

Agenda

Overview and Scrutiny Committee

Thursday, 8 December 2022 at 7.30 pm

New Council Chamber, Town Hall, Reigate



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

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



Members of the public may observe the proceedings live on the Council's [website](#).

Members:

N. D. Harrison (Chair)

H. Avery

M. S. Blacker

G. Buttironi

M. Elbourne

J. C. S. Essex

G. Hinton

A. King

N. C. Moses

S. Parnall

A. Proudfoot

R. Ritter

M. Tary

R. S. Turner

S. T. Walsh

For enquiries regarding this agenda;

Contact: 01737 276182

Email: democratic@reigate-banstead.gov.uk

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



Substitutes:

Conservatives:	R. Absalom, J. Baker, Z. Cooper and J. P. King
Residents Group:	G. Adamson, J. S. Bray and P. Harp
Green Party:	J. Booton, P. Chandler, V. Chester, S. McKenna, S. Sinden and D. Torra
Liberal Democrats	S. A. Kulka

Mari Roberts-Wood
Managing Director

1. Minutes (Pages 7 - 16)

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

2. Apologies for absence and substitutions

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

3. Declarations of interest

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

4. Observations on Budget Proposals - Budget Scrutiny Panel Report

To receive a report from the Budget Scrutiny Panel from its meeting on 29 November 2022.

- I. To consider the provisional budget proposals for 2023/24
- II. To make recommendations to the Executive in line with the Council's budget and policy procedure rules.

This report will follow as an addendum.

5. Quarter 2 2022/23 Performance Report (Pages 17 - 52)

To receive an update on Quarter 2 2022/23 performance.

- I. To note Key Performance Indicator (KPI) performance for Q2 2022/23 as detailed in the report and in Annex 1 and make any observations to the Executive.
- II. To note the Budget Monitoring forecasts for Q2 2022/23 as detailed in the report and at Annex 2 and make any observations to the Executive.

6. Commercial Strategy Progress Update (Pages 53 - 76)

To receive a progress update on work aligned with the Council's Commercial Strategy and objectives.

- I. To note the Commercial Strategy Report at Annex 1 and make any observations to the Executive.

7. Companies Performance Update - Winter 2022 Part Exempt (Pages 77 - 126)

To receive an update on the performance of Council owned companies.

- I. To note the Companies Performance Update – Winter 2022 report and make any observations for consideration by the Commercial Ventures Executive Sub-Committee.

8. Exempt Business

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

- i. It involves the likely disclosure of exempt information as defined in paragraph 2 of Part 1 of Schedule 12 A of the Act; and
- ii. The public interest in maintaining the exemption outweighs the public interest in disclosing the information.

9. Exempt: Companies Performance Update - Winter 2022

To receive an update on the performance of Council companies.

- I. To note the Companies Performance Update – Winter 2022 report and make any observations for consideration by the Commercial Ventures Executive Sub-Committee.

10. Overview & Scrutiny Work Programme Schedule 2022/23 (Pages 127 - 136)

To consider and agree any changes to the schedule for Overview and Scrutiny Committee's Forward Work Programme 2022/23 and to consider the Action Tracker from the previous meeting.

11. 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.

12. Any other urgent business

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

(NOTE: 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.



Streaming of meetings

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Accessibility

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



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

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Minutes of a meeting of the **Overview and Scrutiny Committee** held at the **New Council Chamber - Town Hall, Reigate** on **Wednesday, 9 November 2022 at 7.30 pm.**

Present: Councillors N. D. Harrison (Chair); S. T. Walsh (Vice-Chair), H. Avery, M. S. Blacker, G. Buttironi, M. Elbourne, J. C. S. Essex, G. Hinton, N. C. Moses, S. Parnall, A. Proudfoot, R. Ritter, M. Tary and R. S. Turner

Visiting Members present: Councillors T. Archer, V. H. Lewanski and T. Schofield

33 Apologies for absence and substitutions

Apologies for absence had been received for Councillor A. King. There were no substitutes present.

34 Minutes

Minutes of the previous meeting held on 13 October 2022 were approved.

35 Declarations of interest

Councillor Moses declared a non-pecuniary interest in item 4 - Presentation on the Work of the Banstead Commons Conservators, as she is a member of the Banstead Commons Conservators, appointed by the Council.

36 Presentation on the Work of the Banstead Commons Conservators

The Committee received a presentation from the Banstead Commons Conservators (BCC) delivered by Lucy Shea, Clerk to the BCC, Vic Broad, Chair of the BCC and David Hatcher, member of the BCC.

Several advance questions had been asked relating to the presentations. The advance questions and responses can be viewed here:

[Document Advance Questions OS 9 November 2022 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](https://www.moderngov.co.uk/2022/11/09/document-advance-questions-os-9-november-2022-reigate-and-banstead-borough-council)

Following the presentation, Members asked additional questions:

Litter - Members noted that there are two litter bins, maintained by the Council, on the commons and asked whether there are any bins to dispose of dog waste and whether there is a problem with dog waste bags being left in trees and on the ground. It was

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reported that there are no bins provided for dog waste and that visitors were generally very respectful. Discarded dog waste bags, although an issue, were not a significant problem. The BCC were also fortunate that local residents were willing to clear any litter they found on the commons.

Damage from vehicles - Members asked what action is taken to support recovery from damage made by vehicles on Banstead Downs. It was reported that although BCC had attempted to arrange a meeting to discuss the problem with partner organisations such as Natural England, Plantlife, RBBC, the Police and the Jet Enforcement Team, this had not been possible, and BCC did not have the resources to deal with the problem alone. Working with Surrey Police has meant that there is a Police presence on some Saturdays and Section 59 notices can be issued to owners of vehicles found on the Commons. The Section 59 means that a repeat offender can have their vehicle seized.

Members asked what measures are in place to prevent vehicles accessing the commons. It was explained that fencing cannot be erected, but boundaries are built up and inspected on a regular basis, making them prohibitive to four-wheeled vehicles. Preventing access for motorbikes is more challenging. BCC work together with the Police to tackle the problem of motorbikes.

Site Management Plans - Members asked whether any of the sites other than those attributed the title Site of Special Scientific Interest (SSSI) had special status and whether all the sites had site management plans and to what standard the management plans need to be produced. It was confirmed that Banstead Heath has Historic Landscape Value (HLV) status. The BCC believe that all sites should have site management plans and have applied for funding to produce site management plans next year, as the current plans are out of date. Work programmes which address the tasks across the four sites are in place; each site has a schedule of work which is carried out each year and the work is reviewed depending on how the habitats are evolving and what work needs to be carried out in terms of scrub maintenance and woodland maintenance. The SSSI sites are under Higher Level Stewardship with Natural England, which attracts a grant and prescribes specific management.

Members asked whether RBCC, as the landowner, would sign off the site management plans when they have been produced and would the site management plans specify a minimum level of required work or a target level. It was confirmed that the site management plans would contain a geological and ecological background to each site, with a ten-year management programme to help maintain and improve the habitats. Each site would be split into compartments detailing works to be carried out for each separate habitat annually as well as less frequent projects, which would require additional funding.

Members asked whether all areas were in favourable condition for Higher Level Stewardship or whether there were areas in need of improvement. It was confirmed that the units under BCC management are judged as favourable under the Higher Level Stewardship; the favourable condition is achieved by having the correct ratio of scrub to grassland and the number of herb species in existence. Areas of High Level Stewardship are managed in the same way as those without it. There are also Limited Intervention Zones where no work is carried out and the woodland is in control. Additional habitats improvements could be made across all four sites, and this could be explored and costed in the site management plans.

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Shared lesson learning - Members asked what opportunities exist for shared lesson learning with the Council regarding operational practices in green spaces. It was confirmed that quarterly liaison meetings are held with the Countryside and Woodlands Manager which present an opportunity to examine and question the work of the BCC. BCC also planned to work collaboratively with the team to develop the site management plans and it was hoped that this would provide an opportunity for the Council to better understand the four areas under BCC's care, which would also help with the management duties. The Greenspaces Team have been working more closely with BCC over the last twelve months and supported BCC's CIL funding application for management plans.

Use of cattle - Members asked whether the use of cattle had been considered, as on Colley Hill. It was confirmed that the use of cattle had been discussed with Natural England but would not be suitable due to the steep slope and size of the site. However, it was hoped that with the development of the new site management plans, the use of cattle might be explored on Banstead Heath, however temporary fencing would need to be erected and moved with the cattle, which would be problematic and would have cost implications.

Ash Dieback - Members asked whether some trees are more resilient to Ash Dieback. It was confirmed that some trees, but not a great number, were showing resilience; the more mature trees showed resilience for a longer period but then deteriorated quickly. Only those trees that would cause a risk to the public or buildings, paths and roads should they fall, were felled, or treated. Members further asked if a replacement programme was in place to replace affected ash trees with resilient ash trees. It was confirmed that this was likely to be put in place if a resilient species was identified.

Challenges - Members asked what the biggest challenges are to BCC and how they are being addressed. BCC confirmed that the biggest challenges are finances and resources. BCC are limited in how they raise funds; as they are a statutory body rather than a charity, they rely heavily on funding from the Council and from bodies such as Natural England. The lack of resources makes it difficult to deliver the work programme. The wildlife and habitats, such as ground nesting birds, are disturbed by dogs and large numbers of visitors to the commons. There is a need for additional funding and the Chair of BCC called for a specific budget to be attributed to BCC.

The Chair of Overview and Scrutiny Committee thanked the Banstead Commons Conservators for their presentation. He would encourage the BCC and the Executive to work together to examine resources.

RESOLVED that the Committee:

Noted and commended the work undertaken by the Banstead Commons Conservators.

37 Organisation Portfolio Holders Update

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

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The presentations from each of the Executive Members / Portfolio Holders were published on the Council's website as part of the Committee's agenda pack which can be viewed here:

[Choose agenda document pack - Overview and Scrutiny Committee 9 November 2022 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Several advance questions had been submitted regarding the Portfolio Holder Updates. The advance questions and responses can be viewed here:

[Document Advance Questions OS 9 November 2022 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Councillor Lewanski, Portfolio Holder for Corporate Policy & Resources gave an overview of the Council's work.

Corporate Policy and Projects and Performance - work carried out included supporting on the Financial Sustainability Programme and associated workstreams, fees and charges, the second annual update Environmental Sustainability report, work to develop a programme of work to reduce overall energy use and carbon emissions from Council buildings including an energy survey, work to encourage and support residents and businesses to become more sustainable, introduction of member champion scheme

IT – the IT Strategy was approved by Executive on 24 March 2022 with key areas being disaster recovery capability, improving cyber defences and the telephony system. All these upgrades would be completed by the end of the Municipal year.

Human Resources and Organisational Development – the new draft OD & HR Strategy is underway with the main themes of financial sustainability and workforce planning, staff performance and reward, operational excellence, culture, equality & inclusion, and effective use of data. Councillor Lewanski praised the effort involved in the implementation of the mourning period for the late Queen and noted a need to improve the Civic Protocol in future. The rise in the volume of phone calls received by the Customer Contact Team and the subsequent increase in staff abuse was pointed out.

Data and Insight – the Data & Insight Team continues to support corporate policies such as the Financial Sustainability Programme and provides data and insight to inform key Council activities and projects. A Tool & Technology review was undertaken resulting in plans to adopt PowerBI.

Members made observations and asked questions on the following areas:

Data Insight – Members asked what the cost of Data Insight is and how is this measured in terms of benefit to the Council. It was confirmed that the cost of the Data Insight Team was very small. The work of the team allows the Council to pinpoint groups of residents for communications, resulting in mailshots to relevant residents rather than all residents, as well as provide services that are most beneficial to residents. A great deal of the team's work is to support the Financial Sustainability

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Programme, a key element of which is monitoring efficiencies and the cost of achieving them. There may be opportunities to sell this service in future.

Staff turnover - Members noted that staff turnover pre-pandemic was 11% and asked what the figure is currently and what measures are in place to reduce this. It was confirmed that staff turnover was currently at 13% and was monitored and reported quarterly to the Employment Committee. Public Sector turnover nationwide was currently 10-15%. Certain areas within the Council, such as Refuse and Recycling, enjoy a very low rate of staff turnover. Following the pandemic, people are making significant life choices which may account for some of the turnover. Staff turnover is being monitored closely and a new process is in place to investigate the need for vacancies before advertising. Members further asked whether exit interviews took place. It was confirmed that exit interviews were undertaken and were conducted by Human Resources to elicit honest responses. Temperature checks and staff surveys were also in place.

Buildings Survey – Members asked for the key findings from the buildings survey. It was confirmed that the document was still in draft form and would be shared with Members once it had been finalised.

IT – Members asked whether the cloud-based database was backed up. It was explained that the cloud-based system was a term for hosting technical infrastructure off site. If a problem occurred, the system would automatically be directed to another service off site to enable service to continue.

Communications – Members asked what “reputational management” is. It was explained that reputational management was the management and promotion of reputation. The Communications Team deal with reactive media activity and manage certain situations to avoid them reaching the media, as well as managing questions on social media.

Hybrid working – Members asked what was meant by a collaboration space for staff and members. There are two floors in the main building, one of which maintains larger personal working spacing for those members of staff still cautious about returning to the working environment. The other is a more collaborative space where staff work more closely together and can spend time together as teams.

Abuse of staff – Members were saddened to hear of the increase in abuse of staff and asked what processes were being put in place to support staff who have suffered abuse. There was a consolidated list of clients of concern and there was work in place to produce a clear policy of acceptable and non-acceptable behaviour. When the internal processes were in place, a communications campaign would be embarked on. An employee assistance line was available for counselling; peer to peer conversations were being considered.

Councillor Schofield, Portfolio Holder for Finance & Governance gave an overview of the Council’s work.

Finance – Following another challenging year emerging from COVID, a balanced revenue budget was produced for 2021/22 despite income losses, and allowances were made in the 2022/23 budget for projected income losses. The Capital Programme continued to be delivered within budget despite inflation pressures. The

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Financial Sustainability Programme continued to be closely monitored by Councillor Schofield and the Leader of the Council. New Government funding, such as the Household Support Fund, energy rebates and Homes for Ukraine Funding had successfully been distributed.

Revenues, Benefits & Fraud – Council Tax collection had been affected by COVID and a backlog of accounts requiring recovery was now being worked through. The Counter-Fraud Team won the national IRRV category for Excellence in Counter fraud.

Legal & Governance – Three reports would be going to Council in 2023 to approve and adopt a new Procurement & Contract Management strategy, to create a Procurement Board and to approve and adopt a new employee code of conduct. Legal Services continued to provide high quality advice to all services. Democratic & Mayoral Services supported the organisation with civic duties in remembrance of the late Queen. A reasonable assurance was awarded for the Decision Making & Accountability Audit in October 2022. The Electoral team was preparing for the introduction of Voter ID.

Members made observations and asked questions on the following areas:

Procurement – Members asked how much of current procurement is carried out via the Surrey County Council portal. It was confirmed that a professional review of procurement meant that procurement would be carried out more efficiently in future, using contract management. The Council was currently being supported by ORBIS, due to staff shortages. The aim was to be as self-sufficient as possible, however recruiting a procurement officer had proved challenging. Assistance was being received from CIPFA in producing the procurement strategy, which would determine the necessary resources needed to deliver the strategy. A written response regarding the levels of procurement via ORBIS and via RBBC would be provided following the meeting.

Review of charitable trusts - Members asked what problems have been discovered from the review of charitable trusts. Officers had searched the archives to retrieve information on the charitable trusts and now that this information had been uncovered, charitable trusts would be managed properly in future. Specific problems had not been identified from the review, but the exercise had highlighted the need for greater visibility. This has led to the proposal to manage charitable trusts in a different way, through Commercial Ventures Executive Sub Committee (CVESC), providing more focus and examination of each trust in a centralised and corporate way, with more engagement with the Charity Commission, to ensure trusts are operating in the most beneficial way for the Council and its residents. The Chair suggested that some small charitable trusts could be moved to the Surrey Community Trust who have expertise in managing small charitable trusts.

Members asked when the documents for the charitable trusts would be published to consider how they could be used. It was confirmed that the documents had been presented to CVESC and would be presented to the Executive the following week, and the Council in December. Members would have the opportunity to understand the information collated and to raise questions at these meetings. Some trusts were historic, and the future of these trusts could be reviewed to make them more relevant to the original intentions of the charitable trusts and to modern times. Some of the

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smaller trusts could possibly be used in a different way or passed to another organisation to take responsibility for them.

Members suggested that a map showing the location of charitable trusts and the balance of funds in each account would be helpful, as well as an asset register, showing other buildings and land that might be Council-owned.

Members asked whether there were charitable trusts where the Council is joint trustee. This information would be provided at a later date. The charities where the Council is a sole trustee had been prioritised.

Revenues Benefits & Fraud - Members asked for details of the external agreements which had brought £570k of income. This income had been generated from contracts with other local authorities. A written response with details of the income would be supplied following the meeting. This could be further discussed at the Budget Scrutiny Panel meeting, and the People Portfolio Holder presentation at the January O&S Committee meeting would provide an opportunity for a more in-depth discussion. In addition to generating income, this function provided opportunities for staff development which aided staff retention. Profit-making is not permitted for these services, however the income can be used to off-set running costs of the service.

Land Charges – Members asked whether the land charges function was providing opportunities to increase revenue or whether the HM Land Registry used the data to provide themselves with an opportunity to increase their revenue. It was unknown how land charges would impact income generation; once detailed discussions had taken place with the Land Registry, the information could be reported back to the Portfolio Holder and more widely, with clearer revenue implications. A written response would be provided when more information was available.

Councillor Archer, Portfolio Holder for Investments & Companies gave an overview of the Council's work.

The focus in the last twelve months had been on ensuring effective use of assets owned by the Council and maximising income streams, rather than seeking new investment opportunities. Excellent progress over the past year had been made in filling voids, including three long-standing voids. Good progress had been made at Marketfield Way (The Rise).

Members made observations and asked questions on the following areas:

Marketfield Way (The Rise) – Members asked whether units were likely to be more leisure focussed rather than retail focussed. It was confirmed that negotiations were underway with a mix of tenants to provide leisure, food, and beverages, with a mix of well-known and local businesses. This would improve the night-time economy.

Rented Properties – Members asked the level of business rates the Council is saving due to Stripey Stork occupying Beech House. A written response would be supplied with this information.

Members asked whether the level of vacant spaces falling to 3.4km² included Beech House and which properties remain vacant and for what period of time they have been vacant. It was confirmed that this figure did include Beech House. Vacant properties

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were Regent House 3rd Floor Suite C (475m²) which was a fraction of the total building size; Forum House, Redhill 3rd Floor South (148m²) which was also a small part of that building; Wheatley Court ground floor which is a commercial unit and is a new building, for which tenants are currently being sought; Linkfield Street (300m²); and Beech House. The current void list was the lowest it had been for a considerable time. A written response regarding the length of time of these vacancies would be supplied following the meeting.

The Chair commented that the Committee would like to see the full project costs and results of the Rise once the project reached completion.

Wheatley Court – Members expressed concerns that the approach to Wheatley Court had been changed and the decrease in revenue that this change would bring. It was confirmed that this project was not originally intended to generate revenue and that it was good practice to keep projects under review to ensure benefits to residents. The site remained a Council asset and was generating a revenue stream, as well as providing homes for thirty-two residents on the housing waiting list. This project had also resulted in £8million from Homes England to contribute towards building costs, due to the type of tenure offered.

Harlequin Theatre – Members asked whether the Harlequin Theatre should be considered by the Investment & Companies Portfolio Holder to be used for commercial income, such as hosting conferences, as well as cultural and leisure activities. It was confirmed that the building came under the remit of the Investment & Companies Portfolio, but the activities of the Harlequin theatre came under the remit of the Leisure & Culture Portfolio. A Leisure and Culture Strategy was being produced to consider future options for the Harlequin Theatre and other such assets.

Greensands – Members asked whether a lump sum was being given to Greensands or whether a sum was being made available to draw down from as work continued. It was confirmed that a loan would be made available secured against the assets owned by Greensands.

At 10.30pm Members agreed to continue the meeting to complete the remaining business on the agenda.

Horley Business Park – Members noted the statement that a small area of the Horley Business Park land might be used as a Gatwick construction compound if Gatwick is to expand and asked the size of this piece of land. It was confirmed that the Council had been approached to have a discussion regarding a very small piece of land, but the rationale and details of the proposition were not yet known.

RESOLVED that the Committee:

Noted the Portfolio Holder Updates on activities undertaken within the Organisation Portfolio service and policy areas.

38 Overview & Scrutiny Work Programme Schedule 2022/23

Members considered the Forward Work Programme 2022/23 for the Committee. It was noted that the Leisure and Culture Strategy appeared on the work programme for

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December, but that the strategy would not be ready by this date and was expected early in 2023.

RESOLVED that the Committee:

Noted its proposed Forward Work Programme 2022/23 and the action tracker.

39 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.

40 Any other urgent business

There was no urgent business.

