain their emergency accommodation placement, private rented tenancy or social housing tenancies and avoid future homelessness.

Our in-house Housing Support Coordinator (HSC) works with single clients with medium to high support needs to help them settle into emergency housing, to access supported accommodation or self-contained private housing as appropriate. Working closely with the Options Team and statutory agencies, the HSC supports a caseload of around 10 clients with accessing basic services and necessities such as ID, bank accounts, benefits, GP registration and mobile phones. The HSC also has a critical role in helping clients to access, navigate and attend appointments with a variety of statutory and support services. In addition, the HSC makes funding applications for benefits, financial support and grants for clients with disabilities or health conditions. Many more clients now engage with and continue to work with the HSC through to placement in move on accommodation and secure better housing outcomes. This role works closely our Accommodation (AC) Officer post. The AC officer manages emergency accommodation and supports households placed in the Council's emergency and temporary housing and households placed in nightly paid emergency housing.

A successful bid to the government Next Step Accommodation Programme with Transform Housing & Support, led to the appointment of a Tenancy Sustainment Officer for an initial period of 12 months. The primary focus of this role is to provide intensive tenancy support to former rough sleepers and those at risk of it who have moved into settled accommodation or are due to take up accommodation.

We also make referrals to Parashoot, a support service based at Raven Housing Trust, for people at risk of losing their home, or have been homeless and need help settling into their new homes. We refer clients we have assisted into settled accommodation who need support to set up their tenancy initially and to manage their responsibilities. This bridges the gap between services. Parashoot helps referred clients get off to the best start which improves the tenancy success rate. They also work with Raven tenants who are struggling to maintain their tenancies and are at risk of losing it without more support.

Tenancy sustainment extends to housing association tenants. We continue to work closely with all local housing associations in the borough to prevent evictions of tenants wherever possible and receive referrals from social landlords of tenants at risk of eviction. These households are contacted by the Housing Team. We work to engage tenants and prevent eviction. Our activities include joint work with the Money Advice team, negotiation, benefit applications, letters of support to Courts as well as agreeing responsibilities and actions.

For some households, basic necessities such as furniture, beds, mattresses and essential household items are completely unaffordable. We have an excellent working relationship with Furnistore, a local furniture charity. They have assisted many clients with beds, mattresses, sofas, storage furniture, white goods, and other items to turn a property into a home. We are also supported by the local charity Stripey Stork. They provide excellent quality clothing for babies through to teenagers, toys, books, baby equipment, personal hygiene and care items to households referred by our Council teams and other statutory agencies. We also assist clients to make applications to the Surrey Crisis Fund, a discretionary fund provided by Surrey County Council to assist with essential items where no other options are available.

4.7 Impacts of the Pandemic

The impact of the Pandemic has been far reaching for both the service and our users. The *Everyone In* Government initiative which began in March 2020 led to increased numbers of single people accommodated in emergency accommodation. The numbers accommodated peaked in the first months of the 2020 lockdown with an average of 44 households accommodated in emergency accommodation during the first quarter. Over half were accommodated due to COVID-19 duties.

To manage the numbers of single people needing accommodation we secured access to a local hotel facility we had not worked with previously alongside other block bookings with other providers locally and out of area. We also arranged placement of 8 self-contained cabins on the Redhill leisure centre carpark to accommodate single homeless people and individuals with COVID or symptoms.

The cabins were retained beyond the initial period of crisis to provide capacity to cope with infection peaks and the loss of the winter night shelter. The local hotel block booking ended after 15 months. During the peak of the Pandemic we also took the decision to reduce occupancy levels at our shared facility homeless accommodation so occupiers could access a private bathroom to reduce the risk of COVID transmission. It opened fully during 2021/22.

Whilst the numbers of single people being accommodated rose, the numbers of families approaching the Council declined. The cessation of evictions as courts closed and changes to private rental notice periods led to a reduction in approaches for advice from families. The

opening of courts in May 2021 and re-start of Bailiffs activity has led to an increase in approaches from family households. Our proactive prevention approach and early intervention is expected to limit impacts.

NEW ACTIONS:

- Secure the long-term funding of five housing posts in the event central government grant ceases
- Offer more choice to applicants on format for homelessness application interviews including face to face, telephone, on-line meetings, and monitor choices to inform service delivery
- Provide interest free loans to eligible households to secure accommodation, subject to the continued availability of grant funding
- Secure the long-term funding of two Money Advice posts in the event central government grant ceases
- Explore opportunities to encourage the provision of good quality affordable HMOs in the borough

5. Priority Two: Respond to support needs

Many of the households approaching for housing advice and assistance have support needs, these range from having one low support short-term need to having complex multiple support needs requiring intensive long-term support. The proportion of households owed a homelessness duty with one or more support needs ranged from 65% in 2018/19 to almost 75% in 2020/21. Looking in more detail at these applicants, over two thirds have 2 or more support needs suggesting an increase in the complexity of support needs. The total number of support needs recorded was 1,001 in 2018/19, 1,085 in 2019/20 and 1,135 in 2020/21 demonstrating a year on year increase in total support needs.

Looking at 20 different support needs recorded since the implementation of the HRA in 2018, the three most common specific needs are a history of mental health problems, physical health and disability and being at risk of or having experienced domestic abuse. Within, the ten most common supported needs recorded are history of repeat homelessness, an offending history, rough sleeping history, learning disability, and substance dependency. We know many of our clients experience multiple support needs, and with these needs come interrelated challenges which increase the risk of homelessness.

Our team provides comprehensive advice to clients with support needs, making multiple referrals to support providers in and out of the borough and to statutory agencies as appropriate. Wherever possible we place single people with support needs in local

emergency accommodation, but sometimes clients are placed out of borough due to lack of availability. Out of borough placements negatively impact on client access to a range of services such as the Community Mental Health Recovery Services (CMHRS), support from I-Access (substance misuse agency) or Probation. Our HSC works proactively with many of these clients to maintain engagement and access to services and to source supported accommodation options.

Much of the supported housing in the borough is for people with low support needs. A proportion of our clients have needs too high for this accommodation but not high enough to secure individual Adult Social Care funding. The gap in options for complex needs clients has been an on-going issue. During the Pandemic it became more widely recognised by all agencies and has led to more joint working to look at ways to change this and improve access to support services.

5.1 Partnership approaches to supporting vulnerable people

We sit on the steering group for Surrey Adults Matter (SAM) which, through the Making Every Adult Matter (MEAM) approach, aims to design and deliver better coordinated services for people facing multiple disadvantages.

The SAM approach has been a catalyst to Surrey County Council leading a successful bid in partnership with public and voluntary sector partners under the national Changing Futures programme. This programme aims to support those who face a combination of homelessness, substance misuse, poor mental health, domestic abuse or contact with the criminal justice system. The award of £2.8 million to Surrey will be used to develop the Bridge the Gap person centred specialist trauma informed outreach service in conjunction with vulnerable people, homelessness organisations and experts in mental health, substance misuse and domestic abuse. As part of this work, staff and volunteers at Surrey's homelessness charities and organisations will be trained to assist those who have experienced and / or are living with trauma.

Our expectation is the funding will support a more coordinated local approach to this group who are at greater risk of homelessness, ill-health and increased contact with the criminal justice system. This in turns can led to greater pressure on services that respond to crises such as A&E, homelessness services and policing. Within the borough, Renewed Hope, eSOS and East Surrey Domestic Abuse Service are anticipated to join the Bridge the Gap alliance with Transform Housing also starting training on trauma.

5.2 Mental Health

Between 2018/19 and 2020/21 the most commonly identified support need for households owed a homelessness duty was a history of mental health problems accounting for 20% of identified support needs.

The Housing Options available for single clients experiencing mental ill-health depend on how stable their health is at the point they need housing help and their willingness to engage. The Borough benefits from a number of low support units of supported accommodation for clients with mental ill-health, although many of these units also accommodate people with other support needs, and many are shared facility. Some clients are assisted into supported accommodation outside of the borough due to lack of local availability and they do retain their local connection on the Housing Register.

The complexity and challenges around mental ill-health mean different clients need different solutions. Some prefer self-contained housing. We support clients assessed as able to sustain a tenancy into self-contained and work with partners such at the Forward Trust to source private self-contained housing. Unfortunately, the private sector options available to under 35s who were not care leavers are affected by Universal Credit restrictions which limit the housing element of their claim to the shared room rate.

Much of the supported accommodation in the borough is for clients with lower support needs. A number of organisations provide homes in our borough for a mix of client groups which is invaluable. Our current providers are Transform Housing & Support, Sanctuary, YMCA East Surrey and Wayside Community. Unfortunately, some clients with more significant mental ill-health or multiple needs, are deemed too high need for most providers. In some cases, these clients are also deemed below the threshold for specialist mental health Adult Social Care funded beds. This gap in provision means these households are often placed in general needs emergency or temporary accommodation with referrals to mental health outreach services.

Surrey has a Mental Health and Housing Protocol to be followed where a client is in hospital. This means housing officers visit wards, meet clients, attend ward round meetings and are involved in hospital discharge meetings and Care Plan Approaches. This process continued through the Pandemic. This joint multi-agency approach has led to some successful planned discharges for clients who were at risk of homelessness. We are aware that not all health staff and ward nurses are aware of the protocol and further training is needed. Within East Surrey, Mole Valley District Council's Housing Needs Manager provides this training offer on our behalf.

The Pandemic has facilitated opportunities for closer working and engagement with Surrey and Borders Partnership, Adult Social Care, and County Public Health to identify gaps in

service provision, understand resourcing issues and opportunities for joined up working around mental health. The successful cross organisation bid for funding from the Changing Futures programme is a good example of this joined up approach. This momentum will be exploited over the coming months and years with the aim of being able to refer our clients to mental health services at the earliest point, and for them to receive timely support to support tenancy success.

5.3 Domestic abuse

Of the households owed a homelessness duty, the third most commonly identified support need was being at risk of or having experienced domestic abuse. It accounts for around 11% of all the support needs identified during 2018-2021.

Due to higher numbers of domestic abuse cases in the borough, the regularity of Multi-Agency Risk Assessment Conferences increased in the borough from monthly to 2 weekly in 2020/21. MARAC is well attended and includes the Housing Team and Raven Housing Trust with attendees working together to support those experiencing domestic abuse through a range of measures including support to move if appropriate.

Within the team, staff are trained on recognising and responding to households experiencing domestic abuse. The Council has close working relationships with Reigate & Banstead Women's Aid and East Surrey Domestic Abuse Service who offer emotional support, practical support alongside a range of services from supporting survivors at court hearings, home security measures, counselling and support for children.

Enrolled by Surrey County Council in 2020/21, the Housing Service is benefiting from becoming Affiliated Members of the Domestic Abuse Housing Alliance (DAHA). The Council received £34,000 funding from central Government to assist with implementation of the Domestic Abuse Act 2021 and took part in project in which the DAHA standards of practice were shared, and our own practices were health checked. This supports our preparation for the full implementation of the Act in partnership with Surrey.

5.4 Prison Leavers and Ex-offenders

In more recent years the Housing Options team has worked with a rising number of prison leavers and ex-offender clients. The group are identified as the fifth most common support need for households owed a homelessness duty by the Council accounting for 8% of all support needs. However, this is only part of the picture and people in this group frequently have complex needs and can be hard to engage. Some are repeat offenders which is linked to repeat homelessness applications due to their unsettled status. Over the period 2018-21,

having an offending history was identified as a support need 237 times. Given the very high numbers of households owed a homelessness duty who identified as having more than one support need and our experience of working with this group, we know many ex-offenders have multiple needs.

In 2019/20 the Housing Service participated in a Prison Leaver Working Group led by the Cabinet Office and Ministry of Justice. The project purpose was to identify opportunities to improve social inclusion, implement change and work in collaboration. We undertook case studies of several repeat offender clients to understand their journey prior to prison release through to presentation to the Council, placement and outcome. It was clear that many had issues around substance misuse, mental ill-health, estrangement from family and a lack of support networks. A number of clients were known to the team, having presented as homeless repeatedly after failing to sustain their emergency accommodation or social housing tenancy or were re-called to prison. Although the project ended prematurely due to the Pandemic it showed a strong link between offending, mental ill-health and substance misuse and the need for greater service collaboration.

For 2020/21, the Council secured Government Rough Sleeper Initiative (RSI 4) funding to enable the appointment of a Prison Resettlement Worker. This will support our efforts to intervene early through timely Duty to Refers and enable support to start prior to prison release. The Worker will work closely with the Prison Service, Probation Team, Ministry of Justice and other relevant agencies to support single person prison leavers being released with no fixed address. Clients will be assisted to apply for benefits, register with GPs, set up a bank account, engage with specialist support providers such a I-Access as appropriate and to access suitable housing options such as supported housing or private rented housing.

This post will complement the work underway at the National Probation Service to procure properties in Kent, Surrey and Sussex to be made available to prison leavers homeless on release or leaving other prison managed premises and homeless for a period of up to 12 weeks. A joined up approach across agencies, use of Duty to Refer, and the Prison Resettlement Officer post aim to assist prisoner leavers following a 12 week placement by Probation.

5.5 Looked After Children, 16/17 year olds and Care Leavers

Over the period 2018-21, 23% of applicants owned a prevention or relief housing duty were aged 18-24. Of all households owed a homelessness duty, young people account for four percent of reported support needs. This group includes young people agreed 16-17, 18-24 year olds, care leavers aged 18-20, care leavers aged 21. Since 2018 numbers in this group have remained steady.

We rarely place 16/17 year olds in emergency accommodation. This has been largely due to the joint working arrangements in place between Surrey Districts and Boroughs, Children's Services and the Homeless Prevention Support Service (HPSS). The HPSS worked with 16/17 year olds at risk to ensure homelessness was prevented or placements found. HPSS also ensured that appropriate assessments were made under the Children Act.

A protocol between the Districts and Boroughs and Children's Services underpins the process. It also includes the working arrangements between all parties in relation to Looked After Children and Care Leavers. Following the HRA, a re-structure of Children's Services in 2019 and the HPSS being brought in-house to Surrey, a review of the protocol is underway, although it has been delayed by the pandemic. Mole Valley District Council's Housing Need Manager is the local authority lead for this workstream.

The Council has amended the local connection rules applicable to care leavers wishing to join the housing register. The change makes an exemption to the local connection rules for care leavers who are subject to a Surrey County Council corporate parenting duty. Care leavers are also prioritised on the Register.

We attend quarterly meetings with the Looked After Children Team and Care Leavers Team to identify young people who may need social housing in the future. Together, we aim to ensure a smooth transition for many in this client group, from care into their own private rent tenancies, supported or social housing tenancies. The meetings have identified that many of the young people were not joining the register and the meetings have helped to highlight to personal advisors and social workers that is an essential action to help ensure a housing pathway. Joined up work is underway with the Corporate Parenting Team to understand future housing provision for Care Leavers in the Borough and across Surrey.

Borough provision for young people and care leavers is good. We work closely with YMCA East Surrey who deliver Hillbrook House, a 44 room scheme for young people mainly aged 18-30 with placements also of 16/17 year olds, unaccompanied asylum seekers and emergency care beds on behalf of Surrey County Council. We have also provided capital funding to the YMCA towards delivering three move-on schemes for young people in the borough providing a total of 25 rooms. The most recent scheme in Horley delivered in 2021/22 received £600,000 capital funding from the MHCLG / Homes England 'Move-On' Fund and £450,000 Council capital funding enabling the provision of 12 rooms for young people with low support needs.

5.6 Substance misuse

Substance misuse accounts for 10% of all support needs of applicants owed a homelessness duty. Since 2018 the numbers of applicants owed a housing duty with drug dependency

needs has risen from 49 in 2018/19 to 72 in 2020/21. There is supported accommodation available in the borough for ex-drug users and a limited number of spaces available for clients on prescription alternative drugs. For drug users owed a homelessness duty unwilling to engage or those on prescriptions unable to access supported accommodation for other reasons or simply due to lack of availability, the only option is placement in unsupported emergency accommodation. Our Tenancy Support Coordinator works to engage these clients, encourage, and support them to attend regular appointments with I-Access and other drug support services.

The numbers of homeless households with alcohol dependency have been rising each year from 46 in 2018/19 to 67 in 2020/21. These cases can be very difficult to engage and many have chaotic lives, sometimes linked to an offending history and mental ill-health. Some supported housing schemes will accept these clients but usually this is based on a commitment not to drink or complete abstinence. There remains an on-going need for accommodation options for those still drinking. Many of them need some form of settled accommodation to provide space and time to moderate their drinking or to give them a stable environment and the support they need to engage with cessation services. There are no 'wet hostels' in the Borough for those still drinking which means these clients experience repeat street homelessness and rough sleeping.

This means most are placed in unsupported emergency accommodation whilst our Housing Support Coordinator works with the client to source suitable supported accommodation, usually out of Borough.

Our Housing Support Coordinator and Relief Officers have developed good networks with a variety of supported housing providers who specialise in accommodating those with challenging needs and behaviour. All clients with medium to high support needs are referred to multiple providers in and out of the borough. We support clients with all aspects of this process to achieve as many positive outcomes for clients as possible.

Joint work with Surrey County Council Public Health and Adult Social Care colleagues together with mental health teams will deliver new ways of working over the coming years. A combination of joined up approaches which streamline service delivery, and additional resources will enable the provision of more support to the most vulnerable to enable them to engage fully and sustain their accommodation.

5.7 Duty to Refer and discharges from public sector facilities

Each year a number of people are discharged from hospital or prisons often with unknown support needs and no settled accommodation to return to. These individuals are at high risk of homelessness.

The HRA placed a Duty to Refer on specific agencies to identify individuals with a housing need and refer them early to a local authority housing team so early intervention work can begin. Since the Duty commenced the Council has received a total of 115 referrals from a range of agencies subject to the duty and from organisations not subject to the Duty. Referrers include the Prison Service, Probation, Hospital A&Es, and a number are also received from mental health wards. Already in 2021/22 there has been a significant increase in the referral rate, during the first two quarters 76 Duty to Refers have been made to the Council with a particular increase in prison referrals. The overall increase in referrals, is linked to greater awareness and through working groups in Surrey such as Surrey Adults Matter and Surrey-wide protocols around hospital discharges.

Duty to Refer can provide an effective mechanism for non-housing agencies to secure housing advice and assistance for individuals under their care. It has taken time for all agencies to recognise the need to make early referrals and to provide the most meaningful information to support engagement with the Housing Team. The referral process has been streamlined with clear information on Surrey County Council's website and individual Council websites. We will continue to analyse referrals and outcomes.

With a 1,000 bed prison in our borough, we are working with it to better manage the Duty to Refer process including the timing of the referral to allow time for earlier engagement and the sourcing of appropriate accommodation. We are taking the lead in Surrey on Duty to Refer for prison leavers including out of area prisons. The combined referrals from Prisons and Probation accounted for the majority of referrals. To better support ex-offenders, the Council successfully applied to the Rough Sleeping Initiative 2020/21 to fund a dedicated Prison Resettlement Worker for one year.

NEW ACTIONS:

- Monitor the success and positive outcomes delivered by the Prison Resettlement
 Worker in post 2022/23 and identify longer term funding streams and accommodation options to assist this group
- Agree and implement the 16/17year old, Looked After Children and Care Leavers Surrey wide Protocol and monitor housing pathway outcomes
- Work with substance misuse support agencies and Surrey County Council to identify options for those clients unwilling to engage with substance reduction programmes and agree alternative support and / or housing options.

6. Priority Three: Tackle Rough Sleeping

The Borough has experienced an increase in rough sleeping over the last few years. Whilst the annual street count snapshot that takes place across Surrey, shows under 5 in the borough, the reality for the rest of the year can be different. Street homelessness is low, but the numbers of those at risk of it because they have no fixed abode has increased. During 2019/20 of the 138 Relief Duty acceptances 91 were from single people of which 39 had a history of rough sleeping as an identified support need. In 2020/21 of the 249 Relief Duty acceptances, 161 were single people of which 61 were identified as having a history of rough sleeping as a support need.

Of applicants owed a homelessness duty with a support need, a history of rough sleeping support need was the fifth most identified support need accounting for 7% of support needs. Our experience is many of those sleeping rough or with a history of rough sleeping also have multiple support needs often including mental health and substance misuse.

East Surrey Outreach Support (eSOS) recorded 143 Streetlink referrals and 103 referrals from the Council and other agencies during 2020/21 for the borough, of these around 44% had two or more support needs. Working in partnership with East Surrey Councils we have made successful bids to the various national Rough Sleeper Initiative funding programmes and have also secured funding for borough schemes. In Summer 2021 we submitted an Ending Rough Sleeping Plan to MHCLG setting out our plans over the next 12 months to move towards the goal of ending rough sleeping.

6.1 Complex need supported housing scheme

Accommodation for homeless single people with complex needs is identified as a priority in the Council's Housing Delivery Strategy. The data on the support needs of households owed a duty demonstrates the need for supported housing for people with complex needs typically including mental ill-health substance misuse and a history of rough sleeping.

Options to deliver a shared facility scheme are being explored with partners. We are aware of the gap in accommodation options for people continuing to drink and use drugs and the shortage of accommodation for people with higher need mental health problems. Liaison with Surrey County Council has also highlighted the gap in provision and services for these groups.

However, the cost of providing support services is high and external funding opportunities for support services are extremely limited. The on-going revenue funding challenge is significant. We continue to assess options around securing a single scheme for up to 12 clients and are also exploring options for a series of smaller schemes.

6.2 East Surrey Outreach Service eSOS

The Borough jointly funds the East Surrey Outreach Service (eSOS) which provides an outreach service for rough sleepers and those at risk of it in Mole Valley, Tandridge and Epsom. In 2019 the contract holder changed to Thames Reach. eSOS has a manager and two outreach workers and a complex needs outreach worker. The Housing Options Team has a close working relationship with eSOS whereby the Options Team refers clients to accommodation providers and focuses on housing options. eSOS offers practical and inperson support by accompanying clients to a variety of appointments including GPs, substance misuse agencies, applying for UC and other benefits.

eSOS clients can access emergency assessment beds for a period of up to six weeks which enables intensive support to take place whilst an individual is safely accommodated. The two beds, available to East Surrey housing teams, are located within Leatherhead Start. The Council also accesses emergency beds from specific providers as necessary. Emergency beds are an important resource to providing an immediate placement for rough sleepers with chaotic lifestyles and who frequently experience substance misuse, mental ill-health or have offender backgrounds.

In January 2020 and May 2021, Mole Valley Council led an East Surrey bid under the Rough Sleepers Initiative Year 3 monies (RSI3). The successful bid secured £131,000 in year 1 and £146,000 in year 2. The bid comprised three elements:

- Further assessment beds per authority bringing these to 4 beds for the Council
- A one-year funding extension to the complex needs outreach worker role within eSOS
- Additional funds for personalised budgets for the outreach worker's complex clients.
 Up to £1,000 per client can be used to facilitate their housing pathway. Examples include paying arrears which prevent access to the Housing Register, purchasing extra support hours to enable access to a supported housing related support provider.

6.3 Tenancy Support

Moving into settled accommodation can be a significant challenge for our clients with a history of rough sleeping. Following a successful bid to the Government led Next Steps Accommodation Programme which is focused on Rough Sleepers, a one year Tenancy Sustainment Officer post was created to provide support to single people about to be or placed in settled accommodation. This Officer works with a small caseload at a time to provide intensive support for 10-14 weeks on average, but usually until a client is settled, can manage, and has other support in place to assist them.

Clients are helped with tenancy sign ups, applying for benefits, setting up rent payments, sourcing furniture, ensuring linkages with statutory agencies are maintained and new linkages are made with non-statutory organisations. The Sustainment Officer will also mediate in any neighbour and landlord disputes to bring a resolution. This post is linked up with the Prison Resettlement Worker role and our own in-house Tenancy Support Coordinator role. We also access support from Parashoot a local tenancy support service which can assist with lower level short-term needs.

6.4 Winter Night Shelter

Every year the Winter Night Shelter has provided overnight accommodation for rough sleepers and those at risk during December to March. Operated by Renewed Hope in partnership with local churches, the scheme offers individuals a warm bed, access to showers, clean clothes, a hot meal, breakfast, a packed lunch, and a listening ear. Overnights stays are rotated between churches in the Borough. Clients are referred by the Options Team and during their stay the team continues to work with clients to support them with more secure accommodation.

One of the many impacts of the Pandemic was a cessation of Shelter in 202/21 and 2021/22. Using a combination of Government funding from the Rough Sleepers Initiative Programme, Cold Weather Funding, Protect Plus funding, the cabins and accommodation in a local hotel were secured. It is hoped that provision of a winter night shelter by Renewed Hope, most likely in a different format, will return in 2022.

6.5 Everyone In

In March 2020, the Government launched the E*veryone In* initiative to encourage all rough sleepers to come into accommodation during the Pandemic. The closure of many hotel and guest house facilities used to provide emergency housing and the need to provide accommodation for individuals with COVID-19 symptoms led the need for new ways of working. Working with a local hotel, closed due to the Pandemic, the Team arranged access to 13 rooms. The Team received funding from the Rough Sleeper Initiative 4 (RSI4) programme following a successful bid to support this. Clients were given access to kitchen facilities and regular food bank parcels were provided. Night Marshalls provided overnight safety and security to clients for a number of months.

In addition, the Team sourced and set up 8 self-contained cabins for single people in a leisure centre carpark. The cabins provided a resource for any individuals experiencing COVID symptoms, enabling them to self-isolate safely. Hot meals and food parcels were provided at the point of full lockdown in March 2020. Cabin occupants were provided with

microwaves, mini fridges, TVs, crockery, cleaning materials, toiletries, bedding and towels. A partnership with Surrey County Council enabled 3 cabins to be made available for their clients. The cabins were part funded by government Cold Weather Funding £6,400 for rough sleepers and Protect Plus Funding of £5,000.

Our Housing Options Team, eSOS and Renewed Hope worked closely with clients placed, providing them with welfare support, access to foodbanks, assistance with benefit applications, accessing GPs and other services and identifying housing pathways.

