

Agenda

Overview and Scrutiny Committee

Thursday, 7 September 2023 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)

J. Baker

M. S. Blacker

J. Booton

G. Buttironi

J. Dwight

M. Elbourne

K. Fairhurst

B. Green

G. Hinton

S. Khan

S. Parnall

A. Proudfoot

R. Ritter

K. Sachdeva

Substitutes:

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



Conservatives:	Z. Cooper, J. Hudson and M. Tary
Residents Group:	G. Adamson, J. S. Bray and P. Harp
Green Party:	P. Chandler, V. Chester, J. C. S. Essex, S. McKenna, S. Sinden, J. Thorne and D. Torra
Liberal Democrats	S. A. Kulka

Mari Roberts-Wood
Managing Director

1. Minutes (Pages 6 - 18)

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. Leader's Update

To receive an update from the Leader of the Council, Councillor Richard Biggs.

5. Quarter 1 2023/24 performance report (Pages 19 - 74)

To consider the Council's performance in Quarter 1 2023/24 including Key Performance Indicators for Q1 2023/24, Revenue Budget and Capital Programme forecasts for Q1 2023/24, the Prudential and Treasury Management Indicators and Treasury Management Outturn Report for 2022/23 and the Treasury Management Performance Update for Q1 2023/24.

RECOMMENDED that Overview and Scrutiny Committee:

- i) Notes the Key Performance Indicator Performance for Q1 2023/24 as detailed in the report and Annex 1 and makes any observations to the Executive;
- ii) Notes the Revenue Budget and Capital Programme forecasts for Q1 2023/24 as detailed in the report and at Annexes 2 and 3 and makes any observations to the Executive;
- iii) Notes the Prudential and Treasury Management Indicators and Treasury Management Outturn Report for 2022/23 at Annex 4 and the Quarter 1 Treasury Management Performance Update for 2023/24 at Annex 5 and makes any observations to the Executive;

6. Environmental Sustainability Strategy: Annual Report (Pages 75 - 120)

To receive the report on 2022/23 progress on the Environmental Sustainability Strategy and make any observations to Executive.

RECOMMENDED that Overview and Scrutiny Committee:

- i) Notes the Environmental Sustainability Strategy progress report (Annex 1) and makes any observations to the Executive.
- ii) Agrees to request Democratic Services (in consultation with the O&S Chair and relevant Head of Service) to prepare a scoping report looking at establishing a time limited Scrutiny Panel for the forthcoming Environmental Sustainability Strategy Review, to be considered at a future Committee meeting.

7. Overview and Scrutiny Committee Forward Work Programme (Pages 121 - 136)

To consider and agree any changes to the schedule for Overview and Scrutiny Committee's Forward Work Programme 2023/24 and to consider the Action Tracker from the previous meeting.

8. 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.

9. Any other urgent business

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

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



Our meetings

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



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

Minutes of a meeting of the **Overview and Scrutiny Committee** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 6 July 2023 at 7.30 pm.**

Present: Councillors N. D. Harrison (Chair); J. Baker, G. Buttironi (Vice-Chair), J. Dwight, M. Elbourne, K. Fairhurst, B. Green, G. Hinton, S. Khan, S. Parnall, A. Proudfoot, R. Ritter and J. Hudson (Substitute)

Attended remotely: Councillor J. Booton

Visiting Members present: J. C. S. Essex, A. King, J. P. King and S. T. Walsh

Visiting Members attending remotely: Councillor C. M. Neame

13 Minutes

RESOLVED that the minutes of the previous meeting held on 15 June 2023 be approved and signed.

As an additional item, the Committee discussed the budget outturn forecasts from the three commercial projects at Camelia Close, Cromwell Road and Lee Street which had been circulated ahead of the meeting, responding to questions raised at the O&S Committee meetings on 8 December 2022 and 15 June 2023.

The budget outturn forecasts for Cromwell Road and Lee Street were discussed under part 2 due to the confidential nature of the discussion held.

Camelia Close

It was confirmed that this project had been successful, resulting in a £600k underspend on the budget and additionally a variance of over £900k on the budgeted capital receipt. The project had exceeded the business case. Members requested that details of the timescale between project completion and sale be included in the lessons learnt report to be presented to O&S Committee at the October meeting.

14 Apologies for absence and substitutions

Apologies were received from Councillor Sachdeva. Councillor Hudson was substitute.

Apologies were received from Councillor Blacker.

Councillor Booton would be joining the meeting virtually.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

15 Declarations of interest

There were no declarations of interest.

16 Medium Term Financial Plan 2024/25 to 2028/29

Councillor James King, Executive Member for Corporate Policy and Resources, introduced the Medium Term Financial Plan 2024/25 to 2028/29 on behalf of Councillor Victor Lewanski, Executive Member for Finance, Governance & Organisation.

This latest Medium Term Financial Plan confirms that local government continues to face a challenging financial situation with continued uncertainty about the local government funding regime.

The one resource that the Council has available is time - if it is used productively. Once again, an early start has been made with the budget preparations for next year and work has continued on the Financial Sustainability Programme to deliver cost reduction and income generation initiatives over coming years.

The MTFP report sets out a detailed initial assessment of the key information that will be used for budget setting in 2024/25 onwards.

It includes a five year forecast for the budget gap that the Council will face, if action is not taken to reduce costs or increase income.

Work is now underway with officers to develop the detailed budget proposals for consideration by Executive in November and review by the O&S Scrutiny Panel.

An all-Member briefing has been arranged for 27 July to help explain the basis for the MTFP assumptions and forecasts. The Executive Member encouraged all Members to attend.

The Executive Member for Corporate Policy and Resources invited Members of Overview & Scrutiny Committee to provide feedback on the Medium Term Financial Plan and the options for addressing the forecast revenue budget challenges in 2024/25 onwards. The comments will be taken into account as work with officers continues on the budget proposals.

An advance question on this item had been submitted prior to the meeting. The advance question and its response can be viewed here:

[Document Advance Questions and Answers OS 6 July 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The following clarifications were provided:

Service running costs

The Council's net budget had increased considerably in the last eight years due to several factors including an increase in staff headcount, pay cost inflation, breadth of services offered, increased responsibilities placed on local government, decreases in funding from Central Government, general expansion of Council service activity and the associated costs.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

Members requested a summary of these changes to aid understanding of increased costs to be included in the Budget Scrutiny Panel papers.

It was confirmed that Management Team awaydays and Executive awaydays were all held in the Town Hall and were an important forum for detailed budget planning and discussion of options.

Financial Sustainability Programme

It was confirmed that details of the 2023/24 budget savings arising from the Financial Sustainability Programme were included in the February 2023 budget report to Council.

Fees and Charges

A more transparent policy was now in place for setting fees and charges as part of the budget decision making process and was open to debate and decision by Members. It was confirmed that increases in the fees and charges for 2024/25 had not yet been included in the MTFP forecast.

It was also confirmed that general inflation is not included in the forecast. If services identified a particular budget under pressure, for example an increase in a contract price, a request for budget growth could be submitted.

Risks and vulnerability

Recruitment and retention was a risk that was being addressed through succession planning, developing staff and identifying opportunities to share resources with other authorities.

There were two main areas of vulnerability to Government funding cuts: deletion of specific grants that help fund service delivery and a potential reduction in the proportion of business rates that the Council retains when planned funding reforms are introduced. Officers were constantly exploring opportunities for grants and funding. It was confirmed that the level of reserves did not affect the authority's ability to apply for grants.

The Chair asked that future updates include financial values for the ranges of possible impacts for the identified risks set out in section 15 of the MTFP.

RESOLVED that Overview and Scrutiny Committee:

Noted the report and made comments for consideration by the Executive.

17 **Capital Investment Strategy**

The Executive Member for Corporate Policy and Resources introduced the Capital Investment Strategy, on behalf of Councillor Victor Lewanski, Executive Member for Finance, Governance & Organisation.

This report presents the latest version of the Council's Capital Investment Strategy which demonstrates how the Council plans to ensure that capital spending decisions take account of the authority's stewardship, value for money, prudence, sustainability, and affordability responsibilities.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

This is particularly important in the current financial climate, especially in light of those authorities that are now finding themselves in financial difficulties due in part to not having sufficient control over their capital spending and borrowing commitments.

The report also includes information about the significant Council-owned assets, how they are used and how they are performing. Also, information about planned capital assets investments and how they are being funded.

These activities are supported by the work of the Partner, Shareholder and Trustee Sub-Committee and officer boards.

The next step will be to continue the work that is now in progress to confirm future capital investment plans as part of the service & financial planning process.

The Executive Member for Corporate Policy and Resources invited any comments or questions from O&S members.

The following clarifications were provided:

Capital Assets

Members requested information on the net yield from the assets listed in table 3 of the report, together with the portfolio total gross and net yield. In addition, a reconciliation of the assets listed in tables 1 and 3. An explanation was also sought for why table 2 included entries for both the Tadworth Centre and the Banstead Sports Centre. These would be provided in a written answer following the meeting.

It was confirmed that the assets listed had been classified under the CIPFA Code of Practice for preparing the statement of accounts. A written response would be provided to explain the basis for the classifications.

Assets under Construction

It was confirmed that £73.614 million of assets under construction predominantly related to the Marketfield Way development.

Significant Assets

It was confirmed that some of the community assets had a low book value because they could not be sold, developed, or disposed of, but that they did still have "community value".

Property Assets

Members commented on the significant drop in the valuation of Beech House compared to its purchase price, noting that the Capital Programme included a significant capital spend. It was confirmed that officers were preparing options for the future use of Beech House and a report would be presented to Partner, Shareholder, and Trustee Executive Sub-Committee when the recommended plans were confirmed. Also, that the £3 million allocation in the Capital Programme estimate was based on the estimated cost of a previous scheme for a former tenant that was not progressed, and a more modest project was being considered.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

Asset Performance and Condition

It was confirmed that the approved Capital Programme does not currently include significant investment in electric vehicles. Options were currently being considered and a business case was expected to be brought to Executive later this year.

Members commented that although there were currently no capital allocations for investment in electric vehicles or for refurbishing buildings to improve energy efficiency in the Capital Programme, yet the intention to invest was stated in the Environmental Sustainability Strategy.

Strategic Direction

It was confirmed that the Treasury Management report presented to Overview & Scrutiny Committee in June 2023 set out the detail of current forecasts for borrowing requirement and assumption of costs. The Council did not currently have any loans and if the need to borrow arose, advice would be taken from the Council's treasury management advisers to obtain the best rates.

Investments for Service Purposes

It was explained that the Pension Fund deficit, valued at £1.89 million, resulted from the regular revaluation of this authority's share of the Surrey Pension Fund and related to historic contribution shortfalls. Overall, the Pension Fund remains solvent, as it is a "funded scheme", and that action is being taken to ensure that current and future contributions are sufficient to make good the deficit by the time that scheme members retired. The Council works closely with the Pension Fund to ensure that liabilities are under control and its operations are subject to regular actuarial reviews and audits.

RESOLVED that Overview and Scrutiny Committee:

Noted the report and made comments for consideration by Executive.

18 Reigate & Banstead 2025 Annual Report 2022/23

Councillor James King, the Executive Member for Corporate Policy & Resources introduced the Reigate & Banstead 2025 Annual Report 2022/23.

This report is the annual report on the Council's progress in delivering the Corporate Plan. It also includes an update on delivery of the Council's equality objectives. Both reports cover the year from April 2022 to March 2023.

Information is provided on the work undertaken by services across the Council and how it has contributed to delivery of the Corporate Plan priorities across the three corporate themes of People, Place and Organisation. This includes the delivery of new affordable homes and a range of support for vulnerable residents, including those facing cost of living issues; ongoing place delivery projects to deliver improvements in Redhill, Horley and Merstham; benefits secured via the Community Infrastructure Levy and continuing provision of very high quality neighbourhood services; positive outcomes from the first year of the Financial Sustainability Programme and progress in securing more income from fees and charges and the Council's commercial lettings.

The report also sets out some of the challenges faced over the past year; these have included the impact of the rising cost of living on residents and therefore Council

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

services, and a continuing need to do more with less, given the financial challenges facing the local government sector.

Updates are also included on the commitments set out in the Corporate Plan; these principles apply right across all the work that the Council carries out.

A range of contextual indicators are reported, which provide some background about the environment in which the Council operates and the situation within the borough.

Annex 2 reports on the Council's Equality Objectives; information is provided about the work that has been undertaken in 2022/23 to progress each of the objectives, ranging from the use of data through to supporting good community relations and making sure that the Council is a fair employer. The report also includes a look at how the Council will continue to progress towards these objectives in the future.

The Council's current Equality Objectives cover the period 2020 to 2024; the report recommends that the objectives be continued for one additional year so that they and the Corporate Plan can be reviewed on the same timing. This will allow future work on both to be fully aligned and coordinated.

The Executive Member for Corporate Policy and Resources invited any comments or questions from O&S members.

The following clarifications were provided:

Objectives – People - Housing

It was confirmed that residents in the Council's new affordable homes at Wheatley Court would be eligible to buy under the Right to Buy Scheme.

Residents' Survey

There was some discussion over the potential to carry out a borough wide residents' survey. It was confirmed that while a borough wide residents' survey had not been carried out, specific surveys had been undertaken and a range of data collated by the Data Insight Team was in use. There was a wealth of potentially new and different ways to collect information from residents. Officers assured Members that communication with residents took several forms, not just digital methods, to ensure inclusivity.

It was also confirmed that as part of the new Corporate Plan, which would commence in April 2025, KPIs and their success measures would be reviewed. Members of Overview & Scrutiny Committee felt that a borough wide residents' survey would be beneficial.

Objectives – People – Leisure and Wellbeing

It was confirmed that the Council knows that leisure services meet residents' needs through data collected from customers of the leisure centres and the Harlequin Theatre. It was confirmed that the Council held monthly meetings with GLL, the leisure centre provider.

It was confirmed that although the initial funding for the community development work in Preston had ceased, alternative funding had been secured. Funding for the East Surrey Youth Hub had also come to end, but this had continued to be funded by the

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

Council during the year. Projects were underway with health colleagues to provide further youth services. All-Member briefings would take place over the coming months on health, community partnerships, Raven Housing, and housing, homelessness, and refugee schemes.

Objectives – Place

Members commented that it would be good to monitor the vacancy rates in town centres and actions taken to combat the vacancies. It was confirmed that information would be provided by the Economic Prosperity Team after the meeting.

General Comments

Members commented that it would be good to add a section at the end of the Corporate Plan Annual Report outlining challenges and possible objectives for the future, similar to that in the Equalities Objectives Progress Report. It was noted that the future plans to deliver the Corporate Plan objectives are presented across a range of different reports that the Committee receives.

Members suggested that the report might also consider the contextual indicators, reviewing their implications in regard to the objectives of the Corporate Plan.

Equalities Objectives Progress Report

Members suggested that the Council could consider autism, dementia, and income inequality as areas of equality/inequality to investigate further.

RESOLVED that Overview and Scrutiny Committee:

- i. Noted the Reigate & Banstead 2025 Annual Report for 2022/23 and made observations for consideration by the Executive.
- ii. Noted the Equality Objectives Progress Report for 2022/23 and made observations for consideration by the Executive.

19 Companies Performance Update - Summer 2023 Part Exempt

Councillor Andrew King, the Executive Member for Commercial and Community Assets, introduced the Companies Performance Update Summer 2023 report.

This report is the Summer 2023 update on the performance of Council owned companies and provides an overview for those companies currently owned, or part-owned, by the Council.

The performance of the companies is overseen by the Partner, Shareholder and Trustee Executive Sub-Committee, who will also be considering this report at their meeting on 13 July.

As set out in the report, the Council currently has ownership of Greensand Holdings Limited and part ownership of Horley Business Park Development LLP and Pathway for Care Limited.

Of these, Horley Business Park Development LLP is expected to be dissolved in the near future, once the Settlement Agreement between members of the LLP has been

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

completed. It will then be possible to determine future plans for Greensand Holdings Limited.

Regarding Pathway for Care, the Council, as a minority shareholder, is continuing to seek critical business information from the company, including with regard to the redemption of the Council's preference shares, which the company has not yet honoured.

Some information regarding companies is provided in a confidential annex to the report; whilst the Council has attempted to be as open as possible with this information, some elements relate to ongoing financial and business affairs which are not appropriate to publish at this time.

The Executive Member for Commercial and Community Assets invited any comments or questions from Overview & Scrutiny Members.

The following clarifications were provided:

Horley Business Park LLP

It was clarified that the terms of the settlement agreement had been agreed, but that signature of the settlement deed was in the process of being finalised.

This item was discussed more fully during the exempt part of the meeting due to the confidential nature of the parts of the discussion held.

RESOLVED that the Committee:

Noted the Companies Performance Update - Summer 2023, as set out in the report to the Committee and made observations for the consideration by the Partner, Shareholder and Trustee Executive Sub-Committee.

20 Exempt Business

21 Exempt: Companies Performance Update - Summer 2023

This item was scrutinised more fully during the exempt part of the meeting due to the confidential nature of the parts of the discussion held.

RESOLVED that Overview and Scrutiny Committee:

Noted the Companies Performance Update – Summer 2023, as set out in the report, and made observations for consideration by the Partner, Shareholder and Trustee Executive Sub-Committee.

During this item, the time reached 10.30pm and the Committee agreed to continue the meeting to complete all the outstanding business.

22 Overview and Scrutiny Committee Forward Work Programme

The Committee received the updated Overview & Scrutiny Forward Work Programme.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 6th July, 2023

RESOLVED – the Committee agreed the Overview and Scrutiny Committee's Work Programme for 2023/24 and noted the updated action tracker.

23 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.

24 Any other urgent business

There were no items of urgent business.

The meeting finished at 10.11 pm

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Agenda Item 5



Signed off by	Head of Corporate Policy, Projects and Performance, Chief Finance Officer
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To	Overview and Scrutiny Committee Executive Committee
Date	Overview and Scrutiny Committee: Thursday, 7 September 2023 Executive: Thursday, 14 September 2023 Council: Thursday, 21 September 2023
Executive Member	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation Portfolio Holder for Corporate Policy and Resources

Key Decision Required	N
Wards Affected	(All Wards);

Agenda Item 5

Subject	Quarter 1 2023/24 performance report
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Recommendations
<p>That the Overview and Scrutiny Committee:</p> <ul style="list-style-type: none">(i) Notes the Key Performance Indicator performance for Q1 2023/24 as detailed in the report and Annex 1 and makes any observations to the Executive;(ii) Notes the Revenue Budget and Capital Programme forecasts for Q1 2023/24 as detailed in the report and Annexes 2 and 3 and makes any observations to the Executive;(iii) Notes the Prudential and Treasury Management Indicators and Treasury Management Outturn Report for 2022/23 at Annex 4 and the Quarter 1 Treasury Management Performance Update for 2023/24 at Annex 5 and makes any observations to the Executive; <p>That the Executive:</p> <ul style="list-style-type: none">(iv) Notes the Key Performance Indicator performance for Q1 2023/24 as detailed in the report and Annex 1;(v) Notes the Revenue Budget and Capital Programme forecasts for Q1 2023/24 as detailed in the report and Annexes 2 and 3;(vi) Notes the Prudential and Treasury Management Indicators and Treasury Management Outturn Report for 2022/23 at Annex 4 and the Quarter 1 Treasury Management Performance Update for 2023/24 at Annex 5;(vii) Recommends to Council to approve the Prudential and Treasury Management Indicators and the Annual Treasury Management Outturn Report for 2022/23 at Annex 4. <p>That Council:</p> <ul style="list-style-type: none">(viii) Approves the Prudential and Treasury Management Indicators and the Annual Treasury Management Outturn Report for 2022/23 at Annex 4.
Reasons for Recommendations
For the Council's performance to be reviewed and for appropriate KPI reporting and budget monitoring arrangements to be in place.
Executive Summary
This report provides an overview of the Council's performance for Q1 2023/24, including Key Performance Indicator (KPI) reporting, as well as revenue and capital budget monitoring and treasury management. It also includes a progress update on the Financial Sustainability Programme.
The Overview and Scrutiny Committee and Executive have the authority to approve the above recommendations.

Statutory Powers

Agenda Item 5

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.

Background

4. Each Quarter the Overview and Scrutiny Committee and Executive receive an update on the Council's performance. The report provides an overview of KPIs 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 and treasury management 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 – Q1 2023/24

8. Ten KPIs are reported on in Q1 of 2023/24, the full detail of which is provided in Annex 1.
9. Of the ten KPIs reported on, eight are on target or within agreed tolerances
10. KPI 7 – which reports on affordable housing completions within the borough – is off target and outside of its tolerance, resulting in it being red rated in Q1 reporting. While short of the quarterly target, RBBC has now delivered 1139 affordable units against the overall target of 1100 affordable units set out in the 15-year plan.
11. KPI 10 – which reports on the percentage of household waste recycled and composted within the borough – is also off target and outside of tolerance, resulting in it being red rated in Q1 reporting. This measure is reported 1 quarter in arrears with Q4 2022/23 reported in Q1 2023/24. Q4 saw a net decrease in collected recycling stream tonnages, and while below target, it remains in-line with Q4 performances seen in previous years. The annual recycling rate for 2022/23 is approximately 54.2% just below the 2021/22 figure of 55.6%. The 2022 drought reduced the amount of garden waste sent for recycling (around 1,500 tonnes) which contributed to the overall lower annual percentage.
12. KPI 8 – We have been unable to report on KPI 8 – Local Environmental Quality

Agenda Item 5

Surveys. Due to resourcing challenges in the cleansing team it was not possible to collect data for this indicator in Q1 reporting.

Revenue Budget Forecast

13. The 2023/24 Original Revenue Budget approved by Council in February 2023 was £23.195m.
14. At 30 June the forecast outturn for Services and Central Budgets is £22.525m against a management budget of £23.195m, resulting in an overall forecast net underspend of £0.670m (2.9%).

Table 1: REVENUE BUDGET MONITORING at 30 June 2023	Original Budget £m	In-Year Adjustments £m	Management Budget £m	Forecast Outturn £m	Forecast Year-end Variance £m
Service Budgets	19.437	0.006	19.443	19.422	(0.021)
Central Budgets	3.758	(0.006)	3.752	3.103	(0.649)
Revenue Budget Forecast at 30 June	23.195	0.00	23.195	22.525	(0.670)

Service Budgets

15. The 2023/24 Original Budget for Services approved by Council in February 2023 was £19.427m.
16. At 30 June the full year outturn is forecast to be £19.422m against a Management Budget of £19.443m resulting in an underspend of £0.021m (0.1%).
17. The key variances are:

Organisation:

- Organisational Development & Human Resources - £0.117m overspend driven by higher interim pay costs to support the 23/24 restructure.
- Property & Facilities - £0.103m overspend due to higher maintenance costs at The Harlequin and Clarendon Road Car Park
- ICT - £0.098m overspend due to higher consultancy costs and contract renewals.

Place

- Car Parking - £0.154m underspend driven by historic budget not yet adjusted following termination of SCC on-street parking contract.
- Street Cleansing - £0.099m underspend driven by lower pay costs due to vacancies.

People

- No significant variances at Q1.

Further detail is provided at Annex 2.

Central Budgets

18. The Original Budget for Central budgets approved by Council in February 2023 was £3.758m
19. At 30 June the forecast outturn is £3.103m against a Management Budget of £3.752m resulting in an underspend of £0.649m (17.3%).
20. This underspend is mainly a result of favourable interest rates, more funds on deposit and lower than budgeted borrowing. Further detail is provided at Annex 2.

Investment Income

21. Forecast income from property rents at Quarter 1 is £3.419m compared to the £4.218m that was received in 2022/23. This represents 21.3% of the net revenue budget for 2022/23.

Capital Programme Monitoring

22. At 30 June, the Capital Programme Budget was £28.61m, including £24.12m of approved carry-forward capital allocations from 2022/23 and a £0.15m addition approved by Full Council in March 2023.
23. The forecast outturn position is £20.47m which is £8.14m (2%) below the approved Programme for the year. The variance is driven by £8.14m of slippage.
24. The main reasons for the slippage at the end of Quarter 1 were:
 - Beech House (£3.00m slippage) with expenditure now expected in 2024/25, subject to business case approval.
 - Merstham Recreation Ground (£1.35m) slippage with main construction expenditure now expected in 2024/25.
 - Earlswood Depot (£0.76m) slippage with expenditure now expected in 2024/25.

Further detail is provided at Annex 3.

Financial Sustainability Programme (FSP) Update

25. A comprehensive update on the Financial Sustainability Programme was provided to the committee on in Q4 2022/23. There are no substantive changes to the information provided last quarter, however work on a range of projects and activities contributing to the Programme continues.
26. Work in Q1 has included starting to prepare for the draft budget for 2024/25, including looking at how current inflationary levels should be reflected in locally set fees and charges.

Agenda Item 5

27. The Financial Sustainability Programme was subject to internal audit in Summer 2023 and received substantial assurance.

Treasury Management

28. This report confirms compliance with the requirements of the regulatory framework for treasury management.
- Annex 4 sets out the Prudential and Treasury Management Indicators and the Treasury Management Outturn for 2022/23; and
 - Annex 5 sets out the Quarter 1 Treasury Management Performance Update for 2023/24.
29. The Council is required to receive and approve three treasury reports each year, plus quarterly performance updates:
- (i) **Annual Treasury Management Strategy, Investment Strategy and Capital Strategy (in combination referred to as ‘the Strategy’)** – sets the framework for treasury management activities in the following financial year.
 - (ii) **Mid-Year Treasury Management Report** – update on the current borrowing and investment position, with recommendations for amended prudential indicators and revised policies where necessary.
 - (iii) **Prudential and Treasury Management Indicators and Treasury Management Outturn Report** – a backward-looking review, focussing on the previous year’s performance.

Options

30. 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.
31. 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 Chief Finance Officer.
 - Option 2:** Note the report and make any observations/comments to the Head of Corporate Policy, Projects, and Business Assurance and/or Chief Finance Officer.
32. Council has two Options:
- Option 1:** Approve the recommendations of the Executive.
 - Option 2:** Reject the recommendations of the Executive

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.
Procurement/Contract Management and Subsidy Considerations
39. There are no additional risk management 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.
Background Powers
42. None

Annexes

Annex 1: Q1 2023/24 Key Performance Indicator Dashboard

Annex 2: Q1 2023/24 Revenue Budget Monitoring Report

Annex 3: Q1 2023/24 Capital Budget Monitoring Report

Annex 4: Prudential & Treasury Management Indicators and Treasury Management Outturn 2022/23

Annex 5: Q1 2023/24 Treasury Management Report

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Q1 2023/24 Key Performance Indicators

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

KPI 1 – The % of Council Tax collected

	TARGET	ACTUAL	STATUS
Q1	29%	29.34%	GREEN
Q2	57%		
Q3	85%		
Q4	98.80%		

Description

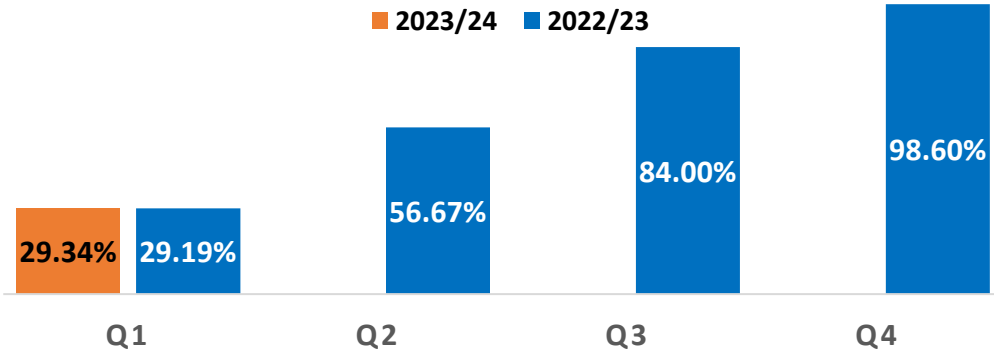
This indicator measures the percentage of Council Tax collected by the Council. The performance reported is cumulative for the year to date. A tolerance of 1% is applied each quarter.

Narrative

The Council has seen collection rates perform on target in Quarter 1 2023/24. Performance has remained consistent with those in Q1 from the previous year, sitting at the 29% target range.

Both Council tax and Business rate collection continue to be monitored closely, and additional action and/or resource applied when exceptions to either are encountered.

Council Tax Collection



**Please note that the Q1 figures are reported as of the end of the quarter. Minor variation may stem from outstanding values continuing into the new year*

KPI 2 – The % of Business Rates collected

	TARGET	ACTUAL	STATUS
Q1	31%	33.29%	GREEN
Q2	58%		
Q3	85%		
Q4	99.8%		

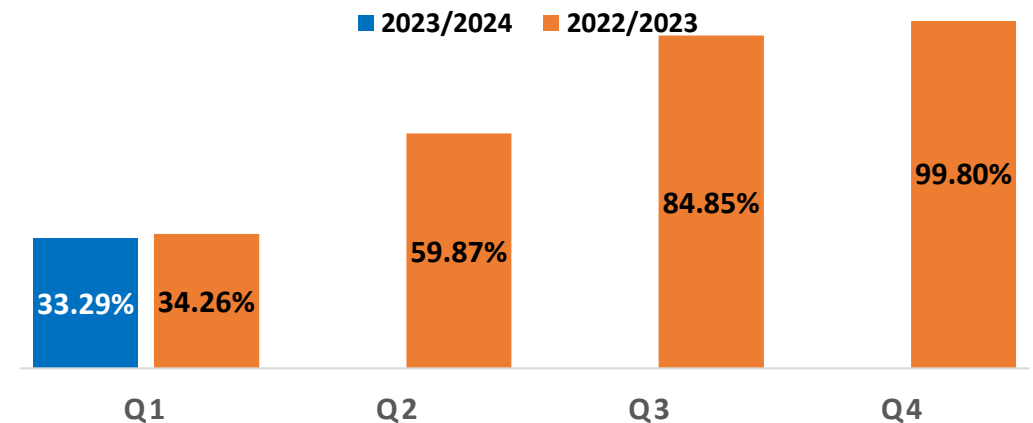
Description

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

Narrative

The Council's collection of Business Rates is within target of Q1 reporting. This continues to maintain the good levels of business rates collections seen in the 2022/23 year.

Business Rates Collection



KPI 3 – Staff turnover

	TARGET	ACTUAL	STATUS
Q1	12%	3.46%	GREEN
Q2	12%		
Q3	12%		
Q4	12%		

Description

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

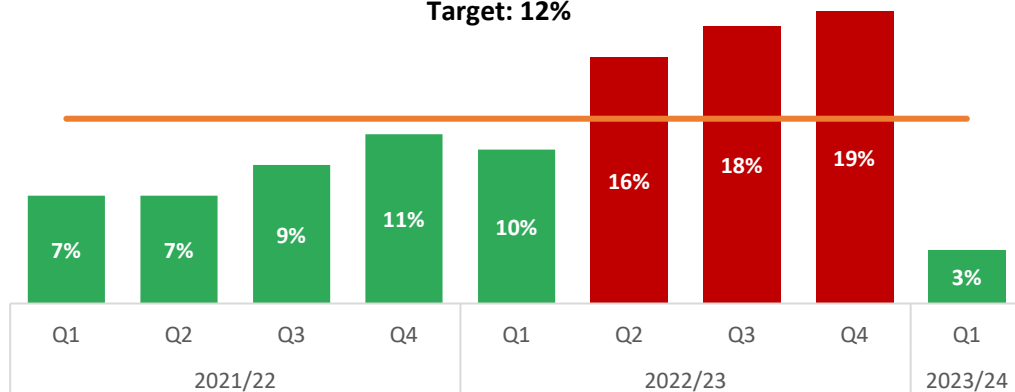
Narrative

Following the high levels seen in the latter-half of 2022/23, the first quarter of 2023/24 has seen staff turnover levels back in target.