The meeting finished at 10.32 pm

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Agenda Item 5



Signed off by	Head of Corporate Policy, Projects and Performance, Chief Finance Officer
Author	David Brown, Finance Manager Luke Harvey, Project & Performance Team Leader Ross Tanner, Performance Officer Pat Main, Chief Finance Officer
Telephone	Tel: 01737 276519 Tel: 01737 276063
Email	David.Brown@reigate-banstead.gov.uk Luke.Harvey@reigate-banstead.gov.uk Ross.Tanner@reigate-banstead.gov.uk pat.main@reigate-banstead.gov.uk
To	Overview and Scrutiny Committee Executive
Date	Thursday, 8 December 2022 Thursday, 15 December 2022
Executive Member	Deputy Leader and Portfolio Holder for Finance and Governance, Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);
Subject	Quarter 2 2022/23 performance report

Recommendations	
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<p>That the Overview and Scrutiny Committee:</p> <ul style="list-style-type: none">(i) Notes the Key Performance Indicator performance for Q2 2022/23 as detailed in the report and Annex 1 and makes any observations to the Executive;(ii) Notes the Budget Monitoring forecasts for Q2 2022/23 as detailed in the report and at Annexes 2 and 3 and makes any observations to the Executive; <p>That the Executive:</p> <ul style="list-style-type: none">(iii) Notes the Key Performance Indicator performance for Q2 2022/23 as detailed in the report and Annex 1;(iv) Notes the Budget Monitoring forecasts for Q2 2022/23 as detailed in the report and at Annexes 2 and 3.
<p>Reasons for Recommendations</p>
<p>For the Council's performance to be reviewed and for appropriate KPI reporting and budget monitoring arrangements to be in place.</p>
<p>Executive Summary</p>
<p>This report provides an overview of the Council's performance for Q2 2022/23, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring. It also includes a progress update on the Financial Sustainability Programme.</p>
<p>The Overview and Scrutiny Committee and Executive have the authority to approve the above recommendations.</p>

<p>Statutory Powers</p>
<ul style="list-style-type: none">1. Following the abolition of Best Value Performance Indicators (BVPI) in 2008 and the National Indicator Set (NIS) in 2010, there is no statutorily imposed framework for local authorities to manage performance.2. The Local Government Act 1972 requires the Council to set the associated annual budget as part of proper financial management. This 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 act if there is evidence that financial pressures will result in a budget overspend or if there is a shortfall in income.
<p>Background</p>
<ul style="list-style-type: none">4. Each Quarter the Overview and Scrutiny Committee and Executive receive an update on the Council's performance. The report provides an overview of KPI as well as budgetary performance.

5. KPIs are corporate performance measures and are set in order to demonstrate performance against key corporate objectives.
6. Quarterly budget monitoring is a key financial control mechanism that demonstrates that the Council is fulfilling its responsibilities for managing public funds.
7. In November 2021 the Executive approved proposals to pursue a Financial Sustainability Programme to address the forecast Medium Term Financial Plan revenue budget gap. This included a commitment to provide quarterly progress updates on delivery of the Programme.

Key Information

Key Performance Indicators – Q2 2022/23

8. Ten KPIs are reported on in Q2 of 2022/23, the full detail of which is provided in Annex 1.
9. Of the ten KPIs reported on, nine are on target or within agreed tolerances
10. KPI 3 – which tracks the turnover of the Council’s staff – is off target and outside of its tolerance, resulting in it being red rated in Q2. The Council has seen lower than expected turnover over the last few years. A buoyant labour market and pent-up demand for a job-move from the pandemic are likely to have contributed to this increase. The current increase in turnover is being managed, with workloads carefully monitored and balanced and resources redeployed if required. Recruitment for a number of vacant posts is currently underway.

Cost-of-living in Reigate and Banstead

11. At the last meeting, in addition to the normal reporting of KPIs, members of the Overview & Scrutiny Committee requested information on current cost-of-living challenges facing the borough’s residents. A suite of data and measures is currently being prepared, and an all-member briefing on this issue is expected to be issued shortly.

Revenue Budget Forecast

12. The 2022/23 Original Revenue Budget approved by Council in February 2022 was £19.980m.
13. At 30 September the forecast outturn for Services and Central Budgets is £19.113m against a management budget of £20.062m, including £0.081m of unspent budget carried forward from 2021/22, resulting in an overall forecast net underspend of £0.948m (4.7%).

Table 1: REVENUE BUDGET MONITORING at 30 Sept 2022	Original Budget £m	In-Year Adjustments £m	Management Budget £m	Forecast Outturn £m	Forecast Year-end Variance £m
Service Budgets	18.022	(0.043)	17.980	17.706	(0.274)
Central Budgets	1.958	0.124	2.082	1.407	(0.674)
Revenue Budget Forecast at 30 Sept	19.980	0.081	20.062	19.113	(0.948)

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Service Budgets

14. The 2022/23 Original Budget for Services approved by Council in February 2022 was £18.022m.
15. At 30 September the full year outturn is forecast to be £17.706m against a Management Budget of £17.980m resulting in an underspend of £0.274m.
16. The key variances are:

Organisation:

- Property & Facilities Energy Costs - £0.332m overspend due to higher costs of electricity and gas.
- Organisational Development & Human Resources - £0.120m underspend due to vacancies across the team.
- Legal Services - £0.134m underspend due to vacancies.

Place

- Refuse & Recycling - £0.495m underspend due to increased income from a higher volume of Garden Waste subscriptions, lower waste disposal costs and lower temporary staff requirement.
- Car Parking - £0.262m underspend due to higher than expected income from Pay & Display car parks and lower staff costs.
- Building Control - £0.102m underspend due to projected surplus rather than the loss anticipated when the budget was approved

People

- Revenues, Benefits & Fraud - £0.464m overspend due to net impact of lower subsidy and higher Housing Benefit costs partially offset by lower net staff costs and higher Fees & Charges income.
- Harlequin - £124k underspend driven by higher income from Amateur Shows and lower staff costs due to vacancies.

Central Budgets

17. The Original Budget for Central budgets approved by Council in February 2022 was £1.958m
18. At 30 September the forecast outturn is £1,407k against a Management Budget of £2.082m resulting in an underspend of £0.674m (32.4%).
19. This underspend is mainly a result of higher net interest receivable on treasury investments than originally expected.

Investment Income

20. Forecast income from property rents at Quarter 2 is £4.111m compared to the £4.316m that was received in 2021/22. This represents 20.5% of the net revenue budget for 2022/23.

Government Funding Distribution

21. Following on from grant distribution arrangements during the COVID-19 pandemic, the Government continues to require local authorities to act as its agent in distributing

new funding streams to local residents. The sums distributed during Quarter 1 are summarised at Annex 2, Section 2.1.

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

Capital Programme Monitoring

23. At 30 September, the Capital Programme Budget was £67.64m (including £36.98m of approved carry-forward capital allocations from 2021/22).
24. Council approved an additional £0.375m expenditure on Preston Parking Improvements. This will be funded through a Strategic CIL allocation that was approved in Quarter 1.
25. The forecast outturn position is £31.86m which is £35.78m (53%) below the approved Programme for the year. The variance is driven by £35.54m slippage and a net underspend of £0.24m.
26. The main reasons for the slippage at the end of Quarter 1 were:
 - Housing Delivery Programme (£30.0m slippage) – these capital funds have been allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.
 - Beech House (£3.0m slippage) with expenditure now expected in 2023/24, subject to business case approval.
 - Merstham Recreation Ground (£1.36m) slippage with construction expenditure now expected in 2023/24.

Financial Sustainability Programme (FSP) Update

27. Taking into account the forecast funding gap that the Council is facing, the parameters within which it can operate, and building on experience to date, in November 2021 the Executive agreed to pursue a Financial Sustainability Programme.
28. The Medium-Term Financial Plan presented to the Overview and Scrutiny Committee and Executive in July 2022 set out the latest financial forecasts and explained the approach that is being taken with respect of the Programme.
29. The Programme comprises the projects and activities that are being deployed to address the Council's financial sustainability challenges over coming years and is key to overcoming them.
30. An update on Financial Sustainability Programme activity in Quarter 2 of 2022/23 is available at Annex 4.

Agenda Item 5

Options

31. The Overview and Scrutiny Committee has two options:

- **Option 1:** Note the report and make no observations to the Executive.
- **Option 2:** Note the report and make any observations to the Executive.

32. The Executive has two Options:

- **Option 1:** Note the report and make no observations/comments to the Head of Corporate Policy, Projects and Business Assurance and/or Head of Finance.
- **Option 2:** Note the report and make any observations/comments to the Head of Corporate Policy, Projects and Business Assurance and/or Head of Finance.

Legal Implications

33. There are no legal implications resulting from this report

Financial Implications

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

Equalities Implications

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

Communication Implications

36. There are no communication implications arising from this report.

Environmental Sustainability Implications

37. There are no environmental sustainability implications arising from this report.

Risk Management Considerations

38. There are no additional risk management implications arising from this report.

Other Implications

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

Consultation

40. The report has been reviewed by the Council's Corporate Governance Group.

Policy Framework

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

Agenda Item 5

Background Powers
<i>None</i>

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Q2 2022/23 Key Performance Indicators

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

KPI 1 – The % of Council Tax collected

	TARGET	ACTUAL	STATUS
Q1	29%	29.19%	GREEN
Q2	57%	56.67%	AMBER
Q3	85%		
Q4	98.80%		

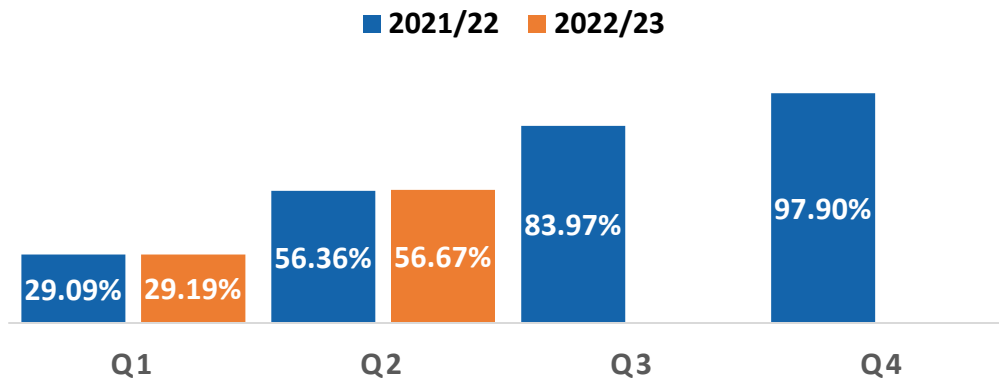
Description

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

Narrative

The Council has seen collection rates move outside of target in Q2 but within tolerance levels. The long term impacts of the Covid-19 Pandemic, notably the debt backlog from the closure of the courts, continues to be felt and has contributed to this quarter's performance. Increased resource is being put in place to bring performance back on track. The Council will continue to pursue Council Tax debt collection through the courts.

Council Tax collection (as of the end of quarter)



**Please note that these figures are reported as their status at of the end of the quarter and may be subject to change in the following weeks.*

KPI 2 – The % of Business Rates collected

	TARGET	ACTUAL	STATUS
Q1	31%	34.26%	GREEN
Q2	58%	59.78%	GREEN
Q3	85%		
Q4	99.8%		

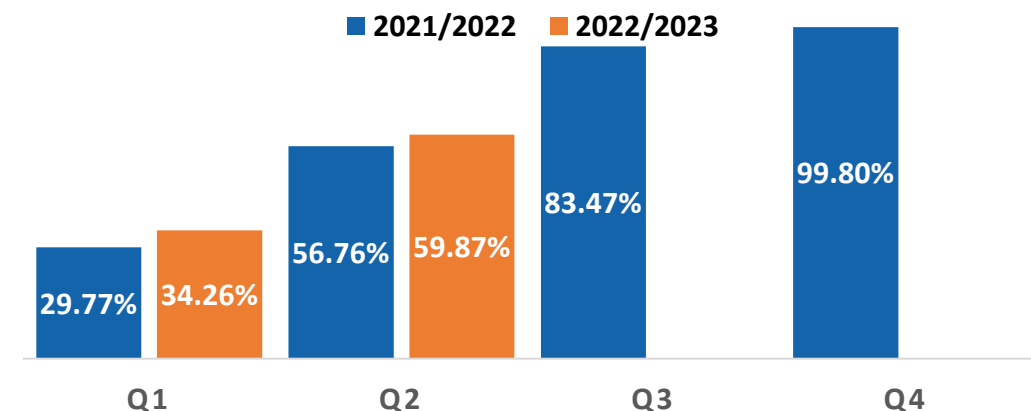
Description

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

Narrative

The Council has seen another successful quarter for the collection of Business Rates. This is a good result and an minor improvement over the rates seen at the same period in the previous financial year (2021/22).

Business Rates collection (as of the end of quarter)



KPI 3 – Staff turnover

	TARGET	ACTUAL	STATUS
Q1	12%	10%	GREEN
Q2	12%	16%	RED
Q3	12%		
Q4	12%		

Description

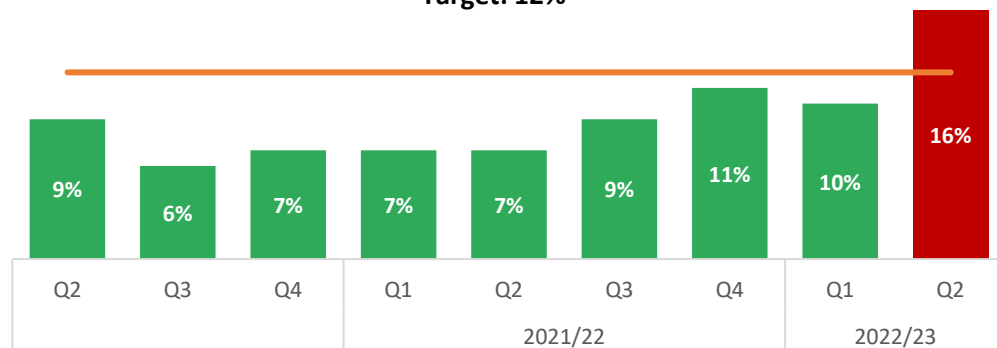
This indicator tracks the percentage of staff that leave the organisation on a voluntary basis. The performance reported is for a cumulative rolling 12 month period.

Narrative

Levels of staff turnover were in excess of target in Q2. However, the Council has previously seen lower than expected turnover (see historic trends in the graph below). The Pandemic, a buoyant labour market and pent-up demand for a move in job are likely to have contributed to this increase. The current uptick in turnover is being managed, with workloads carefully monitored and balanced and resources redeployed if required.

Staff Turnover

Target: 12%



KPI 4 – Staff sickness absence

	TARGET	ACTUAL	STATUS
Q1	4 days	3.95 days	GREEN
Q2	4 days	3.22 days	GREEN
Q3	4 days		
Q4	4 days		

Description

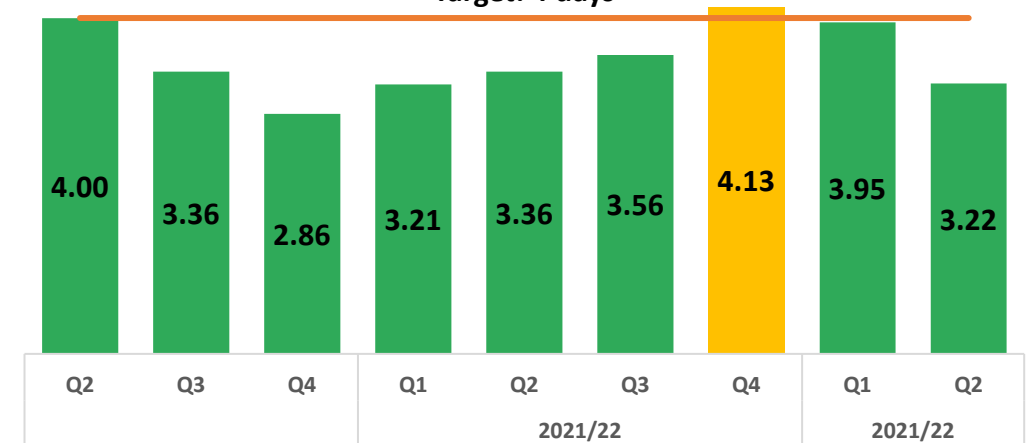
This indicator tracks the average duration of short term sickness absence per employee. The performance reported at the end of each quarter is for a cumulative rolling 12 month period. The indicator measures all non Covid-19 short term sickness absence.

Narrative

Q2 has seen staff sickness levels remain within target range with levels down slightly from Q1, to just over 3 days average for the Q2 reporting period.

Staff sickness absence (days)

Target: 4 days



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

	TARGET	ACTUAL	STATUS
Q1	55%	62%	GREEN
Q2		63%	GREEN
Q3			
Q4			

Description

This indicator measures the Council’s performance in preventing and relieving homelessness where a household has approached the Council for support and where the Council has a statutory obligation to provide it.

It measures the percentage of positive outcomes achieved in the quarter against the approaches that were made in the quarter.

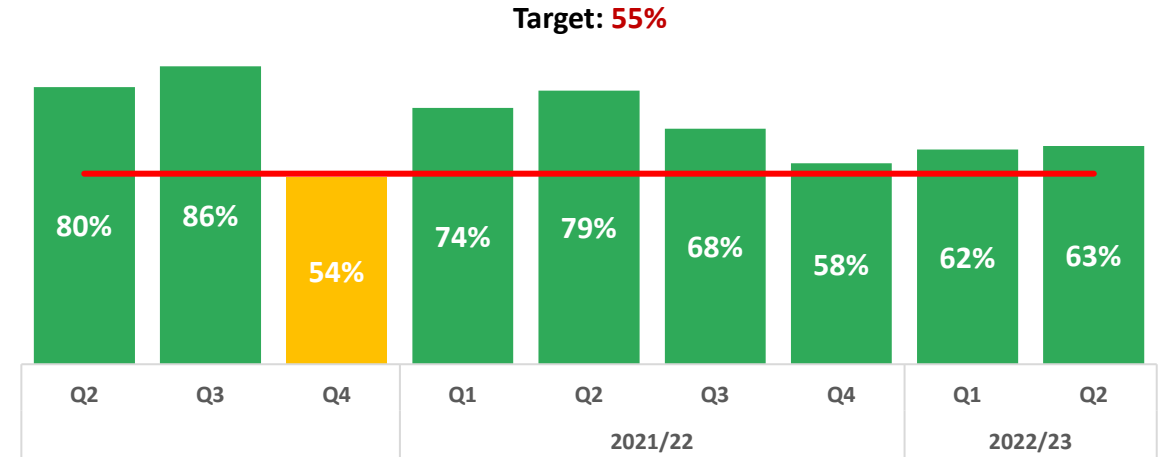
Narrative

In Q2 there were 375 homelessness approaches made to the Council. Of these approaches, there were 127 cases where the support threshold was met. Meaning that both approaches and those meeting support threshold are both slightly up from their Q1 position.

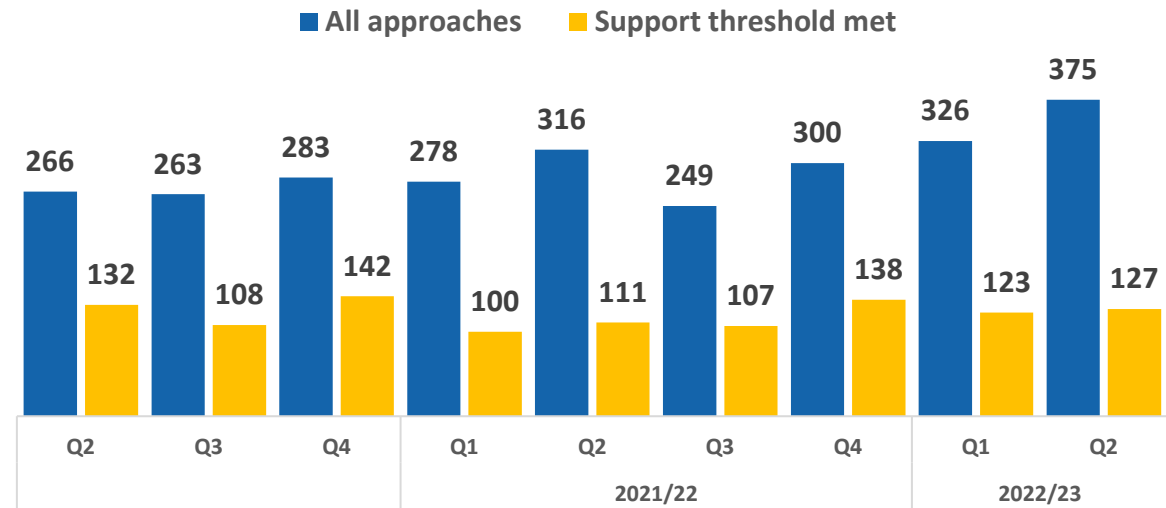
Given the present challenging economic conditions and general uncertainty facing residents, it is expected that the number of approaches the Council sees will continue to increase.

Additional detail – including on main duty acceptances – is provided overleaf.