In summer 2020, the Council successfully bid for additional Next Steps Accommodation Programme Funding to support our work to find housing solutions for those assisted off the street during the Pandemic. Over £180,000 was awarded to enable the Housing Service to secure accommodation for those at risk of or rough sleeping up to March 2021, for a night accommodation security service, a scheme to offer landlord incentives, financial assistance to help clients to source furniture and a tenancy sustainment worker post.

6.6 Move on Scheme and Housing First pilot

A scheme to deliver four self-contained singe person bungalows is being delivered directly by the Council. The homes will be offered to single people rough sleeping or at risk of rough sleeping for a period of up to two years. A bid has been made to the Rough Sleeping Accommodation Programme for capital and revenue grant funding towards the scheme. The scheme is under construction and due to complete summer 2022.

Clients will be offered accommodation for up to two years. Support will be provided by the Housing Support Coordinator and Accommodation Officer. Clients will be supported with all aspects of managing their tenancies and the development of life skills. Our support workers will engage with statutory agencies as appropriate, support clients with basics such as setting up bank accounts, applying for benefits, managing budgets, arranging appointments with services statutory and non-statutory agencies, taking part in volunteering opportunities and getting into employment. All clients will agree a housing pathway so they can transition to more independent living.

We recognise that the Housing First model has become increasingly successful at assisting single people with support needs sustain long-term tenancies. It is based on a model of tenancy first with support brought to the client. The perceived risk of non-engagement from clients and potential tenancy sustainment issues has led to a reluctance from local housing providers have been reluctant to embrace this without strong assurances of support provision. The revenue cost of providing the intensive support has been a barrier to delivery of Housing First in the borough. However, we recognise the benefits of the model for many

clients and will explore support funding options and will engage local social housing providers with the aim of trialling this model.

NEW ACTIONS:

- Work up options to deliver supported accommodation scheme(s) for single homeless cohort clients
- Work with local social landlords to deliver Housing First accommodation in the borough
- Monitor and review the outcomes of clients placed in the Council's Housing First style scheme with a view to delivering additional projects

7. Priority Four: Improve access to and the range of accommodation options

Continuing to deliver additional homes across a range of tenures to meet many different needs is a significant challenge in the borough. The primary focus of our Strategy is the prevention of homelessness by saving tenancies wherever possible. Assisting households into alternative housing is our option when tenancies cannot be saved or when clients require a specific type of housing such as specialist supported accommodation.

7.1 Housing Register & Choice Based Lettings

Joining our Housing Register is an option for many local households on lower incomes. Following implementation of the HRA, we reviewed the Allocation Policy and made small changes to reflect the new requirements. Changes included additions and amendments to bands to reflect the varying duties owned by the HRA. We have also invested in a new software system which provides a much improved customer portal, back office functions and reporting tools for staff.

The number of homes let each year over the last five years has remained fairly stable although there was an uplift in numbers in 2019/20 and a downward trend in 2020/21 as a result of the impact of the Pandemic. The downward trend resulted in a 12 percent overall reduction in available properties, this was particularly marked for larger family bedroom homes.

The reduction in lettings during 2020/21 is linked to the slowing down of moves generally due to COVID restrictions, and fewer vacancies arising from evictions. There were concerns regarding the economic impacts of the Pandemic on tenants, but much positive work has

also been taking place, with tenancy sustainment activities by social landlords and the Council's teams to help households manage the challenges.

Overall number of households joining the Register increased by 28 percent in 2020/21 compared to 2020/21 rising from 884 to 1,177 at October 2021. During 2020/21 almost 1,400 applications were made to the housing register, a significant increase, although many do not meet our policy requirements. The increases in number of applications and numbers accepted into the Register seems to have been linked to the impacts of the Pandemic on employment and concerns about future financial security, but affordability is also a factor.

As the number of households on the Register increased the waiting times have also lengthened across all bands and size of home, this has been exacerbated by the reduction in vacant family sized homes over the same period. Waiting times vary according to area and property type preference. Some locations are extremely popular, and some types of property are more popular than others.

The wait for one bedroom homes has now increased from around a year to one to two years. Whilst the wait time for 2 bedroom homes has slightly increased due to the continued availability of this size of home. However, waiting times have increased for households with a three bedroom need or larger. Since 2019/20, the average waiting time in band C increased from 2.5 years to 4.5 years. Similar waiting times are found for households with a four bedroom or more need, typically band C applicants wait up to 4 years.

Making the best use of existing housing stock is an important element of meeting housing need. To encourage households no longer needing larger family housing to downsize they are placed in band B, our second highest priority band. Raven, our largest provider, also works to encourage households to downsize and in 2019 delivered a new build social rent scheme in Redhill comprising one and two bedroom flats and two bedroom houses aimed at downsizers. Several homes were taken up by downsizers, freeing up family sized homes for others. Raven also offers other incentives to encourage downsizing.

In addition, Raven has reviewed its policy on the use of fixed term tenancies and will no longer grant fixed term tenancies to tenants of studio, one and two bedroom homes. Given the high demand for larger family sized and need to make best use of this resource, fixed term tenancies will continue to be granted to residents of three plus bedroom properties. Tenants will be supported to apply to transfer to smaller accommodation as appropriate or seek alternative accommodation before the end of the fixed term to enable under occupied homes to be used by larger households.

The Council is a signatory to the Armed Forces Covenant and makes provision for serving and former Armed Forces personnel within the Housing Register and Allocations Policy, although the number of applications from this group is small.

7.2 Delivering new affordable homes

Through policies in the Council's Local Plan, we aim to secure 30% affordable housing on all development sites delivering 11 units or more. On larger allocated sustainable urban extension sites, the threshold is 35% affordable housing. The annual planning delivery target for affordable new build homes is 100 a year, equating to 1,500 over the 15-year plan period.

Our most up to date assessment of housing need shows the balance of need in favour of social rented homes. The target tenure mix for on-site affordable housing was revised from 60 percent intermediate housing and 40% social rented housing in 2020 to 62 percent social rented homes and 38 percent intermediate delivered as shared ownership.

The Affordable Housing Supplementary Planning Document 2020 also sets bedroom number targets based on local needs. The highest target is for two-bedroom four person homes followed by three-bedroom homes to rent. The Council is broadly meeting the Core Strategy target to deliver 100 affordable homes per year through planning policies despite.

Our housing association partners continue to deliver homes on their own sites. During 2020/21 Rosebery Housing Association delivered a 21 unit affordable rent scheme in Horley, a mix of studios, one and two bedroom flats on an office to residential building conversion site. Raven Housing Trust, our largest social landlord continues to deliver a development programme in the borough. They are currently progressing a scheme of 23 social rent homes, providing a mix of 1 and 2 bedroom flats and 3 bedroom houses on the site of a former sheltered housing scheme in Tadworth.

Over the coming years larger sustainable urban extension sites will come forward and they will deliver a higher proportion of rented homes than was delivered under our previous planning policies.

7.3 Council led housing schemes

The Council's commitment to securing the delivery of homes that can be afforded by local people and which provides a wider choice of tenure, type and size is an objective in the Reigate & Banstead 2025: Five Year Plan. This objective recognises the financial challenge for many local people of securing a home in a high cost area. The Council's objectives include to develop and implement a housing delivery strategy, to deliver a minimum of 30% affordable housing on Council-owned land, to work with partner organisations and developers to deliver a mix homes for local people, to provide local temporary and emergency housing and continue to secure accommodation through the private rented sector and social housing sector to prevent homelessness. The Council is also committed to working with Raven, our largest stock holder to investigate opportunities for estate renewal, continue to give priority to

local people for affordable housing and use our planning polices to deliver affordable housing as appropriate.

In 2020 the Council published the Housing Delivery Strategy, an objective in the Five Year Plan. Among the priorities being progressed through the delivery strategy are new Council led housing schemes to improve access to a range of accommodation options.

In June 2021 the Council completed a development of 25 new homes in Camelia Close (former Pitwood Park) Tadworth. This was the site of a former industrial unit, and delivered 14 shared ownership houses, securing 56% of the site as affordable housing.

Our Cromwell Road, Redhill development will complete in Spring 2022. This scheme predated Reigate & Banstead 2025 and was intended as market sale only. However, a review of its tenure in the context of the Five-Year Plan and local housing need led to a tenure switch. Owned by the Council's housing company, this scheme provides 32 one and two bedroom private rent flats. A proportion of the homes, a mix of one and two bedroom properties, will be let at below market rents intended to assist lower income households. Initial tenancies will be offered for periods of up to three years to provide household with stability. These homes support our commitment to assisting households at risk of homelessness, those on our register in housing need or in unstable housing access lower cost homes where appropriate.

In addition, our scheme of four bungalows in Horley, due to complete Summer 2022, makes use of a small and underused piece of Council owned land for affordable housing for single homeless people. More sites like this will be considered.

The Council has access to 115 units of self-contained temporary accommodation in the borough operated by housing associations. The Council also owns and manages seven self-contained units in the borough and a shared facility property mainly used by families. We are also reliant on accessing nightly paid emergency accommodation. Some nightly paid facilities are located in the borough, but we also place out of borough in Crawley, the London area and Kent when local options are exhausted. To reduce our use of expensive out of borough accommodate we aim to secure additional borough based temporary accommodation. This means households can stay local, children can attend local schools, family and friend support networks are maintained and households in need can receive support from statutory agencies.

A scheme to redevelop an underused carpark in Horley town centre is also being progressed. The proposed scheme will deliver at least 40 new flats on an allocated site, alongside space for community use and retail. As a minimum the scheme will provide 30% affordable housing for local people to meet the Council's Corporate Plan 2025 affordable housing commitment for all Council led schemes. The timeframe for completion is 2023/24.

7.4 Funding our partners to deliver housing

Partnership work is vital to support delivery of a range of housing options. Working closely with supported housing providers such as Transform Housing & Support and YMCA East Surrey, the Council has supported and continues to support the delivery of additional homes. Council capital funding from developer contributions will assist Transform to deliver a scheme of eight flats in Redhill using modern methods of construction. Due to complete in 2021/22, four of the eight flats will accommodate single young parents facing homelessness. Transform Housing will provide support to help these households adjust and prepare for a move into a longer-term housing option.

Funding from the Council to the YMCA East Surrey, has enabled them to deliver three shared accommodation move-on schemes for young people aged 18-30 years. The most recent one, funded through a combination of government 'Move-on' funding and Council capital funding will deliver 12 low support places for young people, three of which will be self-contained.

We continue to liaise with supported providers and housing association partners to support them to maximise the numbers of affordable homes delivered in the borough.

ACTIONS:

- Investigate ways to assist and / or incentivise social housing tenants under occupying larger family homes to downsize
- Purchase family sized street properties for temporary accommodation
- Provide grant funding to registered provider partners and third sector partners to enable delivery of local supported housing, social and affordable homes

8. Funding and Resourcing the Strategy

Many of the actions in the Strategy will be delivered within existing budgets. Our staff are our greatest asset and options will be explored to bring existing grant funded posts within the Council's annual budget. We do have access to a range of government grants which contribute to the costs of many projects both across East Surrey and within our borough.

The Homelessness Prevention Grant, received directly from Government, has been used flexibly on a variety of initiatives and staffing to prevent homelessness. We recycle the grant wherever possible, including through interest free loans to our clients.

We have applied to the Rough Sleeper Initiative revenue funding rounds with some success, whilst we very much welcomed this, funding is short term, typically a year. We will continue to

apply to future funding programmes, both capital and revenue offered by the Department of Levelling Up, Housing and Communities and Homes England with our East Surrey Partners, Surrey County Council and other partners as appropriate to support our initiatives.

In addition, we will continue the progress made during the Pandemic on strengthening joint working with statutory partners and agencies to secure new and long-term resources for households with high support needs.

Table 1: Approved Revenue Budget 2020/21

| Revenue Budget | 2021/22 Approved Revenue Budget £M |
|--|------------------------------------|
| Housing general: salaries, IT & software, training, Sanctuary scheme, income from partners | 0.655 |
| RBBC Temporary accommodation (7 units): salary, repairs, maintenance, rental income – net income | (0.005) |
| RBBC Emergency accommodation (Massetts Rd, 11 rooms) – net income | (0.008) |
| Private Bed & Breakfast (emergency accommodation): nightly charges, rental income – net costs | 0.292 |
| YMCA NextStep: part payment for tenancy finding & maintaining service | 0.066 |
| Total | 1.000 |

Table 2: Approved Capital Programme 2020/21:

| Capital Programme | Approved Capital Programme 2021/22 to 2025/26 £M |
|--|--|
| Lee Street – funded from Section 106 contributions | 0.850 |
| Total | 0.850 |

Table 3: Revenue funding secured from government programmes 2020/22:

| | Confirmed 2020/21 | Confirmed 2021/22 | |
|------------------------------------|-------------------|-------------------|---|
| Funding | Allocation | Allocation | |
| Received | £m | £m | Project / Staff posts |
| Cold Weather Funding | - | 0.006 | Covid secure emergency accommodation |
| Protect Plus Funding | - | 0.005 | Emergency accommodation for rough sleepers |
| Rough Sleeper Initial Year 4 | - | 0.141 | Emergency accommodation, security, personal budgets, rent in advance & deposits, 1xFTE Prison resettlement worker (1 year only) |
| Rough Sleeper Initiative Year 4 | - | 0.040 | Emergency accommodation for rough sleepers |
| Homeless Prevention grant | 0.470 | 0.668 | 5x FTE additional housing staff (required to manage extra responsibilities brought in by HRA), 2x fraud officers, 2x money support officers, East Surrey Outreach Service, Rent in advance & deposit grants and loans to homeless applicants, YMCA NextStep private tenancy finder service. |

| Funding | Confirmed 2020/21 Allocation | Confirmed 2021/22 Allocation | |
|---|------------------------------|------------------------------|--|
| Received | £m | £m | Project / Staff posts |
| Domestic Abuse Act funding | - | 0.034 | To help fund extra support and accommodation required under the Act |
| Funding to help ex-offenders | - | 0.048 | Rent in advance and deposits to access private rentals |
| Support for vulnerable renters | - | 0.140 | To prevent renters becoming homeless |
| MHCLG's Next Steps accommodation Funding (rough sleepers) | 0.199 | - | Security in emergency accommodation, 1x FTE tenancy sustainment post, landlord incentive funding, emergency accommodation during covid, furniture. |
| Rough Sleeper Initiative Year 3 | 0.032 | - | Funding towards East Surrey Outreach Service and assessment beds for rough sleepers |
| Homeless Reduction Act New Burdens Funding | 0.111 | - | Added to Homeless Prevention Grant budget |
| Rough Sleeper Accommodation Programme | - | 0.018 | Funding towards support service provided to 4 x 1 bed units in Horley 2022 – 2023. |

Table 4: Capital Funding secured from government programmes:

| Funding Programme | Confirmed 2020/21 Allocation £m | Confirmed 2021/22 Allocation £m | Project / Staff posts |
|---|--|--|---|
| Rough Sleeper Accommodation Programme | - | 0.190 | Towards the build costs of 4 x 1 bed units in Horley (RBBC owned & managed) |
| Rough Sleeper Accommodation Programme | - | 0.150 | Towards the purchase price of 2x street 1 bed properties for rough sleepers (full funding a partnership of RBBC, SCC, Homes England & Transform Housing) flats will be owned and managed by Transform and RBBC will have 100% nomination rights |
| MHCLG's Next Steps accommodation Funding | 0.600 | - | Capital towards 12 new YMCA move on beds for young people in a new scheme. |

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ANNEX 3

Draft Homelessness Strategy Action Plan 2022 - 2027

We continually reflect, review and improve our working practices and our offer to clients. The actions below are new workstreams rather than the 'business as usual' work explained fully in the Strategy.

Priority One: Prevent homelessness and sustain tenancies

| Action | Outcome | How | Lead | Target Date |
|---|---|--|-----------------------------|-----------------|
| 1.Secure the long-term funding of five posts in the Housing Service delivering homelessness prevention activities currently funded by government grant, in the event grant ceases | Posts secured to achieve a success rate of over 50% positive outcomes for prevention and relief cases (Annual KPI) | Annual Homeless Prevention Grant (or equivalent) and monitor through annual Council's Service & Financial Planning | Head of Housing Services | Review annually |
| 2. Offer applicants more choice on the format of homeless application interviews | Applicants enabled to make telephone, video call and in person interviews | Providing access to alternative technologies | Housing Needs Manager | 2022/23 |



| Action | Outcome | How | Lead | Target Date |
|---|---|--|--|-------------------|
| 3. Secure the funding of two Council Money Advice posts in the event central government grant ceases | Posts secured to achieve a success rate of over 50% positive outcomes for prevention and relief cases (Annual KPI) | Annual Homeless Prevention Grant (or equivalent) and monitor through annual Council's Service & Financial Planning | Head of Wellbeing and Intervention | Review annually |
| 4. Provide interest free loans to eligible households to secure accommodation, subject to the availability of funds | Scheme contributes to achieving over 50% positive outcomes for prevention and relief cases (Annual KPI) | Annual Homeless Prevention Grant (or equivalent) and monitor through annual Council's Service & Financial Planning | Housing Register & Prevention Team Leader | Reviewed annually |
| 5. Explore opportunities to encourage the provision of good quality affordable HMOs in the borough | An additional HMO delivered per year to accommodate single people | Liaison with local private and social landlords and the third sector to identify opportunities to deliver homes | Housing Needs Manager | Annually |

Priority Two: Respond to support needs

| Action | Outcome | How | Lead | Target Date |
|--|---|--|--------------------------|-----------------|
| 6. Monitor the success and positive outcomes delivered by the new 12 month fixed term Prison Resettlement Worker currently funded from grant and identify longer term funding streams and accommodation options to assist this group | 30 percent of clients assisted by worker to secure suitable accommodation | Prompt responses to Duty to Refers, casework to secure outcomes | Housing Needs Manager | 2022/23 – 23/24 |
| 7. Work with substance misuse support agencies and Surrey County Council to identify options for those clients unwilling to engage with substance reduction programmes and agree alternative support and / or housing options | Two options delivered between 2022-27 | Joint working with SCC Adult Commissioning Team, Public Health, local supported accommodation providers to explore options | Housing Needs Manager | Annual |

Three: Tackle Rough Sleeping

| Action | Outcome | How | Lead | Target Date |
|---|--------------------------|------------------------------|-----------------------------|-------------------------------|
| 9. Work up options to deliver supported | Reduced use of emergency | Use of s106 contributions to | Head of Housing Services | During the Strategy period |

| accommodation scheme(s) for single homeless cohort clients | accommodation by this group | purchase property, secure funding from SCC and others to provide support staff | | |
|---|--|---|--|-----------------|
| 10. Work with local social landlords to deliver housing First accommodation | Grant funding secured for two units of accommodation used as Housing First | Partnership with Surrey County Council, supported housing providers to purchase and manage properties | Housing Needs Manager | 2022/23 |
| 11. Monitor and review the outcomes of clients placed in the Council's own Housing First style scheme with a view to delivering additional projects | Four clients assisted every two years | Monitor each client pathway, identify lessons learned to inform future schemes | Housing Support Officer, Housing Needs Manager | Review annually |

Priority Four: Improve access to and the range of accommodation options

| Action | Outcome | How | Lead | Target Date |
|--|-------------------------------|--|-------------------------|-------------|
| 12. Investigate ways to assist and / or incentivise social housing tenants | Achieve one downsize per year | Target under occupiers, understand barriers, work up | Register Team Leader | Annual |

| under occupying larger family homes to downsize | | proposals with Raven | | |
|---|--|--|--------------------------------|---------------|
| 13. Purchase family sized street properties for temporary accommodation | Reduction in number of families placed out of borough in emergency housing | Purchase of street properties using s106 contributions | Housing Strategy Manager | 2023/24 |
| 14. Provide grant funding to registered provider, and / or third sector partners to enable delivery of local supported housing, social and affordable homes | A 5 percent increase in numbers of affordable rented homes in the borough | Regular liaison with partners | Head of Housing, | Annual Review |

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ANNEX 4:

Equality Impact Assessment

1. Introduction

| 1.1 Service: | Housing |
|--|--|
| 1.2 Name of proposal, policy, strategy or project: | Homelessness & Rough Sleeping Strategy 2022-27 |
| 1.3 This is: | A change to an existing policy or strategy |
| 1.4 Completing officer's name: | Alison Robinson |
| 1.5 Date initially completed: | 10/09/2021 |

2. About the proposal

2.1 What is the main purpose of the proposal?

Please explain in one or two short paragraphs

There is a legal requirement to publish a Homelessness Strategy every five years setting out the local authority's approach to tackling it. The Strategy sets out the priorities for homelessness prevention and related housing activities.

2.2 Why is it being introduced / reviewed / changed now?

This could be, for example, because of new government legislation or guidance, because of changing service user needs, or for financial reasons.

The term of the previous five year Strategy is ending, a replacement Strategy is required for the next five years.

2.3 Who is the intended audience or target group(s) for the proposal?

Internal audience or group: Staff and councillors

External audience or group: Multiple (please specify below)

Partner organisations delivering statutory and non-statutory services, social housing providers, supported housing providers, support providers, the voluntary sector and charities working with households with housing issues or facing homelessness who are usually borough residents.

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

3. Assessment of potential impact

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

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

Who could be affected by your proposal?

| 3.1 Will the proposal affect people - service users, employees or the wider community? | Yes | If yes, please identify which group(s): Service users, employees in other organisations | | |
|---|-----|---|--|--|
| 3.2 Will the proposal introduce a change which will significantly affect how services or functions are delivered? | No | The Homelessness Strategy underpins the services and activities being delivered to tackle homelessness based on existing legislative requirements, many of the activities are already being delivered. New actions are proposed which enhance existing services or accommodation provision. | | |

Data and evidence

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

- Relevant information about service users held by your service
- Relevant information about staff (eg, the workforce equality information published on the website, staff surveys etc)
- Relevant information about borough residents (eg the borough equality information published on the <u>website</u>, service user surveys etc)
- Relevant information published by third party organisations (eg data, research studies etc)
- Feedback or information from organisations representing target equality groups

| 3.3 Please list the evidence / data sources you have considered in assessing the likely impact of your proposal | Homelessness Data: high level and detailed data is collected about the homelessness activities recorded on every client in which casework is undertake and is broken down by household composition e.g. single female, single male, or no children, female lone parent, male lone parent, couple with dependents, ethni support needs broken down by type for example mental health problems, age, substance dependency, physical ill health, learning disability etc Housing Needs: Numbers on the register over time, by size of property, broad witimes, number of social housing lettings Borough wide data: earnings data, house price data, private rent costs data, unemployment data, new affordable housing delivery | | | |
|---|---|--|--|--|
| 3.4 Are there any significant gaps in the evidence base that mean it is difficult to assess the likely impact of your proposal? | No | | | |

Potential impact

| 3.5 Does your proposal relate to a service or function which information indicates is important to those with protected characteristics? | Yes | If yes, please outline the issues – these could include (for example) access to information or ability to use or access a service. Households facing homeless frequently have a protected characteristic and ease of access to information, advice, assistance and the right accommodation is important to deliver an effective homelessness service. |
|--|-----|--|
| 3.6 Will the proposal intentionally target any particular protected characteristic group? | No | |
| 3.7 Will the proposal intentionally exclude any particular protected characteristic group? | No | |

| 3.8 Will the proposal be able to be equally accessed by all at every stage of the process? Or are there barriers that might inhibit access for some people? | May be barriers that could inhibit access | Please identify any barriers. These could be physical, digital, social or cultural: The activities and services offered under the umbrella of the Homelessness Strategy depend on the ability to access information, to access the internet, the ability to a communicate or have a representative who can assist. These are potential barriers to some people. |
|---|---|--|
| 3.9 Does the proposal have the potential to reduce inequalities or improve outcomes for protected characteristic groups? | Yes, Improve outcomes | Activities to prevent homelessness do improve outcomes for groups. For example, homeless women or families with a pregnancy, people with disabilities, long-term health problems are prioritised by legislation and, depending on their circumstances, are assisted to secure suitable accommodation and / or support. The Strategy sets out a broad and flexible range of activities to prevent homelessness and to assist those facing it. |

3.10 Considering the above information, please summarise the likely impact on <u>protected characteristic groups</u> (within the organisation, outside the organisation or both) This may be direct, indirect or differential impact. Use the above link for definitions, and consider issues such as physical access to services, different cultural or social practices and how people are able to access information.

| | Nature of impact | Please briefly explain your answer |
|--|------------------|---|
| Age including children, young people or older people | Positive | Children: depending on legislation, households with children facing homelessness have a priority and the strategy sets out a range of activities to help households prevent their homelessness, options to secure alternative accommodation and a range of support services for families with additional needs. |
| | | Young people: The strategy identifies young people as a specific group with support needs, recognises the vulnerability of care leavers, identified joint working with partners to help young people who face financial and other barriers to secure settled housing and access support. |
| | | Older people: whilst the strategy does not specifically mention older people, this group are prioritised under homelessness legislation. |
| Disability including physical, sensory or | Positive | Homelessness legislation and the Strategy identify a number of specific grounds with support needs for example, long-term health impairments, mental ill-health, substance |

| learning disability or long-term health impairment | | misuse, prison leavers, complex need clients and sets out activities to support these groups to move to settle accommodation. |
|--|-----------------|--|
| Gender reassignment | Neutral | All households approaching the Council with a housing issue are given advice and information and according to their situation and the legislative framework may be assisted into accommodation. |
| Marriage and civil partnership | Neutral | |
| Pregnancy and maternity | Positive | Homelessness legislation, which underpins the Strategy, identifies this group as a priority. This means if a homelessness duty is accepted because homelessness couldn't be prevented, accommodation will be provided. |
| Race or ethnicity | Neutral | |
| Religion or belief | Neutral | |
| Sex | Neutral | |
| Sexual orientation | Neutral | |
| Deprivation | Positive | Homelessness households frequently have low incomes and this impacts on their housing options and can make them more vulnerable to risk of homelessness. The Strategy supports activities to help manage debt, to budget, to assess affordability, to assess benefits and to work in partnership with other organisations to assist those experiencing financial hardship and deprivation. |
| Other vulnerable group | Choose an item. | |

3.11 Has there been any consultation with relevant interested parties or is any consultation planned?

This could include consultation, further evidence gathering or changing or amended the proposed approach. Give consideration to both consultation within the Council (eg staff) and outside the Council (eg residents).