In quarter turnover was 3.46%, a good result and below similar figures seen in previous the previous 2 years. As the underlying economic and labour market conditions remain complex, long term prediction for future performance is difficult.

Staff Turnover

Target: 12%



KPI 4 – Staff sickness absence

	TARGET	ACTUAL	STATUS
Q1	4	4.15	AMBER
Q2			
Q3			
Q4			

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 short term sickness absence including covid related sick leave.

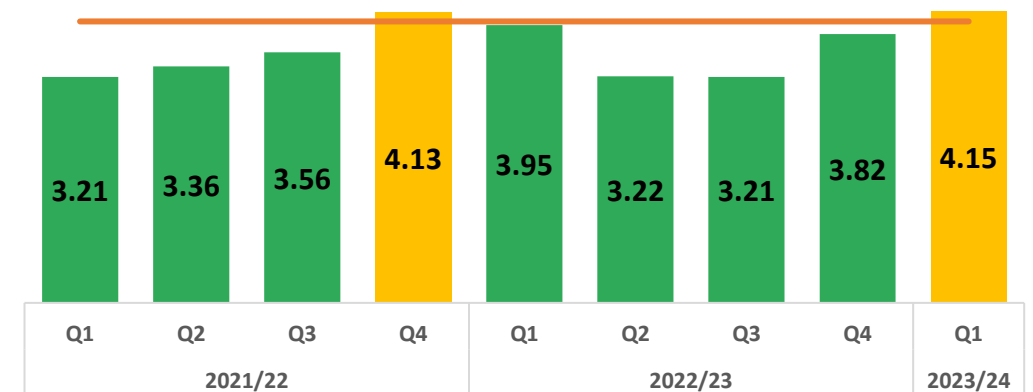
Narrative

Q1 has seen staff sickness levels move just outside of target to 4.15 on average, remaining within tolerances.

While outside of target, levels have remained largely consistent, and a similar pattern can be seen in the Q4-Q1 time period in the previous year.

Staff sickness absence (days)

Target: 4 days



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

	TARGET	ACTUAL	STATUS
Q1	55%	49%	AMBER
Q2			
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.

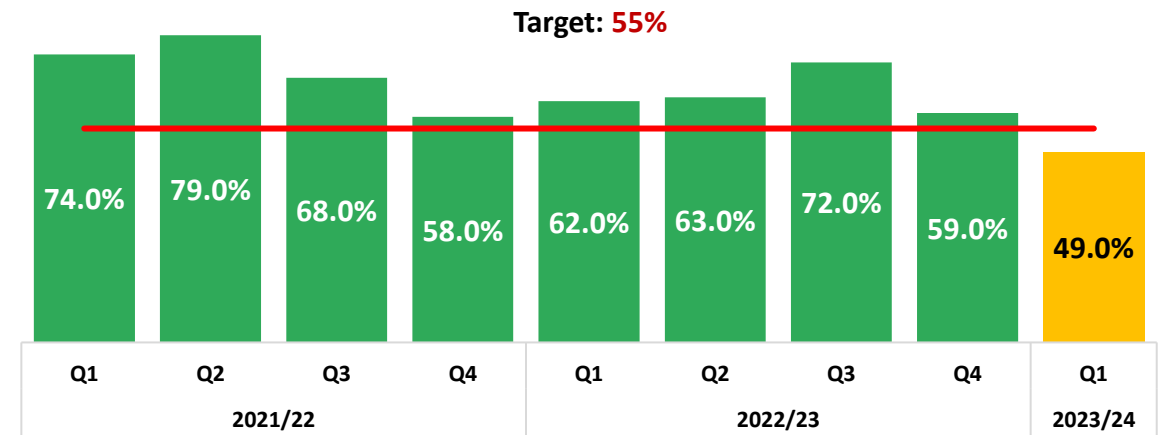
Narrative

In Q1 there were 411 homelessness approaches made to the Council. Of these approaches, 129 cases met the support threshold. Approach levels continue to remain high with levels seeing a notable increase going into the 2023/24 year. The team have seen resource limitations in the last quarter which has also seen a higher number of approaches.

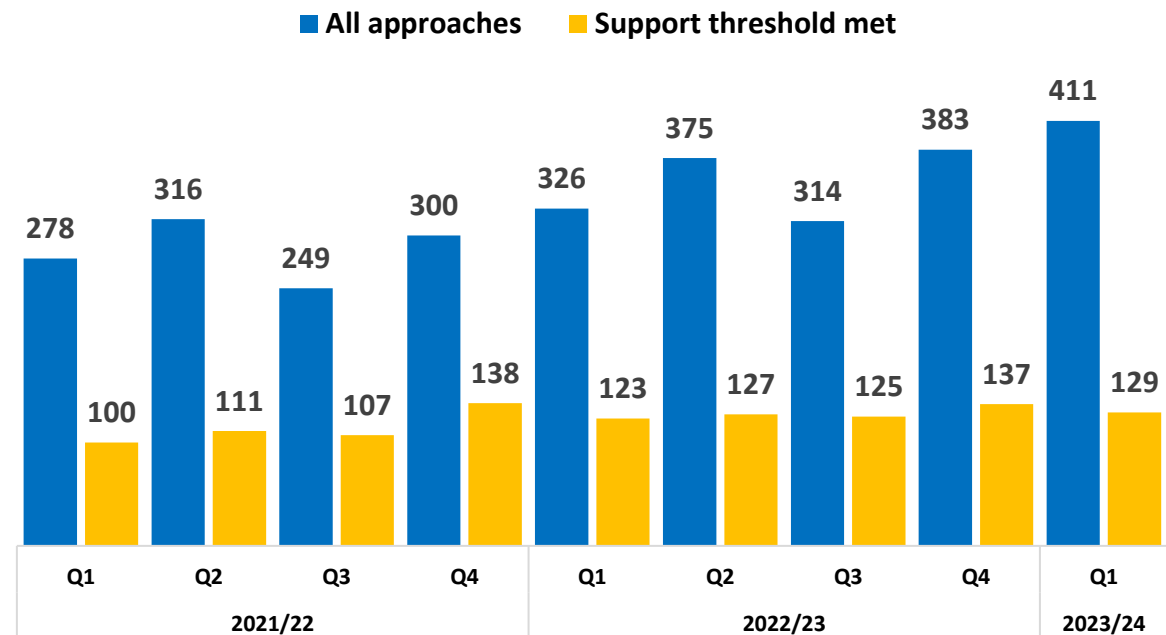
The homelessness support provided by the Council often straddles multiple quarters as the Housing service works with clients to prevent and relieve homelessness in accordance with the Homelessness Reduction Act. It often takes time for positive outcomes to come through the system and as such the reduction in positive outcomes does not necessarily mean a negative outcome has happened.

Given the present challenging economic conditions and uncertainty facing the UK economy, predicting approach levels is a difficult prospect due to inherent uncertainty. However, trends of both quantity and greater complexity are expected to continue into the foreseeable future. Additional detail – including that on main duty acceptances – is provided overleaf.

Positive homeless prevention relief and outcomes



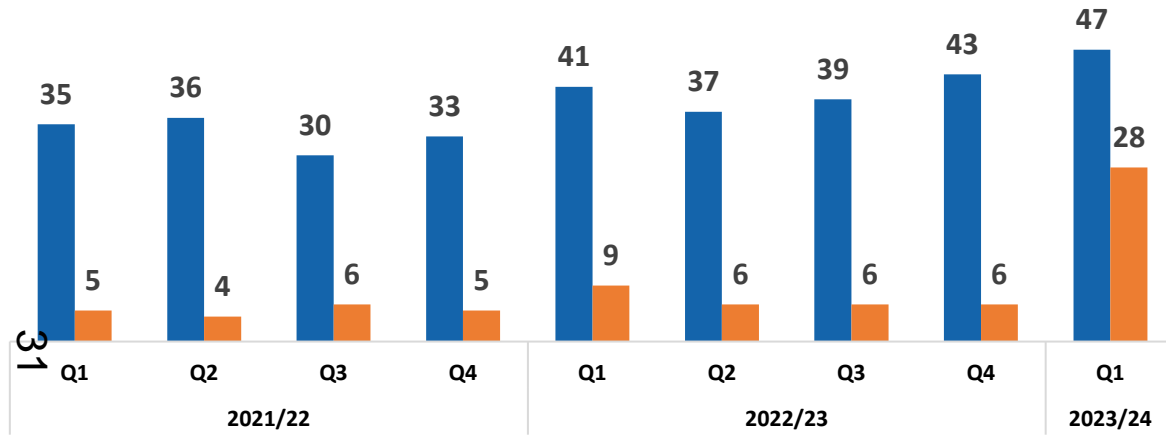
Homeless approaches (contextual)



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

Average number of households in temporary emergency accommodation

■ In borough ■ Out of borough



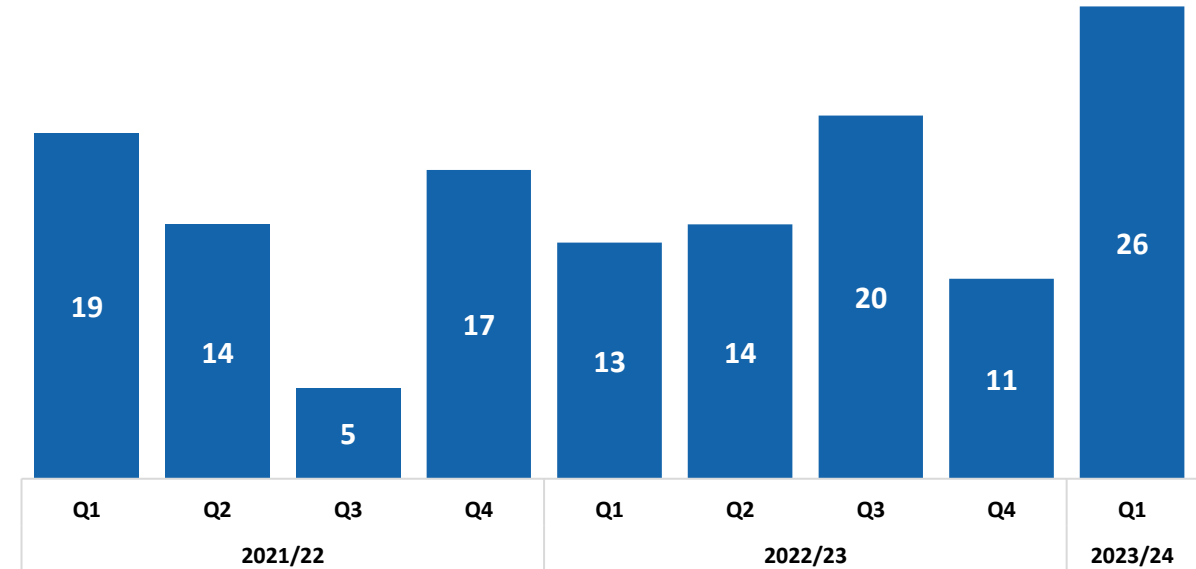
Temporary Emergency Accommodation

Levels for both in-borough and out-of-borough accommodation have both seen increase in Q1 reporting. Limited available social housing and affordable private rental options locally have been a driving factor behind this increase.

The Housing service is implementing a scheme for the purchase of additional Council owned and operated temporary emergency accommodation. Likewise a pilot scheme has been introduced for social tenants under-occupying their tenancy the opportunity to downsize, making larger social housing premises available for other, larger, households

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 Q1 there were 26 main duty homelessness acceptances, the highest level in the last 5 years of reporting. Many reasons account for this increase, chief amongst them being lack of local affordable tenancies, the Renters Reform Bill creating a glut of rental properties being put on sale, staffing issues, local affordability and increasingly complex case issues.

The borough is expected to see elevated levels of applications in the foreseeable future and options to prevent homelessness are becoming harder to secure.

KPI 6 – Net housing completions

	TARGET	ACTUAL	STATUS
Q1	115	72	AMBER
Q2	230		
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.

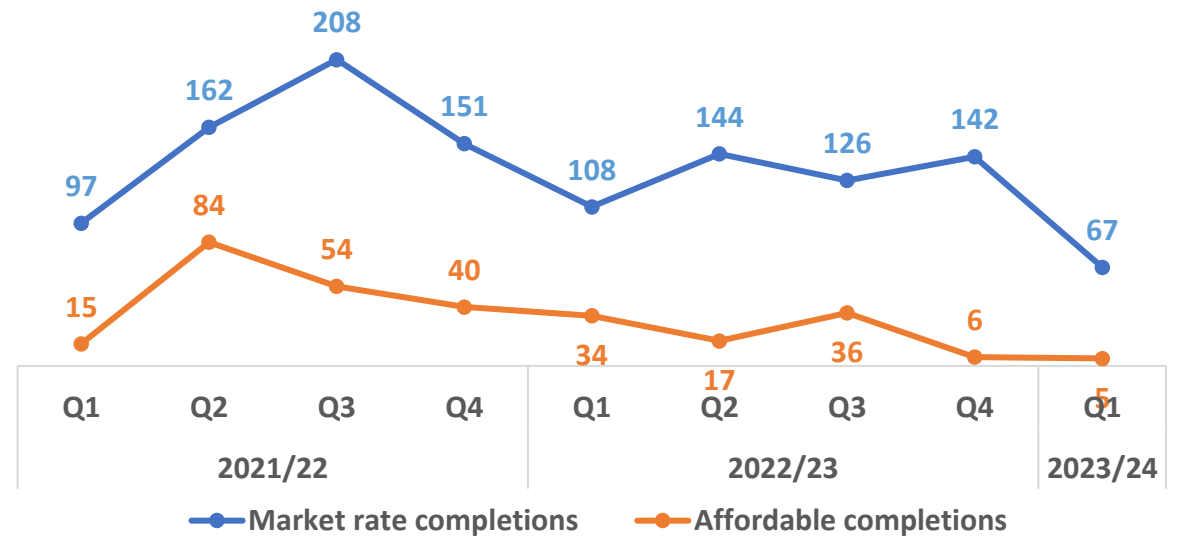
Narrative

Net housing completions in Quarter 1 are below target, but remain within tolerances. This quarter saw 72 completions against a target of 115. The lower number of completions likely stems from local major planning sites reaching completion, not being replaced by new planning allocations; with general lower developer confidence in the housing market stemming from market factors.

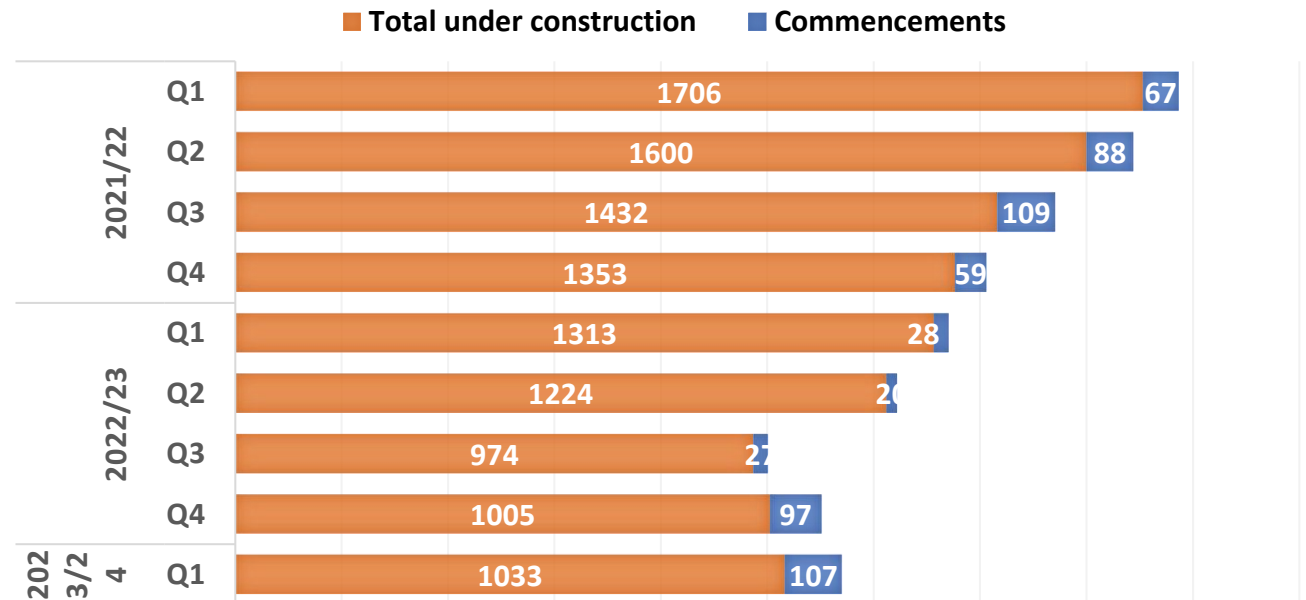
Over the course of Q1, 72 new dwellings saw completion, with 67 of these units at market rate and the remaining 5 being affordable units. The majority of completions have come from the developments at Victoria House; Consort Way, the land by Chequers Lane and Hurst Drive, Walton on the Hill, and Horley North West Sector.

At the close of Q1 there were 1033 dwellings under construction, with a further 107 commencing construction in quarter; both up from there respective positions last quarter, and the 2nd sustained quarter of increases.

Housing completions by quarter and type



Dwellings under construction and commencements



KPI 7 – Net affordable housing completions

	TARGET	ACTUAL	STATUS
Q1	25	5	RED
Q2	50		
Q3	75		
Q4	100		

Description

KPI 7 measures the number of net affordable housing completions in the borough. The targets mirror those set in the local plan. The target is derived from the Council’s local plan. The local plan does not set an annual target, but instead a total of 1,500 affordable units over the year period. The annual target is therefore set by dividing this total target by the plan period.

Performance reported is cumulative for the year. Given the fluctuations in housing completions, a tolerance of 10 applies each quarter.

Narrative

In Q1 RBBC has seen the delivery of 5 affordable completions against its target of 25 affordable, outside of target and of tolerances. All of these completions stem from the Horley NWS development site.

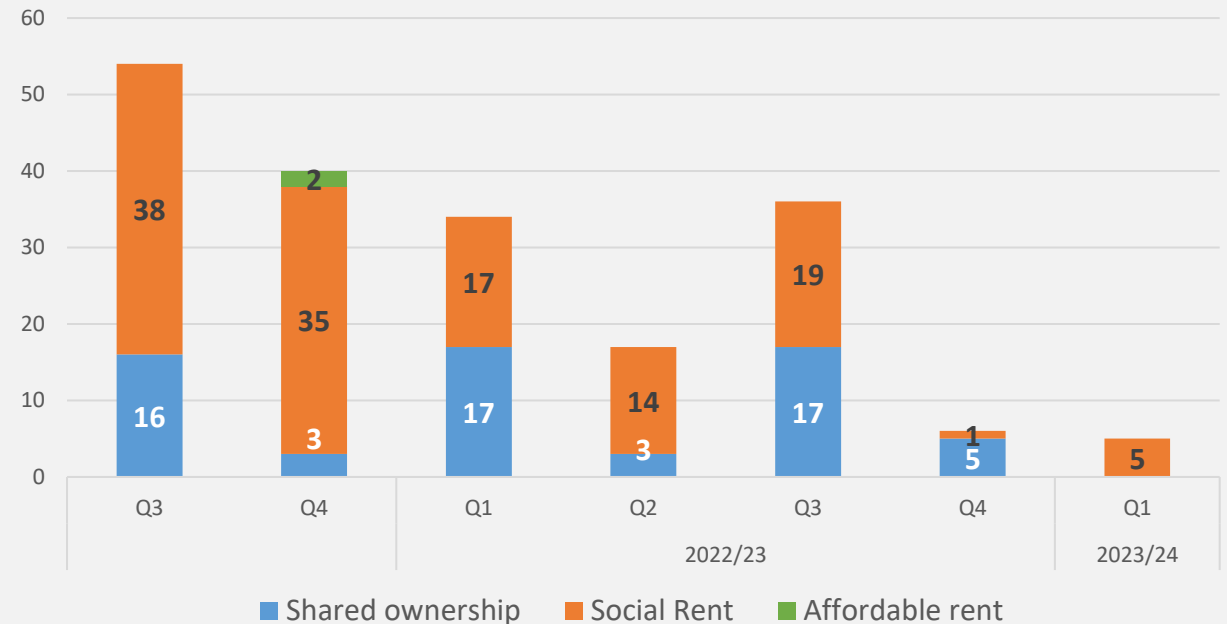
While short of target, it should be remembered that RBBC has now delivered 1139 affordable units against the target of 1100 affordable units set out in the 15 year plan.

Of the 1033 dwellings under construction at the end of Q1, 108 of these are affordable units.

Additionally a further 4 new affordable dwellings saw commencement in quarter.

Quarter	Shared Ownership	Social Rent	Affordable Rent
Q1	0	5	0
Q2			
Q3			
Q4			

Affordable Housing (Quarterly)



KPI 8 – Local Environmental Quality Surveys

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

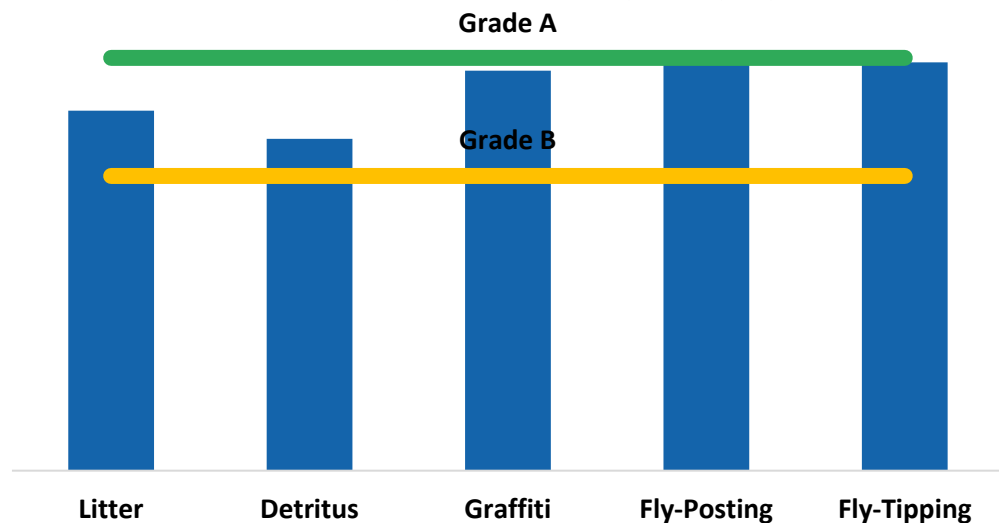
Description

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

Due to resourcing challenges in the cleansing team it was not possible to collect data for this indicator in Q1

LEQ average site scores by category



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

	TARGET	ACTUAL	STATUS
Q1	10	1.08	GREEN
Q2			
Q3			
Q4			

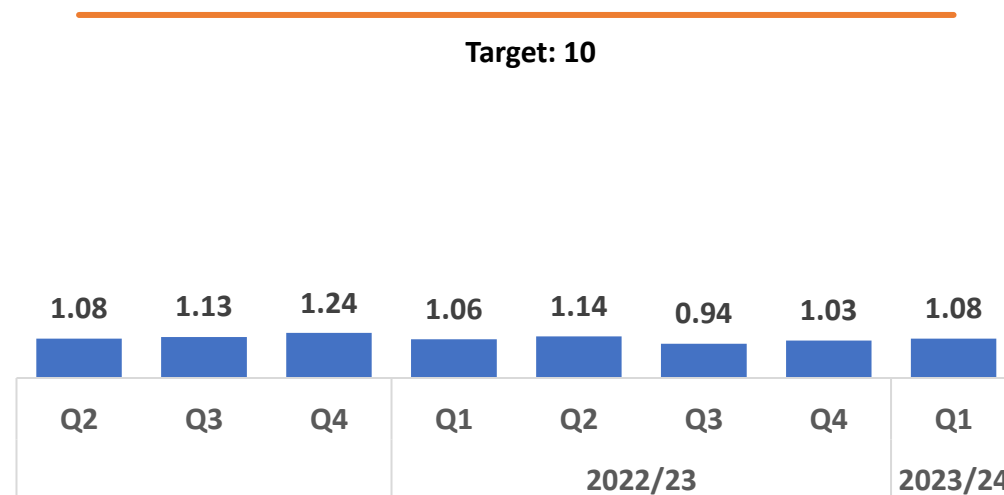
Description

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 maintained a reliable waste collection service for residents, with levels remaining steady at 1.08 in Q1 reporting.

Number of missed bins per 1,000 collected



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

		TARGET	ACTUAL	STATUS
22/23	Q4	60%	51.9%	RED
23/24	Q1	60%		
	Q2			
	Q3			
	Q4			

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 Surrey Joint Waste Management Strategy to which the Council is a signatory, along with Surrey County Council and all Surrey Districts and Boroughs.

Narrative

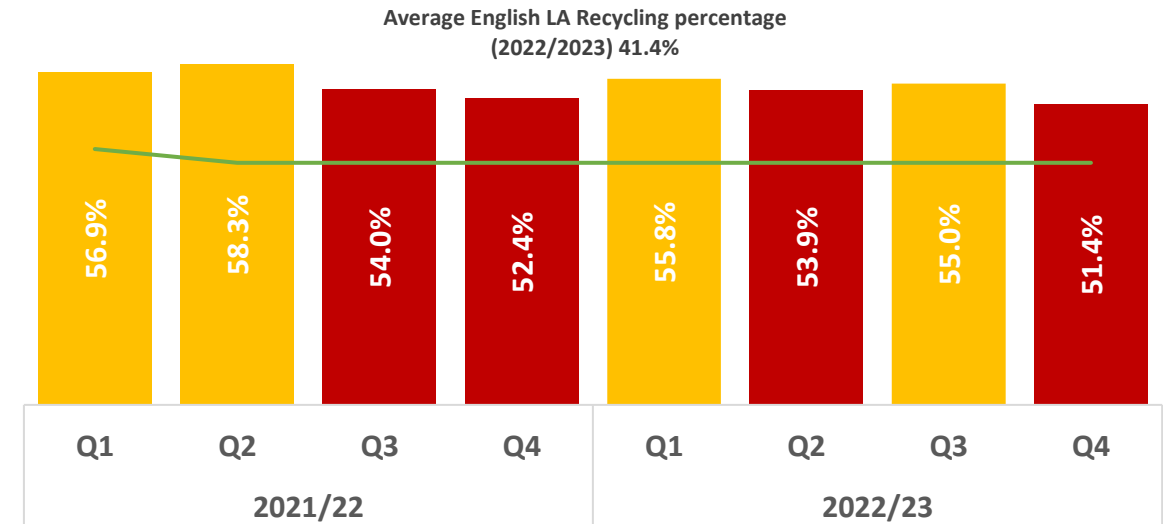
Performance for Quarter 4 has seen levels drop down to approximately 51%, which sits both outside of target and outside of tolerances.

Q4 saw a net decrease in collected recycling stream tonnages, and while below target it remains in line with similar Q4 performances seen in previous years. The annual recycling rate for 2022/23 is approximately 54.2% just below the 2021/22 figure of 55.6%. The 2022 drought reduced the amount of garden waste sent for recycling (around 1,500 tonnes) which contributed to the overall lower percentage.

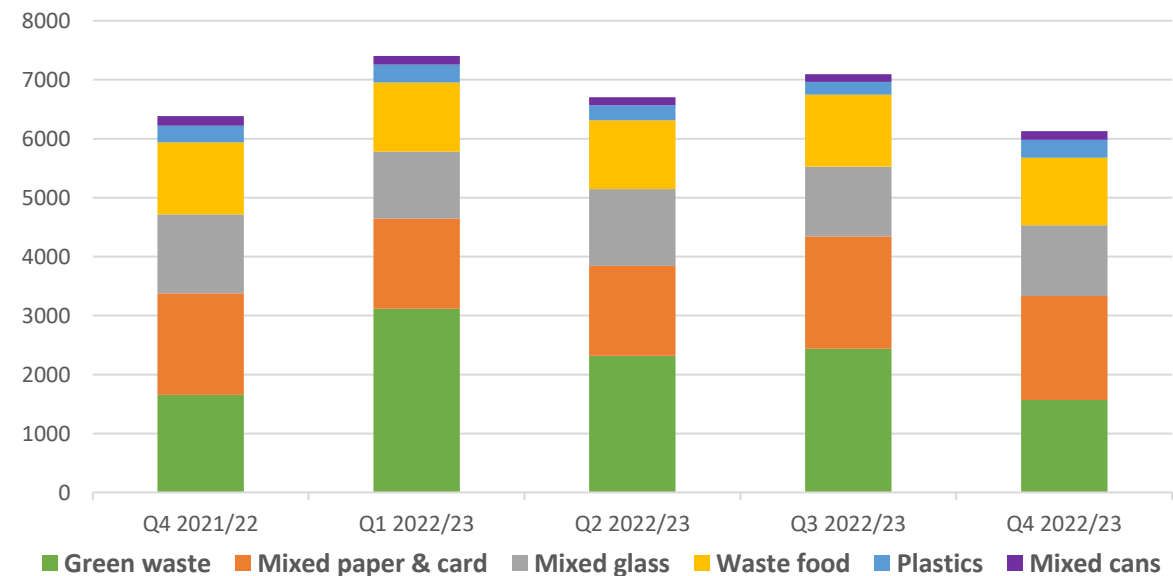
The continued roll out to flats, reduction in contamination and a rationalisation of bring sites is expected to further improve upon these results. Likewise, RBBC is supporting the Surrey Environment Partnership with a campaign informing and encouraging residents on their recycling habits.

The graphics overleaf detail levels of residual waste per household, which have continued to remain low following the pandemic, and further analysis of waste and recycling tonnages.

