

Agenda

Overview and Scrutiny Committee

Thursday, 14 March 2024 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.



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



Members:

N. D. Harrison (Chair)

| | |
|---------------|--------------|
| J. Baker | B. Green |
| M. S. Blacker | G. Hinton |
| J. Booton | S. Khan |
| G. Buttironi | S. Parnall |
| J. Dwight | A. Proudfoot |
| M. Elbourne | R. Ritter |
| K. Fairhurst | K. Sachdeva |

Substitutes:

| | |
|--------------------------|--|
| Conservatives: | 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 |

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Published 07 March 2024

Mari Roberts-Wood
Managing Director

1. Minutes

(Pages 7 - 24)

To confirm as a correct record the Minutes of the previous meeting on 22 February 2024.

To confirm as a correct record the Minutes of the Environmental Sustainability Strategy Review Panel meeting on 12 February 2024.

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. Quarter 3 2023/24 performance report

(Pages 25 - 88)

To consider the Council's performance in Quarter 3 2023/24 including Key Performance Indicators for Q3 2023/24, Revenue Budget and Capital Programme forecasts for Q3 2023/24, and the Treasury Management Performance Update for Q3 2023/24.

RECOMMENDED that Overview and Scrutiny Committee:

That the Overview and Scrutiny Committee:

- (i) Notes the Key Performance Indicators for Q3 2023/24 as detailed in the report and Annex 1 and make any observations to the Executive;
- (ii) Notes the proposed Key Performance Indicators to be reported on in 2024/25 as detailed in Annex 1.1.
- (iii) Notes the Revenue Budget and Capital Programme forecasts for Q3 2023/24 as detailed in the report and Annexes 2, 3 and 4 and makes any observations to the Executive;
- (iv) Notes the Q3 Treasury Management Performance and Prudential indicator Updates for 2023/24 at Annex 5 and makes any observations to the Executive; and
- (v) Notes the update on risks relating to Homelessness at Annex 6.

5. Treasury Management Strategy 2024/25 (Pages 89 - 138)

To consider and to provide feedback on the Treasury Management Strategy Statement 2024/25.

RECOMMENDED to provide feedback on the following which are to be finalised and submitted for approval by the Executive on 14 March 2024 and Council on 28 March 2024:

- Treasury Management Strategy 2024/25;
- Investment Strategy 2024/25; and
- Capital Strategy 2024/25.

6. Review of the Council's Environmental Sustainability Strategy (Pages 139 - 220)

RECOMMENDED that the Overview and Scrutiny Committee:

Note the findings of the Environmental Sustainability Strategy Scrutiny Panel, the officer responses at Annex 3, and the revised Environmental Sustainability Strategy at Annex 1 and Action Plan at Annex 2, and make any observations to the Executive.

7. Place Portfolio Holders Update (Pages 221 - 276)

To receive a briefing from Executive Members of the Place Portfolio areas of work: Economic Prosperity, Place, Planning and Regulatory Services Neighbourhood Services, Greenspaces and Environmental Sustainability and to consider any issues that arise.

RECOMMENDED that the Committee note the briefings.

8. New Local Plan Update March 2024

To receive a verbal briefing on the New Local Plan Update.

RECOMMENDED that Overview and Scrutiny Committee:

Notes the verbal update on the progress of the Council's new Local Plan.

9. Overview and Scrutiny Annual Report 2023/24 (Pages 277 - 290)

To consider the Overview and Scrutiny Annual Report 2023/24.

RECOMMENDED that Overview and Scrutiny Committee:

Agrees the Overview and Scrutiny Annual Report 2023/24 for recommendation to Council on 28 March 2024.

10. Overview and Scrutiny Proposed Annual Work Programme 2024/25 (Pages 291 - 304)

To consider the proposed Overview and Scrutiny Annual Work Programme for 2024/25 and to note the action tracker.

RECOMMENDED that Overview and Scrutiny Committee:

- i) Approve the proposed Overview and Scrutiny Annual Work Programme 2024/25.
- ii) Notes the Action Tracker.

11. Executive

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

12. Any other urgent business

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

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

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Minutes of a meeting of the **Overview and Scrutiny Committee** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 22 February 2024 at 7.30 pm.**

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

Visiting Members present: J. C. S. Essex, P. Harp, R. Biggs, V. H. Lewanski, N. C. Moses, M. Smith and S. T. Walsh

67 Minutes

RESOLVED that the minutes of the previous meeting held on 25 January 2024 be approved and signed.

68 Apologies for absence and substitutions

Apologies were received from Councillor Baker, there was no substitute.

69 Declarations of interest

There were no declarations of interest.

70 Annual Community Safety Partnership Scrutiny 2023

The Chair welcomed the Leader of the Council, Councillor Biggs, Borough Commander Inspector Jon Vale, Sergeant Rob Staplehurst, Justine Chatfield, Head of Community Partnerships and Isabel Wootton, Partnerships Team Leader, to the meeting.

The Leader reported that although Reigate and Banstead was a relatively safe borough, there was no room for complacency and that it was crucial for the Council to work effectively with local partners, through the Community Safety Partnership, to tackle community safety issues where they arise. Through the Managing Director, who is the Chair, and the combination of statutory and non-statutory partners, the Partnership is able to address issues facing individuals and local communities as well as borough wide matters. It focuses not just on addressing situations as they occur, but also on the prevention of anti-social behaviour and crime. In so doing actively preventing harm to persons and property across the area.

The Police are a pivotal member of the partnership, and the Council were pleased to welcome the new Borough Commander John Vale recently, bringing relevant experience with him from his recent post as Borough Commander for Epsom and

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

Ewell. The Leader thanked Inspector Vale for attending the meeting this evening. Inspector Vale was joined by Sergeant Rob Staplehurst, who had been acting Borough Commander before Inspector Vale was appointed and is the sergeant for Redhill, Reigate and Merstham.

The Leader also thanked Alex Maguire who had been Borough Commander until the end of 2023, and is now Chief Inspector for Neighbourhoods for East Surrey.

A presentation had been provided by the Borough Commander in the agenda pack, which can be found here:

[Agenda for Overview and Scrutiny Committee on Thursday, 22nd February, 2024, 7.30 pm | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The Borough Commander invited Members to ask questions on his presentation. In response, the following clarifications were provided:

Harassment

The Borough Commander explained that reports of harassment were often complex and protracted and that there were always two perspectives of the issue. The Police needed to respond effectively, which did not always conclude with the desired outcome of the victim. Victims did, however, have the ability to submit a victim right to review through the Police website, which would lead to a review of the Police involvement in the investigation. He added that anti-social behaviour was linked to harassment and that ongoing anti-social behaviour incidents were closely monitored, with interventions put in place where needed. It was also confirmed that the Council's Anti-social Behaviour Officer would gather evidence and, if appropriate, had the statutory powers to issue a Community Protection Warning to an individual committing anti-social behaviour or harassment, and if the behaviour did not cease, then this could be progressed to a Community Protection Notice.

Success from Epsom and Ewell

Members asked what work had been successfully carried out in Epsom and Ewell that could be replicated and be beneficial to this borough. The Borough Commander reported that he had developed effective work around Violence Against Women and Girls (VAWG). Under Operation Shield, officers were trained to be Behavioural Detection Officers. This is a plain clothes role in the locality, especially within the night-time economy, transport hubs, and public spaces such as parks, where officers are specifically trained to identify predatory behaviours and hostile intent. This operation had been trialled very successfully in Epsom and it was the Borough Commander's intention to apply these tactics to this borough. The Borough Commander had also previously carried out work around Safer Streets and would bring that experience to the implementation of the successful Safer Streets bid for Redhill.

Communication with the Police

In response to a Member question regarding contacting the Police, the Borough Commander confirmed that staff retention, and therefore retention of experience, in the contact centre was challenging. He recommended social media as being the quickest way to communicate with the contact centre.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

In response to a Member question, the Borough Commander confirmed that the Police did not monitor social media community groups, however he would encourage councillors who are aware of policing concerns being discussed via these platforms to encourage residents to report their concerns to the Police.

Communication with victims of Violence Against Women and Girls (VAWG)

The Borough Commander confirmed that it was challenging nationwide for the Police to earn residents' trust. One of the main priorities of the Local Neighbourhood Teams was to build trust and confidence through in-person engagement with communities and community groups and identifying methods of support. Victims were supported through the process of reporting.

The Borough Commander also confirmed that the Police worked closely with partners at a local level to deal with VAWG and there was a VAWG Board in place.

In cases where a perpetrator of VAWG moved to another borough, that individual would be managed via a partnership forum, such as the Community Harm and Risk Management Meeting.

Safety in Whitebushes

A Member reported that there was an issue with Whitebushes residents travelling to and from work at East Surrey Hospital, who did not feel safe, especially with a lack of CCTV cameras in the area and did not feel confident in reporting incidents to the Police. The Member expressed a desire to work with the Police to improve this issue.

Keyless car theft

The Borough Commander confirmed that keyless car theft was treated seriously. This type of theft was usually committed by organised crime groups and was being combatted by Operation Dungeon, which targeted organised crime groups, who usually came from outside the county. The Chair added that the most recent police newsletter discussed this issue, and set out some effective counter-measures for residents to take to protect their vehicles.

Priory Park

Sergeant Staplehurst confirmed that cannabis use and dealing in Priory Park had been targeted with a specific operation leading to a number of arrests and convictions, which had also resulted in a decrease in offending in this area. The Police were working with the Joint Enforcement Team to patrol Redhill and there was an intention to extend this to Priory Park in the summer months.

Diversionsary tactics to tackle youth crime

It was confirmed that the YMCA was carrying out youth outreach work in Merstham and that the Police were planning engagement, events, and activities to put in place diversions.

Clear, Hold, Build project in Redhill

Members asked for an update on the Clear, Hold, Build project in Redhill. The Borough Commander confirmed that plans and a partnership model to deliver the initiative were in place. It was anticipated that this would commence at the end of

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

March 2024 and would continue to implement longer term change. It was confirmed that Clear, Hold, Build was a national project, with each police force being asked to support wider community safety partnerships in delivering these projects. It had been decided that the Surrey Police pilot for Clear, Hold, Build would take place in Redhill, partly due to the strength of the existing partnership.

County Lines

It was confirmed that County Lines was a national issue and that there was an experienced team across Surrey and Sussex to deal with this problem, working closely with neighbourhood teams and counterparts in the Metropolitan Police. Work was carried out to identify vulnerable victims to prevent cuckooing.

Rural Engagement Team

It was confirmed that the Rural Engagement Team had essential knowledge and expertise, with a Rural PCSO, supported by a wider team covering the county.

Working with Croydon Police

Following a Member's question regarding criminals coming into the area at night from Croydon, Sergeant Staplehurst confirmed that a close working relationship had been established with the Metropolitan Police, particularly in Croydon, with monthly meetings being held and the sharing of intelligence and information where appropriate.

Pavement parking

Following a question regarding responsibility for dealing with pavement parking, the Borough Commander confirmed that it was not always clear who was responsible for enforcement. Most issues with parking laid with Surrey County Council, however, dangerous parking and obstruction were Police matters. The Borough Commander encouraged reporting of pavement parking to enable the issue to be dealt with effectively.

Improving outcomes and visibility

The Borough Commander confirmed that the number of charges being brought to court was increasing.

Resources were finite and needed to be deployed where they were most needed. Instances of crime and anti-social behaviour were recorded, and this evidence-based data was needed to achieve greater resources. Social media was used well, and a newsletter was produced by a volunteer, both of which provided opportunities to reach more people. The Police were keen to identify other contacts who could share their information to the wider community. It was also important to share good news stories.

Linking crime and design measures

The Borough Commander confirmed that there were four or five Designing Out Crime Officers across the county who support in reviewing planning applications and new developments, but also to identify vulnerabilities, such as homes, premises or shops that have been targeted for burglary several times.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

Policing by consent

The Borough Commander confirmed that the Police were keen to increase general respect for the law by engagement with communities to help them feel confident about challenging low level behaviours. There was not currently any training offered for residents on challenging behaviours.

Engaging with minority communities

The Borough Commander confirmed that a significant amount of work was being carried out around seldom heard communities. However, this could be challenging if the Police were not aware of the existence of specific communities, and opportunities for engagement needed to be identified. He welcomed suggestions from Members.

Awareness of Police resources

The Borough Commander confirmed that there were a large number of Police officers within the county, with a significant number fulfilling roles that did not exist in the past, such as cybercrime and domestic abuse officers. These officers would not have a visible street presence.

Retail crime

Sergeant Staplehurst confirmed that a Neighbourhood Specialist Officer worked with the shop community in Banstead. Retail crime and anti-social behaviour had increased in the last 12 months and was becoming more of a priority. Work was being carried out to tackle retail crime and to implement prevention, and it was hoped that the success of work at Sainsbury's in Redhill could be replicated in other areas.

Youth engagement

It was confirmed that two Youth Engagement Officers carried out school visits, as well as wider engagement with young people. They offered a specific lesson package to schools for Years 4 and 7.

Justine Chatfield, Head of Community Partnerships, introduced the work of the Community Safety Partnership, which was a statutory partnership led by the Council, and played an important role in bringing together key partners to identify and tackle local community needs, setting the direction and resolving strategic issues. Within the Community Safety Partnership, was the Joint Action Group (JAG), and the Community Harm and Risk Management Meeting (CHARMM). Between the strategic group and the operational group, strong partnership working was provided in the borough. The Community Safety Partnership action plan, guided the work of the partnership and focused around the four priorities of tackling anti-social behaviour, protecting the vulnerable from harm, preventing violence against women and girls, and domestic abuse.

A presentation had been provided by the Community Partnership Team in the agenda pack, which can be found here:

[Agenda for Overview and Scrutiny Committee on Thursday, 22nd February, 2024, 7.30 pm | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Several advance questions had been submitted regarding the Community Partnership presentation. The advance questions and responses can be viewed here:

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

[Document Advance Questions and Answers OS 22 february 2024 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The Head of Community Partnerships invited Members to ask questions on the presentation. In response, the following clarifications were provided:

Housing Associations

It was confirmed that Raven Housing Trust, as the largest housing association in the area, attended the Community Safety Partnership meetings, but other housing associations did not attend. It was confirmed that the Council Officers enjoyed good relationships with the other housing associations and would involve other housing associations in community safety partnership matters, as appropriate.

Identifying and tackling problems

It was confirmed that communities identify problems to the Community Development Team, which are then addressed. A part time Anti-Social Behaviour Officer was in place. The number of domestic homicides in the borough was higher than in other boroughs so this was recognised as an issue. There was also a focus on providing opportunities for young people.

Fly tipping

The Leader confirmed that part of the problem with fly tipping was around educating residents about who could collect their waste, communicating the need to employ a licensed waste carrier. There was also a need for understanding of what constitutes fly tipping, for example leaving rubbish at bring sites.

JET Team

It was confirmed that the JET team worked on a rota basis and that there was currently no intention to expand this team.

How can Councillors help

The Borough Commander confirmed that regular meetings were held with certain wards for ongoing concerns, which provided more structured engagement and recognised councillors as community leaders. The Head of Community Partnerships confirmed that ward councillors were made aware of incidents in their wards. She asked that councillors contact the Community Partnership team and the Police regarding any issues that they became aware of. Community Safety colleagues and many other organisations and groups including the Police regularly attended Community Development Partner Network meetings. These quarterly meetings share information and to work together to tackle local issues. The Leader confirmed that an email address would be setup for councillors to use to contact the Community Safety Team.

Youth provision

It was confirmed that the YMCA bus was an asset that could be widely used throughout the borough in time. This was not the only initiative funded by the Safer Streets programme, other youth work was associated with the bus. Health colleagues were also talking to the YMCA about use of the bus in the borough for health programmes with schools. The Leader highlighted the breadth of youth provision

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

provided by community groups and confirmed that a piece of work was in progress to identify youth services already in existence and identify any gaps.

The Chair and the Managing Director both thanked Inspector Vale, Sergeant Staplehurst, and the Community Partnership officers for their presentations.

71 Review of the Work of the Greenspaces Team

The Chair welcomed Councillor Moses, Portfolio Holder for Environment and Sustainability.

A presentation had been provided on the work of the Greenspaces Team in the agenda pack, which can be found here:

[Agenda for Overview and Scrutiny Committee on Thursday, 22nd February, 2024, 7.30 pm | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

Several advance questions had been submitted regarding the work of the Greenspaces team presentation. The advance questions and responses can be viewed here:

[Document Advance Questions and Answers OS 22 february 2024 | Reigate and Banstead Borough Council \(moderngov.co.uk\)](#)

The Portfolio Holder invited Members to ask questions on her presentation. In response, the following clarifications were provided:

Managing Greenspaces

The Head of Neighbourhood Operations confirmed that the Council had a good relationship with Natural England, and worked closely with them, particularly on Reigate Heath. She acknowledged that several funding schemes were available, and that the intention was to apply for any relevant funding schemes in the future.

Accessibility

It was confirmed that there were some constraints to accessibility, due to the need to apply for permission from the Secretary of State to carry out works on common land. Pathways had been installed, but the team would welcome conversations regarding specific areas that may benefit from being made more accessible.

Ash Dieback

It was confirmed that an inspection programme of one and three years for all trees was in place. More urgent inspections were carried out on trees of concern, and trees that may pose a danger to the public. One-year inspections were carried out on trees in public high traffic areas, such as on footpaths and near schools. Three-year inspections were carried out on trees within woodland areas. Trees were categorised for condition, with categorisation continually monitored. A Member suggested that the process could be communicated to residents for better understanding.

It was confirmed that there was an industry suggestion that allowing trees to repopulate would work well, and the Council was considering using this method. The Tree Officer was very experienced and would monitor this closely.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

Communication to Greenspaces Team

It was confirmed that requests from residents and response times for these issues was not recorded specifically but that data trails were recorded. A Member suggested that a metric on response times and customer service be explored in the upcoming Greenspaces Strategy.

Trim Trails

It was confirmed that there was an intention to install further trim trails.

Management Plans

It was confirmed that the variations in the content of management plans was due to some management plans being set out by Natural England, and the varying characteristics of sites.

Wildlife Surveys

It was confirmed that although some of the wildlife surveys had been carried out some time ago, management plans included wildlife surveys and recommendations on dealing with habitats, which would show the changes in land and maintenance carried out and would inform actions moving forward. In the upcoming Greenspaces Strategy baseline surveys and future maintenance would be identified.

Mere Pond

It was confirmed that the habitat survey for Mere Pond was carried out by the Wildlife Trust in 2018 and was due to be updated in 2024. It was confirmed that the Council's engineer had been engaging with the community and the Head of Neighbourhood Operations would check that the plans to carry out a new survey and the analysis from the survey were shared with the community group.

Grass cutting

A Committee Member spoke about the advantages of tailoring grass cutting schedules to allow the growth of herbs which encouraged biodiversity. The Chair asked the Member to contact the Head of Neighbourhood Operations and Countryside Officer in writing after the meeting to discuss this matter further. Although rules were put in place by Natural England on grass cutting in some areas, the Council would consider suggestions put forward by the Member and would investigate the equipment necessary for grass collection. The Managing Director added that Members would have the opportunity to contribute to the upcoming Greenspaces Strategy. The Leader also added that issues could be brought to the steering groups for land areas.

A Member commented that there was a varied approach to grass cutting in operation to suit the different purposes of each greenspace, with grazing carried out well, and congratulated the Greenspaces Team.

Hedges

A Member reported that hawthorn hedges provided a good source of food for wildlife and should not be cut back. He asked whether rotational cutting could be introduced to allow flowering and fruiting. He also suggested planting corridors between bio-rich

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

and bio-poor areas. These suggestions could be considered during the consultation on the upcoming Greenspaces Strategy.

Wildlife

It was confirmed that the Greenspaces Team were trained to check areas for wildlife before commencing mowing and strimming of the area.

Banstead Commons Conservators

It was confirmed that the Banstead Commons Conservators would be consulted with as part of the upcoming Greenspaces Strategy.

BMX track at Burgh Heath

In response to a request for an update on the BMX track at Burgh Heath which had been closed, the Head of Neighbourhood Operations agreed to provide a written response.

Balance of resource

It was confirmed that there was a wide breadth of resource within the Greenspaces team which could be redeployed to different areas when necessary. The Council was very grateful to volunteer groups for the wealth of good work they carried out and noted that guidance and support for this work was provided by officers from the Greenspaces team.

The Chair encouraged Committee Members with expertise in this area to liaise with officers on the upcoming Greenspaces Strategy.

The Chair thanked the Portfolio Holder and the Greenspaces team for their presentation and thanked the Greenspaces Team for their work.

RESOLVED that Overview and Scrutiny Committee noted the review of the work of the Greenspaces Team.

72 Overview and Scrutiny Committee Forward Work Programme

The Chair requested that Committee Members submit to himself or the clerk any suggestions for additional topics for scrutiny for 2024/25.

It was noted that during the Environmental Sustainability Strategy Review Panel a suggestion was made to add sewerage and wastewater as a topic of scrutiny for 2024/25.

RESOLVED that Overview and Scrutiny Committee:

- i) Noted the Overview and Scrutiny Forward Work Programme 2023/24.
- ii) Would consider possible items for scrutiny in the Forward Work Programme 2024/25.
- iii) Noted the action tracker.

Agenda Item 1

Overview and Scrutiny Committee, Thursday, 22nd February, 2024

73 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.

74 Any other urgent business

There was no urgent business.

The meeting finished at 10.27 pm

BOROUGH OF REIGATE AND BANSTEAD
ENVIRONMENTAL SUSTAINABILITY STRATEGY REVIEW PANEL

Minutes of a meeting of the Environmental Sustainability Strategy Review Panel held at the Executive Meeting Room - Town Hall on 12 February 2024 at 7.00 pm.

Present: Councillors J. Baker, M. S. Blacker, J. Booton, V. Chester, Z. Cooper, K. Fairhurst and P. Harp (Chair)

Visiting Member Present: Councillor S. Kulka
Visiting Member attending virtually: Councillor N. Harrison

1. ELECTION OF CHAIR

Councillor Blacker nominated and Councillor Cooper seconded Councillor Harp as Chair of the Panel for the 2023/24 Municipal year.

RESOLVED that Councillor Harp be elected Chair of the Environmental Sustainability Strategy Review Panel for the 2023/24 Municipal Year.

2. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no apologies, all panel members were present.

3. 2023/24 REVIEW OF THE COUNCIL'S ENVIRONMENTAL SUSTAINABILITY STRATEGY AND ACTION PLAN

Ahead of the meeting, the 2023/24 Review of the Council's Environmental Sustainability Strategy and Action Plan Report and supporting documents were circulated to the Environmental Sustainability Strategy Review Panel Members. Advance questions were invited.

Advance Questions – Responses

Advance Questions from panel members were received on 6 February 2024 and were sent for consideration to officers. The responses provided by the Environmental Sustainability team were circulated to panel members on 9 February 2024.

Members of the panel had submitted a total of 21 Advance Questions, which had been grouped accordingly.

The panel reviewed the responses to the Advance Questions received and asked supplementary questions. The Head of Corporate Policy, Projects, and Performance and attendant officers provided further information in response to questions and additional points of discussion.

The outcome of the panel's work would be set out in the Review of the Council's Environmental Sustainability Strategy Report which would be presented to

Overview and Scrutiny Committee's meeting on 14 March 2024. This would include comments and recommendations from the Panel to the Overview and Scrutiny Committee following its review and discussions of the draft Environmental Sustainability Strategy and Action Plan. The Strategy and Action Plan would then go forward to the Executive for agreement.

“Climate Crisis”

The panel spent some time discussing the terminology relating to the “climate crisis”. Some panel members felt that this term was alarmist and preferred “climate change”, while others favoured the term “climate emergency”. The panel noted that the United Nations had used the term “climate crisis”. Panel members noted that consistent terminology should be considered and referred to the “cost of living crisis”.

A Panel member requested information on outstanding air quality management areas (AQMAs). The Head of Corporate Policy, Projects, and Performance would request a written response from the Environmental Health team.

Administrative Comments

It was confirmed that the foreword to the strategy would be written by the Portfolio Holder once the review had been completed.

It was confirmed that the draft strategy had been drafted by officers, considered by the Corporate Governance Group and shared informally by Executive members, who had not requested any substantive changes to the draft strategy.

1. Introduction

1.1.1 The Scope of the Review

A panel member noted that the net zero carbon targets should specify that they relate to scope 1 and 2, as no net zero carbon target had been set for scope 3.

A panel member suggested that 2050 could be set as a net zero target for scope 3, but another panel member noted that “2030 or as soon as possible thereafter” was a good aspirational target.

The Harlequin

It was confirmed that the Harlequin was included in the carbon emissions baseline, but that officers would consider adding additional information relating to the Harlequin under 1.5 Constraints to Delivering the Strategy. Additionally, the annual report could contain narrative relating to the Harlequin and the impact of its closure.

3. Energy and Carbon

3.1.1 Annual greenhouse gas emissions - 2050 Vision

A panel member reported that car ownership was increasing rather than decreasing and that cars purchased were not all run on renewable energy.

The availability of electric vehicle chargers was discussed as well as the available power supply to run the chargers. It was confirmed that the Council was consulting with UK Power Networks regarding the installation of further charging points and the opportunities to utilise load management to share the power load across an increased number of charging points. It was also confirmed that the Council's emerging EV Chargepoint strategy was informed by the work carried out by Surrey County Council with regard to electric vehicle charging.

3.2 Priorities

It was confirmed that there was an intention to move away from gas supplies completely, and that this was included in the action plan.

4. Low Impact Consumption

4.1 Overview

Water consumption in Reigate and Banstead borough was reported as 150.8 litres per person in 2022/23; panel members asked for this statistic to specify whether this was per day.

4.2 Priorities

The strategy states that the Council will work with SES Water to reduce consumption of mains water; panel members asked if the strategy could also include an action to work with Thames Water, as both water companies operated in the borough.

A panel member stated that Water Companies should be held to account for their responsibility to repair water leaks and that the Council should pursue them to carry out this responsibility.

It was noted that utility providers had previously been invited to present to Overview and Scrutiny Committee and that SES Water and Thames Water could be scrutinised in the future work programme for Overview and Scrutiny Committee.

Panel members noted that the definition of water consumption should be more clearly explained in the strategy, as residents may understand water consumption as a term relating to the quantity of drinking water consumed.

5. Natural Environment and biodiversity

5.1 Overview

Panel members noted that although the Council owns approximately 1250 hectares of countryside, this is not all managed by the Council; Banstead Commons Conservators, tenant farmers and other volunteers maintain a significant amount of this land, with the Council managing approximately 60%.

5.2 Priorities

A panel member proposed a policy change to prohibit the felling of any tree over 15feet / 4.6m without planning permission. It was recognised that proposing this

policy change would be difficult, but that this could be raised with the Planning team as part of the Local Plan review.

It was noted that the 10% Biodiversity Net Gain had become national law that day and that this would assist in preventing developers from clearing trees and plants from sites before submitting planning applications.

7. Effective Implementation

7.2 Planning policies

In response to a panel member's question, it was confirmed that the Council was looking into ways to improve the environmental sustainability of its listed buildings, principally the Town Hall. Guidance from English Heritage was available, and examples of National Trust buildings could be viewed for inspiration and to learn from best practice.

7.3 Procurement

Panel members noted that the Council had in past years engaged in public awareness campaigns regarding food waste and that it would be good to revive this kind of engagement to align with the schools' curriculum regarding sustainability and wellbeing. It was confirmed that there were several actions in the action plan relating to waste and recycling; this section of the strategy was focused more on the purchase of sustainable food rather than food waste. Officer agreed to investigate this further.

7.5 Monitoring and Reporting

A panel member questioned why the Environmental Sustainability Strategy v2 would be reviewed "no later than 2029", and not specifically scheduled for 2027. Officers explained that the Council's policy was to review strategies every 3-5 years, this would provide a review date of 2027-2029. Officers would review this wording in the strategy.

Challenges and Opportunities

9.2 challenges

Panel members again voiced their concern over the electrical grid capacity to manage increased electric vehicle charging.

Panel members noted that better tree watering management would be necessary to the survival of tree planting.

Action Plan

Panel members noted that in the action plan, several actions were marked as "ongoing" and queried whether this should be marked as "business as usual"; officers explained that for ongoing actions, a start date was specified and confirmed that although some actions were "business as usual" it was nonetheless important to capture these actions in the action plan, with progress being illustrated in the annual reporting. Additionally, it was challenging to identify completion target dates for some actions where they are "ongoing".

Panel members felt that it would be advantageous to have phase completion dates or milestones identified for actions.

In response to a panel member question about the effectiveness of education, officers confirmed that providing educational information and offering advice to Council tenants on energy efficiency was important; information sessions were held in community centres, and residents were engaged and interested in learning about energy efficiency. Education and advice were part of the overall package of delivering sustainability.

A panel member requested that a trajectory graph to net zero be included in the strategy document to demonstrate progress on the target. Officers confirmed that an annual trajectory graph was included in the annual report, in addition to narrative in the covering report provided to the panel on the progression towards target. The trajectory would be easier to illustrate for fleet than for buildings. Officers agreed to reflect on the request and how best to illustrate progress to Members. Key projects and performance measures had been identified, and progress would be reported on by a combination of quantitative measures and qualitative narrative. It was explained that achieving key projects such as moving buildings from away from gas, and moving fleet vehicles to HVO fuel, would result in a large leap in the percentage of progress towards net zero.

In response to a panel member's question, officers confirmed that trade waste collection was available through the Council for paper and cardboard, and residual waste. The collection service would be expanded to include more waste from 2025 in response to the Government's Resources and Waste Strategy, which will make it compulsory for businesses to recycle waste. Panel members suggested the introduction of an incentive scheme to encourage schools and organisations to recycle their waste paper.

Panel members requested an explanation of offsetting. Officers explained that when carbon emissions were at 10% or less, the Council would look to offset the remaining percentage by removal from the atmosphere, with methods such as tree planting. There was a new section in the strategy addressing this process and exploring options for offsetting.

It was confirmed that the Greenspaces Strategy and Tree Strategy would be drafted in 2024/25. The Greenspaces team would lead on the strategy, but the Environmental Sustainability team would also be involved to provide an Environmental Sustainability perspective. The Planning team would also be reviewing the Green Infrastructure Strategy. A panel member suggested that the Council could work with other local landowners to create greater biodiversity in the local area.

Annex 3 – Environmental Sustainability Strategy Objectives

Objective 4 – A panel member requested that promotion of community travel be included in this objective to tie in with reducing personal car travel. Officers confirmed that community travel was being explored with the Community Partnerships team, and that they would consider the suggestion. Officers confirmed that electric bikes were acceptable for road use, but that electric scooters were not. Officers also reported that work was ongoing with Sustrans to promote active travel,

and options for working with Surrey County Council to encourage low carbon emission transport were being explored.

Objective 11 – A panel member asked why native tree species mix would be improved rather than increased. Officers explained that this change in wording had been made on the advice of the Greenspaces team and was largely driven by the problem of Ash Dieback. The objective had been amended to focus on maintaining the health of existing trees, however did not preclude an increase in the number of trees. Panel members questioned the amount of tree management carried out by the Council. Officers confirmed that other agencies did contribute to tree management but highlighted that the importance should be placed on successful tree management, rather than who performs it. Although Ash Dieback would have a negative impact on trees in the borough, there was no intention to accept an overall decline in woodlands.

Objective 12 – It was confirmed that soft landscape referred to greenspaces that were not trees or woodland, for example grassland.

Objective 14 – Panel members identified the need to be aware of the pesticides and herbicides used by the Greenspaces team and noted that there were no targets set regarding the use of these chemicals. Officers would also check which authority (RBBC or SCC) held the responsibility for weedkilling on pavements.

Annex 4 – Engagement Report

In response to a panel member question regarding partner organisations and interest groups engaged, officers confirmed that a large number of interest groups had been invited to engage but only four groups were able to attend. Officers were keen to engage with further interest groups and invited panel members to provide contact details of additional groups to be contacted.

A Panel member suggested working with private sector partners. Officers recognised that while there could be benefits from working with private partners, caution would need to be taken. The Council continued to learn from best practice.

A panel member had several questions which she agreed to submit in writing to the clerk following the meeting.

Councillor Moses, Portfolio Holder for Environment and Sustainability thanked the officers for their work and thanked the panel.

4. CONCLUSIONS AND RECOMMENDATIONS

The observations and comments of the panel are contained in minute 3 above.

5. NEXT STEPS

Next steps are as follows:

Overview and Scrutiny Committee considers the 2023/24 Review of the Council's Environmental Strategy and Action Plan updated in light of the panel's observations recommendations 14 March 2024

Executive considers the 2023/24 Review of the Council's Environmental Strategy and Action Plan updated in the light of the panel's observations / recommendations and any further observations made by Overview and Scrutiny Committee 21 March 2024

6. ANY OTHER URGENT BUSINESS

There was no urgent business to discuss.

The Meeting closed at 9.12 pm

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Agenda Item 4



| | |
|-------------------------|---|
| Signed off by | Chief Finance Officer, Head of Corporate Policy, Projects and Performance |
| Author | David Brown, Finance Manager Luke Harvey, Project & Performance Team Leader Pat Main, Chief Finance Officer |
| Telephone | Tel: 01737 276519, Tel: 01737 276063 |
| Email | david.brown@reigate-banstead.gov.uk luke.harvey@reigate-banstead.gov.uk pat.main@reigate-banstead.gov.uk |
| To | Overview and Scrutiny Committee Executive |
| Date | Overview and Scrutiny Committee: Thursday, 14 March 2024 Executive: Thursday, 21 March 2024 |
| Executive Member | Deputy Leader and Portfolio Holder for Finance and Governance |

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

| | |
|----------------|--------------------------------------|
| Subject | Quarter 3 2023/24 performance report |
|----------------|--------------------------------------|

| |
|--|
| Recommendations |
| That the Overview and Scrutiny Committee: |

Agenda Item 4

- (i) Notes the Key Performance Indicators for Q3 2023/24 as detailed in the report and Annex 1 and make any observations to the Executive;
- (ii) Notes the proposed Key Performance Indicators to be reported on in 2024/25 as detailed in Annex 1.1.
- (iii) Notes the Revenue Budget and Capital Programme forecasts for Q3 2023/24 as detailed in the report and Annexes 2, 3 and 4 and makes any observations to the Executive;
- (iv) Notes the Q3 Treasury Management Performance and Prudential indicator Updates for 2023/24 at Annex 5 and makes any observations to the Executive; and
- (v) Notes the update on risks relating to Homelessness at Annex 6.