Yes, already undertaken

If yes, please explain the nature of the consultation that has been undertaken or is planned. If no, please explain why consultation is not considered necessary. How were protected characteristic groups consulted or how will they be consulted?

A consultation exercise took place during Sept – Oct 2021. This included an on-line survey available on the Councils website, seeking views in the Housing Services. It was designed with specific 'routing' to questions based on these respondent types: clients / members of the public, professionals, others. Specific questions were asked round support needs, services and accommodation for groups such as those with mental ill-health, disabilities, substance misuse etc. It was promoted on social media and on the Council's website. Housing staff also include a link to the survey within their email signatures which goes to clients and professionals. Housing staff also encouraged service users to complete the survey and offered assistance. A further qualitative survey will be undertaken with homelessness service uses many of whom have protected characteristics. A stakeholder workshop also took place to whom a variety of professionals were invited including mental health teams, support providers, the NHS, Surrey County Council services including children's services and mental health services, Probation, Police, domestic abuse services, local charities.

3.12 What actions have been, or could be, taken to increase the positive impacts for people with protected characteristic(s) or other vulnerabilities? This could include changing or amending the proposed approach.

The Housing Team supports the most vulnerable and offers a flexible service which is tailored to the individual within the limits of legislation. No further actions are identified.

3.13 What actions have been, or could be, taken to reduce potential negative impacts on people with protected characteristic(s) or other vulnerabilities? This could include changing or amended the proposed approach, or allowing the proposal to be tailored to fit different individual circumstances

None.

3.15 Are there any remaining negative impacts for people with protected characteristic(s) or other vulnerabilities? For example, physical, cultural or information access issues that cannot be resolved.

No

If yes, please summarise which groups could be impacted and how.

Click or tap here to enter text.

| 3.16 Is any remaining negative impact legal or intended? | The Equality Act says discri | imination can be justified if i | t can be demonstrated |
|--|--------------------------------------|---------------------------------|-----------------------|
| that this is a proportionate means of achieving a legitimate air | m (for example, see <u>here</u>). F | However, this should always | be a last resort. |

No

If yes, please explain further.

Click or tap here to enter text.

4. Monitoring and review

4.1 How do you proposed to monitor and review the impact of your proposal? Please outline how you will monitor the impact of your proposal, once implemented, on protected characteristic groups, and what the mechanisms for review are (for example if any negative impact is found to be occurring)

Data on high level indictors is assessed monthly, this identifies potential issues with our services, this is supported by regular meetings about the services and any issues. Following implementation, the strategy action plan will be reviewed annually alongside the data on our homelessness duties that is also published quarterly.

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Agenda Item 6



| | T | | |
|---------------------|---|--|--|
| SIGNED OFF BY | Interim Head of Finance | | |
| AUTHOR | David Brown, Finance Manager | | |
| | Ross Tanner, Performance Officer | | |
| | Pat Main, Interim Head of Finance and Assets | | |
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| | Pat.Main@reigate- banstead.gov.uk | | |
| то | Overview and Scrutiny Committee | | |
| | Executive | | |
| DATE | Thursday, 9 December 2021 | | |
| | Thursday, 16 December 2021 | | |
| EXECUTIVE MEMBER | Deputy Leader and Portfolio Holder for Finance & Governance | | |
| | Portfolio Holder for Corporate Policy & Resources | | |

| KEY DECISION REQUIRED | N |
|-----------------------|--------------|
| WARDS AFFECTED | (All Wards); |

| SUBJECT Quarter 2 Perform | ance Report 2021/22 |
|---------------------------|---------------------|
|---------------------------|---------------------|

| RE | CO | ΜN | 1EN | IDA | ١Τ١ | 10 | NS. |
|----|----|----|-----|-----|-----|----|-----|
| | | | | | | | |

That the Overview and Scrutiny Committee:

Agenda Item 6

- (i) Note Key Performance Indicator (KPI) performance for Q2 2021/22 as detailed in the report and in Annex 1 and make any observations to the Executive:
- (ii) Note the Budget Monitoring forecasts for Q2 2021/22 as detailed in the report and at Annexes 2 and 3 and make any observations to the Executive.

That the Executive:

- (iii) Note Key performance Indicator performance for Q2 2021/22 as detailed in the report and in Annex 1;
- (iv) Note the Budget Monitoring forecasts for Q2 2021/22 as detailed in the report and at Annexes 2 and 3.

REASONS FOR RECOMMENDATIONS

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

EXECUTIVE SUMMARY

This report provides an overview of the Council's performance for Q2 2021/22, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring.

Of the ten KPIs reported on in Q2, eight are on target or within tolerance. Two indicators are off target.

Service and Central budgets are currently forecast to be £0.061m (0.4%) higher than the Revenue Budget for 2021/22 that was approved in February 2021.

The approved budget included separate forecasts for the ongoing financial impacts of the COVID-19 pandemic and this report includes updated forecasts based on the current position. The impacts of the pandemic continue to be monitored closely and, while additional expenditure has continued to be contained within the funding provided by Government, use of Earmarked Reserves set aside for the purpose will be necessary to offset forecast income losses. Further details are provided in this report and at Annex 2.

The Capital Programme forecast for the year is £53.07m which is £88.01m (62.4%) below the approved Programme for the year. The variance is as a result of £87.36m slippage and a net underspend of £0.065m. Further details are provided in this report and at Annex 3.

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

STATUTORY POWERS

- 1. Following the abolition of Best Value Performance Indicators (BVPI) in 2008 and the National Indicator Set (NIS) in 2010, there is no statutorily imposed framework for local authorities to manage performance.
- 2. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This monitoring report is part of that process.

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

BACKGROUND

- 4. Each quarter the Overview and Scrutiny Committee and Executive receive an update on the Council's performance. The report provides an overview of KPI as well as budgetary performance.
- 5. KPIs are service level performance measures and are set in order to demonstrate performance against key corporate objectives.
- 6. 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

- 7. Ten KPIs are reported on in Q2, the full detail of which is provided in annex 1.
- 8. Of the ten KPIs reported on, eight are on target or within the agreed tolerance. Two indicators are off target, outside of their tolerance and are therefore red rated.
- 9. Of those that are off target:
 - **KPI 2 Business rates collection.** Performance continues to be affected by the recalculation of the Retail Rate Relief which took place earlier this year, leading to a number of instalments being set back and a subsequent recalculation and creation of new instalment plans. It is expected that performance will catch up as the year progresses.
 - KPI 7 Affordable Housing Completions. Affordable housing completions this
 quarter continue to be off target, however these units are often delivered in batches.
 With a significant number of housing development projects such as the Horley
 North West Sector, RNIB and Quarryside Business Park expected to reach
 completion later in the year, an increase in affordable housing completions is
 expected to bring completions in line with the target.

Revenue Budget Forecast

- 10. The 2021/22 Original Revenue Budget approved by Council in February 2021 was £17.395m.
- 11. At 30 September the forecast outturn for Services and Central Budgets is £17.841m against a management budget of £17.808m, including one-off funding from Reserves, resulting in an overall net underspend of £0.033m (0.4%).
- 12. In addition, there are forecast continued income losses of £1.418m (net) following the COVID-19 pandemic that will have to be funded this year through a call on the Reserve that has been set aside to mitigate this risk.

Agenda Item 6

| Table 1: REVENUE BUDGET MONITORING at 30 Sept 2021 | Original Budget £m | In-Year Adjustment s ¹ £m | Management Budget £m | Forecast Outturn £m | Forecast Year-end Variance £m |
|---|--------------------------|---|----------------------------|---------------------------|--|
| Service Budgets | 16.240 | 0.413 | 16.653 | 16.714 | 0.061 |
| Central Budgets | 1.155 | 0.000 | 1.155 | 1.127 | (0.028) |
| Revenue Budget Forecast at 30 June | 17.395 | 0.413 | 17.808 | 17.841 | 0.033 |
| Income losses due to ongoing COVID-19 impacts | 0.000 | 0.000 | 0.000 | 1.772 | 1.772 |
| Government Funding to offset Income Losses | 0.000 | 0.000 | 0.000 | (0.354) | (0.354) |
| Revenue Budget Forecast at 30 June Including COVID-19 Income Losses | 17.395 | 0.413 | 17.808 | 19.259 | 1.452 |

Note: in-year budget adjustments reflect the drawdown of Earmarked Reserves during the year and amounts carried forward from the prior year to fund approved expenditure.

Service Budgets

- 13. The 2021/22 Original Budget for Services approved by Council in February 2021 was £16.240m.
- 14. At 30 September the full year outturn is forecast to be £16.714m against a management budget of £16.653m resulting in an overspend of £0.061m (0.4%).
- 15. The key variances are:

Organisation:

• Electoral Services - £0.168m underspend due to lower than expected election costs and review of long term contracts.

Place:

 Planning Policy - £0.133m underspend due to lower staff costs because of vacancies.

People

 Revenues, Benefits & Fraud - £0.393m overspend due to lower DWP subsidy and higher Housing Benefit, partially offset by lower staff costs due to vacancies and higher commercial income.

Corporate

- Management Team underspend of £0.200m in anticipation of implementation of the new senior management structure
- 16. Further details of Service budget variances are provided at Sections 1 and 2 of Annex 2.

COVID-19 Expenditure & Funding

- 17. The Revenue Budget for 2021/22 that was approved by Council in February 2021 did not include specific budgets for ongoing expenditure relating to the Council's response to the pandemic but it did provide an outline of the types of spending that were likely to be incurred and assumptions regarding how they would be funded based on the information available at the time.
- 18. The latest forecast for additional expenditure and funding during 2021/22 are summarised below. This confirms that expenditure and associated funding are currently forecast to balance. These forecasts are based on current assumptions regarding national and local recovery following the pandemic and may change. Some of the forecast Government funding is also subject to final confirmation. The majority of pandemic funding is received direct from the Government but some continues to be paid via Surrey County Council.

| Table 2: COVID-19 FORECAST ADDITIONAL EXPENDITURE & FUNDING at 30 Sept 2021 | Forecast Expenditure £m | Forecast Funding £m |
|---|-------------------------------|---------------------------|
| Welfare Response | 0.294 | |
| 'Welcome Back' Expenditure & Funding | 0.166 | (0.166) |
| Revenues & Benefits Team - additional temporary staff | 0.136 | |
| Financial Management & Monitoring | 0.131 | |
| Communications/Contact Centre/Data & Insight Team - additional capacity | 0.113 | |
| Homelessness Prevention | 0.101 | |
| Revenues & Benefits - in-house overtime, software etc | 0.101 | |
| Environmental Services/Waste Team - additional capacity | 0.100 | |
| ICT support costs | 0.079 | |
| Other expenditure (including Elections) | 0.056 | (0.039) |
| Surge Testing | 0.026 | (0.026) |
| Cultural, Sports, Leisure | 0.022 | |

Agenda Item 6

| New Burdens Funding (bid outcome awaited, only | | (0.030) |
|--|-------|---------|
| part assumed) | | |
| Test & Trace Administration Funding | | (0.088) |
| Contain Outbreak Management Funding | | (0.274) |
| Government COVID-19 Funding Allocation | | (0.638) |
| 2021/22 | | |
| | | |
| Forecast Expenditure and Funding 2021/22 | 1.323 | (1.261) |
| Net Expenditure / (Income) | 0.062 | |

COVID-19 Income Losses

19. The main area for concern relates to ongoing income losses as a consequence of the pandemic. At 30 September the forecast total income loss is £1.418m after taking account of forecast Government funding for losses to 30 June (only).

| Table 3: COVID-19 FORECAST INCOME LOSSES AND FUNDING | Forecast Income Loss |
|---|----------------------|
| at 30 June 2021 | £m |
| Car Parking | 1.228 |
| Leisure Services (management fee has continued to be waived during 2021/22; lower pitch income) | 0.278 |
| Planning Policy (lower fee income) | 0.118 |
| Property & Facilities (lower income from commercial properties) | 0.051 |
| Planning Policy (lower fee income) | 0.118 |
| Revenues & Benefits (lower commercial income | 0.040 |
| Environmental Licencing (lower premises/taxi licencing & MOT income) | 0.037 |
| Harlequin (lower ticket sales, hire and catering income) | 0.020 |
| Forecast Income Loss | 1.772 |
| Government Funding (Q1 Losses Only) | (0.354) |
| Net Forecast Income Loss 2021/22 | 1.418 |

- 20. The net forecast shortfall can be funded on a one-off basis through drawing on the £2.0 million Earmarked Reserve that was set aside at the end of 2020/21 in anticipation of continued income losses.
- 21. These forecasts are based on the second quarter position and remain subject to review as recovery continues.
- 22. Looking forward beyond 2021/22 there remain concerns that ongoing income losses (in particular relating to car parking) will add significantly to the forecast budget gap over the medium term as there is no current prospect of further Government funding for the majority of these pressures beyond the end of June 2021.

- 23. The ongoing unfunded impacts will have to be accommodated within future budgetsetting decisions and will result in a further call on Reserves until sustainable solutions are implemented. This will have to be addressed as a priority during budget-setting for 2022/23 for services where there is no prospect of income streams returning to prepandemic levels.
- 24. As previously reported, over the medium term, the main options for mitigating the financial impacts of COVID-19 include:
 - Continue to lobby Central Government for additional funding in recognition of the residual impacts of income losses on district Councils and their ability to deliver services.
 - Look to make offsetting savings and efficiencies where possible before calling on Reserves.
 - Make use of Earmarked Revenue Reserves to close the gap. This has implications for the projects and services and other potential risks that were intended to be funded from these resources.
- 25. As a final resort it would be necessary to apply for permission from Government to capitalise some of the costs and financial impacts to enable the Council to borrow and fund them on a long-term basis. This would place the Council in the spotlight as being at risk of financial failure.
- 26. Further updates on forecast impacts on costs and income and how they might be funded will continue to be included in the quarterly budget monitoring reports throughout 2021/22.

Central Budgets

- 27. The 2021/22 Original Budget for Central budgets approved by Council in February 2021 was £1.155m.
- 28. At 30 September the forecast outturn is £1.127m against a management budget of £1.155m resulting in an underspend of £0.028m (2.42%).
- 29. This overspend is mainly as a result of small adjustments to forecasts as projects near completion.
- 30. During the quarter notification was received from the Local Enterprise Partnership of its decision to withdraw £2.833m grant funding that was previously allocated to help the Council prepare to develop Horley Business Park. The reason for withdrawal was because the current timeframe for delivery no longer meets the original grant terms. The grant funding was used in 2019 to part-fund the loan to Greensand Holdings Limited for purchase of land on the business park site. The grant will be replaced with equivalent prudential borrowing and the costs will be taken into account when preparing treasury management budgets for 2022/23.
- 31. Further details on Central Budget forecasts are provided at Annex 2.

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Investment Income

32. Forecast income from property rents at Quarter 2 is £4.608m compared to the £4.568m that was received in 2020/21. This represents 26.5% of the net revenue budget for 2021/22.

Capital Programme Monitoring

- 33. At 30 September 2021, the Capital Programme budget was £141.08m (including £99.456m of approved carry-forward capital allocations from 2020/21).
- 34. The forecast outturn position is £53.07m which is £88.01m (62.4%) below the approved Programme for the year. The variance is driven by £87.36m slippage and a net underspend of £0.65m.
- 35. Slippage at 31 March will be carried forward to the Programme for 2022/23 onwards. The main reasons for forecast slippage at the end of Quarter 2 were:
 - Housing Delivery Programme (£20.0m slippage) these capital funds have been allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.
 - Commercial Investments Programme (£63.98m slippage) these capital funds have been allocated to fund investment in new developments and commercial assets & activities to deliver a sustainable net income stream. There are no specific developments or asset purchases planned at this time. Forecasts will be updated when new business cases or investment opportunities are developed.
- 36. The forecast net underspend is mainly as a result of:
 - ICT Disaster Recovery £0.200m lower expenditure due to activity being funded from elsewhere in the capital programme.
- 37. Further details are provided at Annex 3.

OPTIONS

- 38. The Overview and Scrutiny Committee has two options:
 - **Option 1:** Note the Q2 2021/22 KPI and budget performance and make no observations/comments to the Executive.
 - **Option 2:** Note the Q2 2021/22 KPI and budget performance and make any observations to the Executive
- 39. The Executive has two options:
 - **Option 1:** Note the Q2 2021/22 KPI and budget performance and make no observations/comments to the Head of Corporate Policy, Projects and Business Assurance and/or Head of Finance.

Option 2: Note the Q2 2021/22 KPI and budget performance and make any observations/comments to the Head of Corporate Policy, Projects and Business Assurance and/or Head of Finance.

LEGAL IMPLICATIONS

40. There are no legal implications resulting from this report.

FINANCIAL IMPLICATIONS

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

EQUALITIES IMPLICATIONS

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

COMMUNICATION IMPLICATIONS

43. There are no communication implications arising from this report

RISK MANAGEMENT CONSIDERATIONS

- 44. There are no risk management implications arising from his report
- 45. The annual budget report and supporting strategies include a full risk assessment of budget proposals.

OTHER IMPLICATIONS

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

CONSULTATION

- 47. The performance report has been reviewed by the Council's Corporate Governance Group.
- 48. There are no other consultation implications arising from this report.

POLICY FRAMEWORK

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

BACKGROUND PAPERS

None.

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Q2 2021/22 Key Performance Indicators

| KPI | Status | Portfolio Holder |
|---|--------|------------------|
| KPI 1 – Council Tax Collection | AMBER | Cllr Schofield |
| KPI 2 – Business Rates Collection | RED | Cllr Schofield |
| KPI 3 – Staff Turnover | GREEN | Cllr Lewanski |
| KPI 4 – Staff Sickness | GREEN | Cllr Lewanski |
| KPI 5 – Homelessness Positive Outcomes | GREEN | Cllr Neame |
| KPI 6 – Housing Completions | GREEN | Cllr Biggs |
| KPI 7 – Affordable Housing Completions | RED | Cllr Biggs |
| KPI 8 – Local Environmental Quality Surveys | GREEN | Cllr Bramhall |
| KPI 9 – Missed Bins | GREEN | Cllr Bramhall |
| KPI 10 – Recycling | AMBER | Cllr Bramhall |

KPI 1 – The % Of Council Tax Collected

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 29% | 29.09% | GREEN |
| Q2 | 57% | 56.36% | AMBER |

Description

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

Narrative

Performance in Q2 is just below target, though within tolerance. Performance in Q2 of this financial year is marginally up when compared to 2020/21.

In the non-achievement of the target can be attributed to the impacts of Coviding and delays in recovery action as the courts were closed.



KPI 2 – The % Of Business Rates Collected

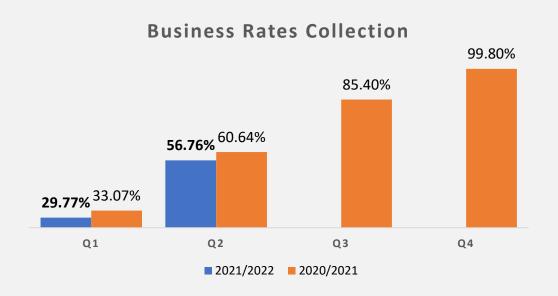
| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 31% | 29.77% | RED |
| Q2 | 58% | 56.76% | RED |

Description

This indicator measures the percentage of non-domestic rates (NNDR) collected by the Council. The performance reported is cumulative for the year to date. A tolerance of 1% is applied each quarter.

Narrative

Performance continues to be affected by the recalculation of Retail Rate Relief (Covid-19 related) earlier in the year, leading to a number of instalments being set back and a subsequent recalculation and creation of new instalment plans. This is a pattern seen across Surrey. It is therefore expected that performance will catch-up as the year progresses.



| LIDI 3 | CLO | ff T |
|--------|-------|-------------|
| KPI 3 | - Sta | ff Turnover |

| KPI 4 – Staff Sic | kness Absence |
|--------------------------|---------------|
|--------------------------|---------------|

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 12% | 7% | GREEN |
| Q2 | 12% | 7% | GREEN |

| Descri | iptio | on |
|--------|-------|----|

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

Staff turnover has remained comfortably within the target area in Q2, with levels —temaining steady at 7% for the last 3 quarters. The Employment Committee creceived an update on key workforce data at its meeting on 23 June 2021, which included additional information on staff turnover.





| | TARGET | ACTUAL | STATUS |
|----|--------|-----------|--------|
| Q1 | 4 days | 3.21 days | GREEN |
| Q2 | 4 days | 3.36 days | GREEN |

Description

This indicator tracks the average duration of short term sickness absence per employee. The performance reported at the end of each quarter is for a cumulative rolling 12 month period. The indicator measures all non Covid-19 short term sickness absence.

Narrative

Despite a small uptick, short-term staff sickness absence continues to be within target. The Employment Committee received an update on Key Workforce Data at its meeting on <u>23 June 2021</u>, which included additional information on staff sickness.

Staff Sickness Absence (Days)



KPI 5 – The % Of Positive Homelessness Prevention And Relief Outcomes

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 50% | 74% | GREEN |
| Q2 | 50% | 79% | GREEN |

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. The indicator measures the percentage of positive outcomes achieved in the quarter against approaches to the Council that were made in the quarter.

Additional information on homelessness and the responsibilities placed on local authorities is available on the government's website.

Narrative

As reported in previous quarters, homelessness approaches remain at a high levels. Despite the increase in the number of approaches, the Council has continued to maintain a high percentage of positive outcomes.

In Q2 there were 316 total homelessness approaches made to the Council, an all time high. Approaches across the quarter were consistent across all three months. This increase can be attributed to the end of the ban on bailiff enforcement which expired on 31 May.

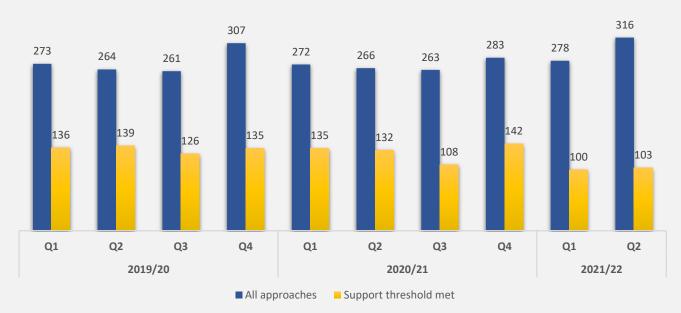
Of the 316 approaches, there were 103 cases where the support threshold was met. In Q2 there were 83 positive prevention and relief outcomes.

Please see additional contextual performance information overleaf.

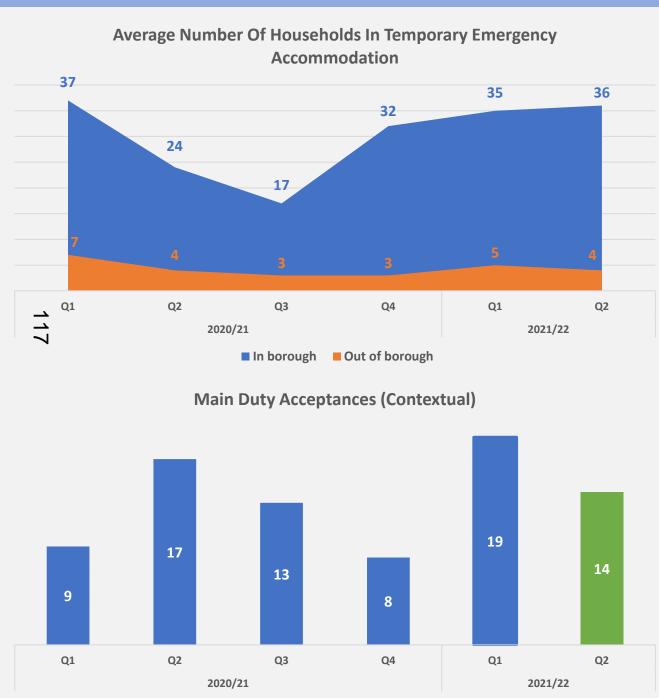
Positive Homeless Prevention and Relief Outcomes



Homelessness Approaches (Contextual)



KPI 5 – The % Of Positive Homelessness Prevention And Relief Outcomes (Continued)



Temporary emergency accommodation

The average number of households placed in temporary emergency accommodation (not Council owned) has seen a levels stabilise Q2, although levels remain higher than at the same period in the previous year.

Single persons continue to make up an increasing share of those placed in temporary emergency accommodation. The Council had previously been successful in applying for a grant from the DLUHC to place and support single persons in temporary emergency accommodation who otherwise would not have met the threshold for support. The continuing support from this partly explains the continued higher level of placements.

Despite high levels of homelessness approaches the Council continues to secure equally high levels of positive prevention and relief outcomes.

The use of temporary emergency accommodation also continues to impact the **Council's own emergency accommodation** which is being operated at a reduced capacity in order to ensure social distancing and the avoidance of facilities being shared. As of the close of Q2 the occupancy of Massetts Road sits at 50%.

Main duty acceptances

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

At the close of Q2 there were 14 main duty homelessness acceptances, a minor decrease on the 19 seen in Q1 and down by 3 from the 17 seen in Q2 2020/21.

KPI 6 – Net Housing Completions

| | | TARGET | ACTUAL | STATUS |
|-------|----|--------|--------|--------|
| | Q2 | 230 | 277 | GREEN |
| 20/21 | Q3 | 345 | 606 | GREEN |
| | Q4 | 460 | 794 | GREEN |
| 21/22 | Q1 | 115 | 112 | AMBER |
| | Q2 | 230 | 283 | GREEN |

Description

This indicator measures the net number of residential housing completions that have taken place in the borough. It includes all completions – i.e. at both market and affordable rates. The targets mirror those set in the Council's Development Management Plan. Performance reported is cumulative for the year. Given the fluctuations in housing completions throughout the year, a tolerance of 60 applies each quarter.