The % of household waste that is recycled and composted



Top recycling streams collected by tonnage



KPI 10 – Recycling (contextual)

Narrative

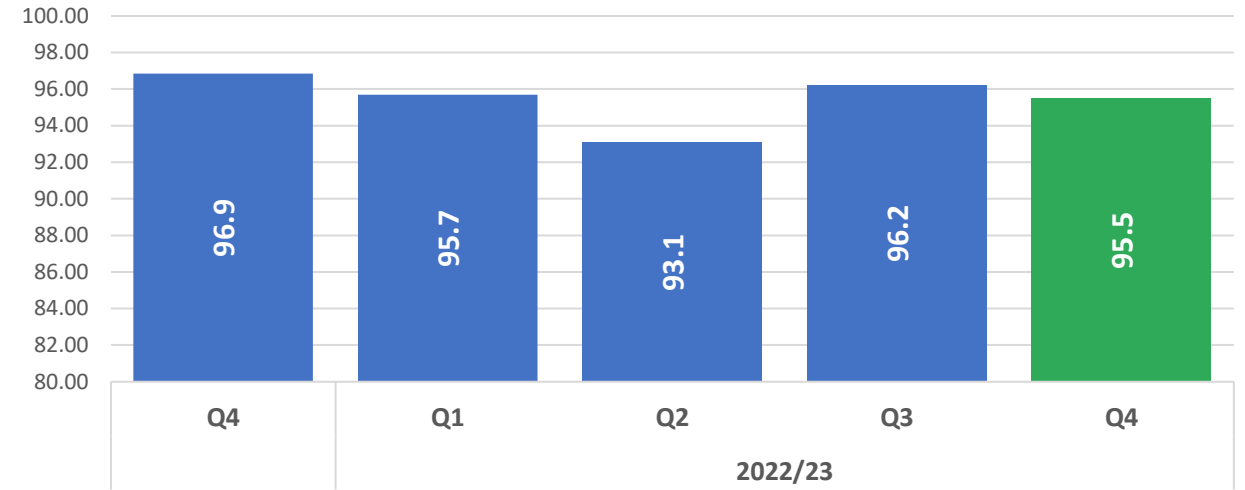
In Q4, the residual waste per household (Kg) has decreased down to 95.5Kg per household. Rationale behind this decrease is under review.

Changes in tonnage collected by quarter are also presented on the previous page. As of latest reporting, total tonnage collected is down by approximately 1,000 tonnes from the baseline point in Q1 2022/23.

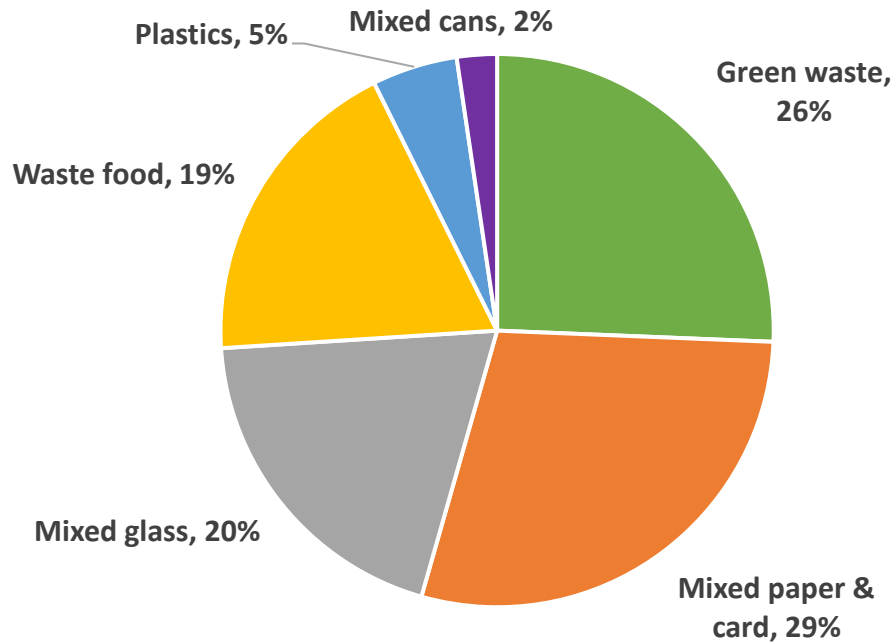
The percentage makeup of recycled materials remain largely consistent in Q4, with impacts on green waste continuing into this quarter, with levels down to 28.8%, which is within the 25% - 30% range usually seen in the Q4 period.

Green waste, mixed glass and mixed paper and card continue to encompass the majority of recycling tonnage, constituting 78% of all recycling collected the quarter.

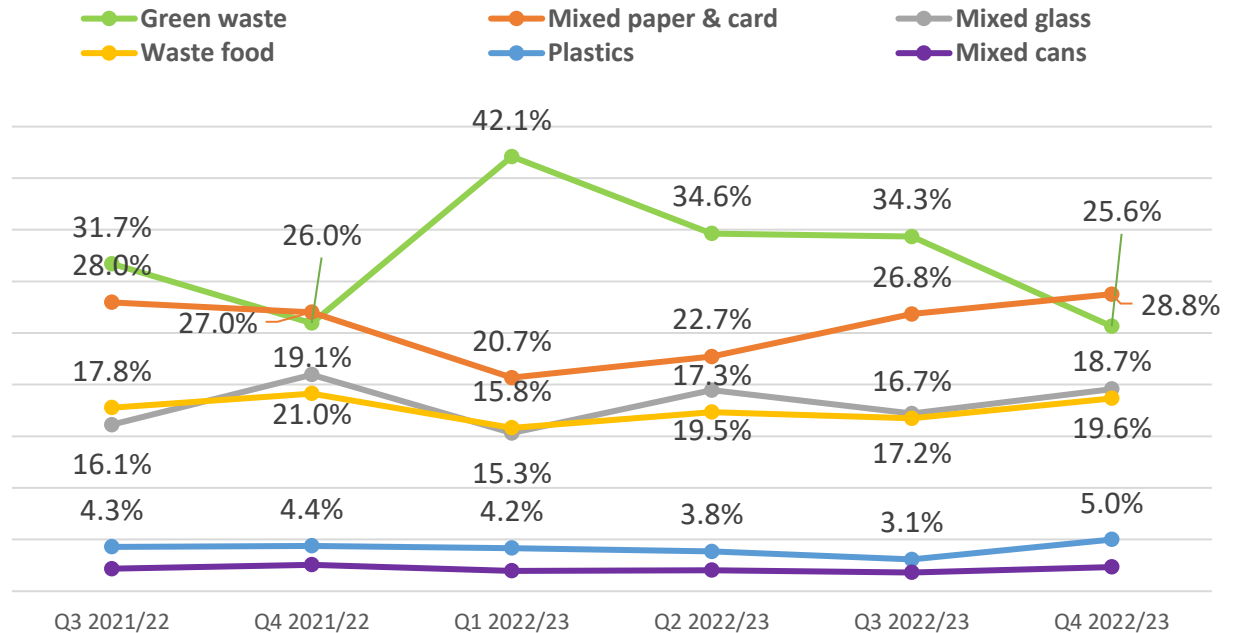
Residual Waste Per Household (Kg)



Recycling percentage by material (Q4)



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



2023/24 Quarter 1: Revenue Budget Monitoring

Summary

The full year forecast at the end of Quarter 1 for underlying Service budgets is -£21k (0.1%) lower than the management budget; the Central budgets are forecast to be -£649k (17.3%) lower than budget, resulting in an overall forecast of -£670k (2.9%) lower than budget.

Headline Revenue Budget Information 2023/24

£000

Management Budget	23,195
Year End Forecast	22,524
Projected underspend	-670 (-2.9% of the budget)

Revenue Budget Outturn Variances £000



Forecast for Services is £21k under budget. Significant variances are summarised below:

Organisational Development & Human Resources: £117k overspend driven by higher interim pay costs to support the 23/24 restructure.

Property & Facilities: £103k overspend driven by higher maintenance costs at The Harlequin and Clarendon Road Car Park

ICT: £98k overspend driven by £250k higher consultancy costs and contract renewals, partially offset by £155k underspend on ICT Strategy.

Street Cleansing: £99k underspend driven by lower pay costs due to vacancies.

Car Parking: £154k underspend driven by historic budget not yet adjusted following termination of SCC on-street parking contract.

Forecast for Central Budgets is £649k under budget. Significant variances are summarised below:

Treasury Management: £632k underspend. Higher than budgeted interest income due to favourable rates, more funds on deposit and lower than budgeted borrowing.

1. General Fund Reserve		£000	£000
Balance at start of year			3,476.9
Add: Projected underspend	at 31 March 2024		670.4
Anticipated balance at End of Year before Reserves Review/Reallocations*			4,147.3
*Maximum General Fund Balance Required (2023/24)		3,500.0	

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	224.2	0.0	224.2	230.4	6.2	Minor Variance
	Projects & Business Assurance	223.2	0.0	223.2	208.8	-14.4	Savings in paycosts
Carys Jones	Communications	753.8	62.0	815.8	817.6	1.8	Minor Variance
	Customer Contact	415.8	0.0	415.8	413.0	-2.8	Minor Variance
Darren Wray	Information & Communications Technology	2,395.9	0.0	2,395.9	2,493.8	97.9	£250k overspend on consultancy and contract renewals, partially offset by £155k underspend on ICT Strategy
Kate Brown	Organisational Development & Human Resources	733.0	0.0	733.0	850.4	117.4	Higher interim pay costs to support the 23/24 restructure
Joyce Hamilton	Legal Services	816.0	-136.0	680.0	680.0	0.0	
	Democratic Services	894.8	46.0	940.8	931.2	-9.6	Lower forecast pay costs
	Electoral Services	646.9	28.0	674.9	674.9	0.0	
Pat Main	Corporate Support	174.6	0.0	174.6	174.6	0.0	
	Finance	1,253.4	6.1	1,259.5	1,244.5	-15.0	Lower forecast pay costs
	Property & Facilities	106.9	0.0	106.9	209.5	102.6	Higher maintenance costs at The Harlequin and Clarendon Road Car Park.
	Commercial & Investment	149.3	0.0	149.3	149.3	0.0	
1b. Place							
Simon Bland	Economic Prosperity	288.3	0.0	288.3	323.3	35.0	£50k income budgeted from Market Operator will not be received, partially offset by higher than budgeted sponsorship income.
Morag Williams	Fleet	1,457.7	0.0	1,457.7	1,387.1	-70.6	£68k lower fuel costs and £50k lower forecast pay costs due to vacancies, partially offset by higher uninsured costs and fleet tracking system costs.
	Refuse & Recycling	948.2	0.0	948.2	1,031.5	83.3	£79k higher temporary staff and overtime costs and £4k additional training costs.
	Engineering & Construction	83.1	0.0	83.1	83.1	0.0	
	Environmental Health & JET	1,225.2	30.0	1,255.2	1,264.1	8.9	Minor Variance
	Environmental Licencing	-195.7	-30.0	-225.7	-230.6	-4.9	Higher income due to increased private hire applications and lower forecast pay costs due to vacancies, partially offset by a £30k legal settlement payment.
	Greenspaces	1,453.5	-2.5	1,451.0	1,469.6	18.6	Higher playground maintenance costs
	Car Parking	-1,175.9	0.0	-1,175.9	-1,329.9	-154.0	Historic budget not yet adjusted to take account of the transfer of the SCC on-street parking contract.
	Street Cleansing	1,006.6	0.0	1,006.6	907.2	-99.4	Lower forecast pay costs due to vacancies
Peter Boarder	Place Delivery	334.0	0.0	334.0	334.0	0.0	
Andrew Benson	Building Control	0.0	0.0	0.0	0.0	0.0	
	Planning Policy & Development Services	693.4	0.0	693.4	686.4	-7.0	Lower forecast pay costs due to vacancies, offset by higher overtime and temporary staff costs and higher planning costs.
	Land Charges	-98.5	0.0	-98.5	-98.5	0.0	

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	385.3	-29.3	356.0	356.0	0.0	
	Partnerships	323.1	0.0	323.1	323.1	0.0	
	Community Centres	413.6	29.3	442.9	446.7	3.8	Minor Variance
	Voluntary Sector Support	184.1	0.0	184.1	184.1	0.0	
Richard Robinson	Housing Services	897.9	0.0	897.9	897.9	0.0	
Simon Rosser	Revenues, Benefits & Fraud	986.4	0.0	986.4	949.9	-36.5	Lower forecast pay costs due to vacancies.
Duane Kirkland	Supporting People	148.6	0.0	148.6	148.6	0.0	
	Supporting Families	84.0	0.0	84.0	78.0	-6.0	Minor Variance
	Harlequin	311.4	0.0	311.4	237.4	-74.0	£134k higher income, primarily from Amateur Shows, partially offset by £60k higher contracted services costs.
	Leisure Services	-135.8	2.5	-133.2	-135.8	-2.6	Minor Variance
1d. Management Team							
Mari Roberts-Wood	Management Team	945.6	0.0	945.6	945.6	0.0	
Laura McCartney	Emergency Planning	84.7	0.0	84.7	84.7	0.0	

Total Services	19,436.6	6.1	19,442.8	19,421.5	(21.3)	-0.11%
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41

2. Central Budgets

Pat Main	Insurance	467.0	0.0	467.0	467.0	0.0	
	External Audit Fees	150.0	0.0	150.0	150.0	0.0	
	Internal Audit Fees	65.0	0.0	65.0	65.0	0.0	
	Housing Benefits - net cost	460.1	0.0	460.1	445.2	-14.9	Minor Variance
	Treasury Management	-87.0	-6.1	-93.1	-725.3	-632.2	Higher than budgeted interest income due to favourable rates, more funds on deposit and lower than budgeted borrowing.
	Employers Pension Costs	2,240.0	0.0	2,240.0	2,240.0	0.0	
	Central Pay Cost Provision	252.0	0.0	252.0	250.0	-2.0	Minor Variance
	Central Vacancy Turnover Provision	-150.0	0.0	-150.0	-150.0	0.0	Partial offset against forecast service pay savings
	Preceptor Grants – Horley Town Council Double Taxation	43.5	0.0	43.5	43.5	0.0	
Kate Brown	Funding Contribution - Banstead Commons Conservators	110.5	0.0	110.5	110.5	0.0	
	Central Recruitment & Visa Expenses	45.0	-5.0	40.0	40.0	0.0	
	Central Training Budget	81.8	5.0	86.8	86.8	0.0	
	Apprenticeship Levy	80.0	0.0	80.0	80.0	0.0	

Total Central Items	3,757.9	-6.1	3,751.8	3,102.7	(649.1)	-17.30%
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Grand Total	23,194.5	0.0	23,194.6	22,524.2	(670.4)	-2.89%
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HOUSEHOLD SUPPORT FUND ROUNDS 1 TO 4 Expenditure & Funding @ P3 2023/24	Round #1 <small>(period covered- 06.10.21 - 31.03.22)</small>		Round #2 <small>(period covered- 01.04.22 - 30.09.22)</small>		Round #3 <small>(period covered- 01.10.22 - 31.03.23)</small>		Round #4 <small>(period covered- 01.04.23 - 31.03.24)</small>	
	Funding £m	Expenditure £m	Funding £m	Expenditure £m	Funding £m	Expenditure £m	Funding £m	Expenditure £m
	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(actuals)	(forecast)
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.								
Initial Grant Allocation (received via Surrey County Council)	(0.383)		(0.324)		(0.302)		(0.512)	
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		0.069		0.099
Water Vouchers (distributed via SES Water)		-		-		-		0.009
Cash Payments (made to pensioner households on Council Tax Support)		-		0.188		0.002		-
		0.303		0.266		0.071		0.108
Contributions To Voluntary/Community Sector Partners								
Stripey Stork		0.008		-		0.012		0.030
Fuel Grants		0.008		-		0.035		0.015
East Surrey Domestic Abuse Service		0.006		-		0.020		0.031
'I Choose Freedom' (previously known as Reigate & Banstead Women's Aid)		0.006		-		0.020		0.018
Food Clubs		0.005		-		0.023		0.030
Renewed Hope Trust		0.002		-		-		-
Gateway Allotment Project		0.002		-		-		-
Merstham Mix		0.001		-		-		0.003
Surrey Community Action		0.001		-		-		-
Mole Valley Lifeline Alarms (energy efficiency measures)		-		-		-		0.035
Citizen's Advice Reigate & Banstead (advice line for residents)		-		-		-		0.031
Methodist Homes Association		-		-		-		0.014
East Surrey YMCA		-		-		0.005		0.015
Age Concern		-		-		0.002		0.009
Money Support Team		-		-		0.010		0.036
		0.039		0.000		0.127		0.266
Housing Support								
Contributions Towards Rent Arrears		0.023		0.020		0.021		0.040
Rent Assistance / Rehoming Of Donyings Cabin Occupants		0.008		-		-		-
Contribution To ESDAS Sanctuary		0.005		0.005		-		-
Energy, Food & Essentials For Specific Housing Clients		-		-		0.003		0.010
		0.036		0.025		0.024		0.050
Other Support								
Warm Hubs		-		-		0.012		-
Mayor's Trust Fund		-		-		0.005		0.014
RBBC Community Centres - Hot Meals		-		-		-		0.006
		0.000		0.000		0.017		0.020
Administration Costs								
RBBC Staff Costs (costs falling outside BAU)		0.003		0.009		0.016		0.033
Admin Contributions Claimed By VCS Partners		0.005		0.001		0.009		0.020
Software & Administration Services (NEC Software Solutions)		-		0.015		-		-
		0.008		0.025		0.025		0.053
		(2.20% of spend)		(8.08% of spend)		(9.58% of spend)		(10.56% of spend)
Grant Closure/Reconciliation								
Grant Top-Up To Eliminate Overspend (received from Surrey County Council)	(0.003)							
Recoupment Of Unspent Grant (excess funding returned to Surrey County Council)				0.008		0.023		0.014
Repurposed By Surrey County Council (extra support made by upper-tier for carers, free school meals etc)						0.015		(contingency)
No. Of Households Supported		4,294		2,451		2,745		tbc
Total Funding & Expenditure	(0.386)	0.386	(0.324)	0.324	(0.302)	0.302	(0.512)	0.512

2023/24 UKRAINIAN REFUGEE SCHEMES Expenditure & Funding @ P3 2023/24	22/23 Funding Received £m	22/23 Total Expenditure £m	23/24 Funding Received £m	22/23 Total Expenditure £m
"Ukraine Family Scheme"	(actuals)	(actuals)	(forecast)	(forecast)
Funding Received/Expected (costs are reimbursed in arrears by SCC)	(0.006)		(0.010)	
Refugee Accommodation Costs		0.005		0.007
Interpretation/Translation Costs		0.001		0.003
Total Expenditure / (Funding)	(0.006)	0.006	(0.010)	0.010
Reimbursement Outstanding / (Funding Received In Advance)	0.000		0.000	
"Homes For Ukraine Scheme"				
Funding Brought Forward From Previous Years	-		(1.202)	
In-Year Funding Received/Expected (costs are reimbursed in arrears by SCC)	(1.707)		(0.600)	
Sponsorship Payments		0.431		0.500
Refugee Accommodation Costs		0.011		0.150
Interpretation & Translation Services		0.001		0.005
Other Costs		0.001		0.005
Staffing Costs (dedicated staff, overtime, additional hours etc)		0.058		0.120
Staff Travel Costs		0.003		0.006
Total Expenditure / (Funding)	(1.707)	0.505	(1.802)	0.786
Reimbursement Outstanding / (Funding Received In Advance)	(1.202)		(1.016)	
Total Expenditure / (Funding) - Both Schemes	(1.713)	0.511	(1.812)	0.796
Reimbursement Outstanding / (Funding Received In Advance) - Both Schemes	(1.202)		(1.016)	

Breakdown Of Funding Received In Advance:-	(actuals)	(forecast)
Homelessness Contingency Funding	(0.257)	(0.130)
General / Core Funding	(0.945)	(0.886)
Funding Received In Advance (amounts held at year/period end)	(1.202)	(1.016)

Note:-

23/24 Costs & Funding are very hard to predict as they depend upon a variety of factors including:-

1. potential reductions in the tariff payable by central government
2. how, and to what extent local housing pressures might arise from (say) future breakdowns in sponsor/refugee relationships
3. the extent to which refugees choose to self-integrate into society (e.g finding work and funding their own private housing)
4. the potential end to the war in Ukraine and/or refugees deciding to return home

The above forecasts are therefore best estimates based on both historic costs and available evidence.

2023/24 SYRIAN REFUGEES SCHEME	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding 2023/24		
<u>Refugee Family Support</u>		
Grant Received		(0.027)
Local Auth. Funding Received		(0.040)
Staff Costs	0.099	
Travel Costs	0.001	
Refugee Accommodation Costs	0.075	
Refugee Nursery Fees	0.007	
Miscellaneous Expenditure	0.006	
Forecast Expenditure and Income 2023/24	0.188	(0.067)
Forecast Nett Expenditure	0.122	

** Funding based on 22/23 forecast, amount expected for 23/24 TBC

** Any overspent will be offset against Earmarked Reserve

2023/24 AFGHAN REFUGEES SCHEME	Forecast Expenditure £m	Forecast Funding £m
Expenditure & Funding 2023/24		
<u>Afghan Refugees Scheme</u>		
Grant Received		(0.028)
Local Auth. Funding Received		(0.065)
Staff Costs	0.039	
Refugee Accommodation Costs	0.010	
Miscellaneous Expenditure	0.002	
Forecast Expenditure and Income 2022/23	0.051	(0.093)
Forecast Nett Expenditure	(0.042)	

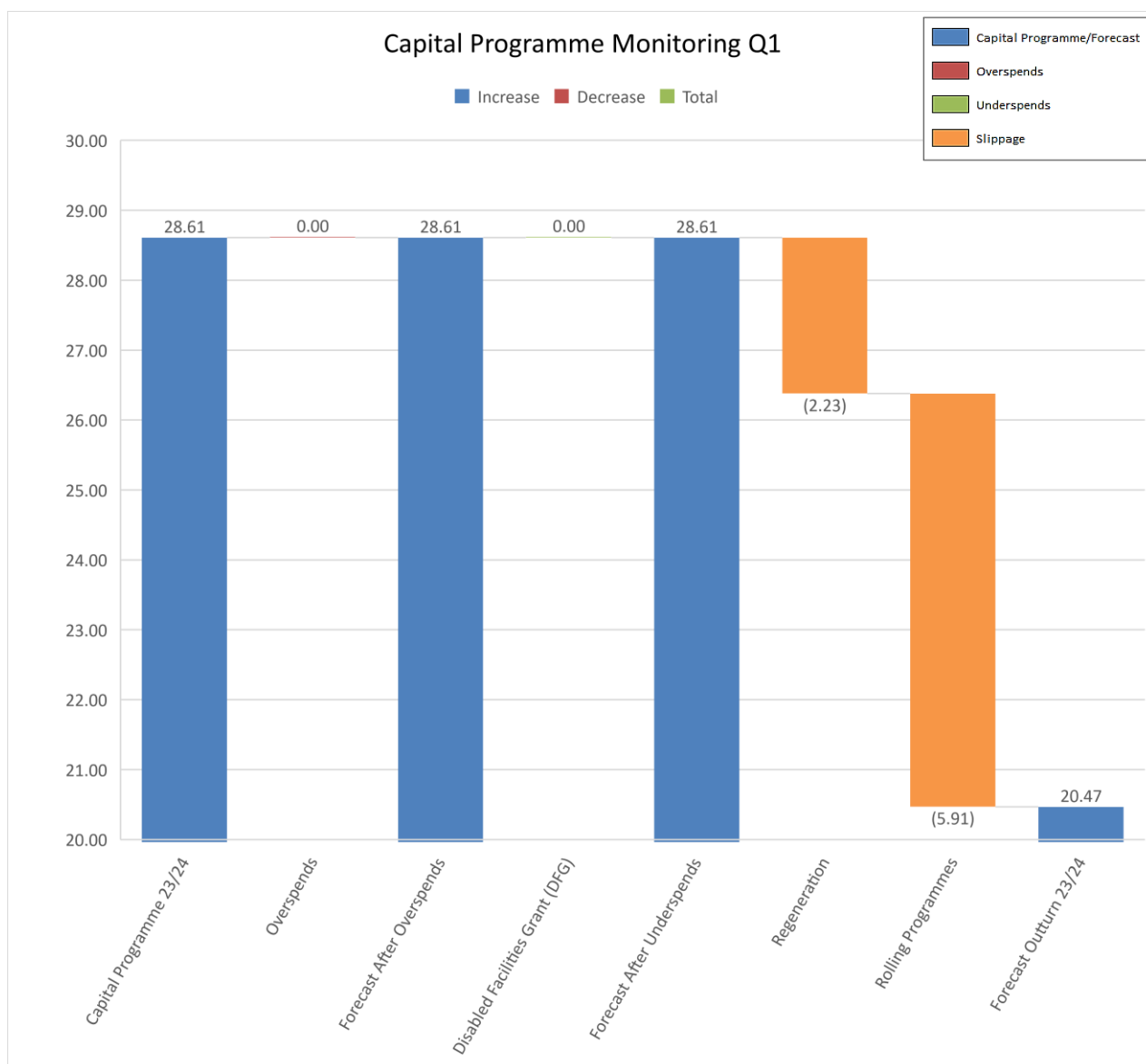
2023-24 Capital Programme Monitoring

Summary

Full year forecast expenditure against the Capital Programme at the end of Quarter 1 is £20.47m which is £8.14m (28%) below the approved Programme for the year. The variance is predominantly a result of forecast slippage, with several significant programmes now expected to commence in 2024/25.

Headline Capital Budget Information 2023-24

	£m
Current Budget (Section 1):	28.61
Projected Net Overspends	0.00 (or 0 % of Programme)
Projected Net Underspends	0.00 (or 0 % of Programme)
Projected Slippage	(8.14) (or 28 % of Programme)
Total Capital Expenditure	20.47



Slippage and significant variances:

Regeneration	Merstham Recreation Ground - (£1.35m slippage) - Main works will now commence in April 2024, with minimal spend forecast in 2023/24.
	Horley Public Realm Improvements - (£0.46m slippage) - Main works will now start in January/February 2024, with remainder of expenditure taking place in 2024/25.
	Preston Regeneration (£0.46m slippage) - Skate park construction will be completed in 2023/24, with remainder of expenditure taking place in 2024/25.
Others	Beech House, London Road. Reigate - (£3.00m slippage) pending decision on plans for investment in the asset.
	Earlswood Depot/Park Farm Depot - (£0.76m slippage) - Expenditure now expected in 2024/25.
	Operational Buildings - (£0.37m slippage) - Expenditure subject to outcome of Town Hall occupancy review.
	Vehicle Wash Bay Replacement - (£0.35m slippage) - Expenditure now expected in 2024/25.
	Leisure Centre Maintenance - (£0.35m slippage) - Expenditure subject to outcome of GLL Contract review.
	Great Workplace Programme - (£0.25m slippage) - Expenditure subject to outcome of Town Hall occupancy review.
	Units 1-5 Redhill Distribution Centre Salfords - (£0.13m slippage) - Expenditure now expected in 2024/25.

Capital ANNEX 3: Section 1

Reconciliation of Capital Programme to Approved Budgets 2023-24

	£000
Original Capital Budget	4,339.0
Additions	
Carry Forwards from previous year	24,116.2
Budgets released during the year ¹	150.0
Reprofiling of projects	0.0
Other Changes	0.0
Current Capital Budget	28,605.2

Programme/Project	Original Budget	Carry Forwards	Released In Year	Current Budget	Year End Outturn	Year End Variance	Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	
Temporary Accommodation - New Pond Works	0.0	95.0	0.0	95.0	95.0	0.0	
Operational Buildings	95.0	370.0	0.0	465.0	95.0	-370.0	Forecast subject to outcome of Town Hall occupation review.
Community Centre Programme	67.0	81.4	0.0	148.4	47.0	-101.4	Horley day centre refurbishment will now happen in 24/25, remaining variance allocated to Banstead and Woodhatch to be spent this budget year
Existing Pavilions Programme	50.0	97.5	0.0	147.5	50.0	-97.5	Remaining expenditure will now take place in 24/25
Leisure Centre Maintenance	190.0	158.7	0.0	348.7	0.0	-348.7	Forecast subject to outcome of GLL contract review.
Harlequin Property Maintenance	120.0	270.0	0.0	390.0	120.0	-270.0	Forecast subject to outcome of Harlequin asset review.
Tenanted Properties	100.0	166.6	0.0	266.6	266.6	0.0	
Crown House	75.0	285.0	0.0	360.0	360.0	0.0	
Units 1-5 Redhill Dist Centre Salfords	17.0	114.5	0.0	131.5	0.0	-131.5	Expenditure will now take place in 2024/25
Linden House, 51B High Street Reigate	12.0	0.0	0.0	12.0	68.8	56.8	
Unit 61E Albert Road North	12.0	74.2	0.0	86.2	86.2	0.0	
Forum House, Brighton Road Redhill	150.0	270.0	0.0	420.0	420.0	0.0	
Beech House, London Road Reigate	0.0	3,000.0	0.0	3,000.0	0.0	-3,000.0	Forecast subject to outcome of Beech House options review.
Regent House, 1-3 Queensway Redhill	90.0	175.0	0.0	265.0	265.0	0.0	
Tenanted Property Assets	76.0	135.4	0.0	211.4	211.4	0.0	
Infra-structure (walls)	10.0	31.4	0.0	41.4	41.4	0.0	
Car Parks Capital Works Programme	195.0	562.7	0.0	757.7	0.0	-757.7	Expenditure will now take place in 2024/25
Earlswood Depot/Park Farm Depot	20.0	60.7	0.0	80.7	0.0	-80.7	Expenditure will now take place in 2024/25
Public Conveniences	10.0	21.0	0.0	31.0	10.0	-21.0	Remaining expenditure will now take place in 2024/25
Cemeteries & Chapel	20.0	80.0	0.0	100.0	50.0	-50.0	Remaining expenditure will now take place in 2024/25
Allotments	12.0	42.0	0.0	54.0	0.0	-54.0	Expenditure will now take place in 2024/25
Massetts Road	21.0	21.0	0.0	42.0	42.0	0.0	
Cyclical Repairs & Improvement to Temp Housing	40.0	0.0	0.0	40.0	40.0	0.0	
Building Maintenance - Capitalised Staff Costs	28.0	28.0	0.0	56.0	56.0	0.0	
Pavilion Replacement - Woodmansterne	0.0	20.0	0.0	20.0	0.0	-20.0	Expenditure will now take place in 2024/25
Priory Park	10.0	223.0	0.0	233.0	233.0	0.0	
Strategic Property	1,420.0	6,383.0	0.0	7,803.0	2,557.3	-5,245.6	
ICT Replacement Programme	200.0	0.0	0.0	200.0	200.0	0.0	
Replacement Printers and Photocopiers	60.0	0.0	0.0	60.0	60.0	0.0	
Environmental Strategy Delivery	0.0	236.0	0.0	236.0	236.0	0.0	
New Council Chamber Audio Visual Upgrade	0.0	0.0	150.0	150.0	150.0	0.0	
Corporate Resources	260.0	236.0	150.0	646.0	646.0	0.0	
Great Workplace Programme - Phase 2	250.0	0.0	0.0	250.0	0.0	-250.0	Forecast subject to outcome of Town Hall occupancy review.
Organisational Development	250.0	0.0	0.0	250.0	0.0	-250.0	
Organisation Capital Budget	1,930.0	6,619.0	150.0	8,699.0	3,203.3	-5,495.6	

Programme/Project	Original Budget	Carry Forwards	Released In Year	Current Budget	Year End Outturn	Year End Variance	Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	
Home Improvement Agency & Handy Person Scheme	125.0	0.0	0.0	125.0	125.0	0.0	
Disabled Facilities Grant	1,287.0	0.0	0.0	1,287.0	1,287.0	0.0	
Temporary Accommodation – Stirling House	0.0	120.0	0.0	120.0	120.0	0.0	Purchase completed, no further expenses are anticipated
Temporary Accommodation – Mitchell Court	0.0	240.0	0.0	240.0	240.0	0.0	Purchase completed, no further expenses are anticipated
Purchase of Temporary & Emergency Accommodation	0.0	3,996.6	0.0	3,996.6	3,996.6	0.0	EA: 1 x large property under offer TA: 1 x property completed & 2 more in progress
Purchase of Temporary Accommodation - Local Authority Housing Fund	0.0	2,967.5	0.0	2,967.5	2,967.5	0.0	Properties have been identified - budget expected to be fully spent
Lee Street Bungalows	0.0	20.0	0.0	20.0	20.0	0.0	Final payment to achieve underspend in line with briefing note presented in July 2023.
Cromwell Road Development	0.0	100.0	0.0	100.0	100.0	0.0	Final payment to achieve underspend in line with briefing note presented in July 2023.
Housing	1,412.0	7,444.1	0.0	8,856.1	8,856.1	0.0	
Harlequin - Service Development	100.0	64.0	0.0	164.0	90.0	-74.0	Investment in front of house fixtures & fittings and technical equipment.
Leisure & Intervention	100.0	64.0	0.0	164.0	90.0	-74.0	
CCTV Rolling Programme	0.0	104.6	0.0	104.6	104.6	0.0	
UKSPF - Digital Connectivity for Local Community Facilities	0.0	3.0	0.0	3.0	3.0	0.0	
Community Partnerships	0.0	107.6	0.0	107.6	107.6	0.0	
People Services Capital Budget	1,512.0	7,615.7	0.0	9,127.7	9,053.7	-74.0	
Vehicles & Plant Programme	582.0	1,022.3	0.0	1,604.3	1,604.3	0.0	
Fleet Vehicle Wash-Bay Replacement	0.0	350.0	0.0	350.0	0.0	-350.0	Currently in design phase, expenditure likely to be in 2023/24.
Workshop Refurbishment	0.0	160.0	0.0	160.0	160.0	0.0	
Play Area Improvement Programme	230.0	0.0	0.0	230.0	230.0	0.0	
Parks & Countryside - Infrastructure & Fencing	45.0	0.0	0.0	45.0	45.0	0.0	
Air Quality Monitoring Equipment	40.0	0.0	0.0	40.0	40.0	0.0	
Contribution to Surrey Transit Site	0.0	127.0	0.0	127.0	127.0	0.0	Subject to outcome of planning permission.
Neighbourhood Operations	897.0	1,659.3	0.0	2,556.3	2,206.3	-350.0	
Pay-on-Exit Car Parking at Central Car Park and Victoria Road Car Park, Horley	0.0	45.6	0.0	45.6	45.6	0.0	To include introduction of electric charging points
Horley Public Realm Improvements - Phase 4	0.0	564.9	0.0	564.9	141.8	-423.1	Forecast start on site in Jan/Feb 2024. Remainder of budget to be spent in 2024/25.
Marketfield Way Redevelopment	0.0	5,574.9	0.0	5,574.9	5,574.9	0.0	Updated forecasts are currently being prepared and are scheduled to be reported to Members in the autumn.
Redhill Public Realm Improvements	0.0	30.0	0.0	30.0	30.0	0.0	
Merstham Recreation Ground	0.0	1,465.0	0.0	1,465.0	118.9	-1,346.1	Main works expected to commence in April 2024.
Preston - Parking Improvements	0.0	542.0	0.0	542.0	81.6	-460.4	Skate park and a contribution to parking works are in progress - remainder to be spent in 2024/25.
Place Delivery	0.0	8,222.3	0.0	8,222.3	5,992.8	-2,229.5	
Place Services Capital Budget	897.0	9,881.6	0.0	10,778.6	8,199.0	-2,579.5	
Total Capital Budget	4,339.0	24,116.2	150.0	28,605.2	20,456.0	-8,149.2	

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ANNUAL TREASURY MANAGEMENT OUTTURN REPORT

2022/23

1. Introduction

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports.