Positive Homeless Prevention Relief and Outcomes



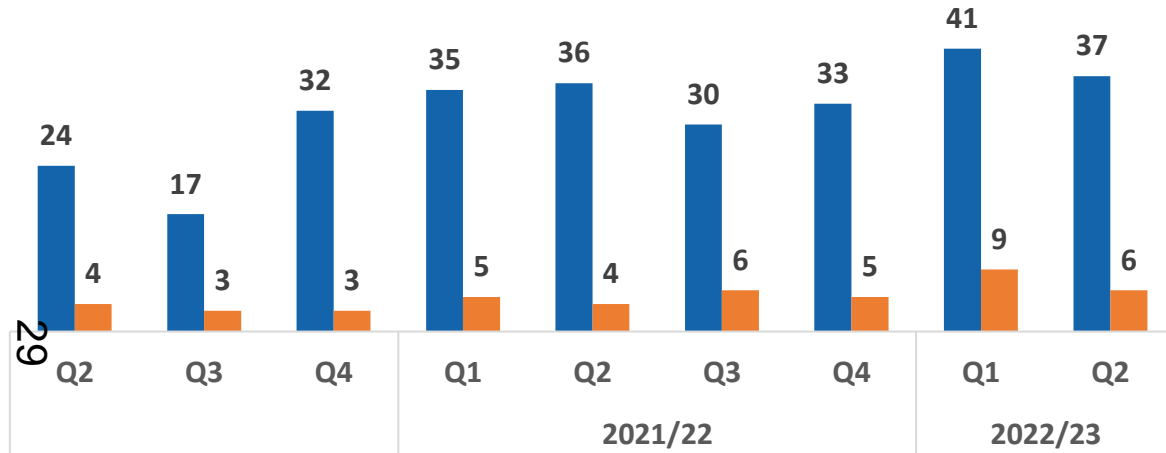
Homeless approaches (contextual)



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

Average Number of Households in Temporary Emergency Accommodation

■ In borough ■ Out of borough

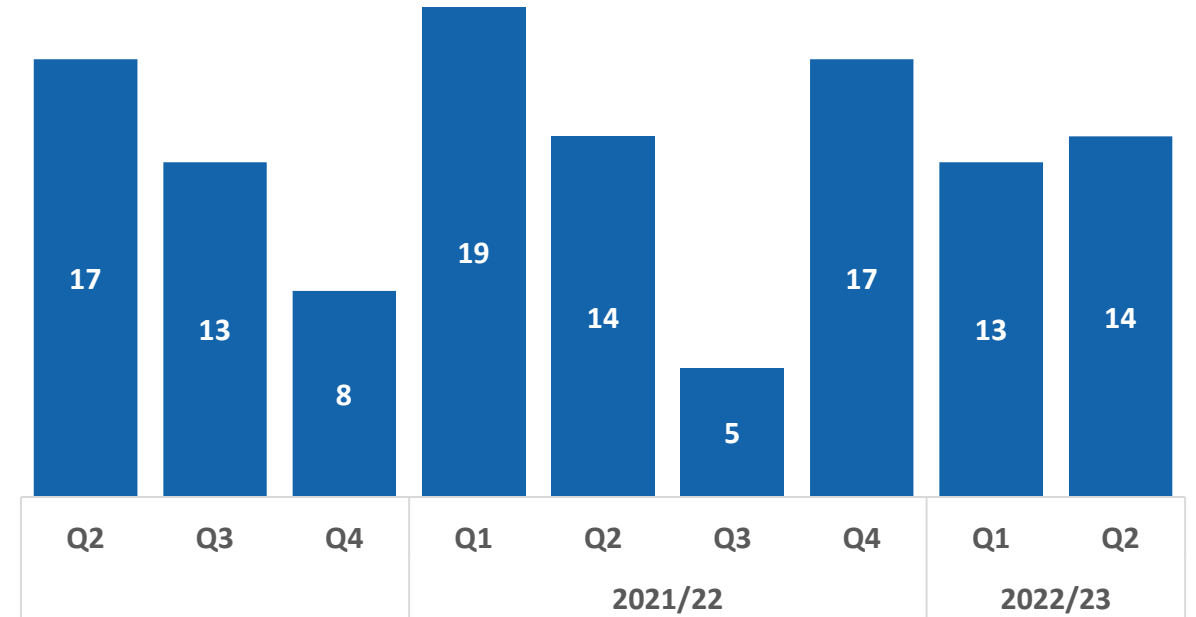


Temporary Emergency Accommodation

Complex single persons continue to make up an increasing share of those placed in temporary emergency accommodation. Q2 has seen a minor dip in households in temporary accommodation.

The Council continues to apply for grant support, such as that from the Department for Levelling Up, Communities and Housing to place and support single persons in temporary emergency accommodation who otherwise would not meet the support threshold. This also contributes to the continued higher level of placements seen in recent years.

Main duty acceptances (contextual)



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 up slightly from Q1 but still below the higher levels seen in the previous year.

KPI 6 – Net housing completions

	TARGET	ACTUAL	STATUS
Q1	115	142	GREEN
Q2	230	269	GREEN
Q3	345		
Q4	460		

Description

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

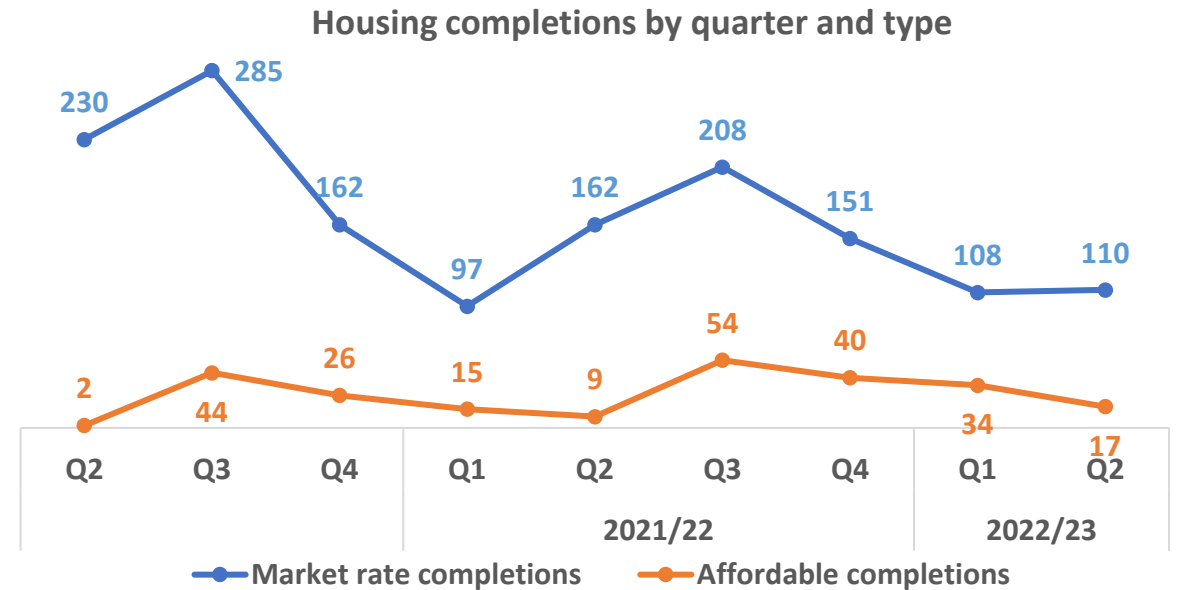
The numbers of units listed as under construction or newly commenced may be subject to change between quarters as the Council does not always receive notice or receive delayed notice from sites.

Narrative

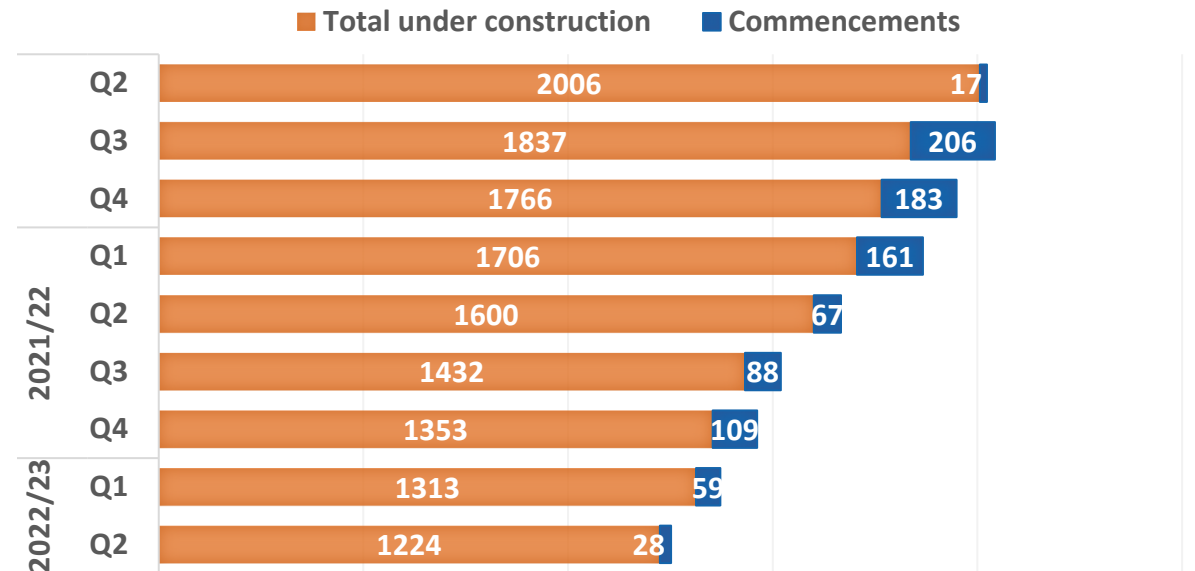
Net housing completions in Quarter 2 2022/23 have remained well within target, with a cumulative 269 completions against a target of 230.

The majority of these completions have come from the Horley, with other key contributions coming large sites such as Horley NWS, the Quarryside Business Park site and the De Burgh Gardens site.

At the close of the quarter there were 1,224 dwellings under construction, with a further 28 commencing in quarter.



Dwellings under construction and commencements



KPI 7 – Net affordable housing completions

	TARGET	ACTUAL	STATUS
Q1	25	34	GREEN
Q2	50	51	GREEN
Q3	75		
Q4	100		

Description

KPI 7 measures the number of net affordable housing completions in the borough. This targets mirror those set in the local plan and is where it is derived from.

The local plan does not set an annual target, but instead has a target of the delivery of 1,500 affordable units over a 15 year period. With the annual target here set by by dividing this total target by year. Performance reported is cumulative for the year.

Given the fluctuations in housing completions, a tolerance of 10 applies each quarter.

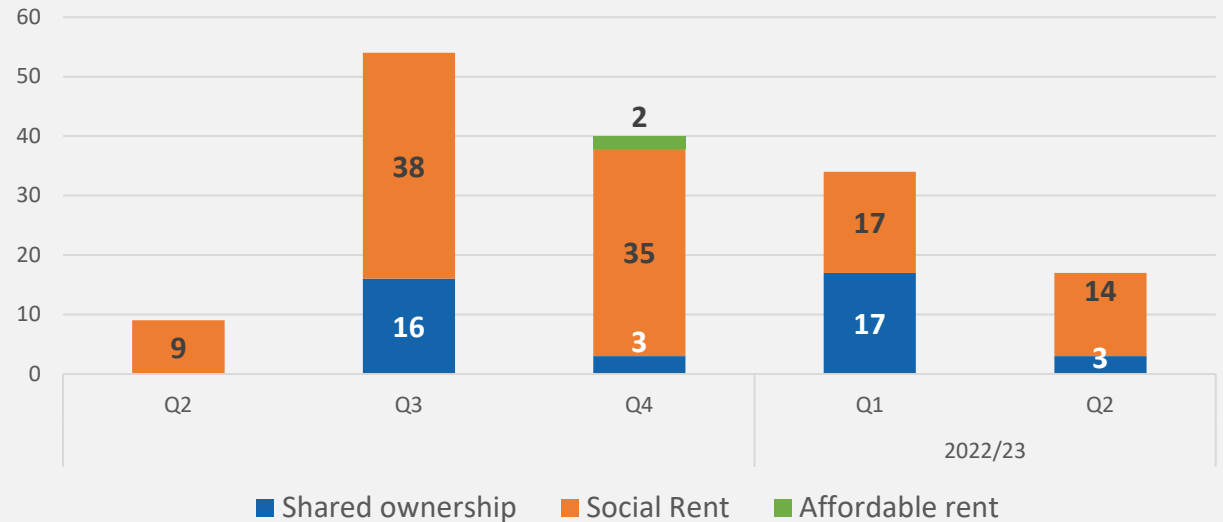
Narrative

The Council has continued its good performance for the delivery of affordable housing in the borough by meeting the target of 50, with the delivery of 51 affordable units by the close of the quarter. The majority of these stemming from the Horley NWS development site.

As of Q2 reporting, the Council has now met the 2025 objective for the delivery of 1050 affordable units over a 15 year period. In Q2, 1087 affordable units have now been delivered within the borough.

Of the 1,224 dwellings under construction at the end of Q2, 153 of these are affordable units. No new affordable dwellings saw commencement during Q2.

Affordable Housing Completions (Quarterly)



As with market completions, a combination of long-term impacts of the Covid-19 pandemic, supply chain concerns and general economic uncertainty have all had an impact on completions. Additionally, the council does not always receive timely notice of commencements, which may cause some underrepresentation of the true figures at time of reporting.

Social Rent Accommodation being where the Council expects rent to be charged in accordance with the relevant guidance with 'National Rent Scheme' at the time of the application.

Affordable Rented Accommodation being where the Council encourages affordable rented accommodation to be provided in line with monthly 'living rent' levels; not in excess of the Local Housing Allowance or 80% of the market rent, whichever is the lowest.

Shared ownership homes are offered by housing associations, local councils, and other organisations where ownership of the property is split, with residents paying shares to the other owning party.

KPI 8 – Local Environmental Quality Surveys

	TARGET	ACTUAL	STATUS
Q1	90% of sites at grade B	97%	GREEN
Q2		100%	GREEN
Q3			
Q4			

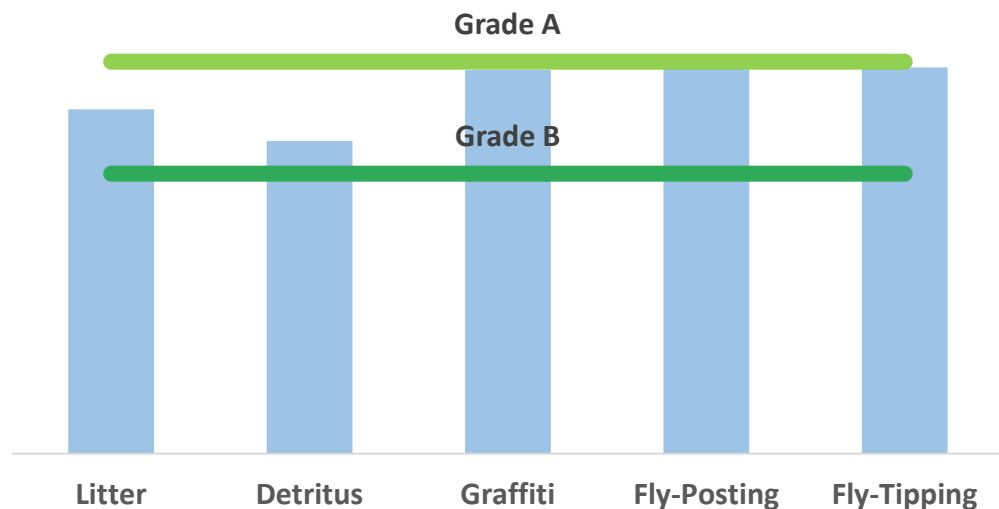
Description

Local Environmental Quality Surveys (LEQs) are a robust and well recognised methodology for measuring the cleanliness of places. The methodology is developed and maintained by [Keep Britain Tidy](#). A selection of sites in the borough are assessed in several categories. The average of the scores achieved in each category gives an overall score for each site that is surveyed.

Narrative

Of the 111 surveys carried out in Quarter 2, all sites surveyed scored grade B and above. The graph below details the average site score by category.

LEQ average site scores by category



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

	TARGET	ACTUAL	STATUS
Q1	10	1.062	GREEN
Q2		1.141	GREEN
Q3			
Q4			

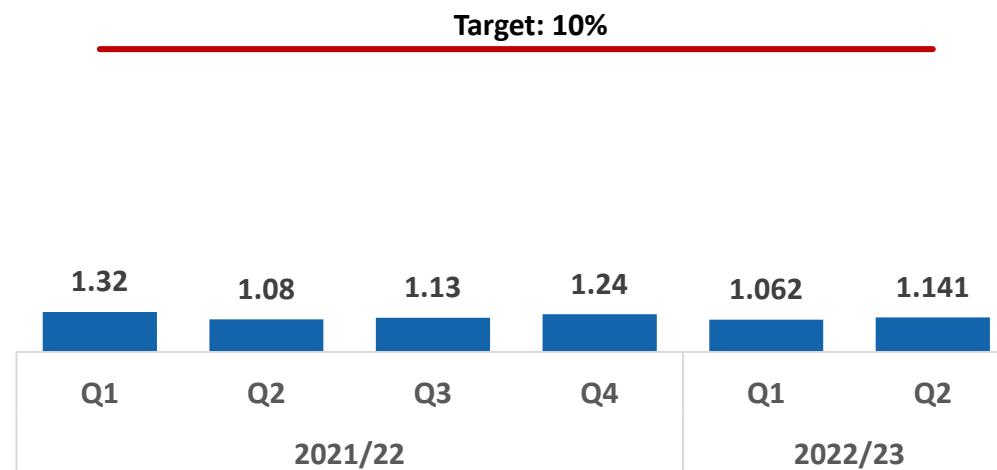
Description

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

Narrative

The Council has continued to maintain a reliable waste collection service for residents, with just over 1 bin reported as missed per 1,000 collected in Q2.

Number of missed bins per 1,000 collected



KPI 10 – The percentage of household waste that is recycled and composted

		TARGET	ACTUAL	STATUS
21/22	Q1	60%	56.9%	AMBER
	Q2		58.3%	AMBER
	Q3		54.0%	RED
	Q4		52.4%	RED
22/23	Q1	60%	55.8%	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.** The target for this indicator is a stretch goal, set in the Joint Waste Management Strategy to which the Council is a signatory, along with Surrey County Council and all Surrey Districts and Boroughs.



Narrative

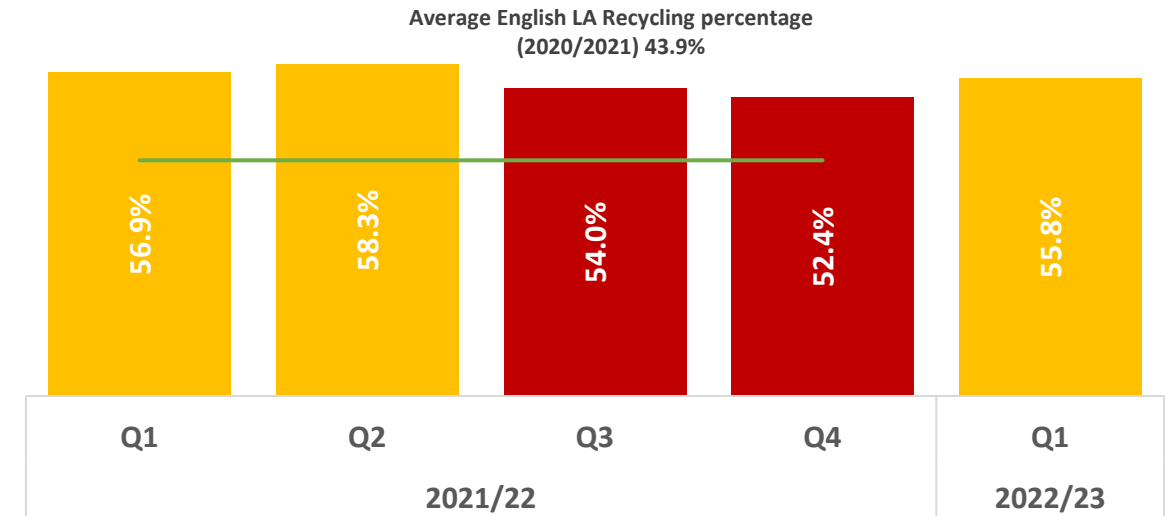
Performance for quarter 2 has been comparable to those seen in previous years, with improvement over the preceding two quarters moving performance back within tolerances.

While outside of target, the 55.8% represents an improvement over the preceding two quarters. Early indications for the upcoming Q2 data suggest a similar performance, but there may be impacts from the particularly dry summer on garden waste collection.

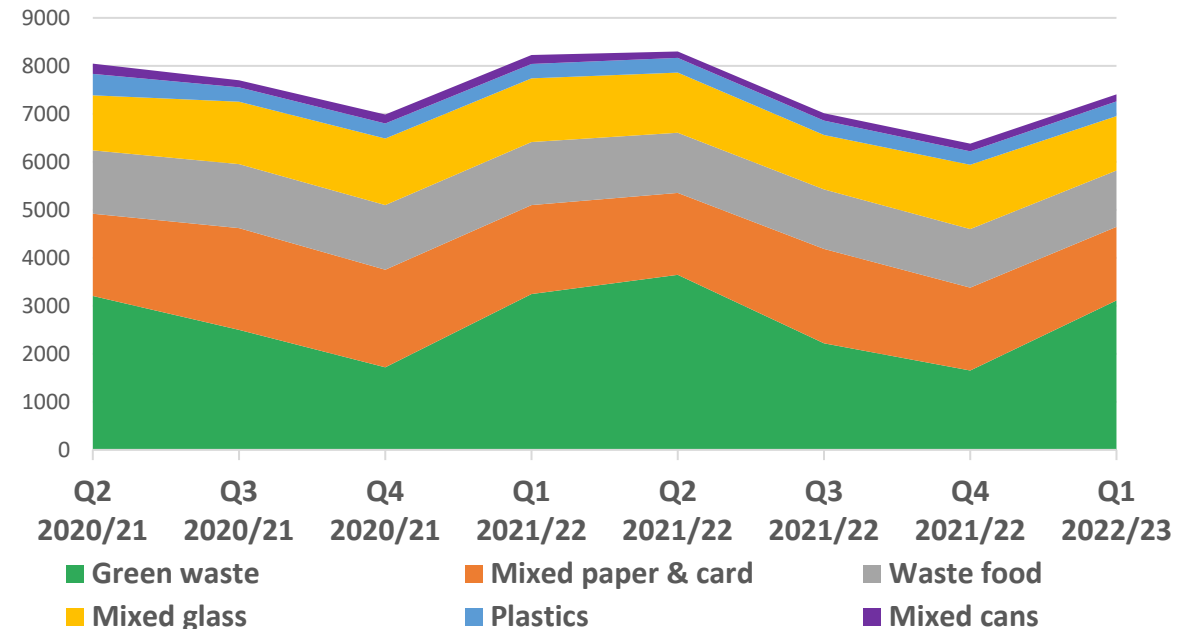
The continued roll out to flats, reduction in contamination and a rationalisation of bring sites is expected to further improve upon these results. The Council is supporting the Surrey Environment Partnership with their campaign informing and encouraging residents recycling habits. Additionally, the council is conducting internal research and review into waste collection and practices to identify further improvement activities to improve on this measure.

As can be seen in the graphics overleaf, levels of residual waste per household have continued to remain low following the pandemic, with a very minor decline in Q1.