Narrative

Net housing completions for Q2 2021/22 are on target, with the number of completions comfortably over the target of 230, sitting at 283 at the close of the quarter.

The majority of completions have been recorded from the site of the former Redhill Youth Centre (50 units) and from the conversion of the offices at Warwick House (54 units). Large sites such as Horley NW, De Burgh School, former Liquid and Envy and RNIB Soundscape continue to deliver a steady stream of housing in the borough.

At the end of Q2 there were 1,600 dwellings under construction, with 88 commencing during the quarter.

Please See KPI 7 for information on affordable housing completions.



Total Number Of Dwellings Under Construction (Contextual)



KPI 7 – Net Affordable Housing Completions

| | | TARGET | ACTUAL | STATUS |
|-------|----|--------|--------|--------|
| | Q2 | 50 | 23 | RED |
| 20/21 | Q3 | 75 | 67 | AMBER |
| | Q4 | 100 | 93 | AMBER |
| 21/22 | Q1 | 25 | 15 | AMBER |
| | Q2 | 50 | 24 | RED |

Description

KPI 7 measures the number of net affordable housing completions in the borough. 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, a tolerance of 10 applies each quarter.

Narrative

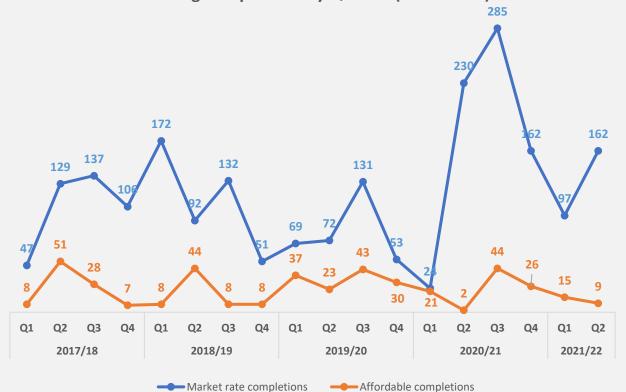
At the close of Q2, 24 affordable housing units have been completed. Whilst affordable housing completions this quarter remain low, these units are often completed in batches. It is expected that future affordable dwelling delivery at large sites such as Horley North West Sector, RNIB and Quarryside business park will come through later in the year and will bring completions inline with targets.

Of the 24 completions in Q1, 9 affordable units have been delivered during this quarter. Most of these units (7) came from the development on the site of the former Redhill Youth Centre.

Of the 1,600 dwellings under construction at the end of Q1, 230 are for affordable units. During the same period there were a further 6 affordable units commenced.

| Affordable completions by tenure (contextual) | | | | |
|---|----|---|----|----|
| Reporting period Social rent Shared ownership Total | | | | |
| | Q2 | 2 | 0 | 2 |
| 2020/21 | Q3 | 4 | 40 | 44 |
| | Q4 | 5 | 21 | 26 |
| 2021/22 | Q1 | 1 | 14 | 15 |
| 2021/22 | Q2 | 2 | 7 | 9 |

Housing Completions By Quarter (Contextual)



KPI 8 - Local Environmental Quality Surveys

| | TARGET | ACTUAL | STATUS |
|----|-------------------------|--------|--------|
| Q1 | 90% of sites at grade B | 100% | GREEN |
| Q2 | 90% of sites at grade B | 100% | GREEN |

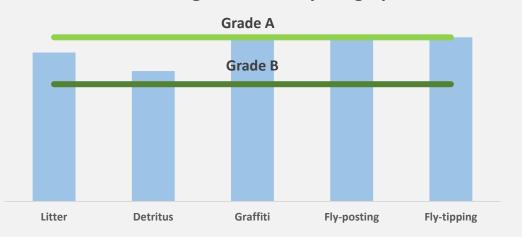
Description

Local Environmental Quality Surveys (LEQs) are a robust and well recognised methodology for measuring the cleanliness of places. The methodology is developed and maintained by Keep Britain Tidy. A selection of sites in the borough are assessed in the following categories: litter, detritus, fly-tipping, fly-posting and graffiti. The average of the scores achieved in each category gives an overall score for each site that is surveyed.

Na)rative

Of the 125 surveys carried out in Q1, all scored at grade B and above. The Council has seen an improvement in average category scores during Q2.

LEQ average site scores by category



KPI 9 - Number Of Missed Bins Per 1,000 Collected

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 10 | 1.32 | GREEN |
| Q2 | 10 | 1.08 | GREEN |

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 continuing challenges presented by the Covid-19 pandemic and the heightened levels of waste seen during the year, the Council has maintained a reliable waste collection service for residents, with just over 1 bin reported as missed per 1,000 that were collected.

Number of missed bins per 1,000 collected



KPI 10 – Recycling: The Percentage Of Household Waste That Is Recycled And Composted

| | | TARGET | ACTUAL | STATUS |
|-------|----|--------|--------|--------|
| | Q2 | 60% | 56.5% | AMBER |
| 20/21 | Q3 | 60% | 55.2% | AMBER |
| | Q4 | 60% | 53.1% | RED |
| 21/22 | Q1 | 60% | 56.9% | AMBER |

Description

This indicator measures the percentage of household waste collected by the Council that is recycled and composted. Performance is reported one quarter in arrears, with Q1 2021/22 performance reported in Q2. The target for this indicator is a stretch target, set in the Joint Waste Management Strategy to which the Council is a signatory, along with Surrey County Council and all Surrey Districts and Boroughs.

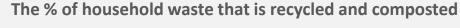
Narrative

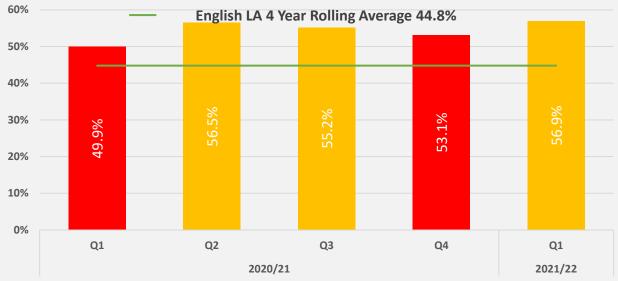
Coming into the 2021/22 financial year, Covid-19's impact continues to be felt on tonnages and the composition of household waste. While off-target, this quarters performance is within the agreed tolerance and is therefore rated amber.

Despite falling short of the 60% target, the Council has seen an improvement in its recycling performance this quarter, with levels returning to the previous high achieved in Q2 2020/21. Moreover, recycling performance in Q1 of this year is up considerably when compared to the same quarter last year.

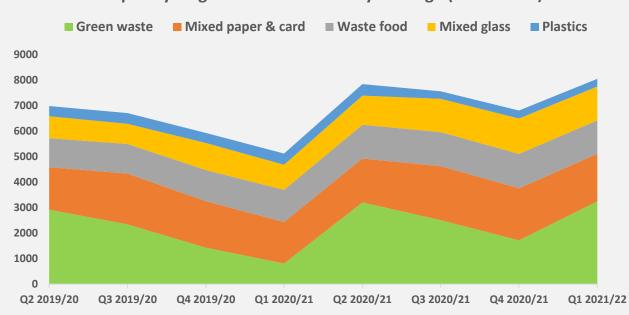
The collection of the borough's garden waste was a key contributor to this quarter's strong result, along with continued strong yields of paper, mixed recycling and food waste, which reflects the continuing impact of Covid-19 on waste tonnages collected (with increased working at home and online purchasing habits).

The Council is continuing to work to heighten recycling performance alongside the Surrey Environment Partnership, including through the roll-out of full kerb side recycling to flats.





Top Recycling Streams Collected By Tonnage (Contextual)



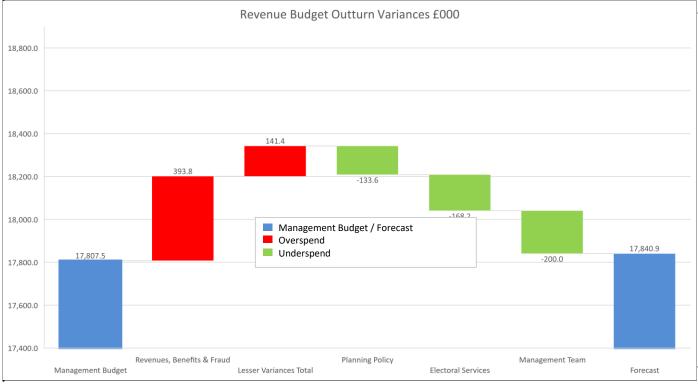
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Summary

The full year forecast at the end of Quarter 2 for underlying Service budgets is £0.061m (0.4%) higher than the management budget; the Central budgets are reporting £0.028m (2.4%) lower than budget, resulting in an overall forecast of £0.033m (0.2%) higher than budget.

Ongoing COVID-19 income losses are forecast to be £1.772m, £0.354m of which are expected to be funded by the Sales, Fees & Charges grant from Government. Inclusion of these net losses results in a forecast of £1.452m (8.2%) higher than budget which will be funded by calling on the £2.000m COVID-19 Reserve that has been set aside for this purpose in 2021/22.

| onciliation of Original Budg | jet to Management Budget for 2021/22 | | |
|------------------------------|--|----------|----------------------|
| | | £000 | £000 |
| Original Budget | | | 17,395.0 |
| Unspent Budget broug | ht forward from 2020/21 | 218.3 | |
| Transfers from Reserv | ves: | | |
| Corporate Plan Delive | ry Fund Reserve | 117.0 | |
| Environmental Sustair | nability Reserve | 77.2 | |
| | | | 412.5 |
| Management Budget | | | 17,807.5 |
| dline Revenue Budget Infor | mation 2021/22 | £000 | |
| Management Budget | | 17,807.5 | |
| Year End Forecast | - Service & Central Budgets | 17,840.9 | |
| Projected overspend | - Service & Central Budgets | 33.4 | (0.2% of the budget) |
| Year End Forecast | - ongoing COVID-19 income losses | 1,772.5 | |
| | - COVID-19 income losses funding | -354.0 | |
| Projected overspend | - including ongoing net COVID-19 income losses | 1,451.9 | (8.2% of the budget) |



Forecast for underlying Services is £0.194m over budget. Significant variances summarised below:

Revenues, Benefits & Fraud: £393k overspend is mostly attributable to lower DWP subsidy, higher Housing Benefit overpayment and DHP, partially offset by £197k lower salary costs due to six vacancies in the team, and a £53k larger surplus on the trading account.

Planning Policy: £133k underspend driven by vacancies across the team partially offset by higher external consultancy costs.

Electoral Services: £168k underspend. The forecast reflects £73k lower than budgeted election costs and £96k savings resulting from a review of long term contracts.

Management Team: £200k underspend as a result of the revised structure of the team.

Forecast for Central Budgets is £0.028m under budget. There are no significant variances.

COVID-19 Ongoing Income Losses

These are detailed at Section 2 and summarised above. To be funded by calling on the £2.000m COVID-19 Reserve set aside to mitigate this risk in 2021/22.

COVID-19 Ongoing Expenditure & Funding

These are detailed at Section 3

| 1. General Fund Reserve | | | |
|--|---|----------------------|---|
| Balance at start of year | | £000 | £000 3,000.0 |
| Less: Projected overspend | at 31 March 2022 | | -33.4 |
| Anticipated balance at End of Year before Reserves Review/Reallocations* | | = | 2,966.0 |
| *Maximum General Fund Balance Required (2021/22 = £3m) | | 2,609.3 | |
| 2. Corporate Plan Delivery Fund (CPDF) Reserve | | £000 | 0000 |
| | | £000 | £000 |
| Balance at start of year | | | 860. |
| V21-03 CPDF Community Centre Review | Community Centres | 83.2 | |
| V21-01 CPDF Community Centre Review | Community Centres | 15.0 | |
| V21-02 CPDF Community Centre Review | Community Centres | 18.8 | |
| Balance before any further transfers in year | | _ | 743. |
| , | | = | |
| 3. Capital Schemes (Feasibility Studies) Reserve | | | |
| The Capital Schemes (Feasibility Studies) Reserve was established to ensure that funding external professional advice for new initiatives designed to deliver new capital schemes, in | | | |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. | | cle back to th | |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital | | | e Capita £000 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital | | cle back to th | |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. | | cle back to th | £000 2,334. |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year | | cle back to th | £000 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve | alised and the funds will recyc | £000 | £000 2,334. 2,334. |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year | alised and the funds will recyc | £000 == | £000 2,334. 2,334. |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. | alised and the funds will recyc | £000 | £000 2,334. 2,334. ty local £000 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise | alised and the funds will recyc | £000 == | £000 2,334. 2,334. |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. | alised and the funds will recyc | £000 == | £000 2,334. 2,334. ty local £000 656. |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year | alised and the funds will recyc | £000 == | £000 2,334. 2,334. ty local £000 656. |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year 5. Environmental Sustainability Reserve | alised and the funds will recycles awareness amongst local pe | £000 == | £000 2,334 2,334 ty local £000 656 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year I. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year | alised and the funds will recycles awareness amongst local pe | £000 == | £000 2,334 2,334 ty local £000 656 |
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| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year I. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year The Environmental Sustainability Reserve The Environmental Sustainability Reserve was established to fund initiatives to improve RE Balance at start of year Groundworks for Electric Vehicle Charging Points | alised and the funds will recycles awareness amongst local pe | ele back to the £000 | £000 2,334 2,334 ty local £000 656 £500 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year I. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year I. Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year The Environmental Sustainability Reserve Balance at start of year | alised and the funds will recycles awareness amongst local pe | ele back to the | £000 2,334 2,334 ty local £000 656 £000 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year I. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year The Environmental Sustainability Reserve The Environmental Sustainability Reserve was established to fund initiatives to improve RE Balance at start of year Groundworks for Electric Vehicle Charging Points | alised and the funds will recycles awareness amongst local pe | ele back to the £000 | £000 2,334 2,334 ty local £000 656 656 £000 247 |
| income streams. Once a Capital scheme is approved by Executive, the costs can be capital Schemes (Feasibility Studies) Reserve. Balance at start of year 4. Economic Development Initiatives Reserve The Economic Development Initiatives Reserve was established to fund initiatives to raise employment opportunities. Balance at start of year The Environmental Sustainability Reserve The Environmental Sustainability Reserve was established to fund initiatives to improve Reserve was established to fund i | alised and the funds will recycles awareness amongst local pe | ele back to the £000 | £000 2,334. 2,334. ty local £000 656. |

Revenue ANNEX 2: Section 2

| Responsible Officer | Service | Original Budget | Total Variations | Management Budget | Year End Outturn | Year End Variance | Commentary |
|------------------------|------------------|--------------------|---------------------|----------------------|---------------------|----------------------|----------------|
| | | £000 | £000 | £000 | £000 | £000 | |
| 1. Service Budgets | | | | | | | |
| 1a. Organisation | | | | | | | |
| Catherine Rose | Corporate Policy | 227.8 | 77.2 | 305.0 | 299.8 | (5.2) | Minor variance |

| 1a. Organisation Catherine Rose | Corporate Policy | 227.8 | 77.2 | 305.0 | 299.8 | (5.2) Minor variance |
|---------------------------------|--|----------|--------|----------|----------|---|
| Catherine Rose | Projects & Business Assurance | 204.4 | 0.0 | 204.4 | 182.6 | (21.8) Minor variance |
| 0 | 4 | | | | | |
| Carys Jones | Communications | 700.8 | 0.0 | 700.8 | 700.8 | 0.0 |
| 5 | Customer Contact | 400.4 | 0.0 | 400.4 | 400.4 | *** |
| Darren Wray | Information & Communications Technology | 1,767.4 | 0.0 | 1,767.4 | 1,808.9 | 41.5 Increase in server support costs. |
| Kate Brown | Organisational Development & Human Resources | 785.8 | 0.0 | 785.8 | 824.6 | 38.8 Overspend to cover two maternity posts and other minor variances. |
| Joyce Hamilton | Legal Services | 816.6 | 0.0 | 816.6 | 861.8 | 45.2 Reduction in Legal income by £40.1k and recruitment expense of £10.7k. A small saving of £6.4k was made in Corporate subs budget. |
| | Land Charges | -105.6 | 0.0 | -105.6 | -105.6 | 0.0 |
| | Democratic Services | 861.1 | 0.0 | 861.1 | 846.3 | (14.8) Savings mainly due to reduction of £14k in training costs in Member Allowances and Support. |
| | Electoral Services | 447.9 | 169.3 | 617.2 | 449.0 | (168.2) £72.4k lower elections costs and £95.8k saving due to unused budget mainly in temp staff, training and publicity & promotional. |
| | Corporate Support | 184.0 | 0.0 | 184.0 | 184.0 | 0.0 |
| Pat Main | Finance | 1,326.6 | 0.0 | 1,326.6 | 1,362.2 | 35.6 Higher staff costs relating to vacancy cover and service development activities |
| | Property & Facilities | -1,495.1 | 0.0 | -1,495.1 | -1,526.7 | (31.6) |
| | Property & Facilities - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 51.0 | 51.0 Redhill Hotel £40k, Horley Leisure Centre £9k, Priory Park Pavilion £2k. |
| | Commercial & Investment | 143.4 | 0.0 | 143.4 | 143.4 | 0.0 |
| 1b. Place | | | | | | |
| Simon Bland | Economic Prosperity | 353.6 | 0.0 | 353.6 | 348.9 | (4.7) Minor variance |
| Morag Williams | Fleet | 886.6 | 346.9 | 1,233.5 | 1,233.5 | 0.0 |
| | Refuse & Recycling | 1,348.1 | -212.1 | 1,136.0 | 1,177.1 | 41.1 £189k Temporary Staff and £99k Overtime overspends, are partially offset by a combination of other lesser variances. Additional recycling income has already been included in the forecast. Paper, Domestic Mixed and Food recycling are all showing a forecast favourable variance for both materials collected and recycling credits earned. |
| | Engineering & Construction | 60.9 | 0.0 | 60.9 | 82.0 | 21.1 A capitalised salary assumption of (£18k) is no longer deliverable. |
| | Environmental Health & JET | 1,101.4 | -3.4 | 1,098.0 | 1,098.2 | 0.2 Minor variance |
| | Environmental Licencing | -203.6 | 0.0 | -203.6 | -204.6 | (1.0) Minor variance |
| | Environmental Licencing - ongoing COVID-19 income loss | 0.0 | 0.0 | 0.0 | 37.2 | 37.2 Premises and taxi licences £20k, MOT & Testing £17k. |
| | Greenspaces | 1,481.8 | -37.0 | 1,444.8 | 1,443.5 | (1.3) Minor variance |
| | Car Parking | -2,024.8 | -7.6 | -2,032.4 | -2,062.4 | (30.0) Underspend due to current vacancies |
| | Car Parking - ongoing COVID-19 income loss | 0.0 | 0.0 | 0.0 | 1,228.0 | 1,228.0 Off-street £1.1m, On-street £0.1m. Forecast losses have reduced since the Q1 report. |
| | Street Cleansing | 1,006.7 | -86.8 | 919.9 | 927.6 | 7.7 Minor variance |
| Peter Boarder | Place Delivery | 354.5 | 0.0 | 354.5 | 348.1 | (6.4) £23k underspend against consultancy budget, as £11k spend expected against a £34k budget by year end. Wit an overspend of £13k against the salary budget (due to bonuses paid in P3) and a small overspend of £3k from other non-pay items, the current forecast is reporting an overall £6k underspend. |
| Andrew Benson | Building Control | 45.0 | 0.0 | 45.0 | 45.0 | 0.0 As of Q2, Salaries is underspending by £318k due to 6 vacancies across the Planning budget. There is a plan to restructure the team, where we anticipate to recruit to 4/5 of the current vacant posts and potentially give up one |
| | Development Services | 225.4 | 2.0 | 227.4 | 232.4 | 5.0 post as a saving. This is currently under discussion and will be confirmed by January. In contrast, the Planning Team are also reporting an overspend of £174k against consultancy and a further £25k overspend against |
| | Planning Policy | 457.9 | 18.0 | 475.9 | 342.3 | (133.6) contractors, to fill the vacant gaps within the team structure. We expect to see this overspend reduce as we recruit to the vacant posts. |
| | Planning Policy - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 117.9 | 117.9 Planning Fee income (losses worsened significantly in Aug & Sept). Slowdown in the construction industry durin the pandemic. |

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| Responsible Officer | Service | Original Budget | Total Variations | Management Budget | Year End Outturn | Year End Variance | Commentary |
|-----------------------------------|--|--------------------|---------------------|----------------------|---------------------|----------------------|--|
| | | £000 | £000 | £000 | £000 | £000 | |
| 1c. People | | T | | | | | T |
| Justine Chatfield | Community Development | 453.8 | -6.5 | 447.3 | 426.5 | (20.8) | Salary underspend |
| | Partnerships | 406.4 | 35.5 | 441.9 | 388.9 | (53.0) | Favourable variance relates to the underspend in CCTV operating costs, a current project has realised savings and will be reflected in 22/23. Taxi Vouchers scheme remains largely un-utilised and is being reviewed for 22/23. |
| | Community Centres | 292.1 | 117.0 | 409.1 | 409.1 | 0.0 | |
| | Voluntary Sector Support | 295.1 | 0.0 | 295.1 | 295.1 | 0.0 | |
| Richard Robinson | Housing Services | 999.3 | 0.0 | 999.3 | 1,075.5 | 76.2 | Variance due to increase of £51k in B&B charges payable to suppliers and reduction in income totalling £25k from temporary accommodation and 64 Massetts Rd. |
| Simon Rosser | Benefits Paid/Subsidy Received | 623.0 | 0.0 | 623.0 | 906.3 | 283.3 | Salary underspend of £197.5k is based on 6 vacancies. This underspend is offset by the fact that potential revenue streams may not be recognised as initially anticipated: the Housing Benefit Overpayment (and Payment Deduction Programme) budget is currently under- |
| | Revenues, Benefits & Fraud | -112.9 | 136.4 | 23.5 | 186.7 | 163.2 | recovered by £150k and will require growth as part of the 22/23 S&FP process. The Service has also historically accounted for a high level of Discretionary Housing Payment income - this is now reducing year on year, resulting in an overspend of c£118k against budget. The subsidy rate on all Housing Benefit expenditure is expected to be 97% of net expenditure, less than the |
| | Commercial Trading Account - Revenue & Benefits | 118.0 | -136.4 | -18.4 | -71.1 | (52.7) | previous rate of 99.3%. Commercial trading is forecast to see a £71k surplus by year end (net of an increased contractual income and a small fall in salary expenses, due to maternity/vacancies). |
| | Commercial Trading Account - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 40.0 | 40.0 | External contract opportunity not pursued due to COVID staff redeployments. |
| Duane Kirkland | Supporting People | 161.4 | 0.0 | 161.4 | 161.8 | 0.4 | Minor variance |
| | Supporting Families | 90.0 | 0.0 | 90.0 | 96.5 | | Overspend due to extra team training to improve their abilities and performances to carry out their duties. |
| | Harlequin | 446.0 | 0.0 | 446.0 | 461.1 | 15.1 | Overspend due to the installation and certification of H&S winch system (£6.3k) and HQ theatre new website design (£4.2k) |
| | Harlequin - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 20.0 | 20.0 | Cinema & event ticket sales, pantomime tickets, room hire and catering income |
| | Leisure Services | -89.1 | 0.0 | -89.1 | -63.5 | 25.6 | £24.7k relates to additional one-off staff cost. |
| | Leisure Services - ongoing COVID income loss | 0.0 | 0.0 | 0.0 | 278.4 | 278.4 | GLL leisure fee waived £262k, football & cricket pitch hire £16k |
| 1d. Management Team | | | | | | | |
| Mari Roberts-Wood | Management Team | 1,158.2 | 0.0 | 1,158.2 | 958.2 | (/ | Forecast saving following management team restructure. |
| Frank Etheridge | Emergency Planning | 39.7 | 0.0 | 39.7 | 39.7 | 0.0 | |
| Total Services including COVID-19 | Q income lesses | 16.240.0 | 412.5 | 16.652.5 | 18.486.4 | 1 022 0 | |
| Ongoing COVID-19 income losses | | 0.0 | 0.0 | 0.0 | 1.772.5 | 1,772.5 | |
| Total Services - underlying | • | 16,240.0 | 412.5 | 16,652.5 | 16,713.9 | | 0.37% |
| 2. Central Budgets | | | | | | | |

| Pat Main | Insurance | 460.1 | 4.9 | 465.0 | 457.0 | (8.0) | Minor variance |
|------------|---|----------|-------|----------|----------|-------|----------------|
| | Treasury Management - Interest on Investments | -1,216.1 | 21.1 | -1,195.0 | -1,202.6 | (7.6) | Minor variance |
| | Treasury Management - Interest on Borrowing | 165.0 | -60.0 | 105.0 | 105.0 | 0.0 | |
| | Treasury Management - Interest on Trust Funds | 18.0 | 0.0 | 18.0 | 14.0 | (4.0) | Minor variance |
| | Minimum Revenue Provision | 1,361.0 | 0.0 | 1,361.0 | 1,360.9 | (0.1) | Minor variance |
| Kate Brown | Apprenticeship Levy | 74.5 | 0.0 | 74.5 | 74.5 | 0.0 | |
| | Recruitment Expenses | 40.0 | 0.0 | 40.0 | 40.0 | 0.0 | |
| | Corporate Human Resources Expenses | 86.8 | 0.0 | 86.8 | 86.8 | 0.0 | |
| Pat Main | Central Budget Contingencies | 0.0 | 50.2 | 50.2 | 50.2 | 0.0 | |
| | Preceptor Grants | 37.5 | 0.0 | 37.5 | 37.5 | 0.0 | |
| | External Audit Fees | 67.0 | -14.0 | 53.0 | 45.2 | (7.8) | Minor variance |
| | Internal Audit | 61.2 | -2.2 | 59.0 | 58.5 | (0.5) | Minor variance |

| Total Central Items | 1,155.0 | 0.0 | 1,155.0 | 1,127.0 | (28.0) (2.42%) |
|--------------------------------|----------|-------|----------|----------|----------------|
| COVID-19 Income Losses funding | 0.0 | 0.0 | 0.0 | -354.0 | -354.0 |
| Grand Total | 17,395.0 | 412.5 | 17,807.5 | 19,259.4 | 1,451.9 8.15% |

Budget Monitoring: Summary 2021-22

| 2021/22 COVID EXPENDITURE & FUNDING (latest forecast at September 2021) | Forecast Expenditure £m | Forecast Funding £m |
|---|-------------------------------|---------------------------|
| W K - D | | |
| Welfare Response | 0.294 | |
| 'Welcome Back' Expenditure & Funding | 0.166 | (0.166) |
| Revenues & Benefits Team - additional temporary staff | 0.136 | |
| Financial Management & Monitoring | 0.131 | |
| Communications/Contact Centre/Data & Insight Team - additional capacity | 0.113 | |
| Homelessness Prevention | 0.101 | |
| Revenues & Benefits - in-house overtime, software etc | 0.101 | |
| Environmental Services/Waste Team - additional capacity | 0.100 | |
| ICT support costs | 0.079 | |
| Other expenditure (including Elections) | 0.056 | (0.039) |
| Surge Testing | 0.026 | (0.026) |
| Cultural, Sports, Leisure | 0.022 | |
| New Burdens Funding (bid outcome awaited, only part assumed) | | (0.030) |
| Test & Trace Administration Funding | | (0.088) |
| Contain Outbreak Management Funding | | (0.274) |
| Government COVID-19 Funding Allocation 2021/22 | | (0.638) |
| Forecast Expenditure and Income 2021/22 | 1.323 | (1.261) |
| Net Expenditure / (Income) | 0.062 | |

2021-22 Outturn Capital Programme Monitoring Q2

Summary

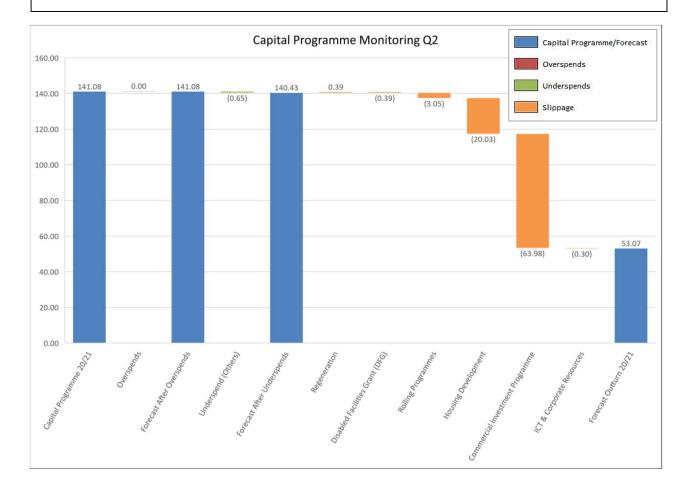
Forecast full year expenditure against the Capital Programme at the end of Quarter 2 is £53.07m which is £88.01m (62.4%) below the approved Programme for the year. The variance is predominantly a result of £20.00m slippage from Housing Development and £63.98m from the Commercial Investment Programme.