The Council's treasury management strategy Statement for 2022/23 was approved by Council 7 April 2022. The investment and borrowing of cash expose the Council to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

2. External Context

Source: Arlingclose

Economic background: *The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.*

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual CPI measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February RPI measured 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household

was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at as 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

Financial markets: *Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated*

inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

Credit review: *Early in the period, Moody's affirmed the long-term rating of Guildford BC but revised the outlook to negative. The agency also downgraded Warrington BC and Transport for London.*

In July Fitch revised the outlook on Standard Chartered and Bank of Nova Scotia from negative to stable and in the same month Moody's revised the outlook on Bayerische Landesbank to positive. In September S&P revised the outlook on the Greater London Council to stable from negative and Fitch revised the outlook on HSBC to stable from negative.

The following month Fitch revised the outlook on the UK sovereign to negative from stable. Moody's made the same revision to the UK sovereign, following swiftly after with a similar move for a number of local authorities and UK banks including Barclays Bank, National Westminster Bank (and related entities) and Santander.

During the last few months of the reporting period there were only a handful of credit changes by the rating agencies, then in March the collapse of Silicon Valley Bank (SVB) in the US quickly spilled over into worries of a wider banking crisis as Credit Suisse encountered further problems and was bought by UBS.

Credit Default Prices had been rising since the start of the period on the back of the invasion of Ukraine, and in the UK rose further in September/October at the time of the then-government's mini budget. After this, CDS prices had been falling, but the fallout from SVB caused a spike on the back of the heightened uncertainty. However, they had moderated somewhat by the end of the period as fears of contagion subsided, but many are still above their pre-March levels reflecting that some uncertainty remains.

On the back of this, Arlingclose reduced its recommended maximum duration limit for unsecured deposits for all UK and Non-UK banks/institutions on its counterparty list to 35 days as a precautionary measure. No changes were made to the names on the list.

As market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remains under constant review.

Local authorities remain under financial pressure, but Arlingclose continues to take a positive view of the sector, considering its credit strength to be high. Section 114 notices have been issued by only a handful of authorities with specific issues. While Arlingclose's advice for local authorities on its counterparty list remains unchanged, a degree of caution is merited with certain authorities.

3. Local Context

On 31 March 2023, the Council had net borrowing of £7.0m.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The council's borrowing was mainly around short term cashflow purpose. These factors are summarised the table below.

Table 1: Balance Sheet Summary	31/03/2023 Actual £000
General Fund CFR	94,300
External borrowing	(7,000)
Internal borrowing	87,300
Less: Balance sheet resources	103,294
Net investments	15,994

The Treasury Management Strategy for 2022/23 continued the policy of internal borrowing wherever possible. This maintains borrowing below its underlying level by using available reserves and working capital to reduce the need for external borrowing. This minimises interest rate risks and keeps interest costs and the 'cost of carry' lower.

The treasury management position at 31 March 2023 and the change during the year is set out in the table below.

Table 2: Treasury Management Summary	31/03/2022 Balance £000	Movement £000	31/03/2023 Balance £000	31/03/2023 Rate %
Short-term borrowing	-	(7,000)	(7,000)	4.00%
Cash and cash equivalents	26,682	(10,688)	15,994	4.01%
Net investments	26,682	(17,688)	8,994	0.01%

Borrowing Guidance

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

Borrowing Strategy and Activity

The Council's primary consideration when borrowing money has been to strike a balance between securing low interest rates and achieving cost certainty over a period for which funds are required.

This position provides short term efficiencies with the flexibility to secure longer dated loans as and when the level of funds available for internal borrowing reduces, or financial forecasts indicate that external borrowing rates may increase.

No new long-term borrowing was undertaken during 2022/23, as internal borrowing was maximised, and short-term borrowing was utilised to manage cash flow.

Outstanding loans on 31 March 2023 are summarised in the table3 below.

Table 3: Borrowing Position	31/03/2022 Balance £000	Net Movement £000	31/03/2023 Balance £000	31/03/2023 Weighted Average Rate %	31/03/2023 Weighted Average Maturity (months)
Short-term borrowing	-	(7,000)	(7,000)	4.00%	1

Treasury Investment Activity

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield.

The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The Council holds invested funds, representing income received in advance of expenditure, plus reserves and balances held which have not been utilised for internal borrowing.

During 2022/23 the Council's treasury investment balance has ranged between £13.0 million and £50.8 million.

This reflects the Council's strategic policy to maintain sufficient liquidity during this time and continue to borrow over shorter periods when appropriate and the receipt of additional funding from capital receipts.

The Council invests temporary cash surplus exclusively through the use of money market funds (MMF). No new fixed term deposits have been agreed during 2022/23, due to cash balances being held to maintain sufficient liquidity.

The year-end investment position and the year-on-year change is set out in the table below.

Table 4: Treasury Investment Position	31/03/2022 Balance £000	Net Movement £000	31/03/2023 Balance £000	31/03/2023 Income Return %	31.3.23 Weighted Average Maturity (Days)
Banks & building societies (unsecured)	8,182	812	8,994	3.90%	1
Money Market Funds	18,500	(11,500)	7,000	4.16%	1
Total investments (Weighted Average)	26,682	(10,688)	15,994	4.01%¹	1¹

Note 1: Weighted Average

The weighted average return on all investments received in the year to 31 March 2023 was 4.01%.

Money Market Fund rates have been increasing over the year, reflecting increases to the Bank of England Base Rate. There is a short time lag of between 2 to 4 weeks of Money Market Fund catching up with the official rate, as fund managers roll maturing instruments into new instruments at higher investment rates.

Bank Rate increased from 0.75% at the beginning of the year to 4.25% at the end of March 2023.

Short-dated cash rates, which had ranged between 0.7% - 1.5% at the beginning of April 2022, rose by around 3.5% for overnight/7-day maturities and 3.3% for 6 to 12-month maturities.

Table 5: Investment Benchmarking – Treasury investments managed in-house	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
Reigate & Banstead Borough Council at 31 March 2023	4.90	A+	100%	1	4.01%
Similar Local Authorities	4.74	A+	63%	56	3.57%
All Local Authorities	4.71	A+	59%	12	3.67%

The Council benchmarks the performance of its internally-managed investments against that of other Arlingclose clients.

Internally managed investments include all investments (except externally managed pooled funds) but do include MMFs. The performance of these investments against relevant measures of security, liquidity and yield are shown in the table above.

Non-Treasury Investments

The definition of investments in CIPFA's revised 2021 Treasury Management Code covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return.

Investments that do not meet the definition of treasury management investments (i.e. management of surplus cash) are categorised as either:

- for service purposes (explicitly to further service objectives); and/or
- for commercial purposes (primarily for financial return).

Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also broadens the definition of investments to include all such assets held partially or wholly for financial return.

During 2022/23 the Council held £15.0m of investments for commercial purposes:

- £1.1m shares in Pathway For care Limited; and
- Loans of £13.3m to Greensand Holdings Limited and £0.6m to Horley Business Park Development LLP.

Compliance

All treasury management activities undertaken during 2022/23 complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy. Compliance with specific investment limits, the authorised limit and operational boundary for external debt, is demonstrated in tables 6 & 7 below.

Compliance with the authorised limit and operational boundary for external debt is confirmed in the table below.

Table 6: Debt Limits	2022/23 Maximum	31/03/2023 Actual	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied?
Borrowing	7,000	7,000	69,000	79,000	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Table 7: Investment Limits	2022/23 Maximum £000	31/03/2023 Actual £000	2022/23 Counterparty Limit £000	Complied?
The Council's own banker for day-to-day banking transactional purposes	19,368	8,984	20,000	Yes
UK Banks	800	10	10,000	Yes

Table 7: Investment Limits	2022/23 Maximum £000	31/03/2023 Actual £000	2022/23 Counterparty Limit £000	Complied?
Non-UK Domicile Banks	-	-	10,000	Yes
Building Societies	-	-	10,000	Yes
Money Market Funds	10,000	7,000	10,000	Yes
UK Government (including gilts, Treasury Bills and the DMADF)	-	-	unlimited	Yes
Local authorities, parish councils etc.	-	-	10,000	Yes
Supranational institutions (e.g. European Investment Bank or World Bank)	-	-	10,000	Yes

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Security: The Council understands that credit ratings are good, but not perfect, predictors of investment default.

Full regard is therefore given to other available information on the credit quality of the organisations in which it invests.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate.

No investments will be made with an organisation if there are substantive doubts about its credit quality. In addition, if insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or with other Local Authorities.

Liquidity: The Council manages its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments.

The Council maintains a bank overdraft of £100,000, utilises overnight access Money Market Funds and accesses short-term borrowing to meet cash flow requirements. The local authority market also provides readily available funds.

Principal Sums Invested for Periods Longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 8: Investment Time Limits	2022/23 £000	2023/24 £000	2024/25 £000
Limit on principal invested beyond year end	20,000	20,000	20,000
Complied?	Yes	Yes	Yes

Maturity structure of borrowing: This indicator is set to control the council's exposure to refinancing risk.

The upper and lower limits show the maximum and minimum maturity exposure to fixed rate borrowing as agreed in the Treasury Management Strategy:

Table 9: Maturity Limits	31/03/2023 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	100%	100%	0%	Yes
12 months to 2 years	-	100%	0%	Yes
2 years to 5 years	-	100%	0%	Yes
5 years to 10 years	-	100%	0%	Yes
10 years and above	-	100%	0%	Yes

TREASURY MANAGEMENT STRATEGY

2023/24

Quarter 1

1. Introduction

The Council has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve, as a minimum, treasury management semi-annual and annual outturn reports.

This report satisfies the new requirement in the 2021 Code, mandatory from 1 April 2023, of quarterly reporting of the treasury management prudential indicators.

The non-treasury prudential indicators are incorporated in the Council's quarterly revenue and capital monitoring update.

The Treasury Management Strategy for 2023/24 was approved by Council on 20 July 2023.

The Council has invested significant sums and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.

The successful identification, monitoring and control of risk therefore remains central to the Council's treasury management strategy.

2. External Context

(provided by the Council's Treasury Management Advisor, Arlingclose)

Economic background: *From the start of the quarter until May it looked like peak global monetary policy rates were in sight as inflation continued to ease and central banks turned more dovish in tone. Only a few weeks later, stronger and more persistent inflation data, particularly in the UK, changed the picture.*

The UK situation was not welcome news for the Bank of England. GDP growth was weak, confirmed at 0.1% in Q1, although more recent monthly GDP data has been somewhat better. The housing market has stalled, consumer demand is weak but seemingly recovering despite higher interest rates, and labour demand remained strong, with repercussions for wage growth which is accelerating.

April data showed the unemployment rate increased to 3.8% (3mth/year) while the employment rate rose to 76.0%. Pay growth was 6.5% for total pay (including bonuses) and 7.2% for regular pay, the largest growth rate of the latter outside of the Covid pandemic. Once adjusted for inflation, however, growth in total pay and regular pay remained negative.

Inflation fell from its peak of 11.1% reached in October 2022, but annual headline CPI in May 2023 was higher than the consensus forecast at 8.7% (8.4% expected), largely driven by services inflation, while the annual measure of underlying core inflation rose to 7.1% from 6.8%.

After a sharp rise in interest rate expectations, with clearly serious implications for mortgage markets due to higher inflation and wage data, the Bank of England's Monetary Policy Committee reaccelerated monetary policy tightening over the period with a 0.25% rise in May to a 0.5% rise in June, taking Bank Rate to 5.0%. At both meetings the vote was 7-2 in favour of increasing rates, with the two dissenters preferring to keep rates on hold.

Interest rate expectations priced in further hikes in policy rates. Arlingclose, the authority's treasury adviser, revised its forecast to forecast a further 0.5% of monetary tightening to take Bank Rate to 5.5%. The risks, however, are that rates could be higher; financial markets are forecasting policy interest rates above 6%.

With many mortgages at low fixed rates now systematically being re-set over the next 12-24 months at higher rates at the end of their fixed rate period, there has been a lagged effect of the feed through of monetary policy on households' disposable income. The economic slowdown is expected to develop over time and therefore, despite the GfK measure of consumer confidence rising to -24 in June, it is likely confidence will be negatively affected at some point. The manufacturing sector contracted during the quarter according to survey data, which will eventually feed into services, whose expansion is slowing.

Despite the US Federal Reserve increasing its key interest rate to 5.00-5.25% over the period, activity in the region continued to defy monetary tightening, particularly in labour markets which have so far appeared robust, supporting the Fed's assertions of two more rate hikes after it paused in June. Annual US inflation continued to ease, falling from 4.9% in April to 4.0% in May, the lowest level since March 2021. US GDP growth at 2% annualised in the first calendar quarter of 2023 was also significantly stronger than expected against the initial estimate of 1.3%.

In the euro zone, the picture was somewhat different. The European Central Bank maintained its hawkish tone and increased its key deposit, main refinancing, and marginal lending interest rates to 3.50%, 4.00% and 4.25% respectively. There were signs of weakening activity, particularly in Germany whose manufacturing sector has taken a hit from high energy prices and weaker global demand. However, inflation

remained sticky, annual headline CPI fell to 5.5% in June while annual core inflation rose to 5.4% from 5.3%, which means the ECB is unlikely to stop monetary tightening.

Financial markets: Financial market sentiment and bond yields remained volatile, the latter continuing their general upward trend as uncertainty and concern over higher inflation and higher interest rates continued to dominate.

Gilt yields rose over the period. The 5-year UK benchmark gilt yield rose from 3.30% to 4.67%, the 10-year gilt yield from 3.43% to 4.39%, and the 20-year yield from 3.75% to 4.51%. The Sterling Overnight Rate (SONIA) averaged 4.37% over the quarter.

Credit review: Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days.

Over the period S&P upgraded NatWest Group and related entities to A+ (except NatWest Markets which was upgraded to A), revised the UK sovereign outlook to stable from negative, and upgraded both Barclays Bank PLC and Barclays Bank UK PLC to A+.

Fitch put the US sovereign rating on Rating Watch Negative following increased political partisanship which at the time was hindering the latest resolution to raise the debt ceiling. It also upgraded the outlook on United Overseas Bank to stable, the outlook on Clydesdale to positive, and the outlook on Bank of Montreal to stable.

Moody's withdrew Guildford BC's rating (who chose not to continue being rated) and affirmed the Aaa (AAA) rating of the European Investment Bank.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress but made no changes to the counterparty list or recommended durations over the quarter. Nevertheless, heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Council's counterparty list recommended by Arlingclose remains under constant review.

3. Local Context

On 31 March 2023, the Council had net investments of £9.0m arising from its revenue and capital income and expenditure.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying resources available for investment.

These factors are summarised in the table below.

Table 1: Balance Sheet Summary	31/03/2023 Actual £000	31/03/2024 Forecast £000
General Fund CFR	94,300	74,400
External borrowing ¹	(7,000)	-
Internal borrowing	87,300	74,400
Less: Balance sheet resources	103,294	67,100
Investments/ (borrowing)	15,994	(7,300)

NOTE 1: Loans to which the Council is committed; excludes optional refinancing

The treasury management position at 30 June 2023 and the change over the quarter is shown in the table below.

Table 2: Treasury Management Summary	31/03/2023 Balance £000	Movement £000	30/06/2023 Balance £000	30/06/2023 Rate %
Short term Borrowing	(7,000)	(1,000)	(8,000)	4.39%
Cash and cash equivalents	15,994	(3,740)	12,254	4.83%
Net investments	8,994	(4,740)	4,254	0.44%

Borrowing

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council. It has no plans to do so in future.

Borrowing Strategy and Activity

At 30 June 2023 the Council held £8.0m of loans due to mature mid-July 2023, an increase of £1.0m compared to 31 March 2023.

The Council has historically been largely debt free and has borrowed on a temporary basis to fund short term cash flow shortfalls.

This strategy is likely to remain the most effective in future.

Outstanding loans at 30 June are summarised in the table below.

Table 3: Borrowing Position	31/03/2023 Balance £000	Net Movement £000	30/06/2023 Balance £000	30/06/2023 Weighted Average Rate %	30/06/2023 Weighted Average Maturity (months)
Local authorities (short-term)	-	(8,000)	(8,000)	4.39%	0.6
Other Lenders ¹	(7,000)	7,000	-	-	-
Total borrowing	(7,000)	(1,000)	(8,000)	4.39%	0.6

NOTE 1: Housing Association

Over the April to June 2023 quarter, short-term borrowing rates were 4.00% - 4.39%.

The chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should long-term plans change being a secondary objective.

The borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Treasury Investment Activity

CIPFA's revised Treasury Management in the Public Services Code of Practice and Cross-Sectoral Guidance Notes, define treasury management investments as investments that arise from the organisation's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held.

During the year, investment balances ranged between £12.3 million and £50.8 million due to timing differences between income and expenditure.

The investment position is set out in the table below.

Table 4: Treasury Investment Position	31/03/2023 Balance £000	Net Movement £000	30/06/2023 Balance £000	30/06/2023 Income Return %	30/06/2023 Weighted Average Maturity (Days)
Banks & building societies (unsecured)	8,994	(3,740)	5,254	4.90%	1
Money Market Funds	7,000	-	7,000	4.77%	1
Total investments (Weighted Average)	15,994	(3,740)	12,254	4.83%¹	1¹

NOTE 1: Weighted Average

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield.

The objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Bank Rate increased by 0.75%, from 4.25% at the beginning of April to 5% by the end of June, with the prospect of further increases to come.

Short-dated cash rates rose commensurately, with 3-month rates rising to around 5.25% and 12-month rates to nearly 6%.

The rates on DMADF (HM Treasury) deposits also rose, ranging between 4.8% and 5.4% by the end of June and Money Market Rates between 4.16% and 4.77%.

The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in the table below.

Table 5: Investment Benchmarking – Treasury investments managed in-house	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (days)	Rate of Return %
Reigate & Banstead Borough Council					
31/03/2023	4.90	A+	100%	1	4.01%
30/06/2023	5.06	A+	100%	1	4.83%
Similar Local Authorities	4.66	A+	65%	45	1.54%
All Local Authorities	4.65	A+	63%	11	2.34%

Non-Treasury Investments

The definition of investments in the Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. Investments that do not meet the definition of treasury management investments (i.e., management of surplus cash) are categorised as either for service purposes (made explicitly to further service objectives) and or for commercial purposes (made primarily for financial return).

Investment Guidance issued by the Department for Levelling Up Housing and Communities (DLUHC) and Welsh Government also includes within the definition of investments all such assets held partially or wholly for financial return.

The Council held:

- £1.1m shares in Pathway For Care Limited;
- £0.652m shared in Greensand Holdings Limited; and
- Loans of £13.258m to Greensand Holdings Limited and £0.616m to Horley Business Park Development LLP.

Treasury Performance

Treasury investments generated an average rate of return 4.83% in the first quarter of the financial year.

The Council's treasury investment income for the year is likely to be above the budget due to the higher interest rates and anticipated capital receipts during the second quarter of the year.

Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the principles in the Treasury Management Code and the Council's approved Treasury Management Strategy.

Compliance with specific investment limits is demonstrated in the table below.

Table 6: Investment Limits	2023/24 Maximum £000	30/06/2023 Actual £000	2023/24 Limit £000	Complied?
Any single organisation, except the UK Government	10,000	2,000	10,000	Yes
Any group of pooled funds under the same management	-	-	10,000	Yes
Negotiable instruments held in a broker's nominee account	-	-	13,000	Yes

Table 6: Investment Limits	2023/24 Maximum £000	30/06/2023 Actual £000	2023/24 Limit £000	Complied?
Limit per non-UK country	-	-	5,000	Yes
The UK Government	-	-	n/a	Yes
Local authorities & other government entities	-	-	Unlimited	Yes
Secured investments	-	-	Unlimited	Yes
Banks (unsecured) (Excluding the Councils Operational bank accounts)	10	10	Unlimited	Yes
Building societies (unsecured)	-	-	10,000	Yes
Registered providers (unsecured)	-	-	13,000	Yes
Money market funds	£22m sector (£10m counterparty)	£7m sector (£2m counterparty)	Unlimited (£10m per counterparty)	Yes
Strategic pooled funds	-	-	25,000	Yes
Real estate investment trusts	-	-	13,000	Yes
Other investments	-	-	5,000	Yes

Treasury Management Prudential Indicators

As required by the 2021 CIPFA Treasury Management Code, the Council monitors and measures the following treasury management prudential indicators.

1. Liability Benchmark

This new indicator compares the Council's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing.

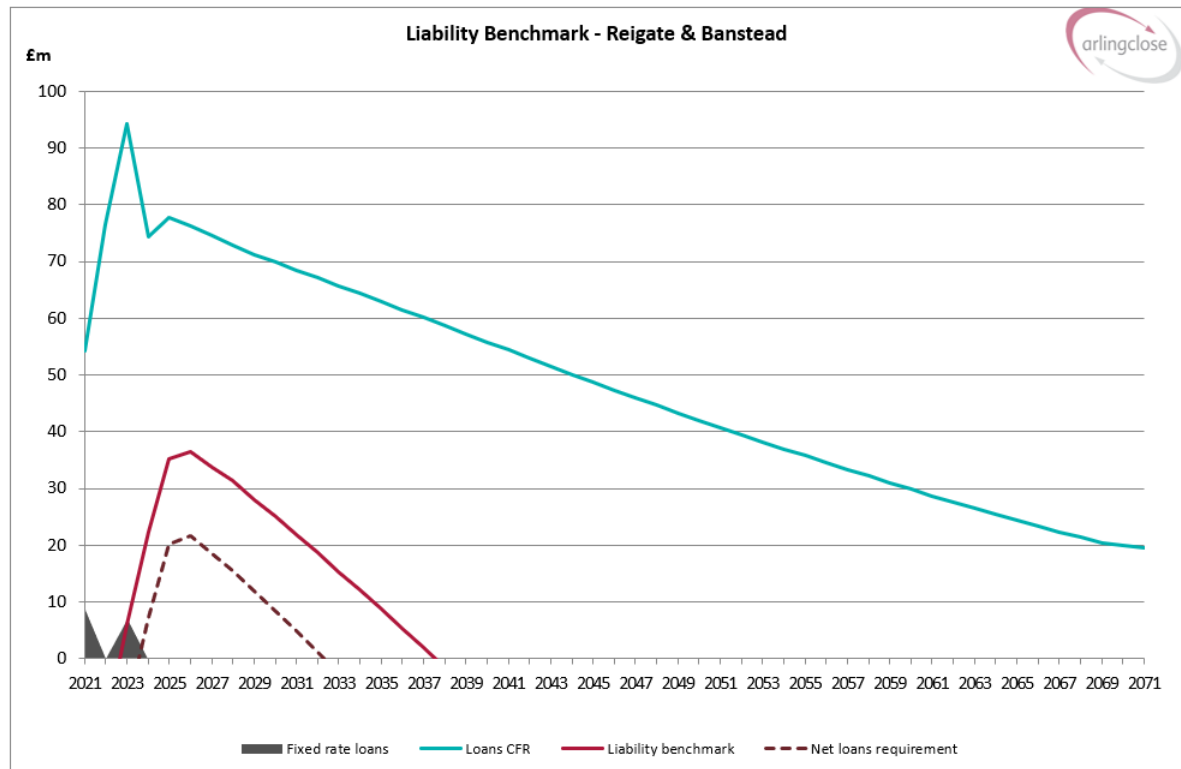
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making.

It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £15.0m required to manage day-to-day cash flow.

Table 7: Liability Benchmark	31/03/2023 Actual £000	31/03/2024 Forecast £000	31/03/2025 Forecast £000	31/03/2026 Forecast £000
Loans CFR	94,300	74,400	77,800	76,200
Less: Balance sheet resources	103,300	67,100	57,600	54,600
Net loans requirement	(9,000)	7,300	20,200	21,600
Plus: Liquidity allowance	15,000	15,000	15,000	15,000
Liability benchmark	6,000	22,300	35,200	36,600

Existing borrowing	(7,000)	-	-	-
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Following on from the medium-term forecast in the table above, the long-term liability benchmark assumes no capital expenditure will be funded by borrowing after 2023-24 and that reserves will increase by 2.5%. This illustrated in the chart below:



A borrowing requirement of £22.3million is expected by 31 March 2024 and increasing by £35.2million and £36.6million respectively for 31 March 2025 and 31 March 2026 and declining thereafter from 2027 onwards.

The net loans requirement on the graph is a lower figure and represents the borrowing that would be required if investment balances were kept at nil.

The graph represents only a snapshot in time at year end when balances are typically at their lowest and borrowing needs are highest. In year balances are expected to fluctuate to up to £65.3 million.

Borrowing is therefore in practice only likely to be required in the short term for some parts of the year.

2. Maturity Structure of Borrowing

This indicator is set to control the Council’s exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

Table 7: Maturity Structure of Borrowing	Upper Limit	Lower Limit	30/06/2023 Actual	Complied?
Under 12 months	100%	0%	8,000	Yes
12 months and within 24 months	100%	0%	-	Yes
24 months and within 5 years	100%	0%	-	Yes
5 years and within 10 years	100%	0%	-	Yes
10 years and above	100%	0%	-	Yes

Time periods start on the first day of each financial year.

The maturity date of borrowing is the earliest date on which the lender can demand repayment.

As the Council has relatively modest and short term overall borrowing requirement there is no significant refinancing risk associated with having all loans maturing within the timescales shown above.

At present the Council would wish to retain maximum flexibility as to the periods in which it borrows over. If the debt portfolio becomes more extensive, then the indicator will be reviewed to ensure that it remains suitable.

3. Long-term Treasury Management Investments

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management limits are:

Table 8: Long Term Investments	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£10.0m	£10.0m	£10.0m	£10.0m
Actual principal invested beyond year end	£0m	£0m	£0m	£0m
Complied?	Yes	Yes	Yes	Yes

Long-term investments with no fixed maturity date include strategic pooled funds, real estate investment trusts and directly held equity but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Additional indicators

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average rating / credit score of its investment portfolio.

This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 9: Credit Risk	2023/24 Target	30/06/2023 Actual	Complied?
Portfolio average credit	A	A+	Yes

Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period.

Table 10: Liquidity Risk	2023/24 Target	30/06/2023 Actual	Complied?
Total cash available within 3 months	£5.0 million	£12.254 million	Yes

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. Bank Rate rose by 0.75% during the quarter, from the prevailing rate of 4.25% on 1st April to 5% by 30th June.

Table 11: Interest rate risk indicator	2023/24 Target	30/06/2023 Actual	Complied?
Revenue impact of a 1% change in interest rates	£0.078 million pa	£0.068 million pa	Yes

For context, the changes in interest rates during the quarter were:

	<u>31/3/23</u>	<u>30/6/23</u>
Bank Rate	4.25%	5.00%
1-year PWLB certainty rate, maturity loans	4.78%	6.22%
5-year PWLB certainty rate, maturity loans	4.31%	5.71%
10-year PWLB certainty rate, maturity loans	4.33%	5.25%
20-year PWLB certainty rate, maturity loans	4.70%	5.36%
50-year PWLB certainty rate, maturity loans	4.41%	4.95%

The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at new market rates.

Prudential Indicators

2023/24

Quarter 1

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected activity or introduces limits upon the activity and reflects the outcome of the Council's underlying capital appraisal systems.

The Prudential Code requires authorities to look at capital expenditure and investment plans in the light of overall organisational strategy and resources and ensure that decisions are being made with sufficient regard to financing implications and potential risks to the authority.

The Council measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

1. Capital Expenditure

This indicator requires reasonable estimates of the total capital expenditure to be incurred. The Council's planned capital expenditure is summarised below. The 2023/24 forecast at 30 June 2023 is set out in the table below.