The % of household waste that is recycled and composted



Top Recycling Streams Collected by Tonnage



KPI 10 – Recycling (contextual)

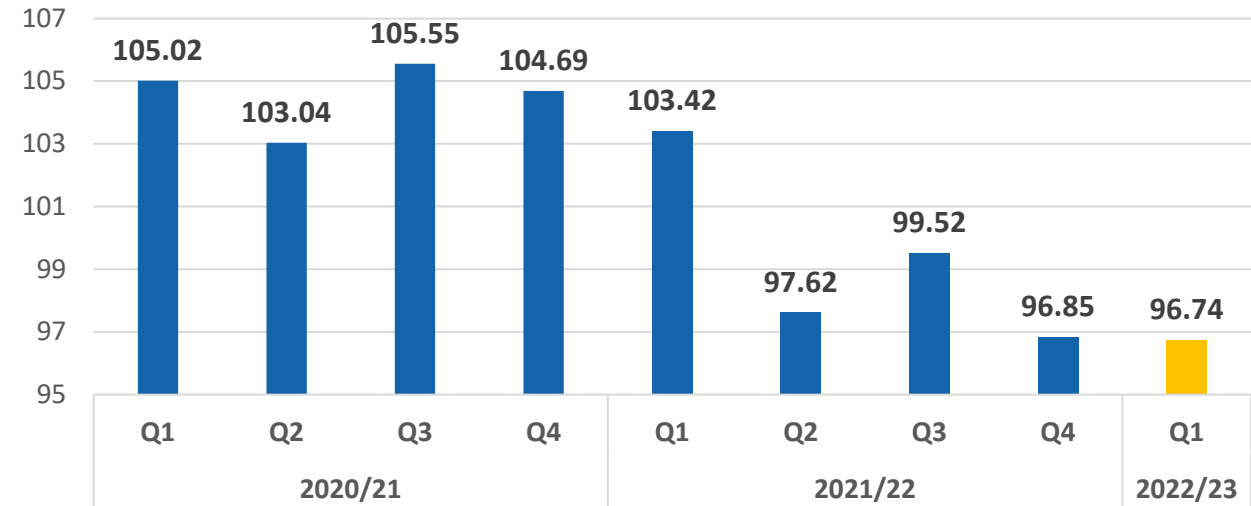
Narrative

In Q1, the residual waste per household (Kg) has remained steady with a minor decrease recorded. Rationale behind this decrease is under review, with one theory suggesting a return to higher levels of commuting for work/pleasure may influence household waste produced in borough.

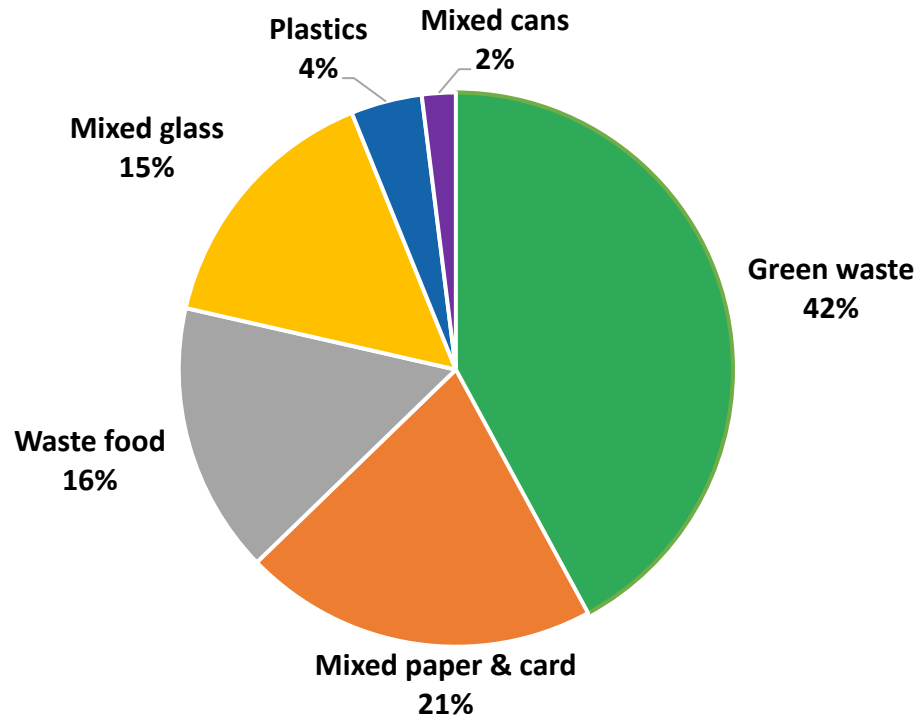
The percentage makeup of recycled materials has changed somewhat in Q1, with green waste back up to around 43%; the summer months being a key period for green waste collection.

Green waste, Food waste and mixed paper and card continue to dominate the makeup of recycling tonnage, representing 79% of all recycling collected in the quarter.

Residual Waste Per Household (kg)

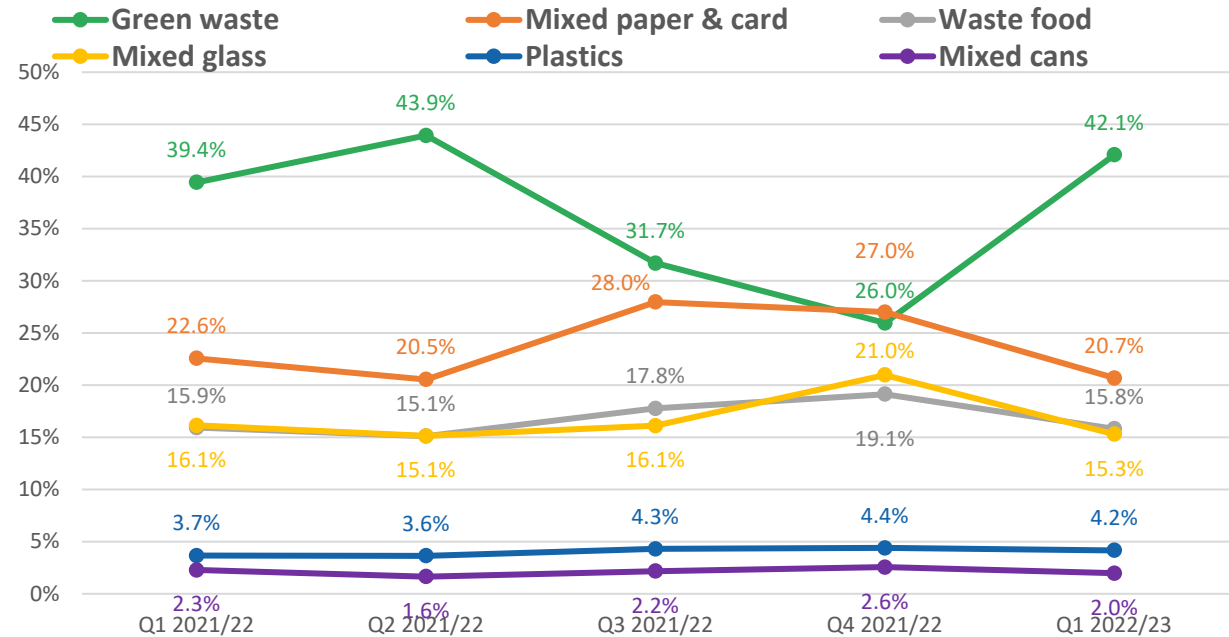


Recycling percentage by material (Q2)



34

Material as a % of the total recycling collected (Contextual)



2022/23 Period 6: Revenue Budget Monitoring

Summary

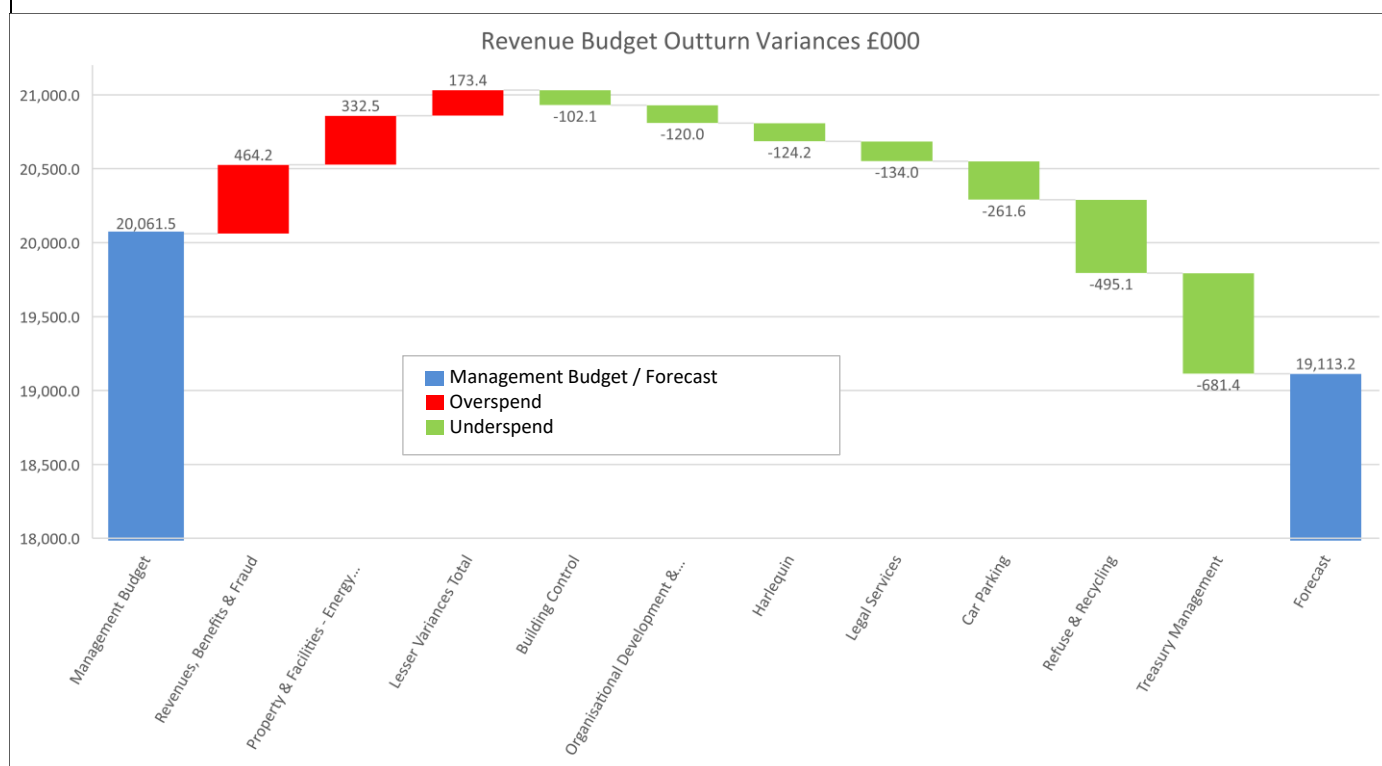
The full year forecast at the end of Quarter 2 for underlying Service budgets is £-263k (-1.5%) lower than the management budget; the Central budgets are forecast to be £-674k (32.4%) lower than budget, resulting in an overall forecast of £-948k (-4.7%) lower than budget.

Reconciliation of Original Budget to Management Budget for 2022/23

	£000	£000
Original Budget		19,980
Unspent Budget brought forward from 2021/22	81	
Management Budget		20,062

Headline Revenue Budget Information 2022/23

	£000
Management Budget	20,062
Year End Forecast	19,113
Projected underspend	-948 (-4.7% of the budget)



Forecast for Services is £263k under budget. Significant variances summarised below:

Revenues, Benefits & Fraud: £464k overspend driven by £409k net impact of lower subsidy, £138k higher Housing Benefit costs, £120k higher temporary staff costs and £56k lower Homelessness Grant receipts are partially offset by £190k lower staff costs due to vacancies and £100k higher Council Tax Fees & Charges income.

Property & Facilities - Energy Costs: £332k overspend driven by increased costs of gas & electricity.

Building Control: £102k underspend: Joint Venture is now forecast to provide a net surplus rather than the small loss budgeted.

Organisational Development & Human Resources: £120k underspend driven by vacancies across the team.

Harlequin: £124k underspend driven by higher income from Amateur Shows and lower staff costs due to vacancies.

Legal Services: £134k underspend driven by vacancies.

Car Parking: £262k underspend driven by higher than expected revenue in off-street parking.

Refuse & Recycling: £495k underspend driven by higher Garden Waste income, lower waste disposal costs and lower temporary staff requirement.

Forecast for Central Budgets is £674k under budget. Significant variances summarised below:

Treasury Management: £681k underspend. Higher than budgeted interest income due both to favourable rates and more funds on deposit.

1. General Fund Reserve		£000	£000
Balance at start of year			3,000.0
Add: Projected underspend	at 31 March 2023		948.4
Anticipated balance at End of Year before Reserves Review/Reallocations*			3,948.4
*Maximum General Fund Balance Required (2022/23 = £3m)		2,997.0	

Budget Monitoring: Summary 2022-23

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
1. Service Budgets							
1a. Organisation							
Catherine Rose	Corporate Policy	236.0	0.0	236.0	236.0	0.0	
	Projects & Business Assurance	212.6	0.0	212.6	212.6	0.0	
Carys Jones	Communications	734.6	0.0	734.6	734.6	0.0	
	Customer Contact	416.8	0.0	416.8	416.8	0.0	
Darren Wray	Information & Communications Technology	1,810.0	0.0	1,810.0	1,891.7	81.7	Inflationary and other contract increases partially offset by saving in staff costs due to vacancies.
Kate Brown	Organisational Development & Human Resources	816.1	0.0	816.1	696.1	(120.0)	Saving in staff costs due to vacancies.
Joyce Hamilton	Legal Services	824.5	0.0	824.5	690.5	(134.0)	Saving in staff costs due to vacancies.
	Land Charges	-102.1	0.0	-102.1	-120.2	(18.1)	Saving due to lower SCC Land Changes expense.
	Democratic Services	868.3	0.0	868.3	854.7	(13.6)	Saving in staff costs partially offset by increased Members Allowances.
	Electoral Services	502.5	0.0	502.5	472.9	(29.6)	Saving in staff costs partially offset by increased elections cost.
Pat Main	Corporate Support	187.5	0.0	187.5	161.1	(26.4)	Savings in stationery and postage costs.
	Finance	1,368.3	-124.0	1,244.3	1,332.5	88.2	Increased costs due to use of specialist interim resources
	Property & Facilities - Energy Costs	370.9	0.0	370.9	703.4	332.5	Increase in costs of gas and electricity
	Property & Facilities	-1,723.7	0.0	-1,723.7	-1,676.3	47.4	Minor variance
	Commercial & Investment	149.3	0.0	149.3	149.3	0.0	
1b. Place							
Simon Bland	Economic Prosperity	282.4	0.0	282.4	337.2	54.8	Lower markets income due to reduced demand, relating to increased cost of living.
Morag Williams	Fleet	1,458.7	0.0	1,458.7	1,525.6	66.9	Increase in cost of fuel, partially offset by minor undespends.
	Refuse & Recycling	1,165.8	0.0	1,165.8	670.7	(495.1)	£300k higher Garden Waste income, £157k lower waste disposal cost driven by lower volumes, £60k lower temporary staff costs.
	Engineering & Construction	63.2	0.0	63.2	83.5	20.3	Capitalised salary recharge will not take place this year as the team no longer carry out capital works. The ongoing requirement for this budget has been reviewed as part of service & financial planning 2023/24.
	Environmental Health & JET	1,130.8	78.6	1,209.4	1,133.4	(76.0)	Higher income due to successful court actions against landlords.
	Environmental Licencing	-190.1	-78.6	-268.7	-266.3	2.4	Minor variance
	Greenspaces	1,546.9	0.0	1,546.9	1,547.1	0.2	Minor variance
	Car Parking	-804.1	0.0	-804.1	-1,065.7	(261.6)	Higher income from off-street parking.
	Street Cleansing	952.7	0.0	952.7	980.1	27.4	Higher overtime costs.
Peter Boarder	Place Delivery	370.9	0.0	370.9	351.9	(19.0)	Lower consultancy costs partially offset by higher salaries costs. This has been reviewed as part of service & financial planning 2023/24.
Andrew Benson	Building Control	45.0	0.0	45.0	-57.1	(102.1)	£41k lower Joint Venture costs and £61k extra income. The lower costs have been given up as saving in the 23/24 S&FP exercise.
	Planning Policy & Development Services	673.2	0.0	673.2	698.2	25.0	£229k lower staff costs due to 5 vacancies and £130k extra grant income partially offset by £231k lower income in planning fees due to lower volume of applications and £160k higher consultancy costs.

Budget Monitoring: Summary 2022-23

Responsible Officer	Service	Original Budget £000	Total Variations £000	Management Budget £000	Year End Outturn £000	Year End Variance £000	Commentary
1c. People							
Justine Chatfield	Community Development	426.7	-42.0	384.7	326.9	(57.8)	External grant income to fund some roles.
	Partnerships	303.1	87.3	390.4	344.5	(45.9)	Saving in staff costs due to Partnerships Officer vacancy. This has been reviewed as part of service & financial planning 2023/24.
	Community Centres	382.5	10.0	392.5	375.8	(16.7)	Saving in staff costs.
	Voluntary Sector Support	200.1	26.1	226.2	226.2	0.0	
Richard Robinson	Housing Services	1,026.3	0.0	1,026.3	1,119.6	93.3	Extra Bed & Breakfast accommodation provision has driven higher net costs.
Simon Rosser	Revenues, Benefits & Fraud	805.9	0.0	805.9	1,270.1	464.2	£409k net impact of reduced Housing Benefit subsidy, £138k higher Housing Benefit costs, £120k higher temporary staff costs and £56k lower Homelessness Grant contribution are partially offset by £190k lower staff costs due to vacancies and £100k higher Council Tax Fees & Charges income.
Duane Kirkland	Supporting People	167.3	0.0	167.3	142.3	(25.0)	Underspend on a budget that is no longer required. This has been reviewed as part of service & financial planning 2023/24.
	Supporting Families	56.4	0.0	56.4	60.7	4.3	Minor variance
	Harlequin	380.8	0.0	380.8	256.6	(124.2)	£74k higher income relating to Amateur Shows and £61k lower staff costs due to vacancies.
	Leisure Services	-66.4	0.0	-66.4	-84.3	(17.9)	Management fee income higher than budget. This has been reviewed as part of service & financial
1d. Management Team							
Mari Roberts-Wood	Management Team	933.2	0.0	933.2	933.2	0.0	
Frank Etheridge	Emergency Planning	39.7	0.0	39.7	39.7	0.0	
Total Services		18,022.6	-42.6	17,980.0	17,705.6	(274.4)	

2. Central Budgets

Pat Main	Insurance	465.0	0.0	465.0	452.9	(12.1)	Actuals on renewal were slightly lower than budgeted.
	Treasury Management - Interest on Investments	-1,195.0	124.0	-1,071.0	-1,646.2	(575.2)	Includes interest on commercial loans and updated BoE interest forecasts.
	Treasury Management - Interest on Borrowing	455.0	0.0	455.0	366.8	(88.2)	Lower cost of borrowing for capital programme than originally forecast.
	Treasury Management - Interest on Trust Funds	18.0	0.0	18.0	0.0	(18.0)	
	Minimum Revenue Provision	1,361.0	0.0	1,361.0	1,361.0	0.0	
	Employer Pension Costs	400.0	0.0	400.0	400.0	0.0	
Kate Brown	Apprenticeship Levy	78.0	0.0	78.0	78.0	0.0	
	Recruitment Expenses	40.0	0.0	40.0	40.0	0.0	
	Corporate Human Resources Expenses	86.8	0.0	86.8	86.8	0.0	
Pat Main	Central Budget Contingencies	99.2	0.0	99.2	99.2	0.0	
	Preceptor Grants	37.5	0.0	37.5	37.5	0.0	
	External Audit Fees	53.0	0.0	53.0	72.0	19.0	Forecat based on most recent fee estimates.
	Internal Audit	59.0	0.0	59.0	59.6	0.6	

Total Central Items 1,957.5 124.0 2,081.5 1,407.6 (673.9)

Grand Total 19,980.1 81.4 20,061.5 19,113.2 (948.3)

2022/23 COVID-19 Expenditure & Funding @ P6 2022/23	Funding B/Fwd From 21/22 £m	Funding Received In 22/23 £m	Forecast Expenditure £m	Forecast Repayment to Government £m
Covid-19				
Closed Grants				
Additional Restrictions Grant	(0.281)	-	-	0.281
Omicron Hospitality & Leisure Grant	(0.109)	-	0.109	-
Reopening High Streets / Welcome Back Fund	(0.036)	-	0.036	-
Grants Continuing Beyond 1st April '22				
Council Tax Hardship Grant	(0.254)	-	0.254	-
Environmental Health SLA	(0.120)	(0.062)	0.155	0.027
Test & Trace - Admin Funding	(0.050)	-	0.040	-
General Funding	(0.036)	-	0.030	-
New Burdens Funding	-	(0.032)	0.032	-
Test & Trace - Mandatory Scheme	(0.013)	(0.016)	0.031	-
Forecast Expenditure and Income 2022/23	(0.899)	(0.110)	0.687	0.308
Expected Net Underspend 2022/23			(0.014)	

2022/23 COVID ADDITIONAL RELIEF FUND	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding @ P6 2022/23		
<u>Covid Additional Relief Fund (CARF)</u>		
Funding Received In 2021/22		(3.514)
NNDR Reliefs Granted During 2021/22	0.041	
Balance Carried Forward Into 2022/23	3.473	
	3.514	(3.514)
Balance Brought Forward From 2021/22		(3.473)
NNDR Reliefs Expected To Be Granted During 2022/23	0.087	
Remaining Balance (Repayable To DLUHC)	3.386	
	3.473	(3.473)