That the Executive:

- (i) Notes the Key Performance Indicators for Q3 2023/24 as detailed in the report and Annex 1.
- (ii) Approve the Key Performance Indicators to be reported on in 2024/25 as detailed in Annex 1.1.
- (iii) Notes the Revenue Budget and Capital Programme forecasts for Q3 2023/24 as detailed in the report and Annexes 2, 3 and 4;
- (iv) Notes the Q3 Treasury Management Performance and Prudential Indicator Updates for 2023/24 at Annex 5; and
- (v) Notes the update on risks relating to Homelessness at Annex 6.

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 Q3 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 and a new annex focussing on rising homelessness levels.

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

Statutory Powers

1. Following the abolition of Best Value Performance Indicators (BVPI) in 2008 and the National Indicator Set (NIS) in 2010, there is no statutorily imposed framework for local authorities to manage performance.

Agenda Item 4

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 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. The Executive has approved a Financial Sustainability Programme to address the forecast Medium Term Financial Plan revenue budget gap. This includes a commitment to provide quarterly progress updates on delivery of the Programme.

Key Information

Key Performance Indicators – Q3 2023/24

8. Ten KPIs are reported on in Q3, the full detail of which is provided in annex 1.
9. Of the ten KPIs reported on, eight are on target or within the set tolerance.
10. The following KPIs are off target:
 - KPI 1 – Council Tax collection
 - KPI 7 – affordable housing completions
11. Additional information is provided in annex 1.

Key Performance Indicators – 2024/25

12. Annex 1.1 sets out the KPIs to be reported on in 2024/25.
13. The indicators reported on in 2023/24 are proposed to be carried forward for 2024/25. The KPIs are considered to continue to reflect the Council's corporate objectives as set out in our current Corporate Plan.
14. In parallel with the preparation of the new Corporate Plan for the period 2025-2030, an updated set of KPIs will be developed alongside a member task and finish group. This process will take place in 2024/25, with new indicators reported from 2025/26 onwards and will make sure that the KPIs continue to reflect corporate priorities for the next plan period. The new Corporate Plan is due to take effect from Q1 2025/26.

Revenue Budget Forecast

15. The 2023/24 Original Revenue Budget approved by Council in February 2023 was

Agenda Item 4

£23.194 million.

16. At 31 December, the forecast outturn for Services and Central Budgets is £21.847 million against a management budget of £23.194 million, resulting in an overall forecast net underspend of £1.347 million (5.8%).

| Table 1: REVENUE BUDGET MONITORING at 31 December 2023 | Original Budget £m | In-Year Adjustments £m | Management Budget £m | Forecast Outturn £m | Forecast Year-end Variance £m |
|---|---------------------------|-------------------------------|-----------------------------|----------------------------|--------------------------------------|
| Service Budgets | 20.611 | (0.441) | 20.170 | 20.120 | (0.050) |
| Central Budgets | 2.583 | 0.441 | 3.024 | 1.727 | (1.297) |
| Revenue Budget Forecast at 30 September | 23.194 | 0.00 | 23.194 | 21.847 | (1.347) |

Service Budgets

17. The 2023/24 Original Budget for Services approved by Council in February 2023 was £20.611 million.
18. At 31 December, the full year outturn is forecast to be £20.120 million against a Management Budget of £20.170 million resulting in an underspend of £0.050 million (0.2%).
19. The key variances are:

Organisation:

- Property & Facilities - £0.458m overspend due to council tax costs at The Rise and higher maintenance costs at other properties including Regent House and Redhill Distribution Centre.
- Organisational Development & Human Resources - £0.220m overspend driven by higher interim pay costs to support the service restructure.
- Electoral Services - £0.120m underspend due to lower elections costs and staff vacancies, some of which will be transferred to reserves for the next election.
- ICT - £0.114m overspend due to higher consultancy costs and contract renewals.
- Energy Costs – £0.271m underspend due to renegotiation of energy contract.

Place

- Refuse & Recycling - £0.207m overspend driven by lower recyclate prices partially offset by a higher number of garden waste subscribers and lower pay costs due to vacancies.
- Car Parking - £0.143m underspend driven by historic budget not yet adjusted following termination of the on-street parking contract.
- Environmental Licencing - £0.152m underspend driven by higher Private Hire income.

People

- No significant variances at Q3.

20. Further details are provided at Annex 2.

Central Budgets

21. The Original Budget for Central budgets approved by Council in February 2023 was £2.583 million.
22. At 31 December, the forecast outturn is £1.727 million against a Management Budget of £3.024 million resulting in an underspend of £1.297 million (42.9%).
23. This underspend is mainly a result of favourable interest rates on investments, more funds on deposit and lower than budgeted borrowing.
24. Further details are provided at Annex 2.

Investment Income

25. Forecast income from property rents at Quarter 3 is £4.131 million compared to the £4.218 million that was received in 2022/23. This represents 17.8% of the net revenue budget for 2023/24.

Capital Programme Monitoring

26. At 31 December, the Capital Programme Budget was £36.033 million, including £24.120 million of approved carry-forward capital allocations from 2022/23, £7.427 million of CIL allocations and a £0.150 million addition approved by Full Council in March 2023.
27. The forecast outturn position is £18.470 million which is £17.563 million (49%) below the approved Programme for the year. The variance is primarily due to slippage.
28. The main reasons for the slippage at the end of Quarter 3 were:
 - Beech House (£3.000m slippage) with expenditure now expected in 2024/25, subject to business case approval.
 - Merstham Recreation Ground (£2.570m) slippage with procurement of works underway and construction expenditure now expected in 2024/25.
 - Vehicles & Plant Programme (£1.560m) slippage with expenditure now expected in 2024/25.
 - Horley Public Realm Improvements (£0.930m) slippage with physical delivery expected in summer 2024.
 - Horley Subway Refurbishment (£0.770m) slippage with physical delivery now expected in late 2024.
 - Car Park Capital Works (£0.760m) slippage with expenditure now expected in 2024/25.
29. Further details are provided at Annex 3.
30. In addition, the Council has previously committed to spend up to £30.0 million on investment in affordable housing to support implementation of the Housing Delivery

Agenda Item 4

Strategy, to be funded from available grants and calls on capital and revenue reserves as appropriate to each scheme. There are no new developments planned at this time in addition to the investment in temporary and emergency accommodation as detailed at Annex 3. Forecasts will be updated when new business cases are approved.

Financial Sustainability Programme (FSP) Update

31. Annex 4 provides an update on the projects and activities that have taken place in the Financial Sustainability Programme up to the end of Q3.

Treasury Management

32. This report confirms compliance with the requirements of the regulatory framework for treasury management.
33. 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.
34. Annex 5.1 sets out the Quarter 3 Treasury Management Performance Update and Annex 5.2 sets out the Quarter 3 Prudential Indicators for 2023/24.

Homelessness Costs – Risks and Focus

35. A key current risk for all councils is the increasing level of homelessness and the burden this is placing on local authority budgets and annual spending requirements. This has become a ‘red’ risk for many councils.
36. This authority has, to date, been able to contain the cost of homelessness through prudent budgeting and by establishing a Homelessness Prevention Reserve which can be drawn upon when required, to help offset the costs. The financial impacts being the cost of providing temporary accommodation, including bed and breakfast.
37. The authority receives an annual homelessness prevention grant from Government which is set aside in the Reserve to help pay for part of these costs in addition to the annual homelessness budget that is managed by the Housing service. In 2023/24 the grant received was £0.686 million and for 2024/25 the grant is £0.695 million plus a further ‘top up’ grant for 2024/25 that was announced in March 2024 of £0.284 million. It must be noted that this grant is not guaranteed every year and could easily be exhausted if the cost of homelessness continues to rise.

Agenda Item 4

38. The Homelessness Prevention Reserve currently stands at £1.314 million plus the £0.695 million and £0.284 million grants for 2024/25 which will be added to it in April 2024.
39. Despite the relatively strong reserves forecast, it is essential that the Council remains on alert in terms of the significant risks associated with homelessness and the financial strain this could place on the council's budget if matters escalate. For example, in 2023/24 the service is forecast to spend £0.423 million above the Council budget allocation (details at Annex 2) with this overspend being funded by a call on the Homelessness Prevention Reserve. In terms of comparative spending, this Council's cost of bed and breakfast accommodation increased by £0.300 million between 2022/23 and 2023/24. Officers in the Housing service report that they do not expect to see a decline in demand for temporary accommodation in the immediate future based on current trends.
40. Further details are set out at Annex 6: Homelessness Focus, which sets out the supporting statistics for the homelessness caseload within the borough. This information provides the context for managing and monitoring this budget risk.
41. Further updates on homelessness will be provided as part of quarterly performance reporting and budget-setting.

Options

1. Overview and Scrutiny Committee has two options:
 - **Option 1** – To note the report and make no observations to the Executive.
 - **Option 2** – To note the report and make observations to the Executive.
2. Executive has two options:
 - **Option 1** – To note the report, approve the Key Performance Indicators to be reported on in 2024/25 and make any observations to the Head of Corporate Policy, Projects and Performance and/or Chief Finance Officer.
This is the recommended option.
 - **Option 2** – note the report, to not approve the Key Performance Indicators to be reported on in 2025/25 and make any observations/comments to the Head of Corporate Policy, Projects and Performance and/or Chief Finance Officer.

Legal Implications

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

Financial Implications

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

Equalities Implications

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

Agenda Item 4

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| Communication Implications |
| 6. There are no communications implications arising from this report. |
| Environmental Sustainability Implications |
| 7. There are no environmental sustainability implications arising from this report. |
| Risk Management Considerations |
| 8. There are no risk management implications arising from this report. |
| Procurement/Contract Management and Subsidy Considerations |
| 9. There are no procurement/contract management and subsidy considerations arising from this report. |
| Other Implications |
| 10. There are no other implications arising from this report. |
| Consultation |
| 11. The report has been reviewed by the Council's Corporate Governance Group. There are no other consultation implications arising from this report. |
| Policy Framework |
| 12. Robust performance management is integral to measuring the extent to which policy objectives have been achieved. |
| Background Powers |
| None. |

ANNEXES

- 1.1 Q3 Key Performance Indicators
- 1.2 Key Performance Indicators for 2024/25 reporting
2. Q3 2023/24 Revenue Budget Monitoring
3. Q3 2024/24 Capital Budget Monitoring
4. Q3 FSP Update 2023/24
- 5.1 Q3 2023/24 Treasury Management performance update
- 5.2 Q3 2023/24 Prudential Indicators
6. Homelessness Focus 2023/24

Q3 2023/24 Key Performance Indicators

| KPI | Status | Portfolio Holder |
|--|--------|------------------|
| <u>KPI 1 – Council Tax collection</u> | RED | 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> | GREEN | Cllr Lewanski |
| <u>KPI 5 – Homelessness positive outcomes</u> | GREEN | 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> | GREEN | Cllr Avery |
| <u>KPI 9 – Missed bins</u> | GREEN | Cllr Avery |
| <u>KPI 10 – Recycling</u> | AMBER | Cllr Avery |

KPI 1 – The % of Council Tax collected

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 29% | 29.34% | GREEN |
| Q2 | 57% | 56.64% | AMBER |
| Q3 | 85% | 83.99% | RED |
| Q4 | 98.80% | | |

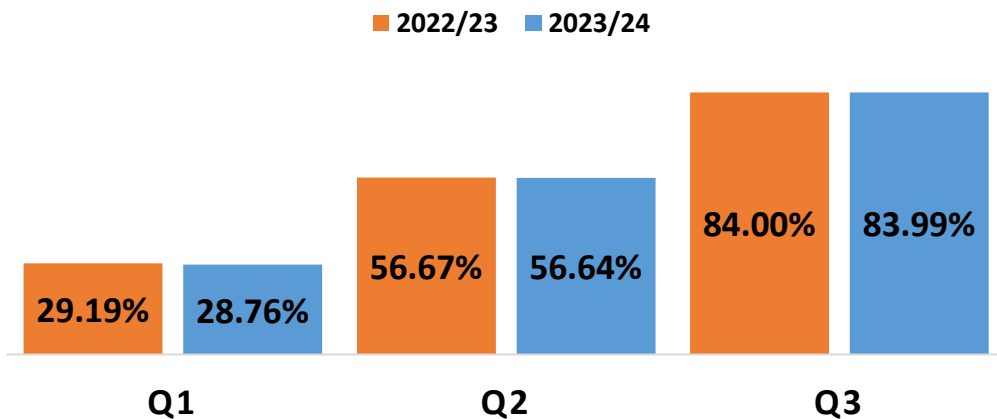
Description

This indicator measures the percentage of Council Tax collected by the Council. The performance reported is cumulative for the year to date and up to the end of the quarter. Collection of monies owed continues into subsequent quarters and years, with performance continually moving. A tolerance of 1% is applied each quarter.

Narrative

At the end of Q3, in year collection was just shy of where it was at the same point in 2022/23. Resources are currently split between collecting Council Tax from 2023/24 and balances built up during the pandemic. Unpaid Council Tax will continue to be recovered in subsequent years, meaning that performance continues to improve. At the end of January 2024 collection stood at 93.25%, up on performance from the previous year.

Council Tax collection



KPI 2 – The % of Business Rates collected

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 31% | 33.29% | GREEN |
| Q2 | 58% | 59.18% | GREEN |
| Q3 | 85% | 85.11% | GREEN |
| Q4 | 99.8% | | |

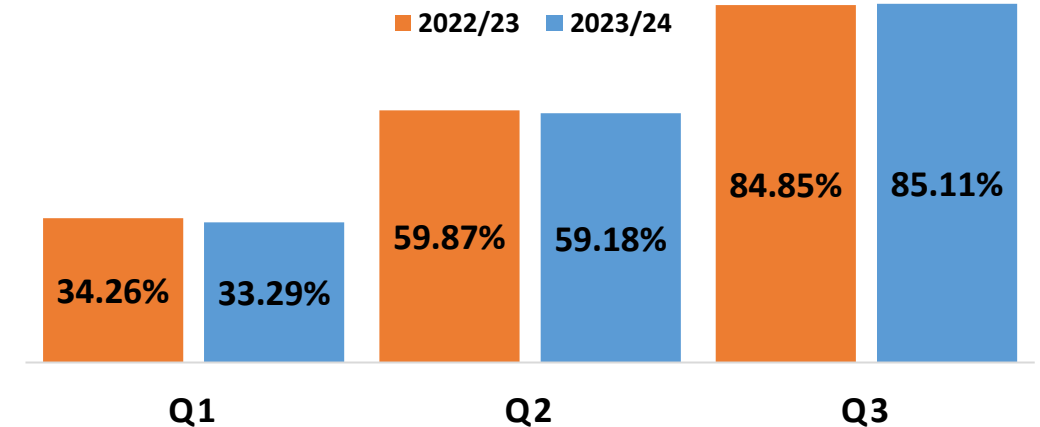
Description

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

Narrative

The Council's collection of Business Rates has marginally exceeded the target for Q3.

Business Rates collection



KPI 3 – Staff turnover

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 12% | 14% | RED |
| Q2 | | 11% | GREEN |
| Q3 | | 10% | GREEN |
| Q4 | | | |

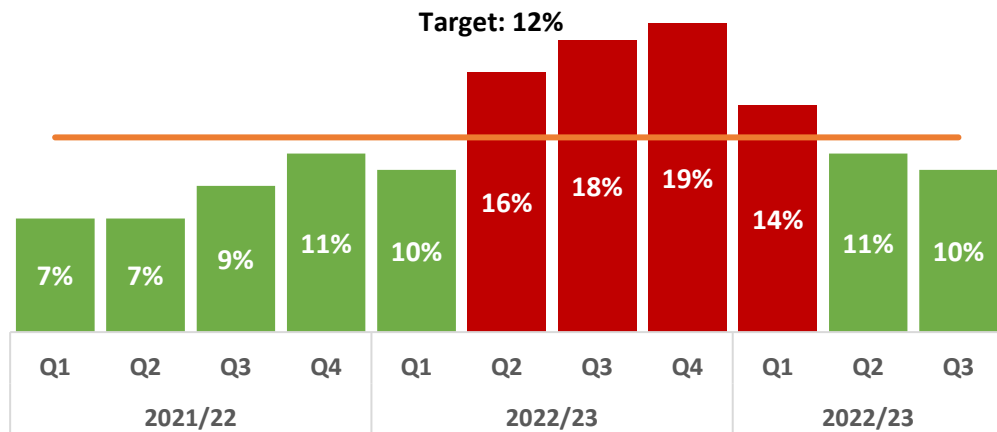
Description

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 2022/23, staff turnover is now within target. Please note that, due to a data issue, the data for Q1 has been revised (was 3%).

Staff turnover



KPI 4 – Staff sickness absence

| | TARGET | ACTUAL | STATUS |
|----|--------|-----------|--------|
| Q1 | 4 days | 4.15 days | AMBER |
| Q2 | | 3.39 days | GREEN |
| Q3 | | 3.55 days | GREEN |
| Q4 | | | |

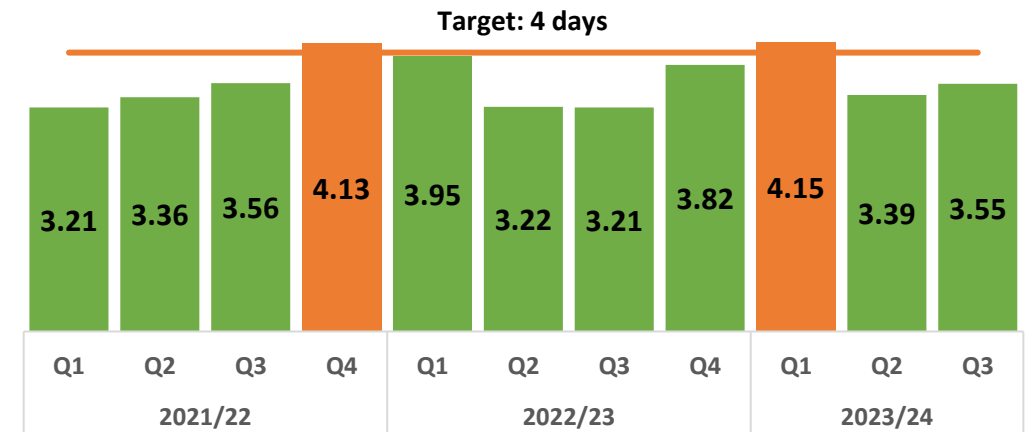
Description

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.

Narrative

Staff sickness levels continue to be within target.

Staff sickness absence (days)



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

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 55% | 49% | AMBER |
| Q2 | | 62% | GREEN |
| Q3 | | 72% | GREEN |
| 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.

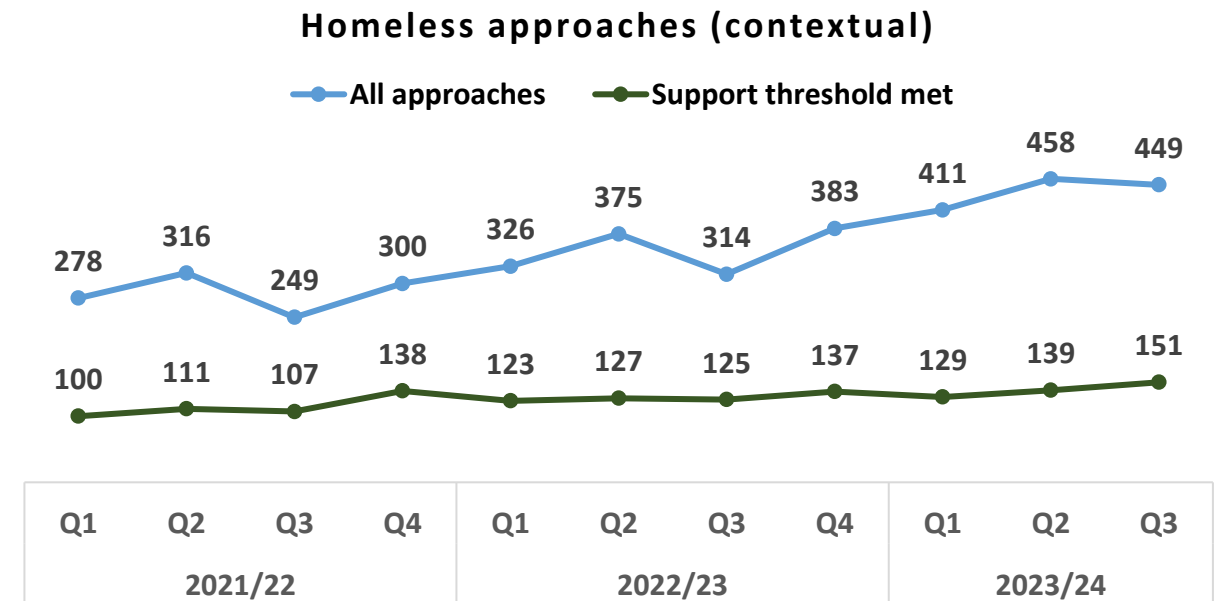
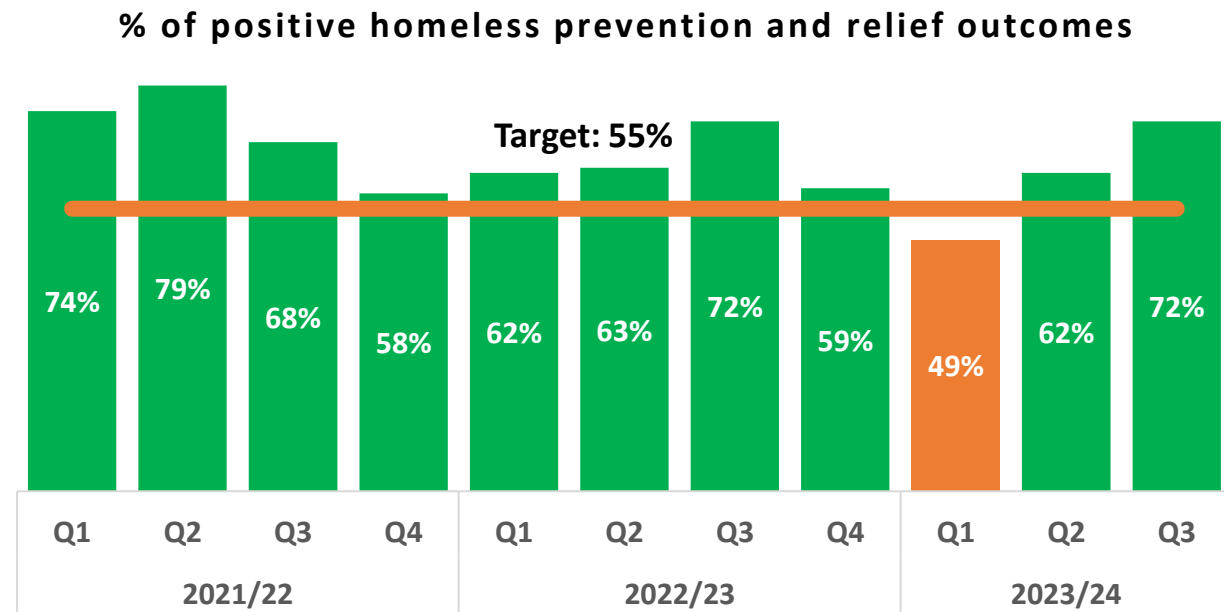
It measures the percentage of positive outcomes achieved in the quarter against the approaches that were made in the quarter.

Narrative

In Q3 there were 449 homelessness approaches made to the Council. Of these, 151 (34%) cases met the threshold where the Council is required to provide support. This is the highest level recorded in the last five financial years.

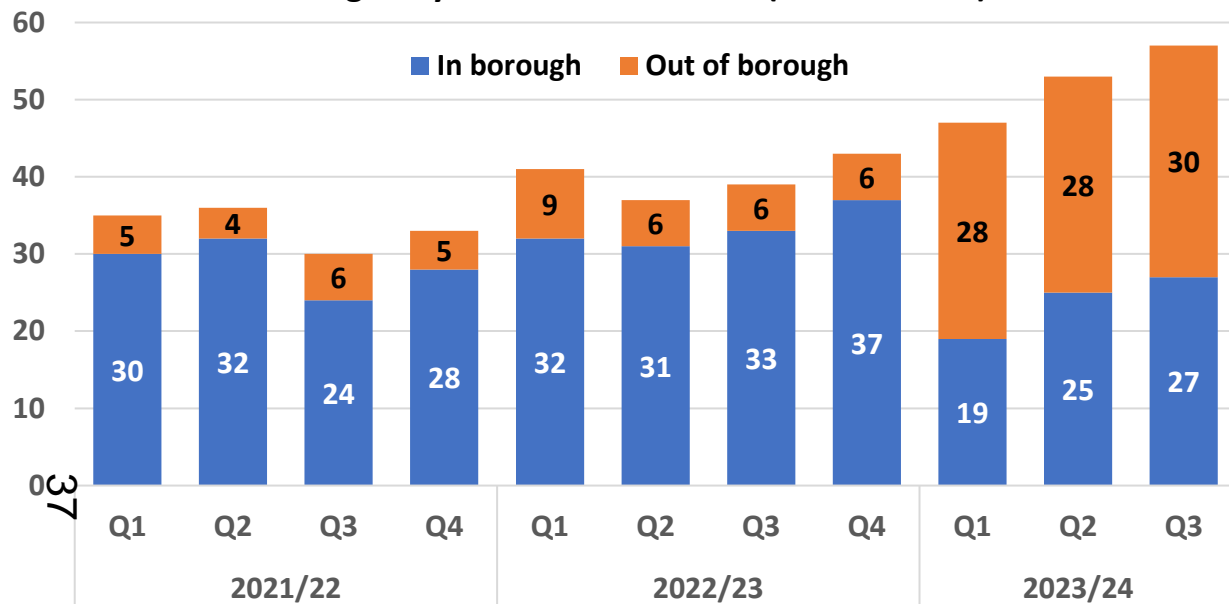
108 positive outcomes were achieved in Q3.

The homelessness support provided by the Council often straddles quarters as the Housing team work with clients to prevent and relieve homelessness in accordance with the timescales set in the Homelessness Reduction Act. Not all cases presented to the Council in Q3 that meet the support threshold will have concluded by the end of the quarter, with outcomes therefore following later in the year.



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

Average number of households in temporary emergency accommodation (contextual)



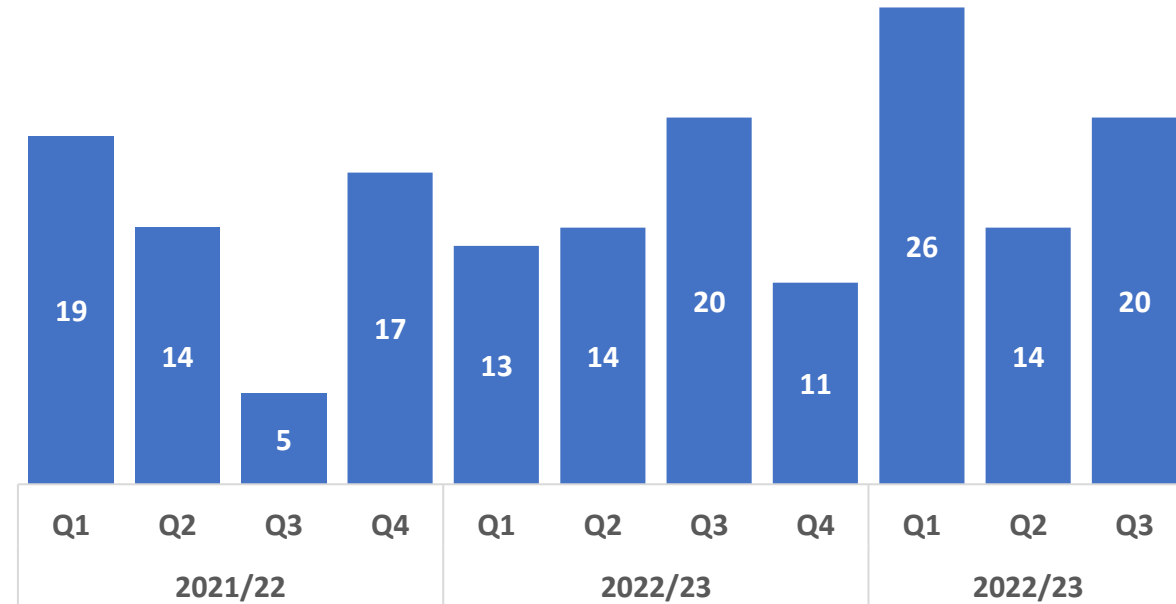
Temporary emergency accommodation

The average number of households in temporary emergency accommodation continues to increase in Q3. Limited available social housing and affordable private rental options locally continue to be a driving factor behind the elevated levels of temporary emergency accommodation usage.

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.

Note – since Q1 2023/24 emergency accommodation placements in Crawley are included in the 'out of borough' total, where previously they were not.

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 Q3 there were 20 main duty homelessness acceptances, an increase on that seen in Q2.

KPI 6 – Net housing completions

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 115 | 72 | AMBER |
| Q2 | 230 | 124 | RED |
| Q3 | 345 | 333 | AMBER |
| Q4 | 460 | | |

Description

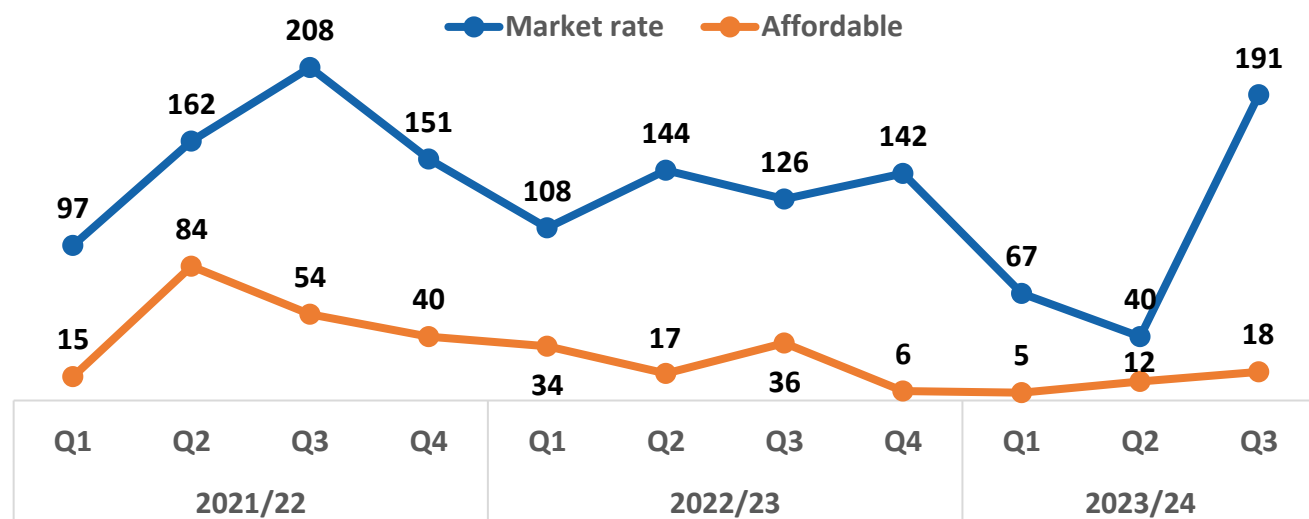
This indicator measures the net number of residential housing completions that have taken place in the borough. It includes all completions – i.e. at both market and affordable rates. The targets mirror those set in the Council’s local plan. Performance reported is cumulative for the year. Given the 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 receives delayed notice from sites.

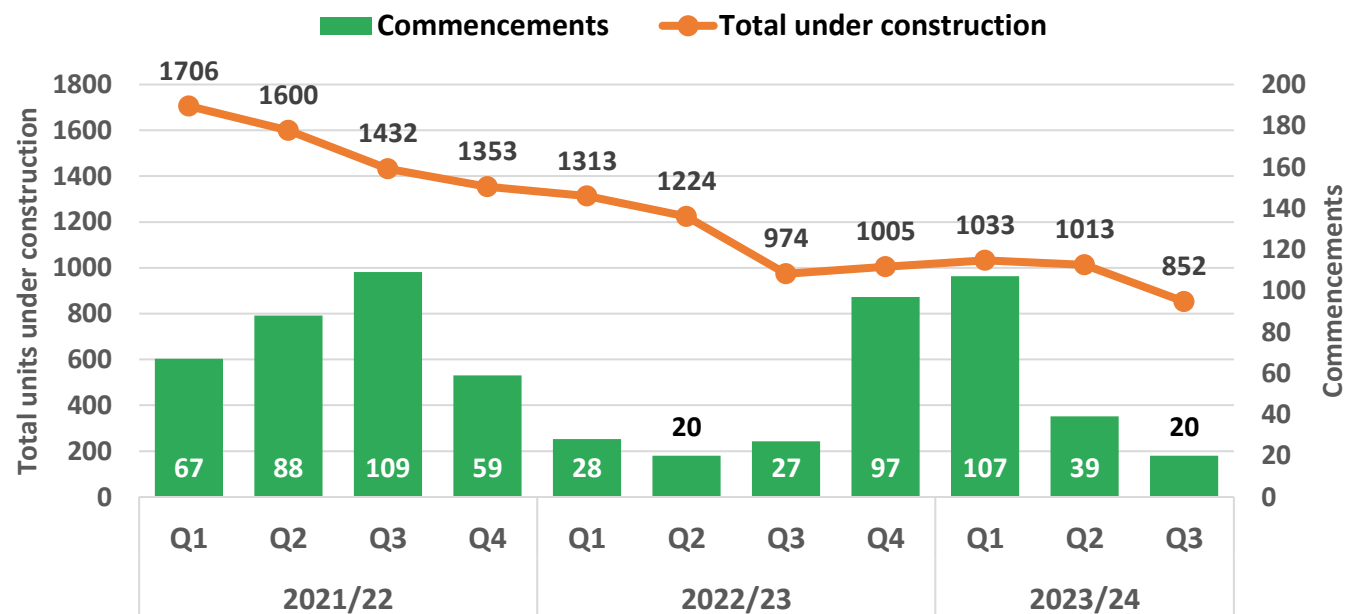
Narrative

In Q3, 209 dwellings were completed, a significant increase compared to previous quarters. The majority of completions have come from the development at Marketfield Road, Redhill (The Rise) and the Horley North West Sector.