	2022/23 actual £000	2023/24 forecast ¹ £000	2024/25 budget £000	2025/26 budget £000
General Fund services	21,154	23,398	4,322	3,805
Capital investments	-	1,308	-	-

NOTE 1: Approved slippage from 2022/23 of £24,116 has been included in the above figure.

The Council is planning to incur £1.3m of capital expenditure on investments by 31 March 2024.

2. Capital Financing Requirement

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure (that is not financed by grants, capital receipts or direct revenue contributions) and reduces with MRP (minimum revenue provision) and capital receipts used to replace debt.

	31/03/2023 actual £000	31/03/2024 forecast £000	31/03/2025 budget £000	31/03/2026 budget £000
General Fund Services	94,300	73,092	77,800	76,200
Capital Investments	-	1,308	-	-
TOTAL CFR	94,300	74,400	77,800	76,200

The CFR for has reduced to reflect capital receipts received in the second quarter of the current financial year.

3. Gross Debt and the Capital financial Requirement

Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Council has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	31/03/2023 actual £000	31/03/2024 forecast £000	31/03/2025 budget £000	31/03/2026 budget £000	Debt at 30/06/2023 £000
Debt (incl. PFI & leases)	7,000	-	-	-	8,000
Capital Financing Requirement	94,300	74,400	77,800	76,200	

4. Debt and Authorised Limit and Operational Boundary

The Council is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Maximum debt Q1 2023/24 £000	Debt at 30/06/2023 £000	2023/24 Authorised Limit £000	2023/24 Operational Boundary £000	Complied? Yes/No
Borrowing	8,000	8,000	35,000	40,000	Yes

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow; this is not counted as a compliance failure.

5. Net Income from Service and Commercial Investments Compared to Net Revenue Stream

The Council's income from commercial and service investments as a proportion of its net revenue stream is forecast to be as set out below.

	2022/23 actual £000	2023/24 forecast £000	2024/25 budget £000	2025/26 budget £000
Total net income from service and commercial investments	2,013	2,085	2,397	2,757
Proportion of net revenue stream	13.52%	9.39%	10.80%	12.42%

6. Proportion of Finance Costs to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue.

This net annual charge is known as financing costs and is compared to the net revenue stream i.e., the amount funded from council tax, business rates and general government grants.

	2022/23 actual £000	2023/24 forecast £000	2024/25 budget £000	2025/26 budget £000
Financing costs (£m)	606	637	727	743
Proportion of net revenue stream	4.07%	2.87%	3.27%	3.35%

Treasury Management Indicators: These indicators (Liability Benchmark, Maturity Structure of Borrowing and Long-Term/Short Term Treasury Management Investments) are set out within the Treasury Management Report Q1 2023/24 above.

Agenda Item 6



Signed off by	Head of Corporate Policy, Projects and Performance
Author	Denise Rowley, Sustainability Project Officer
Telephone	Tel: 01737 276568
Email	Denise.Rowley@reigate-banstead.gov.uk
To	Overview and Scrutiny Committee Executive
Date	Thursday 7 September 2023 Thursday 14 September 2023
Executive Member	Portfolio Holder for Environment and Sustainability

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Environmental Sustainability Strategy: Annual Report
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Recommendations
<p>That the Overview & Scrutiny Committee:</p> <ul style="list-style-type: none"> (i) Notes the Environmental Sustainability Strategy progress report (Annex 1) and makes any observations to the Executive (ii) Agrees to request Democratic Services (in consultation with the O&S Chair and relevant Head of Service) to prepare a scoping report looking at establishing a time limited Scrutiny Panel for the forthcoming ES Strategy Review, to be considered at a future Committee meeting <p>That the Executive:</p> <ul style="list-style-type: none"> (i) Agrees the Environmental Sustainability Strategy progress report (Annex 1) for publication on the Council website (ii) Agrees that officers commence a light touch review of the current Environmental Sustainability Strategy to ensure it remains up to date
Reasons for Recommendations

Agenda Item 6

To reiterate the Council's commitment to tackling climate change and sustainability issues, including in partnership with other public authorities; to enable us to provide regular progress reports and to ensure we remain proactive and agile in our response.

Executive Summary

This report provides a summary of the Council's progress in delivering its Environmental Sustainability Strategy ('the ES Strategy') and Action Plan since the 2021/22 Environmental Sustainability progress update (ES progress update). This report covers the year ending March 2023.

Since the last ES progress update, some progress has been made on actions across all themes within the Strategy, but action will need to accelerate to meet the net zero 2030 target.

This covering report summarises key elements of our progress, challenges, and next steps, with more detail about progress on specific actions provided in Annex 1 and a summary of commissioned external reports in Annex 2.

The report also outlines plans for a light-touch review of the current Environmental Sustainability Strategy and Action Plan to ensure that it remains up to date and reflects the latest baseline evidence and policy position.

Executive has authority to approve the above recommendations

Statutory Powers

1. Under the Local Government Act 2000, the Council has a duty to promote the social, economic, and environmental wellbeing of its area. The Council also has related statutory duties around environmental health, waste, and planning.
2. The Climate Change Act 2008 and subsequent amendments¹ sets out much of the UK's policy response to climate change. The Environment Act 2021 provides the legal framework relating to environmental protection.

Background

3. In response to the growing climate challenge, the Government has set increasingly challenging targets to reduce greenhouse gases over the coming years, cumulating in a target for the country to become net zero by 2050.
4. Our own corporate plan, Reigate & Banstead 2025², commits the Council to reducing its own environmental impact, and supporting residents and businesses to do the same. The Environmental Sustainability ES Strategy³ adopted in 2020 provides more information about how the council will deliver on this objective.
5. The Council's activity on environmental sustainability focuses on two main elements; firstly how we become more sustainable as a Council, and secondly how we work

¹ [The Climate Change Act 2008 \(2050 Target Amendment\) Order 2019 \(legislation.gov.uk\)](https://legislation.gov.uk)

² www.reigate-banstead.gov.uk/rbbc2025

³ www.reigate-banstead.gov.uk/sustainability

with other partners, our residents and businesses to make the borough more sustainable.

6. On the first of these, the Strategy sets out a target for the Council's operational CO_{2e} emissions to be reduced to net zero by 2030. For the second of these, the strategy includes a borough level target that aligns with the Government's national target of 2050. While the Council has the most direct control over its own operational emissions, these amount to around 0.2% of emissions within the borough; it is therefore important that we also support residents and businesses to take steps to tackle climate change and sustainability issues, and work with partner organisations to make progress. Further information about carbon targets is included later on in this report.
7. It is proposed to commence a light-touch review of the ES Strategy in Autumn 2023 to ensure that it remains up to date and reflects the latest data and evidence available to us. While this paper and Annex 1 report delivery against the current Strategy we have highlighted some specific elements that will form part of the review process.

Key Information

Progress

8. Detailed information about progress on initiatives outlined in the Action Plan for the year 2022/23 is set out in Annex 1. Some examples are provided below, structured around the four themes within the ES Strategy.
9. **Effective implementation:** This section of the Strategy covers 'cross cutting' issues such as resourcing, communications, planning, and partnership working'. Progress has included:
 - a. Continuing to deliver a wide range of communication-related activity, including updates to our webpages and articles in Borough News along with promotion of energy efficiency, water saving, training opportunities and general sustainability messages.
 - b. Delivery of sustainability messages at in-person events eg food clubs.
 - c. Ongoing engagement with a wide range of partner organisations including participating in a number of Surrey County Council working groups, Town and Parish Councils, local businesses, and community groups.
10. **Energy & carbon:** This section covers energy efficiency, renewable energy, and low carbon transport. Items of note from the past year have included:
 - a. Due to our current energy supplier going out of business, the energy the Council purchases reverted to a conventional (non-renewable) tariff for 2022/23. The Property team have now sourced a 100% renewable electricity tariff to commence in autumn 2023.
 - b. External consultants reported back on their carbon footprint verification, building audits, work mapping the trajectory to net zero scenarios, identifying supply chain emissions (scope 3) and assessing decarbonisation options for the fleet. These reports provide validation to our approach to net zero, will guide our work in 2023/24 planning building decarbonisation and collecting data to develop a

Agenda Item 6

Scope 3 baseline. Along with further, more detailed, work being carried out on costings, it will feed into the Council's future capital programme

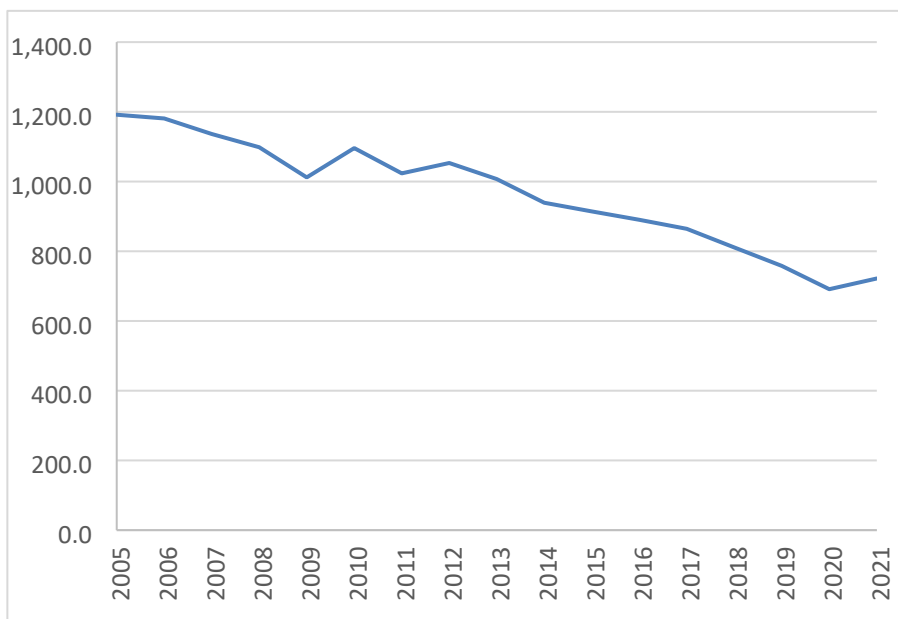
- c. Work has been ongoing trialling alternatives to fossil-fuel powered vehicles and equipment to inform future replacements, including investigating different fuel types such as HVO and hydrogen.
 - d. There have been delays in the SCC county-wide concession agreement for electric vehicle charge points on street, although a provider has now been appointed and we have provided initial views on priority locations for both on-and off-street charge points in the borough. Districts and Boroughs have the opportunity to access this agreement as a delivery partner for installations on our own land. However, at year end the necessary detail was still awaited so assessment of the suitability to join this scheme will be done in 2023/24. Land ownership legal issues are holding up completion of 6 additional charge points in Banstead Car Park, but work has been progressing positively on six additional charging points in Horley which will be available in 2023/24.
 - e. Green Homes Grant Local Authority Delivery (LAD) phases 2 and 3 delivered retrofit measures such as insulation, on 63 of the most energy inefficient low-income households in the Borough.
 - f. After the successful bid of over £1.4m to Wave 1 of the Social Housing Decarbonisation Fund (on behalf of Raven Housing Trust in Reigate & Banstead and Accent Housing in Surrey Heath borough), 26 Raven properties have had measures retrofitted in the Borough.
 - g. Ten businesses undertook our low carbon action plan training which resulted in actions likely to save energy and carbon, including production changes, digital footprint, supplier changes and smart metering.
 - h. Provision of direct energy efficiency advice to residents via face-to-face events at community groups, as well as developing capacity for the local energy reduction advice group Energy Action Reigate and Redhill by helping them find grants for their energy assessment service, delivered at 70 properties.
11. **Low impact consumption:** This section covers waste reduction, water efficiency and responsible sourcing. Progress has included:
- a. Roll-out of full kerbside recycling collection to flats continues.
 - b. The ongoing delay to publication of a plan to deliver the targets in the DEFRA Resource and Waste Strategy means that there are some question marks about what our waste and recycling service will look like in the future, which cannot be resolved until more information is available from Government.
 - c. In partnership with SES Water, water efficiency advice has been provided at ten events with 605 free water saving devices distributed.
12. **Natural environment:** This section covers tree planting, supporting biodiversity and reducing pollution. Progress has included:
- a. Increased planting of native and pollinator species on our land and cessation of peat use.

- b. The Greenspaces team is in discussions with community groups about community tree planting and have agreed in principle two locations in the Borough where a community group will plant, water and maintain trees on RBBC land.
 - c. Discussions continuing between the Sustainability and Greenspaces teams to develop a greenspaces and tree planting strategy, this has been delayed somewhat awaiting vacant posts to be filled.
13. Alongside this, the Sustainability Team continues to support managers and officers across the Council to understand environmental issues and identify opportunities to make a difference, ensuring that sustainable ways of working become embedded within the Council.

Borough Carbon Footprint

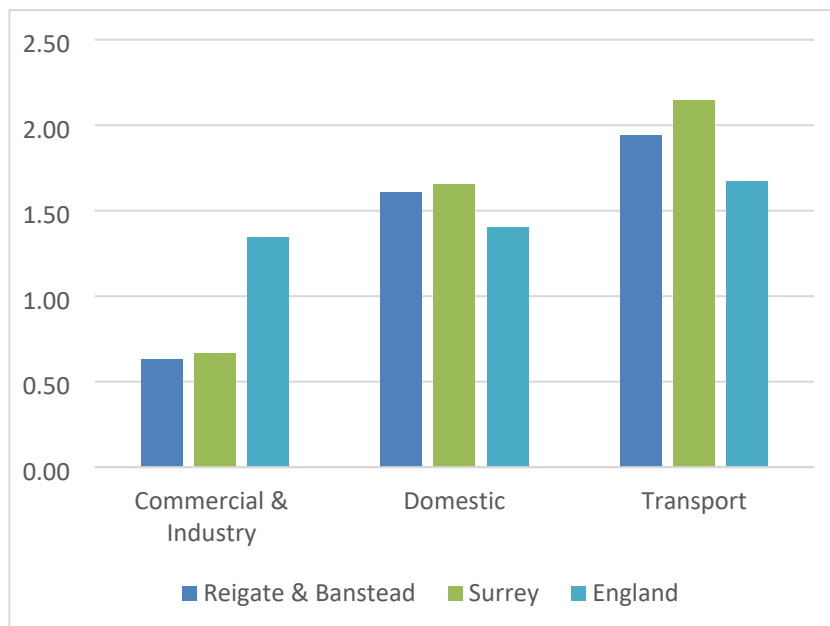
14. Data from the Department for Energy Security and Net Zero (DESNZ) (formerly BEIS, the Department for Business, Energy & Industrial Strategy) indicates that progress is being made on reducing greenhouse gas emissions within the borough (figure 1), there was a more significant fall in 2020 (likely due to reduced activity caused by the Covid19 lockdowns) with a rebound to the expected downward trajectory in 2021. This is the latest year for which DESNZ have published data, with 2022 figures not expected until June 2024. This trend is replicated across Surrey. It should be noted that domestic and transport emissions per head are higher in Reigate & Banstead than the national average (although lower than the Surrey average) (figure 2).

Figure 1: Borough level trend in greenhouse gas emissions (2005-2021, ktCO_{2e}) (source: DESNZ)



Agenda Item 6

Figure 2: Borough greenhouse gas emissions per Capita (2021, ktCO_{2e}) (source: DESNZ)

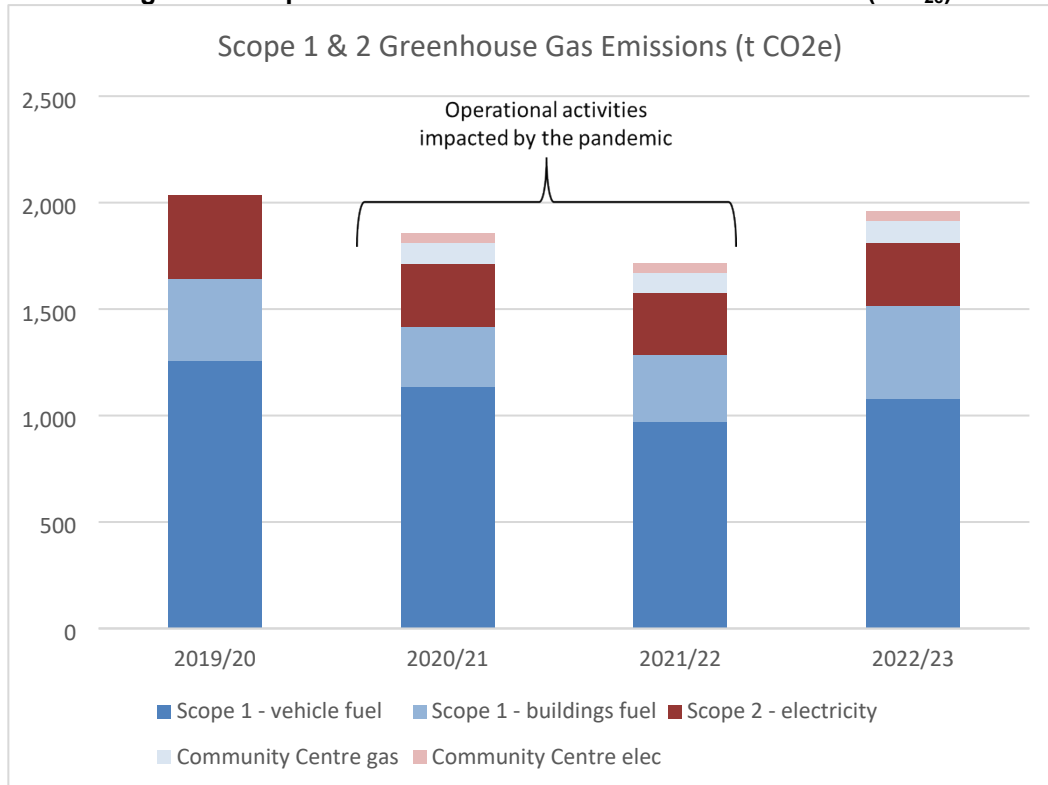


Council carbon footprint

15. The measured carbon footprint of the Council's operational emissions covers Scope 1 emissions (natural gas used in buildings and petrol and diesel used in vehicles and mobile equipment) and Scope 2 emissions (purchased electricity) only. The scope of the carbon footprint includes all Council owned vehicles and petrol-fuelled equipment along with Council owned and operated buildings identified at the time of Strategy publication (the Town Hall, Depot, Harlequin, Community Centres (from 2020), car parks and smaller buildings such as toilets, park pavilions, and the cemetery). It currently excludes buildings with more complicated owner / operator status such as the leisure centres, leased commercial assets and housing, however this will be reviewed during the proposed ES Strategy Review (See Next Steps).
16. Figure 3 shows the council's carbon footprint based on its operational emissions, with the year 2019/20 representing the baseline from which we will measure progress against our target of being net zero by 2030⁴. Community centres only returned to council operation in 2020. These are therefore indicated separately to show the additional emissions from these sites that were not present in the baseline year.

⁴ Based on scope 1 and scope 2 emissions, with a focus on achieving carbon neutrality including scope 3 emissions as soon as possible thereafter

Figure 3: Scope 1 and 2 carbon emissions 2019/20-2022/23 (tCO_{2e})



NOTE: Community centres returned to the Council in 2020/21 and their energy consumption is included in the carbon footprint for that year and onwards. We do not have a breakdown of their separate carbon emissions for 2020/21 and 2021/22 so they are presented here indicatively.

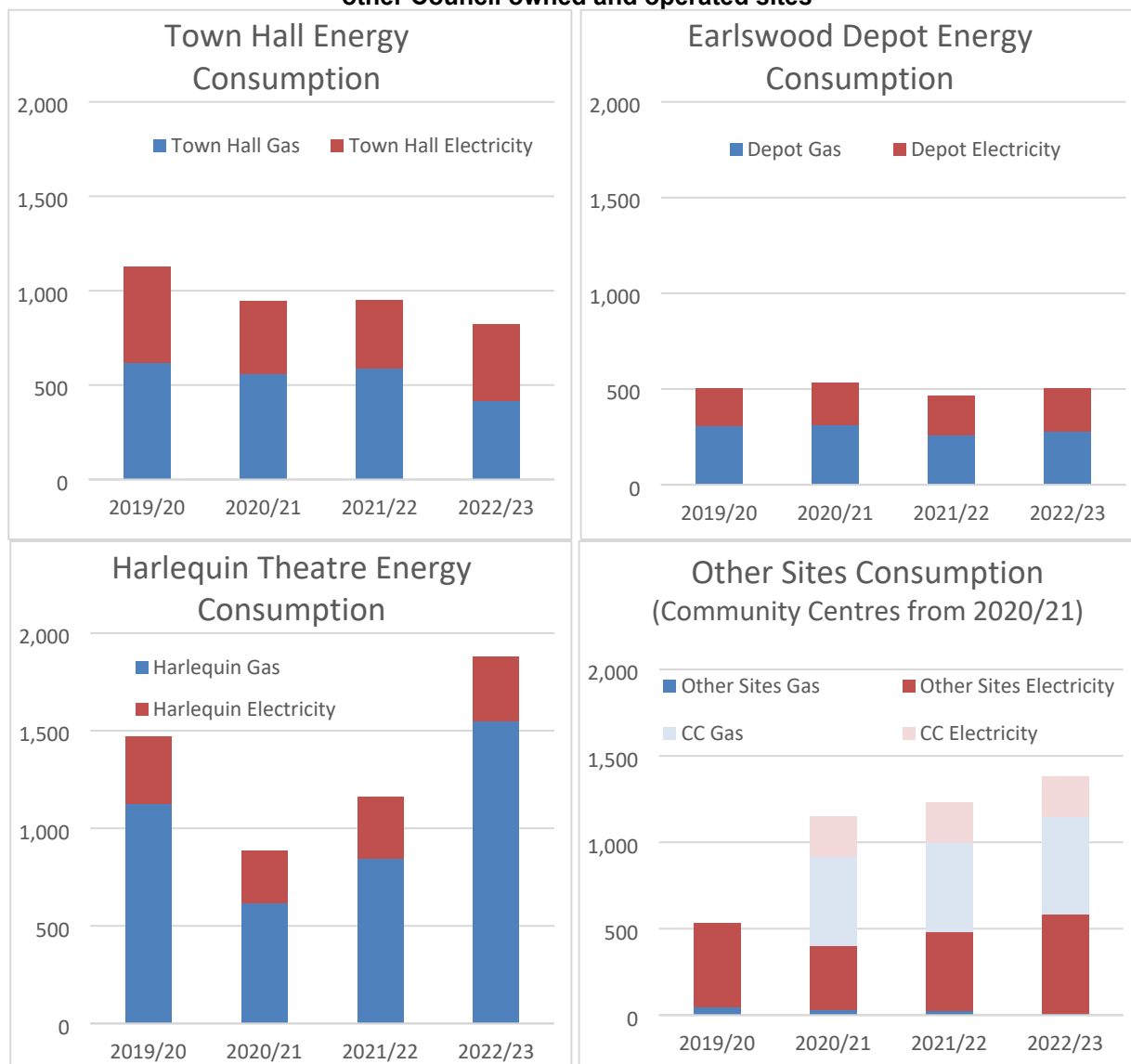
17. The graph shows a downward trend in carbon emissions since the baseline year for those emissions included within the baseline, and a slight downward trend (although lesser reduction) when community centre emissions are included. However, there has been an uptick in emissions since last year.
18. During the years 2020/21 and 2021/22 our activities were affected by the lockdowns and restrictions associated with Covid19, which began with a request to stop non-essential contract on 16 March 2020 and the national lockdown legally came into force on 26 March 2020. Although refuse services continued, other activities were significantly affected - community centres were shut and the Harlequin was repurposed as a food bank and support hub, whilst staff predominantly worked from home with many supporting Covid-related activities. Although the first lockdown was lifted in June 2020, significant restrictions remained, and further national lockdowns occurred in winter 2020/21 with a phased lockdown exit from March to July 2021. Remaining government restrictions (for example on travel and isolation) were only lifted in Spring 2022, which is likely to explain the uptick in emissions for this current reporting year. It is also likely that the carbon footprint for 2022/23 is more representative of the 'new normal'.
19. It should also be noted that due to the failure of one of the Council's energy providers during the reporting period, data availability has been impacted – this is an issue that multiple councils have experienced and that we have been working to rectify, however has meant that figures for gas usage have had to be extrapolated from the partial data that is currently available. In addition, it must be noted that many of our sites are not on smart meters so gas measurements are estimated and subject to

Agenda Item 6

occasional reconciliation. Figures should therefore be treated with a degree of caution.

20. **The buildings component of emissions:** The variability in energy consumption over time at the three main sites, as well as a collective of the remaining sites, is illustrated in Figure 4. Points to note include:
- a. For 'other sites' the community centres were not included in the baseline carbon footprint as the Council only brought operations in house in 2020/21. Based on consumption levels in 2022-23 these add an additional 104t CO_{2e} from gas consumption and 56t CO_{2e} from electricity consumption.
 - b. The Harlequin by its nature has a high energy utilisation due to its size and hours of operation and as such it represents a higher percentage of energy use compared to our other operational buildings. Noting the caveats about data availability in para 19 above and the fact that the facility was likely most impacted by lockdowns, for 2022/23 gas consumption has increased against baseline (equating to estimated 78t CO_{2e} compared with the Harlequin carbon emissions from gas in the baseline year). Work is underway to ascertain the reasons for this increase, determine how it can be addressed in the immediate term, and understand longer-term options available to better manage energy use at this facility.
 - c. Many of our sites are not on smart meters so figures are estimated and subject to occasional reconciliation which can distort the pattern of energy consumption. The Property team is investigating the roll out of automatic metering across the main sites which will allow accurate energy consumption data in future whilst allowing analysis of where energy is being consumed which will allow any unusual patterns to be identified, investigated and rectified in order to reduce energy consumption.

Figure 4: Gas and electricity consumption (MWh) at the Council’s main operational sites and all other Council owned and operated sites

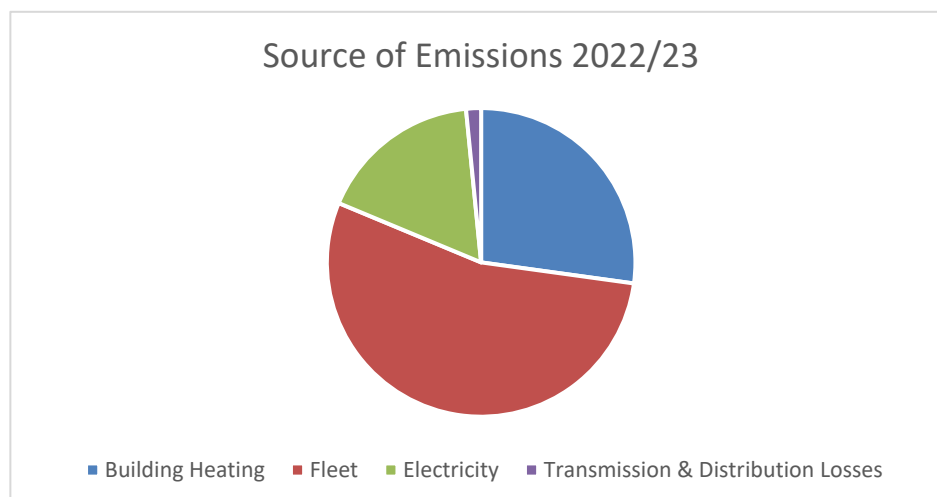


21. **The fleet component of emissions:** In terms of the fleet, 2022-23 sees approximately 14% reduction in fuel consumption compared to the baseline, which is likely to be partially attributable to the installation of electric lifting gear on the refuse collection vehicles and partly the transition to EVs for those suitable vehicles that have reached end-of-life.
22. While it should be noted that reductions in carbon emissions are expected to be non-linear with significant reductions achieved during years where major projects are delivered (eg replacing a gas boiler with an electric alternative or replacing a number of vehicles with low emission versions), it is clear that ongoing action to reduce emissions from our buildings and fleet will be critical. This will include activity to reduce fuel and energy consumption (which are also likely to save money on fuel bills), move away from gas as a fuel source, and speed up delivery of renewable energy sources.
23. Figure 5 provides a breakdown of the Council’s operational emissions⁵. Transmission and distribution (T&D) losses represent emissions arising from energy lost in the

Agenda Item 6

distribution process from the generators and is out of the council's direct control (scope 3), although directly correlates to the amount of energy consumed from the national grid. T&D is included in the baseline carbon footprint but it does not form part of the Council's 2030 net zero target, as this only focuses on Scope 1 and 2. Despite this, T&D emissions should naturally reduce as we implement energy efficiency measures and alternative energy sources. As noted above, the Council's electricity usage (currently 17%) will be on a renewable tariff from Autumn 2023.

Figure 5: Council Source of Emissions (2021/22)



External Reviews

24. During 2022-23, external consultants were commissioned to review a number of aspects of the ES Strategy, and in particular the work to deliver net zero carbon by 2030. These are summarised briefly below, with further detail in Annex 2.
 - a. **Baseline Validation Report** – this report reviewed and validated data used to create the carbon baseline of 2019/20 and the data for the first year of reporting 2020/21. The report included found the data was substantially correct, with only minor adjustments required. These amendments increased the baseline carbon footprint to 2,069t CO₂e and the 2020/21 footprint to 1,885t CO₂e.
 - b. **Building Energy Audits** – audits were conducted at six main sites and two multi-storey car parks to identify costed opportunities to reduce energy consumption, to transition from fossil fuels to low / zero carbon heating and to install renewable energy generation.
 - c. **Scope 3 emissions** – these emissions are not part of the 2030 target but are targeted for “as soon as possible thereafter”. Scope 3 emissions are indirect emissions (those outside of direct control) typically those from suppliers, staff commuting, non-RBBC vehicle travel (eg public transport), water, waste, and leased assets.
 - d. **Net Zero Trajectory** – this report looked at scenarios and developed a trajectory of carbon reductions for each scenario. Assuming an ‘accelerated path,’ forecast emissions in 2030 would be 452t CO₂e (or a 77% reduction on baseline).

⁵ Based on information gathered across Council services

Additional actions were proposed to reduce this further, including bringing forward the timeline for vehicle decarbonisation.

- e. **Fleet Review** – this report reviewed the Council vehicle fleet to determine which of these could be replaced with electric equivalents and whether there are viable hydrogen alternatives for larger vehicles. Implications for carbon and costs were considered on a whole-life basis.

Challenges

- 25. The following challenges have inhibited significant progress in delivering actions and reducing the Council's carbon emissions: Further information about addressing these challenges is provided in the 'Next Steps' section.
 - a. Progress on reducing energy consumption in our buildings has been delayed for a number of reasons, including lack of capacity in the Property team, lack of detailed energy data to identify where energy losses are, and a need to develop detailed costs for the building energy efficiency measures identified in the Building Energy Audits.
 - b. A sustainable procurement policy is critical for embedding sustainable practices, but there has been no progress on this due to the lack of resources in the Procurement team.
 - c. Further electrification of the Depot-based fleet will be difficult with the current layout and needs an understanding of the electrical grid capacity. A plan to investigate capacity and options will be implemented in 2023/4.
 - d. A vacancy in the Sustainability team for 7 months reduced capacity to progress actions, whilst vacancies in the Greenspaces team have delayed the Tree Strategy and the Greenspaces Strategy. Offers have been made and these roles will be filled in 2023.