2022/23 COUNCIL TAX ENERGY REBATE	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding @ P6 2022/23		
<u>Core Scheme</u> (ended 30.09.22)		
Funding Received		(5.153)
£150 Payments To Band A-D Council Tax Payers	4.819	
£150 Council Tax Credits Made To Band A-D Council Tax Payers	0.318	
£150 Payments To Band A-D Council Tax Payers - Expected Future Payments	scheme ceased	
Final Expenditure and Income 2022/23	5.137	(5.153)
Final Nett Funding (Returnable To DLUHC)	(0.016)	
<u>Discretionary Scheme</u> (ends 30.11.22)		
Funding Received		(0.332)
£150 Discretionary Payments - Paid To 30th September	0.025	
£150 Discretionary Payments - Estimated Future Payments	0.200	
Forecast Expenditure and Income 2022/23	0.225	(0.332)
Forecast Nett Funding (Returnable To DLUHC)	(0.107)	
<u>Administrative Costs</u>		
Funding Received		(0.057)
Software & Processing Costs - Paid To 30th September	0.034	
Staffing & Administration Costs - Paid To 30th September	0.038	
Expected Future Costs	0.010	
Forecast Expenditure and Income 2022/23	0.082	(0.057)
Forecast Nett Expenditure (further funding determinations are currently underway)	0.025	
Forecast Expenditure and Income 2022/23 (All Elements)	5.444	(5.542)
Forecast Net Funding (All Elements)	(0.098)	
Summary:-		
Surplus Income Returnable To DLUHC	(0.123)	
Potential Cost To Be Borne By RBBC (worst-case, assumes no further Admin funding is received)	0.025	

2022/23 UKRAINIAN REFUGEE SCHEMES	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding @ P6 2022/23		
<u>Ukraine Family Scheme</u>		
Funding Received (costs reimbursed in arrears by SCC)		(0.021)
Refugee Accommodation Costs	0.015	
Refugee Travel Costs	0.001	
Prepaid Cards	0.001	
Interpretation/Translation Costs	0.002	
Staff Overtime / Additional Hours	0.001	
Staff Travel Costs	0.001	
Forecast Expenditure and Income 2022/23	0.021	(0.021)
Forecast Nett Expenditure	0.000	
<u>Homes For Ukraine Scheme</u>		
Funding Received (costs reimbursed in arrears By SCC)		(0.358)
Sponsorship Payments (estimate based on current no. of sponsors)	0.305	
Refugee Accommodation Costs	0.020	
Refugee Travel Costs	0.002	
Interpretation & Translation Services	0.002	
Prepaid Cards	-	
Staff Overtime / Additional Hours	0.025	
Staff Travel Costs	0.004	
Forecast Expenditure and Income 2022/23	0.358	(0.358)
Forecast Nett Expenditure	0.000	
Forecast Expenditure and Income 2022/23 (All Schemes)	0.379	(0.379)
Forecast Nett Expenditure (All Schemes)	0.000	
Summary:-		
Surplus Income Returnable To SCC	0.000	
Potential Cost To Be Borne By RBBC	0.000	

HOUSEHOLD SUPPORT FUND ROUNDS 1 TO 3 Expenditure & Funding @ P6 2022/23	Round #1 (period covered:- 06.10.21 - 31.03.22)		Round #2 (period covered:- 01.04.22 - 30.09.22)		Round #3 (period covered:- 01.10.22 - 31.03.23)	
	Funding £m	Expenditure £m	Funding £m	Expenditure £m	Funding £m	Expenditure £m
The Household Support Fund is a Government scheme aimed at alleviating the financial pressures falling on households as a result of the cost of living crisis. There is a specific focus on supporting households with energy, food & water bills.	(actuals)	(actuals)	(actuals)	(actuals)	(forecast)	(forecast)
Initial Grant Allocation (received via Surrey County Council)	(0.383)		(0.324)		tbc	
Support Issued To Households						
Council Tax Reduction Strand (pro-active payments made to CTR recipients)		0.181		-		
Referral Strand (referrals made to us from 3rd parties)		0.103		-		
Fuel Vouchers (distributed via VCS partners)		0.019		0.025		
Food Vouchers (distributed via VCS partners)		-		0.053		
Cash Payments (made to pensioner households on Council Tax Support)		-		0.188		
		0.303		0.266		tbc
Contributions To Voluntary/Community Sector Partners						
Stripey Stork		0.008		-		
Fuel Grants		0.008		-		
East Surrey Domestic Abuse Service		0.006		-		
Reigate & Banstead Women's Aid		0.006		-		
Food Clubs		0.005		-		
Renewed Hope Trust		0.002		-		
Gateway Allotment Project		0.002		-		
Merstham Mix		0.001		-		
Surrey Community Action		0.001		-		
		0.039		0.000		tbc
Housing Support						
Contributions Towards Rent Arrears		0.023		0.020		
Rent Assistance (Rehoming Donyings Cabin Occupants)		0.008		-		
Contribution To ESDAS Sanctuary		0.005		0.005		
		0.036		0.025		tbc
Administration Costs						
RBBC Staff Costs (costs falling outside BAU)		0.003		0.009		
Admin Contributions Claimed By VCS Partners		0.005		0.001		
Software & Administration Services (NEC Software Solutions)		-		0.015		
		0.008		0.025		tbc
		(2.20% of spend)		(8.08% of spend)		
Grant Closure/Reconciliation						
Grant Top-Up To Eliminate Overspend (received from Surrey County Council)	(0.003)		-		tbc	
Recoupment Of Unspent Grant (excess funding returned to Surrey County Council)		-		0.008		tbc
No. Of Households Supported		4,294		2,451		tbc
Total Funding & Expenditure	(0.386)	0.386	(0.324)	0.324	0.000	0.000

2022-23 Outturn Capital Programme Monitoring Q2

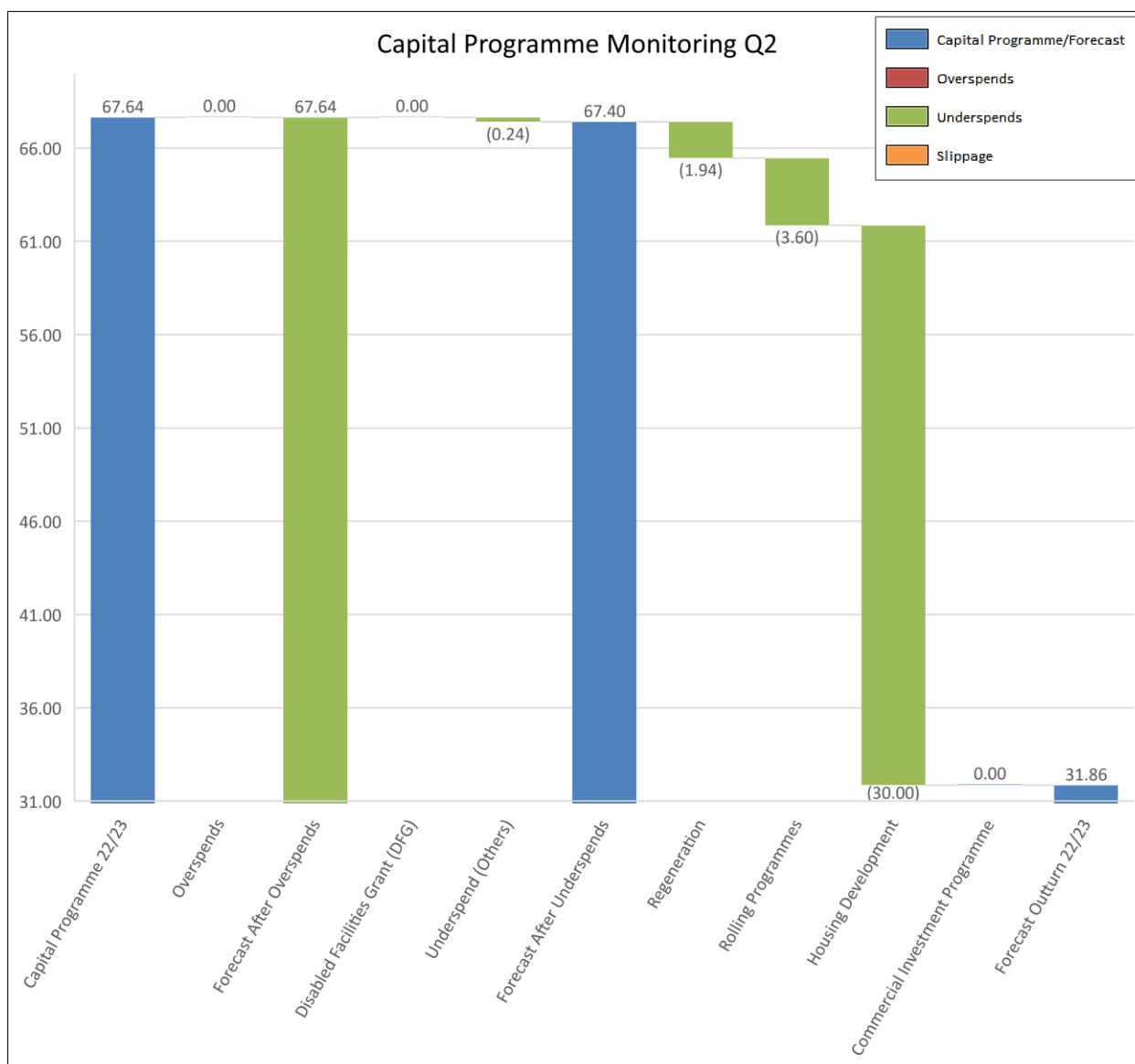
Summary

Full year expenditure forecast against the Capital Programme at the end of Quarter 2 is £31.86m which is £35.78m (53%) below the approved Programme for the year. The variance is predominantly a result of £30.00m slippage on the Housing Delivery Programme.

Headline Capital Budget Information 2022-23

£m

Current Budget (Section 1):	67.64
Projected Net Overspends	0.00 (or 0 % of Programme)
Projected Net Underspends	(0.24) (or 0 % of Programme)
Projected Slippage	(35.54) (or 53 % of Programme)
Total Capital Expenditure	31.86



Underspends, £0.240m. Significant variances summarised below:

Regeneration	Vibrant Towns & Villages (£0.100m underspend) - No demands are expected on this programme in made on this programme in 2022/23.
Others	CCTV Rolling Programme (£0.100m underspend) - No expenditure now expected in 2022/23

Slippage, £35.54m. Significant variances summarised below:

Housing Development	Housing Delivery Programme (£30.000m slippage) - Capital funds allocated to fund investment in new affordable housing. There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.
Strategic Property	Beech House - (£3.000m slippage) - Expenditure expected in 2023/24, subject to business case approval.
	Car Parks Programme - (£0.548m slippage) - Expenditure will now take place after Car Park asset review.
Regeneration	Merstham Recreation Ground - (£1.360m slippage) - The majority of construction spend is now expected in 2023/24.
	Horley Public Realm Improvements (£0.525m slippage) - The majority of expenditure is now expected in 2023/24

Capital ANNEX 3: Section 1

Reconciliation of Capital Programme to Approved Budgets 2022-23

	£000
Original Capital Budget	30,282.7
Budget approved but not yet released ¹	0.0
	<u>30,282.7</u>
Additions	
Carry Forwards from previous year	36,983.1
Budgets released during the year ¹	0.0
Reprofiling of projects	0.0
Other Changes	374.5
Current Capital Budget	<u>67,640.3</u>

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 ANNEX 2: Section 2

Capital Budget Monitoring: Summary by Programme and Project 2022-23

Programme/Project	Original Budget	Approved Budgets Not Released	Carry Forwards	Other Changes	Current Budget	Year End Outturn	Year End Variance	Quarter 1: Explanation of Significant Variances	Quarter 2: Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000		
Operational Buildings	110.0	0.0	260.0	0.0	370.0	370.0	0.0		
Day Centres Programme	75.0	0.0	34.0	0.0	109.0	109.0	0.0		
Existing Pavilions Programme	50.0	0.0	168.0	0.0	218.0	218.0	0.0		
Leisure Centre Maintenance	210.0	0.0	17.0	0.0	227.0	227.0	0.0		
Harlequin Property Maintenance	110.0	0.0	205.9	0.0	315.9	315.9	0.0		
Tenanted Properties	100.0	0.0	100.0	0.0	200.0	200.0	0.0		
Crown House	75.0	0.0	210.0	0.0	285.0	285.0	0.0		
Units 1-5 Redhill Dist Centre Salfords	57.5	0.0	57.0	0.0	114.5	114.5	0.0		
Linden House, 51B High Street Reigate	28.8	0.0	28.0	0.0	56.8	56.8	0.0		
Unit 61E Albert Road North	200.0	0.0	62.0	0.0	262.0	262.0	0.0		
Forum House, Brighton Road Redhill	100.0	0.0	170.0	0.0	270.0	270.0	0.0		
Beech House, London Road Reigate	0.0	0.0	3,000.0	0.0	3,000.0	0.0	-3,000.0	Expenditure subject to Business Case approval.	Expenditure subject to Business Case approval.
Regent House, 1-3 Queensway Redhill	100.0	0.0	75.0	0.0	175.0	175.0	0.0		
Tenanted Property Assets	76.0	0.0	60.0	0.0	136.0	136.0	0.0		
Infra-structure (walls)	60.0	0.0	26.0	0.0	86.0	86.0	0.0		
Car Parks Capital Works Programme	190.0	0.0	358.0	0.0	548.0	0.0	-548.0	Allocation carried forward from 21/22 will not be spent in full in 22/23. Awaiting outcome of Car Park review.	Allocation carried forward from 21/22 will not be spent in 22/23. Awaiting outcome of Car Park review.
Earlswood Depot/Park Farm Depot	20.0	0.0	52.0	0.0	72.0	72.0	0.0		
Public Conveniences	4.0	0.0	17.0	0.0	21.0	21.0	0.0		
Cemeteries & Chapel	20.0	0.0	60.0	0.0	80.0	80.0	0.0		
Allotments	12.0	0.0	30.0	0.0	42.0	42.0	0.0		
Building Maintenance - Capitalised Staff Costs	28.0	0.0	0.0	0.0	28.0	28.0	0.0		
Pavilion Replacement - Woodmansterne	0.0	0.0	20.0	0.0	20.0	20.0	0.0		
Priory Park	10.0	0.0	213.0	0.0	223.0	223.0	0.0		
Strategic Property	1,636.3	0.0	5,222.9	0.0	6,859.2	3,311.2	-3,548.0		
ICT Replacement Programme	200.0	0.0	224.0	0.0	424.0	424.0	0.0		
Environmental Strategy Delivery	0.0	0.0	250.0	0.0	250.0	250.0	0.0		
Corporate Resources	200.0	0.0	474.0	0.0	674.0	674.0	0.0		
Great Workplace Programme - Phase 2	250.0	0.0	451.5	0.0	701.5	701.5	0.0		
Organisational Development	250.0	0.0	451.5	0.0	701.5	701.5	0.0		
Organisation Capital Budget	2,086.3	0.0	6,148.4	0.0	8,234.7	4,686.7	-3,548.0		

Capital ANNEX 2: Section 2

Capital Budget Monitoring: Summary by Programme and Project 2022-23

Programme/Project	Original Budget	Approved Budgets Not Released	Carry Forwards	Other Changes	Current Budget	Year End Outturn	Year End Variance	Quarter 1: Explanation of Significant Variances	Quarter 2: Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000		
Small Works Assistance	50.0	0.0	0.0	0.0	50.0	10.0	-40.0	This programme relates to Small Works Assistance - the Handy Person Scheme feeds into the 'Home Improvement Agency' programme (CB01202). The scheme descriptions will be reviewed as part of Q2 budget monitoring to ensure they more accurately reflect the nature of this expenditure.	
Home Improvement Agency & Handy Person Scheme	120.0	0.0	0.0	0.0	120.0	120.0	0.0	This programme also includes 'Handy Person Scheme'; The scheme descriptions will be reviewed as part of Q2 budget monitoring to ensure they more accurately reflect the nature of this expenditure.	
Disabled Facilities Grant	1,134.0	0.0	0.0	0.0	1,134.0	1,131.0	-3.0		
Repossession Prevention Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Lee Street Bungalows	0.0	0.0	326.9	0.0	326.9	326.9	0.0		
Massetts Road	21.0	0.0	0.0	0.0	21.0	21.0	0.0		
Housing Delivery Programme	10,000.0	0.0	20,000.0	0.0	30,000.0	0.0	-30,000.0	There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.	There are no specific developments planned at this time. Forecasts will be updated when new business cases are developed.
Development of Court Lodge Residential Site	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Cromwell Road Development 2016	0.0	0.0	149.6	0.0	149.6	149.6	0.0		
Unit 1 Pitwood Park Tadworth	0.0	0.0	42.9	0.0	42.9	42.9	0.0		
Housing	11,325.0	0.0	20,519.4	0.0	31,844.4	1,801.4	-30,043.0		
Harlequin - Service Development	100.0	0.0	171.8	0.0	271.8	210.0	-61.8		Projects have been identified and ready to
Leisure & Intervention	100.0	0.0	171.8	0.0	271.8	210.0	-61.8		
CCTV Rolling Programme	30.0	0.0	74.6	0.0	104.6	0.0	-104.6		No expenditure expected in 22/23
Community Partnerships	30.0	0.0	74.6	0.0	104.6	0.0	-104.6		
People Services Capital Budget	11,455.0	0.0	20,765.7	0.0	32,220.7	2,011.4	-30,209.3		

Capital ANNEX 2: Section 2

Capital Budget Monitoring: Summary by Programme and Project 2022-23

Programme/Project	Original Budget	Approved Budgets Not Released	Carry Forwards	Other Changes	Current Budget	Year End Outturn	Year End Variance	Quarter 1: Explanation of Significant Variances	Quarter 2: Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000		
Vehicles & Plant Programme	1,056.0	0.0	181.7	0.0	1,237.7	1,237.7	0.0		
Fleet Vehicle Wash-Bay Replacement	0.0	0.0	350.0	0.0	350.0	350.0	0.0		Current discussion as to whether expenditure will be in 22/23 or 23/24
Workshop Refurbishment	160.0	0.0	0.0	0.0	160.0	160.0	0.0		Current discussion as to whether expenditure will be in 22/23 or 23/24
Land Flood Prevention Programme	10.5	0.0	0.0	0.0	10.5	10.5	0.0		
Play Area Improvement Programme	230.0	0.0	0.0	0.0	230.0	230.0	0.0		
Parks & Countryside - Infrastructure & Fencing	45.0	0.0	0.0	0.0	45.0	45.0	0.0		
Air Quality Monitoring Equipment	40.0	0.0	0.0	0.0	40.0	47.5	7.5		
Contribution to Surrey Transit Site	0.0	0.0	127.0	0.0	127.0	127.0	0.0		
Neighbourhood Operations	1,541.5	0.0	658.7	0.0	2,200.2	2,207.7	7.5		
Pay-on-Exit Car Parking at Central Car Park and Victoria	0.0	0.0	52.0	0.0	52.0	0.0	-52.0		expenditure will take place in 23/24
Horley Public Realm Improvements - Phase 4	0.0	0.0	575.1	0.0	575.1	50.0	-525.1		Remaining expenditure will take place in 23/24
Subway Refurbishment, Horley	0.0	0.0	0.0	0.0	0.0	0.0	0.0		Expected Local Growth Fund and s106 funding
Marketfield Way Redevelopment	15,100.0	0.0	6,986.0	0.0	22,086.0	22,086.0	0.0		
Redhill Public Realm Improvements	0.0	0.0	30.0	0.0	30.0	30.0	0.0		
Merstham Recreation Ground	0.0	0.0	1,419.3	0.0	1,419.3	54.7	-1,364.6		Remaining expenditure will take place in 23/24
Preston - Parking Improvements	0.0	0.0	347.8	374.5	722.3	722.3	0.0	<i>A further £374k CIL funds were applied for and authorised by the Head of Planning and CIL Portfolio holder.</i>	
Place Delivery	15,100.0	0.0	9,410.2	374.5	24,884.7	22,942.9	-1,941.8		
Vibrant Towns & Villages	100.0	0.0	0.0	0.0	100.0	0.0	-100.0		No expenditure expected in 22/23.
Economic Prosperity	100.0	0.0	0.0	0.0	100.0	0.0	-100.0		
Place Services Capital Budget	16,741.5	0.0	10,068.9	374.5	27,184.9	25,150.7	-2,034.2		
Corporate Capital Budget	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total Capital Budget	30,282.7	0.0	36,983.1	374.5	67,640.3	31,848.7	-35,791.6		

Financial Sustainability Programme: Quarterly Update

As per the proposal within the 2022/23 budget report, our approach to our Financial Sustainability Programme (FSP) is based around four general areas:

- Income generation (that is, pursuing opportunities to generate new income streams, optimising fees and charges and implementing the commercial strategy)
- Use of assets (making effective use of existing assets, including the repurposing and sale of surplus properties)
- Prioritisation of resources (reviewing in year budget forecasts to identify new opportunities for savings and efficiencies, reviewing the level of service provided and focusing resources on priority services, and managing pay costs and making effective use of staff resources)
- Achieving value for money (including pursuing options to share with other Councils to realise efficiency savings and identifying invest to save opportunities, including investment in technology to reduce operational costs)

This progress review should be read in conjunction with the FSP Overview provided to the Overview & Scrutiny Committee and the Executive in July 2022.

Note that quantified financial benefits will not be available until publication of the draft 2023/24 budget report in November 2022.