Headline Capital Budget Information 2021-22

£m Current Budget (Section 1): 141.08

Projected Net Overspends 0.00 (or 0 % of Programme)
Projected Net Underspends (0.65) (or 0 % of Programme)
Projected Slippage (87.36) (or 62 % of Programme)

Total Capital Expenditure 53.07



Underspends

| Others | Disaster Recovery (£0.2m underspend) - This spend will now be charged to the ICT Replacement Programme (CC61014) and hence, the budget is no longer required and will be given up as a saving from the Capital Programme in 2022/23. |
|--------|---|
| | 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. |
| | Contaminated Land - Investigation work (£0.03m underspend) - This is an emergency contingency budget to be used in exceptional circumstances. There are no plans to use the budget at this time. |

Slippage

| Housing | Housing Delivery Programme (£20.0m slippage) - Capital funds allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed. |
|---------------------------------|---|
| Commercial Investment | Commercial Investments Programme (£63.97m slippage) - Capital funds allocated to fund investment in new developments and commercial assets & activities to deliver a sustainable net income stream. There are no specific developments or asset purchases planned at this time. Forecasts will be updated when new business cases or investment opportunities are developed. |
| Disabled Facilities Grant (DFG) | DFG (£0.39m slippage) - 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 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. Grants may be repaid under certain conditions as per the agreement (for example, when a property is sold). This can occur randomly at any time and therefore cannot be forecast in advance. |
| Other | Investments in Technology Projects (£0.30m slippage) - No projects currently identified. |

Capital ANNEX 3: Section 1

Reconciliation of Capital Programme to Approved Budgets 2021-22

| | £000 |
|--|------------------------|
| Current Capital Programme Budget | 41,624.4 |
| Budget approved but not yet released ¹ | <u>0.0</u> 41,624.4 |
| Additions Budget carry-forwards from previous year | 99,455.6 |
| Budgets released during the year ¹ | 0.0 |
| Reprofiling of projects | 0.0 |
| Other changes | 0.0 |
| Current Capital Programme Budget | 141,080.0 |

Notes

1 Some budgets are approved as part of the Capital Programme but are not released pending further approval. These are added once the project documentation has been approved.

Capital Budget Monitoring: Summary by Programme and Project 2021-22

| Programme/Project | Current Budget | Year End Outturn (Agreed) | Year End Variance (Agreed) | Quarter 1: Explanation of Significant Variances | Quarter 2: Explanation of Significant Variances |
|--|-------------------------|---------------------------------|----------------------------------|--|---|
| | | | | | |
| | £000 | £000 | £000 | | |
| | 1,000.0 | 1,000.0 | 1,000.0 | | |
| Operational Buildings | 277.0 | 77.0 | -200.0 | | Project deferred due decisions on future hybrid working on the Town Hall site. |
| Day Centres Programme | 101.0 | 101.0 | 0.0 | | |
| Existing Pavilions Programme | 196.0 | 196.0 | 0.0 | | |
| Leisure Centre Maintenance | 39.0 | 39.0 | 0.0 | | |
| Harlequin Property Maintenance | 181.0 | 181.0 | 0.0 | | |
| Tenanted Properties | 192.0 | 106.8 | -85.3 | | Although this is the expected underspend at year end, some of this favourable variance might be spent when propwerty conditions are assessed. |
| Crown House | 210.0 | 210.0 | 0.0 | | |
| Units 1-5 Redhill Dist Centre Salfords | 57.3 | 57.0 | -0.2 | | |
| Linden House, 51B High Street Reigate | 28.3 | 28.0 | -0.3 | | |
| Unit 61E Albert Road North | 66.5 | 167.0 | 100.5 | | Roofing works brought forward as they are needed before the tenant can move in. |
| Forum House, Brighton Road Redhill | 170.0 | 170.0 | 0.0 | | |
| Beech House, London Road Reigate | 3,000.0 | 200.0 | -2,800.0 | | Project deferred until a new tenant can be found. |
| Regent House, 1-3 Queensway Redhill | 75.0 | 75.0 | 0.0 | | |
| Commercial Investment Properties | 76.0 | 76.0 | 0.0 | | |
| Infra-structure (walls) | 54.0 | 54.0 | 0.0 | | |
| Car Parks Capital Works Programme | 434.0 | 434.0 | 0.0 | | |
| Earlswood Depot/Park Farm Depot | 88.0 | 88.0 | 0.0 | | |
| Public Conveniences | 38.0 | 38.0 | 0.0 | | |
| Cemeteries & Chapel | 60.0 | 0.0 | -60.0 | | Project deferred until next year due to lack of staff resources. |
| Allotments | 30.0 | 30.0 | 0.0 | | |
| Building Maintenance - Support Cost | 50.0 | 50.0 | 0.0 | | |
| Pavilion Replacement - Woodmansterne | 20.0 | 20.0 | 0.0 | | |
| Priory Park Maintenance | 213.0 5,656.0 | 213.0 2,610.8 | -3,045.3 | | |
| Strategic Property ICT Replacement Programme | 750.0 | 750.0 | -3,045.3 0.0 | | |
| Investment in Technology Projects | 300.0 | 0.0 | | No development projects currently identified. | No development projects currently identified. |
| Disaster Recovery | 200.0 | 0.0 | -200.0 | | No Disaster Recovery projects currently identified |
| Environmental Strategy Delivery | 250.0 | 0.0 | -250.0 | | Budget allocated for future environmental projects, although no current expectation to spend |
| | | | | | against this budget. |
| Corporate Resources | 1,500.0 | 750.0 | -750.0 | | |
| Great Workplace Programme - Phase 2 | 472.0 | 472.0 | 0.0 | | |
| Workplace Facilities | 10.0 | 10.0 | 0.0 | | |
| Organisational Development | 482.0 | 482.0 | 0.0 | | |
| 0 | 0.0 | 0.0 | 0.0 | | |
| Organisation Capital Budget | 7.638.0 | 3,842.8 | -3,795.3 | | |
| Organisation Capital Dauget | 7,000.0 | 0,0-2.0 | -0,7 00.0 | | |

Capital Budget Monitoring: Summary by Programme and Project 2021-22

| Programme/Project | Current Budget | Year End Outturn | Year End Variance | Quarter 1: Explanation of Significant Variances | Quarter 2: Explanation of Significant Variances |
|---|-------------------|---------------------|----------------------|---|---|
| | | (Agreed) | (Agreed) | | |
| | £000 | £000 | £000 | | |
| | | | | | |
| Handy Person Scheme | 50.0 | 10.0 | -40.0 | | |
| Home Improvement Agency SCC Grant | 120.0 | 120.0 | 0.0 | | |
| Disabled Facilities Grant | 1,134.0 | 748.0 | -386.0 | | |
| Repossession Prevention Fund | 30.0 | 0.0 | -30.0 | | Total expenditure will be offset with grant funding at year end. |
| Lee Street Bungalows | 793.3 | 793.3 | 0.0 | | Awaiting for plans and proposals to be finalised by developers. |
| 64 Massetts Road | 0.0 | 0.0 | 0.0 | | |
| 58 Massetts Rd (YMCA East Surrey) | 100.0 | 100.0 | 0.0 | | |
| Housing Delivery Programmme | 20,000.0 | 0.0 | -20,000.0 | No specific development opportunities currently identified in 2021/22 | No specific development opportunities currently identified in 2021/22 |
| Development of Court Lodge Residential Site | 0.0 | 0.0 | 0.0 | | |
| Cromwell Road Development 2016 | 5,815.2 | 5,815.2 | 0.0 | | Work continues on the project. Potential underpsend overall but to be reviewed quarterly. |
| Unit 1 Pitwood Park Tadworth | 2,348.8 | 2,348.8 | 0.0 | | Project completed in August 2021, retentions due in August 2022 |
| Housing | 30,391.3 | 9,935.3 | -20,456.0 | | |
| Harlequin - Service Development | 200.0 | 200.0 | 0.0 | | Unused budget as visions/plans were being created and finalised. The team is now in a position to start spending on project identified i.e CCTV camera, café area and toilet renovations, room hire & kitchen upgrade etc |
| Harlequin Maintenance | 75.9 | 75.9 | 0.0 | | Spending has started and budget is expected to be used during the second half of the year. |
| Leisure & Intervention | 275.9 | 275.9 | 0.0 | | |
| CCTV Rolling Programme | 90.0 | 90.0 | 0.0 | | |
| Community Partnerships | 90.0 | 90.0 | 0.0 | | |
| | | | | | |
| People Services Capital Budget | 30,757.2 | 10,301.2 | -20,456.0 | | |

Capital Budget Monitoring: Summary by Programme and Project 2021-22

| Programme/Project | Current Budget | Year End Outturn (Agreed) | Year End Variance (Agreed) | Quarter 1: Explanation of Significant Variances | Quarter 2: Explanation of Significant Variances |
|---|-------------------|---------------------------------|----------------------------------|---|--|
| | £000 | £000 | £000 | | |
| Vehicles & Plant Programme | 2,230.5 | 2.230.5 | 0.0 | | |
| Fleet Vehicle Wash-Bay Replacement | 2,230.5 350.0 | 2,230.5 350.0 | 0.0 | | |
| Land Flood Prevention Programme | 22.3 | 22.3 | 0.0 | | |
| Play Area Improvement Programme | 230.0 | 230.0 | 0.0 | | |
| Parks & Countryside - Infrastructure & Fencing | 68.8 | 68.8 | 0.0 | | |
| Air Quality Monitoring Equipment | 40.0 | 40.0 | 0.0 | | |
| Contaminated Land - Investigation work | 30.0 | 0.0 | -30.0 | | |
| Contribution to Surrey Transit Site | 127.0 | 0.0 | -127.0 | | No spend expected for 21/22, awaiting SCC confirmation of when they require payment of this contribution. |
| Neighbourhood Operations | 3,098.6 | 2,941.6 | -157.0 | | |
| Pay-on-Exit Car Parking at Central Car Park and Victoria Road Car Park, | 53.9 | 158.2 | 104.3 | | The Pay-On-Exit project is progressing and the Service are hoping to enter contract with selected contractor with a view to delivering in the latter part of Q4/early in Q1 2022/23. |
| Horley Public Realm Improvements - Phase 2 and 3 | 600.0 | 60.2 | -539.8 | | The High Street Public Realm Improvements design development will now pause whilst the Service undertake public engagement so we should start to spend again in Q4. |
| Horley Public Realm Improvements - Phase 4 | 0.0 | 0.0 | 0.0 | | |
| Subway Refurbishment, Horley | 0.0 | 85.3 | 85.3 | | The forecast is based on the projects restarting after a quiet period during the pandemic, the planned spend in the latter part of the year is dependent on several factors such as negotiations with Network Rail, etc. To be reviewed by Qtr3. |
| Marketfield Way Redevelopment | 32,873.2 | 35,112.0 | 2,238.8 | | Current forecast reflects a slight increase in the contractor's costs (Design and Building works) over the latter part of the year. Overall project still in line with the programme budget. |
| Redhill Public Realm Improvements | 30.0 | 30.0 | 0.0 | | |
| Merstham Recreation Ground | 1,496.0 | 0.0 | -1,496.0 | | Currently reported against Commercial Feasibility. The costs will be transferred once approval has been given by the council to spend against Capital Programme budget. |
| Preston - Parking Improvements | 456.0 | 456.0 | 0.0 | | |
| Preston - Landscaping | 0.0 | 0.0 | 0.0 | | |
| Place Delivery | 35,509.1 | 35,901.7 | 392.6 | | |
| Vibrant Towns & Villages | 100.0 | 100.0 | 0.0 | | There are two potential projects for the year, whereby one would see expenditure of almost all of the £100k allocation (subject to availability of equipment and/or agreement from partners and other stakeholders). |
| Economic Prosperity | 100.0 | 100.0 | 0.0 | | |
| | 00 505 5 | 00.040.0 | 005.0 | | |
| Place Services Capital Budget | 38,707.7 | 38,943.3 | 235.6 | | |
| Commercial Investments Programme | 63,977.1 | 0.0 | -63,977.1 | No specific development or investment opportunities currently identified. | |
| Corporate | 63,977.1 | 0.0 | -63,977.1 | | |
| | | | | | |
| Corporate Capital Budget | 63,977.1 | 0.0 | -63,977.1 | | |
| Tetal Conital Burdont | 444.000.0 | E0 00= 0 | 07.000.7 | | |
| Total Capital Budget | 141,080.0 | 53,087.3 | -87,992.7 | | |



| SIGNED OFF BY | Head of Paid Service |
|------------------|---|
| AUTHOR | Catherine Rose, Head of Corporate Policy |
| TELEPHONE | Tel: 01737 276766 |
| EMAIL | Catherine.Rose@reigate- banstead.gov.uk |
| то | Overview and Scrutiny Committee Executive |
| DATE | Thursday, 9 December 2021 Thursday, 16 December 2021 |
| EXECUTIVE MEMBER | Councillor Tim Archer |

| KEY DECISION REQUIRED | Υ |
|-----------------------|--------------|
| WARDS AFFECTED | (All Wards); |

| SUBJECT | Commercial Strategy - Part 2 |
|---------|------------------------------|
|---------|------------------------------|

RECOMMENDATIONS

Overview & Scrutiny Committee:

(i) That the Committee notes the report and the Commercial Strategy Part 2 and provides any observations for consideration by the Executive

Executive:

(i) That the Executive approves the Commercial Strategy Part 2.

REASONS FOR RECOMMENDATIONS

Having an approved Commercial Strategy will ensure that the Council takes commercial decisions in a clear, consistent and effective way, and in a manner consistent with corporate objectives and its statutory responsibility to promote economic, environmental and social wellbeing in the borough.

EXECUTIVE SUMMARY

The Council's Corporate Plan, Reigate & Banstead 2025, explains that to remain a financially sustainable Council we need to generate income to reinvest into providing frontline services for our residents.

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In recognition of this fact, the Executive agreed a Part 1 Commercial Strategy in November 2020. This set out the overarching direction and parameters for the Council's commercial activity, including guiding principles and the categories of commercial activity that the Council will focus on. At the time, it was agreed that a Part 2 of the Strategy would be developed which would provide more detail about the implementation of commercial activity, in particular investment activity.

The Service & Financial Planning 2022/23 papers presented to the Executive in November 2021 underscore the continuing scale of the financial challenge that the Council faces, particularly in the face of an unanticipated decline in existing income sources (primarily parking income) as a result of the pandemic.

At the same time, the regulations and guidance in relation to local authority borrowing are changing, introducing more restrictive parameters within which the Council is able to carry out investment activity.

The Part 2 Commercial Strategy at Annex 1 takes into account the Council's current financial position, the latest borrowing rules and our experiences with commercial activity to date (as well as that of other local authorities). It focuses on:

- Investing in commercial assets; and
- Investing in commercial services.

It explains the approach that will be taken in relation to activity in both these areas, including the need for an evidence-based approach and robust financial business cases, risk management and mitigation and the need to balance risk and financial reward. It also explains the processes that will be applied for decision-making on commercial projects and how progress and performance will be reported.

As a subsidiary strategy to the Corporate Plan, providing more detail as to how objectives within the Corporate Plan will be implemented, the Executive has the authority to approve the Commercial Strategy. The Strategy has been developed in consultation with Commercial Ventures Executive Sub Committee (CVESC) members and informed by comments from the Commercial Scrutiny Panel.

The O&S Committee and the Executive have authority to approve the above recommendations.

STATUTORY POWERS

1. The Localism Act 2011 introduced the General Power of Competence, which allows local authorities to do anything that individuals generally may do as long as it is not prohibited by other legislation. We are therefore able to operate more commercially, and undertake a range of different business ventures.

BACKGROUND

- 2. Since the Council's 2015-2020 Corporate Plan was adopted, the Council has had an ambition to be an increasingly commercial organisation.
- 3. In 2018, a member task group reviewed the Council's commercial arrangements in place at that time, and recommended a number of changes in approach based on the Council's experiences to date, including the creation of a new Commercial

- Ventures Executive Sub Committee (CVESC) and a good practice Framework and Checklist to guide future commercial activity. The CVESC was set up in May 2019.
- 4. In early 2020, the Council agreed its new Corporate Plan, Reigate & Banstead 2025. This plan sets out the Council's priorities for the period 2020-2025 and explains how it will focus its resources and deliver services to those living, working and spending time in the borough.
- 5. Recognising the financial challenges that the Council is faced with, Reigate & Banstead 2025 includes the objective to "generate additional income and build our financial resilience, in order to sustain services, through responsible and sustainable commercial activities". It identifies that the Council will develop a Commercial Strategy to inform its income generation activities.
- 6. In November 2020, the Executive agreed the Commercial Strategy Part 1 which sets out the overarching direction and parameters for the Council's commercial activity. The Part 1 Strategy explains the categories of commercial activity that the Council will undertaken and sets out three Guiding Principles that will underpin all the Council's work in this area, as follows:
 - a. Principle 1: Our commercial activity will be ethical, and consistent with the Council's statutory responsibility to promote economic, environmental and social wellbeing in the borough, and our corporate objectives
 - Principle 2: Any commercial decisions will be based on a robust assessment of the business case using consistent criteria (to be detailed in Part 2 of this Strategy), and appropriate due diligence and risk assessment
 - c. Principle 3: Surplus income generated through our commercial activities will be used to ensure the financial sustainability of the Council and continued delivery of services for local people.
- 7. At the same time as agreeing the Commercial Strategy Part 1, the Executive agreed to support the ongoing development of a Part 2 Commercial Strategy, to be brought to a future meeting.

KEY INFORMATION

The Council's current financial position

8. The Service & Financial Planning 2022/23 report presented to the Executive in November 2021 provides an up-to-date picture of the Council's financial position. This outlines that at the time of preparing the report the Council faces a potential budget gap of £0.718 million in 2022/23 with that gap forecast to increase further in future years. Over the medium term, therefore, action will be required to continue to pursue projects that generate new sources of income (as well as the Council seeking ways to use existing resources more efficiently).

Changes to borrowing rules

9. Recent changes to the rules around local authorities borrowing to fund their activities mean that the Council will only be able to generate income to contribute to addressing the funding gap if the income stream that we receive is incidental to the main purpose of the investment.

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Learning from experience and best practice

- 10. Acting more commercially as a local authority is not free from pitfalls. To inform the Part 2 Commercial Strategy the experiences of a range of local authorities was considered. The Council's own experience in relation to commercial activity has also been reflected upon. This suggests that our future commercial activity should be underpinned by:
 - a. A thorough understanding of investment opportunities including the preparation of robust business cases and risk assessments
 - b. Progressing commercial projects using our established project management frameworks and reporting processes
 - c. Using our established governance structures to ensure that decision-making is transparent (accepting that there will a need to treat commercially sensitive information as exempt); and
 - d. Focusing on activity in areas where the Council already has experience, skills and expertise, and continuing to 'grow' in-house skills and expertise, supplemented by external advice where appropriate

Investing in commercial assets

- 11. While the Council is no longer able to borrow to invest in assets purely for commercial reasons, asset activity remains an important tool available to the Council, enabling the generation of income as a by-product of delivering broader corporate objectives such as housing and regeneration activity, either directly or indirectly via a company.
- 12. The Commercial Strategy Part 2 explains the various types of asset activity that the Council may undertake, and the things that will be taken into account as opportunities in these areas are considered and developed.
- 13. The priority areas of Council activity in this area will be:
 - Evidence: Ensuring a robust understanding of our asset portfolio and its performance
 - Asset management: Maximising value from the assets that we currently own and /or manage for commercial income
 - Asset (re-)development: Securing new income streams and/or capital receipts from development projects
 - Asset disposal: Disposing of assets that are currently underperforming or surplus to requirement; and
 - Asset acquisition: Purchasing assets which deliver broader benefits in line with our Corporate Plan.
- 14. The Council is already undertaking work in this are, for example, with income due to be generated from its Marketfield Way and Cromwell Road developments. By maintaining a pipeline of asset projects based around these priorities we will ensure that asset-related work continues to contribute to addressing the Council's funding gap and that future resource requirements (both financial and skills/expertise) are considered at the appropriate time.

Investing in commercial service activity

- 15. The Council also has the ability to generate income (or make savings) by taking a commercial approach to some elements of its service-related activity. This includes through trading activity and the setting of fees and charges.
- 16. The Commercial Strategy Part 2 explains how in taking forward proposals in these areas a robust understanding of the customer base and/or relevant markets will be needed, along with ensuring that appropriate measures are in place to deliver the activity whilst ensuring that core or statutory activities will not be compromised.
- 17. The priority Council activities in this area will be:
 - Continuing to incrementally grow our existing trading activities for medium-term income generation and introducing commercial into services we currently provide non-commercially or that align with our remit; and
 - Maximising income from existing non-statutory fees and charges and introducing new non-statutory fees and charges where appropriate
- 18. The Council already undertakes some trading activity (for example in relation to revenues, benefits and fraud work and trade waste). The Part 2 Commercial Strategy sets parameters for future activity in this area to be undertaken in a way that contributes to the longer term financial sustainability of the Council whilst also ensuring that risks are carefully managed.

OPTIONS

- 19. The options available to the Executive are as follows:
 - Option 1: Approve the Commercial Strategy Part 2 appended at Annex 1. This
 option is recommended. Having an up-to-date strategy in place will ensure
 clarity and transparency about what the Council is seeking to achieve through
 its commercial activity and the processes in place to achieve this.
 - Option 2: Request amendments to the Commercial Strategy Part 2 appended at Annex 1 before it is approved. This option is not recommended. The strategy at Annex 1 has been subject to consultation with the CVESC and the Commercial Scrutiny Panel, as well as the Overview & Scrutiny Committee; and further delay may constrain or delay the ability of the Council to progress its activity in this area.
 - Option 3: Do not approve the Commercial Strategy Part 2. This option is not recommended. The Executive has previously agreed that a Part 2 should be developed, and further delay may constrain or delay the Council's ability to progress commercial activity, which will impact on the longer-term financial sustainability of the Council.

LEGAL IMPLICATIONS

- 20. There are no direct legal implications associated with the approval of the Commercial Strategy Part 2.
- 21. The Strategy does, however, identify some of the general legal risks associated with commercial activity. It will therefore continue to be important that appropriate legal

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advice (including from external advisors) be sought on commercial investment proposals as they are developed and implemented.

FINANCIAL IMPLICATIONS

- 22. The importance of income generation as a means of the Council securing funding for service provision is recognised in the Corporate Plan and Commercial Strategy Part 1 and underscored by the November 2021 Service & Financial Planning 2022/23 report.
- 23. Whether property-related or service-related, commercial activity may require initial or ongoing funding in order to secure commercial income streams or capital receipts. For example, revenue funding may be required to market properties for lease, or for staff to expand traded services; or capital funding may be required to purchase property or equipment. Section 6 of the Commercial Strategy Part 2 provides more information about how revenue funding, feasibility funding and capital funding decisions will be taken, and how income will be reported on.
- 24. The Commercial Strategy Part 2 is based on the fact that the Council will need to borrow to fund future capital investment activities, but also recognises the latest CIPFA guidance and the increased constraints on Public Works Loan Board funding recently confirmed by Government. The approach proposed is consistent with those rules.