Next Steps

- 26. As well as setting out progress on, and challenges associated with, 2022/23 actions, Annex 1 presents progress on earlier ongoing actions and explains the next steps in relation to these actions. Work is also starting for delivery of the objectives outlined in the Action Plan for 2023/24 (progress on which will be reported in the next annual report), and a summary is also presented in Annex 1.

27. Fleet:

- a. **Hydrotreated Vegetable Oil:** HVO is a type of biofuel created using waste products such as used cooking oil. Sometimes known as renewable diesel, it is a fossil fuel-free alternative to mineral diesel. All 28 of the Council's 26 tonne Refuse Collection Vehicles have been confirmed as being compatible with HVO without any modification. This element of the fleet is responsible for around 650t CO_{2e} emissions every year and equates to over 30% of all Council CO_{2e} emissions.

Assuming a 76% reduction in CO_{2e} from switching to HVO, a reduction of around 490t CO_{2e} per year could be achieved, 24% of the Council's total CO_{2e} emissions. This is a significant reduction that could be implemented almost immediately as a transition fuel whilst the infrastructure for transitioning the whole fleet to low carbon (eg electric or hydrogen) is designed and installed. A business case is currently being prepared. As HVO is more costly than diesel, moving to this fuel

Agenda Item 6

would require approval of revenue budget (and potentially capital programme growth) as part of service & financial planning for 2024/5.

- b. **Electric or hydrogen vehicles:** As existing vehicles come up for renewal, our fleet replacement strategy is that these should be replaced with low carbon alternatives where possible, recognising that not all vehicles in our fleet currently have alternatives available which are cost effective or able to deliver the required tasks, and that there remain some questions about at-scale EV charging capacity at the depot. As this is a significant investment, the purchase of these vehicles will be subject to approval of a business case for growth in the capital programme. To inform purchase decisions alternatively fuelled vehicles continue to be trialled across relevant service areas.

28. Buildings:

- a. **Energy management:** Options are currently being explored to improve energy management across the Council's operational buildings. One of the challenges of operating in large buildings and across a large operational estate is managing how energy is used and collecting data to understand where savings can be made. Early estimates are that sub-metering (for example) could initially deliver in the region of 43tCO_{2e} per year carbon savings.
- b. **Solar PV:** £0.430 million of funding has been secured via strategic CIL towards solar PV on 9 Council buildings including the Town Hall, Depot, Harlequin and three Community Centres. Overall, it has been estimated that this has the potential to deliver a carbon reduction of 57t CO_{2e} per year. As well as carbon savings, this will reduce energy bills and benefit the Council's revenue budget. Planning permission has recently been secured for the first of these, at Priory Park Pavilion, with the intention being to progress with other installations in a phased manner. It should be noted that due to construction cost increases additional funding may be required to deliver solar PV at all of the identified properties. Where possible this will be funded from the existing Environmental Sustainability Projects capital allocation, however if that is not possible and other funding cannot be found, the scale of the installations may need to be reduced. There may be technical constraints on some buildings which limit the ability to install solar PV, and feasibility work is underway to investigate this. Where preparatory works are needed that come at an additional cost, installation may need to be aligned with the agreed capital programme for maintenance if this work cannot be brought forward sooner.

Outside the scope of the CIL scheme, options are also being explored to install solar PV on the new temporary and emergency accommodation units that are being purchased by the Council. Funding is being sought from a third party funding source – if successful this could deliver an estimated carbon saving of 0.5t CO_{2e} per property per year.

- c. **Other building upgrades:** A range of other building upgrades are also needed to our operational buildings including measures to improve energy efficiency and transition away from gas use. It is important that these are scheduled carefully to minimise installation costs and avoid abortive works (for example installing measures that then need to be removed due to (for example) building refurbishment).

An initial focus will be on measures for which Strategic CIL funding has been secured at Banstead and Woodhatch Community Centres (with measures at Horley Community Centre being incorporated as part of a wider renovation project). Funding of £0.370 million has been secured to deliver measures such as better building energy management technology, anti-glare film, LED lighting and more energy efficient heating. Across the two properties these have the potential to reduce carbon emissions by in the region of 70t CO_{2e} per year. Feasibility work is underway to gain detailed costings, however as with solar PV, it should be noted that due to construction cost increases additional funding may be required to deliver all measures both properties, and there may be preparatory works that come at an additional cost. The route for securing any additional funding needed will be determined once detailed costings are available. Options include to use the ES projects capital allocation, seeking third party funding, phasing works to align with scheduled maintenance activity (and associated capital programme allocation), growth requests or reducing the scale of intervention.

Sustainability upgrades to other council buildings will be planned in either as part of the ongoing maintenance programme, or once plans for their longer-term use are firmed up. Funding for these upgrades will be included in future reviews of the council's capital programme or brought forward as standalone funding requests supported by business cases for approval.

29. Using HVO in our refuse collection vehicles, coupled with energy management system improvements, upgrades to the two community centres mentioned above, and the installation of solar PV are estimated to generate carbon savings of 660t CO_{2e} per year (equivalent to 31% of 2019/20 baseline). Switching to more low carbon vehicles and other building retrofit works will further build on this.
30. **Sustainable Procurement:** Sustainable procurement is an important element in securing future reductions in our supply chain emissions. Interim capacity has now been secured in the Procurement team to enable the corporate strategic procurement review to begin – this will include looking at ethical and sustainable procurement, and the Sustainability Team will input into the review. The new corporate approach will ensure that we are able to proactively use procurement as a positive tool to contribute to sustainability objectives
31. **Greenspaces and tree planting:** Well managed greenspaces play an important role in carbon sequestration, and tree-planting in appropriate areas can increase this further. Work is currently underway to prepare a Greenspaces Strategy, which will explain in more detail how the Council's greenspaces will be managed to enhance this capability in the coming years. Where additional funding or resources are required to deliver additional activities, this will be progressed via the annual budget setting process. The Council has also commissioned assessments to determine the feasibility of using Council-owned land as habitat banks to provide additional biodiversity net gain.

Reviewing the Strategy

32. As noted in para 7, a Strategy Review will be undertaken in 2023/24 to reflect progress and build on the collective knowledge gained since the Strategy was drafted in 2020, whilst reflecting the changing legislative, technical and policy landscape. This will be a light-touch review, retaining the vision, objectives, and net zero targets

Agenda Item 6

whilst developing new short- and medium-term actions to deliver the objectives, and updating the Strategy with relevant new information.

33. The review will:
- a. Review and confirm the scope of the Council's net zero target and what data collection activities would be necessary to extend the scope to include assets not currently covered
 - b. Review the objectives and any outstanding actions from the current strategy
 - c. Develop a new suite of measurable actions for the short term (1-3 years) with some less specific actions for the medium term (3-5 years) along with any necessary longer-term actions that may develop in light of legislation or technological improvements
 - d. Review performance indicators and include the development of a new standard reporting template
 - e. Provide more information about addressing scope 3 emissions and about offsetting any residual emissions; and
 - f. Consider in more detail the need to develop resilience and adapt to a changing climate
34. To inform the review, consultation will be undertaken with relevant Council service areas, partner organisations and community representatives, and elected Members, including via a time-limited O&S Scrutiny Panel.

Options

35. The Executive has the following options:
36. Recommendation 1:
- Option (a): Agree the ES Strategy Progress Update at Annex 1. This option is recommended as it enables us to publish a formal report on progress, ensuring transparency in relation to our continuing activity to lead local action to tackle climate change and other sustainability issues.
- Option (b): Do not agree the ES Strategy Progress Update for publication. This option is not recommended as it is important that we publicly report our progress on a topic that is of increasing local interest.
37. Recommendation 2:
- Option (a): Agree to progress a light touch review of the Environmental Sustainability Strategy. This option is recommended as it enables us to review the ES Strategy allowing for updated actions to deliver local environmental improvements and deliver the Strategy target and objectives.
- Option (b): Do not agree to progress the review This option is not recommended as a review of the ES Strategy is needed to ensure it reflects developments since it was written.

Legal Implications

38. There are no direct legal implications arising from this report, however it is noted that any review of the Council's procurement strategy presents an opportunity to ensure sustainability is taken into account in future procurement activities.

Financial Implications

39. Budgetary provision for the implementation of the ES Strategy currently comprises:
- An annual revenue budget allocation for one permanent Sustainability Project Officer. A second Sustainability Project Officer post is currently funded via the UK Shared Prosperity Fund grant
 - £146,000 in an earmarked Environmental Sustainability Reserve, which is currently being used to contribute to the cost of other sustainability workstreams; and
 - £250,000 initial allocation in the approved Capital Programme that is available for investment in environmental sustainability improvements for Council assets.
40. For many of the initiatives in the Action Plan, costs will be met by the relevant Council department (for example, Fleet, Facilities etc), with the sustainability budgets serving to provide 'top up' or match funding. As noted above, strategic CIL funding has also been secured. Work is underway to update rolling capital programmes in relation to both property and fleet, factoring in sustainability measures. External funding opportunities are pursued wherever possible, with previous success in securing government funding to benefit the borough from the Green Homes Grant Local Authority Delivery Fund and the Social Housing Decarbonisation Fund.
41. Where additional funding requirements are identified, these will be pursued in the usual way. In some cases, operational costs may be lower by investment in sustainability measures (for example energy efficiency measures leading to lower energy bills or renewables generation producing 'free' electricity once the capital costs are paid back), which will be reflected in relevant business case. It is expected that costs associated with a business-as-usual approach will increase over time (for example, fossil fuel prices, taxes on polluting vehicles, recovery costs associated with extreme weather events and ultimately carbon taxes), whilst there is increasing recognition that the cost of climate inaction are likely to be higher than the costs associated with the net zero transition.
42. Statutory obligations may also emerge for local councils via Government interventions which may introduce additional financial burdens on the Council.

Equalities Implications

43. We have a statutory duty to consider and demonstrate this in all our decisions.
44. Opportunities for positive impact exist, specifically:
- a. In relation to domestic retrofit, where the current focus on tackling the hardest to heat homes first will benefit vulnerable residents from protected characteristic groups living in those homes, by reducing energy bills and improving living conditions.
 - b. In relation to activity around climate change adaption, it is widely recognised that extreme weather events are likely to impact the most vulnerable in our

Agenda Item 6

communities to the greatest extent. Any support and advice that the Council can provide about how to adapt and stay safe will be beneficial.

45. In relation to these opportunities, the Equality Impact Assessment highlights the importance of ensuring that information is provided in a manner that is accessible to those with protected characteristics. We have a statutory duty to consider and demonstrate this in all of our decisions.

Communication Implications

46. A communications plan has been developed to support the Environmental Sustainability Strategy, covering both internal and external communications.
47. Annex 1 will be published on our website as our third annual report and will be supported with some associated communications activity.

Environmental Sustainability Implications

48. Overall, implementation of the ES Strategy will have a positive environmental impact across the borough as well as contributing to global sustainability and climate objectives. It will continue to be important that the full range of potential environmental impacts of projects within the Strategy are considered to avoid or mitigate any unnecessary negative environmental consequences, whilst assessing and recording any associated co-benefits (environmental and other).
49. Work will continue to improve the Council's access to appropriate data so that the direct impact of our activities can be measured and reported

Risk Management Considerations

50. The risks arising from a changing climate (expected to be hotter, drier summers and wetter, warmer winters and more frequent and intense weather extremes) are recognised as a corporate strategic risk, reported on quarterly. The ES Strategy Review will provide an opportunity to consider the need for any additional actions to prepare and / or adapt to climate predictions.
51. The risks for individual projects within the ES Strategy action plan will be considered on a case-by-case basis using the Council's established project management framework. This will include considering operational risks in relation to existing Council activities, financial risks and health and safety considerations.

Consultation

52. The Overview & Scrutiny Committee is being invited to make observations on the Annual Report to the Executive. Any observations will be provided to the Executive by way of draft O&S minutes or a verbal report.

Policy Framework

53. The Environmental Sustainability Strategy provides more detail about the Corporate Plan objectives and commitments on environmental sustainability will be delivered.

Background Powers

Agenda Item 6

1. Reigate & Banstead 2025 (Corporate Plan 2020 – 2025) - [https://www.reigate-banstead.gov.uk/info/20205/plans and policies/280/reigate and banstead 2025](https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_2025)
2. Reigate & Banstead Environmental Sustainability Strategy - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020
3. Reigate & Banstead Environmental Sustainability Action Plan - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020
4. Reigate & Banstead Environmental Sustainability Performance Indicators - https://www.reigate-banstead.gov.uk/downloads/download/2064/environmental_sustainability_strategy_2020

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Annex 1: 2022/23 Progress on ES Strategy Actions and Indicators

Status Ratings:

Complete	This is a one-off action that has been completed, no further action required. Actions that have been reported on and completed in previous years are reported on in this schedule for completeness.
Ongoing	This is an action that has been initially completed but requires repeating (eg an article in Borough news was completed in the required year but further articles will be necessary in subsequent years). These were identified in the Action Plan as, for example, "2020 ongoing".
Started	Work has begun on these actions but has not been completed.
Not Started	No work has begun on these actions.
Future Action / Postponed	This is an action for a future year. Alternatively, it may be an action that has been postponed due to external influences (for example, awaiting a government decision).

Energy & Carbon: Energy Minimisation

Reduce operational energy consumption through fabric improvements and installing energy efficient equipment and fittings

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Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing, or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Implement measures identified as part of the Display Energy Certificates (DEC) recommendation report for key three assets (i.e. Harlequin Theatre, Town Hall and Earlswood Depot) as part of scheduled renewal/upgrade programme.	2022 building energy audits provided energy efficiency proposals. A summary is provided at Annex 2. The Property team have started to review and cost the recommendations, to be incorporated within the Council's capital programme for building maintenance.	Started	The Property team has been restructured to provide additional support in delivery of environmental considerations. Where possible, environmental upgrades will be incorporated as part of ongoing maintenance work. Multiple sites (Town Hall, Depot, Harlequin and the Community Centres) require decisions on their future use or layout, and environmental and sustainability considerations will be incorporated at the time these decisions are made.
2020 ongoing - Use whole life cycle analysis as a decision tool during plant renewal programme upgrades and maintenance programmes to select the most efficient M&E systems for heating, cooling and ventilation. Avoid 'like for like' replacements (e.g. more efficient boiler) unless it's been demonstrated that this is a futureproofed technology.	2022 building energy audits provided energy efficiency proposals. A summary is provided at Annex 2. The Property team have started to review and cost the recommendations, , to be incorporated within the Council's capital programme for building maintenance.	Started	The Property team has been restructured to provide additional support in delivery of environmental considerations. Where possible, environmental upgrades will be incorporated as part of ongoing maintenance work. Multiple sites (Town Hall, Depot, Harlequin and the Community Centres) require decisions on their future use or layout, and environmental and sustainability considerations will be incorporated at the time these decisions are made.
2020 ongoing - Improve loft insulation and wall insulation with a focus on top three key assets as part of scheduled renewal/upgrade programme.	2022 building energy audits provided energy efficiency proposals. The Property team have started to review and cost the recommendations, to	Started	The Property team has been restructured to provide additional support in delivery of environmental considerations. Where possible,

	be incorporated within the Council's capital programme for building maintenance.		environmental upgrades will be incorporated as part of ongoing maintenance work. Multiple sites (Town Hall, Depot, Harlequin and the Community Centres) require decisions on their future use or layout, and environmental and sustainability considerations will be incorporated at the time these decisions are made.
2020 ongoing - Continue to install LEDs throughout the Council assets on top 10 assets or in conjunction with any scheduled renewal/upgrade programme.	2022 building energy audits provided energy efficiency proposals. Ad-hoc replacement of bulbs with LEDs as well as during planned upgrade schemes.	Ongoing	Continue to install LEDs as part of ongoing maintenance schedule
2020 ongoing - Introduce variable speed drives (VSD) for fans, pumps and compressors as part of scheduled renewal/upgrade programmes where viable.	2022 building energy audits provided energy efficiency proposals. The Property team have started to review and cost the recommendations, to be incorporated within the Council's capital programme for building maintenance.	Started	The Property team has been restructured to provide additional support in delivery of environmental considerations. Where possible, environmental upgrades will be incorporated as part of ongoing maintenance work. Multiple sites (Town Hall, Depot, Harlequin and the Community Centres) require decisions on their future use or layout, and environmental and sustainability considerations will be incorporated at the time these decisions are made.
2020 ongoing – Investigate and where appropriate implement opportunities to reduce energy consumption from our leased assets, subject to lease agreements.	Asset Management Strategy has been developed.	Started	The Sustainability and Property teams will work to facilitate sustainability projects and plan implementation of green leases as commercial leases come up for renewal.
2021/22 - Undertake life cycle cost analysis of installing intuitive accessible zoning control mechanisms and/or retrofit PIR sensors (movement/ time/ lux) and or timer on key Council's assets	2022 building energy audits provided energy efficiency proposals. The Property team have started to review and cost the recommendations, to be incorporated within the Council's capital programme for building maintenance.	Started	The Property team has been restructured to provide additional support in delivery of environmental considerations. Where possible, environmental upgrades will be incorporated as part of ongoing maintenance work. Multiple sites (Town Hall, Depot, Harlequin and the Community Centres) require decisions on their future use or layout, and environmental and sustainability considerations will be incorporated at the time these decisions are made..
(Additional action) 2021/22 Undertake work to better understand organisational scope 3 emissions and identify reduction initiatives relating to council operations	Consultancy advice received on the types of Scope 3 emissions that are applicable and identified where data was currently collected (limited).	Started	Take advice on SCC approach and other local authority best practice and develop mechanisms across all relevant departments to collect data, create a baseline and develop emissions reduction initiatives. This will be incorporated as part of the ES Strategy review, commencing Autumn 2023
Action (Previous years/completed)		Status	Challenges and solutions
None			
Action (Future years)	Progress	Status	Challenges and solutions
None			

Indicators					
Carbon footprint for council's operations (scope 1 and 2 and including approx. 30 tonnes/y for electricity transmission and distribution Scope 3)	2019/20:	2,069 tCO _{2e}			
	2020/21:	1,884 tCO _{2e}			
	2021/22:	1,745 tCO _{2e}			
	2022/23:	1,993 tCO _{2e}			
Operational energy use (kWh) for each of the key Council assets *NOTE – due to the absence of some gas use data, estimations have been made.		Town Hall	Depot	Harlequin	Other sites
	2019/20:	Electricity: 503,558 kWh Gas: 617,867 kWh	Electricity: 194,944 kWh Gas: 309,209 kWh	Electricity: 356,777 kWh Gas: 1,123,246 kWh	Electricity: 505,841 kWh Gas: 45,023 kWh
	2020/21:	Electricity: 384,977 kWh Gas: 558,949 kWh	Electricity: 222,691 kWh Gas: 312,913 kWh	Electricity: 267,727 kWh Gas: 616,962 kWh	Electricity: 602,280 kWh Gas: 548,103 kWh
	2021/22:	Electricity: 360,444 kWh Gas: 590,066 kWh	Electricity: 207,654 kWh Gas: 256,144 kWh	Electricity: 314,301 kWh Gas: 848,060 kWh	Electricity: 686,959 kWh Gas: 543,023 kWh
	2022/23:	Electricity: 407,043 kWh Gas: 413,728 kWh	Electricity: 226,061 kWh Gas: 277,326 kWh	Electricity: 331,495 kWh Gas: 1,550,772 kWh	Electricity: 803,186 kWh Gas: 578,428 kWh

96

Promote behaviour changes to reduce operational energy consumption			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing, or carried forward)	Progress	Status	Challenges and solutions
2021/22 - Investigate opportunities to run an annual low energy consumption award open to residents/businesses across the borough.	We have introduced a 'sustainability' category in the Reigate & Banstead business awards for the last two years but no progress has been made on a 'low energy' award.	Started	Review the award categories for 2024, and also consider use of case studies.
(Additional action) 2021 ongoing - Work with partner organisations, residents, businesses and communities throughout the borough to encourage and facilitate the retrofit of homes to become more energy efficient	We continue to deliver domestic retrofit support with the aims of: <ul style="list-style-type: none"> Increasing residents access to grants Increasing residents knowledge of retrofit Work with social housing partners Delivering some easy wins for residents Positively affecting the supply chain locally Outputs from this are engagement activities to promote grants, giving out water saving devices and advice. Partnership work includes capacity building of a community group to do energy assessments. Outcomes of this are the retrofit installs via the LAD Green Homes Grants/Sustainable Warmth	Ongoing	Will continue to progress these workstreams, and promote grant funding opportunities to residents as they become available, including working with Action Surrey and Surrey County Council, and promote the Solar Together opportunity in 2023/24 for private residents to install solar PV. In 2023/24 we will also look to work with local schools to find out where we can add value and advice.

	schemes and Social Housing Decarbonisation Fund. The Council continues to contribute funding to the Action Surrey energy advice service for residents.		
2021/22 - Set up a mechanism to monitor and display energy consumption across the different Council's assets on a monthly basis	There is currently no means of collecting information at the moment, therefore cannot be displayed	Postponed	Options for smarter metering are being currently explored.
Action (Previous years/completed)		Status	Challenges and solutions
2021/22 - Provide better information on finance/grants available to businesses and residents to implement energy efficiency measures.		Complete	
2021/22 - Create an awareness campaign to encourage staff to reduce energy consumption. Provide tips on the intranet and through poster display in key locations		Complete	
Action (Future years)	Progress	Status	Challenges and solutions
None			
Indicators			
Homes in the borough that have been retrofitted via schemes and projects promoted by the Council	2020/21:	0	
	2021/22:	207 (LAD1 and Solar Together)	
	2022/23:	89 (Social Housing Decarbonisation Fund and LAD2 and 3)	
Annual borough CO ₂ estimates (within the scope of local authority influence) (BEIS) * * Note, previous years are re-estimated every year to take account of methodological improvements, superseding previous estimates.	2018:	559 ktCO ₂ e	
	2019:	542 ktCO ₂ e	
	2020:	499 ktCO ₂ e	
	2021:	517 ktCO ₂ e	
	2022:	Data due end June 2024	
Number of businesses and households undertaking energy efficiency improvement measures	2021/22:	Green Homes Grant LAD1 90 properties. Solar Together (2021/22) PV installations at 117 properties	
	2022/23:	26 Raven Housing Trust properties - energy efficiency retrofits funded via Phase Wave 1 Social Housing Decarbonisation Fund. 63 properties - energy efficiency retrofits via LAD 2 and 3 (Sustainable Warmth and Home Upgrade grants) 10 businesses undertook our low carbon action plan training resulting in business changes.	

96

Energy & Carbon: Renewable Energy			
Promote the use of renewable energy through on/off-site generation and renewable tariff procurement			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
Investigate potential to negotiate preferential tariffs for residents and businesses by setting up a dedicated renewable energy company to provide renewable and affordable energy in conjunction with SCC.	Due to the current energy market, this action is not appropriate at present but will be carried forward for action at a suitable time.	Postponed	The ongoing high prices in the energy market preclude progress on this action at present. We continue to promote energy efficiency measures via the website. The situation will be kept under review.
Encourage businesses to generate renewable energy within their assets.	Working with businesses on net zero: facilitating their ambition and what is practically possible	Ongoing	Continue SME support programme and work with Surrey County Council to roll out other support for

	(eg they may rent so energy efficiency may be more practical than installing renewables). Carbon Literacy training provided to 10 SMEs. SME support programme implemented with funding secured for 2 subsequent years.		businesses in this area. A small amount of funding from UK Shared Prosperity has been secured for 2023/24; further UKSPF funding has been allocated to supporting a LoCASE style business support fund in 2024/5	
Action (Ongoing or carried forward)	Progress	Status	Challenges	
(Additional action) 2021 ongoing - Work with partner organisation, residents, businesses and communities to encourage and facilitate the retrofit of homes with low carbon technologies	The LAD scheme installs included 4 air source heat pumps, 3 solar thermal, 15 solar PV and 1 energy efficient lighting. The Social Housing Decarbonisation Fund work is progressing work on solar PV on 26 Raven properties (68 PV and 2 ASHPs, for the wider consortium).	Ongoing	Will continue to progress these workstreams and promote grant funding opportunities to residents as they become available. In 2023/4 Solar Together will relaunch offering the opportunity of solar PV across homes in the Borough.	
2020/21- Procure renewable energy across RBBC assets	A new 2 year contract has recently been agreed with Shell for a renewable electricity tariff.	Started		
2021/22 - Investigate the potential for the installation of photovoltaic panels and solar storage on Council operated assets (e.g. Earlswood Depot) and land; implement where economically and technically viable	2022 building energy audits provided energy efficiency and renewables proposals. The Property team have started to review and fully cost the recommendations and some smaller solar schemes are in development. Strategic CIL funding has been secured for the installation of solar PV on eight council buildings.	Started	A phased approach will be undertaken to the installation of solar PV in 2023/4 and onwards, focusing initially on buildings for which Strategic CIL funding has been secured.	
2021/22 - Investigate and where appropriate implement opportunities to generate renewable energy from leased assets, subject to lease agreements.	No progress has been made on leased assets yet as the focus is on generating renewable energy on owned assets.	Not started	To be considered by the Property team as leases come up for renewal.	
Action (Previous years/completed)		Status	Challenges and solutions	
2020/21 - Include information on renewable energy tariffs on the Council sustainability section of the website and via Borough News, email newsletters etc to encourage residents and businesses to sign-up		Complete		
Action (Future years)	Progress	Status	Challenges	
2023/24 onwards - Consider innovative funding mechanisms to create renewable energy infrastructure within the Borough.	Not started	Future action		
Indicators				
Percentage of renewable energy (Council)		Renewable electricity	Non-renewable electricity	Non-renewable gas
	2020/21:	Approx. 33%	Approx. 13%	Approx. 54%
	2021/22:	Approx. 33%	Approx. 13%	Approx. 54%
	2022/23:	0%	100%	100%
Solar installations in borough (BEIS) (number of installations, generation in kWh) Regional Renewable Statistics - GOV.UK (www.gov.uk)	2019	2,258 solar PV installations generating 6,413 MWh.		
	2020	2,355 solar PV installations generating 6,651 MWh.		
	2021	2,571 solar PV installations generating 6,168 MWh.		
	2022	Published at the end of September 2023		

Energy & Carbon: Low Carbon Transport

Reduce carbon emissions associated with transport through minimising travel and reliance on personal car

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Use planning conditions and S106 agreements to secure car club provisions at new large scale developments.	Achieved and ongoing. DMP Policy encourages this.	Ongoing	Limited number of developments of sufficient scale to justify car club requirements.
2020 ongoing - Engage with Local Transport Authority (SCC) and private transport provider to improve frequency/reliance of public transport to increase overall uptake of public transport	Ongoing, primarily via consultation responses. Response to Surrey Enhanced Bus Partnership consultation resulted in some changes to draft proposals	Started	Continue to engage, including liaison with planning team to coordinate consistent asks of SCC
Action (Previous years/completed)		Status	Challenges and solutions
2020/21 - Highlight the reduced price membership offer to Surrey residents for the Enterprise Car Club which is currently outlined on the Surrey website		Complete	
2020/21 - Encourage uptake of car-pooling from residents and staff through better communicating available car sharing platforms		Complete	
2021/22 - Liaise with Surrey County Council to investigate the suitability of expanding the network of car clubs and increasing the number of electric vehicles available (e.g. Enterprise Car Club) across the Borough		Complete	
Action (Future years)	Progress	Status	Challenges and solutions
2023/24 onwards - Investigate the set-up of a Mobility as a Service (MaaS) platform alongside the transport authority (SCC) to facilitate all LT2 & LT6 .	Not started	Future action	
Indicators			
Uptake of car-pooling amongst residents	2020/21:	Not available	
	2021/22:	2022 survey of 1079 borough residents shows less than 2% have used the main 4 car club schemes	
	2022/23:	No follow-up survey done this year so no further data available	
Levels of public transport usage and/or investment	2020/21:	Not available	
	2021/22:	2022 survey of 1079 borough residents: for travel to work, school and/or shops, 37% use train and 19% use bus. Census 2021 data indicated 42% of borough employees worked mainly from home, 28% travelled <10km from home to work and 17% >10km to work. Methods of travel were 40% driving, 3% passengers in a car, 4% by train, 2% by bus, 6% on foot and 1% cycle. These may not be typical figures as at the time of the census a nationwide Covid19 lockdown was in place, advice was to work from home if possible and avoid public transport where possible – travel restrictions did not ease until later in 2021. Method of travel to workplace - Census Maps, ONS	
	2022/23:	Not available, but public transport use may be affected by rail strikes	

Improve the uptake of electric vehicles across the Borough			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Continue to transition the Council's fleet to be fully electric, measures to include: Procuring fully electric cars, vans and other vehicles; Procuring electric sit on mowers; Procuring electric refuse lorries. Alternatively, existing vehicles could be retrofitted with an electric motor.	EST Transport Decarbonisation Report (May 2022) indicated that all but 25 of the fleet have viable electric alternatives, although with varying cost implications, and will be replaced with EV when due for replacement. Further short-term trial of EV refuse collection vehicle. Fleet transition will continue as vehicles reach end-of-life – one new EV this year.	Ongoing	Whenever vehicles come up for replacement, consideration will be given to low carbon replacements as a priority. Trials will continue in 2023/4 to determine vehicle suitability. The layout of the Depot and unknown electrical capacity at the site may constrain progress to replace more vehicles with electric versions and is therefore currently being investigated. As a transition fuel while suitable EVs become financially/technically viable, HVO for refuse trucks is being explored. Cost implications will be presented in a business case in 2023/24. Continue to explore electric and hybrid machinery for Greenspaces.
2020 ongoing - Ensure that the provision of electric vehicle charging points are secured for new developments as per the DMP TAP 1 'Access, parking and servicing' policy and SCC's 'Vehicular and Cycle Parking Guidance' January 2018 and OLEV (when implemented)	Achieved and ongoing	Ongoing	
2020 ongoing - Update/upgrade existing charging points (e.g. Wray Lane) when it needs replacing.	No council owned charging points identified as in need of updating this year	Ongoing	
2020 ongoing - Install charging points in Council's car parks and across the Council's owned assets.	Continuing to pursue ad-hoc opportunities, no installs this year. Work underway to finalise outstanding issues at Banstead car park to enable final works to 6 charging points; also to incorporate charging points as part of broader Horley Central Car Park place-shaping scheme. External funding was secured towards both schemes	Started	Awaiting SCC to provide charging contract details. Once provided it will be reviewed and a decision taken on joining or finding an alternative supplier (2023/24). Reliance on third part action has slowed progress on Banstead car park chargepoints. Horley installation anticipated in 2023/24 Unknown electrical capacity at the Depot has the potential to constrain the installation of further EV chargepoints so this is currently being investigated- viability of installing chargepoints at the Depot is key to decarbonising the fleet.
2020 ongoing - Work with SCC to implement their 'Electrical Vehicle Strategy'.	Superseded by EV working group and plans in relation to concession agreement and on street chargepoint installations. SCC has now let contract for on-street chargepoint installation. Priority locations of on and off street chargepoints have been shared with SCC to	Started	RBBC will support SCC to identify priority locations for on-street charging points and promote opportunities to local residents (2023/4 and beyond).

	inform their network planning/chargepoint roll-out activities.		
2021/22 - Work with local business networks such as the Local Enterprise Partnership (LEP) to encourage private landowners to invest in charging infrastructure for visitors and staff.	Continue to engage with local businesses, charities and faith organisations across all sustainability issues, including raising awareness of support opportunities for electric vehicle charging points	Started	Continue to engage with private landowners and businesses
Action (Previous years/completed)		Status	Challenges and solutions
2020/21 - Explore options to encourage fully electric taxis via Council's licencing policies and potentially incentivise their take up through subsidising of the licence fee		Complete	
Action (Future years)		Progress	Status
None			
Indicators			
Number of public EV charging points available in the borough (Zapmap)	2020/21:	29 as of July 2021 (7 publicly accessible charge points owned by RBBC)	
	2021/22:	29 as of July 2022 (7 publicly accessible charge points owned by RBBC)	
	2022/23:	35 as of Apr 2023 (7 publicly accessible charge points owned by RBBC)	
Number of licensed plug-in electric vehicles licensed within the borough (DVLA)	Q1 2021:	521 battery electric vehicles; 535 hybrid electric vehicles	
	Q1 2022:	1,068 battery electric vehicles; 914 hybrid electric vehicles	
	Q4 2022:	At end December, 1,533 battery electric vehicles; 1,167 hybrid electric vehicles ¹	
Number of on-street charging points available in borough (SCC responsibility)	2020/21:	0	
	2021/22:	0	
	2022/23:	0	
Number of low-carbon hackney carriages licenced in the borough	2020/21:	0	
	2021/22:	1	
	2022/23:	1	
Proportion of Council fleet that is electric	2020/21:	10% (13 vehicles)	
	2021/22:	10% (13 vehicles)	
	2022/23:	10% (13 vehicles)	

100

Encourage the uptake of walking and cycling			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Collaborate with Surrey CC to develop a Local Cycling and Walking Plan and implement pedestrian and cycling-friendly measures, for example: Providing shade and shelter on busy streets; Making pavements wider and smoother; Making streets easier to cross (i.e. more crossing points/crossing islands); Provide	LCWIP finalised in 2022. Using CIL funds to support walking and cycling initiatives. Sustrans project for an Active Travel Officer confirmed.	Ongoing	During 2023/24, Sustrans will recruit and appoint a member of staff to work on the RBBC project – to promote and support the uptake of active travel, identify barriers and work with local communities to overcome these, and make more use of existing active travel infrastructure.