Housing completions by quarter and tenure



Units under construction and commencements (contextual)



KPI 7 – Net affordable housing completions

| | TARGET | ACTUAL | STATUS |
|----|--------|--------|--------|
| Q1 | 25 | 5 | RED |
| Q2 | 50 | 17 | RED |
| Q3 | 75 | 35 | RED |
| Q4 | 100 | | |

Description

KPI 7 measures the number of net affordable housing completions in the borough. Whilst the target is derived from the Council's local plan, the plan does not set an annual target, but instead a total of 1,500 affordable units over the 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.

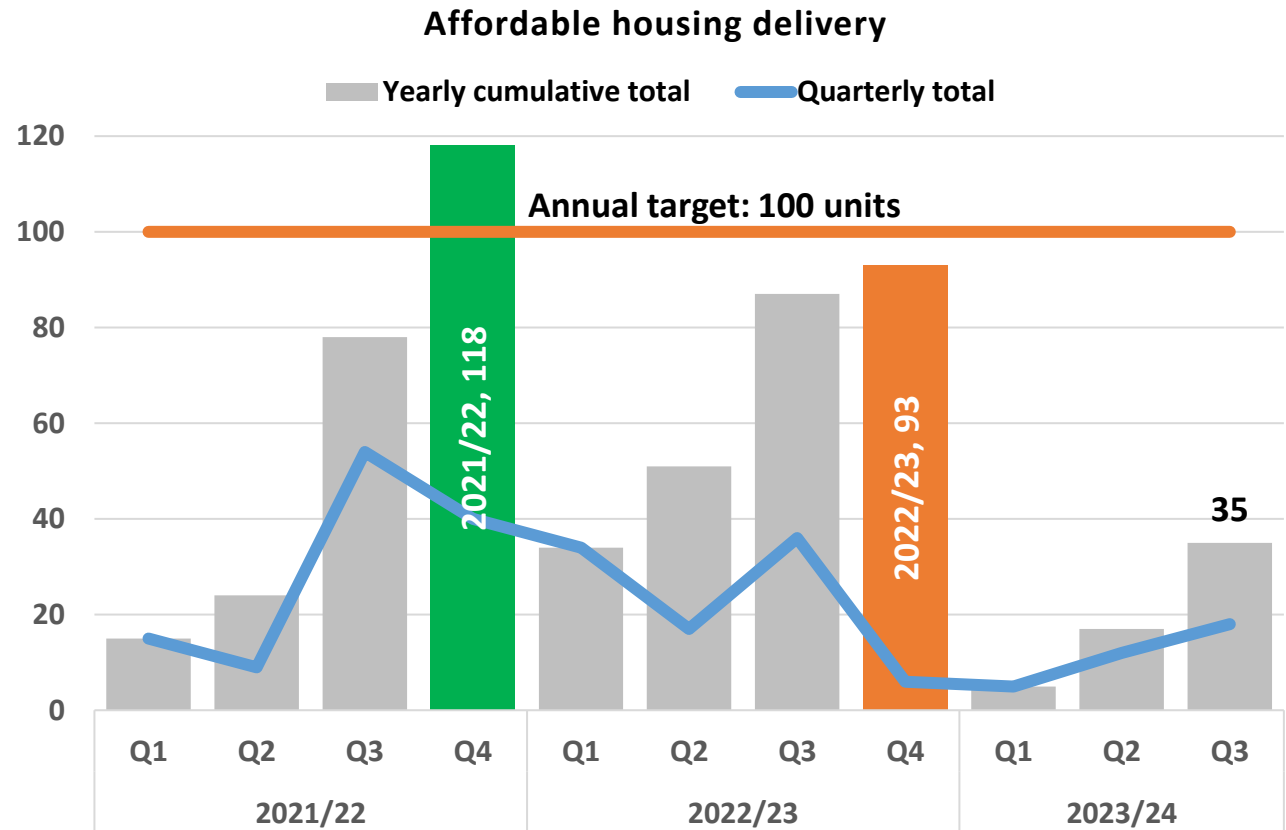
Narrative

In Q3, 18 affordable units were delivered, all of which came from the Horley North West Sector.

While off target so far this year, it should be noted that 1,164 affordable units have been delivered in the borough since 2012, which means that progress towards achieving the Local Plan 15-year target is on track.

Of the 852 dwellings under construction at the end of Q3, 82 are affordable units. In Q3 no further affordable dwellings commenced construction.

| Quarter | Shared ownership | Social rent | Affordable rent | Total (quarterly) |
|---------|------------------|-------------|-----------------|-------------------|
| Q1 | 0 | 5 | 0 | 5 |
| Q2 | 9 | 3 | 0 | 12 |
| Q3 | 7 | 11 | 0 | 18 |



KPI 8 – Local Environmental Quality Surveys

| | TARGET | ACTUAL | STATUS |
|----|----------------------------------|------------------|------------------|
| Q1 | 90% of sites at grade B or above | Unable to report | Unable to report |
| Q2 | | 100% | GREEN |
| Q3 | | 99.5% | GREEN |
| Q4 | | | |

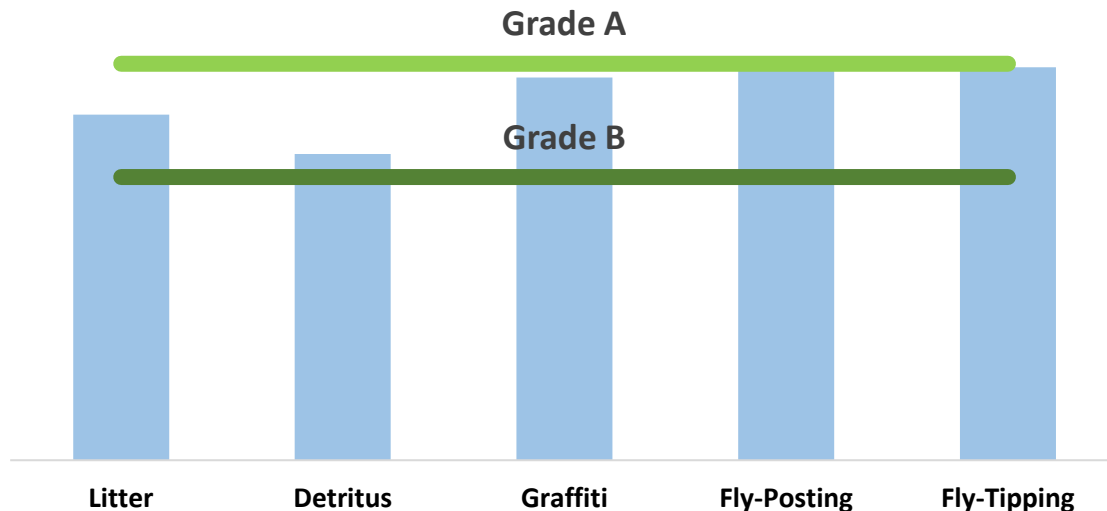
Description

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

Narrative

Of the 186 surveys carried out in Q3, 185 scored grade B or higher.

LEQ average site scores by category



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

| | TARGET | ACTUAL | STATUS |
|----|------------------------|--------|--------|
| Q1 | 10 per 1,000 collected | 1.08 | GREEN |
| Q2 | | 1.07 | GREEN |
| Q3 | | 1.09 | GREEN |
| Q4 | | | |

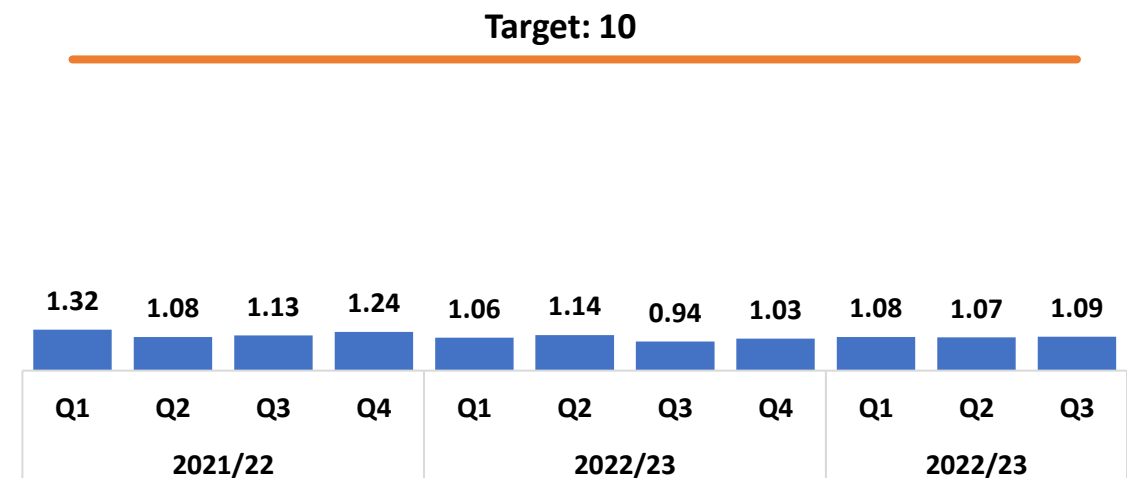
Description

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 continues to deliver a reliable waste collection service for residents, with the number of bins missed per 1,000 collected standing at 1.09 at the end of Q3.

Number of missed bins per 1,000 collected



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

| | | TARGET | ACTUAL | STATUS |
|-------|----|--------|--------|--------|
| 23/24 | Q1 | 60% | 57.1% | AMBER |
| | Q2 | | 55.7% | AMBER |
| | Q3 | | | |
| | Q4 | | | |

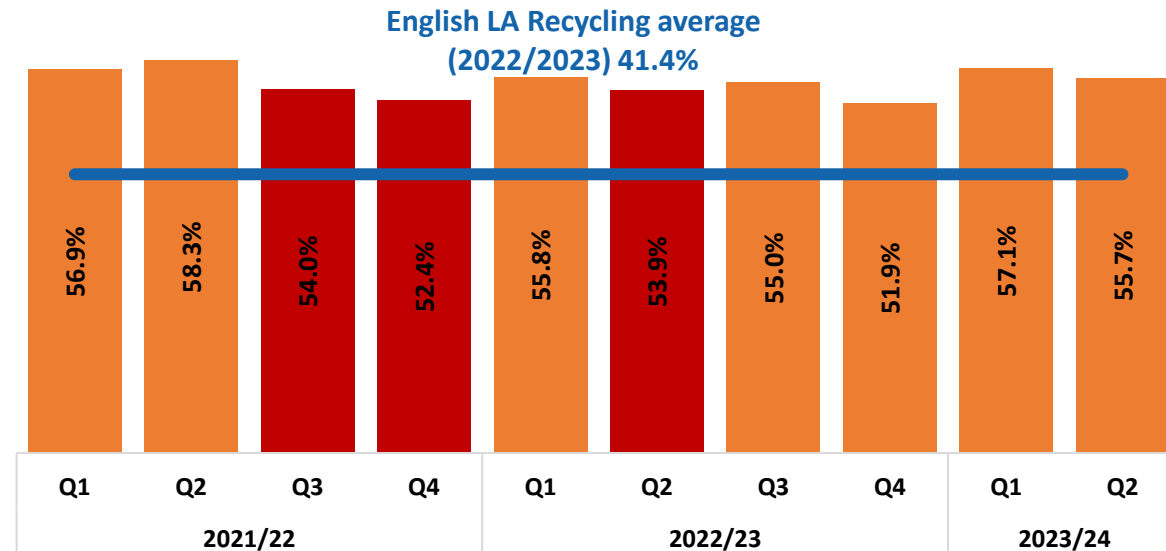
Description

This indicator measures the percentage of household waste collected by the Council that is recycled or 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.

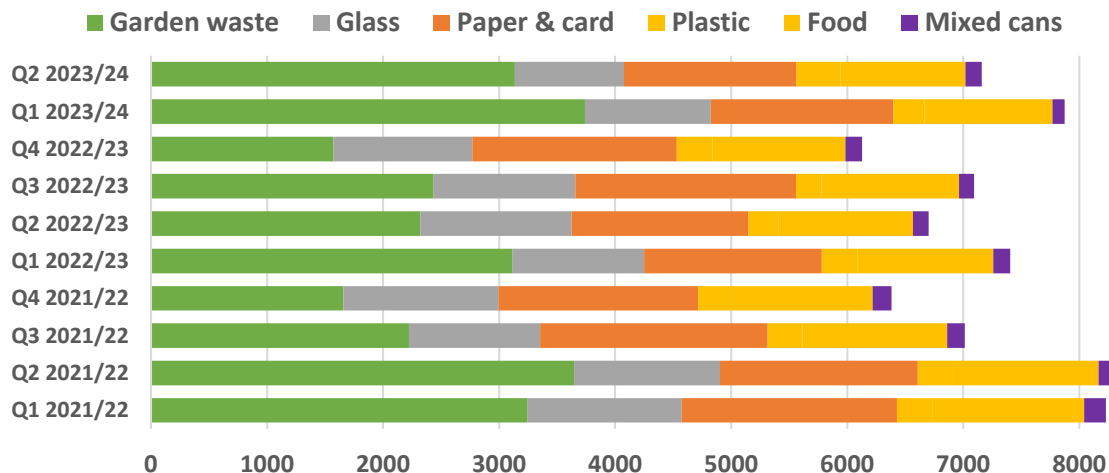
Narrative

Despite being off target, Q2's performance is marginally higher than that achieved in Q2 of last year. Garden waste arisings were a particular feature of Q2's performance, despite a dry spell during the summer. Yields of nearly all other recycling materials are continuing to fall. However, levels of residual waste (i.e. waste not recycled) are remaining broadly consistent, down to an average of 94.29kg per household in Q2, compared to 96.95kg in Q1.

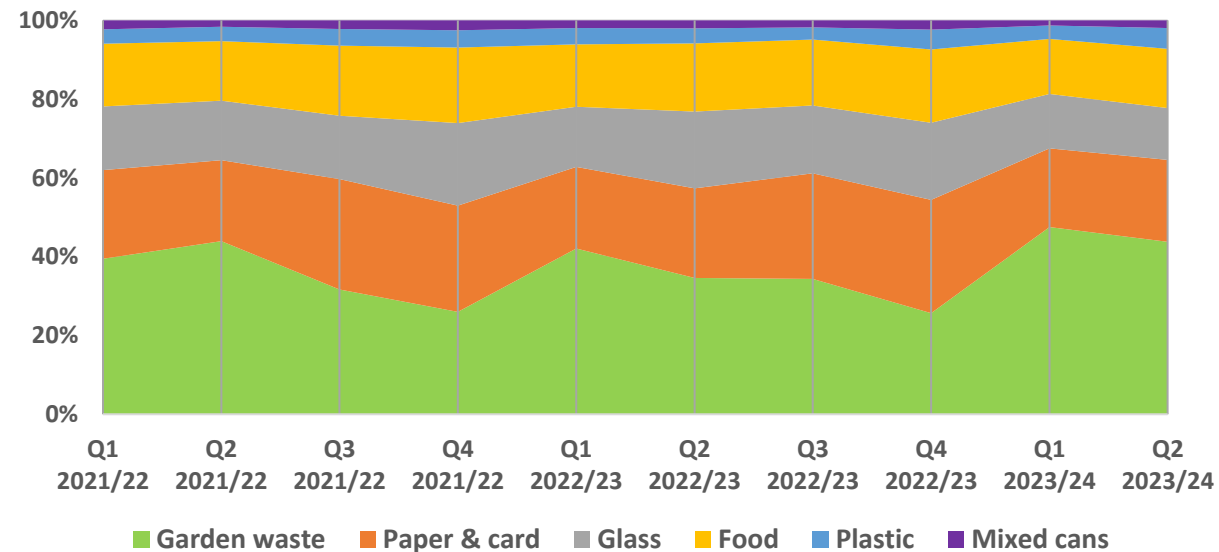
The % of household waste that is recycled and composted



Recyclate tonnage collected (contextual)



Composition of recyclates collected (contextual)



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Annex 1.1 – KPIs 2024/25

| Ref. | Description |
|--------|--|
| KPI 1 | Council Tax collection The % of Council Tax collected against the value due. |
| KPI 2 | Business Rates collection The % of Business Rates collected against the value due. |
| KPI 3 | Staff turnover The % of staff that leave the organisation on a voluntary basis in a rolling 12 month period. |
| KPI 4 | Staff sickness absence Average duration of short-term sickness absence per employee. Reported on a rolling 12 month basis. |
| KPI 5 | Homelessness positive outcomes The % of positive homelessness prevention and relief outcomes |
| KPI 6 | Housing completions Net number of completions. |
| KPI 7 | Affordable housing completions Net number of affordable housing completions. |
| KPI 8 | Local Environmental Quality Surveys Performance in Local Environmental Quality Surveys (LEQs) |
| KPI 9 | Missed bins Number of missed bins per 1,000 collected |
| KPI 10 | Recycling performance The % of household waste that is recycled and composted |
| KPI 11 | Number of visits to the Council's leisure centres (Annual Q4) |
| KPI 12 | Reduction in the Council's carbon footprint (Annual Q4) Reduction as measured against the 2019/20 baseline. |
| KPI 13 | Handling of complaints (Annual Q4) Metrics detailing the Council's handling of corporate complaints (i.e. informal, stage 1 and stage 2, as well as any that are referred to the ombudsman). |

Contextual indicators (annually reported in Q4):

| Ref. | Description |
|------|--|
| N/A | Intervention service performance Performance metrics related to intervention, money support and refugee support. |

| Ref. | Description |
|------|--|
| N/A | Fraud performance Number of fraud cases investigated, broken down by area and the value of fraud detected, both notional and cashable. |

2023/24 Quarter 3: Revenue Budget Monitoring

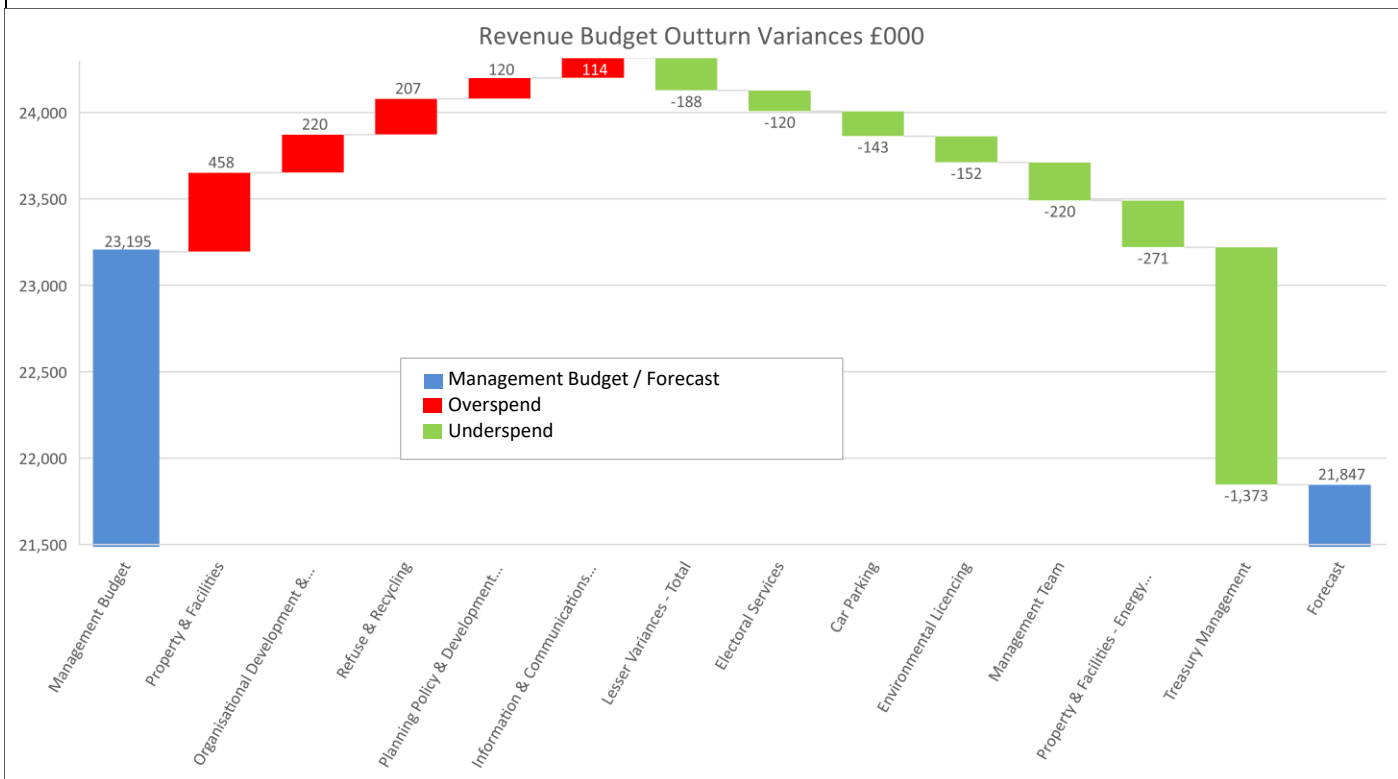
Summary

The full year forecast at the end of Quarter 3 for Service budgets is -£50k (0.2%) lower than the management budget; Central budgets are forecast to be -£1,297k (42.9%) lower than budget, resulting in an overall forecast of -£1,347k (5.8%) lower than budget.

Headline Revenue Budget Information 2023/24

£000

| | |
|----------------------|-------------------------------------|
| Management Budget | 23,195 |
| Year End Forecast | 21,847 |
| Projected underspend | -1,347 (-5.8% of the budget) |



Forecast for Services is £50k under budget. Significant variances are summarised below:

- Property & Facilities: £458k overspend** driven by unbudgeted council tax expenses at The Rise, higher than forecast maintenance costs at properties including Regent House, Redhill Distribution Centre and car parks.
- Organisational Development & Human Resources: £220k overspend** driven by higher interim resource costs to support the service during restructure.
- Refuse & Recycling: £207k overspend** driven by lower recycle costs, partially offset by a higher number of garden waste subscribers and lower pay costs due to vacancies.
- Planning & Development Management: £120k overspend** driven by lower income from planning applications partially offset by savings in pay costs due to vacancies.
- ICT: £114k overspend** driven by higher consultancy costs and higher than forecast contract renewals.
- Electoral Services: £120k underspend** due to lower election costs and staff vacancies
- Car Parking: £143k underspend** driven by underspent residual budget following termination of the SCC on-street parking contract.
- Environmental Licencing: £152k underspend** driven primarily by higher private hire income.
- Management Team: £220k underspend** driven primarily by vacancies that will be recruited in 2024/25.
- Property & Facilities - Energy Costs: £271k underspend** driven by renewal of contracts.

Forecast for Central Budgets is £1,297k under budget. Significant variances are summarised below:

- Treasury Management: £1,373k 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 | | 1,347.5 |
| Anticipated balance at End of Year before Reserves Review/Reallocations* | | | 4,824.3 |
| *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 |
|-------------------------|--|-------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--|
| 1a. Organisation | | | | | | | |
| Catherine Rose | Corporate Policy | 224.2 | 0.0 | 224.2 | 232.2 | 8.0 | Minor Variance |
| | Projects & Business Assurance | 223.2 | 0.0 | 223.2 | 202.0 | -21.2 | Savings in paycosts due to vacancy. |
| Carys Jones | Communications | 753.8 | 62.0 | 815.8 | 751.7 | -64.1 | Savings in paycosts due to vacancies partially offset by cost of temporary cover and software costs for web design. |
| | Customer Contact | 415.8 | 0.0 | 415.8 | 400.4 | -15.4 | Savings in paycosts due to deleted post. |
| Darren Wray | Information & Communications Technology | 2,395.9 | 0.0 | 2,395.9 | 2,510.3 | 114.4 | £235k overspend on consultancy and contract renewals, partially offset by £69k underspend on ICT Strategy investment and £30k savings in paycosts due to vacancies. It should be noted that a £200k growth adjustment has been included in the approved budget for 2024/25 to address the increased cost of system licences and maintenance. |
| Kate Brown | Organisational Development & Human Resources | 733.0 | 0.0 | 733.0 | 953.4 | 220.4 | The overspend consists of costs to support the service during restructure, including interim staff costs, consultancy support costs and severance payments . |
| Joyce Hamilton | Legal Services | 816.0 | -136.0 | 680.0 | 628.0 | -52.0 | There has been a significant underspend in Legal and Procurement due to vacant posts, offset by overspends for external legal services (required due to internal staff vacancies) and a small under-recovery of income compared to forecast for recovery of historic legal costs. |
| | Democratic Services | 894.8 | 46.0 | 940.8 | 923.6 | -17.2 | Small savings in paycosts due to a vacancy, partly offset by other minor overspends for training, consultancy costs and temporary staff. |
| | Electoral Services | 646.9 | 28.0 | 674.9 | 554.6 | -120.3 | This underspend consists of lower election costs of £46k combined with a higher recovery £35k than anticipated of election costs from previous claims. There is a salary underspend of £75k forecast for the Register of Electors Team, partially offset by temporary staff costs and other running costs such as printing and documentation costs. A transfer of unspent budget to a reserve for future Elections will be made at the financial year end as previously agreed. |
| Pat Main | Corporate Support | 174.6 | 0.0 | 174.6 | 122.2 | -52.4 | There is an underspend on salaries due to vacant post plus some minor underspends on a number of running cost budgets. |
| | Finance | 1,253.4 | 0.0 | 1,253.4 | 1,319.4 | 66.0 | Cost of additional temporary support to ensure that key financial controls are maintained. |
| | Property & Facilities | -1,270.7 | 0.0 | -1,270.7 | -813.0 | 457.7 | Key overspend variances are for unbudgeted costs during transfer of The Rise (£178k), including council tax costs before flats were sold. Also some service charge under recoveries due to tenancies starting at dates which overlap the financial year, plus support costs which are revenue expenditure and are not eligible to be capitalised. Also a number of smaller variances for other assets including Regent House (£78k), pavilions (£33k), car parks (£28k) and Redhill Distribution Centre (£30k), primarily overspends on mechanical and electrical maintenance, business rates changes, service charge changes and consultancy costs (none of which can be capitalised). Final position to be confirmed at financial year end. |

| Responsible Officer | Service | Original Budget £000 | Total Variations £000 | Management Budget £000 | Year End Outturn £000 | Year End Variance £000 | Commentary |
|---------------------|--|-------------------------|--------------------------|---------------------------|--------------------------|---------------------------|---|
| | Property & Facilities - Energy Costs | 1,377.6 | 0.0 | 1,377.6 | 1,106.5 | -271.1 | Renegotiated and renewed energy contracts and revised prices. This underspend offsets some of the overspends in the Property & Facilities budgets above. |
| | Commercial & Investment | 149.3 | 0.0 | 149.3 | 149.3 | 0.0 | Forecast in line with budget. |
| 1b. Place | | | | | | | |
| Simon Bland | Economic Prosperity | 288.3 | 0.0 | 288.3 | 327.7 | 39.4 | £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 | 1,542.4 | 84.7 | The volume of fuel usage has been reassessed and is now forecast to be £23k over budget by year end. Replacement tyres are forecast to cost £28k more than budget and unplanned vehicle maintenance costs of £87k are forecast, this is offset by a £53k underspend due to vacancies. |
| | Refuse & Recycling | 948.2 | 0.0 | 948.2 | 1,155.6 | 207.4 | £368k lower income due to reduced recycle prices is partially offset by £161k higher income generated by extra subscribers to the garden waste service. Paycosts are lower than budget due to vacancies, but this is largely offset by increased overtime and temporary staff costs. |
| | Engineering & Construction | 83.1 | 0.0 | 83.1 | 84.6 | 1.5 | Minor Variance |
| | Environmental Health & JET | 1,167.7 | 45.0 | 1,212.7 | 1,169.6 | -43.1 | Minor underspend variances in areas such as pest control, increased income from penalties and housing standards due to reduced works in default. |
| | Environmental Licencing | -138.2 | -45.0 | -183.2 | -335.2 | -152.0 | £171k higher income due to increased private hire applications and lower forecast pay costs due to a vacancy, partially offset by a £30k legal settlement payment. |
| | Greenspaces | 1,453.5 | -2.5 | 1,451.0 | 1,451.4 | 0.4 | £87k lower income than budget following transfer of the SCC Verges contract in April. £20k higher forecast spend compared to budget for playgrounds maintenance costs. Countryside maintenance costs are £17k higher than was predicted, mainly reactive work due to weather conditions. Offset by salaries that are forecast to be £124k lower than budget due to vacancies. |
| | Car Parking | -1,175.9 | 0.0 | -1,175.9 | -1,319.2 | -143.3 | The transfer of the SCC on-street parking contract affects the 2023/24 budget as follows; the salary budget is expected to underspend by £280k (note some staff have transferred under TUPE arrangements), PCN income is £118k under budget. Season ticket income is predicted to be £19k under budget, whilst service operating costs are £32k higher. Coupled with other minor variances, this results in a net underspend of £143k. It should be noted that the budget for 2024/25 has been adjusted for this as a £162k saving was agreed as part of the 2024/25 budget process and approved by Council on 20/2/2024. |
| | Street Cleansing | 1,006.6 | 0.0 | 1,006.6 | 940.5 | -66.1 | Lower forecast pay costs due to vacancies, offset in part by overtime costs. |
| Peter Boarder | Place Delivery | 334.0 | 0.0 | 334.0 | 360.5 | 26.5 | Saving in paycosts due to vacancy. |
| Andrew Benson | Building Control | 0.0 | 0.0 | 0.0 | -9.0 | -9.0 | Minor Variance |
| | Planning Policy & Development Services | 693.4 | 0.0 | 693.4 | 813.8 | 120.4 | £390k overspend due to the reduced level of DC planning applications and reduced fee income which is offset by a salary budget underspend of £280k due to vacancies after accommodating temporary staff costs of £90k to cover vacancies. |
| | Land Charges | -98.5 | 0.0 | -98.5 | -98.5 | 0.0 | Budget on target - forecast reduced from Q2 due to potential demand reductions due to cost of living crisis and higher interest rates affecting the volume of house sales. |

| 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 | 349.5 | -6.5 | Minor Variance |
| | Partnerships | 323.1 | 0.0 | 323.1 | 311.5 | -11.6 | Forecast reflects additional external funding received for paycosts |
| | Community Centres | 413.6 | 29.3 | 442.9 | 406.6 | -36.3 | Increase in income partially offset by higher one-off costs |
| | Voluntary Sector Support | 184.1 | 0.0 | 184.1 | 184.1 | 0.0 | |
| Richard Robinson | Housing Services | 897.9 | 0.0 | 897.9 | 912.0 | 14.1 | £423k net overspend on provision of Bed & Breakfast accommodation offset by calling on the Homelessness Prevention Reserve. |
| Simon Rosser | Revenues, Benefits & Fraud | 2,161.2 | -441.0 | 1,720.2 | 1,728.0 | 7.8 | Salary underspend of £112k and additional Council Tax court fee income expected of £46k, offset by additional audit costs for the Housing Benefit subsidy claim together with additional printing and postage costs and overtime costs which leave a minor overspend forecast. |
| Duane Kirkland | Supporting People | 148.6 | 0.0 | 148.6 | 137.3 | -11.3 | Minor Variance |
| | Supporting Families | 84.0 | 0.0 | 84.0 | 69.0 | -15.0 | There has been some additional funding received but this is offset by salary costs, leaving a small underspend expected at final year end. |
| | Harlequin | 311.4 | 0.0 | 311.4 | 237.4 | -74.0 | Harlequin budgets currently under review due to identification of RAAC and the requirement to close the building . |
| | Leisure Services | -135.8 | 2.5 | -133.2 | -150.1 | -16.9 | There is an underspend on salaries and slightly higher than anticipated income from Centres, this however is offset by lower than anticipated film and TV income plus an overspend for running RBBC events. Overall a small net underspend is forecast for year end. |
| 1d. Management Team | | | | | | | |
| Mari Roberts-Wood | Management Team | 945.6 | 0.0 | 945.6 | 725.6 | -220.0 | Savings in paycosts - vacant posts that will be filled in 2024/25. |
| Laura McCartney | Emergency Planning | 84.7 | 0.0 | 84.7 | 84.7 | 0.0 | |

| | | | | | | |
|-----------------------|-----------------|----------------|-----------------|-----------------|---------------|---------------|
| Total Services | 20,611.4 | - 441.0 | 20,170.5 | 20,120.4 | (50.1) | -0.25% |
|-----------------------|-----------------|----------------|-----------------|-----------------|---------------|---------------|