EQUALITIES IMPLICATIONS

- 25. Under the Equality Act 2010, we have a duty to have due regard to the need to eliminate unlawful discrimination, harassment, victimisation and other prohibited conduct; and advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not share it. This duty applies to all decisions made in the course of exercising the Council's public functions.
- 26. The Commercial Strategy Part 2 does not have any direct implications for staff, residents or other service users including those with protected characteristics. Rather it sets out broad parameters for the delivery of commercial activity by the Council.
- 27. The requirement for equality impact to be assessed is incorporated within the Council's Project Management Framework. It will be important that the equality impacts of individual commercial projects are fully considered and that, in developing proposals, consideration is given to how positive impacts can be increased for those with protected characteristics, as well as how negative impacts can be reduced.

COMMUNICATION IMPLICATIONS

- 28. The Commercial Strategy Part 2 will be publicly available on the Council's website alongside Part 1.
- 29. No dedicated communication activity is planned in relation to the Commercial Strategy Part 2. However, communications activity may take place in relation to specific commercial activities or projects referenced in the Strategy: the need for this will be considered on a case by case basis.

RISK MANAGEMENT CONSIDERATIONS

- 30. The future financial sustainability of the Council is an identified risk on the Strategic Risk Register. The risk register recognises that the Council is expecting to be increasingly reliant on income from fees, charges and its treasury and commercial investments. It identifies a range of controls and mitigating actions, including ensuring that the Council continues to invest in skills and expertise to support delivery of the Council's financial and commercial objectives while managing associated risks.
- 31. The Commercial Strategy Part 2 provides a summary of the key (general) risks associated with commercial property-related and service-related activity. Project-specific risks and operational risks will be identified and managed through the Council's project management framework and the Council's operational risk registers respectively.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

- 32. No direct environmental implications have been identified associated with the Commercial Strategy Part 2. It will be important that the environmental implications (positive or negative) of commercial property-related and service-related activity are fully considered within business cases and through the decision-making process.
- 33. As the Council delivers its Environmental Sustainability Strategy there may be some income generating or 'invest to save' opportunities associated with that work, which can be explored as project business cases are developed.

OTHER IMPLICATIONS

- 34. Human Resources: The Commercial Strategy Part 1 recognises the need to embed a commercial culture within the organisation and ensure that our commercial activities are properly resourced. The focus in the Commercial Strategy Part 2 on activity that aligns with corporate objectives and our existing areas of expertise means that current staff resources are well placed to undertake this work. However:
 - a. In some cases, fixed-term staff resources may be recruited to oversee the delivery of particular projects with a commercial element; and
 - b. If the appropriate technical or commercial expertise does not exist 'in house', or where a second opinion or 'critical friend' is considered beneficial, external consultants may be used. This could include (but may not be limited to) legal, financial and property-market advice.

CONSULTATION

- 35. Members of the CVESC have been consulted as part of the preparation of this Part 2 Strategy.
- 36. The Commercial Strategy Scrutiny Panel considered the emerging Part 2 approach at a meeting in October 2021, where they raised a number of observations including:
 - a. There were benefits and disadvantages to different models and approaches to commercial practice

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- b. Making most of Council's property assets, by maximising the returns and improving the overall value of assets that the Council owns and manages as commercial income are priorities
- c. There was a difficult balance to be struck as there was only a finite amount that the Council was able to do to generate further income from acquisitions within the latest constraints and costs of borrowing; and
- d. Specific skills and specialist or technical knowledge may need to be available / brought in at different stages of a commercial venture to ensure the right commercial expertise at the right time as identified by business cases or feasibility studies.
- 37. The Scrutiny Panel were subsequently invited to provide views via email on the draft Strategy document; however no additional comments were received from Panel members.
- 38. Comments from the Overview and Scrutiny Committee at its December 2021 meeting will be reported to the Executive Committee by way of addendum or verbal update.

POLICY FRAMEWORK

- 39. The production of a Commercial Strategy is consistent with the Council's Corporate Plan for the period 2020 to 2025
- 40. Delivery of the Commercial Strategy will continue to be a key consideration in service and financial planning; and provides the long-term solution for this Council to be able to agree a balanced budget year on year.

BACKGROUND PAPERS

- Reigate & Banstead 2025: available online at <u>www.reigate-</u> banstead.gov.uk/rbbc2025
- 2. Commercial Strategy Part 1: available online at https://www.reigate-banstead_gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025/4
- November 2021 Executive Report 'Service & Financial Planning 2022/23': available online at https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137&Mld=1810&Ver=4



Funding our Services: A Commercial Strategy (Part 2)

Explaining the Reigate & Banstead approach to commercial investment

December 2021

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Commercial Strategy Part 2 Summary: 'Plan on a page'

The context:

- 1. The impact of the current local government funding regime along with increased budgetary pressures means that the Council is facing a growing funding gap.
- 2. This means that the Council itself will need to generate income in order to continue to fund services.
- 3. At the same time a tighter local government borrowing regime is placing restrictions on investing purely for yield.
- 4. Together this means that we need to review and evolve our commercial approach.

Our proposed commercial approach:

- 1. A project pipeline to establish new income streams from asset activity while also delivering broader corporate objectives.
- 2. Ensure that **existing income streams** we already rely on from our assets are **maintained and where possible increased**; and that we **repurpose**, **redevelop or dispose** of those assets that cost us money.
- 3. Invest in new assets to secure income or deliver savings whilst also delivering corporate priorities.
- 4. Continue to sell or trade services where we already do this; and look to introduce new trading activity where this aligns with our local government remit and areas of expertise.
- 5. Take a more commercial approach to fees and charges.

Ensuring robust and transparent decisions:

- 1. Take an evidence based approach and apply our established project management framework, including risk management, benefits tracking and 'lessons learned' and an enhanced approach to financial business cases.
- 2. Take account of **overall asset portfolio balance** and the need to **manage the impact of trading activity** on core services and activities.
- 3. Use the **Commercial Ventures Executive Sub-Committee** to take formal decisions about commercial investment, and continue to use the **Commercial Governance**Framework.
- 4. Quarterly **commercial income reporting** to Overview & Scrutiny, continued provision of **project dashboards** to members, and quarterly **updates on portfolio performance** to CVESC members.

Funding commercial activity:

- 1. Revenue funding agreed annually via budget process or via earmarked reserves
- 2. **Project feasibility funding** available from the Feasibility Studies Reserve
- 3. **Capital funding** via the annual Capital Programme and in agreement with the CVESC

Executive Summary

Introduction

To deliver the priorities, as set out in the corporate plan 'Reigate & Banstead 2025', the Council faces tough decisions about funding. To avoid significant increases in Council Tax, we need to generate surplus income, in order that those funds can be re-invested into the provision of frontline services for our residents. This means we will need to act more commercially.

This Commercial Strategy Part 2 builds on Part 1 of the Commercial Strategy which was agreed in November 2020. It explains the different types of commercial activity that the Council will consider, provides a framework for how different options will be evaluated, and outlines the basis on which decisions will be made.

The context

The impact of the current local government funding regime, along with increased budgetary pressures, mean that the Council is facing a growing funding gap. We will therefore need to generate income itself in order to continue to fund services.

At the same time, a tighter local government borrowing regime is placing restrictions on the Council's ability to invest purely for financial yield

Taken together, this means that we need to review and evolve our commercial approach. More information about the context against which this Strategy has been prepared is included in <u>Section 2</u>: The scale and practical implications of the funding challenge.

Our proposed commercial approach

The approach to commercial activity that the Council will take is based around two main areas, commercial asset activity and commercial service activity. The Council will:

- Develop a project pipeline to establish new income streams from asset activity
- Ensure that the existing income streams that we already rely on from our assets are maintained and where possible increased, and that assets that cost us money are repurposed, redeveloped or disposed of
- Invest in new assets to secure income or achieve savings, whilst also delivering against wider corporate objectives

- Continue to sell and trade services where we already do this, and look to introduce new trading activities where this aligns with our local government remit and our areas of expertise; and
- Take a more commercial approach to our non-statutory fees and charges.

More information about the proposed commercial approach is included at <u>Section 4:</u> Investing in commercial assets and <u>Section 5:</u> Investing in commercial services.

Ensuring robust and transparent decisions

In taking decisions about commercial asset and service related activity, the Council will:

- Take an evidence based approach and apply its established project management framework, including risk management, benefits tracking and 'lessons learned' and an enhanced approach to financial business cases
- Take account of our overall asset portfolio balance and the need to manage the impact of trading activity on our core services and activities
- Use the Commercial Ventures Executive Sub-Committee ('the CVESC') to take formal decisions about commercial investment and continue to use the Commercial Governance Framework to support this process; and
- Provide quarterly commercial income reporting to the Overview & Scrutiny Committee, continue to provide project dashboards to members and introduce quarterly updates on portfolio performance to CVESC members.

More information about the Council's governance and decision-making processes is included in Section 6: Funding, implementing and reporting on our commercial activity.

Funding commercial activity

The Council recognises that funding will be required to progress and 'unlock' commercial income generating opportunities. This will include:

- Revenue funding agreed annually via budget process or via earmarked reserves
- Project feasibility funding available from the Feasibility Studies Reserve; and
- Capital funding via the annual Capital Programme and in agreement with the CVESC

More information about these funding sources is provided in <u>Section 6: Funding, implementing and reporting on our commercial activity</u>.

Section 1: Introduction

Our Corporate Plan

- 1. In 2020, the Council agreed its new Corporate Plan, Reigate & Banstead 2025¹. The plan sets out the Council's priorities and explains how we will focus our resources and deliver services to those living, working and spending time in the borough. These priorities include supporting vulnerable residents and local communities, strengthening our local towns and centres, making sure our Reigate & Banstead remains an attractive place to live and moving towards being a more environmentally sustainable borough.
- 2. To deliver the Council's corporate priorities, Reigate & Banstead 2025 includes the objective to generate additional income and build our financial resilience, in order to sustain services, through responsible and sustainable commercial activities. The plan then gives some examples of some of the ways the Council will do this, including:
 - Developing a commercial strategy to inform our income generation activities
 - Expanding our Council Tax and Business Rates collection and counter-fraud services for other organisations where it makes commercial sense to do so
 - Investigating other opportunities to sell or diversify our services and pursue these, where supported by a robust business case
 - Investing in new property assets or development opportunities in our economic area where these will provide a reliable revenue income stream or longer term capital receipt, and help us sustain services; and
 - Using our existing property assets to generate revenue income or capital receipts for the Council, including by bringing some of them forward for development.

Our Commercial Strategy Part 1

- 3. Our Commercial Strategy Part 1 was agreed by the Council's Executive in November 2020. It explains what we mean by 'commercial activities' and why the Council needs to undertake them, how commercial thinking will be embedded in the organisation and how commercial decisions will be taken. It sets out three principles that will underpin all our commercial activities, to provide reassurance that any commercial activity undertaken by the Council is consistent with our statutory roles and responsibilities:
 - **Principle 1:** Our commercial activity will be ethical, and consistent with the Council's statutory responsibility to promote economic, environmental and social wellbeing in

¹ www.reigate-banstead.gov.uk/rbbc2025

- the borough, and our corporate objectives as well as in line with all relevant advice and guidance
- **Principle 2:** Any decisions which have a commercial aspect will be based on a robust assessment of the business case using consistent relevant criteria, and appropriate due diligence and risk assessment
- **Principle 3:** Surplus income generated through our commercial activities will be used to ensure the financial sustainability of the Council and continued delivery of services for local people.

The scope of this Commercial Strategy Part 2

- 4. The Part 1 Commercial Strategy explains that there are two main elements to our approach: firstly, becoming more business-like in our day-to-day activities, and secondly, increasing capital and revenue returns through our assets and investment.
- 5. The purpose of this Commercial Strategy Part 2 is to provide more detail around the 'investment' elements of the Council's commercial approach as described in Part 1. It should be read alongside the Council's Commercial Governance Framework, which was agreed by the Executive in March 2019².
- 6. For the purposes of this Part 2 strategy, a commercial venture is defined as one that:
 - Is not a core Council function or activity
 - Will generate income or capital receipts for the Council; and
 - Will require substantive revenue or capital spend beyond what is defined in agreed budgets (excluding earmarked reserves) *or* the establishment of a company; and
 - Where the Council's actual cumulative exposure exceeds £100,000³.
- 7. A commercial venture may be progressed directly by the Council, or indirectly via either a new or existing Council company. This Part 2 Strategy:
 - Explains the different types of commercial activity that the Council will consider
 - Provides the framework for how different options will be evaluated and investment focused; and
 - Explains in more detail the basis on which decisions will be made and clarifies the processes which will be used.

² https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137&Mld=223&Ver=4

³ Net of projected income. As defined in the Council's adopted Commercial Governance Framework (see footnote 2)

8. It will guide both the Council's direct commercial activity, and also provide the basis for decision making by the Leader, the Executive and Shareholder Panel members in respect of business plans for Council's current, and any future, companies.

Learning from experience and best practice

- 9. Acting more commercially as a local authority is not free from pitfalls. The past few years have seen a number of local authorities receiving negative assessments of the approach they have taken to commercial activity; and reliance on commercial activities has been a contributing factor in some instances to local authorities issuing section 114 notices (essentially a declaration that they do not have enough funds to deliver or balance their budgets).
- 10. To inform this Part 2 Commercial Strategy we have reviewed activity by a range of local authorities, as well as this Council's own experience in undertaking commercial activity. From this we have identified some 'learning points' that have shaped our approach:
 - A good understanding of any individual investment is essential, including its realistic costs, risks and timeframes
 - Proper process helps to avoid problems by allowing them to be spotted early and enabling timely responses
 - Councils benefit from playing to their strengths, with successful examples where authorities have been able to leverage their specialist knowledge, but also cases where moving away from this has increased the level of risk
 - Commercial skills and awareness are essential, and many issues can be avoided by having the relevant skills and experience in place.
- 11. Our own experiences in commercial activity to date, as well as our learning from elsewhere, indicates that the Council has the following core strengths that should form the basis of its future commercial activity:
 - We have in-house skills and expertise in areas where we already provide services, and are well placed to build on this, drawing on external advice if necessary
 - We understand the public sector environment, which presents opportunities for selling our services
 - We have good relationships with a range of local partners, offering opportunities for collaboration
 - We do not have an obligation to provide short-term returns to shareholders so we can invest for the longer term; and
 - While we have a forecast funding gap, we do have substantial revenue reserves which means we can take time to do things in a measured and appropriate way.

Section 2: The scale and practical implications of the funding challenge

The scale of the funding challenge

- 12. The Council receives no revenue support grant from central Government and its ability to fund the services it provides comes primarily from:
 - Council Tax
 - Some additional funding from money we are able to retain from the business rates that we collect
 - Income from commercial activity that we already carry out, such as income from our property assets.
- 13. Every year, the Council publishes a Medium Term Financial Plan (MTFP), looking forward five years. This sets out the scale of the funding challenge for this Council in terms of reaching its goal (set out in the Corporate Plan) of being financially self-sustaining. At the time of writing, the latest MTFP is dated November 2021⁴. It outlines the budget pressures that will need to be addressed by the Council from 2022/23 onwards, including:
 - Making budget provision for future pay and pensions increases
 - Budgeting for the costs of approved borrowing to fund planned Capital Programme commitments
 - The impacts on available resources of Government funding plans in future years, including the loss of Negative RSG Grant, the Fair Funding Review and the Business Rates Reset
 - Revenue and capital budget growth to deliver priorities in the new Corporate Plan
 - The ongoing financial impacts of the COVID-19 pandemic; in particular continued reductions in parking income forecasts; and
 - The requirement to address other budget risks and opportunities that have been identified during budget setting, including: ICT resilience (investment to address risks); property rental income (significant lease renewals during the year); procurement & contract management and data insight (investment in additional capacity); family support & refugee resettlement (new funding opportunities); and Government Waste & Resources Strategy impacts (2024/25 onwards).

 $^{^{4}\,\}underline{\text{https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137\&Mld=1810\&Ver=4}$

14. Taking all of this into account, the latest MTFP forecasts the Council's budget gap as follows:

Figure 1: MTFP Budget Forecast Revenue Budget Gap (November 2021)

| | Approved Budget 2021/22 | Forecast Budget 2022/23 | Forecast Budget 2023/24 | Forecast Budget 2024/25 | Forecast Budget 2025/26 | Forecast Budget 2026/27 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Forecast gap | Balanced | £0.718m | £2.257m | £2.616m | £3.775m | £4.275m |
| Annual increase in gap | - | £0.718m | £1.539m | £0.359m | £1.159m | £0.500m |
| Gap as a percentage of 2021/22 budget requirement | - | 4.1% | 12.0% | 15.0% | 21.7% | 24.6% |

- 15. There are various tools at the Council's disposal to reduce the budget gap, but the MTFP identifies maximising our income and commercial activity as being key strands of the Council's budget setting activity in future years.
- 16. For this reason, funding is and will continue to need to be allocated within the Council's annual budget to support commercial activity.

Practical implications of the funding challenge

The need for capital expenditure

- 17. As described in Part 1 of the Commercial Strategy, the funding challenge faced by the Council means that we will need to both reduce what we spend on service provision *and* generate income. We will do this by:
 - Firstly, becoming more business-like in our day to day activities
 - Secondly, increasing capital and revenue returns through our assets and investment.
- 18. It is the second of these themes that is the main focus of this Part 2 Commercial Strategy. The activities described in Part 1 for this theme making best use of our property assets; and investing to generate new sources of revenue income will both require capital expenditure by the Council.

Methods of funding capital expenditure

- 19. The Council has at its disposal a range of methods of funding capital expenditure that are available to us, as set out in more detail in the Council's 2021/22 Capital Investment Strategy: These include:
 - Government grants and non-government contributions (sometimes requiring a 'match funding' element)
 - Prudential borrowing
 - Capital receipts
 - Revenue contributions
 - Use of leasing; and
 - Section 106 Agreements (Town and Country Planning Act 1990) and Community Infrastructure Levy (CIL) sums.
- 20. There may also be more 'non-traditional' options such as local lotteries or crowd funding, however the list above represents the primary means of funding at our disposal.
- 21. While the Council has not historically had any need to borrow to fund its capital expenditure (relying on the use of grants, capital receipts etc), it is now in a position where borrowing will be required to fund delivery of corporate objectives. This is already recognised in the Council's Medium Term Financial Plan and Capital Investment Strategy; and in the Treasury Management Strategy which confirms an authorised borrowing limit of up to £161.5m to fund delivery of the Council's capital programme as currently approved (January 2021⁵).

Borrowing, and the options available to us

22. Figure 2 explains the main borrowing options available to the Council.

Figure 2:Different borrowing options available to the Council

| Type of funding | Observations |
|------------------|--|
| Revenue reserves | Constrained by capacity of the revenue budget / reserves to make funds available; unlikely to be a realistic option given current revenue budget pressures |
| Capital receipts | Proceeds from sale of other capital assets |

⁵ https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137&Mld=1632&Ver=4

| Public Works Loans Board (PWLB) | No minimum loan value; quick to arrange Loan options: Maturity / Equal Instalments of Principal / Annity structure Duration of up to 50 years Interest repayment and MRP are a charge to the revenue budget over loan duration |
|---------------------------------------|--|
| Private Placements (Loans) | Bilateral loans with institutional investors (typically pension funds, insurance companies); minimum loan size is around £30m Loan options: Maturity / Equal Instalments of Principal / Annity structure Timetable to complete is around 8-12 weeks from initiation Interest repayment and MRP are a charge to the revenue budget over loan duration May be cheaper than PWLB however expensive and demanding on capacity to arrange |
| Bond Issue | Usually £250m minimum Requires authority to have a credit rating and investor 'roadshows' which are costly to arrange |
| Municipal Bond Agency | Local Govt Funding Agency – exists primarily to reduce councils' capital long term financing costs. Still in relatively early stages of being established. Allows authorities to diversify funding sources and borrow at a lower cost than PWLB - sells municipal bonds on the capital markets, raising funds that it will then lend to councils |

- 23. However, despite this range of options there are also increasing constraints over what we can borrow and how we can used borrowed funds.
- 24. The **Prudential Code and Treasury Management Code** are set by the Chartered Institute of Public Finance and Accountancy (CIPFA). Local authorities are required by regulation to have regard to these Codes. At the time of writing, and in advance of updates to the Prudential Code, CIPFA has issued early guidance to local authorities about investment and borrowing to invest. This guidance applies to all forms of borrowing carried out by local authorities, and clarifies:
 - The types of capital spending where borrowing is still allowed (service delivery, housing and economic regeneration)
 - Why borrowing to invest solely for financial return is not allowed (due to the risks involved, particularly the fixed costs of borrowing compared to the volatility of income streams and capital values); and
 - That 'financial return' covers all investment returns, whether that be revenue income streams or capital gains.
- 25. **PWLB borrowing** is a major source of borrowing for local authorities. However, the Government has recently introduced new lending terms and procedures that place limitations on the purposes for which it can be used:

- Defining the types of capital expenditure that can be funded by PWLB borrowing (mainly to support service delivery, housing and regeneration activity)
- Introducing a stricter definition of what is classified as an investment asset primarily for yield and therefore which PWLB borrowing can no longer be used to fund; and
- Confirming that if a local authority is planning to acquire investment assets in the next 3 years it will not be able to use the PWLB to finance *any* capital programme expenditure.

What this means in practice

- 26. The above constraints mean that the Council is able to borrow in order to generate income to contribute to addressing the funding gap, but only if the income stream (or capital gain) is incidental to the main reason for the capital investment. This limits the Council to generating income from capital investment to activities such as regeneration and housing.
- 27. It is also important in planning for capital investment funded by borrowing that the costs of borrowing are considered (that is, interest repayments and a minimum revenue provision). Annex 1 provides some hypothetical examples to demonstrate (in very simple terms) how borrowing costs influence the income yield from any particular scale of investment, and for the purposes of comparison indicative gross investment yields at the time of writing.

Section 3: Our future commercial investment: Setting the scene

Commercial Strategy Part 1 Guiding Principles

28. The Council's focus for future commercial investment is summarised in the Commercial Strategy Part 1, in the first Guiding Principle:

Principle 1: Our commercial activity will be ethical, and consistent with the Council's statutory responsibility to promote economic, environmental and social wellbeing in the borough, and our corporate objectives as well as in line with all relevant advice and guidance

29. This Guiding Principle will be applied as the Council determines the types of commercial investment opportunities it should pursue in the future.

Capital Investment Strategy priorities

- 30. The Council's Capital Investment Strategy⁶ outlines the Council's corporate capital investment priorities. These relate to all capital investment therefore are also the starting point to guide the Council's focus for future commercial investment activity.
- 31. Our current corporate capital investment priorities are:
 - The prosperity of the borough: investment that will stimulate economic growth
 - Income and efficiency: investment which promotes the financial stability of the Council
 - Supporting delivery of core Council services: investment that will empower our staff to deliver and improve the efficient and effective delivery of services to our community
 - Building community assets: investment that will benefit our communities; and
 - Ensuring the environmental quality and sustainability of the borough: investment that will make the borough a more attractive place to live, work and visit or deliver wider environmental benefits.

⁶ At the time of writing, agreed in July 2021 and available at https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137&Mld=1802&Ver=4

How we will approach commercial investment

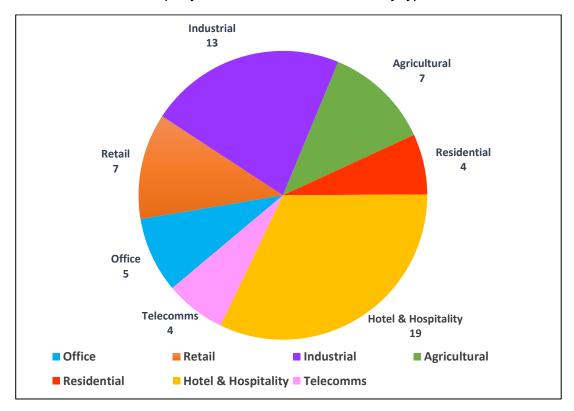
- 32. Given the constraints to borrowing outlined in the earlier section, any commercial investment by the Council will need to be based *not* primarily on income but on one or more of the other corporate plan or capital investment priorities.
- 33. We will approach commercial investment in the future recognising these constraints but also reflecting on the learning from our work in this area in recent years and from elsewhere in the sector (as summarised at in **Section 1**). We will:
 - At all times recognise our responsibility to invest wisely and to promote the interests of our residents and our borough
 - Ensure that our house is in order and that we have a robust foundation for our commercial activity
 - Use our corporate plan priorities to inform what we do
 - Work within our means, reflecting the resources and expertise that we have available to us
 - Use up-to-date market and sectoral evidence and analysis, and
 - Learn from best practice.
- 34. The next two sections explain the different commercial investment opportunities that will be considered by the Council and explains the basis around which different options will be considered. They cover:
 - Investing in commercial assets; and
 - Investing in commercial services.

Section 4: Investing in commercial assets

Current asset portfolio

- 35. The Council already owns an extensive property portfolio, which generates income that is already being used to fund the delivery of council services. A full list of Council assets is published annually on the Council's website, at https://www.reigate-banstead.gov.uk/downloads/downl
- 36. The Council also has a wholly owned property investment and delivery company, Greensand Holdings and interests in Horley Business Park Development LLP, a joint venture set up to bring forward the planning and development of employment land.
- 37. The Council reports annually on the performance of properties it holds purely as investments (investment properties) in its annual statement of accounts; however the portfolio that is generating income from the Council is much wider, as demonstrated by Figure 3, Figure 4 and Figure 5 below.