	Progress	Next Steps	Financial benefits
51 Programme Set Up	<ul style="list-style-type: none"> • FSP Steering Group established (February) • Initial programme brief agreed by Corporate Governance Group (April) • Programme plan and register in development (May) • Programme support officer appointed (June) • S&FP timetable and milestones confirmed • All member briefing held (July) Further project resources appointed 	<ul style="list-style-type: none"> • Ongoing review of programme resourcing requirements 	<ul style="list-style-type: none"> • Not applicable
Service & Financial Planning	<ul style="list-style-type: none"> • Initial review of budgets and services undertaken by Heads of Service (April/May) • Peer challenge at Management Team Awayday (May) • Portfolio holders briefed and discussion of budget and service options and prioritisation at Executive Awayday (June) • Preparation of service business plans and draft budgets, including growth, savings and fees & charges proposals, for inclusion in the November draft budget report (September) 	<ul style="list-style-type: none"> • Further Executive Awayday (October) • Finalisation of draft 2023/24 business plans (October) • Preparation of draft 2023/24 budget report (October) • Publication of draft 2023/24 budget (November) • Consultation on draft 2023/24 budget (November to January) 	<ul style="list-style-type: none"> • Draft budget will include proposals for quantified savings, growth and forecast additional income

	<ul style="list-style-type: none"> • Management Team and Executive Awaydays to present initial proposals (September) 		
Standalone projects and activities	<ul style="list-style-type: none"> • Project and activity scoping (May onwards) • Activities to deliver 'quick wins' being progressed (ongoing) • Projects being progressed through established project management framework (ongoing) • Review of existing project management resource capacity (June) • Recruitment of additional project management resource (September) 	<ul style="list-style-type: none"> • Activities to deliver 'quick wins' continue to be progressed by relevant service areas (ongoing) • Projects being progressed through established project management framework (ongoing) 	<ul style="list-style-type: none"> • Small-scale savings anticipated to be realised for 2023/24 from 'quick win' activity work • Financial benefits from projects will be confirmed on a case by case basis although unlikely to be available to inform draft 2023/24 budget
Fees & Charges	<ul style="list-style-type: none"> • Collation of fees and charges register and identification of higher value areas for priority review (May 2022) • 2022/23 increases implemented for some charges in year as appropriate • Budget holders progressing review (ongoing) 	<ul style="list-style-type: none"> • Additional income from fees and charges uplifts to be included within draft 2023/24 budget (November) 	<ul style="list-style-type: none"> • Majority of fees and charges uplift will be implemented from April 2023; projections will inform income forecasts in final 2023/24 budget.
Vacancy Control Mechanism	<ul style="list-style-type: none"> • New vacancy control mechanism introduced (June 2022) • Senior Officer Panel established to review business cases for recruitment to vacant posts (July 2022) 	<ul style="list-style-type: none"> • Vacancy control mechanism now operational; recruitment to vacant posts being reviewed by senior management on a case by case basis • Changes and improvements to the process to be implemented as they are identified (ongoing) 	<ul style="list-style-type: none"> • Any resultant savings will be factored into 2023/24 budget
Third Party Funding Opportunities	<ul style="list-style-type: none"> • £0.5m secured from health partners towards Council community development and partnerships work • Investment plan submitted in respect of £1m UK Shared Prosperity Fund funding (July) • Council services as well as third parties invited to submit Strategic CIL bids (August) 	<ul style="list-style-type: none"> • Opportunities for further third party funding continue to be explored (ongoing) 	<ul style="list-style-type: none"> • Any savings resulting from use of third party funds instead of Council base budgets will be factored into 2023/24 budget

Agenda Item 6



Signed off by	Head of Corporate Policy, Projects and Performance
Author	Tom Borer, Senior Policy Officer
Telephone	Tel: 01737 276717
Email	tom.borer@reigate-banstead.gov.uk
To	Overview and Scrutiny Committee Executive
Date	Thursday, 8 December 2022 Thursday, 15 December 2022
Executive Member	Portfolio Holder for Investment and Companies

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Commercial Strategy: Progress Update
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Recommendations
<p>That the Overview and Scrutiny Committee:</p> <p>(i) Notes the Commercial Strategy Annual Progress Report at Annex 1 and makes any observations to the Executive.</p> <p>That the Executive:</p> <p>(ii) Notes the Commercial Strategy Annual Progress Report at Annex 1, along with any observations of the Overview and Scrutiny Committee and agrees it for publication on the Council's website.</p>
Reasons for Recommendations
To support the effective consideration and awareness of the Council's work towards its Commercial Strategy.
Executive Summary

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The Council has agreed a Commercial Strategy, with Part 1 approved in November 2020 and Part 2 agreed in December 2021. This report provides an update on progress on the actions set out in the Strategy over the last year.

The progress report is based around the action plans set out within Part 1 and Part 2 of the Strategy. The report also provides the annual update to the Council's Investment Appetite, as described in Part 2 of the Commercial Strategy.

It should be noted that since the Commercial Strategy Part 2 was agreed by the Executive in December 2021, the Council has also begun to implement its Financial Sustainability Programme, which overlaps with some elements of the Council's commercial activity. Quarterly updates on the progress of this Programme are provided separately to the Overview & Scrutiny and Executive Committees.

Overall, progress on delivering actions set out in the Commercial Strategy has been positive, with quantifiable income and savings secured, as detailed in the Annex.

However, some of the actions have not been progressed as envisaged at the time of writing. In the main (and more detail is provided in the Annex) this is due to either changes to the regulatory framework within which the Council operations or new evidence that has become available to the Council in relation to the viability or appropriateness of particular actions.

A number of projects and activities with commercial elements to them continue to be progressed and information will be provided to members about these using established reporting mechanisms as detailed in Part 2 of the Commercial Strategy.

Executive has 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. In common with most local authorities, the Council faces a combination of significant demand for its services, combined with constrained funding. Consequentially, in order to maximise the benefit it can provide to the Borough and its residents, it is necessary for the Council to be financially efficient and make best use of its resources.
3. The Council's Corporate Plan, Reigate & Banstead 2025, includes the objectives to be a financially self-sustaining council, and to generate additional income and build the organisations financial resilience, in order to sustain services, through responsible and sustainable commercial activities.
4. To support these objectives, the Council has developed a Commercial Strategy. Part 1 of the strategy was approved in November 2020 and set out the context and key guiding principles of the Council's approach and governance. Part 2 was approved in December 2021 and set out the Council's approach to investing in commercial assets and services, funding commercial activity and investment appetite.

5. The guiding principles established in Part 1 of the Commercial Strategy are set out below, and underpin all commercial activity undertaken by the Council.
 - 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
 - b. 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.
6. The Council's overall financial position and information about the wider context in which we operate is provided in quarterly financial performance reports to the Overview & Scrutiny Committee and the Executive and as part of the annual budget setting process, most recently the draft Budget proposals presented to the Executive in November 2022.

Key Information

7. The Council's Commercial Strategy establishes principles, an approach and action plans for achieving the Council's objectives around commercial and investment activity.
8. The guiding principles of the strategy are set out in Part 1 and are presented in the background section above. These principles are reflected throughout the commercial activity of the Council.
9. There is a general commercial activity action plan set out in Part 1 of the strategy. This action plan provides a general overview of high level work towards the Council's commercial objectives.
10. Part 2 of the strategy includes two more focussed action plans, about commercial assets and commercial services respectively. These action plans include a number of priorities, target timeframes and outcomes across both of these areas.
11. Information on the Council's progress towards the delivery of these action plans is set out in Annex 1 to this report.
12. A number of key points regarding these areas are set out below.

Commercial Assets

13. A full review of the Council's property portfolio has been undertaken, including both budgets and asset performance. This has informed agreement of a new Asset Management Plan by the Commercial Ventures Executive Sub Committee, covering the period 2023-2028.
14. Despite currently challenging commercial market circumstances, good progress has been made to vacant properties, such that over the past year an additional £1.197m of rental income has been secured from new lettings, and £384k of costs associated with property voids has been avoided. Proactive work with tenants has also resulted in interim solutions to avoid or reduce the financial impact of other property vacancies.

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15. Work is now ongoing to ensure optimal management and leasing arrangements are in place to maximise the financial return the Council receives from its commercial assets, exemplified by the work on catering concessions considered by the Commercial Ventures Executive Sub Committee in November 2022.
16. In relation to asset (re-)development, the past year has seen conclusion of development schemes at Camelia Close (Pitwood Park), Lee Street Horley, and Wheatley Court (Cromwell Road), delivering a combination of capital receipts and revenue returns for the Council. Together with positive progress on the build and letting of Marketfield Way, this has enabled (conservative) income receipts to be factored into the Council's Medium Term Financial Plan, contributing to a reduction in the Council's future funding gap.
17. Other opportunities continue to be explored for new regeneration schemes including those requiring land assembly, although the current market means that financial viability is a continuing challenge. Following a decision by the Executive in October 2022, the Council is actively seeking to purchase properties to provide emergency and temporary housing to reduce our expenditure on private sector accommodation solutions.

Commercial Services

18. Over the past year, the main focus of activity in this area has been a full review of the Council's fees and charges, as presented in the draft Budget agreed by the Executive in November 2022. This review has identified the potential to generate an additional approximately £0.5m per year from increased charges; in addition, an exercise to 'rightsized' budgets will result in a further net benefit of around £0.5m.
19. Following work to investigate the possibility of establishing a housing company, this has not been taken forward due to it not proving financially viable, however positive work continues with Raven Housing Trust to explore options for joint work on housing delivery in the future.
20. Similarly, proposals to establish trading companies for the Council's Revenues, Benefits & Fraud work, or other trading opportunities, are not currently being pursued although our work to support other public sector partners with revenues, benefits and fraud services continues to be recognised for its successful outcomes. In the meantime, other service areas are exploring the potential for shared services where this could result in more financially beneficial delivery models.

Next Steps

21. As noted above, the Council's activity to deliver the actions set out in the Commercial Strategy Parts 1 and 2 aligns well with the Financial Sustainability Programme. The focus on pursuing commercial asset opportunities and commercial service opportunities will continue over the coming year to the extent that it is compatible with the wider framework within which local government operates.
22. This will include the ongoing proactive management of our property estate as well as work to explore longer term regeneration and redevelopment opportunities. Consistent with the Financial Sustainability Programme, it will also include specific workstreams to ensure that Council services are delivered in an efficient, cost effective and (as appropriate) commercially-focused manner.

Options

23. The following options have been identified for the Executive:

- Option 1: Note the progress update on the Council's Commercial Strategy and the observations of the Overview and Scrutiny Committee and agree the report at Annex 1 for publication. This option is recommended as it supports the effective consideration and awareness of the Council's work towards the objectives of its Commercial Strategy.
- Option 2: Request additional information and/or do not agree the report at Annex 1 for publication. This option is not recommended as awareness of the update provided supports the continued work of the Council towards the objectives of its Commercial Strategy.

Legal Implications

24. There are no direct legal implications arising from the recommendations of this report.
25. As identified within the Commercial Strategy, appropriate governance of commercial activities requires that any legal risks associated with such activity are properly monitored and considered. This may require utilising appropriate legal advice, including from external advisors, where relevant.

Financial Implications

26. There are no direct financial implications arising from the recommendations of this report.
27. As identified within the Council's Commercial Strategy and the Key Information above, the Council's ability to operate in a commercially efficient manner, whilst continuing to adhere to its guiding principles and wider obligations, will be a necessary component of the organisation's financial sustainability within current contexts.
28. The progress towards the actions set out in the action plans within the Commercial Strategy helps to support this requirement and the Council's wider work regarding financial sustainability.
29. As identified in the Council's Medium Term Financial Plan and the Key Information above, the Council continues to face a potential budget gap in coming years. Ongoing progress towards the action plans and wider objectives of the Commercial Strategy will therefore continue to be an important component in addressing this potential gap and supporting the Council's long term financial sustainability.

Equalities Implications

30. 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.

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31. The recommendations of this report do not have any direct consequences for staff, residents or other service users, including those with protected characteristics. However, the Council's duty to have regard for the equalities implications of its actions is reflected within the guiding principle of the Commercial Strategy for its commercial activity to be ethical, and should be considered throughout the evaluation of any actions regarding commercial assets, services or other activities.
32. Where changes are made to services, or new services are introduced, including changes in provision or pricing, an assessment of equality impact must be undertaken. These serve to identify potential implications of the changes, including those which might affect persons with protected characteristics, and require services to consider how any negative implications can be avoided or mitigated. Where other actions may have similar implications, they will also need to be supported by equality impact assessments.
33. Where the Council is able to operate effectively and support its financial sustainability through commercial activities, this can also potentially provide additional resources to help address existing challenges facing the borough and its residents, including those relating to equality and persons with protected characteristics.

Communication Implications

34. The Council's Commercial Strategy, Parts 1 and 2, is publicly available on the Council's website.
35. Subject to Executive agreement, the annual report at Annex 1 will be published alongside the two strategies.
36. Communications activity may take place as required with regard to specific commercial activities or projects referenced within the Commercial Strategy; such communications will be considered on a case by case basis and with regard to the guiding principles of the strategy.

Environmental Sustainability Implications

37. There are no direct environmental sustainability implications arising from the recommendations of this report.
38. The environmental sustainability implications of individual commercial activities will be considered and monitored as part of the wider governance and decision-making identified within the strategy. This is reflected in the first guiding principle of the strategy, should form part of the business case for and development of any commercial activity proposals, and should be consistent with the Council's established Environmental Sustainability Strategy.
39. As the Council progresses its Environmental Sustainability Strategy this may identify opportunities for related income generation or investments delivering ongoing savings associated with that work. Such opportunities will be reviewed and considered within the principles and approach identified within the Commercial Strategy.

Risk Management Considerations

40. The future financial sustainability of the Council is an identified risk on the Strategic Risk Register. The risk register identifies the role of the Financial Sustainability Programme as a key mechanism in addressing this risk, through both the reduction of costs and increasing income. As demonstrated in this report, our activity to delivery actions within the Commercial Strategy has over the past year made a positive contribution to both those objectives.
41. 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 are identified and managed through the Council's project management framework and the Council's operational risk registers respectively.

Consultation

42. The Members of the Executive (including members of the Council's Commercial Ventures Executive Sub-Committee) have been consulted as part of the preparation of this report.
43. Any observations from the Overview and Scrutiny Committee at its meeting of 8 December 2022 will be reported to the Executive by way of addendum or verbal update.

Policy Framework

44. The Commercial Strategy is consistent with the Council's Corporate Plan for the period 2020 to 2025.
45. 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 Powers

1. Reigate & Banstead 2025 (The Council's Corporate Plan): available online at www.reigate-banstead.gov.uk/rbbc2025
2. Commercial Strategy Part 1 and Commercial Strategy Part 2: available online at https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025/4

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Commercial Strategy: Progress report

December 2022

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Introduction

This report provides an overview of progress against the actions set out in Reigate & Banstead Borough Council's Commercial Strategy Part 1 and Commercial Strategy Part 2.

Part 1 of the Council's Commercial Strategy was agreed in November 2020, and Part 2 was agreed in December 2021. Both documents are available to download from the Council's website at https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025/4. As part of the Commercial Strategy Part 2, it was agreed that an annual report on the Council's commercial activities and companies would be provided to the Council's Overview & Scrutiny Committee and the Commercial Ventures Executive Sub-Committee. This report serves that purpose.

The report also provides the annual update to the Council's Investment Appetite described within the Commercial Strategy Part 2.

Guiding principles and our overall approach to commercial activity

The Council's commercial activity can be broken down into two main areas:

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

Across both these areas, our activity is guided by three key principles:

- **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
- **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.

Our commercial assets and commercial services activity is carried out in accordance with the Council's established internal procedures, including (as appropriate) decision-making delegations, project and programme management frameworks, risk management processes and established arrangements for agreeing necessary funding. The Commercial Ventures Executive Sub-Committee retains formal oversight and responsibility for commercial activity.

Commercial Strategy Part 1 Progress Report

The Commercial Activity Action Plan within the Commercial Strategy Part 1 was agreed in November 2020 as an interim measure until the Commercial Strategy Part 2 had been produced. It focused on some initial commercial activity priorities and the embedding of a more commercial mindset within the organisation. Elements of it have been superseded by more detailed actions within the Commercial Strategy Part 2 and/or changes to the broader regulatory framework within which the Council operates. Nonetheless, there is value in providing a progress update against the action plan in this report.

Work area 1: Becoming more business-like in our day-to-day activities:

Activity	Timeframe	Progress update
Implement review of fees and charges and update policy	2020/21	Action superseded: see more detailed progress update under Part 2 (Commercial Services Priority 2).
Implement updated fees and charges policy	Q1 2021	Fees and charges policy is reviewed and updated annually and presented to the Executive for its agreement in November each year.
Continue to explore opportunities to maximise income from selling our Revenues, Benefits and Fraud services	By Q1 2021	Action superseded: See detailed progress update under Part 2 (Commercial Services Priority 1)
Explore other opportunities for income generation	Q2 2021 onwards	Action superseded: See detailed progress update under Part 2 (Commercial Services Priority 1)
Expand procurement and contract management skills and resources within the Council	2020/21	Challenges have been encountered in recruiting specialist staff with procurement and contract management skills. A strategic review of the Council's procurement approach is currently underway and will inform future resourcing in this area.

Work area 2: Increasing capital and revenue returns through our assets and investments:

Activity	Timeframe	Progress update
Evaluate and rebase current property asset holdings	Ongoing	Action superseded: See detailed progress update under Part 2 (Commercial Assets Priority 1)
Explore partnering opportunities	Ongoing	Conversations are ongoing across some service areas about the potential for sharing service delivery with other public sector partners. Activity at Surrey County Council with respect of a County Devolution Deal also continues to be monitored.
Implement robust investment criteria and maintain an update to date understanding of market yields to ensure appropriate opportunities are explored and that a balanced portfolio is maintained – further information to be provided in Part 2 of this Strategy	Ongoing	Action completed through publication of Commercial Strategy Part 2

Work area 3: Developing a commercial culture

Activity	Timeframe	Progress update
Transformation work and appropriate recruitment: Review additional necessary steps following roll-out of the Revenues, Benefits & Fraud investigation services	Q2 2021	Specialist external expertise continues to be drawn upon where appropriate to ensure that the Council takes a robust approach to activity associated with delivery of the Commercial Strategy. Due to structural changes within the organisation and changes to the regulatory environment in which the Council operations, activities that deliver commercial benefits are progressed by existing Council service areas rather than a dedicated commercial resource within the organisation.

Work area 4: Governance and decision-making

Activity	Timeframe	Progress update
Implement effective company holding structure for planned and current activities	2020/21	After initial investigatory work, it was concluded that a holding structure is not needed.
Annual approval of business plans for Council subsidiaries, and training to ensure business plans are robust and well considered	2021	Company progress and priorities are provided via separate Companies Update reports.

Commercial Strategy Part 2 Progress Report

The Commercial Strategy Part 2 provides more detail in relation to the overall framework set out in Part 1, and includes action plans for Commercial Assets and Commercial Services. These have formed the basis of Council activity over the past year with contributions to the delivery of the strategy from a range of different service areas.

It should be noted that since the Commercial Strategy Part 2 was agreed by the Executive in December 2021, the Council has also begun to implement its Financial Sustainability Programme, which overlaps with some elements of the Council's commercial activity. Quarterly updates on the Financial Sustainability Programme are provided to the Council's Overview & Scrutiny and Executive Committees.

Commercial Assets

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

Task	Responsibility (timeframe)	Outcome	Progress
Undertake a deep dive into our current portfolio and develop a reporting template	Property (2021/22)	Robust understanding of asset portfolio and performance	A full review of the Council’s property portfolio has been undertaken since the Commercial Strategy was agreed. This has comprised a detailed assessment of both budgets and asset performance. A reporting template has been developed.
Introduce quarterly reporting to CVESC on asset and portfolio performance	Property (2022/23 onwards)	Ongoing and up to date understanding of asset portfolio and performance	Informal discussions have been held with members of CVESC about proposed reporting process and format. Once the details have been agreed; it remains the plan that these reports will be included on the formal CVESC agenda for 2023/24 onwards. The potential for rapidly changing market conditions means that formal reports can only be a snapshot of a ‘point in time’.
			Although not a specific action in the Commercial Strategy Part 2, a review of the Council's Asset Management Plan has been undertaken and reported to CVESC. This will ensure that our approach to Asset Management reflects core Corporate Plan and Commercial Strategy priorities, and remains fit for purpose.

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

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Task	Responsibility (timeframe)	Outcome	Progress
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	Good progress has been made to fill void properties, including three longstanding voids, which have been vacant since as long ago as 2015. In total over the past year £1.197m has been secured from new lettings and £384k of costs have been avoided.
Focus on the worst-performing assets in our portfolio to improve their commercial return (eg via upgrades, repurposing, redevelopment or disposal)	Property (2022/23 -2023/24)	Reduced costs to the Council and increased income or capital receipt	As noted above, most existing voids have been successfully filled. Work is now ongoing to review existing catering concessions with proposals presented to CVESC for its consideration in November 2022. The Property Team is now also exploring optimal management and leasing arrangements for some of the Council's lower value assets.
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	Work is underway to develop proposals for one commercial office building within the Council's portfolio following departure of the tenant. An interim solution has been found for some industrial units where the lease is coming to an end; this will enable the current tenant to remain in the building for a further 2 years, securing an ongoing income stream for the Council.