2. Central Budgets

| | | | | | | | |
|------------|--|---------|-------|---------|----------|----------|--|
| Pat Main | Insurance | 467.0 | 0.0 | 467.0 | 415.5 | -51.5 | Commercial property premiums lower than budgeted. |
| | External Audit Fees | 150.0 | 0.0 | 150.0 | 199.1 | 49.1 | |
| | Internal Audit Fees | 65.0 | 0.0 | 65.0 | 65.7 | 0.7 | |
| | Housing Benefits - net cost | -714.7 | 441.0 | -273.7 | -209.3 | 64.4 | The cost of benefit payments continues to exceed the subsidy and grant receipts from DWP. |
| | Treasury Management | -87.0 | 0.0 | -87.0 | -1,460.1 | -1,373.1 | Higher than budgeted interest income due to favourable rates, more funds on deposit and lower than budgeted borrowing. |
| | Employer 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 | 252.0 | 0.0 | |
| | Central Vacancy Turnover Provision | -150.0 | 0.0 | -150.0 | -150.0 | 0.0 | Offset against forecast service pay savings |
| | Preceptor Grants – Horley Town Council Double Taxation | 43.5 | 0.0 | 43.5 | 43.5 | 0.0 | |
| | Funding Contribution - Banstead Commons Conservators | 110.5 | 0.0 | 110.5 | 110.5 | 0.0 | |
| Kate Brown | Central Recruitment & Visa Expenses | 45.0 | -5.0 | 45.0 | 50.0 | 5.0 | Minor variances |
| | Central Training Budget | 81.8 | 5.0 | 81.8 | 89.8 | 8.0 | Minor variances |
| | Apprenticeship Levy | 80.0 | 0.0 | 80.0 | 80.0 | 0.0 | |

| | | | | | | |
|----------------------------|----------------|--------------|----------------|----------------|------------------|----------------|
| Total Central Items | 2,583.1 | 441.0 | 3,024.1 | 1,726.7 | (1,297.4) | -42.90% |
|----------------------------|----------------|--------------|----------------|----------------|------------------|----------------|

| | | | | | | |
|--------------------|-----------------|------------|-----------------|-----------------|------------------|---------------|
| Grand Total | 23,194.5 | 0.0 | 23,194.5 | 21,847.1 | (1,347.4) | -5.81% |
|--------------------|-----------------|------------|-----------------|-----------------|------------------|---------------|

| HOUSEHOLD SUPPORT FUND ROUNDS 1 TO 4 Expenditure & Funding @ P9 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 | - | 0.096 | - |
| 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 | | 0.105 | |
| Contributions To Voluntary/Community Sector Partners | | | | | | | | |
| Stripey Stork | | 0.008 | - | - | 0.012 | - | 0.030 | - |
| Fuel Grants | | 0.008 | - | - | 0.035 | - | 0.014 | - |
| 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 | - | 0.035 | - |
| Renewed Hope Trust | | 0.002 | - | - | - | - | 0.003 | - |
| Gateway Allotment Project | | 0.002 | - | - | - | - | - | - |
| Merstham Mix | | 0.001 | - | - | - | - | - | - |
| Surrey Community Action | | 0.001 | - | - | - | - | - | - |
| Money Support Team | | - | - | - | 0.010 | - | 0.036 | - |
| East Surrey YMCA | | - | - | - | 0.005 | - | 0.015 | - |
| Age Concern | | - | - | - | 0.002 | - | 0.009 | - |
| 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 | - |
| Community Debt Advice | | - | - | - | - | - | 0.003 | - |
| St Mark's Church - Hamper Project | | - | - | - | - | - | 0.001 | - |
| | | 0.039 | 0.000 | | 0.127 | | 0.274 | |
| Housing Support | | | | | | | | |
| Contributions Towards Rent Arrears | | 0.023 | 0.020 | - | 0.021 | - | 0.045 | - |
| 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 | | 0.055 | |
| Other Support | | | | | | | | |
| Warm Hubs | | - | - | - | 0.012 | - | - | - |
| Mayor's Trust Fund | | - | - | - | 0.005 | - | 0.019 | - |
| RBBC Community Centres - Hot Meals | | - | - | - | - | - | 0.006 | - |
| | | 0.000 | 0.000 | | 0.017 | | 0.025 | |
| Administration Costs | | | | | | | | |
| RBBC Staff Costs (costs falling outside BAU) | | 0.003 | 0.009 | - | 0.016 | - | 0.030 | - |
| Admin Contributions Claimed By VCS Partners | | 0.005 | 0.001 | - | 0.009 | - | 0.021 | - |
| Software & Administration Services (NEC Software Solutions) | | - | 0.015 | - | - | - | - | - |
| | | 0.008 | 0.025 | | 0.025 | | 0.051 | |
| | | (2.20% of spend) | (8.08% of spend) | | (9.58% of spend) | | (9.93% 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 | | 0.003 | |
| 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 @ P9 2023/24 | 22/23 Funding Received £m | 22/23 Total Expenditure £m | 23/24 Funding Received £m | 23/24 Total Expenditure £m |
|---|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| "Ukraine Family Scheme" | (actuals) | (actuals) | (forecast) | (forecast) |
| Funding Received/Expected (costs are reimbursed in arrears by SCC) | (0.006) | | (0.004) | |
| Refugee Accommodation Costs | | 0.005 | | 0.003 |
| Interpretation/Translation Costs | | 0.001 | | 0.001 |
| Total Expenditure / (Funding) | (0.006) | 0.006 | (0.004) | 0.004 |
| 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) | | (0.757) | |
| Sponsorship Payments (increase from £350/mth to £600/mth after 12 mths sponsorship) | | 0.431 | | 0.550 |
| Refugee Accommodation Costs | | 0.011 | | 0.060 |
| Interpretation & Translation Services | | 0.001 | | 0.005 |
| Other Costs | | 0.001 | | 0.006 |
| Staffing Costs (dedicated staff, overtime, additional hours etc) | | 0.058 | | 0.110 |
| Staff Travel Costs | | 0.003 | | 0.007 |
| Total Expenditure / (Funding) | (1.707) | 0.505 | (1.959) | 0.738 |
| Reimbursement Outstanding / (Funding Received In Advance) | (1.202) | | (1.221) | |
| Total Expenditure / (Funding) - Both Schemes | (1.713) | 0.511 | (1.963) | 0.742 |
| Reimbursement Outstanding / (Funding Received In Advance) - Both Schemes | (1.202) | | (1.221) | |
| Breakdown Of Funding Received In Advance:- | (actuals) | | (forecast) | |
| Homelessness Contingency Funding | (0.257) | | (0.254) | |
| General / Core Funding | (0.945) | | (0.967) | |
| Funding Received In Advance (amounts carried forward until they become repayable) | (1.202) | | (1.221) | |

Note:-

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

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

The above forecasts are therefore best estimates based on both historic costs and anecdotal evidence. It is worth noting that the government is yet to set an official end date for either scheme.

| 2023/24 SYRIAN REFUGEES SCHEME | Forecast Expenditure £m | Forecast Funding £m |
|--|----------------------------|------------------------|
| Expenditure & Funding 2023/24 | | |
| <u>Refugee Family Support</u> | | |
| Grant | | 0.000 |
| Local Authority Funding | | 0.000 |
| Staff Costs | 0.099 | |
| Travel Costs | 0.001 | |
| Refugee Accommodation Costs | 0.075 | |
| Refugee Nursery Fees | 0.005 | |
| Miscellaneous Expenditure | 0.007 | |
| Forecast Expenditure and Income 2023/24 | 0.187 | 0.000 |
| Forecast Net Expenditure | 0.187 | |

Note

The scheme is coming to an end this year. Total spend is to be funded via reserve of £201k carried fwd from 22/23.

| 2023/24 AFGHAN REFUGEES SCHEME | Forecast Expenditure £m | Forecast Funding £m |
|--|----------------------------|------------------------|
| Expenditure & Funding 2023/24 | | |
| <u>Afghan Refugees Scheme</u> | | |
| Grant | | (0.030) |
| Local Authority Funding | | (0.025) |
| Staff Costs | 0.039 | |
| Refugee Accommodation Costs | 0.010 | |
| Miscellaneous Expenditure | 0.002 | |
| Forecast Expenditure and Income 2023/24 | 0.051 | (0.055) |
| Forecast Net Expenditure | (0.004) | |

Note

Further grant is expected for this scheme. However, amount and date is unknown, it could be in 24/25.

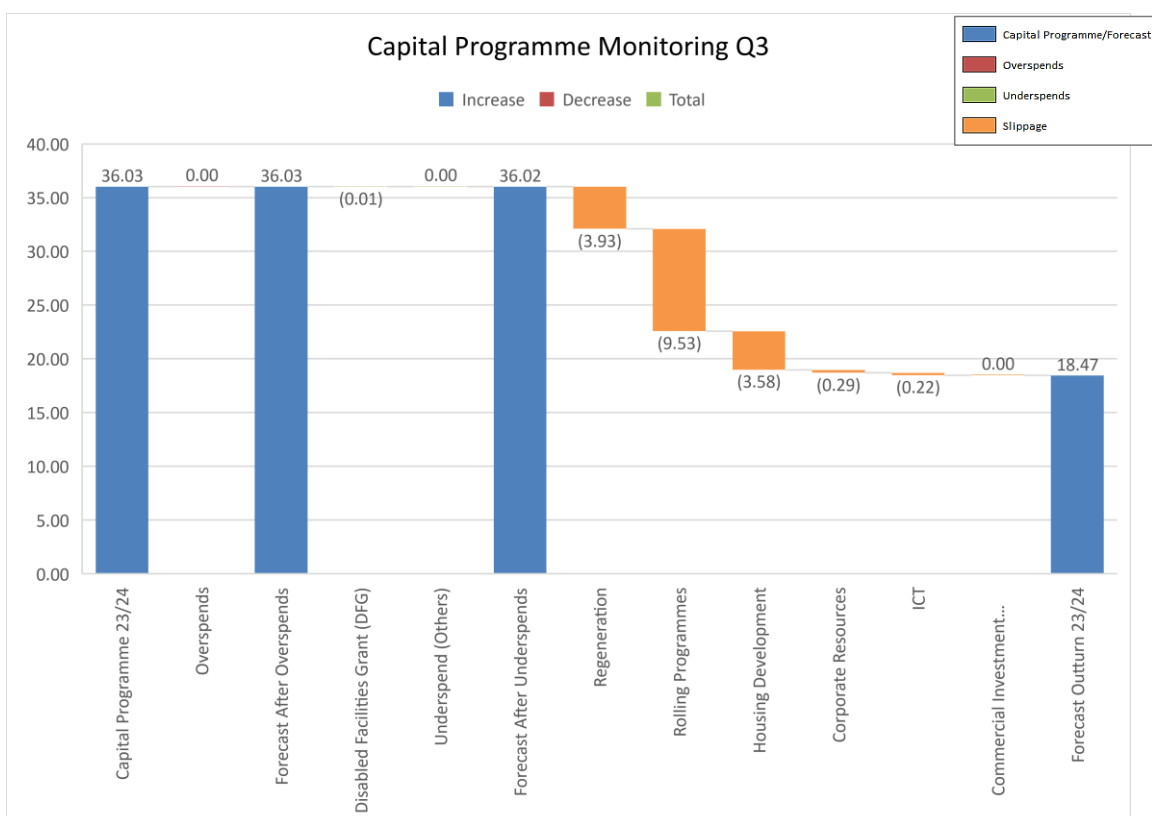
2023-24 Q3 Capital Programme Monitoring

Summary

Full year forecast expenditure against the Capital Programme at the end of Quarter 3 is £18.470m which is £17.563m (49%) below the approved Programme for the year. The variance is predominantly a result of forecast slippage, with several significant programmes not expected to commence until at least 2024/25.

Headline Capital Budget Information 2023-24

| | £m |
|------------------------------------|--------------------------------|
| Current Budget (Section 1): | 36.033 |
| Projected Net Overspends | 0.000 (or 0 % of Programme) |
| Projected Net Underspends | -0.010 (or 0 % of Programme) |
| Projected Slippage | -17.553 (or 49 % of Programme) |
| Total Capital Expenditure | 18.470 |

**Slippage & significant variances**

| | |
|---|--|
| Regeneration | Marketfield Way Redevelopment - (£1.00m over original budget allocation) - due to timing of payment to main contractor. Overall project is still within the £4.298m additional budget approved by Council in February 2024. |
| | Merstham Recreation Ground - (£2.57m slippage) - Main works will now commence in April 2024, with minimal spend forecast in 2023/24. |
| | Horley Public Realm Improvements - (£0.93m slippage) - on-site delivery now expected to commence summer 2024. |
| | Subway Refurbishment, Horley - (£0.77m slippage) - on-site delivery now expected to commence late 2024. |
| | Preston Regeneration (£0.46m slippage) - Skate park delivered, with remainder of expenditure taking place in 2024/25. |
| Strategic Property | Beech House, London Road. Reigate - (£3.00m slippage) pending decision on plans for investment in the asset. |
| | Car Park Capital Works - (£0.76m slippage) - expenditure now expected in 2024/25. |
| Corporate Resources & Organisational Development | Environmental Strategy Delivery - (£0.29m slippage) - original budget and CIL allocation will be spent over multiple financial years. |
| | Great Workplace Programme - (£0.25m slippage) - expenditure subject to outcome of Town Hall occupancy review. |

| | |
|--------------|--|
| Other | Vehicles & Plant Programme - (£1.56m slippage) - expenditure now expected in 2024/25. |
| | Vehicle Wash Bay Replacement - (£0.35m slippage) - expenditure now expected in 2024/25. |
| | Harlequin Service Development - (£0.16m slippage) - expenditure now unlikely to be required |

Capital ANNEX 3: Section 1

Reconciliation of Capital Programme to Approved Budgets 2023-24

| | £000 |
|---|-----------------------------|
| Original Capital Budget | 4,339.0 |
| Budget approved but not yet released ¹ | 0.0 |
| | <hr/> 4,339.0 |
| Additions | |
| Carry Forwards from previous year | 24,116.2 |
| Budgets released during the year ¹ | 7,577.9 |
| Reprofiling of projects | 0.0 |
| Other Changes | 0.0 |
| Current Capital Budget | <hr/> 36,033.1 <hr/> |

Notes

- 1 Some budgets are approved as part of the capital programme but are not released pending further approval. These are added when the business case has been approved.

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|--|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Temporary Accommodation – Cyclical Repairs & Improvement | 17.9 | 40.0 | 0.0 | 0.0 | 40.0 | 17.9 | -22.1 | Dan Jones | Minor underspends forecast |
| Temporary Accommodation - New Pond Flat Works | 56.1 | 0.0 | 95.0 | 0.0 | 95.0 | 56.1 | -38.9 | Dan Jones | Minor underspends forecast |
| Massetts Road | 0.5 | 21.0 | 21.0 | 0.0 | 42.0 | 0.5 | -41.5 | Dan Jones | Minor underspends forecast |
| Operational Buildings | 1.3 | 95.0 | 370.0 | 0.0 | 465.0 | 95.0 | -370.0 | Dan Jones | Town hall reoccupation project is progressing. There will be some re-fitting expenditure in 2023/24 and the remaining balance required in 2024/25 subject to being eligible capital expenditure. |
| Community Centre Programme | 4.8 | 67.0 | 81.4 | 0.0 | 148.4 | 67.0 | -81.4 | Dan Jones | Horley Community Centre refurbishment is scheduled subject to a final decision on the business case. The underspend will be carried forward to 2024/25 to fund the works. |
| Existing Pavilions Programme | 112.6 | 50.0 | 97.5 | 0.0 | 147.5 | 147.5 | -0.0 | Dan Jones | Full spend anticipated on parks cafes refurbishment. |
| Leisure Centre Maintenance | 6.0 | 190.0 | 158.7 | 0.0 | 348.7 | 6.0 | -342.7 | Dan Jones | Forecast remains unchanged. Requires a decision to carry forward £200k for future emergency plant repairs following the leisure centre contract extension. |
| Harlequin Property Maintenance | 130.4 | 120.0 | 270.0 | 0.0 | 390.0 | 130.4 | -259.5 | Dan Jones | The Harlequin remains closed following the identification of RAAC. Forecast remains unchanged for 23/24 and the remaining budget will continue to be utilised to keep building safe. It is expected that the remaining capital budget will not be required for the foreseeable future. |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|--|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Tenanted Properties | 0.0 | 100.0 | 166.6 | 0.0 | 266.6 | 100.0 | -166.6 | Dan Jones | Tenanted properties are undergoing planned lift replacements and heating, ventilation and air conditioning upgrades. There will be a requirement to carry underspends forward to 2024/25. |
| Crown House | 0.0 | 75.0 | 285.0 | 0.0 | 360.0 | 0.0 | -360.0 | Dan Jones | This budget is no longer required as planned works are being funded by Greensand Holdings Limited. |
| Units 1-5 Redhill Distribution Centre Salfords | 0.0 | 17.0 | 114.5 | 0.0 | 131.5 | 0.0 | -131.5 | Dan Jones | Expenditure is likely to take place in 2024/25, subject to the outcome of negotiations to extend the lease to the existing tenant or to modify the property for a new tenant. |
| Linden House, 51B High Street Reigate | 0.0 | 12.0 | 0.0 | 0.0 | 12.0 | 68.8 | 56.8 | Dan Jones | Overspend on fit-out at change of tenancy for the upper floor unit. |
| Unit 61E Albert Road North | 44.1 | 12.0 | 74.2 | 0.0 | 86.2 | 86.2 | 0.0 | Dan Jones | Drainage and remedial work are forecast to complete in 2023/24 |
| Forum House, Brighton Road Redhill | 0.0 | 150.0 | 270.0 | 0.0 | 420.0 | 0.0 | -420.0 | Dan Jones | Budget carry forward to 2024/25 to be required to cover extensive works on lifts and HVAC - subject to the outcome of procurement. |
| Beech House, London Road Reigate | 0.0 | 0.0 | 3,000.0 | 0.0 | 3,000.0 | 0.0 | -3,000.0 | Dan Jones | Options are to be agreed and business case approved by PSTESC. Therefore this budget will be carried forward into 2024/25 |
| Regent House, 1-3 Queensway Redhill | 0.0 | 90.0 | 175.0 | 0.0 | 265.0 | 0.0 | -265.0 | Dan Jones | Budget carry forward to 2024/25 to be required to cover extensive works on lifts and HVAC - subject to the outcome of procurement. |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|--|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Tenanted Property Assets | 0.8 | 76.0 | 135.4 | 0.0 | 211.4 | 0.8 | -210.6 | Dan Jones | Planned for 2024/25 subject to procurement. Parks cafes roofs and drainage system upgrades. |
| Infra-structure (walls) | 18.8 | 10.0 | 31.4 | 0.0 | 41.4 | 41.4 | 0.0 | Dan Jones | Full spend at outturn forecast. |
| Car Parks Capital Works Programme | 0.0 | 195.0 | 562.7 | 0.0 | 757.7 | 0.0 | -757.7 | Dan Jones | Expenditure will now take place in 2024/25. Awaiting car parks review outcome and procurement. |
| Earlswood Depot/Park Farm Depot | 0.0 | 20.0 | 60.7 | 0.0 | 80.7 | 0.0 | -80.7 | Dan Jones | Expenditure will now take place in 2024/25. Multiple workstreams are in the planning phase with plans to be finalised and procurement approach confirmed. |
| Public Conveniences | 4.0 | 10.0 | 21.0 | 0.0 | 31.0 | 10.0 | -21.0 | Dan Jones | Forecast underspend and requirement to carry forward £21k to cover on-going works including at Horley public conveniences. |
| Cemeteries & Chapel | 0.0 | 20.0 | 80.0 | 0.0 | 100.0 | 50.0 | -50.0 | Dan Jones | Remaining balance required for works planned in 2024/25 subject to condition surveys and procurement. |
| Allotments | 0.0 | 12.0 | 42.0 | 0.0 | 54.0 | 0.0 | -54.0 | Dan Jones | No planned spend in 2023/24. A workplan is to be developed and budget carry forward to 2024/25. |
| Building Maintenance - Capitalised Staff Costs | 0.0 | 28.0 | 28.0 | 0.0 | 56.0 | 0.0 | -56.0 | Dan Jones | Capitalisation rules and policy mean there is limited scope to capitalise salaries in 2023/24. |
| Pavilion Replacement - Woodmansterne | 0.0 | 0.0 | 20.0 | 0.0 | 20.0 | 0.0 | -20.0 | Dan Jones | Expenditure will now take place in 2024/25. Boiler works specification to be programmed in line with the tenant's operational activity. |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|---------------------------------------|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Priory Park | 92.9 | 10.0 | 223.0 | 0.0 | 233.0 | 233.0 | 0.0 | Dan Jones | Full spend forecast for year with confirmation of final invoices and costs in progress. |
| Strategic Property | 490.2 | 1,420.0 | 6,383.0 | - | 7,803.0 | 1,110.5 | - 6,692.4 | | |
| ICT Replacement Programme | 24.8 | 200.0 | 0.0 | 0.0 | 200.0 | 37.7 | -162.3 | Darren Wray | Investment in replacement IT capital assets in 2023/24 with further replacement programmes to be effected in 2024/25. |
| Replacement Printers and Photocopiers | 0.0 | 60.0 | 0.0 | 0.0 | 60.0 | 0.0 | -60.0 | Darren Wray | The project for printer replacement will now take place in 2024/25, subject to procurement. |
| Council Chamber IT Project | 113.5 | 0.0 | 0.0 | 150.0 | 150.0 | 150.0 | 0.0 | Alex Vine | Project complete |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|-------------------------------------|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Environmental Strategy Delivery | 7.9 | 0.0 | 236.0 | 62.2 | 298.2 | 7.9 | -290.3 | Catherine Rose | Expenditure comprises two elements. First, a general Environmental Sustainability (ES) capital fund (£236k) that is used on an ad hoc basis for smaller ES projects or to provide 'top up' funding to other projects to make them more sustainable – therefore this will not all be spent in this financial year as it will effectively cover a multi-year requirement of funding for the respective projects. The second element is the first phase of strategic CIL funding associated with sustainability improvements to Council buildings. It is proposed to incorporate strategic CIL funding associated with sustainability improvements to Council buildings within the Property Services budget from 2024/25 onwards. |
| Corporate Resources | 146.3 | 260.0 | 236.0 | 212.2 | 708.2 | 195.6 | - 512.7 | | |
| Great Workplace Programme - Phase 2 | 0.0 | 250.0 | 0.0 | 0.0 | 250.0 | 0.0 | -250.0 | Dan Jones | This budget was created before the pandemic to fund changes to office space. A decision on use going forward is still awaited, and expenditure is now forecast up to 2025/26. |
| Organisational Development | - | 250.0 | - | - | 250.0 | - | - 250.0 | | |
| Organisation Capital Budget | 636.4 | 1,930.0 | 6,619.0 | 212.2 | 8,761.2 | 1,306.1 | - 7,455.1 | | |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|--|----------------|-----------------|----------------|------------------|-----------------|------------------|-------------------|-------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Home Improvement Agency & Handy Person Scheme | 90.0 | 125.0 | 0.0 | 0.0 | 125.0 | 120.0 | -5.0 | Katie Jackson | Minor variance |
| Disabled Facilities Grant | 935.6 | 1,287.0 | 0.0 | 0.0 | 1,287.0 | 1,281.5 | -5.5 | Katie Jackson | Minor variance |
| Temporary Accommodation – Stirling House | 120.0 | 0.0 | 120.0 | 0.0 | 120.0 | 120.0 | 0.0 | Richard Robinson | Expenditure complete |
| Temporary Accommodation – Mitchell Court | 240.0 | 0.0 | 240.0 | 0.0 | 240.0 | 240.0 | 0.0 | Richard Robinson | Expenditure complete |
| Purchase of Temporary & Emergency Accommodation | 1,405.6 | 0.0 | 3,996.6 | 0.0 | 3,996.6 | 1,405.6 | -2,591.0 | Richard Robinson | The Council has purchased 4 properties with a further property under offer. Likely to purchase another 3 (TA) and a HMO (EA) in 2024/25. |
| Purchase of Temporary Accommodation - Local Authority Housing Fund (Round 1) | 1,299.8 | 0.0 | 2,967.5 | 0.0 | 2,967.5 | 2,123.7 | -843.8 | Richard Robinson | The Council purchased 4 properties that are now occupied. Housing partners have purchased 3 properties, with a further 4 properties undergoing conveyancing and 1 property to be identified. |
| Purchase of Temporary Accommodation - Local Authority Housing Fund (Round 2) | 858.2 | 0.0 | 0.0 | 1,857.8 | 1,857.8 | 1,777.0 | -80.8 | Richard Robinson | The Council purchased 3 properties that are currently under refurbishment. Another property is undergoing conveyancing. |
| Octavia Court (Lee Street Bungalows) | 0.0 | 0.0 | 20.0 | 0.0 | 20.0 | 20.0 | 0.0 | Richard Robinson | Final £20k expenditure for release of retention before 31 March - project then complete |
| Development of Court Lodge Residential Site | 0.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | Peter Boarder | Small residual spend in 2023/24. |
| Wheatley Court (Cromwell Road Development) | 25.4 | 0.0 | 100.0 | 0.0 | 100.0 | 25.4 | -74.6 | Richard Robinson | £25k spent on consultancy costs and retention - project complete - no further spend forecast in 2023/24. |
| Housing | 4,975.1 | 1,412.0 | 7,444.1 | 1,857.8 | 10,713.9 | 7,113.2 | - 3,600.7 | | |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|---|----------------|-----------------|----------------|------------------|-----------------|------------------|-------------------|-------------------|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Harlequin - Service Development | -1.2 | 100.0 | 64.0 | 0.0 | 164.0 | 0.0 | -164.0 | Duane Kirkland | Harlequin budgets are currently under review due to identification of RAAC and the requirement to close the building. |
| Leisure & Intervention | - 1.2 | 100.0 | 64.0 | - | 164.0 | - | - 164.0 | | |
| CCTV Rolling Programme | 94.0 | 0.0 | 104.6 | 0.0 | 104.6 | 97.3 | -7.3 | Justine Chatfield | Minor variance |
| UKSPF - Digital Connectivity for Local Community Facilities | 0.0 | 0.0 | 3.0 | 0.0 | 3.0 | 3.0 | 0.0 | Justine Chatfield | Project complete |
| Community Partnerships | 94.0 | - | 107.6 | - | 107.6 | 100.3 | - 7.3 | | |
| People Services Capital Budget | 5,068.0 | 1,512.0 | 7,615.7 | 1,857.8 | 10,985.5 | 7,213.4 | - 3,772.0 | | |
| Vehicles & Plant Programme | 40.1 | 582.0 | 1,022.3 | 0.0 | 1,604.3 | 40.1 | -1,564.2 | Morag Williams | Rolling programme reviewed resulting in capital slippage and re-profiling to 2024/25 . |
| Fleet Vehicle Wash-Bay Replacement | 0.0 | 0.0 | 350.0 | 0.0 | 350.0 | 0.0 | -350.0 | Morag Williams | Included in the depot works programme - timing of replacement is subject to vehicle requirements and prioritisation of this project as part of the programme. |
| Workshop Refurbishment | 0.0 | 0.0 | 160.0 | 0.0 | 160.0 | 0.0 | -160.0 | Morag Williams | Included in the depot works programme - timing of replacement is subject to vehicle requirements and prioritisation of this project as part of the programme. |
| Play Area Improvement Programme | 79.9 | 230.0 | 0.0 | 0.0 | 230.0 | 79.9 | -150.1 | Morag Williams | Subject to specification and agreement of a programme of works - £80k will be spent in 2023/24 and the remainder will be carried forward to 2024/25. |
| Parks & Countryside - Infrastructure & Fencing | 0.0 | 45.0 | 0.0 | 0.0 | 45.0 | 4.0 | -41.0 | Morag Williams | Minor underspend in 2023/24 - further works planned for 2024/25 |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|--|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Air Quality Monitoring Equipment | 2.6 | 40.0 | 0.0 | 0.0 | 40.0 | 20.0 | -20.0 | Katie Jackson | Forecast reflects reduced asset replacement this year plus reduced capacity to pursue capital projects due to competing demands of Gatwick DCO work. |
| Contribution to Surrey Transit Site | 0.0 | 0.0 | 127.0 | 0.0 | 127.0 | 0.0 | -127.0 | Pat Main | This is a budget brought forward from 2022/23 and is subject to approval of planning permission when a suitable Surrey transit site is identified. |
| Neighbourhood Operations | 122.6 | 897.0 | 1,659.3 | - | 2,556.3 | 144.0 | - 2,412.3 | | |
| Pay-on-Exit Car Parking at Central Car Park and Victoria Road Car Park, Horley | 13.6 | 0.0 | 45.6 | 281.6 | 327.2 | 140.3 | -186.9 | Peter Boarder | Work to install electric vehicle charging points will be completed this financial year. Slippage related to wider landscaping works that have been tendered will be delivered in the first half of 2024/25. |
| Horley Public Realm Improvements - Phase 4 | 9.8 | 0.0 | 564.9 | 390.8 | 955.7 | 25.9 | -929.8 | Peter Boarder | Detailed design has now been completed and project delivery transferred to Surrey County Council; slippage relates to the physical delivery of the improvements which are provisionally programmed to commence in summer 2024. |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|-----------------------------------|--------------|-----------------|----------------|------------------|----------------|------------------|-------------------|-------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Subway Refurbishment, Horley | 24.6 | 0.0 | 0.0 | 825.6 | 825.6 | 56.1 | -769.5 | Peter Boarder | Designs for the refurbishment of the subway are being progressed to the end of RIBA stage 3. Slippage relates to the delivery of the works that will need to take place after Network Rail have completed works to the subway superstructure which is currently provisionally scheduled for late 2024. Some works may be able to be delivered ahead of this as part of the public realm improvements |
| Marketfield Way Redevelopment | 5,993.4 | 0.0 | 5,574.9 | 0.0 | 5,574.9 | 6,574.9 | 1,000.0 | Peter Boarder | Overspend on current budget to settle Final Account with the main contractor. Additional budget of £4.298m approved by Council in February 2024. A payment of just under £1m to Vinci is required in late 2023/24 funded within the £4.298m additional budget. |
| Redhill Public Realm Improvements | 0.0 | 0.0 | 30.0 | 0.0 | 30.0 | 30.0 | 0.0 | Peter Boarder | Project complete |
| Merstham Recreation Ground | 37.6 | 0.0 | 1,465.0 | 1,230.6 | 2,695.6 | 124.2 | -2,571.4 | Peter Boarder | A contract has been let to deliver a replacement pitch at Battlebridge and works are due to begin in March. The main contractor has been selected for works to Merstham Rec and works are now forecast to commence early 2024/25. |

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

| Programme/Project | Year to Date | Original Budget | Carry Forwards | Released In Year | Current Budget | Year End Outturn | Year End Variance | Scheme Controller | Quarter 3: Explanation of Significant Variances |
|---|-----------------|-----------------|-----------------|------------------|-----------------|------------------|-------------------|-------------------|--|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Preston - Parking Improvements | 148.4 | 0.0 | 542.0 | 0.0 | 542.0 | 76.1 | -465.8 | Peter Boarder | Works to deliver Preston skate park delivered. Planning applications submitted for parking scheme and awaiting planning permission prior to works commencing. Forecast start on site in 2024/25. |
| Place Delivery | 6,230.9 | - | 8,222.3 | 2,728.6 | 10,950.9 | 7,027.5 | - 3,923.4 | | |
| Place Services Capital Budget | 6,353.5 | 897.0 | 9,881.6 | 2,728.6 | 13,507.2 | 7,171.5 | - 6,335.7 | | |
| Watercolour Community Space Grant - S106 | | 0.0 | 0.0 | 103.5 | 103.5 | 103.5 | 0.0 | Relevant HoS | Funds forecast to be utilised in 2023/24 |
| Kingswood Level Crossing Capital Grant - S106 | | 0.0 | 0.0 | 76.0 | 76.0 | 76.0 | 0.0 | Relevant HoS | Funds forecast to be utilised in 2023/24 |
| S106 | - | - | - | 179.5 | 179.5 | 179.5 | - | | |
| CIL Capital Awarded to Third Parties | 1,289.3 | 0.0 | 0.0 | 2,599.8 | 2,599.8 | 2,599.8 | 0.0 | Relevant HoS | On-going allocation of funds |
| CIL | 1,289.3 | - | - | 2,599.8 | 2,599.8 | 2,599.8 | - | | |
| Corporate Capital Budget | 1,289.3 | - | - | 2,779.3 | 2,779.3 | 2,779.3 | - | | |
| Total Capital Budget | 13,347.2 | 4,339.0 | 24,116.2 | 7,577.9 | 36,033.1 | 18,470.3 | - 17,562.8 | | |

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Financial Sustainability Programme: quarterly Update

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

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

67

| | Progress | Next Steps | Financial Benefits |
|---|---|---|--|
| Programme | <ul style="list-style-type: none"> • The programme was audited by the Council’s internal auditors in 2023/24. The audit resulted in an opinion of ‘substantial’ assurance, with one management action resulting, which has now been completed. | <ul style="list-style-type: none"> • Maintain the programme governance framework which supports the delivery of programme objectives and outcomes. | <ul style="list-style-type: none"> • Not applicable. |
| Service & Financial Planning – 2024/25 | <ul style="list-style-type: none"> • Significant work has taken place throughout the spring and summer to prepare proposals for the draft budget. • There has been a firm focus on identifying service and central budget savings in line with the objectives of the FSP, specifically to generate income, use assets to maximise efficiency and achieve value for money • The draft budget for 2024/25 was endorsed by the Executive at its meeting on 16 November 2023. (Note further updated by Budget approved by Council 20 February 2024). | <ul style="list-style-type: none"> • Further work will take be undertaken over the coming weeks to test and refine the proposals, including consultation with the Overview & Scrutiny Committee’s Budget Scrutiny Panel and other stakeholder groups. • Final budget proposals will be presented in January 2024. | <ul style="list-style-type: none"> • A total of £2.259m savings have identified from services areas and from fees and charges. • Of the total above, £0.540m are specifically from additional fees and charges income which have been achieved in line with the Council’s fees and charges policy. • In addition to the £2.259m service savings, a further £0.200m of treasury management savings have been identified plus other net central budget savings of £0.176m |

| | Progress | Next Steps | Financial Benefits |
|---|---|--|---|
| | | | <ul style="list-style-type: none"> • Included within the overall service savings of £2.259m, are specific savings from assets and property including income from the Rise at Redhill of £0.700m plus new café leases income of £0.100m, plus a further £0.104m from new properties such as Reading Arch Road. • Also included in the service savings is a post reduction from deleting a vacant post with a saving of £0.044m. • A further service saving is an efficiency saving of £0.025m for CIL funded solar compacting bins which are being introduced. • Finally, external grants have been maximised where possible and £0.695m of additional income has been achieved from the Homelessness Prevention Government Grant. |
| Standalone projects and activities | <ul style="list-style-type: none"> • Project and activity scoping (ongoing) • Activities to deliver 'quick wins' being progressed (ongoing) • Projects being progressed through established project management framework (ongoing) | <ul style="list-style-type: none"> • Activities to deliver 'quick wins' continue to be progressed by relevant service areas (ongoing) • Projects being progressed through established project management framework (ongoing) | <ul style="list-style-type: none"> • Small scale for 2023/24 from 'quick win' activities were incorporated within the agreed budget for the current year. These savings, alongside the total savings (generated under FSP) delivered a total budget benefit of £2m for 2023/24 summarised as £1.23m of additional income and £0.79m of cost savings. |

| | Progress | Next Steps | Financial Benefits |
|--|--|--|---|
| | | | <ul style="list-style-type: none"> Financial benefits from projects are be confirmed on a case by case basis |
| Vacancy Control Mechanism and Pay Budgets | <ul style="list-style-type: none"> New vacancy control mechanism introduced (June 2022) Senior Officer Panel established to review business cases for recruitment to vacant posts (July 2022) Vacancy control mechanism now operational; recruitment to vacant posts being reviewed by senior management on a case-by-case basis | <ul style="list-style-type: none"> Changes and improvements to the process to be implemented as they are identified (ongoing) | <ul style="list-style-type: none"> Pay costs budgets for 2024/25 are being reduced by £0.243m to reflect elements of the pay award budget that did not have to be fully utilised last year after final pay negotiations. A proposed post deletion of 1 FTE in the draft 2024/25 budget will result in a saving of £0.044m. |
| Third Party Funding Opportunities | <ul style="list-style-type: none"> £0.5m secured from health partners towards Council community development and partnerships work Investment plan submitted in respect of £1m UK Shared Prosperity Fund funding (July 2022) Council services as well as third parties were invited to submit Strategic CIL bids in 2022. Circa £7.5m of funding was awarded to Council projects. £0.089m secured from Surrey County Council for sustainability and environmental activities | <ul style="list-style-type: none"> Opportunities for further third party funding continue to be explored (ongoing) | <ul style="list-style-type: none"> For the 2024/25 to 2027/28 Capital Programme there is Strategic CIL Funding of £0.754m being applied to fund the Environmental Stability upgrades for the Council which will cost £1.145m in total over the period of the full capital programme. Capital Grants and other funding opportunities such as the £0.089m contribution from Surrey County Council to fund solar panels as part of the sustainability work have been included in the Capital Programme which will go forward to the January Budget meeting for approval. |

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TREASURY MANAGEMENT STRATEGY

2023/24

Quarter 3

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 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 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: UK inflation rates finally started to decline, mirroring the sharp but earlier drop seen in the Eurozone and US. Despite the fall, the Consumer Price Index (CPI) remained substantially in excess in the Bank of England's (BoE) 2% target, at 3.9% for November 2023. Market expectations for further rises in Bank Rate fell from October through to year end, indicating that the 5.25% level reached in August 2023 was indeed the peak for Bank Rate.