Figure 3: RBBC Commercial Property Portfolio: Number of assets by type



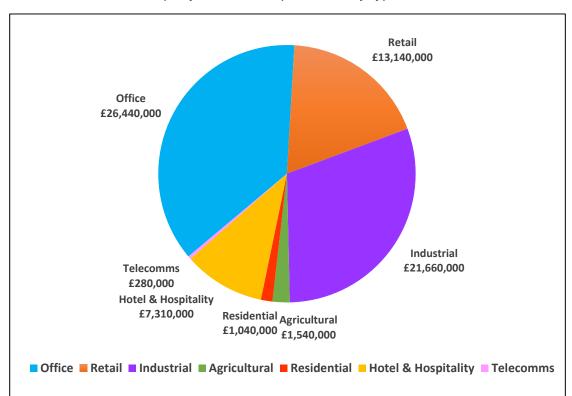
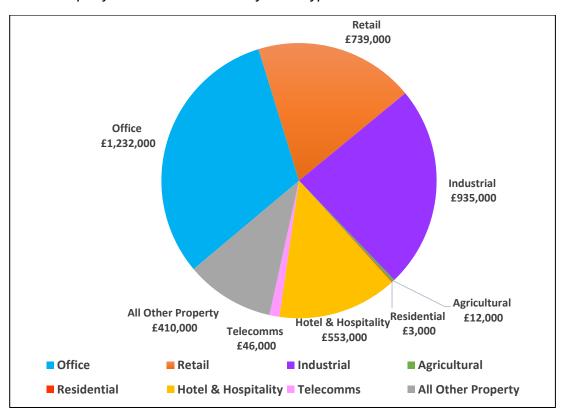


Figure 4: RBBC Commercial Property Portfolio: Capital value by type

Figure 5: RBBC Property Income: Breakdown by asset type



Overall approach and types of activity

38. The Capital Investment Strategy explains the aims and objectives of the Council's Asset Investment Approach as follows:

The aim is to realise the benefits of the effective management of investments, which include: creating a balanced portfolio of assets that minimises management costs and resources; increasing returns and creating new revenue income streams; adopting an approach of balancing risk and reward; supporting delivery of the Council's objective to ensure financial self-sufficiency; and supporting the local economy.

39. This will form the basis of our overall approach to investing in property assets, and the more detailed basis for decision making set out in this Strategy.

Criteria for decision-making

- 40. The starting point for taking decisions about investing in property assets will be ensuring that we have a robust evidence base for doing so. This will include a full and comprehensive assessment and analysis of our existing property portfolio, drawing on external advice as necessary and ongoing monitoring of, and regular reporting on, asset performance and market trends. This evidence base will enable us to take a more proactive, planned (and less reactive) approach to our commercial property investment activity.
- 41. When making decisions about direct asset activity, the Council will review opportunities on a case-by-case basis, and 'in the round' to ensure a full understanding of the benefits, risks and longer term implications of an opportunity are understood. This will include consideration of:
 - The contribution of any opportunity to Corporate Plan objectives
 - The type, tenure and location of the asset and current and forecast market conditions
 - The impact that pursuing the opportunity will have on the Council's overall portfolio
 - Immediate and longer term capital costs and revenue implications
 - Risks associated with the specific opportunity as well as any wider risks for the organisation should it pursue the opportunity; and
 - Exit strategy.
- 42. The same general considerations will also help inform the Council's approach to indirect asset activity via companies, for example the approval of company business plans.

Investing in asset activity that supports the delivery of Council objectives and the local economy while also delivering an income stream

- 43. Current constraints to borrowing (as outlined in **section 2**) mean that the Council is not able to buy property purely for yield. Even if we could, net yields are currently such that this would not be a sufficient solution for the Council to address the funding gap we are faced with.
- 44. We will therefore focus on asset activity that deliver corporate objectives (such as housing, environmental or place-shaping projects) whilst also maximising opportunities to generate income streams where this does not compromise those objectives.
- 45. By way of example, our asset management, asset acquisition and asset re-development activity may enable the Council to:
 - Deliver a Local Plan allocation or infrastructure project in the longer term
 - Contribute to the achievement of objectives defined in the Corporate Plan
 - Contribute to the achievement of objectives defined in subsidiary strategies to the Corporate Plan, including (but not limited to) the Housing Delivery Strategy and the Environmental Sustainability Strategy
 - Secure the continued contribution of the asset to the social, economic and environmental wellbeing of the borough and its residents, where this could otherwise be at risk or where the Council has the ability to enhance that contribution; or
 - Deliver one or more Council services more efficiently or effectively than is currently the case.
- 46. The Corporate Plan explains that the Council will invest in new property assets or development opportunities within our economic area. To ensure that our investment is consistent with our core responsibility as a local authority to support the local economy, the Council will only invest in property within the borough, or close to the borough border in the event that this investment secures a benefit for borough residents.

Consideration of asset use or type, tenure and location: the need to maintain a balanced portfolio of assets

- 47. Ensuring a balanced portfolio of assets will mean that the Council is able to appropriately balance risk and reward, and that our investments will be as resilient as possible to market fluctuations.
- 48. Figure 3, Figure 4, and Figure 5 above present the Council's current portfolio balance across our main commercial assets.
- 49. The property market can change rapidly, and at the time of writing there is considerable uncertainty as to the ongoing impacts of both Brexit and the Covid-19 pandemic on the

- property market. For these reasons, this this strategy does not specify specific sectoral targets; rather our focus will be on developing a diverse portfolio and on asset activity that enables us to deliver housing, place shaping or environmental objectives whilst also providing an income stream.
- 50. The implications of any substantive investment on the Council's overall portfolio will be considered as part of the decision making process, including impact on the sectoral balance and impact on the Council's future reliance on income from any one sector.
- 51. The Council will also, where possible, take the opportunity to diversify the Council's portfolio interests by changing or expanding the use existing assets where supported by evidence of need or demand.
- 52. **Annex 2** provides a summary of our current investment appetite in relation to key sectors and an assessment of our current portfolio. This will be updated annually based on market intelligence from external advisors and regular portfolio monitoring.

Understanding income potential and associated costs

- 53. Prior to entering into any substantive property investment activity, a comprehensive financial business case will be prepared. This will include consideration of:
 - Short, medium and longer term capital costs including all those associated with any asset purchase, the costs of any planned development and/or any ongoing maintenance costs; and
 - Revenue implications, including return on investment and internal rate of return, and the impact of any lease breaks, likely void periods and management costs.
- 54. To inform this assessment, the condition of the asset will be considered as well as the status of any occupiers. Due diligence will be undertaken prior to any asset acquisition, and opportunities for income or savings via lease negotiations or management arrangements will be considered.

Ensuring an appropriate balance is struck between risk and reward

- 55. The Council's Capital Investment Strategy recognises that the Council is exposed to a range of risks associated with property investment, including financial risks, macroeconomic risks, reputational risks and governance risks. A summary of key risks and management/mitigation measures is included at **Annex 3**.
- 56. Decisions on whether any asset investment provides an appropriate balance between risk and reward will be taken on a case-by-case basis, taking into account the considerations set out above, financial and non-financial benefits, current and forecast market conditions and portfolio balance.

57. In making any decision to invest in asset activity, consideration will also be given to the potential exit strategies available to the Council including in the event that circumstances change.

Prioritising our commercial asset activity

- 58. The Council will focus its commercial asset activity around a number of priority areas. It will build and maintain a pipeline of projects (based around these priorities) which both deliver against corporate priorities and generate new income streams or capital receipts. This pipeline will help provide increased clarity about how the Council will address some of the funding gap it faces and will be an important tool in identifying future resource requirements, both in terms of skills/expertise and in terms of capital funding for feasibility and development works.
- 59. These priorities reflect the tools available to the Council as set out in Figure 6.

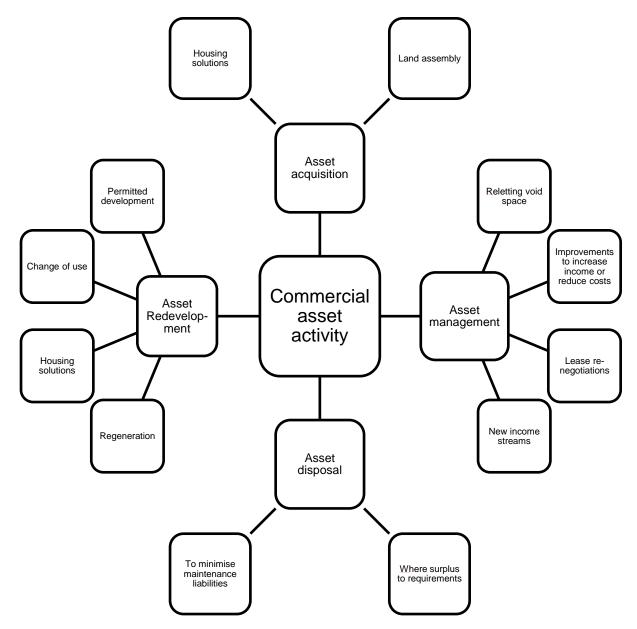
Priority 1: Evidence - Ensuring a robust understanding of our asset portfolio and its performance

60. A robust understanding of our property portfolio will mean we are in the best possible position to assess risks and rewards associated with new opportunities. Establishing a clear performance baseline will also enable us to establish improved procedures for regular reporting on portfolio performance.

Priority 2: Asset Management - Maximising value from the assets that we currently own and /or manage for commercial income

- 61. The properties that we currently own already generate substantial income streams for the Council. However, income from these properties cannot be taken for granted and our commercial strategy needs to ensure both that this continues into the future and that we increase income where we can.
- 62. Careful management is required to minimise void periods (and reduce the costs to the Council associated with these); to make sure that our properties are of a high standard to continue to generate good income streams into the future; and to make sure that the lease arrangements that we have in place deliver the best possible returns for the Council.

Figure 6: Summary of commercial asset activities



Priority 3: Asset (Re-)Development - Securing new income streams and/or capital receipts from development projects

- 63. The Council has invested a considerable sum of money in progressing a range of development projects in recent years, some of which are still ongoing. These have the ability to generate new income streams for the Council in the short term, so we will prioritise completing these projects so we can realise income from them as soon as possible.
- 64. At the same time, we will prepare proposals for future development activity, ensuring that the Council has an ongoing development project pipeline. We will primarily focus on the development, redevelopment or change of use of assets already within the Council's ownership, but our development pipeline may also include newly acquired assets or projects involving land assembly activity.

Priority 4: Asset Disposal - Disposing of assets that are currently underperforming or surplus to requirement

65. Assets that are currently underperforming can cost the Council money, rather than generating income. In some cases, it may be cost effective for the Council to invest in an underperforming asset to either bring it up to a standard where it generates a commercial return, redeploy it or redevelop it (under priorities 2 or 4 above). However, in other cases it will not be cost effective to do this and it may make more financial sense to dispose of the asset.

Priority 5: Asset Acquisition - Purchasing assets which deliver broader benefits in line with our corporate plan

- 66. Asset acquisition will be considered where it contributes to the delivery of one or more corporate objectives (for example, in relation to housing, place-shaping or environmental projects) and there may be cases where such acquisitions have the ability to generate income or savings for the council as a by-product.
- 67. In limited cases, it may make sense for the Council to purchase assets to enable it to assemble land for regeneration purposes. This may be done on the open market or through the use of compulsory purchase orders. This approach will primarily be used in cases where the Council already owns property in an area, however in rare instances the Council may seek to assembly land to respond to market circumstances that would otherwise have a detrimental impact on local residents or communities.

Commercial Assets Action Plan

68. Annex 4 sets out our current action plan for commercial asset activity action plan.

Section 5: Investing in commercial services

Overall approach and types of activity

- 69. The Council has the ability to generate income (and make savings) by taking a commercial approach to some elements of its service-related activity. These are explained in Part 1 of the Commercial Strategy and include:
 - Setting fees and charges
 - Generating income from selling the services we provide to other organisations or new customers and
 - Through procurement and contract management.
- 70. This Part 2 Strategy focuses on the first two of these, with the latter being addressed separately via a review of the Council's Strategic Procurement Approach.
- 71. The Localism Act 2011 introduced the General Power of Competence, which allows local authorities to operate more commercially, and undertake a range of different business ventures; and the Council already generates income from discretionary services it provides (such as garden and trade waste collection) and through selling its expertise to other public sector organisations (for example, undertaking fraud investigation for other local authorities).
- 72. There are a range of different delivery models which the Council can use to undertake service trading activities, including direct provision and the creation of Local Authority Trading Companies.
- 73. The Council also collects fees and charges for a range of services. Some of these are statutory and/or the Council has no discretion over whether to collect them or the level of the fee or charge. However, in other areas the Council does have some ability to adjust what it charges to ensure costs are covered our adopted Fees & Charges Policy⁷ provides the basis for doing this.

Criteria for decision making

74. As with commercial property activity, opportunities for service-related commercial activity will be considered on a case-by-case basis but in a consistent manner and based around some central considerations.

⁷ At the time of writing, the latest Council Fees & Charges policy, dated November 2021, is available at https://reigate-bansteadintranet.moderngov.co.uk/documents/s17285/Annex%205%20-%20Fees%20Charges%20Policy.pdf

75. The approach defined below will ensure that the risks to the Council are minimised, and that any commercial income generated is done so in a sustainable way. **Annex 5** summarises the key risks and management/mitigation measures.

Trading activity

- 76. In pursuing any new or expanded⁸ direct trading activity, or any proposal to establish a trading company, a business plan will be required. This will need to:
 - Explain how the proposal provides a social, economic or environmental service or benefit to the borough, its residents and/or its businesses, as well as income
 - Demonstrate a clear knowledge and understanding of the potential market and customer base, including competing providers
 - Demonstrate that the Council has, or has access to, the technical or local expertise to deliver the service
 - Set out how the activity will be resourced and explain what measures will be put in place to ensure that core or statutory activities will not be compromised
 - Be accompanied by a robust financial business case
 - Explain how performance will be monitored and reported on.

Fees and charges

77. The Council's adopted Fees & Charges Policy sets out some standard principles that underpin the Council's approach to fees and charges as follows:

All fees and charges will: Demonstrate how they contribute to the achievement of corporate and service objectives; Maximise potential income to achieve financial objectives, unless there is an explicit policy decision to subsidise a service; Be subject to equality impact assessment screening and consultation where appropriate; Minimise the costs of collection; As a minimum, be increased annually in line with CPI inflation increases; and Be subject to a scheduled review at least every 3-5 years

- 78. In addition to these considerations, any proposals will also be expected to demonstrate the following:
 - That the Council has a clear knowledge and understanding of the current customer base and the potential impact of the change on service demand and service users; and

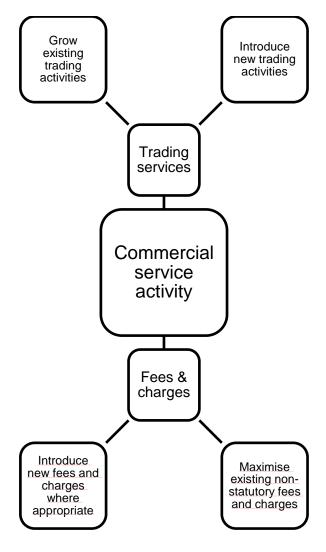
⁸ that is, trading activity that requires additional substantive resourcing in order to generate income

• An explanation and justification for the charging model proposed (that is, full cost recovery, direct cost plus or subsidised).

Prioritising our commercial service activity

79. The Council will focus its commercial services activity around the priorities listed below and summarised in Figure 7.

Figure 7: Summary of commercial service activities



Priority 1: Trading - Continue to incrementally grow our existing trading activities for medium-term income generation, and introduce commercial into services we currently provide non-commercially or that align with our remit

- 80. The Council already undertakes some trading activity, and as we already have experience in these areas, as well as the resources in place to deliver activity, we will prioritise their development and expansion, taking into account the considerations set out earlier in this section.
- 81. There may be some areas of activity where the Council currently provides services, but not on a commercial basis. While the immediate focus will be on those areas where we already trade, we may bring forward new proposals to sell our existing services on a commercial basis to generate income, either directly (to cover costs) or via a trading company.
- 82. At the time of writing, it is not intended that the Council will, in the short term, pursue the provision of services that do not fit within the remit of a borough council, however in the longer term, partnerships to deliver such activity may be explored.

Priority 2: Fees and charges - Maximising income from existing non-statutory fees and charges and introducing new non-statutory fees and charges where appropriate

- 83. The Council has in place a range of non-statutory fees and charges where it has some discretion to set the terms of collection and the collection amount. One priority area of focus will be ensuring that we are maximising the income collected from existing fees and charges, in line with the terms of the Fees and Charges Policy.
- 84. There are some areas where the Council may be able to collect non-statutory fees and charges where it does not already do so. Before new charges are introduced these will be assessed against the criteria set out above.

Commercial Services Action Plan

85. **Annex 6** sets out our commercial service activity action plan.

Section 6: Funding, implementing and reporting on our commercial activity

Formal governance and decision making structures

- 86. The Council reviewed its approach to commercial governance in 2018 into early 2019, building on its experience undertaking commercial activity at that time. The outcomes of this process were:
 - Adoption by the Executive in March 2019⁹ of a new Commercial Governance
 Framework and Checklist to guide future working and ensure lessons from part
 practice are implemented.
 - Agreement by the Executive in May 2019¹⁰ to establish a new Commercial Ventures Executive Sub Committee (CVESC).
 - Agreement by the CVESC in January 2020¹¹ of various delegations associated with the investment and company governance
 - Review and confirmation by CVESC in April 2021¹² of the approach to investment and company governance, including the approach to establishment of a holding company structure.
- 87. **Annex 7** summarises the Council's formal decision-making processes insofar as they relate to commercial activity. This Commercial Strategy Part 2 does not seek to change the formal decision-making or company structures agreed by the Executive and the CVESC.
- 88. The Council's formal governance and decision-making structures are supported by a number of other informal and operational structures, including:
 - The Council's Democratic Services team, which ensures appropriate agenda planning and management
 - Informal CVESC meetings, where members of the committee meet informally to consider emerging issues and proposals
 - Officer level Companies Oversight Board which monitors company performance and provides advice to the CVESC on company governance, activities and associated matters

https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137&Mld=223&Ver=4

¹⁰ https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=137&Mld=1381&Ver=4

¹¹ https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=328&Mld=1562&Ver=4

¹² https://reigate-banstead.moderngov.co.uk/ieListDocuments.aspx?Cld=328&Mld=1861&Ver=4

- The Officer-level Strategic Property Officer Group, which monitors asset performance and provides advice to the CVESC on commercial property activity, opportunities and projects
- The Corporate Governance Group comprised of the Council's statutory officers and other senior officers, with the remit of ensuring good corporate governance.
- The Council's Place & People and Organisation Boards ('the Governance Boards')
 which comprise senior officers within the council and provide oversight of projectbased activity.
- 89. Together these mechanisms ensure that proposals for commercial activity receive appropriate input from relevant technical experts within the Council, and oversight from senior managers and Executive members.

Funding our proposals for commercial activity

- 90. Commercial activity, whether property-related or service-related, may require initial or ongoing funding in order to secure commercial income streams or capital receipts. For example, revenue funding may be required to market properties for lease, or for staff to expand traded services; or capital funding may be required to purchase property or equipment.
- 91. The Council agrees a revenue budget each year for the delivery of Council services, and a capital programme for the delivery of associated activities. This annual budget will set out the funding that will be available for commercial activity within that year.
 - Revenue funding: Where revenue funding is required to support commercial
 activity, this will be included within the annual revenue budget and/or funded from a
 reserve set aside for this purpose. Such requests (or the establishment of
 earmarked reserves) will be subject to consultation and scrutiny as part of the
 annual budget setting process.
 - Feasibility funding: At the time of writing, the Council has a Feasibility Studies
 revenue reserve which can be drawn upon to assist in the development of
 commercial activity proposals. Requests for funding from the Feasibility Studies
 reserve are subject to consultation with members of the CVESC and the Council's
 Corporate Governance Group, and agreement by the Council's section 151 officer.
 - Capital funding: Capital funding may be required for property acquisition, development activity etc. The Council's Capital Programme (which is subject to consultation and scrutiny as part of the annual budget setting process) includes capital allocations for activity to support the delivery of the Corporate Plan, the Housing Delivery Strategy and for commercial investment properties. Requests for

capital funding for commercial activity from these allocations will be considered on a case-by-case basis by the CVESC.

Developing and implementing proposals for commercial activity

- 92. Proposals for commercial activity will vary in nature and in scale and may be project or non-project activities such as property acquisition or disposal. The processes outlined below apply to activities with a commercial element to them that accords with the agreed commercial governance framework.
- 93. Project-based activity will be progressed in line with the Council's agreed operational-level Project Management Framework. This includes a requirement to produce a project business case, accompanied by a robust financial business case and risk assessment, for regular project reporting, benefits tracking and reporting on 'lessons learned'.
- 94. Figure 8 and Figure 9 explain the process for project-related activity and property acquisition or disposal activity respectively.
- 95. Where commercial activity proposals require agreement from the CVESC or Executive (for example, they require capital funding or propose the establishment of a trading company) the Commercial Governance Framework and Checklist will be used to help inform the decision-making process.

Skills and training to deliver our commercial activity

- 96. To deliver its commercial activity, it is vital that the Council has access to the appropriate skills and expertise.
- 97. The focus in this strategy on commercial asset activity to deliver corporate priorities, and commercial service activity aligned with the council's remit, means that in many cases the Council will already have a strong skills and knowledge base 'in-house'. However as there is increasing pressure for services to act commercially, it will be important that the organisation continues to ensure that staff and councillors are supported to develop skills and expertise in this area. This may include through the employment of members of staff with new and different skill sets, training of existing staff and members and other professional development opportunities.
- 98. It is likely that in some cases, additional expertise will be needed. This could include:
 - Use of external advisors, for example legal, financial or property advisors to support in-house staff or provide specialist advice
 - Use of external consultants with topic-specific experience; or
 - The use of fixed-term staff resources to oversee the delivery of particular projects with a commercial element.

Figure 8: Commercial project development / implementation process

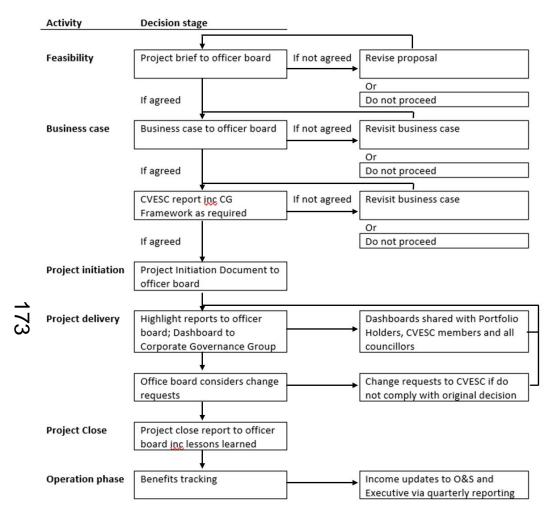
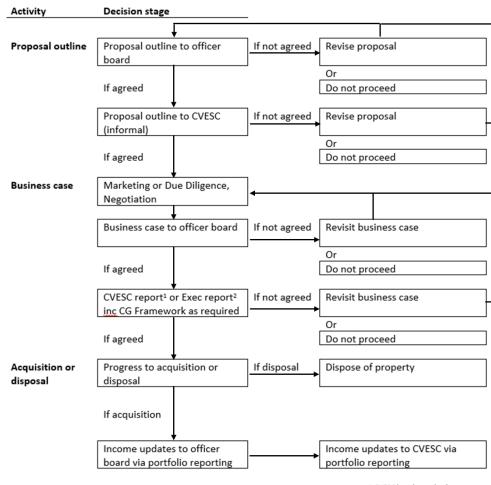


Figure 9: Asset acquisition/disposal process



¹ CVESC has the authority to agree acquisitions

² Executive agreement may be required for disposals

- 99. Where external expertise is sought, where possible this will be approached on a partnership basis to help secure added value for the organisation and help contribute to the building on in-house capacity and knowledge.
- 100. In support of its budget setting process, the Council is developing a financial sustainability plan which will involve heads of service across the organisation identifying commercial opportunities and efficiency measures this will be overseen by the Corporate Governance Group (comprising statutory officers and directors) who will be able to take a holistic view of any additional skills and expertise that may be required to assist the organisation.

Reporting on commercial activity

- 101. Commercial activity will be reported on once activities have been agreed and are underway in the following ways:
 - Progress on commercial project activity will be reported via project highlight reports to the relevant Governance Board
 - Project dashboards will be reported to the Corporate Governance Group and to members on a quarterly basis, with the O&S Committee having the opportunity to comment on these
 - Asset performance will be reported quarterly to the relevant officer board and to CVESC members
 - Commercial income updates will be reported as part of quarterly budget monitoring reporting to the Overview & Scrutiny Committee and the Executive
 - Operational and where appropriate strategic commercial risks will be reported on via the Council's quarterly risk reporting process to the Audit Committee and the Executive
 - An annual report on the Council's commercial activities and companies will be provided to the Overview & Scrutiny Committee and the CVESC.