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

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Task	Responsibility (timeframe)	Outcome	Progress
Conclude development of Marketfield Way, Cromwell Road and Lee Street	Place Delivery (2021/22-2022/23)	Project place-shaping objectives achieved	<p>Marketfield Way (now known as The Rise):</p> <ul style="list-style-type: none"> Development is progressing well and on track for practical completion in late 2022 for opening in 2023 <p>Cromwell Road (now known as Wheatley Court):</p> <ul style="list-style-type: none"> Development concluded, management and maintenance contracts for the residential units are currently being finalised with a social housing provider <p>Lee Street:</p> <ul style="list-style-type: none"> Development concluded, all properties are now let and occupied.
Continue marketing of units at Marketfield Way and Cromwell Road	Property (2021/22-2022/23)	Direct income streams secured	<p>Marketfield Way (now known as The Rise):</p> <ul style="list-style-type: none"> More than 50% of commercial floorspace is now let, with heads of terms or leases being finalised for all the remaining commercial units. It is anticipated that all commercial units will be let within 2023 <p>Cromwell Road (now known as Wheatley Court):</p> <ul style="list-style-type: none"> Ground floor commercial units have not currently been let and will continue to be marketed. <p>Revenue income: Based on the above, income assumptions have been included within the Medium Term Financial Plan taking into account the status of current lease negotiations, rent free periods etc. It should be noted that these forecasts are deliberately conservative until details are formally confirmed, but gross rent is forecast to potentially be as high as £1.1m per year when all units are let:</p> <ul style="list-style-type: none"> 2024/25: £0.25m 2025/26: £0.4m 2026/27 £0.5m 2027/28: £0.8m <p>Work is underway to produce budget forecasts in relation to future rental income from the housing units at Wheatley Court.</p>

Task	Responsibility (timeframe)	Outcome	Progress
			<p>Capital receipts: In addition to revenue income receipts, the Council receives capital receipts from its development activity, which are used to fund upfront development costs with surplus funds used to fund the future capital programme.</p>
<p>Establish housing company as a mechanism to generate income from residential letting activity</p>	<p>Housing (2021/22)</p>	<p>Income stream secured via payment of dividends from company to Council</p>	<p>Initial work was undertaken to investigate the opportunity to establish a housing company, however this is no longer being pursued as it did not present a viable solution. The Council continues to work with Raven Housing Trust in relation to residential development opportunities in the borough.</p>
<p>Complete Horley Car Park feasibility work and progress to planning then development</p>	<p>Place Delivery, Property, Housing (2021/22-2022/23)</p>	<p>Place-shaping objectives and contribution to rolling project pipeline</p>	<p>Following initial investigations, this project is currently paused, and will be re-visited at an appropriate time.</p>
<p>Identify other pipeline projects for existing but underused assets</p>	<p>Property, Place Delivery, Housing, Greenspaces, Car Parking, Other services as required (2021/22-2022/23 and ongoing)</p>	<p>Contribution to a rolling pipeline of projects to deliver a combination of corporate objectives, reduced costs to the council, income generation and capital receipts</p>	<p>An initial site prioritisation matrix has been developed Work is ongoing to review potentially underutilised assets in the Council's ownership to inform development of a future pipeline.</p>

Priority 4: Asset Disposal – Disposing of assets that are currently underperforming or surplus to requirements

Task	Responsibility (timeframe)	Outcome	Progress
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	Following the asset review referred to under priority 1 and the successful letting activity referred to under priority 2, no specific assets are currently identified for disposal.

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

Task	Responsibility (timeframe)	Outcome	Progress
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)	Proposal agreed by the Executive in October to purchase temporary and emergency accommodation for homeless single people and families in the borough, helping to avoid/reduce the cost to the Council of expensive emergency accommodation placement in the private sector. The revenue budget impact of the proposal will depend on the pace of change in homelessness demand.

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Task	Responsibility (timeframe)	Outcome	Progress
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	See priority 3. Work is ongoing to review potentially underutilised assets in the Council’s ownership to inform development of a future pipeline. The starting point for work to investigate opportunities to invest in the social or economic regeneration of the borough will be the adopted Local Plan.
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	Consultants have been commissioned to undertake energy audits across a range of the Council’s main operational buildings, including the Town Hall, Harlequin, Earlswood Depot and our Community Centres. These will identify opportunities for both energy efficiency improvements and renewable energy. This work will inform the development of more detailed proposals to reduce energy usage on our buildings, both saving money on energy bills (‘invest to save’) and reducing our carbon emissions.
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	Opportunities continue to be explored in relation to land assembly to deliver corporate and local plan objectives, however no acquisitions have been made since the Strategy was agreed. Opportunities will be reported as they arise in the manner described in the Strategy.

Commercial Services

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

Task	Responsibility (timeframe)	Outcome	Progress
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	The team continues to provide services for a range of third party organisations and be recognised for its high quality work and successful outcomes. A company structure is not currently considered necessary and is therefore not being pursued at this time.
Explore options to expand and consolidate the Council's Garden Waste customer base	Neighbourhood Operations (2021/22-2022/23)	Generation of increased income stream	Project actively being progressed having commenced Autumn 2022
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	See comment under Commercial Assets Priority 3

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Task	Responsibility (timeframe)	Outcome	Progress
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	Further information is awaited from Government in relation to key elements of the Strategy that have the potential to impact on Council activity or present opportunities to the Council
Consider other service areas where there may be potential to introduce trading activity	Various (Ongoing)	Potential to generate income to cover costs or introduce new income streams	No additional areas for trading activity are currently being pursued, however conversations are ongoing across some service areas about the potential for sharing service delivery with other public sector partners. Other potential income generating opportunities are also being explored, with (for example) inclusion of a £50k income target from filming activity included within the 2023/24 draft budget proposals.

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Priority 2: Fees & Charges – Maximise income from existing non-statutory fees and charges and introduce new non-statutory fees and charges where appropriate

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Task	Responsibility (timeframe)	Outcome	Progress
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	Detailed review of fees and charges undertaken as part of the 2023/24 budget setting process. Although the draft budget consultation is still underway, the review has identified changes with the potential to generate an additional approx. £0.5m per year for the Council. Alongside this exercise, it is also being proposed to ‘right-size’ some fees and charges income budgets, resulting in a net benefit of a further approx. £0.5m per year
Introduce enhanced charging in relation to pre-application advice	Planning (2022/23)	Costs for non-statutory service provision covered by relevant fees and charges	Proposals for enhanced pre-application advice charges included as part of the draft 2023/24 budget, and projected to generate an additional £18k per year for the Council
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	Work is ongoing in this area. As part of the draft 2023/24 budget it is proposed to introduce some new charges (for example street naming and numbering, weekday pay and display parking at the Town Hall and optional licensing pre-application services). Once additional income forecasts are available these will be included within annual budget proposals.

Summary of the Council's current investment appetite (2022/23 update)

The Commercial Strategy Part 2 includes a summary of the Council's investment appetite, to be updated annually to inform the Council's commercial activity. Changes to the investment appetite are reflective of current market conditions and trends.

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

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SIGNED OFF BY	Director & Head of Paid Service
AUTHOR	Kirsty J Hill, Company Secretary
TELEPHONE	Tel: 01737 276749
EMAIL	Kirsty.J.Hill@reigate-banstead.gov.uk
TO	Overview and Scrutiny Committee
DATE	Thursday 8 December 2022
EXECUTIVE MEMBER	Portfolio Holder for Investment and Companies

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Companies Performance Update – Winter 2022
----------------	--

Recommendations
(i) To note the Companies Performance Update – Winter 2022, as set out in the report, and to make any observations for consideration by the Commercial Ventures Executive Sub-Committee
Reasons For Recommendations
To consider the performance of companies owned or part-owned by the Council, as of Winter 2022.
Executive Summary
<p>This report provides an overview of the performance of the companies currently owned, or part-owned, by the Council.</p> <p>The operational companies currently consist of Greensand Holdings Limited, Horley Business Park Development LLP and Pathway for Care Limited.</p> <p>RBBC Limited is inactive and the Council is in the process of ceasing involvement in the Camelia Close (Tadworth) Residents Management Company Limited.</p> <p>The Council continues to review the future strategy for Greensand Holdings Limited with its Directors following recent changes to local government guidance on commercial investments, as set out in the exempt part 2 report.</p>

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Horley Business Park Development LLP is not currently considered to be performing in line with expectations.

The Council continues to attempt to obtain management information from Pathway for Care Limited in order to review its performance.

Additional commercially sensitive supporting information is detailed in the exempt report set out in the Part 2 section of this agenda.

Statutory Powers

1. Section 1 of the Localism Act 2011 gives local authorities a general power of competence that enables them to do anything that a private individual is entitled to do, as long as it is not expressly prohibited by other legislation. Section 4 of the same Act directs that anything which is done for purely commercial purposes should be done through a company structure.
2. Companies and LLPs are governed by the Companies Act 2006; The Limited Liability Partnerships Act 2000; and The Limited Liability Partnerships Regulations 2001 (as amended principally by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009).

Background

3. Local Authorities face ongoing financial challenges in recent years, due to a combination of reductions in central government funding and increasing demand on services in many areas. Whilst Reigate and Banstead Borough Council has maintained a generally strong financial position the pandemic has impacted income receipts, it remains essential for the Council to take action to ensure financial stability if it is to continue to deliver and maintain the high level of services it currently provides and has planned to continue to provide as part of the Corporate Plan 2020-2025.
Following a Commercial Governance Review in 2018, company activities have been overseen by the Commercial Ventures Executive Sub-Committee.
4. These activities take place within financial limits set out as part of the Council's approved revenue budget and capital programme.
5. The Council's holdings in companies represent one element of this commercial and investment activity, governed by the established commercial framework, along with relevant company regulations.
6. To support good governance of the Council's companies, the Overview and Scrutiny Committee and the Commercial Ventures Executive Sub-Committee receive regular updates on the performance of these companies.
7. The last update was considered in June 2022 by Overview and Scrutiny and July 2022 by Commercial Ventures Executive Sub-Committee. This report sets out the current position.

Key Information

8. The Council currently owns or part-owns three operational companies. These are

Greensand Holdings Limited, Horley Business Park Development LLP and Pathway for Care Limited. RBBC Limited is inactive and the Council is in the process of ceasing involvement in the Camelia Close (Tadworth) Residents Management Company Limited.

9. The Council is currently reviewing the future strategy for Greensand Holdings Limited with its Directors following recent changes to local government guidance on commercial investments.
10. Horley Business Park Development LLP is not currently considered to be performing in line with the Council objectives due to activity being limited by ongoing matters with the joint venture partners.
11. Management Accounts information continues to be sought from Pathway for Care Limited and the decision on the adequacy of its performance is undetermined, pending receipt of that information.
12. The Council no longer owns the freehold of the completed development at Camelia Close (Pitwood Park) which was transferred to the Camelia Close (Tadworth) Residents Management Company Limited on 16 August 2022 upon the sale of the final home. One Council officer remains a Director of the management company and is expected to resign shortly when a representative from the Housing Trust that has an interest in a number of properties at the site, is appointed as a Director.
13. More detail of the current status and performance of the Council's interest in the active companies is set out below.

Greensand Holdings Limited

14. Greensand Holdings Limited is a property investment and development company, established to facilitate the Council's property investment activities. It is wholly owned by the Council. The creation of the company was authorised by the Executive on 15 September 2016.
15. The company was initially funded through a loan from the Council. It generates income from one of its property holdings.
16. At 30 September 2022, the company had received £13.258m in loan funding from the Council comprising:
 - £2.270m in 2016/17 for the purchase of office premises; and
 - £10.988m in 2019/20 for the purchase of a plot of land for development.
17. The office premises provides a rental income however maintenance and operating costs are a concern and are in the process of being addressed.
18. The development land provides a negligible income stream; £2.373m loan interest has been accrued at 30 September 2022. The loan and accrued interest are impaired in the Council's accounts to reflect the risk of credit loss.
19. The current Directors of the company are Mr D Beck and Councillor R Michalowski.
20. The performance of the investment in the development site will be dependent on the Council's future decisions regarding the proposed development.
21. The Directors' Report and Audited Financial Statements for the year ended 31 December 2021 for Greensand Holdings Limited are attached at Annex 1.
22. Additional details are available in the exempt report set out in the Part 2 section of

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this agenda.

Horley Business Park Development LLP

23. Horley Business Park Development LLP (the Partnership) is a joint venture which was set up to bring forward planning, and subsequent development, of employment land in the Horley area. The creation of the Partnership was authorised by the Executive on 15 October 2015, and a joint venture with Millhill Properties (Horley) Limited and Berwick Hill Properties Limited was established in 2016.
24. The Partnership is funded through loans from the Council and its partners. It does not currently generate a profit.
25. As of 30 September 2022, the Partnership had received £0.608m in loan funding from the Council for set up and working capital expenses and £0.416m interest has accrued. This sum is impaired in the Council's accounts to reflect the risk of credit loss.
26. As reported in the Spring 2022 report, the Council is currently working to resolve a number of matters regarding its relationship with the partners to the LLP which may affect future engagement with the joint venture. In order to avoid prejudicing current discussions it is not possible to publish additional information, but an update will be provided once it is possible to do so.
27. Following the felling of a number of trees without the Council's knowledge on land owned by Millhill, the Council is still waiting to hear from the Forestry Commission to confirm their intended route of enforcement against Millhill, if any.
28. Due to the limitations placed on the operation of the joint venture, the Partnership is not performing in line with Council objectives. Now that a resolution has been reached, the approach that has been agreed will be progressed in order to move forward in a way which aligns with the Council's objectives. Further progress towards the future of the LLP is anticipated to be made by the end of the year.
29. The draft Horley Business Park Development LLP's Annual Report and Financial Statements for the year ended 31 December 2021 were received by the Commercial Ventures Executive Sub-Committee on 17 November 2022 and once approved by all partners of the LLP, will be lodged with Companies House. They are attached at the Exempt part 2 section of this agenda at Annex 2.

Pathway for Care Limited

30. Pathway for Care Limited provides supporting living facilities and support for their residents at a site in the borough. Its creation was authorised by the Executive on 14 July 2016. The company equity share structure was subsequently revised in April 2018.
31. The Council is a minority shareholder in the company, with the majority shareholding held by Transforming Healthcare Group Limited. The Council has the right to appoint a director to the board of the company.
32. The Council currently holds £1.1m redeemable preference shares in the company, redeemable in April 2023, which were converted from a £1.1m loan when the equity restructuring took place. When redeemed, these will provide a capital receipt for the Council, subject to the company holding sufficient funds to honour the redemption at that time.

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33. The Council is entitled to receive income from any dividends paid by the company. Total dividends are stipulated to be 50% of net profits generated by the company, subject to cash flow. The company has not declared a dividend and the Council is awaiting tangible proposals for redemption of the preference shares.
34. The current Directors of the company are Mr Ahmed Ibrahim, Mr. J Ford; and Councillor V. Lewanski, the Council appointed Director. Messrs P Green and W Richards were previously directors of the company but resigned as of 6 October 2021. Mr O Vrublevskyi resigned as of 21 July 2022. They remain directors of the majority shareholder, Transforming Healthcare Group Limited.
35. The Council has requested up to date management accounts information for the company. The most recent information was dated January 2021. A judgement on the current performance of the company is subject to this information being received.
36. Additional details are available in the exempt report set out in the Part 2 section of this agenda.

RBBC Limited

37. RBBC Limited was incorporated on 30 September 2020 following the dissolution of a previous Council company, also named RBBC Limited. It was created for the purpose of preserving the name in case the Council should want to use the company name in the future. The directors, appointed for incorporation purposes, are the Director & Head of Paid Service and the Director of Place. The company is inactive and has not undertaken any activity in the current year.

Legal Implications

38. There are no direct legal implications arising from this report.
39. Where decisions are made which effect the Council's companies, the legal implications of these decisions will be considered as part of the decision making process in each case.

Financial Implications

40. There are no direct financial implications arising from this report. The Council's annual statement of accounts incorporates the financial position of its companies as part of its group financial statements.
41. Where decisions are made which impact the Council's companies, the financial implications of these decisions will be considered as part of the decision making process in each case.

Equalities Implications

42. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

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- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

43. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
44. There are no direct equalities implications of this report, however an awareness of the Council's obligations with respect to these duties should form part of the consideration of this report.
45. Where decisions are made which effect the Council's companies, the equalities implications of these decisions will be considered as part of the decision making process in each case.
46. The Commercial Ventures Executive Sub-Committee shall generally have regard to the obligations of the Equality Act (2010) in conducting its role as the representative of the Council as a shareholder or partner in companies owned or part-owned by the Council.

Communication Implications

47. There are no direct communication implications as a result of this report. However, as identified in the Commercial Governance Framework, the Commercial Ventures Executive Sub-Committee shall have regard for the Local Authorities (Companies) Order 1995, which sets out the rights for authorities and individual Members to receive company specific information.

Risk Management Considerations

48. All commercial ventures and investment activities contain an element of risk, and the Commercial Ventures Executive Sub-Committee shall consider these as part of the decision making process for any future decisions relating to companies owned or part-owned by the Council.
49. In monitoring the performance of companies owned or part-owned by the Council, the Commercial Ventures Executive Sub-Committee has regard to the fiduciary duty the Council owes to its rate and local tax payers, to the public law requirements to exercise the general power of competence for a proper purpose, and the requirements of the Commercial Governance Framework which forms part of the terms of reference of the sub-committee.

Environmental Considerations

50. There are no direct environmental implications arising from this report.

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51. Where decisions are made which effect the Council's companies, the environmental implications of these decisions will be considered as part of the decision making process in each case.

Policy Framework

52. The recommendations of this report are consistent with the Council's Policy Framework.
53. All actions undertaken by the Council in respect of commercial activity (including company activity) will be undertaken for the purpose of contributing to the achievement of the 'Funding our Services' objective within the Council's Corporate Plan and supporting policy framework, unless otherwise specified by statute.

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Registered number
10508302

GREENSAND HOLDINGS LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

GREENSAND HOLDINGS LIMITED

COMPANY INFORMATION

Directors

D Beck
R S Michalowski

Independent auditor

Kreston Reeves LLP
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Registered office

Town Hall
Castlefield Road
Reigate
Surrey
RH2 0SH

Registered number

10508302

GREENSAND HOLDINGS LIMITED

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GREENSAND HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and audited financial statements for the year ended 31 December 2021.

Principal activities

The company's principal activity during the year was that of commercial property investment and development.

Directors

The directors who served during the year were as follows:

W Pallett (Resigned: 31 December 2021)

D Beck

R S Michalowski

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small company special provisions

The report of the directors has been prepared taking advantage of the small companies exemption in Part 15 of the Companies Act 2006.

This report was approved by the board on September 2022 and signed on behalf of the board by

D Beck
Director

GREENSAND HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Revenue		172,358	177,833
Administrative expenses		(71,740)	(56,839)
Fair value movement on investment property		10,800	(521,900)
Impairment to inventories	5	(101,348)	(1,726,892)
Operating profit/(loss)	6	10,070	(2,127,798)
Other operating income		9,105	-
Finance income		4	250
Finance costs	7	(102,361)	(102,221)
Loss before taxation		(83,182)	(2,229,769)
Tax expense	8	3,968	-
Loss for the year		(79,214)	(2,229,769)
Total comprehensive income for the year attributable to shareholders		(79,214)	(2,229,769)

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above financial year.

The above results were derived from continuing operations.

GREENSAND HOLDINGS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021****COMPANY REGISTRATION NUMBER: 10508302**

	Notes	£	2021 £	£	2020 £
ASSETS					
Non-current assets					
Investment property	9		1,870,900		1,860,100
Current assets					
Inventories	10		10,879,800		10,168,000
Trade and other receivables	11		95,668		3,833
Cash and cash equivalents	12		40,813		113,228
TOTAL ASSETS			<u>12,887,181</u>		<u>12,145,161</u>
LIABILITIES					
Current liabilities					
Trade and other payables	13	57,790		45,744	
Current tax liabilities	13		-		3,960
		57,790		49,704	
Non-current liabilities					
Borrowings	14		<u>15,022,528</u>		<u>14,209,380</u>
TOTAL LIABILITIES			15,080,318		14,259,084
SHAREHOLDERS' EQUITY					
Share capital	16		100		100
Revaluation reserve	17		(428,915)		(439,715)
Retained earnings	17		(1,764,322)		(1,674,308)
TOTAL EQUITY AND LIABILITIES			<u>12,887,181</u>		<u>12,145,161</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board and authorised for issue on September 2022 and signed on behalf of the board by

D Beck
Director

GREENSAND HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Equity attributable to equity holders of the company			
	Issued share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2021	100	(439,715)	(1,674,308)	(2,113,923)
Loss for the year	-	-	(79,214)	(79,214)
Transfer to revaluation reserve	-	10,800	(10,800)	-
Total comprehensive income for the year	-	10,800	(90,014)	(79,214)
At 31 December 2021	100	(428,915)	(1,764,322)	(2,193,137)

	Equity attributable to equity holders of the company			
	Issued share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2020	100	82,185	33,561	115,846
Loss for the year	-	-	(2,229,769)	(2,229,769)
Transfer to revaluation reserve	-	(521,900)	521,900	-
Total comprehensive income for the year	-	(521,900)	(1,707,869)	(2,229,769)
At 31 December 2020	100	(439,715)	(1,674,308)	(2,113,923)

GREENSAND HOLDINGS LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the year	(79,214)	(2,229,769)
Adjustments to cash flows from non-cash items:		
Finance income	(4)	(250)
Finance costs	102,361	102,221
Revaluation	(10,800)	521,900
Corporation tax	(3,968)	-
Operating cash flows before movements in working capital	8,375	(1,605,898)
Working capital adjustments:		
(Increase)/decrease in inventories	(711,800)	908,938
Increase/(decrease) in payables	12,046	(27,823)
(Increase)/decrease in receivables	(91,835)	53,285
	(791,589)	934,400
Cash used in operations	(783,214)	(671,498)
Income tax received	8	-
Net cash used in operating activities	(783,206)	(671,498)
Investing activities		
Interest received	4	250
Net cash generated by investing activities	4	250
Financing activities		
Loan from shareholder	813,148	815,374
Interest paid	(102,361)	(153,541)
Net cash generated by financing activities	710,787	661,833
Net decrease in cash and cash equivalents	(72,415)	(9,415)
Cash and cash equivalents at beginning of year	113,228	122,643
Cash and cash equivalents at end of year	40,813	113,228

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 General information

Greensand Holdings Limited is a private company limited by share capital and incorporated in the United Kingdom under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the Directors' Report.

The address of its registered office and principal place of business is:

Town Hall
Castlefield Road
Reigate
Surrey
RH2 0SH

2 Adoption of new and revised standards

During the financial year, there were no new IFRSs or IFRIC interpretations that were effective for the first time that would be expected to have a material impact on the company.