Economic growth in the UK remained weak over the period, edging into recessionary territory. In calendar Q3 2023, the economy contracted by 0.1%, following no change in Q2. Monthly GDP data showed a 0.3% contraction in October, following a 0.2%

rise in September. While other indicators have suggested a pickup in activity in the subsequent months, Q4 GDP growth is likely to continue the weak trend.

July data showed the unemployment rate increased to 4.2% (3mth/year) while the employment rate rose to 75.7%. Pay growth edged lower as the previous strong pay rates waned; total pay (including bonuses) growth was 7.2% over the three months to October 2023, while regular pay growth was 7.3%. Adjusting for inflation, pay growth in real terms were positive at 1.3% and 1.4% for total pay and regular pay respectively.

Inflation continued to fall from its peak as annual headline CPI declined to 3.9% (down from 4.6%) in November 2023. The largest downward contribution came from energy and food prices. The core rate also surprised on the downside, falling to 5.1% from 5.7%.

The BoE's Monetary Policy Committee held Bank Rate at 5.25% throughout the period, although a substantial minority continued to vote for a 25 basis point rate rise. The Bank continues to tighten monetary policy through asset sales, as it reduces the size of its balance sheet. Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data showed that higher interest rates were working in the UK, US, and Eurozone.

Following the December MPC meeting, Arlingclose, the authority's treasury adviser, maintained its central view that 5.25% is the peak in Bank Rate. Short term risks are broadly balanced, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.

The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, it is likely this will reverse at some point and spending will struggle. Higher rates will also impact exposed businesses; according to S&P/CIPS survey data, the UK manufacturing and construction sectors contracted during the quarter. The services sector recovered, however, with the PMI rising strongly in December, possibly due to improving consumer confidence.

The US Federal Reserve held its key interest rate at 5.25-5.50% over the period. While policymakers continued to talk up the risks to inflation and therefore interest rates, this stance ebbed over the quarter culminating in a relatively dovish outcome from the December FOMC meeting.

The European Central Bank continues to resist market policy loosening expectations, but the Eurozone CPI rate has fallen sharply as GDP growth as markedly slowed, hitting 2.4% in November (although rising to 2.9% on energy-related base effects).

Financial markets: *Financial market sentiment and bond yields remained volatile, but the latter rapidly trended downwards towards the end of 2023 on signs of sharply moderating inflation and economic growth.*

Gilt yields fell towards the end of the period. The 10-year UK benchmark gilt yield rose from 4.57% to peak at 4.67% in October before dropping to 3.54% by the end of December 2023. The Sterling Overnight Rate (SONIA) averaged 5.19% over the period.

Credit review: *Arlingclose maintained the advised maximum duration limit for all banks on its recommended counterparty list to 35 days over the period.*

In October, Moody's revised the outlook on the UK's Aa3 sovereign rating to stable from negative. This led to similar rating actions on entities that include an element of government support in their own credit ratings, including banks and housing associations. Local authorities were, however, downgraded on expectations of lower government funding.

Following the issue of a Section 114 notice, in November Arlingclose advised against undertaking new lending to Nottingham City Council. After reducing its recommended duration on Warrington Borough Council to a maximum of 100 days in September, the local authority was subsequently suspended from the Arlingclose recommended list following a credit rating downgrade by Moody's to Baa1.

Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress, but no changes were made to recommended durations over the period.

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

3. Local Context

On 31 March 2023, the Council had net investments of £9.0million 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 | 62,900 |
| External borrowing ¹ | (7,000) | - |
| Internal borrowing | 87,300 | 62,900 |
| Less: Balance sheet resources | 103,294 | 66,500 |
| Investments/ (borrowing) | 15,994 | 3,600 |

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

The treasury management position at 31st December and the change since 1 April is set out in the table below.

| Table 2: Treasury Management Summary | 31/03/2023 Balance £000 | Movement £000 | 30/12/2023 Balance £000 | 30/12/2023 Rate % |
|---|--|--------------------------|--|----------------------------------|
| Short term Borrowing | (7,000) | 7,000 | - | - |
| Cash and cash equivalents | 15,994 | 34,737 | 50,731 | 5.02% |
| Net investments | 8,994 | 41,737 | 50,731 | 5.02% |

The increase in investment movement is due to capital receipts during this period.

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 31 December 2023 the Council held no loans.

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.

Loans outstanding as at 31 December 2023 are summarised in the table below.

| Table 3: Borrowing Position | 31/03/2023 Balance £000 | Net Movement £000 | 30/12/2023 Balance £000 | 30/12/2023 Weighted Average Rate % | 30/12/2023 Weighted Average Maturity (months) |
|------------------------------------|--------------------------------|--------------------------|--------------------------------|---|--|
| Other Lenders ¹ | (7,000) | 7,000 | - | - | - |
| Total borrowing | (7,000) | 7,000 | - | - | - |

NOTE 1: Housing Association

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

The CIPFA Treasury Management Code now defines treasury management investments as those investments which arise from the Authority'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 £11.8 million and £65.9 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 | 30/12/2023 Balance £000 | 30/12/2023 Income Return % | 30/12/2023 Weighted Average Maturity (Days) |
|--|--------------------------------|--------------------------|--------------------------------|-----------------------------------|--|
| Banks & building societies (unsecured) | 8,994 | (4,263) | 4,731 | 2.11% | 1 |
| Government – Debt Management Office (DMO) | - | 10,000 | 10,000 | 5.33% | 132 |
| Money Market Funds | 7,000 | 29,000 | 36,000 | 5.30% | 1 |
| Total investments | 15,994 | 34,737 | 50,731 | 5.02%¹ | 9¹ |

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.

The Bank of England increased the Bank Rate by 1%, from 4.25% at the beginning of April to 5.25% by the end of December.

Short-dated cash rates peaked at 5.6% for 3-month rates and 12-month rates to nearly 6.6% during the period.

The rates on deposits with the Government's Debt Management Account Deposit Facility (DMADF) also rose, ranging between 5.2% and 5.3% by the end of December and Money Market Rates from 4.16% and 5.35%.

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 % |
|---|---------------------|----------------------|-------------------------|---|-------------------------|
| <u>Reigate & Banstead Borough Council</u> | | | | | |
| 31/03/2023 | 4.90 | A+ | 100% | 1 | 4.01% |
| 30/12/2023 | 4.62 | AA- | 80% | 9 | 5.02% |
| Similar Local Authorities | 4.81 | AA- | 57% | 54 | 5.00% |
| All Local Authorities | 4.80 | AA- | 60% | 11 | 5.04% |

Non-Treasury Investments

The definition of investments in the Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority 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.

At 31 December the Council held:

- £1.1m shares in Pathway For Care Limited;
- £0.652m shares in Greensand Holdings Limited; and
- Loans of £13.258m advanced to Greensand Holdings Limited
- Note: excludes funds provided to Horley Business Park Development LLP which is in the process of being liquidated.

Treasury Performance

Treasury investments generated an average rate of return 5.02% in the nine months 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 | 30/12/2023 Actual £000 | 2023/24 Limit £000 | Complied? |
|--|-------------------------------------|---------------------------------------|-----------------------------------|------------------|
| Any single organisation, except the UK Government | 10,000 | 5,000 | 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 |
| Limit per non-UK country | - | - | 5,000 | Yes |
| The UK Government | 25,000 | 10,000 | 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 |

| Table 6: Investment Limits | 2023/24 Maximum £000 | 30/12/2023 Actual £000 | 2023/24 Limit £000 | Complied? |
|-----------------------------------|---|--|---|------------------|
| Building societies (unsecured) | - | - | 10,000 | Yes |
| Registered providers (unsecured) | - | - | 13,000 | Yes |
| Money market funds | £41m sector (£10m per counterparty) | £36m sector (£7m per 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

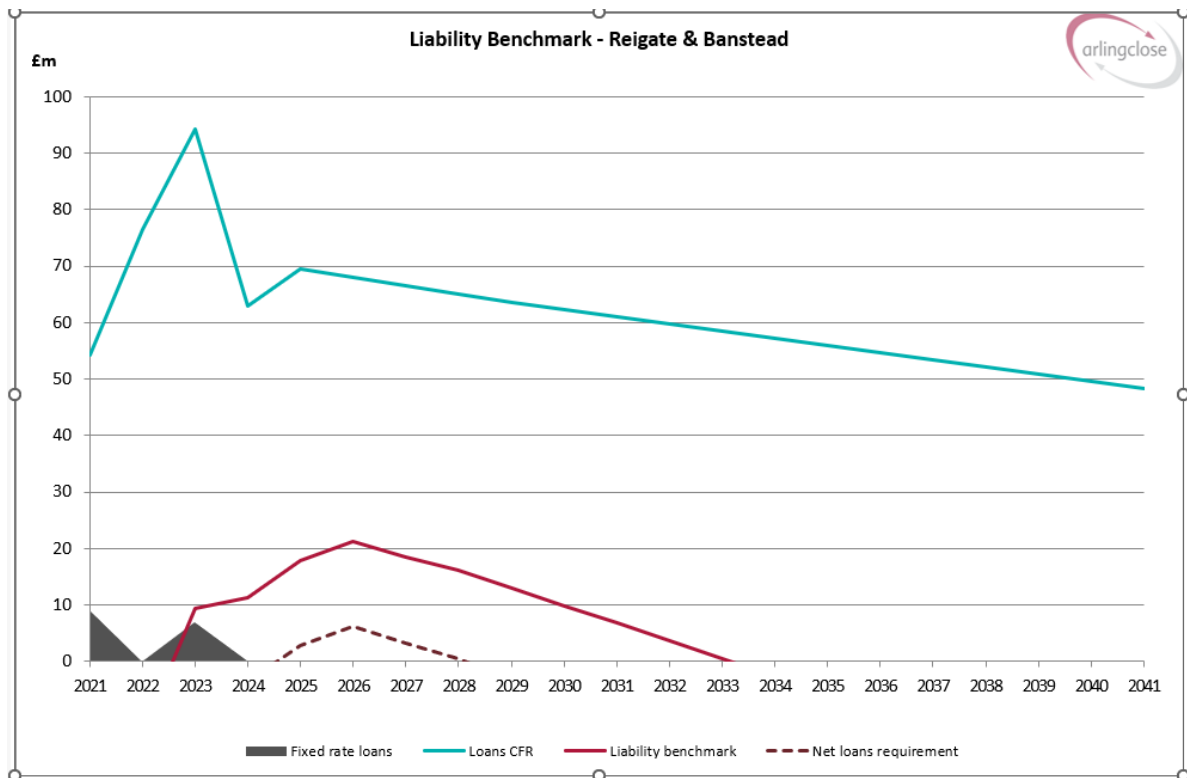
This indicator compares the Council's actual current borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing.

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 £15.0 million 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 | 62,900 | 69,600 | 68,100 |
| Less: Balance sheet resources | 103,300 | 66,500 | 66,700 | 61,800 |
| Net loans requirement | 9,000 | 3,600 | (2,900) | (6,300) |
| Plus: Liquidity allowance | 15,000 | 15,000 | 15,000 | 15,000 |
| Liability benchmark | 6,000 | 11,400 | 17,900 | 21,300 |
| Current borrowing | (7,000) | - | - | - |

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 is illustrated in the chart below:



A borrowing requirement of £11.4 million is expected by 31 March 2024 and increasing by £17.9million and £21.3 million 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 £65.9 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 8: Maturity Structure of Borrowing | Upper Limit | Lower Limit | 30/12/2023 Actual Borrowing | Complied? |
|--|-------------|-------------|-----------------------------|-----------|
| Under 12 months | 100% | 0% | - | 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 requirements 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 9: 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 10: Credit Risk | 2023/24 Target | 30/12/2023 Actual | Complied? |
|------------------------------|-----------------------|--------------------------|------------------|
| Portfolio average credit | A | AA- | 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 11: Liquidity Risk | 2023/24 Target | 30/12/2023 Actual | Complied? |
|--------------------------------------|-----------------------|--------------------------|------------------|
| Total cash available within 3 months | £5.0m | £36.0m | Yes |

Interest Rate Exposures: This indicator is set to control the Council's exposure to interest rate risk. Bank Rate rose by 1.00% from 4.25% on 1st April to 5.25% by 31 December 2023.

| Table 12: Interest rate risk indicator | 2023/24 Target | 30/12/2023 Actual | Complied? |
|---|-----------------------|--------------------------|------------------|
| Revenue impact of a 1% change in interest rates | £0.078m pa | £0.451m pa | No |

The higher actuals figure is due to the fact that the target was set at a time when the authority had both short-term investments and short-term debt, mitigating the overall impact of a change of interest rates. At 31/12/2023 the authority had no short-term debt increasing the impact of a change in interest rates. This target will be reviewed for the next financial year so that it incorporates this eventuality.

For context, the changes in interest rates during the year to date were:

| Interest Rates | 31/3/23 | 30/12/23 |
|---|----------------|-----------------|
| Bank Rate | 4.25% | 5.25% |
| 1-year PWLB certainty rate, maturity loans | 4.78% | 5.60% |
| 5-year PWLB certainty rate, maturity loans | 4.31% | 4.92% |
| 10-year PWLB certainty rate, maturity loans | 4.33% | 5.06% |
| 20-year PWLB certainty rate, maturity loans | 4.70% | 5.55% |
| 50-year PWLB certainty rate, maturity loans | 4.41% | 5.38% |

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.

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Prudential Indicators

2023/24

Quarter 3

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 31 December 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 | 22,027 | 10,241 | 3,938 |
| Capital investments | - | 1,308 | - | - |

NOTE 1: Approved slippage from 2022/23 of £24.116m but the current forecast for 2023-24 includes a reduction in expenditure.

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 | 62,900 | 69,600 | 68,100 |
| Capital investments | - | 1,308 | - | - |
| TOTAL CFR | 94,300 | 64,208 | 69,600 | 68,100 |

The CFR as at 31 March 2024 has reduced to reflect capital receipts received in the second quarter of the current financial year.

3. Gross Debt and the Capital Financing Requirement

Statutory guidance is that debt should remain below the capital financing requirement (CFR), 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 30/12/2023 £000 |
|-------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|--|
| Debt | 7,000 | - | - | - | - |
| Capital Financing Requirement | 94,300 | 64,208 | 69,600 | 68,100 | |

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 Q3 2023/24 £000 | Debt at 30/12/2023 £000 | 2023/24 Authorised Limit £000 | 2023/24 Operational Boundary £000 | Complied? Yes/No |
|-----------|---|--|--|--|-----------------------------|
| Borrowing | 11,000 | - | 40,000 | 35,000 | 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% | 10.93% | 12.57% |

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 | 612 | 843 | 1,782 | 1,799 |
| Proportion of net revenue stream | 4.11% | 3.80% | 8.12% | 8.20% |

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 Q3 2023/24 in Annex 5.1.

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Housing Focus on Homelessness 2023/24



127 households in temporary accommodation



1,286 households on the waiting list for social housing



19 single people in emergency accommodation



39 people with children in emergency accommodation

2023/24 (year to date) compared to previous year there were:



1,318 households approaching due to the threat of homelessness

**Up
31.5%**

**1,002
from 2022/23**



425 households owed a statutory homeless duty

**Up
8.7%**

**391
from 2022/23**



258 positive outcomes

**Up
4.4%**

**247
from 2022/23**



59 households in emergency accommodation

**Up
73.5%**

**34
from 2022/23**



173 lets to social housing vacancies

**Down
33.2%**

**259
from 2022/23**

Other explanatory notes

1. 647 of 1,318 households that approached due to threat of homelessness indicated that affordability of accommodation was an issue.
2. Over 1,022 applications received to join the waiting list and 425 accepted year to date.

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Agenda Item 5



| | |
|-------------------------|--|
| SIGNED OFF BY | Chief Finance Officer |
| AUTHOR | Jacqueline Aboagye |
| TELEPHONE | Tel: 01737 276302 |
| EMAIL | jacqueline.aboagye@reigate-banstead.gov.uk |
| TO | Overview & Scrutiny Committee Executive Council |
| DATE | Thursday 14 March 2024 Thursday 21 March 2024 Thursday 28 March 2024 |
| EXECUTIVE MEMBER | Deputy Leader and Portfolio Holder for Finance and Governance |

| | |
|------------------------------|-------------|
| KEY DECISION REQUIRED | Y |
| WARDS AFFECTED | (All Wards) |

| | |
|----------------|--|
| SUBJECT | Treasury Management Strategy Statement 2024/25 |
|----------------|--|

| |
|---|
| <p>RECOMMENDATIONS</p> <p>Overview & Scrutiny Committee:</p> <p>i) Overview & Scrutiny Committee is asked to consider and to provide feedback on the following which are to be finalised and submitted for approval by the Executive on 14 March 2024 and Council on 28 March 2024:</p> <ul style="list-style-type: none"> • Treasury Management Strategy 2024/25; • Investment Strategy 2024/25; and • Capital Strategy 2024/25. <p>Executive:</p> <p>i) Executive is asked to consider the following and recommend their approval by Council:</p> <ul style="list-style-type: none"> • Treasury Management Strategy for 2024/25; • Investment Strategy 2024/25; and • Capital Strategy 2024/25 |
|---|

Agenda Item 5

| |
|---|
| <p>Council:</p> <p>i) Council is asked to approve the following:</p> <ul style="list-style-type: none">• Treasury Management Strategy for 2024/25;• Investment Strategy 2024/25; and• Capital Strategy 2024/25 |
| <p>REASONS FOR RECOMMENDATIONS</p> |
| <p>To enable the adoption of the updated Treasury Management Strategy Statement for the 2024/25 financial year in order to comply with the Chartered Institute of Public Finance Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities. Also, with Government (Department for Levelling up, Housing and Communities) investment and borrowing guidance.</p> |
| <p>EXECUTIVE SUMMARY</p> |
| <p>This report sets out the Treasury Management Strategy, Investment Strategy and Capital Strategy for 2024/25.</p> <p>It has been prepared in consultation with the Council's treasury management advisors and confirms compliance with relevant guidance.</p> |
| <p>Council has authority to approve the Treasury Management Strategy Statement, Prudential Indicators, Minimum Revenue Provision Policy and Borrowing Limits.</p> |
| <p>STATUTORY POWERS</p> |
| <ol style="list-style-type: none">1. The Council is required to approve an annual Treasury Management Strategy Statement, Investment Strategy and Capital Strategy to ensure that borrowing and investment activities are prudent, affordable and sustainable.2. The Council operates its treasury management activity as an integral part of its statutory obligation to manage the Council's finances effectively under the Local Government Act 2003 and associated guidance.3. Treasury Management activities are undertaken in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management, the Prudential Code for Capital Finance in Local Authorities, and the Government's (Department for Levelling up, Housing and Communities - DLUHC) investment and borrowing guidance. |
| <p>BACKGROUND</p> |
| <ol style="list-style-type: none">4. The Council is required to approve an annual Treasury Management Strategy, Investment Strategy and Capital Strategy (in combination referred to as 'the Strategy') to ensure that borrowing and investments are prudent, affordable and sustainable.5. The Strategy for 2024/25 is set out in the attached Annexes. |

Agenda Item 5

It has been prepared in line with the CIPFA Codes and Government guidance and comprises three sections:

1. **Treasury Management Strategy** which explains the Council's approach to management of cash flows, borrowing and investments, and the associated risks;
2. **Investment Strategy** which sets out how the Council invests its cash and what it aims to achieve through that investment; and
3. **Capital Strategy** which provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services.

6. The Strategy has the following objectives:

- To consider and effectively address the risks associated with Treasury Management activity;
- To optimise the flow of cash through the organisation in order to maximise the potential for using it to earn investment income for the Council, and where required limit the borrowing costs;
- To optimise the returns from investments while meeting the overriding need to protect the capital sum and ensure that the cash is available when required;
- To align investments in relation to cash flow, within statutory constraints, in order to increase investment returns in future years;
- To optimise the revenue budget costs of undertaking all treasury activities;
- To monitor and review significant changes in the pattern of cash movements and interest rate movements and react accordingly;
- To incorporate any changes to CIPFA's Treasury Management Code of Practice and the Prudential Code and Government guidance that govern effective treasury management; and
- To incorporate implementation of International Financial Reporting Standard (IFRS) 16 in April 2024.

KEY INFORMATION

Capital Investment Strategy and Capital Programme

7. The capital expenditure plans set out in this report are based on the Capital Programme 2024/25 to 2028/29 that was approved by Executive and Council in February 2024.

Prudential Indicators

8. The Prudential Indicators as set out in the Strategy provide a sound basis for future investment and borrowing decisions. A summary of the key indicators is provided in the table below and they are explained in the Treasury Management Strategy at Annex 1.

| Table 1: PRUDENTIAL INDICATORS | 2022/23 Actual £000 | 2023/24 Forecast £000 | 2024/25 Forecast £000 | 2025/26 Forecast £000 | 2026/27 Forecast £000 |
|--------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|--------------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|

Agenda Item 5

| | | | | | |
|---|-------------------|---------|--------|--------|--------|
| Capital Expenditure | 21,156 | 10,773 | 16,048 | 6,665 | 4,856 |
| Capital Financing Requirement (CFR) | 93,300 | 72,600 | 79,300 | 80,800 | 82,100 |
| Cumulative External Debt | 7,000 | - | - | - | - |
| Operational Boundary for External Debt | 69,000 | 35,000 | 36,000 | 37,000 | 38,000 |
| Authorised Limit for External Debt | 79,000 | 40,000 | 41,000 | 42,000 | 43,000 |
| Liability Benchmark | (9,000) | (3,500) | 3,100 | 11,600 | 11,000 |
| Proportion of financing costs to revenue stream as a % | 4.08% | 3.55% | 8.20% | 8.34% | 8.44% |
| Net income from commercial and service investments to net revenue stream as a % | 13.52% | 9.18% | 10.55% | 12.14% | 13.96% |
| Credit risk indicator - portfolio average risk | A | | | | |
| Liquidity risk - cash available within 3 months | £3.0 million | | | | |
| Revenue impact of a 1% change in rates | £0.451 million pa | | | | |
| Maturity Structure of Borrowing 2024/25 – Upper Limit | 100% | | | | |
| Maturity Structure of Borrowing 2024/25 – Lower Limit | 0% | | | | |

CIPFA Code

9. CIPFA published the latest Prudential and Treasury Management Codes in December 2021. They require investments and investment income to be attributed to one of three purposes:

(i) Treasury management

- Arising from the organisation’s cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use; and
- Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

(ii) Service delivery

- Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure; and
- Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is ‘...*either related to the financial viability of the project in question or otherwise incidental to the primary purpose...*’.

(iii) Commercial return

- Investments held primarily for financial return with no treasury management or direct service provision purpose;
- Risks on such investments should be proportionate to a council's financial capacity – i.e., that 'plausible losses' could be absorbed in budgets or reserves without unmanageable detriment to local services; and
- Councils must not borrow to invest primarily for financial return.

10. The Investment Strategy at Annex 2 covers:

- Classification of investments for service or commercial purposes;
- The authority's approach to investments for service or commercial purposes (together referred to as non-treasury investments), including defining the authority's objectives, risk appetite and risk management in respect of these investments, and processes ensuring effective due diligence;
- An assessment of affordability, prudence and proportionality in respect of the authority's overall financial capacity (ie. whether losses could be absorbed in budgets or reserves without unmanageable detriment to local services);
- Details of financial and other risks of undertaking investments for service or commercial purposes and how these are managed;
- Limits on total investments for service purposes and for commercial purposes respectively (consistent with any limits required by other statutory guidance on investments);
- Requirements for independent and expert advice and scrutiny arrangements (while business cases may provide some of this material, the information contained in them is periodically re-evaluated to inform the overall strategy); and
- Statement of compliance with paragraph 51 of the Prudential Code in relation to investments for commercial purposes, in particular the requirement that an authority must not borrow to invest primarily for financial return.

11. The Code also requires authorities to:

- Adopt a debt Liability Benchmark treasury indicator to support the financing risk management of the capital financing requirement; this is shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
- Class long term treasury investments, (including pooled funds), as commercial investments unless justified by a cash flow business case;
- Include some pooled funds (longer term instruments, including those with no fixed maturity date) in the indicator for principal sums maturing in years beyond the initial budget year;
- Ensure that the knowledge and skills register for officers and members involved in the treasury management function is proportionate to the size and complexity of the treasury management conducted;

Agenda Item 5

- Submit quarterly performance reports to Members (as part of integrated budget monitoring reports), including updates on performance against the Prudential Indicators; and
- Set out any environmental, social and governance (ESG) issues to be addressed within the treasury management policies and practices.

12. The main requirements of the Code relating to service and commercial investments are:

- The risks associated with service and commercial investments should be proportionate to their financial capacity – losses to be absorbed in budgets or reserves without unmanageable detriment to local services;
- An authority must not borrow to invest for the primary purpose of commercial return. 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 authority;
- To conduct an annual review to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
- To include the new Prudential Indicator for the net income from commercial and service investments as a proportion of the net revenue stream; and
- To prepare supporting Investment Management Practices which set out how the Council will manage risks associated with non-treasury investments.

13. The underlying principles, including that an authority must not borrow to invest primarily for financial return, align with the Government's changes to PWLB borrowing terms in 2020.

OPTIONS

14. Overview & 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.

15. Executive has two options:

- **Option 1:** Recommend the Treasury Management Strategy, Investment Strategy and Capital Strategy for 2024/25 to Council for approval;
- **Option 1:** Request further information before the Treasury Management Strategy, Investment Strategy and Capital Strategy for 2024/25 are recommended to Council for approval. This option would delay approval of the Strategy and may constrain treasury management activity.

16. Council has two options:

- **Option 1:** To approve the Treasury Management Strategy, Investment Strategy and Capital Strategy for 2024/25 to Council;
- **Option 1:** To request further information before the Treasury Management Strategy, Investment Strategy and Capital Strategy for 2024/25 are approved. This option would delay approval of the Strategy and may constrain treasury management activity.

17. A delay in approving the 2024/25 Treasury Management Strategy Statement may result in reduced returns on investments and delay borrowing to fund planned capital investment. It would also mean that the Council is at risk of non-compliance with the latest CIPFA Codes of Practice and DLUHC guidance.

LEGAL IMPLICATIONS

18. There are no further legal implications arising from this report.

FINANCIAL IMPLICATIONS

19. The financial impacts of this Strategy have been reflected within the Council's approved 2024/25 Budget. There are therefore no additional financial implications from this report.

EQUALITIES IMPLICATIONS

20. The Council has a statutory duty to consider equality implications as part of the decision making process and demonstrate this. There are no equality implications arising from this report.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

21. The Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

COMMUNICATION IMPLICATIONS

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

RISK MANAGEMENT CONSIDERATIONS

23. These are set out in the Annexes to the report

CONSULTATION

24. The Finance & Governance Portfolio holder, the Chair of Overview & Scrutiny and Overview & Scrutiny Committee Members had an opportunity to consider the Council's approach to Treasury Management at a briefing with the Council's treasury advisors Arlingclose and the Finance team on 5 March 2024.

25. Overview & Scrutiny Committee's feedback at its meeting on 14 March 2024 will be considered by Executive on 21 March 2023 and Council on 28 March 2024.

POLICY FRAMEWORK

Agenda Item 5

26. The Strategy is part of the Council's Policy Framework as set out in Article 4 of the Constitution.

BACKGROUND PAPERS

- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ('the Code')
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ('the Code')
- CIPFA Treasury Management Guidance Notes 2018 and 2021
- DLUHC Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- CIPFA Prudential Code for Capital Finance in Local Authorities (2021) (Prudential Code)
- CIPFA Prudential Code for Capital Finance in Local Authorities (2021) Guidance Notes
- DLUHC Consultation on changes to the capital framework - Minimum Revenue Provision (November 2021 to February 2022). Latest consultation closed 16 February 2024.
- *CIL Strategic Infrastructure Programme 2023-2027*, report to Executive, 23 March 2023
- *Budget and Capital Programme 2024/25*, report to Executive, 1 February 2024

ANNEXES

1. Treasury Management Strategy 2024/25
2. Investment Strategy 2024/25
3. Capital Strategy 2024/25

TREASURY MANAGEMENT STRATEGY

2024/25

March 2024

1. Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks.

The Council has invested substantial sums of money 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 financial risk are therefore central to prudent financial management.

Treasury risk management is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes and for commercial profit are considered separately in Annex 2, the Investment Strategy.

2. External Context

Source: Arlingclose

Economic background: The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level in September and then again in November. Members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with near-term risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 6.7% in September 2023, unchanged from the previous month but above the 6.6% expected. Core CPI inflation fell to 6.1% from 6.2%, in line with predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling, declining to around 4% by the end of calendar 2023 but taking until early 2025 to reach the 2% target and then falling below target during the second half 2025 and into 2026.

ONS figures showed the UK economy grew by 0.2% between April and June 2022. The BoE forecasts GDP will likely stagnate in Q3 but increase modestly by 0.1% in Q4, a deterioration in the outlook compared to the August MPR. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth remained strong, with regular pay (excluding bonuses) up 7.8% over the period and total pay (including bonuses) up 8.1%. Adjusted for inflation, regular pay was 1.1% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve paused in September and November, maintaining the Fed Funds rate target at this level. It is likely this level represents the peak in US rates, but central bank policymakers emphasised that any additional tightening would be dependent on the cumulative impact of rate rises to date, together with inflation and developments in the economy and financial markets.

US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But as the impact from higher rates is felt in the coming months, a weakening of economic activity is likely. Annual CPI inflation remained at 3.7% in September after increasing from 3% and 3.2% consecutively in June and July.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.9% in October 2023. Economic growth has been weak, and GDP was shown to have contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has been increasing rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook: Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest

rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (November 2023): Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy Committee will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

Arlingclose expects long-term gilt yields to eventually fall from current levels (amid continued volatility) reflecting the lower medium-term path for Bank Rate. However, yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Like the BoE, the Federal Reserve and other central banks see persistently high policy rates through 2023 and 2024 as key to dampening domestic inflationary pressure. Bond markets will need to absorb significant new supply, particularly from the US government.

A more detailed economic and interest rate forecast provided by Arlingclose is included at Appendix 1.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate/yield of 5.02%, and that any new long-term loans will be borrowed at an average rate of 5.19%.

3. Local Context

At 31 December 2023, the Council had no loans. Investments included £51.0 million of treasury investments earning a return of 5.29%.

- £5.0 million was invested in unsecured bank deposits earning 5.20%;
- £36.0 million was invested in money market funds earning 5.32%; and
- 10.0million with the UK Debt Management Account Deposit Facility - DMADF - earning 5.23%.

Forecast changes in these sums at 31 March each year are set out in the balance sheet analysis in table 1 below.

| Table 1: Balance sheet summary and forecast | 31.3.23 | 31.3.24 | 31.3.25 | 31.3.26 | 31.3.27 |
|---|-----------------|-----------------|----------------|----------------|----------------|
| | Actual | Estimate | Forecast | Forecast | Forecast |
| | £000 | £000 | £000 | £000 | £000 |
| Capital financing requirement | 93,300 | 72,600 | 79,300 | 80,800 | 82,100 |
| Less: External borrowing | (7,000) | - | - | - | - |
| Internal borrowing | 86,300 | 72,600 | 79,300 | 80,800 | 82,100 |
| Less: Balance sheet resources | (102,400) | (89,200) | (89,200) | (82,000) | (84,100) |
| (Treasury investments) / New borrowing | (16,100) | (16,500) | (9,900) | (1,400) | (2,000) |

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

The Council's current strategy is to maintain borrowing and investments below their underlying levels, known as internal borrowing.