¹ The July 2023 update, which would have provided the Q1 2023 data, has been postponed by the government and the new date for release of data is still to be announced.

places to stop and rest (e.g. parklets, benches); Connected and off-road cycle paths; Encourage local primary schools to organise a "Walking Bus" for pupils walking to/from school			
2020/21 - Liaise with community rail partnerships to investigate the number of cycle spaces available at key railway stations within the Borough and where viable promote the installation of further spaces.	No further progress in year.	Started	Council officers will continue to attend CRP meetings and raise the issue of cycle parking
2021/22 - Investigate measures for incentivising Council employees to walk, cycle, or use other lower emission modes of travel for their commute	Staff are encouraged to walk and cycle to work, and facilities to enable this are provided.	Ongoing	Incentivisation will be covered as part of wider project about ways of working that is underway / progressing in 2023/24
2021/22 - Install additional cycle parking spaces at key Council assets and across the Borough in strategic locations.	No action yet.	Not started	New cycle parking space demand can be ascertained via activities planned for 2023/4 including the Sustrans project and staff travel survey then opportunities, costs and funding can be explored by the Sustainability and Property teams. In the interim, raise awareness of existing cycle facilities.
Action (Previous years/completed)		Status	Challenges and solutions
2020/21 - Improve information available to residents and local businesses advising on the location of cycle storage, cycle hire, and cycle routes within the borough		Complete	Regular review / updating as appropriate
Action (Future years)	Progress	Stats	Challenges and solutions
Investigate the possibility to trial within the borough measures to reduce congestion and private vehicle use (e.g. car free zones; road charging; changes to parking charges). These measures need to be assessed holistically to ensure road-congestion and other traffic-related issues are not displaced elsewhere.	Not started.	Future action	
Indicators			
Proportion of residents walking / cycling	2020/21:	Not available	
	2021/22:	2022 survey of 1079 borough residents shows that for travelling to work, school and/or shops, 65% walk and 12% use a bike. Census 2021 data awaited.	
	2022/23:	Census 2021 data indicated methods of travel to work were 40% driving, 3% passengers in a car, 4% by train, 2% by bus, 6% on foot and 1% cycle. These may not be typical figures as at the time of the census a nationwide Covid19 lockdown was in place, advice was to work from home if possible and avoid public transport where possible – travel restrictions did not ease until later in 2021. Census Maps, ONS	

Energy & Carbon: Embodied Carbon

Reduce embodied carbon in new infrastructure or building projects

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
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None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
None			
Action (Future years)	Progress	Status	Challenges and solutions
Request developers as part of the planning application to provide a whole life carbon assessment to demonstrate embodied carbon reduction in building fabric through lean design and construction solutions.	Not started.	Future action	
Indicators			
None			

Low Impact Consumption: Waste Reduction

Reduce waste through avoiding it in the first place and promoting reuse opportunities

102

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
Investigate the potential to use a scheme to donate unwanted IT equipment to be reused rather than recycling it as it is currently practiced.	No progress. Currently we use third parties for disposal as this ensures certified data destruction, refurbishment and redistribution of working equipment, WEEE compliant disposal of end-of-life equipment, minimises involvement of RBBC resources, and returns a modest recompense.	Started	The current route for equipment that has reached the end of its service life at RBBC allows for charity donation, it is just that RBBC do not donate the equipment directly to charity due to the issues discussed under 'progress'.
Investigate the commercial waste service collection streams available with the aim of increasing the recyclable collection service provision.	Not started, mainly due to the delay to the government outcomes from the Resources and Waste Strategy.	Postponed	Await further detail from Government
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Eliminate single use plastic (SUP) within the Council's operated assets	Plastics associated with running elections has been reduced by the Stationery Team.	Started	The Sustainability team will continue to explore options with the Facilities team and staff working across council buildings.
2020 ongoing - Continue to locate clothes and textile banks in strategic locations across the Borough prioritising the re-use of the items collected.	Ongoing	Ongoing	
2020 ongoing - Continue to purchase IT equipment from a specific brand and stick to the same models to allow for the use of spare parts from units which no longer work to be used in other units to prolong their life.	IT equipment is standardised on HP Elitebooks.	Ongoing	
2020 ongoing - Work with cafes, restaurants and takeaways to reduce their SUP consumption i.e. targeting zero Styrofoam, preferring compostable	We continue to promote messaging from Surrey Environment Partnership and include information on our own website. However, specific SEP programme referred to here is on hold.	Postponed	The SEP SUP/business programme is on hold. In the interim the Economic Prosperity team will continue to advise and update information on the website as necessary.

options and gradually moving towards reusable take-away box scheme.			
2021 ongoing - Investigate the potential remanufacturing options for furniture when renewing furniture.	Furniture replacement in year has been on an as and when needed basis with no major refurbishment. These small quantities of unwanted furniture are usually offered to charity or sent for disposal.	Not started	Sustainability team will work with Facilities team to explore options for refurbishment for any furniture not wanted by charity.
Action (Previous years/completed)		Status	Challenges and solutions
2020/21 - Publicise better the water re-fill network within the Borough and sign-up additional businesses as refill stations across the Borough		Complete	Ongoing promotion
2020/21 - Update waste section on the dedicated sustainability page of the Council's website to bring together information about the various waste reduction initiatives		Complete	Regular review / updating as appropriate
2021/22 - Signpost to or facilitate borrowing and renting one-off purchases (e.g. DIY, gardening equipment etc...) e.g. through incorporation of available services on the Council's sustainability page		Complete	Regular review / updating as appropriate
2021/22 - Investigate the potential to subscribe to a scheme to donate unwanted furniture		Complete	
Action (Future years)		Progress	Status
2023/24 - Procure re-manufactured printer ink and toner cartridges once current supplier contract has expired.		No progress yet due to being within an existing contract.	Future action
2023/24 onwards - Coordinate with local construction businesses the set-up of a Construction Building Material exchange schemes (or promote the use of a suitable existing platform).		Options to be investigated.	Future action
2023/24 onwards - Require contractors through Local Plan requirement to apply a life cycle approach to any construction projects to ensure that they can be easily disassembled or repurposed at the end of their service life.		Not started.	Future action
Indicators			
Total municipal household waste collected at borough level	2019/20:	52,766 tonnes	
	2020/21:	55,251 tonnes	
	2021/22:	55,903 tonnes	
	2022/23:	52,508 tonnes (provisional)	
Total waste generated by Council	2020/21:	Data currently unavailable	
	2021/22:	Data currently unavailable	
	2022/23:	Data currently unavailable – there is no existing mechanism to weigh our waste	

Facilitate recycling to maximise value of non-avoidable waste

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
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Lead a session on industrial symbiosis for local business to attend to encourage companies to seek opportunities at Borough or County level.	The Sustainable Business Network meets quarterly to allow discussion of problems and solutions and facilitate companies working together to solve issues.	Started	The options for industrial symbiosis will be explored further in 2023/4 through meetings of the network.
Investigate options to implement collection for difficult to recycle product (e.g. stationary) across Council assets with a view to extend to the Borough.	No progress this year but hybrid working has reduced stationary usage, whilst sustainable core stationary items are procured.	Not started	There may be additional costs to these collections. In 2023/4, the options and costs will be investigated to inform future plans.
Action (Ongoing on carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Continue to roll out recycling to all flats within the borough to improve the recyclable waste collection service provided compared to the service historically delivered (paper and card only).	Ongoing programme to provide recycling to all flats. Approximately 5,900 remain.	Ongoing	Challenges in many locations with space for the required containers for the full recycling and refuse service, and access for waste lorries. These are being worked through individually as part of the ongoing programme
2020 ongoing - Continue to compile and report recycling rate for the Borough collections to disseminate performance to residents and encourage positive behaviour change.	Ongoing. Information is reported as a corporate KPI. Surrey Environment Partnership disseminate reports and infographics .	Ongoing	
2020 ongoing - Work with Surrey Environment Partnership (SEP) in exploring the potential for implementation of services to reuse or recycle difficult products: e.g. nappies, sanitary pads, paint	No specific achievements in 22/23. Surrey Environment Partnership communications has been focusing on uptake of food recycling, however information about hard to recycle products is included on their website and signposted from our own	Started	Continue to work with SEP to provide solutions for hard to recycle items.
2020/21 - Trial the provision of additional recycling bins alongside general waste bins in public spaces to facilitate waste segregation e.g. Earlswood Lakes where 'big belly bins' for general refuse have recently been installed. If successful, look to extend the use of recycling bins. As part of the trial ensure that appropriate communication is disseminated to ensure that it is clear what can be recycled.	Scoping work was undertaken however trial not carried out due to research highlighting a high risk of contamination arising from the location of bins	Postponed	Strategic CIL funding secured for compressor bins, opportunities to provide recycling bins will be explored as part of this project, for which a business case will be prepared in 2023/24.
2021/22 - Subscribe to Nespresso coffee capsules close-loop recycling scheme	This was postponed due to reduced number of staff in offices and machine not being in use.	Not started	Will start to collect pods in 2023/4 to determine amount of capsules and investigate the appropriate mechanism for recycling.
2021/22 - Provide adequately labelled bins within centralised areas across the office and posters to encourage recycling and avoid cross-contamination. Reflect the waste currently collected across the borough: 1. paper and card 2. plastic, cans/aluminium and glass; 3. food; 4. Non-recyclables	Separate bins provided in officers for paper/card; plastics/cans/aluminium/glass; non-recyclables.	Ongoing	In 2023/4, other recycling options and costs will be investigated to inform future office plans.

2021/22 - Monthly progress reports (Council wide) displayed in strategic location across the offices (subject to data availability).	No means currently of collecting the data envisaged	Postponed	Options for data collection (albeit at a lower time frequency) being considered, however will depend on the appropriate technology and/or other resources being available
(Additional action) 2021 ongoing - Continue to develop the Council's waste and recycling service taking into account the new requirements anticipated to be introduced by the Environment Bill and associated secondary legislation	No specific progress this year due to information still being awaited from Government in relation to the Resources and Waste Strategy delayed outcomes.	Postponed	Secondary legislation from the Environment Act in relation to recycling provision is still to be announced. As soon as this information is available the Waste & Recycling Team will be considering implications and opportunities for the Council
Action (Previous years/completed)		Status	Challenges and solutions
None			
Action (Future years)		Progress	Status
None			
Indicators			
Proportion of household waste recycled (borough-level)	2019/20:	54.3%	
	2020/21:	53.2%	
	2021/22:	55.6%	
	2022/23:	54.2% (provisional)	

105

Promote anaerobic digestion and composting			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Work with the Surrey Environment Partnership to investigate preferable options for the disposal of organic waste and improve communication to residents around food waste with the aim of increasing the volume of food waste collected across the borough.	No specific achievements in 22/23. Surrey Environment Partnership is focusing on uptake of food recycling, food waste reduction and composting – RBBC has cross-promoted SEP social media coverage	Ongoing	Continue to work with SEP to encourage reduction and recycling of food waste
2021/22 - Investigate the viability of providing commercial food waste collection services across the borough following the release of the UK Gov waste consultation in 2020	No specific progress this year due to information still being awaited from Government in relation to the Resources and Waste Strategy delayed outcomes.	Postponed	Await further information from Government
Action (Previous years/completed)		Status	Challenges and solutions
None			
Action (Future years)		Progress	Status
None			
Indicators			
Proportion of household waste composted or anaerobically digested (borough level)	2019/20:	28.1%	
	2020/21:	25.1%	
	2021/22:	28.7%	

2022/23:	27.4% (provisional)
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Encourage waste treatment locally to minimise transport emissions			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Endeavour to keep waste streams treated as locally as possible or at least within the UK/Europe	Achieved and ongoing. For Borough wastes nearly 100% is treated within the UK, as detailed .	Ongoing	
Action (Previous years/completed)	Progress	Status	Challenges and solutions
None			
Action (Future years)	Progress	Status	Challenges and solutions
2024 and beyond - Work alongside Surrey County Council and the Surrey Environment Partnership to identify new waste treatment sites through the SCC Waste Local Planning review process.	Not started.	Future action	
Indicators			
Proportion of waste collected treated within the UK	2020/21:	98% of the borough's recyclable waste processed in the UK	
	2021/22:	98% of the borough's recyclable waste processed in the UK	
	2022/23:	Data not yet available	

106

Low Impact Consumption: Water Efficiency			
Reduce potable water consumption through a combination of efficiency and potable water substitution measures			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Work in partnership with SES to provide residents with easy to use water saving measures to install: hippo cistern displacer; flow restrictors; garden water butts	Advice provided at ten events, with 605 water saving devices (provided free by SES Water) given out.	Ongoing	
2020 ongoing - Engage with SESW to support them where possible in achieving their industry wide leak reduction targets.	Ongoing work with Economic Prosperity sitting on a SESW panel.	Ongoing	
2020 ongoing - Investigate the installation of low flow fixtures and fittings for sanitaryware (including toilets, wash hand basins, showers and kitchen taps) for key Council assets (Harlequin, Town Hall and Earlswood) as part of any upgrade works	These are considered during reactive maintenance.	Started	Sustainability team to work with the Property team to identify opportunities as part of future work programme.

2020 ongoing - Consider rainwater harvesting or greywater recycling as part of any key upgrades undertaken by the Council to their assets.	These will be considered during scoping for any asset upgrades, however no key upgrades were undertaken in year.	Started	Sustainability team to work with the Property team to explore future opportunities, including in relation to supporting greenspaces team activity.		
Action (Previous years/completed)		Status	Challenges and solutions		
2020/21 - Advise residents (via Council's website) on minimum water efficiency standards to achieve when considering home refurbishment projects (e.g. changing kitchens/bathrooms)		Complete			
2021/22 - Request as part of the planning requirements to incorporate greywater recycling and/or rainwater harvesting measures for all major planning applications.		Complete			
Action (Future years)		Progress	Status	Challenges and solutions	
None					
Indicators					
Water consumption per capita (SESW supply area of 322 miles ²)	2019/20:	143.3 litres per person per day (SESW supply area)			
	2020/21:	163.4 litres per person per day (SESW supply area)			
	2021/22:	151.5 litres per person per day (SESW supply area)			
	2022/23:	150.8 litres per person per day (SESW supply area)			
Water consumption at council level (estimated readings)		Town Hall	Depot	Harlequin	Other sites
	2020/21:	3,108 m ³	3,305 m ³	12,182 m ³	36,621 m ³
	2021/22:	1,385 m ³	2,690 m ³	-235 m ³	15,696 m ³
	2022/23:	383 m ³	2,539 m ³	6,545 m ³	22,519 m ³

107

Low Impact Consumption: Responsible Sourcing

Maximise the use of materials and products that are produced responsibly (i.e. environmentally and socially)

Action (2022-23)	Progress	Status	Challenges, solutions and further actions		
None					
Action (Ongoing or carried forward)		Status	Challenges and solutions		
2020 ongoing - Prefer products that incorporate recycled content for key purchases (e.g. furniture, stationary, paper, paint)	No progress in 22/23 – links to the wider procurement strategy update.	Started	Limited progress on the wider Procurement Strategy. Subject to additional procurement resources being secured Sustainability team will engage in the procurement review during 2023/24 and in the interim will engage with key procuring services.		
2021/22 - Introduce consideration of material toxicity as part of the procurement process (i.e. ITT and PQQ questions)	No progress in 2022/23 – links to the wider procurement strategy update	Not started	Limited progress on the wider Procurement Strategy. Subject to additional procurement resources being secured, the sustainability team will engage in the procurement review during 2023/24		
2021/22 - Switch to cleaning products that do not contain toxic ingredients and preferably use recycled containers	New corporate contract; requires that the provider ensures protection of the environment and undertakes contract delivery in a non-detrimental manner to the environment	Ongoing			
Action (Previous years/completed)		Status	Challenges and solutions		

2021/22 - Encourage developers of major projects, through the use of planning guidance, to incorporate materials with recycled content. This could be tracked as part of a relevant section in a sustainability statement to be submitted as part of the planning process		Complete	
2021/22 - Encourage developers through use of an informative to procure 100% FSC or PEFC certified timber or timber based products (i.e. shuttering, carcassing, plywood, raised access floor, worktop, partitions etc...).		Complete	
Action (Future years)	Progress	Status	Challenges and solutions
None			
Indicators			
Proportion of council-procured goods that have recycled content / FSC or PEFC	2019/20:	34% of office products are environmentally friendly ²	
	2020/21:	50% of office products are environmentally friendly ²	
	2021/22:	34% of office products are environmentally friendly ²	
	2022/23:	78% of office products are environmentally friendly ²	
Proportion of borough-level developments with procured goods that have recycled content / FSC or PEFC	2020/21:	Data currently unavailable	
	2021/22:	Data currently unavailable	
	2022/23:	Data currently unavailable	

Encouraging healthy food products manufactured under adequate social and environmental standards

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
Procure organic milk.	The milk is supplied by a local dairy firm (West Horsley Dairy) but is not organic.	Not started	Investigate additional cost of organic compared to non-organic milk to inform future approach.
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Include healthier options within the vending machines located in assets operated by the Council.	No specific progress this year.	Started	Vending machines offer a range of healthy options.
Action (Previous years/completed)		Status	Challenges and solutions
2020/21 - Procure Fairtrade products for key office consumables (coffee, tea, sugar, hot chocolate)		Complete	
Action (Future years)	Progress	Status	Challenges and solutions
None			
Indicators			
Proportion of Fairtrade / healthy products procured	2020/21:	Data currently unavailable	
	2021/22:	Town hall – hot chocolate (Cadbury) and sugar (Tate & Lyle) is Fairtrade; tea is Rain Forest Alliance & Ethical Tea Partnership (Yorkshire Tea)	
	2022/23:	No change	

Natural Environment: Ecological Enhancement

Improve tree cover across the borough

² environmentally friendly defined by the supplier as '[eco-certified](#), [refurbished](#), [made with recycled materials](#) or [self-claimed as repairable](#), [refillable](#), [returnable](#), [low-resources](#), [extended life](#) or [compostable](#)'.

Increase the area of soft landscape valuable to wildlife across the Borough			
Increase the amount of native species that attract pollinators			
Action (2022-23)	Progress	Status	Challenges, solutions and further actions
Organise annual contest for best wildlife garden of the Borough or local community challenge	No progress to date due to insufficient resources.	Not started	No available resource in Greenspaces to support. The feasibility of the action will be reviewed in 2023/24 subject to resources being in place.
Provide a guide to residents to plant species to attract pollinators and landscape their front and back gardens.	Residents encouraged via Grass cutting and biodiversity to participate in No Mow May to benefit pollinators. Summer 2022 #GoWildRB campaign Go Wild Reigate & Banstead and dedicated My sustainable home page on the website.	Complete	Continue to encourage resident participation by providing website advice.
Encourage residents to put up bug hotels, bird feeders and water fountains to attract wildlife (with measures to discourage rodents where needed)	Summer 2022 #GoWildRB campaign Go Wild Reigate & Banstead and dedicated My sustainable home page on the website.	Complete	Continue to encourage resident participation by providing website advice.
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Increase the tree cover within the Borough: Plant more trees with a focus on those with a native/wildlife value; Improve management of existing woodland in council ownership to promote healthy regeneration and new tree growth; Review the grant/funding options available and if possible, establish a partnership with the Woodland Trust to help implement any tree planting on land identified as suitable; Any trees that have to be uprooted to accommodate new developments to be relocated elsewhere in the Borough; Integrate tree planting initiatives as part of the RBBC 'Green Infrastructure Strategy Action Plan' for restoring habitats at Council-owned strategic countryside assets where environmentally appropriate; Explore options for, and support, community tree planting initiatives; Investigate options for providing local carbon offsetting for third parties through tree planting or other measures.	No new trees planted by the Council this year as there was no Tree Officer during the planting season. Any trees that have to be removed for safety reasons (eg due to Ash Dieback) are left to see if natural regrowth occurs before planting a sapling. Tree Strategy has been scoped but is delayed pending recruitment of a Tree Officer. Surrey County Council have planted approx. 6600 trees in the Borough in 2022/23 as part of their 1.2 million trees target. Community Tree Planting guide is available on the Council website and continues to be promoted when community groups contact the Council	Started	Limited resources within the Greenspaces team, however new Tree Officer due to start in July 2023, following which the sustainability team will liaise with them in relation to this action Exploring opportunities with SCC Treescape funding and local CIL projects throughout 2023/24. For community planting, ensuring trees are watered is a challenge. Getting data on planting associated with new developments is not currently possible.
2020 ongoing - Identify areas of disused land which can be utilised for greening projects and implement projects where appropriate (viable and deliverable).	Two locations in the Borough have been identified by community groups for tree planting, and subject to agreement that the groups will take responsibility for planting, watering and maintenance these projects are likely to proceed.	Ongoing	Future opportunities will be identified in the Greenspaces Strategy and the Tree Strategy.
2020 ongoing - Plant pollinator friendly species in areas managed by the Council e.g. by managing a series of verges as 'late-cut' verges allowing the flowers to set seed before being cut or introducing	In 2022/23, the Woodhatch flower bed was changed from annual to perennial bedding, whilst the ongoing annual seeding of verges increased to 4030m ² .	Ongoing	In April 2023 SCC will take over verge maintenance so this action will no longer apply to RBBC in relation to verges.

pollinator-friendly seed mixes in areas of grassland around new developments.	Grass-cutting schedules are reviewed annually and residents are encouraged to participate in No Mow May Grass cutting and biodiversity .		
2021/22 - Investigate the potential to install green roofs / walls on council assets and implement projects where appropriate (viable and deliverable).	No specific progress. Opportunities will be explored via ongoing maintenance, renewal and (as appropriate) building upgrades work.	Not started	Opportunities will be explored on specific buildings as and when other maintenance/renewal/upgrade work is being planned.
Action (Previous years/completed)		Status	Challenges and solutions
2021/22 - Encourage developers to increase soft landscape area as part of their proposals through provision of planning guidance or advice. Consider the introduction of an urban greening factor and biodiversity net-gain metric to facilitate monitoring it.		Complete	
2021/22 - Encourage developers to incorporate native/pollinator-friendly species through provision of planning guidance and advice and consider new local plan policy to formalise requirements		Complete	
Action (Future years)		Progress	Status
2023/24 - Investigate the requirement for new developments to provide tree canopy cover (and associated guidance) within the next update of the Local Plan.		Not started.	Future action
Indicators			
Tree canopy cover percentage (Forestry Commission)	2020/21:	Data not available	
	2021/22:	<i>Note incomplete borough coverage, and based on pre-2019 wards</i> Banstead Village: 27% Redhill East: 21.7% South Park & Woodhatch: 18.7% Merstham: 28.3% Reigate Central: 27.7% Horley West: 16.3% Reigate Hill: 34.7% Meadvale & St John's: 37% Horley Central: 24.7% Redhill West: 18.3% Earlswood & Whitebushes: 25.7% Horley East: 29.3%	
	2022/23:	Data not updated	
Number of new trees planted on Council land by Council	2020/21:	181 on Council land, no data available for new developments	
	2021/22:	73 on Council land, no data available for new developments	
	2022/23:	0 on Council land, no data available for new developments	
Area of soft landscape created as part of new developments	2020/21:	Data currently unavailable	
	2021/22:	Data currently unavailable	
	2022/23:	Data currently unavailable	
Area of new planting by the Council	2020/21:	3,906 m ² of pollinator and/or native species	
	2021/22:	3,824 m ² of pollinator and/or native species	
	2022/23:	4,030 m ² of pollinator and/or native species + 45m ² change from annual to perennial bedding	
Proportion of residents that have incorporated measures to attract biodiversity	2020/21:	Data currently unavailable	

Natural Environment: Sustainable Drainage Systems

Mimic the natural water cycle to reduce surface water run off

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			

Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions
2020 ongoing - Collaborate with Surrey County Council as part of their 'Surrey Local Flood Risk Management Strategy - Objective Action Plan, February 2017' to increase the uptake of SuDS on infrastructure projects.	Collaboration is ongoing with the potential for a project in the north of the Borough.	Ongoing	SCC is undertaking scoping and feasibility at present. RBBC will continue to engage.
2020 ongoing - Minimise hard impermeable surfaces, alternatively install or retrofit permeable surfaces across the Council's owned assets as part of planned renewal and upgrades e.g. the use of permeable paving at Council owned and run car parks.	Ongoing but small scale due to the limited direct works carried out by the Council. Wetpour permeable like-for-like surface replacements: Lady Neville 115 m ² Woodhatch Park outdoor fitness equipment 30 m ² Repairs Borough-wide 100 m ²	Ongoing	Continued liaison between the Greenspaces, Place Delivery and Sustainability teams at a project-level. For Greenspaces, paths and tracks are typically unbound (permeable) and are replaced like-for-like so continue to be permeable.
2020 ongoing - Install or retrofit soft SuDS as part of planned renewal and upgrades across the Council's owned assets e.g. bioretention area, swales etc.	Ongoing but small scale due to the limited direct works carried out by the Council.	Ongoing	Continued liaison between the Greenspaces, Place Delivery and Sustainability teams at a project level.
Action (Previous years/completed)		Status	Challenges and solutions
2021/22 - Request through planning advice and guidance that newly created hard surfaces (e.g. pavement, internal roads, carpark etc...) are permeable		Complete	
2021/22 - Update planning requirements via planning advice or guidance to set requirements around achieving greenfield run off rates and ensuring that surface water run-off is managed close to its source following the drainage hierarchy.		Complete	
Action (Future years)	Progress	Status	Challenges and solutions
2023/24 - Explore partnership with SES Water to support residents to soft landscape their front gardens.		Future action	
Indicators			
Area of permeable surfaces created by the Council / in new developments	2020/21:	0 new created by the Council, no data available for new developments	
	2021/22:	0 new created by the Council, no data available for new developments	
	2022/23:	0 new created by the Council, no data available for new developments	

Natural Environment: Environmental impact and pollution prevention

Limit negative impacts to the wider environment i.e. air, water, ground, habitat loss

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
Use alternative to peat based composts	RBBC has used no peat compost since at least 2021/22 when this data started to be collected, however in 2022/23 a mis-order of 2t was made. Peat-free planters equivalent to approx. 10t and 24 barrier baskets and 20 hanging baskets all peat-free.	Complete	Continue to use alternatives, although there is a cost implication to this.
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions

2020 ongoing - Continue to minimise the use of glyphosate by: Employing the use of hand removal in public spaces such as playgrounds, schools and town centres; Investigating the use of hot foam or steam as alternatives; Liaising with other authorities who have already implemented measures to go glyphosate free	Alternatives have been investigated – some require significantly more treatments per year, others have negative impacts on bees and insects, whilst hot foam uses 800l of water per hour using a diesel generator and has no effect on the root system making regrowth common and does not control perennial weeds. Glyphosate is used as a last resort.	Ongoing	Verges returning to SCC which will prevent use of 350 litres glyphosate annually by RBBC, leaving a residual 20 litres.	
2020 ongoing - Work alongside SCC to investigate the suitability of implementing measures to limit unnecessary acceleration and deceleration and reduce engine idling.	As reported in 2020/21, the introduction of stop-start vehicle technology and the uptake of EVs will reduce the impacts of idling year on year. No further action.	Complete		
Action (Previous years/completed)		Status	Challenges and solutions	
None				
Action (Future years)	Progress	Status	Challenges and solutions	
None				
Indicators				
Annual air quality results (3 year rolling average) for Nitrogen Dioxide ($\mu\text{g}/\text{m}^3$) NOTE: 2022 is the 3 year average of all the Covid years therefore not necessarily representative		North of borough	Centre of borough	South of borough
	2020:	Banstead Background: 14.4 Banstead Drift Bridge: 25.7 Hooley Background: 13.9 Hooley A23: 52.4	Reigate Background: 15.0 Reigate High St: 33.8 Redhill Background: 14.9 Redhill Marketfield Way: 28.3	Horley A23 Brighton Road: 39.4 Horley The Crescent: 22.7
	2021:	Banstead Background: 13.1 Banstead Drift Bridge: 24.2 Hooley Background: 12.4 Hooley A23: 46.8	Reigate Background: 13.7 Reigate High St: 31 Redhill Background: 13.7 Redhill Marketfield Way: 26.9	Horley A23 Brighton Road: 36.0 Horley The Crescent: 18.7
	2022:	Banstead Background: 12.6 Banstead Drift Bridge: 22.2 Hooley Background: 12.9 Hooley A23: 40.9	Reigate Background: 12.6 Reigate High St: 26.8 Redhill Background: 13.6 Redhill Marketfield Way: no data	Horley A23 Brighton Road: 32.3 Horley The Crescent: 16.3
Annual amount of glyphosate used	2020/21:	699 litres		
	2021/22:	697 litres		
	2022/23:	370 litres		

Effective Implementation: Resources

Ensure effective implementation and reporting of Council progress against specified targets and KPI's

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges
2020 ongoing - Keep track of cost/benefit of actions to ensure the most adequate opportunities are pursued in line with technological changes.	The 2022 consultancy reports on fleet transition and building energy audits reported on cost-benefits.	Ongoing	All projects to consider environmental and financial cost-benefit, so should be included in project-specific business cases.
Action (Previous years/completed)		Status	Challenges and solutions