The following pronouncements have been adopted in the year and either had no impact on the financial statements or resulted in changes to presentation and disclosure only:

- Extension to the COVID-19 Rent Related Concessions (Amendments to IFRS 16)
- References to the Conceptual Framework (Various Standards)
- Interest rate benchmark reform phase 2 (IFRS9, IAS39, IFRS7); effective 1 January 2021

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the company, which have not been applied in these financial statements, were in issue but not yet effective:

- References to the Conceptual Framework (Amendments to IFRS 3); effective 1 January 2022
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37); effective 1 January 2022
- Annual improvements to the IFRS 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16); effective 1 January 2022
- Property, Plant and Equipment (Amendments to IAS16); effective 1 January 2022
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); effective 1 January 2023
- IFRS 17 Insurance contracts; effective 1 January 2023
- IAS 8 Accounting policies, changes in accounting estimates and errors; effective 1 January 2023
- IAS 12 Income taxes; effective 1 January 2023

The directors anticipate that the adoption of these standards and interpretations in future years will have no material impact on the financial statements of the company.

3 Significant accounting policies

Statement of compliance and basis of accounting

The financial statements have been prepared in accordance with UK Adopted International Financial Reporting Standards (IFRS), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Significant accounting policies - continued

Basis of accounting

These financial statements have been prepared on the historical cost basis as modified by the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates and rounded to the nearest £.

The following principal accounting policies have been applied:

Presentation of financial statements in accordance with IAS 1

The financial statements are presented in accordance with IAS 1 Presentation of Financial Statements.

Revenue

Revenue is measured at the fair value of the consideration recoverable, net of VAT. The company's policy for the recognition of revenue from operating leases is described in the leasing policy below.

Leasing

The company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant leases.

Investment properties

Investment property, which is property held to earn rentals and/or capital appreciation, is initially recognised at cost, including associated transaction costs, and subsequently at fair value at the balance sheet date. The fair value is based on market values as determined by professionally qualified external valuers. Gains or losses arising from changes in the fair value of the investment property are included in profit or loss for the period in which they arise. The acquisition of investment properties is recognised in the financial statements from the date of completion.

Inventories

Inventories comprise land and property held for development and resale, and are stated at the lower of cost and net realisable value. Cost includes all directly attributable expenditure necessary to bring the inventories to their existing condition and location. Costs are assigned by specific identification and include the cost of acquisition, subsequent development costs and borrowing costs during development. Net realisable value is determined by the directors.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period comprise cash at bank and in hand.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Significant accounting policies - continued

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the periods of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they relate to a qualifying asset in which case they are capitalised and included as part of the cost of the qualifying asset at the year end.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's corporation tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that such taxable profits will be available, against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Accounting for financial assets and liabilities

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, credit risk and liquidity risk. The directors consider that the company does not have material exposures in any of these areas and consequently does not use derivative financial instruments to manage these exposures.

The company's financial assets consist of trade and other receivables, and are summarised in note 4. Trade and other receivables are financial assets with fixed or determinable payments, none of which are quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest rate method, less provision for impairment.

Receivables are considered for impairment on a case-by-case basis when they are past due at the balance sheet date or when objective evidence is received that a specific counterparty will default.

The company's financial liabilities include borrowings, trade and other payables which are measured at amortised cost using the effective interest rate method. A summary of the company's financial liabilities is given in note 4.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Significant accounting policies - continued

Going concern

At the balance sheet date, the company has net liabilities of £2,193,137 and owes £15,048,118 to its shareholder. The directors have obtained written confirmation that the shareholder will continue to support the company for a period of at least 12 months from the date of approval of the financial statements. The directors, therefore, consider it reasonable for the financial statements to be prepared on a going concern basis.

4 Financial risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of the marketplace and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the Board of Directors.

Market risk

The company is exposed to market risk, primarily related to interest rates and the market value of the investment property and the net realisable value of inventories.

Interest rate risk

The company monitors interest rate cash flow exposures on its long term borrowing. The company does not use derivative financial instruments to mitigate these risks.

Credit risk

The company's exposure to credit risk is limited to the carrying value of financial assets recognised at the balance sheet date, as summarised below:

	2021	2020
	£	£
Classes of financial assets - carrying amounts		
Cash and cash equivalents	40,813	113,228
Trade and other receivables	95,668	3,833
	<u>136,481</u>	<u>117,061</u>

The maximum exposure to credit risk in relation to trade and other receivables is equivalent to the year end balance.

The company continuously monitors the creditworthiness of tenants and other counterparties. The company's policy is only to deal with creditworthy counterparties.

The directors consider that all the above financial assets are not impaired at the reporting date under review and are of good quality credit, based on all available financial information.

The company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics other than those debtors which are disclosed in note 11. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Financial risk management - continued

Liquidity risk

Liquidity needs are monitored carefully on a day-to-day basis. Longer term liquidity needs are assessed through monthly, quarterly, and annual cash flow forecasts.

As of 31 December 2021, the company's liabilities have maturities which are summarised below:

	Within 6 months	6 to 12 months	2 to 5 years	Later than 5 years
	£	£	£	£
Trade and other payables	50,844	-	-	-
Borrowings	-	-	-	15,022,528
	<u>50,844</u>	<u>-</u>	<u>-</u>	<u>15,022,528</u>

This compares to the maturity of the company's financial liabilities in the previous reporting period as follows:

	<i>Within 6 months</i>	<i>6 to 12 months</i>	<i>2 to 5 years</i>	<i>Later than 5 years</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade and other payables	<i>45,744</i>	-	-	-
Borrowings	-	-	-	<i>14,209,380</i>
	<u>45,744</u>	<u>-</u>	<u>-</u>	<u>14,209,380</u>

Capital management policies

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

Capital for the reporting period under review is summarised as follows:

	2021	2020
	£	£
Share capital	100	100
Revaluation reserve	(428,915)	(439,715)
Retained earnings	(1,764,322)	(1,674,308)
Borrowings	<u>15,022,528</u>	<u>14,209,380</u>
	<u>12,829,391</u>	<u>12,095,457</u>

The company has no covenant obligations with respect to capital ratios.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Critical accounting judgements

Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, the following judgements have had the most significant effect on the amounts recognised in the financial statements:

Investment properties

The company holds investment property with fair value of £1,870,900 at the year end (see note 9). In order to determine the fair value of investment property the company has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Recoverability of inventories

Inventories of £10,879,800 (note 10) are stated at the lower of cost and net realisable value after taking into account all available information at the reporting date. The intention is to hold the inventories for development and at the balance sheet date they are not forecast to be realised in the short to medium term. The development project is still in its early stages, and this increases the estimation uncertainty as the total forecast development costs and ultimate net realisable value are subject to a number of uncertain future events including, but not limited to, the receipt of planning permission, the total build cost and fluctuations in the property market. The directors have obtained an independent, professional valuation of the development land at the balance sheet date to assist them in determining its net realisable value. Based on the stage of completion of the development, the directors are of the opinion that the current net realisable value of inventories is unlikely to be materially different from the independent valuation. This has resulted in an impairment of inventories of £101,348 being recognised in the Statement of Comprehensive Income during the year. The commercial viability of the development is kept under regular review by the directors to ensure that, so far as reasonably possible, inventories continue to be stated at the lower of cost and net realisable value.

6 Operating profit/(loss)

	2021	2020
	£	£
This is stated after charging:		
Auditor's remuneration - audit work	4,000	4,500
Auditor's remuneration - other services	8,424	7,963
	<u>12,424</u>	<u>12,463</u>

7 Finance costs

	2021	2020
	£	£
Loan interest	<u>102,361</u>	<u>102,221</u>

In addition to loan interest included as a finance cost, during the year the company capitalised loan interest of £813,147 (2020: £815,375).

GREENSAND HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021****8 Taxation**

	2021	2020
	£	£
Analysis of tax charge/(credit) in year		
Total current tax (see below)	3,968	-
Deferred tax (see below)	-	-
	<u>3,968</u>	<u>-</u>

Factors affecting tax charge/(credit) for year

The charge/(credit) for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	2021	2020
	£	£
Loss before tax on continuing operations	<u>(83,182)</u>	<u>(2,229,769)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(15,805)	(423,656)
Effects of:		
Fair value movement not taxable	(2,052)	99,161
Over provision in prior year	3,968	-
Deferred tax asset movement not recognised	17,857	324,495
Total current tax (see above)	<u>3,968</u>	-
Total deferred tax (see above)	-	-
Total tax charge/(credit) for the year	<u>3,968</u>	<u>-</u>

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Investment property

	Freehold property £
Fair value	
At 1 January 2021	1,860,100
Revaluation	10,800
At 31 December 2021	1,870,900
Fair value	
At 31 December 2021	1,870,900
At 31 December 2020	1,860,100

Investment property with a fair value of £1,870,900 was held as security against borrowings.

The company's investment property is classed as level 2, as defined by IFRS 13 Fair Value Measurement, in the fair value hierarchy as at 31 December 2021. Level 2 inputs are observable and comprise an assessment of current market conditions, recent sales prices and other relevant information for similar assets in the locality.

The fair value of the company's investment property as at 31 December 2021 was determined by an independent external valuer at that date. The valuations are in accordance with the Royal Institution of Chartered Surveyors ("RICS") valuation - Professional Standards ("The Red Book"). Fair values of investment properties are calculated using an income approach and the main assumptions supporting the valuation are in respect of rents due, extant leases and yields.

The valuation of the investment properties was undertaken by Wilks Head & Eve LLP.

The property income earned by the company from its investment property, which is leased to tenants under non-cancellable operating leases, amounted to £172,358 for the year.

The historical cost of the investment property is £2,299,815.

10 Inventories

	2021 £	2020 £
Inventories	10,879,800	10,168,000

The cost of inventories recognised as an expense in the year amounted to £101,348 (2020: £1,726,892). This includes an amount of £101,348 (2020: £1,726,892) resulting from impairment of inventories.

11 Trade and other receivables

	2021 £	2020 £
Trade receivables	1,000	1,158
Prepayments and accrued income	64,668	1,277
Other receivables	30,000	1,398
	95,668	3,833

All amounts are due within one year. The carrying value of receivables is considered a reasonable approximation of fair value.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>40,813</u>	<u>113,228</u>

13 Current liabilities

	2021 £	2020 £
Trade payables	19,435	7,136
Other payables	95	-
Accruals and deferred income	<u>31,314</u>	<u>38,608</u>
Trade and other payables	50,844	45,744
Other taxes and social security costs	6,946	-
Corporation tax payable	-	<u>3,960</u>
	<u>57,790</u>	<u>49,704</u>

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note. The company's exposure to market and liquidity risks, including maturity analysis relating to trade and other payables, is disclosed in the financial risk management note.

14 Non-current liabilities

	2021 £	2020 £
Borrowings	<u>15,022,528</u>	<u>14,209,380</u>

15 Borrowings

	2021 £	2020 £
Secured borrowings		
Loans and accrued interest due to shareholder	<u>15,022,528</u>	<u>14,209,380</u>
Amount due for settlement within 12 months	<u>-</u>	<u>-</u>
Amount due for settlement after 12 months	<u>15,022,528</u>	<u>14,209,380</u>

The loans from Reigate and Banstead Borough Council are denominated in sterling. The first loan carries an interest rate equivalent to the rate charged by the Public Works Loan Board plus 2% with the final repayment due on 19 February 2032. The second loan carried an interest rate of 7.4% with the final repayment due on 25 October 2034. The loans and accrued interest are secured on the freehold investment property and inventories.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Share capital

	2021 Number	2021 £	2020 Number	2020 £
Allotted and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17 Reserves

Revaluation reserve

Represents accumulated unrealised revaluation gains/(losses) of the investment property to its fair value.

Retained earnings

Represents accumulated realised profits less accumulated realised losses.

18 Operating lease arrangements

Property rental income earned during the year was £172,358 (2020: £177,833). The lessees do not have an option to purchase the property at the expiry of the lease period.

At the balance sheet date the company had contracted with tenants for the following total future minimum lease receipts:

	2021 £	2020 £
Within one year	176,790	176,790
One to two years	176,790	176,790
Two to three years	110,057	176,790
Three to four years	76,690	110,057
Four to five years	25,563	76,690
In over five years	-	25,563
	<u>565,890</u>	<u>742,680</u>

19 Related party transactions

Reigate and Banstead Borough Council ("RBBC") (Shareholder)

During the year RBBC continued to provide a loan to the company of £13,258,110 (2020: £13,258,110). Interest charged on the loans in the year amounted to £915,509 (2020: £917,596). At the year end £25,590 (2020: £25,590) of unpaid interest is included in accruals and £1,764,417 (2020: £815,375) of unpaid interest has been added to the loan and included as part of the amount due to RBBC at the year end of £15,022,528 (2020: £14,209,380) (note 14). RBBC recharged its officer time spent dealing with company management and administration and this amounted to net fees of £27,600 (2020: £7,745). The balance outstanding at the year end is £nil (2020: £7,136).

W Pallett (Director)

During the year the company was charged £764 (2020: £657) for management services by Mr W Pallett.

D Beck (Director)

During the year the company was charged net fees of £1,320 (2020: £2,880) for management services by a company owned by D Beck. This balance was outstanding at the year end.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Financial instruments

Categories of financial instruments

The company held the following financial assets:

	2021 £	2020 £
Trade and other receivables	31,000	2,556
Cash and cash equivalents	<u>40,813</u>	<u>113,228</u>
	<u><u>71,813</u></u>	<u><u>115,784</u></u>

The company held the following financial liabilities:

	2021 £	2020 £
Trade and other payables	50,844	45,744
Borrowings	<u>15,022,528</u>	<u>14,209,380</u>
	<u><u>15,073,372</u></u>	<u><u>14,255,124</u></u>

21 Ultimate controlling party

The company is controlled by Reigate and Banstead Borough Council which owns 100% of the company's share capital.

22 Reconciliation of net cash flow to movement in net debt

	2021 £
Net debt as at 1 January 2021	14,209,380
Non cash movements: Accrued interest	813,148
Net debt as at 31 December 2021	<u><u>15,022,528</u></u>

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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
8 December 2022								
<i>David Brown, Finance Manager, Luke Harvey, Project & Performance Team Leader, Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance and Governance, Portfolio Holder for Corporate Policy and Resources	Head of Corporate Policy, Projects and Performance, Chief Finance Officer	Quarter 2 2022/23 performance report To receive an update on Q2 2022/23 performance	8 Dec 2022	15 Dec 2022		Open	
<i>Tom Borer, Policy Officer, Catherine Rose, Head of Corporate Policy</i>	Portfolio Holder for Investment and Companies	Head of Corporate Policy, Projects and Performance	Commercial Strategy: Progress Update To provide members with a progress update about work aligned with the Council's commercial strategy and objectives	8 Dec 2022	15 Dec 2022		Part exempt commercially sensitive information	
<i>Kirsty Jane Hill, Democratic Services Officer</i>	Portfolio Holder for Investment and Companies	Head of Legal and Governance	Companies Performance Update - Winter 2022	8 Dec 2022	26 Jan 2023		Part exempt Commer	

Agenda Item 10

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
			To receive an update on the Companies' Performance to Winter 2022.				cially sensitive information	
<i>Marie Crabtree, Democratic Services Officer</i>	Deputy Leader and Portfolio Holder for Finance and Governance	Chief Finance Officer	<p>Observations on Budget Proposals - Budget Scrutiny Panel Report</p> <p>Report from the Budget Scrutiny Panel - observations on the Budget Proposals (Service and Financial Planning 2023/24)</p>	8 Dec 2022			Open	
19 January 2023								
<i>Marie Crabtree, Democratic Services Officer</i>	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	<p>People Portfolio Holders Update</p> <p>Update from Executive Members of Housing & Support, Leisure & Culture, Community Partnerships</p>	19 Jan 2023			Open	
<i>Annette Wiles, Deputy Democratic Services Manager</i>	Leader of the Council	Strategic Head of Legal and Governance	<p>Calendar of Meetings 2023 - 2024</p> <p>To provide the calendar of meetings for the 2023 - 2024 municipal year for approval by Council.</p>	19 Jan 2023	26 Jan 2023	9 Feb 2023	Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
129 <i>Marie Crabtree, Democratic Services Officer</i>	Portfolio Holder for Neighbourhood Services	Head of Neighbourhood Operations	<p>Review the Work of the Green Spaces Team</p> <p>to review the work of the Green Spaces Team in regard to the Countryside spaces in the Borough, and delivery of the Green Spaces work programme. For clarity, this excludes the Council's parks, gardens and play areas, work on highways verges and grassed areas, the spaces managed by the Banstead Commons Conservators and matters to do with Planning (Core Strategy and Development Management Plan). The aim of the review is to see how improvements can be made to services.</p>	19 Jan 2023			Open	
23 February 2023								
<i>Marie Crabtree, Democratic Services Officer</i>	Portfolio Holder for Community Partnerships	Director of People, Head of Community Partnerships	<p>Annual Community Partnership Scrutiny</p> <p>Annual "crime and disorder" scrutiny - Community Partnership</p>	23 Feb 2023			Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
16 March 2023								
<i>David Brown, Finance Manager, Luke Harvey, Project & Performance Team Leader, Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance and Governance, Portfolio Holder for Corporate Policy and Resources	Head of Corporate Policy, Projects and Performance, Chief Finance Officer	Quarter 3 2022/23 performance report To receive an update on Q3 2022/23 performance	16 Mar 2023	23 Mar 2023		Open	
<i>Marie Crabtree, Democratic Services Officer</i>	Leader of the Council	Chief Executive	Leader's Update (March 2023) Six-monthly update from the Leader to Overview and Scrutiny Committee	16 Mar 2023			Open	
<i>Marie Crabtree, Democratic Services Officer</i>	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 Executive Members of Planning, Policy & Place Delivery, Neighbourhood Services, Economic Prosperity	16 Mar 2023			Open	

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Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Marie Crabtree, Democratic Services Officer</i>	Councillor Nick Harrison	Strategic Head of Legal and Governance	Overview and Scrutiny Annual Report 2022/23 Annual report from the Overview and Scrutiny Committee 2022/23	16 Mar 2023			Open	
<i>Marie Crabtree, Democratic Services Officer</i>	Councillor Nick Harrison	Strategic Head of Legal and Governance	Overview and Scrutiny Annual Work Programme 2023/24 Overview and Scrutiny's Forward Work Programme for the year ahead 2023/24	16 Mar 2023			Open	
Ending								
<i>Duane Kirkland, Head of Wellbeing and Intervention</i>	Portfolio Holder for Leisure and Culture	Head of Legal and Governance, Head of Paid Service, Chief Finance Officer	Leisure and Culture Strategy To receive and consider the Council's first Leisure and Culture Strategy	8 Dec 2022	Not before 26th Jan 2023		Open	KEY
<i>Daniel Jones, Property Services Manager</i>	Portfolio Holder for Investment and Companies	Chief Finance Officer	Asset Management Plan 2023-2028 To approve the Council's Asset Management Plan 2023 -2028.				Open	KEY

Contact: Democratic Services **Email:** democratic@reigate-banstead.gov.uk **Telephone:** 01737 276812
Address: Town Hall, Castlefield Road, Reigate, Surrey RH2 0SH

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Action tracker - Overview and Scrutiny Committee 2022/23

Meeting 2021/22	Subject and request	Action	Who	Status	Completed
13 October 2022	Item 4 Quarter 1 2022/23 Performance Report	Homelessness – Members requested reporting on the cost of living issues, the Executive Member for Corporate Policy and Resources and Managing Director would consider this following the meeting.	Request to officers	In progress	<i>Work is underway to collate a suite of cost of living data, which will be shared with Members in due course.</i>
13 October 2022	Item 4 Quarter 1 2022/23 Performance Report	Service budgets - Members commented on the forecast shortfall of approximately £0.620 million in rental income and asked for a breakdown of the properties this relates to.	Request to officers	Complete	<i>Response emailed to Members on 1 November 2022. Copy of response in Mod.Gov Library, link provided below.</i>
13 October 2022	Item 4 Quarter 1 2022/23 Performance Report	Government Funding Distribution - Members asked for an update on the approximate £1million energy rebates still to be paid to residents at the end of the quarter.	Request to officers	Complete	<i>Response emailed to Members on 1 November 2022. Copy of response in Mod.Gov Library, link provided below.</i>
13 October 2022	Item 4 Quarter 1 2022/23 Performance Report	Government Funding Distribution - Members asked whether the approximate £1million energy rebates still to be paid to residents at the end of the quarter included discretionary payments.	Request to officers	Complete	<i>Response emailed to Members on 1 November 2022. Copy of response in Mod.Gov Library, link provided below.</i>

13 October	Item 5 Annual Environmental Sustainability Progress Report	Members asked for the full fleet review report.	Request to officers	Complete	<i>The report was circulated to Members on 3 November 2022.</i>
9 November	Item 5 Organisation Portfolio Holders Update	Procurement - Members asked how much of current procurement is carried out via the Surrey County Council portal.	Request to officers	In progress	<i>Awaiting a response from officers.</i>
9 November	Item 5 Organisation Portfolio Holders Update	Revenues, Benefit & Fraud - Members asked for details of the external agreements with other local authorities which had brought £570k of income.	Request to officers	In progress	<i>Response emailed to Members on 30 November 2022. Copy of response in Mod.Gov Library, link provided below.</i>
9 November	Item 5 Organisation Portfolio Holders Update	Land Charges – Members asked how the land charges function would impact income generation.	Request to officers	In progress	<i>Officers to provide a written response once more information has been received from HM Land Registry</i>
9 November	Item 5 Organisation Portfolio Holders Update	Rented Properties - Members asked the level of business rates the Council is saving due to Stripey Stork occupying Beech House.	Request to officers	In progress	<i>Response emailed to Members on 30 November 2022. Copy of response in Mod.Gov Library, link provided below.</i>

9 November	Item 5 Organisation Portfolio Holders Update	Rented Properties - Members asked for details of the length of time vacant properties had been vacant.	Request to officers	In progress	<i>The written response to this question is deemed to be exempt. The response was emailed to Members of the Overview & Scrutiny Committee on 30 November 2022.</i>
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Written answers from 13 October can be found here - [Document Written Answers from OSC 13 October 2022 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Written answers from 9 November can be found here - [Document Written Answers from OSC 9 November 2022 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

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