The Council has an increasing CFR over the medium term, due to plans to invest in the capital programme.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 confirms that the Council expects to comply with this recommendation.

Liability benchmark: To compare the Council’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing.

This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £13.0 million at each year-end. This comprises the £10.0 million minimum investment balance that the Council is required to hold at all times (to retain a desired ‘professional’ status when working with financial intermediaries) and an additional £3.0 million liquidity buffer to meet any unexpected cash flow shortfalls.

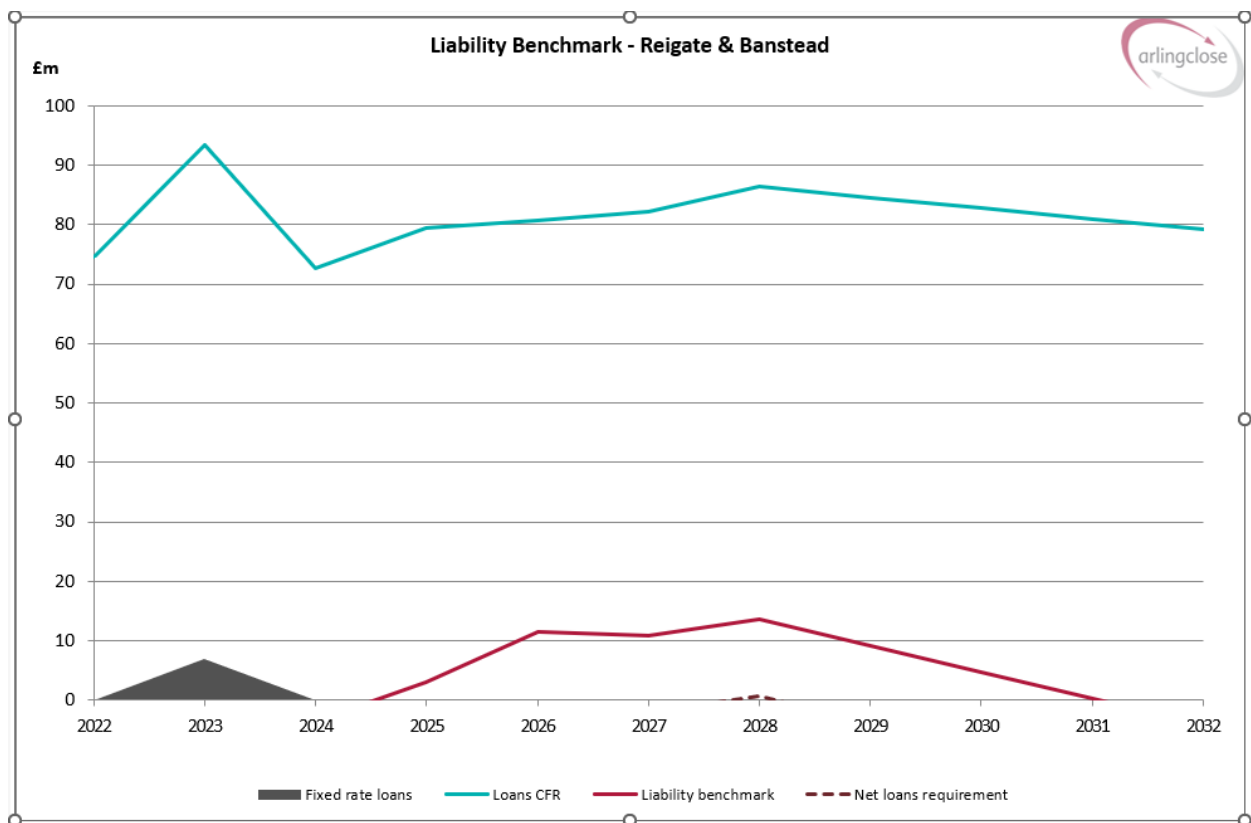
The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and helps shape its strategic focus and decision making.

The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund current capital and revenue plans, while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

| Table 2: Prudential Indicator: Liability benchmark | 31.3.23 Actual | 31.3.24 Estimate | 31.3.25 Forecast | 31.3.26 Forecast | 31.3.27 Forecast |
|---|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| CFR | 93,300 | 72,600 | 79,300 | 80,800 | 82,100 |
| Less: Balance sheet resources | (102,400) | (89,100) | (89,200) | (82,200) | (84,100) |
| Net Loans Requirement | (9,100) | (16,000) | (9,900) | (1,400) | (2,000) |
| Plus: Liquidity allowance | - | 13,000 | 13,000 | 13,000 | 13,000 |
| Liability Benchmark | (9,100) | (3,500) | 3,100 | 11,600 | 11,000 |

The net loans requirement is negative through to 2026/27 meaning the Council is projected to have an investment balance rather than a borrowing need. This becomes a short-term borrowing requirement (indicated by a positive liability benchmark figure) from 2024/25 in order to maintain the £13.0 million minimum liquidity allowance.

Following on from the medium-term forecasts in table 2 above, the ten-year liability benchmark currently assumes no capital expenditure will be funded by borrowing after 2028 and reserves will increase by 2.5%. This is illustrated in the chart below:



The liability benchmark represents the minimum borrowing required to fund the Council’s capital program and maintain minimum balances of £13 million.

The Council is projected to have a minimum borrowing requirement of £3.1 million at 31 March 2025.

A borrowing requirement of £11.6 is expected by 31 March 2026, reducing to £11.0 million by 31 March 2027.

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 £32.4 million.

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

Borrowing Strategy

The Council held a short-term loan of £7.0 million at 31 March 2023.

The liability benchmark forecast in table 2 confirms that the Council is only likely to need to borrow modest amounts for short term periods in the coming year.

The Council may opt to borrow additional sums to pre-fund future years’ requirements, providing this does not exceed the authorised limit for borrowing of £41.0 million.

Objectives: The Council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of costs over the period for which funds are required. Flexibility to renegotiate loans, should the Council's long-term plans change, is a secondary objective.

Strategy: 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.

Short-term borrowing sourced from other local authorities or housing associations is expected to continue to be the most cost-effective borrowing option, but the situation will remain under constant review.

The Council may on occasion arrange forward starting loans, where the interest rate is fixed in advance, but the cash is scheduled to be received at a later point in time.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly *the Public Works Loan Board*)
- UK Infrastructure Bank Ltd
- any institution approved for investments (Table 3 below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except Surrey Pension Fund)
- capital market bond investors
- retail investors via a regulated peer-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans if required.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities.

This is a more complicated source of finance than the PWLB for two reasons:

- borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and
- there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

The Council is unlikely to borrow from this source: if it does any decision to borrow from the Agency will be the subject of a separate report to full Council.

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- similar assets based finance
- sale and leaseback

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

4. Treasury Investment Strategy

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

In the past 12 months, the Council's treasury investment balance has ranged between £13.0 million and £50.8 million.

Objectives: The CIPFA Code requires the Council to invest its treasury 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 aims to be a responsible investor and will consider environmental, social and governance (ESG) factors when investing.

Strategy: New treasury investments will be made primarily to manage day-to-day cash flows using short-term low risk instruments.

The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years and to manage inflation risk by investing usable reserves in instruments whose value rises with inflation.

ESG policy: Environmental, Social and Governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level.

When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the IFRS 9 accounting standard, accounting for certain investments depends on the Council’s “business model” for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

In practice this distinction only applies to tradable investments where repayments are solely of principal and interest (such as bonds, certificates of deposit or Treasury bills): although allowable within the strategy the Council does not expect to use these products in the upcoming year.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

| Table 3: Treasury investment counterparties and limits | | | |
|---|-------------------|---------------------------|---------------------|
| Sector | Time limit | Counterparty limit | Sector limit |
| The UK Government | 50 years | Unlimited | n/a |
| Local authorities & other government entities | 25 years | £10 million | Unlimited |
| Secured investments ¹ | 25 years | £6 million | Unlimited |
| Banks (unsecured) ¹ | 13 months | £6 million | Unlimited |
| Building societies (unsecured) ¹ | 13 months | £3 million | £10 million |
| Registered providers (unsecured) ¹ | 5 years | £3 million | £13 million |
| Money market funds ² | n/a | £10 million | Unlimited |
| Strategic pooled funds | n/a | £2 million | £25 million |
| Real estate investment trusts | n/a | £2 million | £13 million |
| Other investments ¹ | 5 years | £2 million | £5 million |

This table must be read in conjunction with the notes below:

- 1. Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-.

Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

2. **Minimum credit rating (money market funds):** Investment will only be made in money market whose lowest published credit rating is at least AAA.

This refers to the overall rating of the fund rather than the weighted average ratings of the fund's investments.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

Government: Loans to, and bonds and bills issued or guaranteed by, national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to

diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

Operational bank accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than A-. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

The Council's business bank account provider is Lloyds bank plc. It may be necessary to hold liquid funds in the main business account overnight, for example where grant payments are received prior to allocation. Therefore, there is no limit on amounts that can be held with Lloyds. However, the Council monitors its operational accounts on a daily basis, transferring any surplus funds to investment accounts and there for minimising the amount held in the operational bank account at any time.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating

criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be considered when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: The Council's revenue reserves available to cover investment losses are forecast to be £30.9 million on 31 March 2024 and £30.1 million by 31 March 2025. In order that no more than 30.0% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10.0 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Limits are also placed on fund managers, investments in brokers' nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

| Table 4: Additional investment limits | Cash limit |
|---|-------------------------|
| Any group of pooled funds under the same management | £10 million per manager |
| Negotiable instruments held in a broker's nominee account | £13 million per broker |
| Foreign countries | £5 million per country |

Liquidity management: The Council performs regular cashflow forecasts to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

Liquid cash will be spread to optimise access to cash in the event of operational difficulties at any one provider (e.g., bank accounts and money market funds).

5. Treasury Management Prudential Indicators

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

The Council measure its exposure to credit risk by monitoring the overall average credit 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. The 2023/24 level remains one 'notch' above the Council's minimum individual counterparty rating of A-.

| Table 5: Credit risk indicator | Target |
|---------------------------------------|---------------|
| Portfolio average credit | A |

The Council will measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

| Table 6: Liquidity risk indicator | Target |
|--|---------------|
| Total cash available within 3 months | £3.0 million |

Interest rate risk indicator is set to measure the Council's exposure to interest rate risk by monitoring the impact that a 1% rise or fall in interest rates would have on the Council's income.

As the Council's borrowing is expected to be nil or small over the coming year investments will have the predominant impact on this indicatory. This indicator for 2024/25 reflects the expectation that a majority of the Council's treasury investments will not be held at fixed rates of interest.

| Table 8: Interest rate risk indicator | Limit |
|---|-------------------|
| Revenue budget impact of a 1% change in rates | £0.451 million pa |

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

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 borrowing will be:

| Table 9: Refinancing rate risk indicator | Upper limit | Lower limit |
|---|--------------------|--------------------|
| Under 12 months | 100% | 0% |
| 12 months and within 24 months | 100% | 0% |
| 24 months and within 5 years | 100% | 0% |
| 5 years and within 10 years | 100% | 0% |
| 10 years and above | 100% | 0% |

As the Council has relatively modest and short term overall borrowing requirement there is no significant refinancing risk. At present the Council would wish to retain maximum flexibility as to the periods in which it borrows over. The indicator will be kept under review to ensure that it remains suitable.

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.

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 investments will be:

| Table 10: Price risk indicator | 2023/24 | 2024/25 | 2025/26 | No fixed date |
|---|----------------|----------------|----------------|----------------------|
| Limit on principal invested beyond year end | £10.0 million | £10.0 million | £10.0 million | £10.0 million |

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

6. Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the

expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e., those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Finance Officer believes this to be the most appropriate status. The Council is required to have at least £10.0 million in investments at all times in order to maintain profession status.

7. Financial Implications

The budget for investment income in 2024/25 is £0.8 million, based on an average investment portfolio of £18.5 million at an interest rate of 5.02%.

If actual levels of investments and borrowing, or actual interest rates, differ from those forecasts, performance against budget will be correspondingly different.

8. Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer, having consulted the Portfolio holder for Finance & Governance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Table 11: Options Considered

| Alternative | Impact on income and expenditure | Impact on risk management |
|---|--|---|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower | Lower chance of losses from credit related defaults, but any such losses may be greater |
| Invest in a wider range of counterparties and/or for longer times | Interest income will be higher | Increased risk of losses from credit related defaults, but any such losses may be smaller |
| Borrow additional sums at long-term fixed interest rates | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain |
| Borrow short-term or variable loans instead of long-term fixed rates | Debt interest costs will initially be lower | Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain |
| Reduce level of borrowing | Saving on debt interest is likely to exceed lost investment income | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain |

Arlingclose Economic & Interest Rate Forecast December 2023

Underlying assumptions:

- *UK inflation and wage growth remain elevated but have eased over the past two months fuelling rate cuts expectations. Near-term rate cuts remain unlikely, although downside risks will increase as the UK economy likely slides into recession.*
- *The MPC's message remains unchanged as the Committee seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.*
- *Despite some deterioration in activity data, the UK economy remains resilient in the face of tighter monetary policy. Recent data has been soft but mixed; the more timely PMI figures suggest that the services sector is recovering from a weak Q3. Tighter policy will however bear down on domestic and external activity as interest rates bite.*
- *Employment demand is easing. Anecdotal evidence suggests slowing recruitment and pay growth, and we expect unemployment to rise further. As unemployment rises and interest rates remain high, consumer sentiment will deteriorate. Household and business spending will therefore be weak.*
- *Inflation will fall over the next 12 months. The path to the target will not be smooth, with higher energy prices and base effects interrupting the downtrend at times. The MPC's attention will remain on underlying inflation measures and wage data. We believe policy rates will remain at the peak for another 10 months, or until the MPC is comfortable the risk of further 'second-round' effects has diminished.*
- *Maintaining monetary policy in restrictive territory for so long, when the economy is already struggling, will require significant loosening in the future to boost activity.*
- *Global bond yields will remain volatile. Markets are currently running with expectations of near-term US rate cuts, fuelled somewhat unexpectedly by US policymakers themselves. Term premia and bond yields have experienced a marked decline. It would not be a surprise to see a reversal if data points do not support the narrative, but the current 10-year yield appears broadly reflective of a lower medium-term level for Bank Rate.*
- *There is a heightened risk of fiscal policy and/or geo-political events causing substantial volatility in yields.*

Forecast:

- *The MPC held Bank Rate at 5.25% in December. We believe this is the peak for Bank Rate.*

- The MPC will cut rates in the medium term to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. We see rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.
- The immediate risks around Bank Rate have become more balanced, due to the weakening UK economy and dampening effects on inflation. This shifts to the downside in the short term as the economy weakens.
- Long-term gilt yields are now substantially lower. Arlingclose expects yields to be flat from here over the short-term reflecting medium term Bank Rate forecasts. Periodic volatility is likely.

| | Current | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 | Mar-26 | Jun-26 | Sep-26 |
|----------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.00 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 |
| Central Case | 5.25 | 5.25 | 5.25 | 5.25 | 5.00 | 4.75 | 4.25 | 4.00 | 3.75 | 3.50 | 3.25 | 3.00 | 3.00 |
| Downside risk | 0.00 | 0.00 | -0.25 | -0.50 | -0.75 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 3-month money market rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.00 | 0.25 | 0.25 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.75 | 0.75 | 1.00 | 1.00 |
| Central Case | 5.40 | 5.40 | 5.40 | 5.30 | 5.15 | 4.80 | 4.30 | 4.10 | 3.80 | 3.50 | 3.25 | 3.05 | 3.05 |
| Downside risk | 0.00 | 0.00 | -0.25 | -0.50 | -0.75 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 5yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 3.77 | 3.75 | 3.75 | 3.75 | 3.70 | 3.60 | 3.50 | 3.50 | 3.40 | 3.30 | 3.30 | 3.30 | 3.35 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 10yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 0.85 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 3.72 | 3.75 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.80 | 3.75 | 3.65 | 3.60 | 3.65 | 3.70 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 20yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 0.85 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 4.16 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.20 | 4.25 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |
| 50yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.25 | 0.75 | 0.85 | 0.85 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Central Case | 3.76 | 3.80 | 3.85 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.95 | 3.95 | 3.95 |
| Downside risk | 0.00 | -0.25 | -0.75 | -0.85 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 | -1.00 |

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

INVESTMENT STRATEGY

2024/25

March 2024

1. Introduction

The Council invests its cash for three broad purposes:

- (i) because it has surplus funds as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**);
- (ii) to support local public services by lending to or buying shares in other organisations (**service investments**); and
- (iii) to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018.

2. Treasury Management Investments

The Council typically receives its income (e.g. from taxes and grants) before it pays for its expenditure (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government.

These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.

The balance of the Council's treasury management investments is expected to fluctuate between £13.0m and £32.4m during the 2024/25 financial year.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: The Council's policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the treasury management strategy, at Annex 1.

3. Service Investments: Loans

Contribution: The Council lends money to its subsidiaries to support local public services and stimulate local economic growth. The largest loan currently is to a Council Subsidiary to provide a vehicle for economic regeneration to support corporate objectives.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

| Table 1: Loans for service purposes | 31.3.2024 Estimated 2023/24 | | | 2024/25 |
|-------------------------------------|-----------------------------------|----------------|---------------------------------|----------------|
| | Balance Owing | Loss Allowance | Net Balance In Council Accounts | Approved Limit |
| Category of borrower | £000 | £000 | £000 | £000m |
| Subsidiary ¹ | 13,258 | (3,880) | 9,378 | 13,258 |
| TOTAL | 13,258 | (3,880) | 9,378 | 13,258 |

Note 1 Greensand Holdings Limited

Loss allowance: Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses and mitigates the risk of loss before entering into and whilst holding service loans by:

- Assessing the markets in which the Council is looking to invest, to ascertain why the market is currently not delivering the outcomes the Council requires through its Corporate Objectives. If this is due to financial reasons the Council will then assess whether a service loan would provide the means to achieve the desired outcome.
- Upon determining that a service loan may be required, the Council will then seek external advice where necessary, this will include the use of external legal, financial and tax advice as appropriate.
- A credit check and analysis of the beneficiary's financial statements will also be carried out to determine their financial strength. Loans will only be entered into should the beneficiary be of a suitable strength, and additional security may be sought, for instance, through a charge on land, should the Council require this.
- In order to ensure the objectives of the Council are delivered, the terms of the loan may oblige the borrower to meet certain criteria, for instance to provide additional affordable housing on a housing development.
- Where possible, the Council will also place a representative on the board of the project, in order to ensure effective on-going monitoring of the project is maintained; and

- Once the loan has been made, the Council will continue to monitor credit ratings and financial statements of the beneficiary to ensure loss adjustments can be made accurately and in a timely manner should the beneficiary's credit rating or financial performance decrease.

4. Service Investments: Shares

Contribution: The Council invests in the shares of its subsidiaries to support local public services and stimulate local economic growth.

The Council has a 10% share in Pathway for Care Limited: a supported living company that provides housing and care to people with complex health needs. In January 2024 the company was placed into administration.

Security: Shares can fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

| Table 2: Shares held for service purposes | 31.3.2023 Estimated value | | | 2024/25 |
|---|------------------------------|-----------------|--------------------------------|----------------|
| | Amounts Invested | Gains Or Losses | Value In Accounts ¹ | Approved Limit |
| Category of company | £000 | £000 | £000 | £000 |
| Subsidiaries | 1,100 | - | 1,100 | 1,100 |
| TOTAL | 1,100 | - | 1,100 | 1,100 |

Note 1: Before provision for credit loss.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding shares by:

- Assessing the markets in which the Council is looking to invest, to ascertain why the market is currently not delivering the outcomes the Council requires through its Corporate Objectives. If this is due to financial reasons the Council will then assess whether a service loan would provide the means to achieve the desired outcome;
- A credit check and analysis of the beneficiary's financial statements will also be carried out to determine their financial strength. Shares will only be bought if the beneficiary is of a suitable strength, and additional security may be sought, for instance, through a charge on land, should the Council require this; and
- In order to ensure the objectives of the Council are delivered, the terms of the agreement may oblige the company to meet certain criteria, as the council has significant influence.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government

guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments.

The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5. Commercial Investments: Property

The Department for Levelling Up, Housing and Communities defines property to be an investment if it is held primarily or partially to generate a profit.

Contribution: The Council has invested in local commercial and residential property with the primary intention for regeneration and housing development either directly or indirectly within the wider region by providing additional income that is then spent on regeneration, economy and housing within the local area.

Properties that fall into the investment asset category are listed in the table below.

| Table 3: Property held for investment purposes | Actual | 31.3.2023 | | 31.3.2024 | |
|--|---------------|-------------------|-----------------|-------------------|-----------------|
| | Purchase Cost | Gains or (Losses) | Estimated Value | Gains or (Losses) | Estimated Value |
| Property | £000 | £000 | £000 | £000 | £000 |
| Units 1-5 Redhill Distribution Centre, Salbrook Road, Salfords RH1 5DY | 15,903 | (973) | 15,882 | (1,387) | 14,495 |
| Regent House, 1-3 Queensway, Redhill, RH1 1QT | 16,313 | (450) | 11,983 | (1,074) | 10,903 |
| Forum House, 41-51 Brighton Road, Redhill RH1 6YS | 6,067 | (170) | 5,072 | (980) | 4,092 |
| Beech House, 35 London Road, Reigate RH2 9PZ | 6,305 | (122) | 3,789 | (923) | 2,866 |
| 55-57, 59, 61 & 63 Victoria Road, Horley RH6 7QH | 1,135 | (22) | 1,019 | (50) | 969 |
| TOTAL | 45,725 | (1,737) | 37,745 | (4,414) | 33,331 |

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than the debt currently outstanding for the asset. The Council did not borrow to fund the above assets and is not expected to require significant borrowing for them in future. Therefore, the Council is content that the properties meet the definition of being secure.

The condition of the Council's property portfolio is closely monitored by the Property Services Team, and the cost of maintaining the buildings is covered by the approved maintenance budget.

Asset values are reviewed by an independent valuer on a regular basis, investments properties valuations are carried out annually.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The Council recognised that these assets are illiquid and therefore ensures that adequate cash is available in other more liquid investments in order to meet short term cash flow needs.

6. Proportionality

Whilst the Council is dependent on some profit generating investment activity from treasury management and commercial property investments to achieve a balanced revenue budget, this amounts to less than 1% of the overall gross revenue budget and therefore is considered proportionate.

The assumptions around profit-generating investment activity are reviewed as part of the annual budget monitoring process and, if necessary, revised as part of the following year's budget forecasts.

7. Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed.

The Council is not planning to borrow in advance of need purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward-approved CFR estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

8. Capacity, Skills and Culture

Elected Members and officers:

The Council arranges annual training for Members on Treasury Management and the current borrowing and investment environment; the most recent training took place in March 2024 led by the Council's treasury advisers and the Finance team. Participants are encouraged to ask questions to further their understanding of the approach to decision-making for both investments and borrowing. Further briefings may be arranged in consultation with lead Members.

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions.

Where Council officers do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective and practical than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Commercial deals: Officers with relevant professional disciplines are involved in negotiating such arrangements and are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate and considerable due diligence is undertaken in all instances. Alongside the internal teams the Council also uses, where appropriate, external advisors to complete due diligence processes.

Corporate governance: All decisions regarding new loans or investments of this nature are considered by the Chief Finance Officer before being recommended for approval at Council. Reports to Members will have been through a fully costed business case that includes any investment/loan requirements and financial/risk implications. A significant amount of due diligence work is undertaken in each case to ensure that business cases are robust.

9. Investment Indicators

The Council has set quantitative indicators to allow Members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down.

| Table 4: Total investment exposure | 31.03.2023 Estimated | 31.03.2024 Estimated | 31.03.2025 Forecast |
|---|---------------------------------|---------------------------------|--------------------------------|
| Total investment exposure | £000 | £000 | £000 |
| Treasury management investments | 16,000 | 16,500 | 13,000 |
| Service investments: Loans | 8,982 | 9,378 | 6,633 |
| Service investments: Shares (at cost) | 1,100 | 1,100 | 1,100 |
| Commercial investments: Property | 37,745 | 33,331 | 29,433 |
| TOTAL INVESTMENTS | 63,827 | 60,309 | 50,166 |
| Commitments to lend | - | 652 | 656 |

| Table 4: Total investment exposure | 31.03.2023 Estimated | 31.03.2024 Estimated | 31.03.2025 Forecast |
|---|---------------------------------|---------------------------------|--------------------------------|
| Total investment exposure | £000 | £000 | £000 |
| TOTAL EXPOSURE | 63,827 | 60,961 | 50,822 |

How investments are funded: Government guidance is that these indicators should include information about how investments are funded.

Since the Council does not normally associate particular assets with particular liabilities, this guidance is not straightforward to comply with. To date these investments have been funded by usable reserves and income received in advance of expenditure. It is planned that this approach will continue in the medium term as internal resources allow.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested.

Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

| Table 5: Investment rate of return (net of all costs) | | | |
|--|---------------------------|-----------------------------|-----------------------------|
| | 2022/23 Actual | 2023/24 Forecast | 2024/25 Forecast |
| Investments net rate of return | | | |
| Treasury management investments | 2.21% | 2.49% | 2..36% |
| Service investments: Loans | 2.69% | 2.55% | 2.42% |
| Service investments: Shares | - | - | - |
| Commercial investments: Property | 5.92% | 5.66% | 5.41% |

The indicators used to report on the risks and opportunities associated with investment decisions will be kept under review as the Council's Investment Strategy and activities evolve over time.

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CAPITAL STRATEGY

2024/25

March 2024

1. Introduction

This capital strategy report sets out a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

2. Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2024/25, the Council is planning capital expenditure of £16.05 million as summarised below:

| Table 1: Prudential Indicator: Estimates of Capital Expenditure | 2022/23 actual | 2023/24 forecast | 2024/25 budget | 2025/26 budget | 2026/27 budget |
|---|----------------|------------------|----------------|----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 |
| Capital Programme 2024/25 to 2028/29 | 21,156 | 4,339 | 10,241 | 3,938 | 4,856 |
| Other fully-funded schemes ¹ | - | 6,434 | 5,807 | 2,727 | - |
| TOTAL | 21,156 | 10,773 | 16,048 | 6,665 | 4,856 |

1. Schemes approved by Executive in March 2023 that are to be funded through the Community Infrastructure Levy (CIL).

Setting the Capital programme: Service Teams bid to include projects in the Capital Programme as part of the service & financial planning process in preparation for setting the Revenue Budget and Capital Programme and refreshing the Medium-Term Financial Plan each year.

The Management Team appraises all bids and makes recommendations to the Executive. The final Capital Programme is then presented to Executive and to Council

for approval by 12 March each year. Additional capital requirements and opportunities identified through the year are considered on their merits in line with the above governance controls. Any in year changes to the capital budget will be made in accordance with the constitution, including appropriate approval by Executive and Council.

All capital expenditure must be financed, either from external sources (such as government grants, section 106, community infrastructure levy and other contributions), the Council's own resources (revenue contributions, reserves and capital receipts) or borrowing.

The planned financing of the above expenditure is as follows:

| Table 2: Capital financing | 2022/23 actual | 2023/24 forecast | 2024/25 budget | 2025/26 budget | 2026/27 budget |
|-------------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Grants & Contributions | 4,414 | 8,578 | 2,600 | 1,520 | 1,700 |
| Capital Receipts – received in year | - | 35,000 | - | - | - |
| Capital Receipts Reserve | - | 3,655 | - | - | - |
| Revenue Resources | 124 | 809 | - | - | - |
| Debt | 16,618 | (37,269) | 13,488 | 5,145 | 3,156 |
| TOTAL | 21,156 | 10,773 | 16,048 | 6,665 | 4,856 |

The Council's total outstanding borrowing is measured by the capital financing requirement (CFR). This increases with any new capital expenditure financed by borrowing and reduces with any minimum revenue provision (MRP) payments or any use of capital receipts to replace borrowing.

The Council approves the MRP policy each year as part of the Annual Treasury Management Strategy.

| Table 3: Replacement of prior years' debt finance | 2022/23 actual | 2023/24 forecast | 2024/25 budget | 2025/26 budget | 2026/27 budget |
|--|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Minimum revenue provision (MRP) | 584 | 629 | 1,038 | 1,054 | 1,060 |
| Capital receipts | - | 35,000 | - | - | - |
| TOTAL | 584 | 35,629 | 1,038 | 1,054 | 1,060 |

The Minimum Revenue Provision Policy is set out at Appendix 1.

The CFR is expected to reduce by £1.0 million during 2024/25. Based on the above figures for expenditure and financing, the Council's forecast CFR is as follows:

| Table 4: Prudential Indicator: Estimates of Capital Financing Requirement | 31.3.2023 Actual | 31.3.2024 Forecast | 31.3.2025 Budget | 31.3.2026 Budget | 31.3.2027 Budget |
|---|------------------|--------------------|------------------|------------------|------------------|
| | £000 | £000 | £000 | £000 | £000 |
| TOTAL CFR | 93,300 | 72,600 | 79,300 | 80,800 | 82,100 |

Asset management: To ensure that capital assets continue to be of long-term use, the Council has an Asset Management Strategy in place. This Strategy is used to identify opportunities to expand the Council's property assets or dispose of surplus assets where appropriate.

It also allows for a review of the state of repair of assets and provides the basis for recommending a rolling investment programme in property assets to maintain and enhance the income derived from them.

The Council's Asset Management Strategy is summarised at Appendix 3.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt.

Repayments of capital grants, loans and investments also generate capital receipts.

There are currently no plans for significant capital receipts to be received in 2024/25 or 2025/26.

The Council's Flexible Use of Capital Receipts Strategy is set out at Appendix 2.

3. Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

This Council is typically cash rich in the short-term as revenue income is received before it is used. Revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing. At 31 March 2024 the Council had no loans.

Borrowing strategy: The Council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future.

The Council has historically been largely debt free but has borrowed on a temporary basis to fund short term cash flow shortfalls. As the Council has a modest and relatively short-lived expected future borrowing requirement short term borrowing is expected to continue to be the most cost-effective option.

The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board if needed.

Projected levels for total outstanding debt (which comprises borrowing) are shown below, compared with the capital financing requirement.

| Table 5: Prudential Indicator: Gross Debt and the Capital Financing Requirement | 31.3.2023 Actual | 31.3.2024 Forecast | 31.3.2025 Budget | 31.3.2026 Budget | 31.3.2027 Budget |
|--|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Debt | 7,000 | - | - | - | - |
| Capital Financing Requirement | 93,300 | 72,600 | 79,300 | 80,800 | 82,100 |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the table above, the Council expects to comply with this in the medium term.

Liability Benchmark: To compare the Council's actual borrowing against an alternative strategy, a Liability Benchmark has been calculated showing the lowest risk level of borrowing.

This assumes that cash and investment balances are kept to a minimum level of £13.0 million at each year-end.

The benchmark currently shows the Council does expect to borrow by 31 March 2024. A borrowing need of £3.1 million is forecast 31 March 2025, increasing to £11.0 million by 31 March 2027.

The Council plans to borrow at or as near as possible to the Liability Benchmark in future as is illustrated by the table below.

| Table 6: Borrowing and the Liability Benchmark | 31.3.2023 actual | 31.3.2024 actual | 31.3.2025 budget | 31.3.2026 budget | 31.3.2027 budget |
|--|------------------|------------------|------------------|------------------|------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Outstanding/ estimated borrowing | 7,000 | - | - | - | - |
| Liability benchmark | (9,000) | (3,500) | 3,100 | 11,600 | 11,000 |

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

| Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt | 2023/24 limit | 2024/25 limit | 2025/26 limit | 2026/27 limit |
|---|---------------|---------------|---------------|---------------|
| | £000 | £000 | £000 | £000 |
| Authorised limit – borrowing | 40,000 | 41,000 | 42,000 | 43,000 |
| Operational boundary – borrowing | 35,000 | 36,000 | 37,000 | 38,000 |

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns.

Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality money market funds and banks, to minimise the risk of loss, the Council may request its money back at short notice.

| Table 8: Treasury management investments | 31.3.2023 actual | 31.3.2024 forecast | 31.3.2025 budget | 31.3.2026 budget | 31.3.2027 budget |
|--|------------------|--------------------|------------------|------------------|------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Near-term investments | 6,100 | 6,500 | 3,000 | 3,000 | 3,000 |
| Longer-term investments | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| TOTAL | 16,100 | 16,500 | 13,000 | 13,000 | 13,000 |

The Council is required to have at least £10 million in investments at all times to retain a desired professional status when working with financial intermediaries. As this is a constant requirement that remains indefinitely it is considered a long-term investment balance, although it may be invested in short-term products.

Risk management: The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

In managing the overall programme of investment there are inherent risks associated such as changes in interest rates, credit risk of counter parties.

Accordingly, the Council will ensure that robust due diligence procedures cover all external capital investment. Where possible contingency plans will be identified at the outset and enacted when appropriate.

No project or investment will be approved where the level of risk - determined by the Council or Chief Finance Officer, as appropriate - is unacceptable.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and Finance staff, who must act in line with the Treasury Management Strategy approved by Council.

Quarterly reports on treasury management activity are presented to the Overview & Scrutiny Committee and Executive.

4. Investments for Service Purposes

The Council makes investments to assist local public services, to stimulate local economic growth.

The largest loan currently is to a Council subsidiary to provide a vehicle for both the delivery of housing and infrastructure to seek to meet the corporate objectives of the Council.

Total property investments are currently valued at £33.3 million with the largest being the Redhill Distribution Centre which provides a net return after costs of 5.41%.

Risk management: The Council is exposed to a range of risks with regard to the continued affordability and delivery of it's the Capital Programme including:

- Financial risks related to the investment of the Council's assets, cash flow and market volatility;
- Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy;
- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception; and

- Governance risks related to ensuring that prudence and careful consideration are prominent in the Council's decision-making.