Annex 1: Hypothetical borrowing examples

Note that these figures are provided for illustrative purposes only – they exclude any other operating expenses and therefore do not represent a true picture in respect of any individual investment

Figure 10: Illustration of how borrowing costs impact on income yield

| | If £1m borrowed | If £10m borrowed |
|--|-----------------|------------------|
| Average annual interest payments (assumes PWLB 50 year rate of 2.39%) | £11,950 | £119,500 |
| Annual Minimum Revenue Provision (MRP) Charge | £20,000 | £200,000 |
| Total Annual Borrowing Charge to the Revenue Budget | £31,950 | £319,500 |
| Annual gross income/(loss) if investment generates an income stream of 1% | (£21,950) | (£219,500) |
| Annual gross income/(loss) if investment generates an income stream of 3% | (£1,950) | (£19,500) |
| Break-even point: 3.2% before operating costs | | |
| Annual gross income/(loss) if investment generates an income stream of 5% | £18,050 | £180,500 |
| Annual gross income/(loss) if investment generates an income stream of 10% | £68,050 | £680,500 |

Figure 11: Indicative gross investment yields Sept 2021 for comparison purposes

| Investment type | Indicative gross investment yield |
|--|-----------------------------------|
| M25 offices ¹ | 5.50% |
| Provincial offices ¹ | 4.75% |
| High Street retail ¹ | 6.75% |
| Retail warehouse ¹ | 5.75% |
| Foodstores ¹ | 4.50% |
| Industrial / distribution ¹ | 3.25% |
| Current RBBC money market investments | 0.016% |

¹ Source: Savills Sept 2021

Annex 2: Summary of Council's current investment appetite (2021/22)

Note that this table will be updated annually to inform the Council's commercial activity

| Asset category | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|------------------------------|---------|---------|---------|---------|---------|
| Offices | Red | | | | |
| High Street Retail | Red | | | | |
| Industrial/Distribution | Amber | | | | |
| Leisure (hotels, gyms) | Amber | | | | |
| Hospitality (food and drink) | Amber | | | | |
| Housing | Green | | | | |

Annex 3: Commercial asset activity risk overview and risk management

| Risk | Management / mitigation measures |
|---|---|
| Strategic due to market downturn or change in market conditions | Opportunities considered on a case by case basis; up to date market intelligence used to inform decision making. A general approach of spreading risk will help offset the potential impact of individual failures |
| Strategic due to benefits or potential of an asset or project being overstated or failing to achieve corporate objectives | Business case approach ensures consideration of risks and benefits 'in the round'. Benefits monitoring via established governance and reporting processes |
| Financial implications due to poor initial assessment of costs, income streams, void periods etc | Robust and comprehensive financial assessments will be undertaken to inform decision making, including consideration of projected capital and revenue costs and income. External advice will be sought as required, for example in relation to valuations and condition assessments. Regular portfolio reviews will provide enhanced understanding of revenue streams |
| Financial implications due to poor initial assessment of values/ asset lifespan | Independent valuations will be commissioned as part of the decision-making process. Exit strategy options will be considered at the time of decision-making |
| Financial due to poor maintenance impacting on income or capital receipts | Implement programme of asset surveys and repair/maintenance activity; asset maintenance included as key element of commercial strategy |
| Legal due to challenge from third parties | Appropriate legal advice at project development stage. Only activities that align with the council's overall objectives and areas of responsibility will be pursued |
| Reputational due to perceptions around Council's remit and/or as a result of adverse financial or other implications | Business cases and established governance arrangements will ensure transparent and clear rationale for decisions made and that local impacts have been assessed and understood before making a decision. Communications strategies will be developed to accompany individual initiatives. Rationale for Council's commercial activity explained corporate plan annual reporting and regular comms activity. |
| Unintended environmental, social or economic consequences arising from activity | Business case approach and current governance arrangements will ensure broader environmental, social and economic implications of activity are taken into account at the project development stage, and monitored at the project delivery stage via benefits tracking and risk reporting |

Annex 4: Commercial Assets Action Plan

| Task | Responsibility | Timeframe | Outcome | Risks to delivery | Resources | | | |
|---|---|---------------------|---|--|---|--|--|--|
| Priority 1: Evidence - Ensuring a robust understanding of our asset portfolio and its performance | | | | | | | | |
| Undertake a 'deep dive' into our current portfolio and develop a reporting template | Property | 2021/22 | Robust understanding of asset portfolio and performance | Loss or diversion of staff resources | Existing staff resources | | | |
| Introduce quarterly reporting to CVESC members on asset and portfolio performance | Property | 2022/21 onwards | Ongoing and up to date understanding of asset portfolio and performance | Loss or diversion of staff resources | Existing staff resources | | | |
| Priority 2: Asset management - Maxim | nising value from t | he assets that w | e currently own and/or manage | for commercial income | | | | |
| Continue activity to re-let vacant floorspace and minimise the cost to the Council from void space | Property | 2021/22 | Reduced costs to Council and increased income | Changing market demand; loss or diversion of staff resources | Existing staff resources Existing revenue budgets | | | |
| Focus on the worst-performing assets in our portfolio to improve their commercial return (eg via upgrades, repurposing, redevelopment or disposal) – see also priorities 3 and 4) | Property | 2022/23- 2023/24 | Reduced costs to the Council and increased income or capital receipt | Changing market demand; loss or diversion of staff resources | Existing staff resources May require additional resourcing depending on solution— see also priorities 3 and 4 | | | |
| As leases expire, implement upgrades to key investment assets to ensure they remain attractive to potential tenants | Property | Ongoing | Maintenance of a reliable income stream from investment assets | Changing market demand; loss or diversion of staff resources | Existing staff resources Capital funding | | | |
| Priority 3: Asset (Re-)Development: - | Priority 3: Asset (Re-)Development: - Securing new income streams and/or capital receipts from development projects | | | | | | | |
| Conclude development of Marketfield Way, Cromwell Road and Lee Street | Place Delivery | 2021/22- 2022/23 | Project place-shaping objectives achieved | Supply chain/materials availability | Existing staff resources Existing project budgets | | | |
| Continue marketing of units at Marketfield Way and Cromwell Road | Property | 2021/22- 2022/23 | Direct income streams secured | Changing market demand | Existing staff resources Existing revenue budgets | | | |

| Establish housing company as a mechanism for the Council to generate income from residential letting activity | Housing | 2021/22 | Income stream secured via payment of dividends from company to Council | Business case proves unviable; changing market conditions; loss or diversion of staff resources | Existing staff resources Consultancy support Existing project budgets | | | |
|--|--|------------------------------------|---|--|--|--|--|--|
| Complete Horley Car Park feasibility work and progress to planning then development | Place Delivery, Property, Housing | 2021/22- 2022/23 | Place-shaping objectives and contribution to rolling project pipeline | Business case proves unviable; loss or diversion of staff resources; failure to secure planning; changing market demand; supply chain issues | Existing staff resources Consultancy support Existing feasibility funding Capital funding | | | |
| Identify other pipeline projects for existing but underused assets, including consideration of opportunities for development, permitted development or income generation associated with: - Operational council buildings - Underutilised investment properties (see also priority 2) - Green spaces - Car parks | Property, Place Delivery, Housing, Greenspaces, Car Parking, Other services as required | 2021/22- 2022/23 and ongoing | Contribution to a rolling pipeline of projects to deliver a combination of corporate objectives, reduced costs to the council, income generation and capital receipts | Project specific but may include: Market conditions impacting project viability; loss or diversion of staff resources; failure to secure planning permission | Existing staff resources Depending on the nature of the project: Consultancy support Feasibility funding Capital funding | | | |
| Priority 4: Asset Disposal - Disposing | of assets that are | currently under | performing or surplus to require | ement | | | | |
| As leases expire, dispose of assets where it makes financial/operational sense to do so. See also priority 2 | Property, other services as required | Ongoing | Reduced costs to the Council, capital receipts | Changing market conditions | Existing staff resources Existing revenue budgets | | | |
| Priority 5: Asset Acquisition - Purchas | Priority 5: Asset Acquisition - Purchasing assets which deliver broader benefits in line with our corporate plan | | | | | | | |
| Investigate opportunities to invest in emergency and temporary housing solutions, or other housing products to meet local needs | Housing, Property | From 2022/23 onwards | Reduced housing revenue costs to the Council, contribution to wider housing objectives Direct or indirect income stream(s) | Project specific but may include: Availability of suitable properties; market conditions impacting project viability; loss or diversion of staff resources | Existing staff resources Consultancy support as required Feasibility funding Capital funding | | | |

| Investigate opportunities to invest in social or economic regeneration in the borough | Property, Place Delivery | From 2022/23 onwards | Direct or indirect income stream(s) or capital receipts, contribution to wider regeneration objectives | Project specific but may include: Availability of suitable properties; market conditions impacting project viability; loss or diversion of staff resources | Existing staff resources Consultancy support as required Feasibility funding Capital funding |
|--|--|-------------------------|---|--|--|
| Investigate opportunities to invest in renewable energy solutions | Sustainability, Property | From 2022/23 onwards | Reduced energy revenue costs to the Council, contribution to wider sustainability objectives | Project specific but may include: Availability of suitable properties; market conditions impacting project viability; loss or diversion of staff resources | Existing staff resources Consultancy support as required Feasibility funding Capital funding |
| Identify land assembly opportunities to enable the delivery of corporate objectives and pursue accordingly | Property. Planning, Place Delivery | From 2022/23 onwards | Land acquired to enable the future delivery of other corporate objectives | Project specific but may include: Changing market conditions; loss or diversion of staff resources | Existing staff resources Consultancy support as required Feasibility funding Capital funding |

Annex 5: Commercial services activity risk overview and risk management

| Risk | Management / mitigation measures |
|--|---|
| Strategic due to trading or charging activity not being consistent with the political ethos of the Council | Business cases will be used to document how a proposed initiative will contribute to corporate priorities |
| Reputational due to trading or charging activity resulting in backlash from private competitors, negative press or public feedback | Business cases and established governance arrangements will ensure transparent and clear rationale for decisions made and that local impacts have been assessed and understood before making a decision. Communications strategies will be developed to accompany individual initiatives |
| Reputational due to trading failure | Robust business cases and careful (and documented) consideration of risk and reward by decision-makers |
| Legal due to challenge from competitors (trading) or service users (charging) | Appropriate legal advice will be taken at project development stage, including (as appropriate) in relation to subsidy control. Only activities that align with the council's overall objectives and areas of responsibility will be pursued. Charging will be applied in line with adopted Fees & Charges policy |
| Financial due to change of market circumstances (supply or demand) | The Council will only pursue activities where it has access to a full understanding of the market and customer base; this will be demonstrated at the business case stage |
| Financial due to trading or charging activity failing to generate a profit or leads to loss of sunk expenditure | Charging activity will be based on a robust assessment of service delivery costs. Business cases for trading activity will include a detailed financial assessment including projected capital and revenue costs and income; and will include a project specific risk assessment. A general approach of spreading risk will help offset the potential impact of individual failures |
| Strategic due to direct resource shortages or diversion of resources impacting on delivery of core services | Business cases will consider overall resource requirements, project specific resourcing risks and contingency measures |

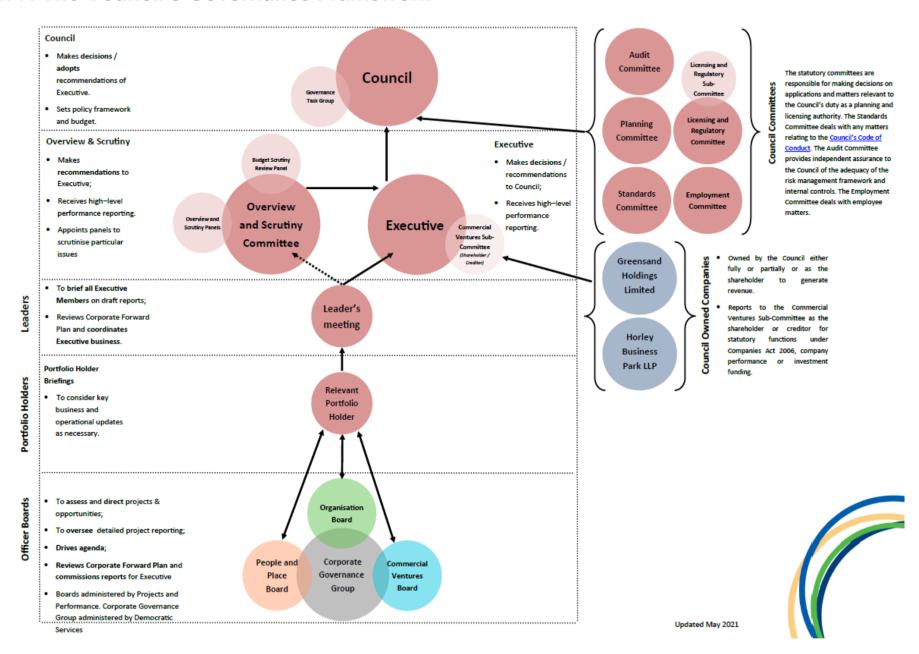
Annex 6: Commercial Services Action Plan

| Task | Responsibility | Timeframe | Outcome | Risks to delivery | Resources | | |
|---|-------------------------------|--------------------|--|--|--|--|--|
| Priority 1: Trading services - continue to incrementally grow our existing trading activities for medium-term income generation and introducing commercial into services that we currently provide non-commercially or new services that align with our remit | | | | | | | |
| Explore options to expand and consolidate the Council's Revenues, Benefits and Fraud income generating activity, including potential to establish a trading company | Revenues, Benefits & Fraud | 2021/22-2022/23 | Generation of increased income stream | Client demand; potential new competitors; loss or diversion of staff resources; trading company business case proves unviable | Existing staff resources Consultancy support as required Revenue funding | | |
| Explore options to expand and consolidate the Council's Garden Waste customer base | Neighbourhood Operations | 2021/22-2022/23 | Generation of increased income stream | Client demand; loss or diversion of staff resources; associated costs make business case unviable; longer term impact of Government Waste & Recycling Strategy currently unknown | Existing staff resources Capital / revenue funding | | |
| Establish housing company as a mechanism for the Council to generate income from residential letting activity | Housing | 2021/22 | Income stream secured via payment of dividends and loan premium from company to Council | Associated costs make business case unviable; market demand; loss or diversion of staff resources | Existing staff resources Consultancy support Existing project budgets | | |
| Explore new commercial trading opportunities arising from the implementation of the Government's Waste & Resources Strategy | Neighbourhood Operations | 2022/23 onwards | Potential to secure a revenue stream to either mitigate against service provision cost increases or to generate income | Final content of Waste & Resources Strategy currently unknown; client demand; potential for new competitors; associated costs make | Existing staff resources Consultancy support as required Feasibility funding Capital / revenue funding | | |

Reigate & Banstead Borough Council 30 November 2021

| | | | | business case | |
|---|--|--------------------|--|--|--------------------------|
| Consider other service areas where there may be potential to introduce trading activity | Income to cover costs or I client/market demand: | | Existing staff resources Depending on the nature of the project, may also require consultancy support, capital / revenue funding | | |
| Priority 2: Fees & charges - Maximise appropriate | income from exis | ting non-statutory | fees and charges and introd | uce new non-statutory f | ees and charges where |
| Assess all fees and charges for compliance with the Fees & Charges Policy and maintain rolling review to ensure continued alignment and amend charging models to increase receipts where this can be justified. | Various | Ongoing | Costs for non-statutory service provision covered by relevant fees and charges as far as possible | Cost increase results in reduced service demand; potential reputational risks | Existing staff resources |
| Introduce enhanced charging in relation to pre-application advice | Planning | 2022/23 | Costs for non-statutory service provision covered by relevant fees and charges | Cost increase results in reduced service demand | Existing staff resources |
| Continue to explore opportunities for the introduction of new fees and charges | Various | Ongoing | Costs for non-statutory service provision covered by relevant fees and charges as far as possible | Project specific but may include: Cost introduction results in reduced service demand; potential reputational risks | Existing staff resources |

Annex 7: The Council's Governance Framework



Commercial Strategy Scrutiny Panel - 2 November 2021

Summary

Panel Members thanked Councillor Archer, Portfolio Holder for Investment and Companies, and officers for their comprehensive updates on the programme's work to date and responding to Members' questions.

The actions were for the officers to develop commercial strategy in consultation with the Portfolio Holder, so that the strategy can be considered at Leader's meeting. The final strategy was due to be considered at Overview and Scrutiny Committee on 9 December and Executive on 16 December.

The Panel agreed that:

- There were benefits and disadvantages to different models and approaches to commercial practice as set out in the notes.
- Making most of Council's property assets, by maximising the returns and improving the overall value of assets that the Council owns and manages as commercial income are priorities.
- Members recognised that there was a difficult balance to be struck as there
 was only a finite amount that the Council was able to do to generate further
 income from acquisitions within the latest constraints and costs of borrowing.
- Specific skills and specialist or technical knowledge may need to be available / brought in at different stages of a commercial venture to ensure the right commercial expertise at the right time as identified by business cases or feasibility studies.
- Councillor Archer, Portfolio Holder for Companies and Investments, undertook to receive and consider written questions from Panel Chair, Councillor Walsh, on current aspects of commercial work and commercial strategy.
- Minutes and Panel Member observations from the O&S Commercial Strategy Scrutiny Panel meeting to be published (Exempt) with the Overview and Scrutiny Committee meeting agenda pack for 9 December 2021.
- Panel Chair (Councillor Walsh) to give an overview of the Panel's feedback at the meeting as set out in the Minutes.

Members to review final strategy at Overview & Scrutiny Committee on 9 December with comments to go to Executive on 16 December.

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| SIGNED OFF BY | Head of Legal and Governance |
|---------------|---|
| AUTHOR | Catriona Marchant, Democratic Services Officer |
| TELEPHONE | Tel: 01737 276066 |
| EMAIL | catriona.marchant@reigate- banstead.gov.uk |
| то | Overview and Scrutiny Committee |
| DATE | Thursday 9 December 2021 |
| MEMBER | Chair, Overview and Scrutiny |

| KEY DECISION REQUIRED | No |
|-----------------------|-----------|
| WARDS AFFECTED | All Wards |

| SUBJECT | Overview and Scrutiny Committee's Work Programme 2021/22 |
|---------|--|
| | , |

RECOMMENDATIONS

i. To consider the proposed future work programme for the Overview and Scrutiny Committee, set out in **Annex 1**; and the Action Tracker, set out in **Annex 2**.

REASONS FOR RECOMMENDATIONS

The work programme for the Overview and Scrutiny Committee was recommended by the Overview and Scrutiny Committee at its meeting on 18 February 2021 and was recommended by Executive on 25 February 2021 that it be approved by Council.

Arrangements for implementing this year's work programme have progressed and the latest plans are outlined in **Annex 1**. In addition an Action Tracker (**Annex 2**) which sets out Member requests for follow-up information from the previous meeting is added.

This standing item on the Committee's Forward Work Programme keeps the Committee informed and to prepare for upcoming business.

EXECUTIVE SUMMARY

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

Agenda Item 8

Work Programme 2021/22

The Work Programme 2021/22 is a useful tool in planning the overview and scrutiny work programme. The Future Work Programme will be updated before each meeting and feed into the Corporate Forward Plan.

Action Tracker

The Action Tracker sets out requests for any follow-up written information from the previous meeting.

STATUTORY POWERS

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

ANNEXES

- Annex 1 Future Work Programme 2021/22
- Annex 2 Action Tracker

Reigate and Banstead Borough Council Overview and Scrutiny Committee Work Programme

Published:

| Report Author(s) | Lead Member(s) | Officer sign off | Subject | O&S | Executive | Council | Open / Exempt | Key |
|--|--|----------------------------|--|------------|-------------|---------|------------------|-----|
| 9 December 2021 | | | | | | | | |
| Richard Robinson, Head of Housing | Portfolio Holder for Housing and Support | Head of Housing | Homelessness & Rough Sleeping Strategy 2022-2027 To consider and provide feedback on the priorities proposed in the Homelessness & Rough Sleeping Strategy 2022-27 | 9 Dec 2021 | 24 Mar 2022 | | Open | |
| David Brown, Finance Manager, Luke Harvey, Project & Performance Team Leader, Pat Main, Interim Head of Finance and Assets | Deputy Leader and Portfolio Holder for Finance and Governance, Portfolio Holder for Corporate Policy and Resources | Interim Head of Finance | Quarter 2 Performance Report 2021/22 To consider the Council's performance in Quarter 2 2021/22 | 9 Dec 2021 | 16 Dec 2021 | | Open | |
| Catriona Marchant, Democratic Services Officer | Deputy Leader and Portfolio Holder for Finance and | Interim Head of Finance | Observations on Budget Proposals - Budget Scrutiny Panel report | 9 Dec 2021 | | | Open | |

| Report Author(s) | Lead Member(s) | Officer sign off | Subject | O&S | Executive | Council | Open / Exempt | Key |
|---|---|--|---|-------------|-------------|-------------|------------------|-----|
| | Governance | | Report from the Budget Scrutiny Panel - observations on the Budget Proposals (Service and Financial Planning 2022/23) | | | | | |
| Catherine Rose, Head of Corporate Policy | Councillor Tim Archer | Interim Head of Paid Service | Commercial Strategy - Part 2 To consider and agree Part 2 of the Council's Commercial Strategy following agreement of Part 1 in 2020 | 9 Dec 2021 | 16 Dec 2021 | | Open | KEY |
| 20 January 2022 | | | | | | | | |
| Mari Roberts- Wood, Director of People | Leader of the Council | Chief Executive | Leader's Update (January 2022) | 20 Jan 2022 | | | | KEY |
| Qatriona Marchant, Democratic Services Officer | Portfolio Holder for Community Partnerships, Portfolio Holder for Housing and Support, Portfolio Holder for Leisure and Culture | Director of People, Head of Community Partnerships, Head of Wellbeing and Intervention | People Portfolio Holders Update Update from Executive Members of Housing & Support, Leisure & Culture and Community Partnerships | 20 Jan 2022 | | | Open | |
| Catriona Marchant, Democratic Services Officer | Leader of the Council | Head of Legal and Governance | Calendar of Meetings 2022/23 Calendar of Meetings for 2022/23 | 20 Jan 2022 | 27 Jan 2022 | 10 Feb 2022 | Open | |
| 17 February 2022 | | | | | | | | |
| Catriona Marchant, | Portfolio Holder for Community | Director of People, Head of | Annual Community Safety Partnership Scrutiny | 17 Feb 2022 | | | Open | |

| Report Author(s) | Lead Member(s) | Officer sign off | Subject | 0&\$ | Executive | Council | Open / Exempt | Key |
|---|--|--|---|-------------|-------------|------------|------------------|-----|
| Democratic Services Officer | Partnerships | Community Partnerships | Annual 'crime and disorder' scrutiny - Community Partnership | | | | | |
| 17 March 2022 | | | | | | | | |
| Catriona Marchant, Democratic Services Officer | Portfolio Holder for Economic Prosperity, Portfolio Holder for Neighbourhood Services, Portfolio Holder for Planning Policy and Place Delivery | Director of Place, Head of Economic Prosperity, Head of Neighbourhood Operations, Head of Planning | Place Portfolio Holders update Update from Place Executive Members of Planning Policy & Delivery, Neighbourhood Services and Economic Prosperity | 17 Mar 2022 | | | Open | |
| David Brown, Finance Manager, Pat Main, Interim Head of Finance and Assets, Luke Harvey, Project & Performance Team Leader | Deputy Leader and Portfolio Holder for Finance and Governance, Portfolio Holder for Corporate Policy and Resources | Interim Head of Finance | Quarter 3 Performance Report 2021/22 To consider the Council's performance in Quarter 3 2021/22 | 17 Mar 2022 | 24 Mar 2022 | | Open | |
| Catriona Marchant, Democratic Services Officer | Councillor Nick Harrison | Head of Legal and Governance, Interim Head of Paid Service | Overview and Scrutiny Annual Report 2021/22 Annual Report from the Overview and Scrutiny Committee 2021/22 | 17 Mar 2022 | | 7 Apr 2022 | Open | |

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| Report Author(s) | Lead Member(s) | Officer sign off | Subject | O&S | Executive | Council | Open / Exempt | Key |
|---|---|---------------------------------|--|-------------|------------|------------|---|-----|
| Catriona Marchant, Democratic Services Officer | Councillor Nick Harrison | Head of Legal and Governance | Overview and Scrutiny Annual Work Programme 2022/23 Overview and Scrutiny Committee's Forward Work Programme for the year ahead 2022/23 | 17 Mar 2022 | | 7 Apr 2022 | Open | |
| Tom Borer, Policy Officer | Portfolio Holder for Investment and Companies | Interim Head of Paid Service | Companies Performance Update - Spring 2022 To consider an update on the performance of Council companies. | 17 Mar 2022 | 2 Jun 2022 | | Part exempt Commer cially Sensitive | |

Contact: Democratic Services Email: democratic@reigate-banstead.gov.uk Telephone: 01737 276812

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

| Meeting 2020/21 | Subject and request | Action | Who | When | Completed |
|-----------------|--|---|------------------------|-----------|--|
| 21 Oct 2021 | Item 4 – Organisation Portfolio Holder Updates (Minute 37) | Fraud and identity fraud – how did the Council ensure it was protecting residents against fraud with the decrease in face-to-face contact and remote working? It was confirmed that the Revenues, Benefits and Fraud team dealt with any reported cases of fraud. Members requested more information in a follow-up written answer. | Request to officers | Completed | Response emailed to Members. Copy in ModGov library. |
| 21 Oct 2021 | Item 4 – Organisation Portfolio Holder Updates (Minute 37) | Customer relations – approximately 60 plus online transactions with the public were handled through the Customer Relationship Management (CRM) system currently. Over 50,000 transactions a year were carried out using the digital platform. Members asked for further information as a follow-up written answer. | Request to officers | Completed | Response emailed to Members. Copy in ModGov library. |

| 21 Oct 2021 | Item 4 – Organisation Portfolio Holder Updates (Minute 37) | Affordability of market rent apartments owned by Kooky Ltd (part of the Delph Group) – Members asked for more information on the rental apartments being developed on the Council-owned site on Marketfield Way site, Redhill. A written answer was requested on 1) service management charges 2) ground rents and to confirm best practice was being followed with regard to leasehold property management. | Request to officers | Completed | Response emailed to Members. Copy in ModGov library. |
|----------------|---|--|------------------------|-----------|--|
| 21 Oct 2021 | Item 5 - Environmental Sustainability: Progress Update (Minute 38) | Use of carbon offsetting measures. Members requested more detail on offsetting schemes and costs as a follow-up written response. | Request to officers | Completed | Response emailed to Members. Copy in ModGov library. |

| 21 Oct 2021 | Item 5 - Environmental Sustainability: Progress Update (Minute 38) | Insulating Council-owned buildings – Members asked for information on plans to improve the insulation of buildings owned and leased by the Council and plans to install alternative heating sources. A follow-up written answer was requested. | Request to officers | Completed | Response emailed to Members. Copy in ModGov library. |
|----------------|---|---|------------------------|-----------|--|
| 21 Oct 2021 | Item 8 – Overview & Scrutiny Committee Forward Work Programme (Minute 41) | Charitable Trusts – Members requested updated information regarding consultation with the Charity Commission on Trust Funds, including the Reigate Baths Trust Fund and Commons Trust to identify what the funds can or cannot be used for. | Request to officers | Completed | The Head of Legal and Governance provided a note to update Members on progress with the Charitable Trusts complex legal work |

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