2020/21 - Appoint a dedicated staff member/resource to implement the actions identified and monitor and record the progress on a quarterly basis	Complete	
Action (Future years)	Progress	Status Challenges
None		

Effective Implementation: Partnership Working

Work with partner agencies to identify shared objectives and opportunities for cooperation

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges
2020 ongoing - Communication and coordination with other public sector agencies, and relevant private and/or voluntary/community sector elements to address joint environmental sustainability objectives.	Partnership working is core to our work. Continued engagement activity to promote domestic energy efficiency and grants, water saving, training opportunities, climate literacy and general sustainability messages.	Ongoing	Will continue to communicate and expand the networks.
(Additional action) 2021 ongoing - Alone and in partnership with other organisations, continue to lobby government to ensure local authorities have the powers and resources to facilitate change	Letter sent to Prime Minister in November 2022 about the support that Local Authorities need on domestic building energy efficiency and decarbonisation.	Ongoing	Will continue to review opportunities to lobby for power and resources as appropriate.
Action (Previous years/completed)	Progress	Status	Challenges and solutions
None			
Action (Future years)	Progress	Status	Challenges
None			

113

Effective Implementation: Communications

Provide informative accessible material for staff, residents and businesses on how to reduce energy and increase renewable energy at the Borough level and explain what the Council is doing itself

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges
(Additional action) 2021 and ongoing – The Sustainability Team will undertake work to engage council staff further.	Engagement has continued and staff engagement plan created. Delivered Carbon Literacy training to staff, bitesize briefings and intranet news articles. Started face-to-face 'drop-in' sessions at Council offices to give advice on sustainability measures and third-party freebies (eg SESW water saving devices).	Ongoing	In 2023/24 a new Staff Sustainability Network will be convened to drive staff engagement, along with a new training opportunity for all staff. As part of wider corporate initiatives, the Staff survey will be considered.
(Additional action) 2021 and ongoing - Maintain, review and regularly update the Council's sustainability webpages to provide a suite of information about the three ES Strategy schemes	The Environmental sustainability and climate change pages are regularly reviewed and updated.	Ongoing	These pages will continue to be updated with new information as it becomes available.

and action that residents, businesses and communities can take.			
(Additional action) 2021 and ongoing - Update webpages to include more information and advice relating to climate change adaptation, such as limiting exposure to or impact from flood damage, keeping cool during heatwaves, etc. This should link to the relevant pages relating to emergency planning where relevant.	Information and advice has been added to the My sustainable health , My sustainable home and About climate change pages, along with links to Emergency Planning.	Ongoing	These pages will continue to be updated with new information as it becomes available.
(Additional action) 2021 and ongoing - Plan, create and deliver a survey in 2021 for a cross-section of residents within the borough, to gather information relating to awareness, attitudes and behaviours in relation to sustainability; run the survey annually to track progress and change across a consistent set of questions.	No survey was undertaken this year due to a lack of resources in the Sustainability team.	Started	The necessary frequency for a resident survey, and how to resource this, will be considered in 2023/24.
Action (Previous years/completed)		Status	Challenges and solutions
2020/2021 - Develop a campaign around our sustainability plan to inform and encourage behaviour change in staff, residents, businesses and partners. A number of key messages and calls to action will be created		Complete	
2020/21 - Set up on the Council's webpage a dedicated sustainability section which will provide tangible solutions to enable residents and businesses to reduce their environmental impacts		Complete	
2020/21 - Use of case studies to demonstrate how local businesses and communities have improved their sustainability credentials (e.g. EV charging, installation of PV panels)		Complete	
Action (Future years)	Progress	Status	Challenges
None			
Indicators			
Response rate for employee survey sustainability questions & progress on metrics (to be determined)	2020/21:	Data not available	
	2021/22:	Data not available	
	2022/23:	Data not available	
Web pages reviewed at least annually	2020/21:	New web pages and content created	
	2021/22:	Web pages regularly reviewed and updated	
	2022/23:	Web pages regularly reviewed and updated	
Progress in relation to specific sustainability questions	2020/21:	Not applicable	
	2021/22:	Survey of 1079 borough residents in March 2022 covering range of sustainability topics	
	2022/23:	No survey undertaken	

Effective Implementation: Planning

Update planning documents and planning application submission documents requirements to drive the low carbon agenda

Action (2022-23)	Progress	Status	Challenges, solutions and further actions
None			
Action (Ongoing or carried forward)	Progress	Status	Challenges and solutions

None			
Action (Previous years/completed)		Status	Challenges and solutions
2021/22 - Produce planning statements, guidance or SPD encouraging low carbon development		Complete	
2021/22 - Introduce templates to standardise the information received in relation to energy and sustainability for use by planning applicants. Update planning validation checklist requiring the submission of these completed template documents as part of the planning application process		Complete	
2021/22 - Provide more in depth training to planning staff to interpret and review planning application energy and sustainability statements to better identify where improvements can be made		Complete	
Action (Future years)		Progress	Status
2023/24 onwards - Explore possibility of establishing a carbon off-set fund via the planning process to collect payments where developments are not meeting the Council policies for energy to meet any carbon shortfall from the development over the lifetime of the building			Future action

Effective Implementation: Procurement

Ensure sustainability is taken into consideration as part of the procurement process

115

Action (2022-23)		Progress	Status	Challenges, solutions and further actions
None				
Action (Ongoing or carried forward)		Progress	Status	Challenges and solutions
2020/21 - Prepare sustainability opportunities section to be incorporated into specifications that are then incorporated into tender documentations.		No progress	Not started	Pending Strategic Procurement Review. The Sustainability Team will participate in the review process which will take place in 2023/24 subject to the council securing procurement resources. In the interim the Sustainability Team will explore measures with Orbis and / or key service areas.
2020/21 - Devise sustainable procurement tools to assess tenders. This will include sustainability questionnaires as part of the PQQ and ITT and the use of a balanced scorecard.		No progress	Not started	Pending Strategic Procurement Review. The Sustainability Team will participate in the review process which will take place in 2023/24 subject to the council securing procurement resources. In the interim the Sustainability Team will explore measures with Orbis and / or key service areas.
Action (Previous years/completed)			Status	Challenges and solutions
None				
Action (Future years)		Progress	Status	Challenges and solutions
None				

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Annex 2 - External Reviews

1. During 2022-23, external consultants were commissioned to review a number of aspects of the Environmental Sustainability Strategy (ES Strategy), and in particular the work to deliver net zero carbon by 2030.

Baseline Validation Report

2. The Baseline Validation Report by Optopia was finalised in June 2022. It reviewed and validated the data used to create the carbon baseline of 2019/20 and the data for the first year of reporting 2020/21. The report found the data was substantially correct, with only minor adjustments of less than 1% required. The adjustments increased the baseline carbon footprint to 2,069t CO_{2e} (including 33t CO_{2e} of Scope 3 emissions from the transmission and distribution (T&D) of purchased electricity) and the 2020/21 footprint to 1,885t CO_{2e} (including 30 tCO_{2e} of Scope 3 T&D).
3. The report also included recommendations for future data analysis, including producing a written process, and observed that boundaries for the scope of the carbon footprint had not been documented.
4. Responding to the report - The observations from the report have been incorporated into the carbon footprint calculation for last year and this year and will be taken forward for future years. It is proposed to include the boundaries for the scope of the carbon footprint into the ES Strategy during the Strategy Review. It is also proposed to develop a process for data collection, storage and analysis as part of the work on collecting Scope 3 data.

Building Energy Audits

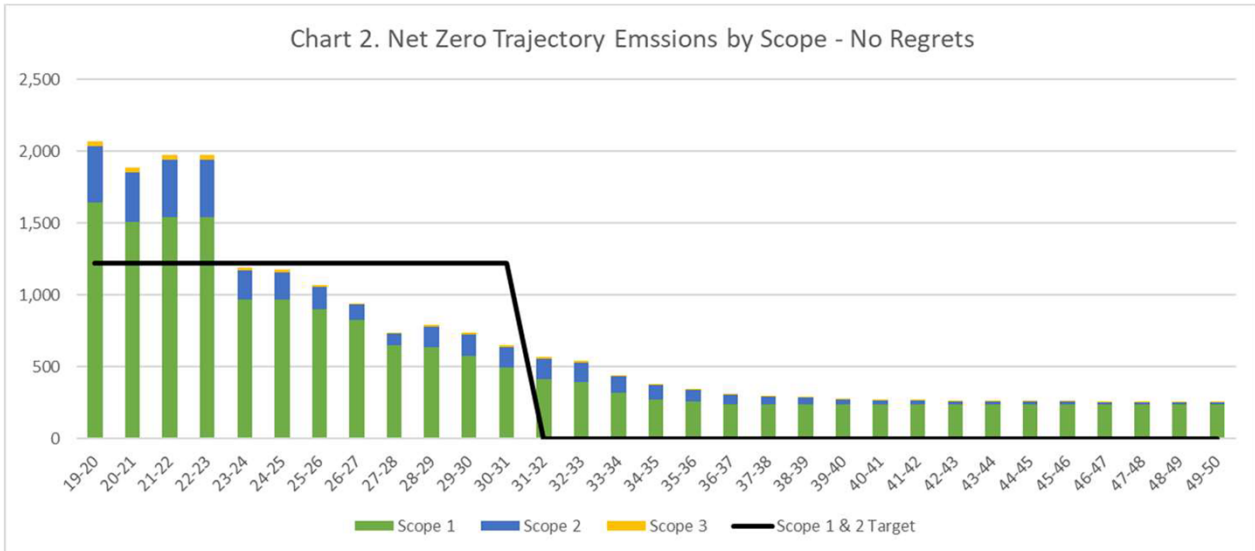
5. Building Energy Audits were conducted by Optopia at six main sites (Town Hall, Depot, Harlequin and the Community Centres at Banstead, Horley and Woodhatch) and two multi-storey car parks, with the final report available in December 2022. Desk top assessments were also conducted for several smaller sites. The audits identified costed opportunities to reduce energy consumption, to transition from fossil fuels to low / zero carbon heating and to install renewable energy generation. The report recommends that better energy monitoring and control, with some building fabric improvements, could reduce overall energy consumption which reduces operational costs and carbon emissions.
6. Based on the top seven recommendations at these eight sites (which included opportunities for solar PV and battery storage, decarbonising the heating systems and measures to reduce energy consumption) total high-level costs were estimated to be £2.1 million with an associated saving in carbon emissions of over 600 tonnes CO_{2e}.
7. Responding to the report - Only high-level costs were provided in the report, and due to inflation, material shortages impacting costs, and the rising costs of fuel, the Property team are reviewing the audits and obtaining more definitive costs for the works in order to develop a programme of works.

Scope 3 Emissions

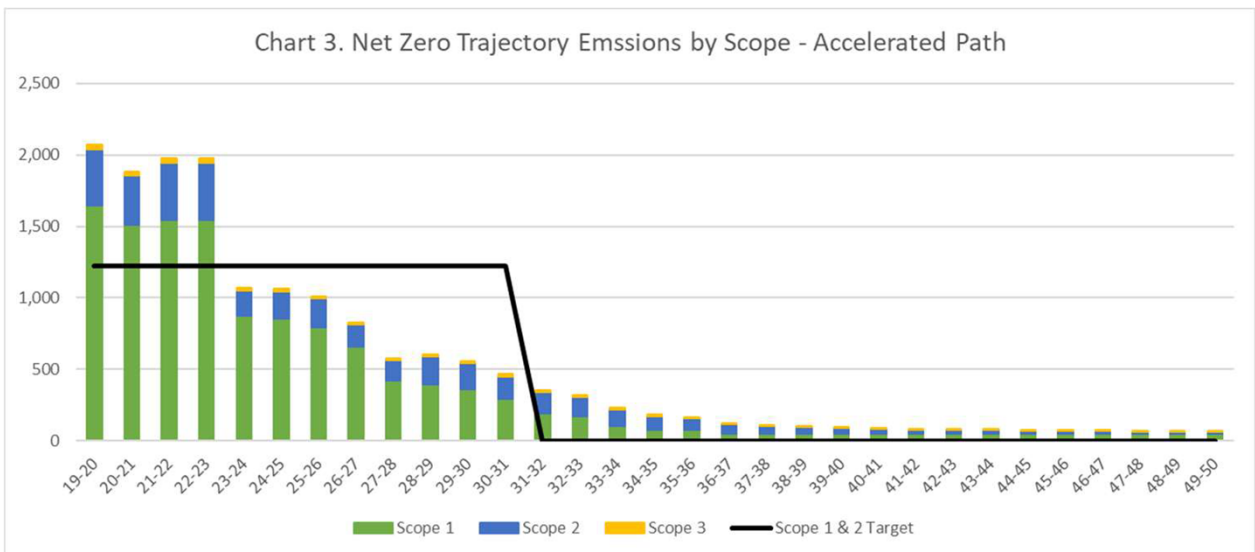
8. This report was produced by Optopia in November 2022. Scope 3 emissions are not part of the 2030 target but are targeted for “as soon as possible thereafter”. Scope 3 emissions are indirect emissions (those outside of direct control), typically those from suppliers, staff commuting, non-RBBC vehicle travel (eg public transport), water, waste and leased assets.
9. The report recommends that the minimum Scope 3 categories that the Council should report on are purchased good and services, capital goods, upstream and downstream transportation and distribution, waste generated in operations, business travel, employee commuting and leased assets. For each category there should be transparent reporting, good record keeping, a record of what is and isn't included, and details of any assumptions made.
10. Responding to the report - Data collection will need to start to develop a baseline against which improvements can be recorded and it is planned that the Sustainability team will start working out how to collect this data in 2023/24, in conjunction with all relevant service areas, with an aim to have a full set of data for a baseline by 2025/26.

Net Zero Trajectory

11. This report was produced by Optopia in November 2022. It looked at a number of scenarios to reduce Scope 1 and Scope 2 carbon emissions and calculated a trajectory of carbon reductions for each scenario.
12. The report highlights that in 2019/20 the fleet produced 61% of RBBC greenhouse gas emissions, with 19% related to heating and hot water, 11% to air conditioning, 4% to lighting and 6% to remaining electrical load. The majority of the fleet emissions are from the refuse and recycling vehicles, whilst the Town Hall emits the most greenhouse gas emissions, followed by the Harlequin then the Depot.
13. The ‘no regrets’ scenario (cost-effective actions) includes those to reduce energy (for example LED lighting), those that reduce carbon (switching some of the fleet to low carbon fuels) and installing renewable energy at six sites. The trajectory forecasts that emissions in 2030/31 would be 647t CO_{2e} (or a reduction of 69% on the 2019/20 baseline) as shown in Chart 2 of the report.



14. For the best case scenario ('the accelerated path') based on the 'no regrets' scenarios plus improving roof and wall insulation, transitioning elements of the fleet to electric, and adding four extra sites for solar energy generation, the trajectory forecasts that emissions in 2030 would be 452t CO_{2e} (or a 77% reduction on baseline) as shown in Chart 3 of the report.



15. To get closer to zero greenhouse gas emissions by 2030 the report recommends three further actions, subject to technological and cost advancements – transition sites away from gas and monitor the marketplace to be able to transition fossil-fuel vehicles to zero-emissions. Bringing forward the fleet decarbonisation plans currently indicated for the years 2031-37 would reduce the 2030/31 emissions by a further 238 tCO_{2e}.
16. Responding to the report - Typically, net zero requires residual carbon emissions that need to be offset to be less than 10% of baseline (ie for the Council this would be less than 207t CO_{2e} in 2030 based on the 2019/20 baseline). Part of the proposed 2023/24 Strategy review will need to investigate what additional measures may be required to reduce residual emissions to less than 10% of baseline. Subsequently a costed plan for how residual emissions will be offset will need to be researched and developed.

Transport Decarbonisation Report

17. This report, by the Energy Saving Trust, was finalised in May 2022. It is a review of the Council fleet of approximately 117 vehicles (including mowers and tractors) to determine which of these could be replaced with electric equivalents and whether there are viable hydrogen alternatives for the larger vehicles. Implications for carbon and cost were considered on a whole-life basis.
18. The report concluded that there are electric alternatives currently available on the market for 69 of the fleet which could reduce CO_{2e} emissions by 910 tonnes. Twenty-five vehicles could not currently be replaced with a viable electric equivalent, but alternatives are expected to be available in the near future.
19. The report recommends that a strategy is developed for the introduction of charge points to support vehicle electrification, and that the viability of extending the life of current internal combustion engine vehicles is explored until an electric alternative is available. The report concludes that electric technology will be available for all heavy duty vehicle roles before 2030 and provides commentary from major manufacturers that are focusing on electric vehicles rather than hydrogen, although it does recognise that niche uses may involve hydrogen.
20. The report recognises the theoretical benefits of using Hydrotreated Vegetable Oil (HVO) as a drop-in replacement for diesel, but expresses concerns about the source of feedstock.
21. Responding to the report - In conjunction with service areas, the Transport Manager continues to assess the suitability of electric alternatives when vehicles reach end-of-life, and electric alternatives are being trialled across a range of vehicles and equipment. The Transport Manager and the Property Team are starting to look into the electrical capacity of the Depot to determine whether grid upgrades will be necessary. Work is underway to determine the appropriateness of HVO (with suitable conditions during procurement to address the feedstock issue) as a replacement for diesel whilst electric options are trialled and viable electric or other alternatively fuelled vehicles come on stream.

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
07 September 2023								
<i>Pat Main, Chief Finance Officer, David Brown, Finance Manager, Luke Harvey, Project & Performance Team Leader</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation, Portfolio Holder for Corporate Policy and Resources	Chief Finance Officer, Head of Corporate Policy, Projects, and Performance	Quarter 1 2023/24 performance report To receive the Q1 2023/24 performance report including Budget Monitoring Q1 2023/24.	7 Sep 2023	14 Sep 2023		Open	
<i>Pat Main, Chief Finance Officer, Jacqueline Aboagye, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Treasury Management Strategy Outturn 2022/23 To report to members the performance of the Treasury function in the financial year 2022/23.	7 Sep 2023	14 Sep 2023	21 Sep 2023	Open	KEY
<i>Catherine Rose, Head of Corporate</i>	Portfolio Holder for Corporate	Head of Corporate Policy,	Environmental Sustainability Strategy: Annual Report	7 Sep 2023	14 Sep 2023		Open	

Agenda Item 7

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Policy</i>	Policy and Resources	Projects, and Performance	Report into 2022/23 progress on the Environmental Sustainability Strategy					
			Leader's Update Six-monthly update from the Leader to Overview and Scrutiny Committee	7 Sept 2023			Open	
12 October 2023								
122	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation, Portfolio Holder for Corporate Policy & Resources, Portfolio Holder for Commercial & Community Assets		Organisation Portfolio Holders Update Updates from Executive Members in Corporate Policy & Resources, Finance & Governance, Commercial & Community Assets	12 Oct 2023			Open	
<i>Penny Craig, Senior Development Manager</i>	Portfolio Holder for Housing and Support	Head of Housing	Lessons Learnt: Pitwood Park, Cromwell Road & Lee Street Summary of lessons learnt from housing led developments	12 Oct 2023			Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
			delivered at Pitwood Park, Cromwell Road & Lee Street.					
	Portfolio Holder for Place, Planning & Regulatory Services		Local Plan Update To receive an update on progress of the Local Plan.	12 Oct 2023			Open	
<i>Marie Crabtree, Democratic Services Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Constitution of Budget Scrutiny Panel to consider the membership, timetable, and scope of work of the Budget Scrutiny Review Panel during 2023/24.	12 Oct 2023			Open	
123								
29 November 2023 (Budget Scrutiny Panel)								
07 December 2023								
<i>Marie Crabtree, Democratic Services Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Observations on Budget Proposals Budget Scrutiny Panel Report To consider feedback from Overview and Scrutiny Committee's Budget Scrutiny Panel on Service & Financial Planning 2024/25.	7 Dec 2023	14 Dec 2023		Open	KEY
<i>David Brown, Finance Manager, Luke Harvey, Project &</i>	Deputy Leader and Portfolio Holder for Finance,	Chief Finance Officer, Head of Corporate Policy, Projects and	Quarter 2 2023/24 performance report To receive the Q2 performance	7 Dec 2023	14 Dec 2023		Open	KEY

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
<i>Performance Team Leader, Pat Main, Chief Finance Officer</i>	Governance and Organisation, Portfolio Holder for Corporate Policy and Resources	Performance	report 2023/24 including Budget Monitoring Q2 2023/24.					
<i>Jacqueline Aboagye, Finance Manager, Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Treasury Management Strategy Mid-Year Report 2023/24 To consider the Treasury Management Mid-Year Report 2023/24.	7 Dec 2023	14 Dec 2023	20 Feb 2024	Open	
<i>Tom Borer, Policy Officer</i>	Portfolio Holder for Commercial and Community Assets	Head of Corporate Policy, Projects and Performance	Commercial Strategy Progress Update 2023 To receive a progress update on work aligned with the Council's Commercial Strategy and objectives.	7 Dec 2023	14 Dec 2023		Open	
	Portfolio Holder for Commercial & Community Assets	Strategic Head of Legal and Governance	Companies Performance Update - Winter 2023 To provide an update to the shareholder/partner representatives on the companies owned and part-owned by the Council.	7 Dec 2023	14 Dec 2023		Part exempt	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
25 January 2024								
<i>Jacqueline Aboagye, Finance Manager, Catherine Rose, Head of Corporate Policy, Pat Main, Chief Finance Officer, David Brown, Finance Manager, Luke Harvey, Project & Performance Team Leader</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	<p>Summary of Budget Movements November 2023 to January 2024</p> <p>To consider the summary of budget movements November 2023 to January 2024.</p>	25 Jan 2024			Open	
<i>Marie Crabtree, Democratic Services Officer</i>	Portfolio Holder for Communities, Leisure & Culture, Portfolio Holder for Housing and Support		<p>People Portfolio Holders Update</p> <p>Update from Executive Members of Communities, Leisure & Culture, and Housing and Support</p>	25 Jan 2024			Open	
<i>Annette Wiles, Deputy Democratic Services Manager</i>	Leader of the Council	Strategic Head of Legal and Governance	<p>Calendar of Meetings 2024 - 2025</p> <p>To provide the calendar of meetings for the 2024 - 2025 municipal year for approval by Council.</p>	25 Jan 2024			Open	

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
22 February 2024								
	Portfolio Holder for Communities, Leisure & Culture	Director of People, Head of Community Partnerships	Annual Community Partnership Scrutiny Annual "crime and disorder" scrutiny - Community Partnership	22 Feb 2024			Open	
14 March 2024								
<i>Pat Main, Chief Finance Officer, David Brown, Finance Manager, Luke Harvey, Project & Performance Team Leader</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation, Portfolio Holder for Corporate Policy and Resources	Head of Corporate Policy, Projects and Performance, Chief Finance Officer	Quarter 3 2023/24 performance report To receive Q3 performance report, including Budget Monitoring Q3 2023/24.	14 Mar 2024	21 Mar 2024		Open	KEY
<i>Pat Main, Chief Finance Officer, Jacqueline Aboagye, Finance Manager</i>	Deputy Leader and Portfolio Holder for Finance, Governance and Organisation	Chief Finance Officer	Treasury Management Strategy 2023/24 Q3 report To consider the Treasury Management Strategy 2023/24 Quarter 3 report.	14 Mar 2024	21 Mar 2024		Open	KEY
<i>Jacqueline Aboagye, Finance Manager, Pat Main, Chief Finance Officer</i>	Deputy Leader and Portfolio Holder for Finance, Governance	Chief Finance Officer	Treasury Management Strategy 2024/25 To consider the Treasury Management Strategy 2024/25.	14 Mar 2024	21 Mar 2024	28 Mar 2024	Open	KEY

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
	and Organisation							
	Portfolio Holder for Neighbourhood Services, Portfolio Holder for Place, Planning and Regulatory Services		Place Portfolio Holders Update Update from Executive Members of Place, Planning and Regulatory Services and Neighbourhood Services	14 Mar 2024			Open	
127			Leader's Update Six monthly update from the Leader to Overview and Scrutiny Committee	14 Mar 2024			Open	
	Portfolio Holder for Place, Planning & Regulatory Services		Local Plan Update To receive an update on progress of the Local Plan.	14 Mar 2024			Open	
<i>Marie Crabtree, Democratic Services Officer</i>	Councillor Nick Harrison	Strategic Head of Legal and Governance	Overview and Scrutiny Annual Report 2023/24 To note the Annual Report of the Overview and Scrutiny Committee and recommend it to Full Council for approval.	14 Mar 2024		28 Mar 2024	Open	

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	<p>Overview and Scrutiny Proposed Annual Work Programme 2024/25</p> <p>The agree the Overview and Scrutiny Committee proposed annual Work Programme 2024/25.</p>	14 Mar 2024	21 Mar 2024	28 Mar 2024	Open	
Pending								
128			<p>Strategy Development Approach</p> <p>To consider the approach to developing new Council strategies.</p>					
			<p>Review of the Greenspaces Strategy</p> <p>A broader review of the Greenspaces strategy ahead of the review of the work of the Greenspaces team.</p>					
<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</p>					

Report Author(s)	Lead Member(s)	Officer sign off	Subject	O&S	Executive	Council	Open / Exempt	Key
129			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>To review the recycling service</p> <p>To review the recycling service, following proposed revisions to the service as a consequence of the Government's Resources and Waste Strategy.</p>					

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Action Tracker - Overview and Scrutiny Committee 2023/24

Meeting 2021/22	Subject and request	Action	Who	Status	Completed
8 December 2022 and 15 June 2023	Item 6 Commercial Strategy Progress Update	Commercial Assets - Members further asked for a “lessons learnt” report following completion of the projects at Cromwell Road and Pitwood Park.	Request to officers	In progress	<p><i>The request from Members will be considered, more information will be provided in due course. Further response emailed to Members on 28/03/23. Copy of response in ModGov Library, link provided below.</i></p> <p><i>26/06/2023 - Lessons learnt from the Cromwell Road/Wheatley Court, Pitwood Park/Camelia Close and Lee Street projects will be added to the O&S Forward Work Plan when it is considered on 6 July, for reporting on 12 October.</i></p>
8 December 2022	Item 6 Commercial Strategy Progress Update	Asset (Re-)Development – Members commented that the costs and potential revenue income from The Rise and Cromwell Road were included in the report but were not broken down by property. Members requested a breakdown by property of funding, construction costs and net rental income to ascertain the return on investment for each asset.	Request to officers	In progress	<p><i>Holding response emailed to Members on 01/02/23. Copy of response in Mod.Gov Library, link provided below</i></p> <p><i>Further response emailed to Members on 28/03/23. Copy of response in ModGov Library, link provided below.</i></p> <p><i>26/06/2023 - The latest budget forecast for The Rise</i></p>

					<p><i>development at Marketfield Way will be included in the Q1 Performance Report to O&S on 7 September 2023.</i></p> <p><i>A more detailed breakdown of the budget for The Rise development at Marketfield Way - by property of funding, construction costs and net rental income to ascertain the return on investment on each asset - plus a lessons learnt assessment will be included in the Commercial Strategy Progress Update to O&S on 7 December 2023.</i></p>
15 June 23	Item 6 Quarter 4 2022/23 Performance Report	The Chair requested a breakdown of Corporate complaints resolved at stage 1	Request to officers	In progress	<i>Officers are currently collating this data and will provide it to members of the committee shortly.</i>
15 June 23	Item 8 Revenues, Benefits & Fraud – Service Provision	The Chair requested an update on progress when the Commercial Strategy Update Report is next presented to this committee in December 2023.	Request to officers	In progress	

15 June 23	Item 9 Overview of Scrutiny	Members requested guidance on accessing the extranet.	Request to officers	Completed	<i>Email sent to O&S members and substitutes on 20/07/2023.</i>
6 July 203	Item 1 Minutes	Camelia Close – Members requested information on the timescale between project completion and sale to be included in the report to O&S Committee in October 2023.	Request to officers	In progress	<i>Lessons learnt from the Cromwell Road/Wheatley Court, Pitwood Park/Camelia Close and Lee Street projects will be presented to the O&S Committee on 12 October 2023.</i>
6 July 2023	Item 1 Minutes - Exempt	Lee Street – Members requested a comparison of the costs for Lee Street to bed and breakfast costs.	Request to officers	Completed	<i>Response emailed to Members on 08/08/2023. Copy of response published in Mod.Gov Library.</i>
6 July 203	Item 1 Minutes - Exempt	Cromwell Road – Members requested that details of construction costs per m ² and type of brick used to be included in the report to O&S Committee in October 2023.	Request to officers	In progress	<i>Lessons learnt from the Cromwell Road/Wheatley Court, Pitwood Park/Camelia Close and Lee Street projects will be presented to the O&S Committee on 12 October 2023.</i>
6 July 2023	Item 1 Minutes - Exempt	Lee Street – Members requested that running costs and a cost comparison to other similar social housing projects in neighbouring boroughs be identified in the report to O&S Committee in October 2023.	Request to officers	In progress	<i>Lessons learnt from the Cromwell Road/Wheatley Court, Pitwood Park/Camelia Close and Lee Street projects will be presented to the O&S Committee on 12 October 2023.</i>

6 July 2023	Item 4 Medium Term Financial Plan 2024/25 to 2028/29	Members requested a summary of budget changes over the last 8 years to be included in the Budget Scrutiny papers.	Request to officers	In progress	
6 July 2023	Item 4 Medium Term Financial Plan 2024/25 to 2028/29	The Chair requested that future updates include financial values for the ranges of possible impacts for the identified risks in section 15 of the MTFP.	Request to officers	In progress	
6 July 2023	Item 6 Reigate & Banstead 2025 Annual Report 2022/23	Members requested information on the vacancy rates in town centres and actions taken to combat the vacancies.	Request to officers	Completed	<i>Response emailed to Members on 08/08/2023. Copy of response published in Mod.Gov Library.</i>
6 July 2023	Item 7 Capital Investment Strategy	Capital Assets - Members requested information on the net yield from the assets listed in the report, together with the portfolio total gross and net yield.	Request to officers	Completed	<i>Response emailed to Members on 08/08/2023. Copy of response published in Mod.Gov Library.</i>
6 July 2023	Item 7 Capital Investment Strategy	Capital Assets - The assets listed had been classified under the CIPFA Code of Practice for preparing the statement of accounts. Members requested an explanation of the basis for the classifications.	Request to officers	Completed	<i>Response emailed to Members on 08/08/2023. Copy of response published in Mod.Gov Library.</i>

6 July 2023	Item 7 Capital Investment Strategy	Capital Assets - Members asked for an explanation for why table 2 included entries for both the Tadworth Centre and the Banstead Sports Centre.	Request to officers	Completed	<i>Response emailed to Members on 08/08/2023. Copy of response published in Mod.Gov Library.</i>
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Written answers from 8 December 2022 can be found here - [Document Written Answers from OSC 8 December 2022 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Further responses from 8 December 2022 can be found here - [Document Further Responses to Follow On Questions 8 Dec 22 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Additional Further responses from 8 December 2022 can be found here – [Document Additional Further Responses to Follow On Questions OS 8 Dec 22 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Written answers from 6 July 2023 can be found here - [Document Follow Up Questions from OS 06 July 2023 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

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