Due diligence is undertaken on acquisitions and external advice is sought wherever necessary.

When making decisions - particularly around assets which generate a return - due diligence processes include second opinion on asset values, site visits, surveys and market intelligence. They also include risk analysis and sensitivity analysis in order to model how affordability is impacted by stress testing key underlying assumptions. Consideration is also made to the profile of the Council's asset base - and how effectively risk is spread across different asset types and sectors.

Governance: The Overview & Scrutiny Committee is responsible for scrutiny and governance of Treasury Management. It reviews the Treasury Management Strategy, and all Treasury Management reports. The Capital Programme is monitored by the Overview & Scrutiny Committee and the Executive as well as receiving all Treasury Management reports. Council approves the Treasury Management Strategy each year along with quarterly performance updates. The Chief Finance Officer is responsible for ensuring that adequate due diligence is carried out before investment is made.

Service teams bid to include projects in the Capital Programme as part of the service & financial planning process in preparation for setting the Revenue Budget and Capital Programme and updating the Medium-Term Financial Plan each year.

The officer Management Team appraises all bids and makes recommendations to the Executive. The recommended Capital Programme is then presented to Executive and to Council for approval by March each year.

Additional capital requirements and opportunities identified through the year are considered on their merits in line with the above governance controls. Any in year changes to the capital budget will be made in accordance with the constitution, including appropriate approval by Executive and/or Council. Due diligence is undertaken on acquisitions and external advice is sought wherever necessary.

| Table 9: Prudential indicator: Net income from commercial and service investments to net revenue stream | 2022/23 Actual | 2023/24 Forecast | 2024/25 Budget | 2025/26 Budget | 2026/27 Budget |
|--|-----------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Total net income from service and commercial investments - £000s | 2,013 | 2,037 | 2,343 | 2,694 | 3,098 |
| Proportion of net revenue stream - % | 13.52% | 9.18% | 10.55% | 12.14% | 13.96% |

5. Liabilities

The Council is committed to making future payments to cover its pension fund deficit valued at £1.89 million and has made provisions to cover risks such as insurance claims.

Governance: Decisions on incurring new discretionary liabilities are taken by service managers in consultation with the Chief Finance Officer.

The risk of liabilities crystallising and requiring payment is monitored by the Corporate Governance Group and reported quarterly to the Overview & Scrutiny Committee and the Executive.

6. Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e., the amount funded from council tax, business rates and general government grants.

| Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream | 2022/23 Actual | 2023/24 Actual | 2024/25 Budget | 2025/26 Budget | 2026/27 Budget |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Financing costs – in £000 | 607 | 788 | 1,820 | 1,852 | 1,874 |
| Proportion of net revenue stream | 4.08% | 3.55% | 8.20% | 8.34% | 8.44% |

Sustainability: The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable because only modest amount of short-term borrowing is expected over a short-term period, and only modest MRP costs are expected over a more extended period.

7. Knowledge and Skills

The Finance Team has responsibility for preparing and on-going management of the capital and treasury management strategies and Capital Programme. The team is staffed by professionally qualified accountants with extensive local government finance experience. Team members attend all relevant training courses, workshops and events to ensure that their knowledge and skills are up to date and the Council is in a position to address all new technical developments.

Overall responsibility for capital and treasury activities lies with the Council's Chief Finance Officer who, in accordance with statute, is professionally qualified and is suitably experienced to hold the post.

The Council provides training to Members on an annual basis, which is delivered by Council Officers and external advisors. Members are updated on developments and any issues of significance throughout the year with information presented to the Overview & Scrutiny Committee, Audit Committee, Executive and at Member briefings.

The Council uses Arlingclose Limited, as its external Treasury Management advisors and recognises that that it is essential to engage with external providers of expertise in order to acquire access to specialist skills and resources. When looking at commercial activity transactions, officers from relevant professional disciplines from across the Council are involved in conducting due diligence exercises.

Alongside the internal resources the Council also uses, where appropriate, external advisors to complete the due diligence process.

Minimum Revenue Provision (MRP) Policy

1. The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the MRP). It is also allowed to undertake additional voluntary payments if required (Voluntary Revenue Provision - VRP).
2. MHCLG regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision.
3. Council is recommended to approve the following MRP Statement for 2024/25:

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the Minimum Revenue Policy will be the Asset life method – MRP will be based on the estimated life of the assets, in accordance with the regulations and will be set aside in the year after the asset becomes operational. This will be a combination of the annuity method and straight-line method:

- Operational land and buildings - 50 years annuity method;
- Investment Properties - 50 years annuity method;
- General Fund Housing - 50 years straight line method;
- Infrastructure - 50 years straight line method;
- Plant and Equipment - 30 years straight line method;
- ICT- 5 years straight line method; and
- Vehicles - 8 years straight line method.

MRP on Capital Loans and Share Capital.

4. Under local authority capital accounting regulations loans to third parties for capital purposes and share capital are deemed to be capital expenditure of the authority. The Council has made loans to its companies (Greensand Holdings Limited and holds share capital in Pathway for Care Limited).
5. The Capital Financing Requirement (CFR) includes the value of the loans and investments (share capital). Funds repaid by the companies will be classed as capital receipts and offset against the CFR, which will reduce accordingly.
6. The repayments of principal will be set aside as capital receipts to finance the initial capital advance in lieu of making MRP. Also, an expected credit loss was recognised where deemed applicable.

7. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.

MRP Overpayments.

8. MHCLG Guidance includes the provision that any MRP charges made over the statutory minimum may be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed, the MRP policy must disclose the cumulative overpayment made each year.
9. There are currently no plans to make any Voluntary Revenue Provision (VRP) payments or general MRP overpayments in 2024/25.

MRP Consultation and other changes

10. The Statutory Guidance on MRP has been amended to extend the treatment previously expected for finance leases to all leases. More information around IFRS 16 Implementation of IFRS 16 is detailed at Appendix 4.
11. The MRP charge for the year should be the element of the rent that goes to write down the lease liabilities. As this is generally the only element of the rent that has not already been charged to revenue, it is basically an instruction for the total charge to the General Fund Balance to equal the rents payable for the year.
12. On 21 December 2023 the government issued a further consultation document on proposed changes to the MRP Regulations building on the consultations carried out from November 2021 to February 2022 and June to July 2022 on proposals to strengthen the duty to make MRP with the objective of eradicating imprudent MRP policies relating to investment properties, capital loans and abatement by capital receipts. The latest proposed draft regulations remain substantively the same as previously consulted on in the June-July 2022 consultation, with some minor changes to reflect responses. This consultation closed on 16 February 2024 with the proposed revised regulations due to come into effect from 1 April 2024.
13. The revised regulations provide that:

- Capital receipts may not be used in place of the revenue charge for MRP;
 - Prudent MRP must be determined with respect to the authority's total Capital Financing Requirement; and
 - Capital loans can be excluded from the MRP requirement (if they are not made for commercial reasons) but a charge must be made for expected credit losses.
14. There are no substantive changes to the regulations, therefore the Council's current MRP policy remains in line with them.

Flexible Use of Capital Receipts Strategy

The Department for Levelling up, Housing and Communities (DLUHC) has confirmed the extension for the use of capital receipts to fund the revenue costs of transformation.

The flexible use of capital receipts is designed to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.

In order to take advantage of the change of use to capital receipts, the Council must act in accordance with the statutory guidance issued by the Secretary of State. This guidance requires the Council to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy.

Qualifying expenditure.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

Projects

There are currently no projects in place that plan to make use of the capital receipts flexibility. Should this change, details of the expected savings/service transformation will be provided to full Council alongside the impact on the Council's Prudential Indicators.

Asset Management

Management of the Council's property maintenance programme, condition surveys and project management of small to medium size construction projects is carried out by the Property Services team. This team incorporates Facilities Management, with responsibility for the day to day running of the buildings to support and enable ongoing service delivery. The team is augmented by external consultants when specialist advice or additional resources are required.

Compliance with numerous statutory requirements relating to maintenance and management of properties are dealt with in-house, augmented by external consultants when specialist advice is required. The main legislative areas covered are:

- Disability Discrimination Act;
- Control of Asbestos Regulations;
- Health and Safety at Work Act;
- Environment Protection Act (contaminated land);
- Control of Substances Hazardous to Health Regulations (Legionella);
- The Regulatory Reform (Fire Safety) Orders;
- Gas safety and fixed wire testing;
- Fire risk assessments; and
- Lifts and Lifting Operations Lifting Equipment Regulations (LOLER).

Health and Safety schedules have been checked and updated, with all due inspections and certifications in hand.

A rolling five-year programme of condition surveys, regular inspection of the properties and liaison with service managers determines the revenue and capital budgets required over the medium term.

The objective is to reduce reliance on capital to fund planned and reactive maintenance, through continued aggregation of planned maintenance contracts and efficient re tendering of services that the Council purchases from external contractors.

Budgets for, and the cost of, repairs and maintenance are split between planned maintenance and reactive maintenance in order to monitor and measure the progress of improving the proportion of expenditure on the former at the expense of the latter.

All procurements are undertaken in accordance with the Council's Contract Procedure Rules and making use of the Council's E-Procurement system. This approach ensures both compliance with legislation governing public sector procurement and an open and competitive process for securing the most economically advantageous terms.

Implementation of IFRS16: Leases

From 1 April 2024 the accounting standard which sets out guidelines for accounting for leases changes from IAS (International Accounting Standard) 17 to IFRS (International Financial Reporting Standard) 16.

From this date the way the Council accounts for the assets that it leases will change.

The definition of a lease has been adapted for the public sector as being '*a contract, or part of a contract, that conveys the right to use an asset for a period of time.*'

Adoption of IFRS16 will bring additional lease liabilities on to the balance sheet (e.g. right of use, embedded, rolling and peppercorn leases) which will have an impact on the Council's Prudential Indicators, including the Capital Financing Requirement (CFR), Minimum Revenue Provision (MRP), Authorised Borrowing Limit and Operational Boundary for Borrowing.

When a leased asset is recognised in the balance sheet a corresponding liability will then be created, representing the obligation to make lease payments for the life of the contract.

When lease payments are made, rather than being reported as an expense against a service, the cost will be split between paying off the liability and interest payments.

The leased asset will be depreciated in the same way as similar assets of that class, usually over the life of the lease, unless the asset's useful life is shorter.

Agenda Item 6



| | |
|-------------------------|---|
| Signed off by | Head of Corporate Policy, Projects and Performance |
| Author | Catherine Rose, Head of Corporate Policy |
| Telephone | Tel: 01737 276766 |
| Email | Catherine.Rose@reigate-banstead.gov.uk |
| To | Overview & Scrutiny Committee Executive |
| Date | Thursday 14 March 2024 Thursday 21 March 2024 |
| Executive Member | Portfolio Holder for Environment and Sustainability |

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

| | |
|----------------|---|
| Subject | Review of the Council's Environmental Sustainability Strategy |
|----------------|---|

| |
|---|
| Recommendations |
| <p>That the Overview & Scrutiny Committee:</p> <p>(i) Notes the findings of the Environmental Sustainability Strategy Scrutiny Panel, the officer responses at Annex 3, and the revised Environmental Sustainability Strategy at Annex 1 and Action Plan at Annex 2, and make any observations to the Executive</p> <p>That the Executive:</p> <p>(i) Approve the revised Environmental Sustainability Strategy at Annex 1 and Action Plan at Annex 2</p> <p>(ii) Authorises the Head of Service for Corporate Policy, Projects & Performance in consultation with the Portfolio Holder for Environment & Sustainability to make minor typographical or factual amendments prior to publication of the Strategy on the Council's website</p> |
| Reasons for Recommendations |

Agenda Item 6

To ensure that the Council continues to have an up-to-date Environmental Sustainability Strategy and Action Plan to set the framework for delivery, supporting the Executive's recently reaffirmed statement that urgent action is needed on climate change and nature recovery.

Executive Summary

In September 2023, the Executive agreed that officers should commence a light-touch review of the Council's 2020 Environmental Sustainability (ES) Strategy to ensure it remains up-to-date.

The proposed revised ES Strategy and Action Plan are included at Annexes 1 and 2 of this report.

The Strategy has been revised with factual and contextual updates. New content has also been added - clarifying the scope of the Strategy and the scope of the Council's organisational net zero target; incorporating a new theme focusing on Climate Adaptation and Resilience; and providing more information on preparing for reporting Scope 3 carbon emissions and carbon offsetting.

The Strategy vision and Council's net zero targets remain unchanged, and the original four themes of Energy and Carbon, Low Impact Consumption, the Natural Environment and Effective Implementation have been retained.

The Action Plan has been fully reviewed and refreshed, to include 91 new actions across the five themes. The format of the Action Plan has also been updated, to include more information about who is responsible for delivery and how (in general terms) actions will be funded.

A draft version of the ES Strategy and Action Plan were considered by a specially constituted Environmental Sustainability Strategy Scrutiny Panel on 12th February 2024. The minutes from the Panel are provided for the O&S Committee. The comments of the Panel have been reflected upon, with Annex 3 of this report providing more information about specific suggestions from the Panel and how each has been responded to.

Combined, the 'Council-level' actions will reduce our fleet emissions to less than 10% of our vehicle emissions baseline and deliver considerable reductions in carbon emissions from our buildings; however at 2030 there will be some residual emissions that will need to be offset. This is consistent with our net zero aim.

The 'Borough-level' actions recognise the role the Council has to play in working with other public bodies and partners to improve the environmental sustainability of the borough as a whole, moving us towards a net zero borough in by 2050. Many of these actions also deliver wider benefits for residents such as financial savings and improved health and wellbeing.

Information about budgetary provision for environmental sustainability activity is detailed at paragraphs 45-49 of the report.

Subject to agreement of the revised ES Strategy and Action Plan by the Executive, it will be published on the Council website. Annual progress reports will continue to be provided to the Overview & Scrutiny and Executive Committees.

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 2021² provides the legal framework relating to environmental protection.

Background

3. The Council adopted its first Environmental Sustainability (ES) Strategy in late Summer 2020, accompanied by an Action Plan and some Performance Indicators. This Strategy and associated documents are available to view online³.
4. Following adoption of the Strategy, a small Sustainability Team was appointed to help facilitate the delivery of the Strategy, with progress reports being provided annually to the Overview & Scrutiny Committee and the Executive. These progress reports are available on the Modern.Gov website with the latest annual report being provided to the Executive in September 2023⁴.
5. A commitment was made to review the ES Strategy after it had been in place for three years. In September 2023, the Executive therefore agreed that officers should commence a light-touch review of the current Strategy and Action Plan to ensure they remained up to date.
6. In October 2023, the Overview & Scrutiny (O&S) Committee agreed to convene an Environmental Sustainability Strategy Scrutiny Panel (the ESSS Panel) to review the proposed updates to the Strategy. The Scrutiny Panel met on 12 February 2024 to consider a draft version of the revised Strategy and Action Plan. The minutes from its meeting are included for O&S Committee members.
7. Following the ESSS Panel meeting, the updated ES Strategy and Action Plan have been finalised and are included at Annexes 1 and 2 for consideration by the Overview & Scrutiny Committee and for agreement by the Executive.

Key Information

SCOPE OF THE REVIEW

8. As described in papers to the O&S Committee and the Executive in September 2023, the overall purpose of the Strategy review has been “to reflect progress and build on the collective knowledge gained since the Strategy was drafted in 2020, whilst [also] reflecting the changing legislative, technical and policy landscape.”
9. Consistent with the approach set out to members, the review has been a ‘light touch’ one, retaining the Strategy vision, objectives and net zero targets, while developing

¹ [Climate Change Act 2008 \(legislation.gov.uk\)](https://legislation.gov.uk)

² [Environment Act 2021 \(legislation.gov.uk\)](https://legislation.gov.uk)

³ [Our approach to environmental sustainability | Our approach to environmental sustainability | Reigate and Banstead \(reigate-banstead.gov.uk\)](https://reigate-banstead.gov.uk)

⁴ [Agenda for Executive on Thursday, 14th September 2023, 7.30 pm | Reigate and Banstead Borough Council \(moderngov.co.uk\)](https://moderngov.co.uk)

Agenda Item 6

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

10. The review of the ES Strategy has also provided the opportunity to incorporate improvements identified in the 2023 Internal Audit into the current 2020 Strategy, (which concluded with an Opinion of Reasonable Assurance⁵).

HOW THE REVIEW WAS UNDERTAKEN

11. The original ES Strategy was developed for the Council by consultancy firm Waterman. This three-year review has been undertaken 'in-house' by the Council's Sustainability Team.
12. The review has included engagement with the Council's officer-level Sustainability Steering Group, service areas and staff across the organisation, local interest groups and residents attending local events and community locations. Views and input have also been sought from members (via a workshop and online survey), the Cross Party Member Sustainability Group and from partner organisations. A fuller report of the engagement that has taken place is included at Annex 5.

FINDINGS FROM THE ES STRATEGY SCRUTINY PANEL

13. As noted above, the ESSS Panel was convened to review the revised draft Strategy and Action Plan.
14. The Panel asked a wide range of questions, as well as making observations and some specific suggestions about how the Strategy and Action Plan could be amended.
15. Where the Panel made specific suggestions about how the documents provided could be amended (rather than questions or observations), these have been considered individually in finalising the Strategy and Action Plan now attached at Annexes 1 and 2. A schedule of how each Panel suggestion has been responded is included at Annex 3.
16. One of the main observations from the Panel related to ensuring that progress in delivering the Action Plan could be clearly tracked and reported on, through inclusion of meaningful timeframes, performance indicators and, as appropriate, milestones or trajectories. It was, however, also noted that quantitative measures would not be appropriate for all actions, and in some cases reporting would need to take the form of a narrative description of progress. This approach would be consistent with the approach taken in the 2022/23 annual report.
17. As a result of these observations:
 - Timeframes for all actions in the Action Plan have been reviewed, with commencement dates provided for all actions, and indication provided of when actions will be ongoing over subsequent years
 - Performance indicators have been reviewed, with changes made in a number of instances to make it clearer what information will be provided to assist members to review progress. It remains the case that performance indicators are a combination of both quantitative and qualitative measures.

⁵ The Auditors' general definition of Reasonable being "There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited."

- Additional illustrative information is provided later on in this covering report and Annex 4 about our overarching carbon reduction targets, including illustrating how the actions relating to our buildings and our fleet will over time move us towards our net zero organisational target.

CHANGES PROPOSED AS A RESULT OF THE REVIEW

Strategy document

18. The updated Strategy Document is included at Annex 1. The main substantive changes to the document are as follows (factual updates have also been made):
 - Clarification of the scope of the Strategy (that is, what falls within and out-with its remit)
 - Clarification of the scope of the Council's carbon footprint (that is, what is included in our carbon emissions calculations and what is excluded)
 - Progress updates since the original Strategy was agreed in 2020
 - Addition of a new chapter specifically addressing climate adaptation and resilience
 - Addition of a new chapter providing more detail about work that is needed to prepare for reporting our Scope 3 carbon emissions and to determine an agreed approach to carbon offsetting of residual emissions from 2030
 - Explanation of the main constraints and challenges associated with delivering the Strategy and Action Plan, and associated opportunities for wider benefits to be secured through the actions being taken.

Action Plan

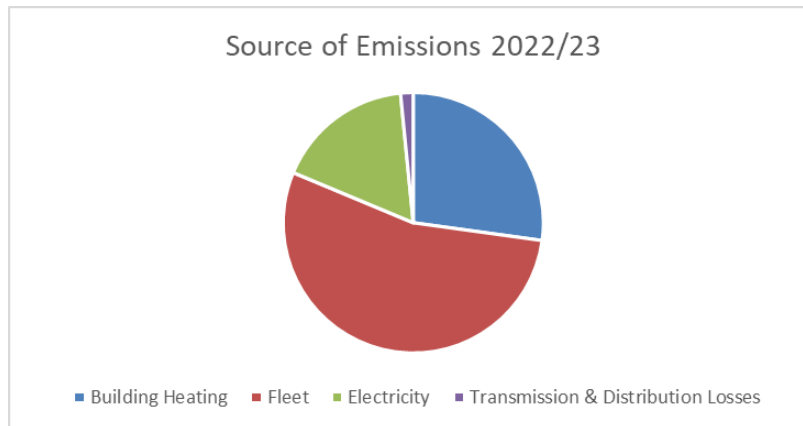
19. A comprehensive review of the Action Plan has been undertaken, both in terms of its format and content. Some minor changes have been made to the objectives for readability, clarity and succinctness and new objectives have also been prepared specifically for the newly added Climate Adaptation and Resilience theme. The revised Action Plan is included at Annex 2.
20. **Action Plan Format:** A more comprehensive format is proposed, with more information about each action than was previously provided. Actions have been allocated to specific teams in response to the 2023 internal audit of the 2020 ES Strategy. Responding to another internal audit recommendation, performance indicators are included for all objectives, including those within the 'effective implementation' theme, and as noted above these have been reviewed and updated following feedback from the ESSS Panel.
21. More information has also been included about the benefits that each action will secure, the scale of financial cost and how in general terms the action is to be funded. For succinctness, rather than listing potential risks or challenges associated with each activity, these are summarised in the main Strategy.
22. **Action Plan Content:** As noted above, the Action Plan has been completely reviewed. A handful of actions have been carried forward from the last Action Plan, either where these had not been implemented (or not fully implemented) or where they had been identified for delivery after 2023/24.

Agenda Item 6

23. To accompany the revised Action Plan, a new reporting template will be developed; with annual reports also including updates on progress towards delivering the net zero organisational target. Annual reports to O&S and Executive will continue to be provided.

DELIVERY OF THE ORGANISATIONAL 2030 CARBON TARGET

24. The graph below, taken from the September 2023 ES Annual Report, shows our main sources of organisational emissions.



25. The overall approach to reducing these emissions is based around the following:
26. **Firstly, reducing overall energy and fuel use:** The Action Plan includes a number of actions that will deliver a reduction in the total amount of energy and fuel that we use. This includes Actions 5, 6, and 11 to improve the energy efficiency and energy use in our buildings, and Action 8 to reduce vehicle fuel use through more efficient driving and route optimisation. The Action Plan also includes cross-cutting actions to encourage behavioural change, which will contribute to a reduction in energy use (Actions 7, 8, 10, 66-68 and 86-91).
27. **Secondly, transitioning away from Scope 1 fossil fuels:** This requires us to move away from diesel and petrol usage in our vehicles, and away from gas heating in our buildings.
28. Relevant actions in the Action Plan include Action 2 (reduction in gas consumption), Actions 23 and 24 (supporting moving our fleet away from internal combustion engine vehicles), and Action 22 (the use of hydrotreated vegetable oil (HVO) as an interim fuel until such time as diesel and petrol vehicles can be phased out).
29. Implementing these actions will mean that eventually we rely more on electricity to run our vehicles and heat our buildings.
30. **Finally, obtaining the electricity that we do still need from renewable sources:** Ideally, renewable electricity will be secured from self-generation, with Action 14 covering the installation of renewable energy measures across Council operated buildings, and Action 13 to look at other opportunities to generate our own renewable energy.
31. Recognising that this will take time, Action 15 (procuring renewable electricity tariffs) represents an interim solution to ensure that the electricity (and potentially gas) we do need to purchase can be accounted for as from renewable sources.

Trajectory for emissions reduction, residual emissions and offsetting

Agenda Item 6

32. Implementation of the actions relating to our vehicle fleet, together with charging electric vehicles via a renewable tariff, will result in less than 10% of our 2019 baseline vehicle-based carbon emissions remaining in 2030.
33. Fully moving from gas to electric heating will reduce carbon emissions associated with our buildings considerably as demonstrated by the graph above, although it should be noted that this transition will take time and will be more challenging in some of our larger buildings. Energy efficiency and energy reduction and renewable generation measures will reduce this further (although given the inter-relationships between individual measures including behavioural change it is not possible to accurately quantify this).
34. Annex 4 sets out the expected pathway of organisational carbon emissions reduction for our organisational (scope 1 and scope 2) emissions by measure and by timescale. It should be noted that this is based on the best information available at this time, and has necessitated a number of assumptions. The annual reporting process will report actual carbon emissions, and as more information becomes available (for example, as detailed business cases for some actions are developed) these pathways will be refined.
35. At 2030, Annex 4 demonstrates that there will be some residual emissions that will need to be offset. A new section has been added to the Strategy about how we prepare for this.

DELIVERY OF THE BOROUGH 2050 CARBON TARGET

36. It is widely recognised that achieving net zero by 2050 cannot be achieved by local authority action alone, with less than 1% of emissions within our direct control. But it is also clear that both upper tier authorities (such as Surrey County Council) and lower tier authorities (such as Reigate & Banstead) have an important role to play. For example, the Local Government Association suggests that local authorities have an influence over more than a third of emissions in their area.
37. As well as actions to deliver our organisational carbon target, our Action Plan therefore includes a wide range of actions to improve the environmental sustainability of the borough as a whole.
38. These borough-level actions, combined, will make a positive contribution towards moving us towards our target of a net zero borough by 2050, and will help build momentum for further progress. These include actions which will lead to a reduction in carbon emissions from domestic properties (for example, Actions 1, 7 and 12), and from transport (for example, Actions 17-20, and 28). The work we do at a Council-level activity will also raise the profile of the benefits of taking action locally, something we are already seeing from the borough-level work undertaken to date.
39. To secure the achievement of our 2050 borough-wide target (and the county target, as is acknowledged by Surrey County Council), a step change in national policy and investment in decarbonisation is required, and we need to work closely with other organisations to maximise the impact of our activity. This is why our Action Plan includes actions both in respect of partnership working and lobbying government for further change (Actions 69-72).
40. It is also worth highlighting the additional benefits that our borough-level sustainability activity can bring. As set out in the Action Plan, this includes health

Agenda Item 6

benefits and financial savings for residents and increased community engagement and resilience.

CONSTRAINTS, RISKS AND CHALLENGES

41. It must be acknowledged that a number of constraints, risks and challenges exist in relation to decarbonising our buildings and fleet. These are summarised in the Strategy at section 1.5 and chapter 9, and include:
- Uncertainty about the future use of some of our buildings (for example the Harlequin Theatre), meaning that detailed proposals for these are currently on hold; and about our ability to charge large numbers of electric vehicles at the Earlswood Depot, with substantial upgrades likely to be required to enable this.
 - Challenges associated with the retrofitting of both historic buildings (the Town Hall) and buildings that are in continual operational use (such as community centres and the Depot), meaning works have to be carefully and sensitively designed, coordinated and phased.
 - The continuing evolution of the building decarbonisation sector and the electric vehicle market (both in terms of prices and technology), determining the extent to which transitioning both our buildings and fleet away from Scope 1 fuels is both operationally and financially viable.
 - Operational challenges (particularly as a result of the national Resources and Waste Strategy 'Simpler Recycling' proposals) which may increase the fleet mileage required and therefore fuel consumption and carbon emissions.

Options

42. The Overview & Scrutiny Committee has the following options:
- Recommendation (i)
- Option 1: Note the findings of the ES Scrutiny Panel, and the content of Annexes 1, 2, and 3 and make no observations to the Executive.
 - Option 2: Note the findings of the ES Scrutiny Panel, and the content of Annexes 1, 2, and 3 and make observations to the Executive.
43. The Executive has the following options:
- Recommendation (i)
- Option 1: Approve the revised ES Strategy and Action Plan.
This option is recommended as it ensures that the Council continues to have an up-to-date Strategy and Action Plan for 2024/25 and beyond and reflects the Executive's position that urgent action is on climate change and nature recovery is needed.
 - Option 2: Do not approve the revised ES Strategy and Action in its current form.
This option is not recommended as it means that the Council's ES Strategy will become increasingly out of date and will result in a lack of clarity about the actions to which the Council is committing to, to continue to make progress in this important area of work.

Recommendation (ii)

- Option 1: Authorise officers, in consultation with the relevant portfolio holder, to make minor typographical or factual amendments prior to publication of the Strategy on the Council's website.

This option is recommended to minimise the risk of delay to publication of the Strategy on the website.

- Option 2: Do not authorise officers, in consultation with the relevant portfolio holder, to make minor typographical or factual amendments prior to publication of the Strategy on the Council's website.

This option is not recommended as it may result in delay to the publication of the Strategy on the website.

Legal Implications

44. No specific legal implications have been identified as arising from the information within this report or the accompanying annexes.

Financial Implications

45. Specific budgetary provision for the implementation of the ES Strategy currently includes (from 2024/25 onwards):

46. Revenue Budget provision as follows:

- An annual Revenue Budget allocation for one Sustainability Manager and one Sustainability Project Officer. A second Sustainability Project Officer is currently funded via the UK Shared Prosperity Fund.
- Additional revenue funding of £0.121m to cover the cost uplift of using HVO in our refuse collection vehicles and of £0.016m to cover the estimated additional cost associated with charging one electric bin lorry; and
- £0.251m in an ear-marked Environmental Sustainability Reserve, which is currently being used to contribute to the cost of other sustainability workstreams.

47. Capital Programme allocations as follows:

- £0.236m that is available for investment in Environmental Sustainability Projects
- £0.242m allocation to cover the cost uplift associated with the purchase of one electric garden waste collection vehicle. This is in addition to the rolling Capital Programme allocation for fleet replacement
- £0.100m for the installation of improved energy management technology in our buildings
- £1.145m within the Capital Programme, plus £0.800m to be funded from a Strategic CIL allocation - to fund the installation of solar panels on nine Council buildings, plus energy efficiency and energy management measures at two community centres and some smaller sites; and

Agenda Item 6

- £0.089m from Surrey County Council to fund the installation of solar panels across a number of temporary and emergency housing units owned by the Council.

48. The Action Plan includes information about the likely scale of budget allocation and source(s) of Council funding required for each action. For many of the initiatives identified, costs will be met by the relevant Council department from existing agreed revenue and/or capital budgets, with the Environmental Sustainability Revenue Reserve and Environmental Sustainability Projects Capital Programme allocation also available for use.
49. Where additional funding requirements are identified (for example, once further work has been undertaken to determine detailed costs for a particular project), these will be pursued either from external sources, or in the usual way using established internal procedures – that is, via the annual budget setting process or stand-alone capital growth requests (supported by a business case) to the Executive / Full Council as appropriate. In some cases, operational costs may be reduced leading to lower energy bills, either immediately or at the end of a pay-back period, which will be reflected in relevant business cases.

Equalities Implications

50. The equalities implications of the overall Strategy and Vision, and the Action Plan, have been assessed. The findings are summarised below.

Strategy and Vision

51. The Strategy 2050 vision should have an overall positive impact on advancing equality of opportunity, and fostering better relations between those who share a protected characteristic and those who do not.
52. All elements of the vision have the potential to have a potential equalities impact. However, in some instances, without appropriate mitigations, there may be a risk of some more vulnerable residents (including those with protected equalities characteristics) being unable to access or share in identified benefits.
53. It will therefore be important – via the regular reviews of the supporting Action Plan – that actions that mitigate or remove any such negative impacts are included.

Action Plan

54. The potential equality implications of actions within the Action Plan have been assessed; with actions falling within three main groups:
- A number of actions have no identified impact due to them not impacting on individuals or the level of service provided (for example, where the actions relate to a process improvement).
 - A number of actions have no identified impact arising from the specific action, however the action itself may lead to a subsequent proposal which could have equality impacts (for example where the action is to investigate an opportunity, leading to its potential implementation). In these instances, any subsequent proposals will need to be screened and as appropriate their equality impact assessed. This can be done via existing established processes, including the corporate Project Management Framework and the Executive report process.

Agenda Item 6

- A number of actions have been identified as potentially having an impact, however the nature and extent of the impact is unknown due to the early stages which action implementation is at. In these instances, impact mitigation and/or avoidance measures have been identified, for example:
 - Ensuring equality impact is assessed at the time of scheme design or strategy production. This can be done via existing established processes, including the corporate Project Management Framework and the Executive report process.
 - Ensuring that communications material is provided in accessible formats.

55. A number of actions have been identified as having positive equality impacts, and for others, added-value activities have been identified which can increase opportunities for positive equality impact.

Communication Implications

56. Communicating about environmental sustainability is an important element of delivery the Strategy. Actions 66 to 68 within the Effective Implementation section of the Action Plan, cover this. Communications activity will include campaigns, behavioural change messages and information about what the Council is doing itself. A range of communication and engagement channels will continue to be used.

57. Subject to agreement by the Executive, the updated ES Strategy and Action Plan will be published on the Council website, and appropriate communications activity undertaken to raise awareness of it.

Environmental Sustainability Implications

58. These are covered in the Background and Key Information Sections of the report.

Risk Management Considerations

59. Inclusion of a new chapter on Climate Adaptation and Resilience recognises that “Responding to a Changing Climate” is on the Council’s Strategic Risk Register and that action needs to be taken to respond to this risk.

60. A range of risks and challenges to the delivery of the Strategy and Action Plan are set out in the updated Strategy document at Chapter 9. These will be kept under review and escalated to operational risks should the need arise.

Procurement/Contract Management and Subsidy Considerations

61. No specific procurement, contract management or subsidy considerations have been identified as arising directly from this report. In the event that procurement is required to deliver actions within the Action Plan this will be undertaken in line with adopted Council procedures. In the event that the Council develops grants or loans to facilitate the delivery of Strategy objectives, subsidy control implications will be considered.

Other Implications

Human resource implications:

Agenda Item 6

62. The Council's Sustainability Team sits within the Corporate Policy, Projects & Performance service. Along with the Head of Service, the team comprises two Sustainability Project Officers (1.8FTE). Recognising the need to accelerate action to deliver the revised ES Strategy, additional funding has been secured for 2024/25 onwards for a new Sustainability Manager. Recruitment to this post will commence shortly.
63. It is important to note that responsibility for delivering the Strategy, and the actions in the Action Plan, rests with services across the Council. The breadth of different services' involvement can be seen within the Action Plan. In most cases, services will be able to deliver actions using existing staff resources, but in some cases additional project specific (fixed term) resource, or expert consultancy resource, may be required. Where possible, the opportunity will be taken to share expertise with other districts/boroughs and/or Surrey County Council.
64. Should changes to national legislation or policy occur which result in an enhanced role for local authorities, the current level of staff resourcing may need to be reviewed. In such an event, the Council would lobby for new burdens funding to support this.

Consultation

65. A range of engagement activities have been undertaken to inform the Strategy and Action Plan review process, and are detailed in Annex 5. The documents have been considered by the ESSS Panel (see Annex 3 for officer responses to the suggestions raised).
66. As a subsidiary strategy to the Corporate Plan which seeks to deliver against a Corporate Plan objective, and in line with the recently agreed operational guidance on developing and reviewing strategies, formal public consultation is not required.

Policy Framework

67. The Council's Corporate Plan 2020-2025 includes in its vision that the Council will be "proactive about tackling climate change and reducing our environmental impact".
68. The Plan also includes a commitment to environmental responsibility, and an objective to "reduce our own environmental impact, support local residents and businesses to do the same, and make sure our activities increase the borough's resilience to the effects of climate change". It explains that the Council will publish an Environmental Sustainability Strategy to deliver on this, whilst also recognising that social, economic and environmental objectives may not always align and therefore the Council's decision-making will sometimes need to balance competing priorities and reflect the financial constraints we face as a Council.
69. The ES Strategy, whilst not forming part of the Corporate Policy Framework, is a subsidiary strategy to the Corporate Plan and an important tool to help deliver it. As noted above, the first ES Strategy was published in 2020, and the purpose of this review is to ensure it remains fit for purpose, and that the Action Plan is updated to reflect progress and evolving priorities.

70. The recently agreed operational guidance on developing strategies has been taken into account as part of the review process, to the extent appropriate given that this has been a light-touch review.

Annexes

1. Annex 1: Updated ES Strategy
2. Annex 2: Updated ES Action Plan
3. Annex 3: Officer responses to ESSS Panel suggestions
4. Annex 4: Expected organisational carbon reduction by 2030
5. Annex 5: Engagement report

Background Papers

1. [Corporate Plan 2025](#)
2. [2020 Environmental Sustainability Strategy](#), [Action Plan](#), [Performance Indicators and 2021 Additional Actions](#)
3. [Latest \(2022-23\) ES Strategy Annual Report](#)

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Environmental Sustainability Strategy

March 2024

Contents

| | |
|---|-----------|
| Foreword (to be added prior to publication) | 3 |
| 1. Introduction | 4 |
| 1.1 The 2020 Environmental Sustainability Strategy | 4 |
| 1.2 The Review | 4 |
| 1.2.1 The Scope of the Review | 4 |
| 1.3 The Scope of the Strategy | 5 |
| 1.3.1 Council activities | 5 |
| 1.3.2 Borough activities | 6 |
| 1.3.3 Activities currently out of scope but to be included from 2030 | 6 |
| 1.3.4 Activities outside of scope | 6 |
| 1.4 The Scope of our Carbon Footprint | 6 |
| 1.5 Constraints to Delivering the Strategy | 8 |
| 2. The Context | 8 |
| 3. Energy and carbon | 10 |
| 3.1 Overview | 10 |
| 3.2 Priorities | 13 |
| 4. Low impact consumption | 16 |
| 4.1 Overview | 16 |
| 4.2 Priorities | 17 |
| 5. Natural environment and biodiversity | 18 |
| 5.1 Overview | 18 |
| 5.2 Priorities | 20 |
| 6. Climate Adaptation and Resilience | 21 |
| 6.1 Overview | 21 |
| 6.2 Priorities | 23 |
| 7. Effective implementation | 24 |
| 7.1 Capacity-building, Communications and Engagement, Training, and Partnership Working | 24 |
| 7.2 Planning policies | 24 |
| 7.3 Procurement | 25 |
| 7.4 Resources and Governance | 25 |
| 7.5 Monitoring and Reporting | 26 |
| 8. Preparing for 2030 | 26 |
| 8.1 Scope 3 | 26 |
| 8.2 Offsetting | 27 |
| 9. Challenges and Opportunities | 28 |
| 9.1 Opportunities | 28 |
| 9.2 Challenges | 28 |

Version 1 – July 2020 (Waterman Environment)

Version 2 – March 2024 (R&BBC):

- Addition of new Sections 1, 6, 8 and 9.
- Minor text amendments for clarity or to update the text.
- Addition of Section 3 net zero diagram and associated text and updating of graphs and tables.
- Changes as a result of Scrutiny Panel suggestions

Foreword (will be added prior to publication)

1. Introduction

1.1 The 2020 Environmental Sustainability Strategy

Our Corporate Plan, Reigate and Banstead 2025, explains our priorities for the next five years and how we will deliver services to those living, working and spending time in our borough. The Vision for the Plan includes 'being proactive about tackling climate change and reducing our environmental impact' and to achieve this the Plan committed to publish a new Environmental Sustainability Strategy to deliver the commitment to reducing our "own environmental impact and supporting local residents and businesses to do the same".

In 2020, we commissioned a consultant to develop an Environmental Sustainability Strategy (ES Strategy), which was then agreed by the Executive, published on our website and for which we provide annual progress updates. There was a commitment to regularly review the ES Strategy. This document is therefore an update to the 2020 ES Strategy as a result of a review of the 2020 document.

1.2 The Review

Since the ES Strategy was agreed in 2020, worldwide carbon emissions have continued to rise, biodiversity loss has accelerated¹ and the effects of climate change attributable to human activities have become more apparent.

This 2024 document updates the Strategy in light of the changes that have occurred since the original was written, including:

- The Covid19 pandemic starting in 2020, the associated lockdowns, and the return to a 'new normal' that has resulted from living with Covid.
- The ongoing change to working patterns that stemmed from Government encouragement to work from home where possible during the lockdowns and to avoid non-essential contact.
- Developments from national Government in policy, legislation and funding streams, for example the Environment Act 2021.
- The publication in 2020 of the [Surrey County Council 'Greener Futures' Climate Change Strategy](#), and its supporting [Delivery Plan](#) which includes actions for the County Council and the eleven district and borough councils, as well as strategies and action plans from our neighbouring local authorities.
- Growth in our collective knowledge about the potential solutions to decarbonise Council buildings and vehicles.
- Technology has developed and prices for renewable technologies, such as solar photovoltaics, have fallen. In tandem with rising grid energy prices, this has substantially improved financial payback times.
- The publication in 2023 of the [Surrey County Council Adaptation and Resilience Strategy](#), known as Surrey Adapt.

Progress has been made in achieving the objectives of the 2020 Strategy, with annual reports published on our website.

This review and revision of the Strategy will ensure we have the knowledge, tools and resources in place, and we are working on the correct actions to meet our vision, objectives and targets.

1.1.1 The Scope of the Review

The 2023-2024 review has considered the following:

- the 2020 ES Strategy document;
- addition of any new themes;

¹ IPBES (2019): Summary for policymakers of the [Global Assessment Report on Biodiversity and Ecosystem Services](#) | IPBES secretariat <https://www.ipbes.net/global-assessment> page 14 paragraph 6.

- addition of any new objectives;
- review of any outstanding actions from the 2020 Action Plan (as updated in 2021);
- development of new actions;
- review of performance indicators.

The review has not changed:

- the target to get to net zero carbon by 2030 for the Council (scope 1 and 2 emissions);
- the aim to achieve net zero for scope 3 emissions as soon as possible after 2030
- the target to get to net zero carbon by 2050 for the borough;
- the vision statements that describe how a future Council and borough could look if the objectives are achieved;
- the four themes within the 2020 Strategy;
- the overall intention of the Strategy objectives, (however these were reviewed to determine if there was potential to combine objectives or reword to make the intention clearer).

1.3 The Scope of the Strategy

The ES Strategy covers two complementary areas – Council activities and activities within the wider borough. The scope of these two areas is summarised in Figure 1 below, with more detail in the following subsections.

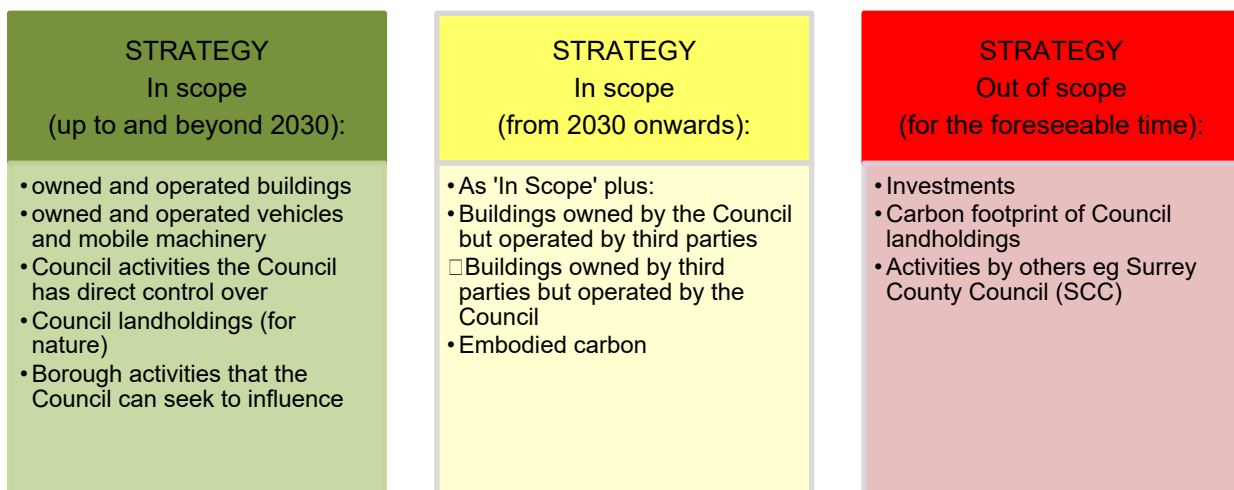


Figure 1: Scope of the ES Strategy

1.3.1 Council activities

Council activities are those operations under the direct control of the Council:

- Owned and operated buildings. These comprise the Town Hall, Harlequin theatre, Earlswood Depot, the three community centres and various smaller buildings.
- Owned and operated vehicles and machinery. These comprise all road-going and non-road-going vehicles and machinery.
- Council activities that the Council has direct control over. These include activities of staff across all departments of the Council.
- Council landholdings are in scope in terms of improvements we can make for nature, biodiversity, water management and wellbeing, as are landholdings that we can use for the generation of renewable energy. Carbon sequestration may be a co-benefit of these activities, or we may take actions to improve carbon sequestration of the land, but we do not currently propose to estimate or measure the carbon of our landholdings for inclusion in our carbon footprint (see section 1.4 below). However, this will be kept under review as science and carbon

measurement methodologies develop.

1.3.2 Borough activities

Borough activities are those within the borough over which the Council has no direct control but which we can seek to influence through our work with residents, businesses, other public sector partners and local organisations. This includes the main emitters of carbon within the borough, that is transport and domestic buildings.

1.3.3 Activities currently out of scope but to be included from 2030

The following activities are currently outside the scope of the Strategy due to issues such as lack of data or contractual arrangements which we will aim to resolve. These activities will be kept under review with the aim that they will be bought into scope no later than 2030 via a future review of the Strategy. They include:

- Buildings owned by the Council but operated by third parties – there are opportunities to influence tenants as and when leases come up for renewal.
- Buildings owned by third parties but operated by the Council – there are opportunities to begin discussions with landlords about sustainability improvements that can be made.
- Embodied carbon – this is an area of much research and developing guidance by external bodies that we can look to use and implement once it is available. ²

1.3.4 Activities outside of scope

Due to lack of data, complexity or not having control, the following activities remain outside the scope of the Strategy at present:

- Investments;
- Council landholdings (in respect of the carbon footprint);
- Activities under the control of others, for example Surrey County Council (SCC) are responsible for waste disposal, street lighting, highways, schools, libraries and social care.

1.4 The Scope of our Carbon Footprint

The Energy and Carbon theme of the Strategy is the principal mechanism for reducing the Council carbon footprint. As such, the scope of the carbon footprint is narrower than the scope of the ES Strategy.

The Council commits to becoming net zero for Scope 1 (direct) and Scope 2 (indirect – fuel) emissions by 2030 and for Scope 3 (indirect – suppliers) emissions as soon as possible thereafter. An explanation of carbon footprint scopes is presented in Section 3 and summarised in Figure 2 below.

² See, for example, [Embodied Carbon | UKGBC https://ukgbc.org/our-work/topics/advancing-net-zero/embodied-carbon/](https://ukgbc.org/our-work/topics/advancing-net-zero/embodied-carbon/)

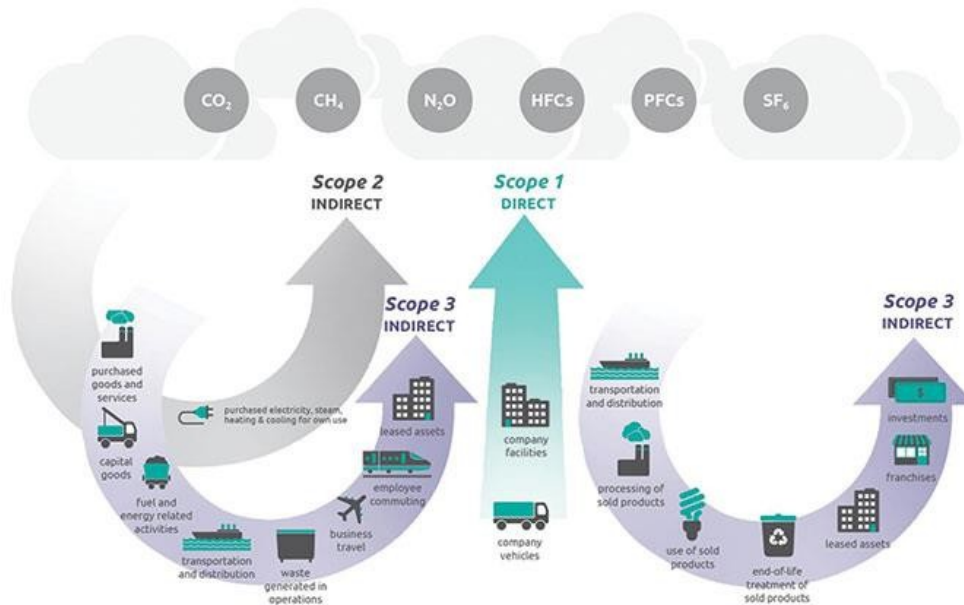


Figure 2 - Overview of Greenhouse Gas Protocol scope and emissions across the value chain. Source: GHG Protocol

Appendix 1 provides more detail on the scope of our 2030 target, what emissions will be included from 2030, and what operational areas are deemed to be out-of-scope – this is summarised in Figure 3 below.

| Carbon Footprint (In scope from now to 2030 & beyond): Scope 1 - fuels | Carbon Footprint (In scope from now to 2030 & beyond): Scope 2 - electricity | Carbon Footprint (In scope from 2030 onwards): Scope 3 - suppliers |
|---|--|--|
| <ul style="list-style-type: none"> natural gas from owned buildings fuels used in owned and leased vehicles and mobile machinery (diesel and petrol, and any future fuels such as Hydrotreated Vegetable Oil HVO or Hydrogen) | <ul style="list-style-type: none"> purchased electricity used in owned buildings purchased electricity used in owned and leased vehicles renewable energy generated on owned land / buildings | <ul style="list-style-type: none"> purchased goods and services, including water consumption and treatment business travel (mileage, public transport, hotels) employee commuting waste generated in operations (treatment and disposal) upstream leased assets (where RBBC is tenant) downstream leased assets (where RBBC is landlord, case-by-case as and when lease arrangements allow) purchased electricity transmission and distribution (T&D) |

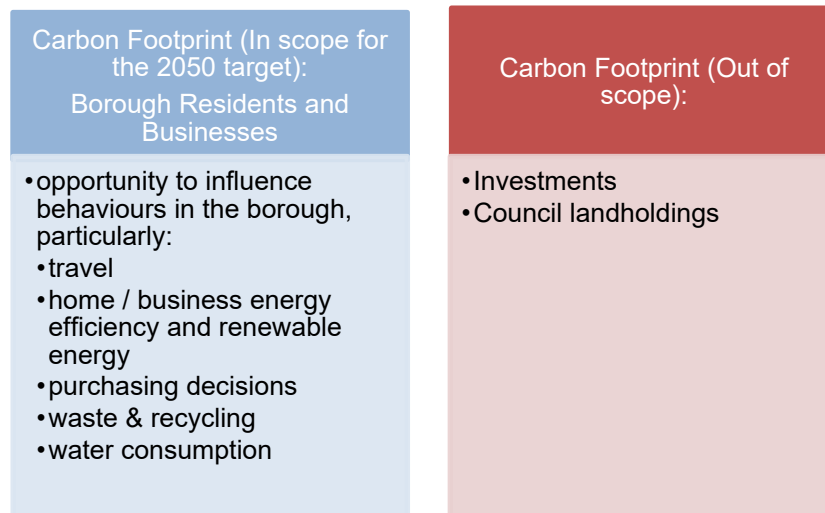


Figure 3: Scope of the RBBC Carbon Footprint

1.5 Constraints to Delivering the Strategy

Progress has been made since the Strategy was published in 2020, however the next steps to deliver significant carbon reduction measures and nature improvement need some strategic decisions to allow progress. These decisions relate to:

- **The future of our key buildings.** Uncertainty over the future of our buildings³ is delaying short term investment in energy efficiency, renewable energy and zero carbon heating systems that will decarbonise our built estate. Although it can be argued that these improvements should be made regardless of whether the building is to be retained or sold on, it is not financially or environmentally sensible to make improvements that may then need to be amended or removed if the future use of the building changes and it needs to be remodelled.
- **The layout of the Earlswood Depot.** To fully electrify our fleet, the Depot will need to be redesigned to create capacity for charging stations, or alternatively a new site may need to be identified and developed. There is space to install some solar generation and battery storage, but an enhanced grid connection is also likely to be required. A project to develop options is urgently required to allow the infrastructure to be in place such that the phased replacement proposed in the Fleet Replacement Strategy can be implemented.
- **Budget.** Although many decarbonisation measures will deliver savings once the original investment is made (eg energy efficiency measures, solar PV), during consultation for this Review, some concern has been expressed over the budgetary implications of including sustainability measures in new purchases, new builds, building refurbishments and during maintenance. This can be mitigated by ensuring project proposals include both 'business as usual' and sustainable options, developing robust business cases that take account of sustainability benefits, and having a commitment to a long-term sustainability budget.

Some further challenges and how these will be overcome are outlined in Section 9 below.

2. The Context

As part of our Corporate Plan for 2020-2025, we have committed to being proactive about tackling climate change and reducing the borough's environmental impacts. This includes reducing the Council's direct impact and supporting residents and businesses to do the same.

³ At the time of writing, the Harlequin Theatre is shut, but it remains in the carbon footprint baseline and Scope 1 and Scope 2 Harlequin activities that are undertaken elsewhere will be reported in the 2023/24 carbon footprint and annual report.

While the climate crisis is a global issue, the importance of each country taking action to limit greenhouse gas emissions cannot be underestimated. In response to the adoption of the Paris Climate Agreement in 2015, the UK became the first major economy in the world to pass legislation to bring all greenhouse gas emissions to net zero by 2050.

Achieving net zero will require a combination of conventional mitigation techniques - that is reducing energy and resources consumption in our buildings, infrastructure, industrial processes and our daily lives, and in parallel, a transition from carbon-emitting fossil fuels towards renewable sources of energy. There will always be however residual carbon emissions that will have to be compensated for through carbon removal technologies (e.g. reforestation, afforestation, carbon capture and storage).

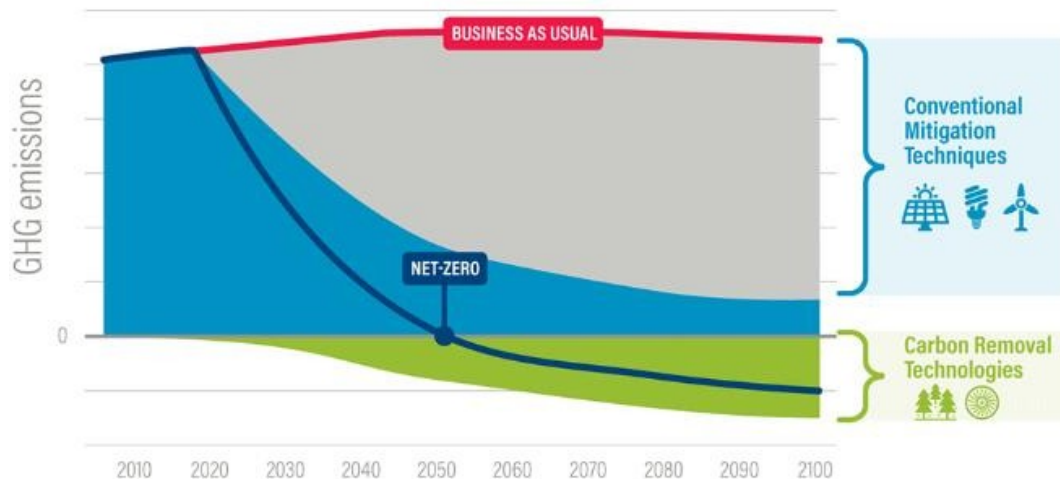


Figure 4 – Net Zero diagram – Source: World Resources Institute (WRI)

To support the Government in achieving net zero by 2050, we recognise that the role of local government is critical in helping to embed measures and support residents and businesses to make the necessary changes to meet this national legislation.

In addition to focusing on limiting actions and processes that contribute to the climate crisis, at the Council we have also considered our environmental impacts more broadly. Recent history has demonstrated that there is an increasing disconnect between society's consumption of natural resources (e.g. plants, air, water, soils, minerals) and ecosystem services (e.g. water and air purification, crop pollination and pest control) and the ability of our ecological and environmental systems to replenish themselves. Currently, UK consumption exceeds what can be produced (see Figure 11 in Section 4 below).

The challenges of embedding sustainability within our practices and then influencing the wider borough are wide ranging and summarised in more detail in Section 9 below. The scope of our ES Strategy has therefore been influenced by the areas of responsibility that we hold.

Surrey County Council (SCC) is responsible for issues such as transport, highways, schools and education and has developed its own Climate Change Strategy – [Greener Futures](#). This is complimented with a Climate Change Delivery Plan⁴, Local Transport Plan (LTP4)⁵ and the Surrey Adapt Strategy⁶. We are committed to continuing to work closely with SCC and Surrey district and borough authorities to achieve shared climate change and environmental sustainability objectives, and the objectives and priorities within this Strategy reflect this.

⁴ [Greener futures climate change delivery plan 2021 to 2025 - Surrey County Council \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/community/climate-change/what-are-we-doing/greener-futures-climate-change-delivery-plan-2021-to-2025)
<https://www.surreycc.gov.uk/community/climate-change/what-are-we-doing/greener-futures-climate-change-delivery-plan-2021-to-2025>

⁵ [Local Transport Plan \(LTP4\) - Surrey County Council \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/roads-and-transport/policies-plans-consultations/transport-plan) <https://www.surreycc.gov.uk/roads-and-transport/policies-plans-consultations/transport-plan>

⁶ [Climate change adaptation and resilience - Surrey County Council \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/community/climate-change/what-are-we-doing/adaptation-and-resilience)
<https://www.surreycc.gov.uk/community/climate-change/what-are-we-doing/adaptation-and-resilience>

Acknowledging the range and complexity of issues required to achieve sustainable development, the 2020 Strategy was broken down into three environmental themes and an overarching theme of effective implementation. The 2020 Strategy included climate change adaptation and resilience within the other themes, however we now believe that this needs greater emphasis and therefore include it in this 2024 update as a fourth environmental theme. Our themes are therefore:

1. Energy and carbon
2. Low impact consumption
3. Biodiversity and the natural environment
4. Climate adaptation and resilience (new)
5. Effective implementation

To support the delivery of the ES Strategy an Action Plan has also been developed for each of these themes to formalise how we intend to embed and achieve the Strategy. The Action Plan for the first version of the Strategy contained actions for the years 2020-21 through to 2023-24. This 2024 update contains actions for 2024-25 and going forward. The main focus of the Action Plan is the next three years, but longer term and ongoing actions are also included.

As part of each priority theme there are a range of key issues to ensure its successful realisation. Overarching objectives set out the Council's approach within each theme, with a number of actions identified for each objective.

Performance indicators have been developed to assist with monitoring progress against the objectives and evaluating the success of the actions. For this 2024 update, the performance indicators have been reviewed to ensure data is easily available and each indicator provides value to the reporting process.

The full Action Plan is available at Appendix 1. Those actions that are likely to deliver significant progress on the Council's priorities are detailed in the following sections of this Strategy document.

3. Energy and carbon

3.1 Overview

In June 2019 the Government amended the Climate Change Act 2008 and is now targeting a 100% reduction in greenhouse gas emissions (compared to 1990 levels) by 2050. This is otherwise known as a net zero target which will be achieved through a combination of efficiency measures, renewable energy production and carbon sequestration (e.g. reforestation). This target would effectively mean that the UK will end its contribution to global emissions by 2050.

We are responding to this challenge by aiming to achieve net zero (based on Scopes 1 and 2 emissions - Figure 2) by 2030, against a 2019/20 baseline.

We aim to achieve net zero for scope 3 emissions as soon as possible after 2030.

It is worth highlighting that the carbon emissions directly under the control of the Council represent only about 0.2% of the emissions released within the borough (Table 1).

This highlights the importance for us to also concentrate our efforts in influencing businesses and residents' behaviour and purchase patterns to adequately curb borough emissions. We will work in partnership with SCC and other key partners and stakeholders to achieve carbon neutrality across the borough by 2050.

It should also be recognised that early action to reduce emissions is preferable to delivering all the reductions

Definition of Scope 1,2, 3 emissions

Scope 1 includes direct emissions from the **combustion of fuels** by sources owned or controlled by the reporting organisation.

Scope 2 includes the emissions from the combustion of fuels to **generate electricity**, steam, heating, and cooling purchased and consumed by the reporting organisation.

Scope 3 includes all other **indirect emissions** that occur in an organisation's value chain.

in 2029, as it reduces cumulative carbon emissions.

We are adopting the following definition of net zero for our operational emissions:



Figure 5: RBBC definition of net zero

The gross carbon footprint is derived from the in-scope emissions from our operational activities (see section 1.4 above). To calculate our net carbon footprint we will remove the emissions avoided from renewable electricity. We will reduce emissions as far as possible with an aim to have our residual net carbon footprint less than 10% of baseline by 2030. From this net carbon footprint we will offset the remainder using verified offsets (see Section 8.2 below) to achieve net zero carbon.

3.1.1 Annual greenhouse gas emissions

To demonstrate progress, a net zero target needs to refer to a baseline year. For us, the first year when we had an almost complete set of data from which to calculate our carbon footprint was the financial year 2019/20. Table 1 below indicates the verified greenhouse gas emissions from our operations in our baseline year, alongside Government estimates of territorial greenhouse gas emissions in the Borough⁷. This is updated from the 2020 Strategy to reflect the actual R&BBC baseline emissions (financial year 2019-20) and equivalent Borough-level estimates for the calendar year 2019.

| Scope | Description | Annual carbon dioxide emissions | |
|------------------------------|---------------------------|---------------------------------|--|
| | | Council level (2019/20) | Borough level 2019 ⁸ |
| Scope 1 | Fuel consumption (diesel) | 1,241 tCO _{2e} | 758,000tCO ₂ <ul style="list-style-type: none"> ▪ Transport 46% ▪ Domestic (elec., gas, fuel) 31% ▪ Businesses (elec., gas, fuel) 23% |
| | Fuel consumption (petrol) | 17 tCO _{2e} | |
| | Purchased gas | 385 tCO _{2e} | |
| | Sub-total | 1,643 tCO_{2e} | |
| Scope 2 | Purchased electricity | 393 tCO _{2e} (2018) | |
| | Sub-total | 393 tCO_{2e} | |
| Total Scope 1 & 2 | | 2,036 tCO_{2e} | 758,000tCO₂ |

Table 1 – Reigate and Banstead’s estimated annual carbon emissions

The table and the graph below (Figure 6) illustrate that the carbon emissions over which we have direct control are tiny compared to the borough emissions, which we can work with residents, businesses and partners to influence.

⁷ BEIS / DESNZ figures are territorial emissions of CO₂, CH₄ and N₂O (which form 97% of GHG emissions in the UK). Each year the entire time series, going back to 2005, is revised to take account of methodological improvements. Therefore future presentations of this data may be slightly different. Table 1 borough level emission figures are from the dataset released by the government on 6 July 2023.

⁸ Figures based on BEIS - UK local authority and regional carbon dioxide emissions national statistics: 2005-2017

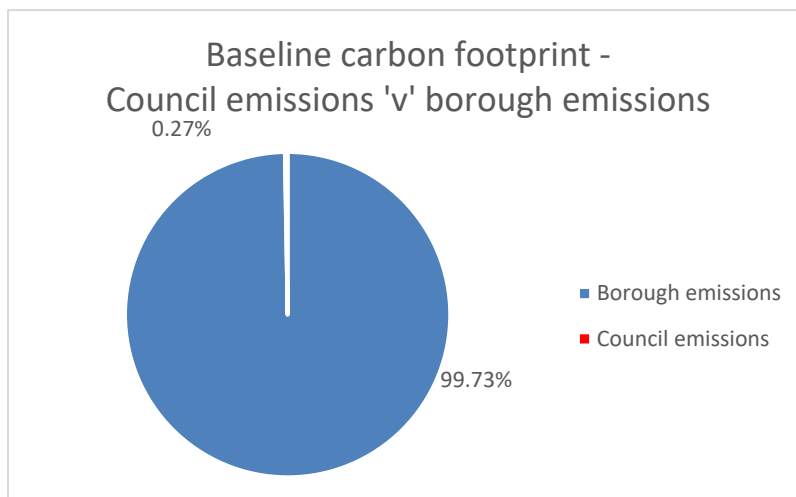


Figure 6: Comparison of the RBBC Carbon Footprint against the borough carbon footprint for the baseline year (note the borough data is for the calendar year, the Council data is for the financial year)

Figure 7 illustrates the relative changes in Council greenhouse gas emissions over time, from our baseline year 2019/20 to the most recent reporting year, 2022/23. During the years 2020/21 and 2021/22 our activities were affected by the lockdowns and restrictions associated with Covid19. Although refuse services continued, other activities were significantly affected. It is likely that the carbon footprint for 2022/23 is more representative of the 'new normal'. It should also be noted that due to the failure of one of the Council's energy providers and smaller sites not being on smart meters, energy data availability has been impacted.

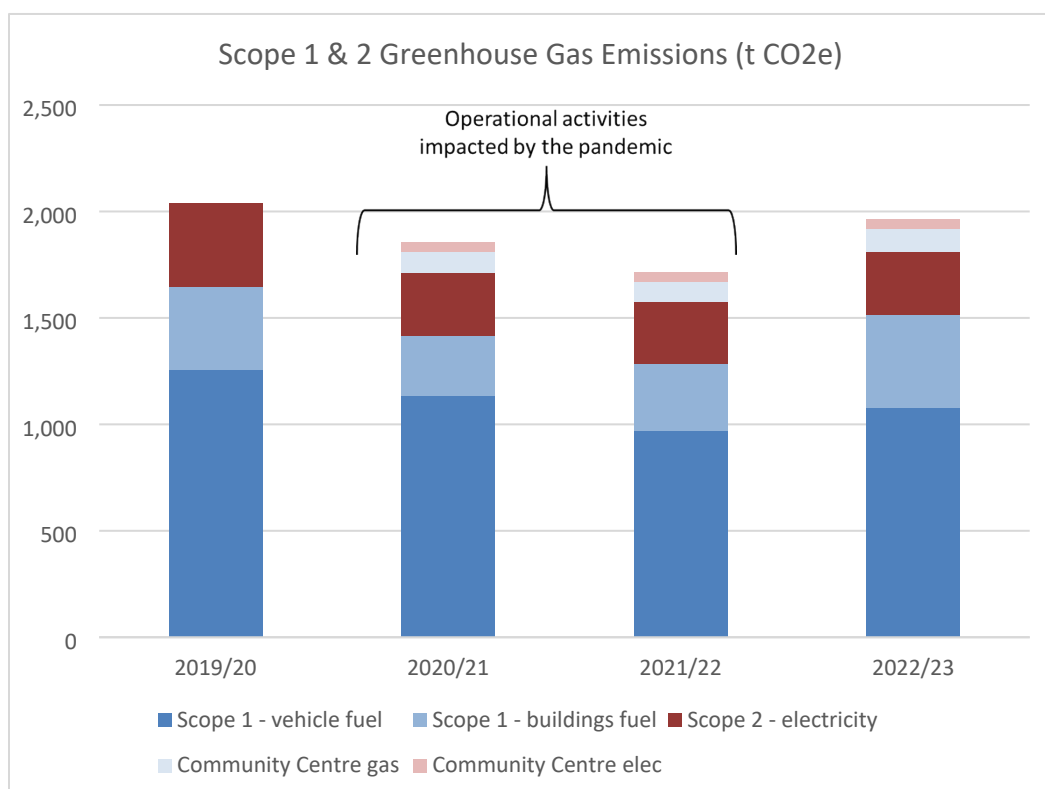


Figure 7: RBBC Carbon Footprint from 2019/20 to 2022/23. NOTE: Community centres returned to the Council in 2020/21 and their energy consumption is included in the carbon footprint for that year and onwards. We do not have a breakdown of their separate carbon emissions for 2020/21 and 2021/22 so they are presented here indicatively.

2050 Vision

- All Council's energy needs are met through renewable energy generated within the borough or through reputable green tariffs.
- The entire Council's fleet is powered by clean energy (i.e. either electricity from renewables, biodiesel from organic waste or other clean fuels such as hydrogen).
- All businesses and residents are generating their own renewable energy and/or have switched to a reputable green tariff.
- All residents walk or cycle for short journeys, where possible. Residents have moved away from car ownership; they use public transport or a car-sharing system for longer journeys. Where private car remains a necessity, these run on 100% renewable energy.

3.2 Priorities

Under the energy and carbon section we have set a number of objectives under four key priorities:

Energy minimisation: Reduction of operational energy (regulated and unregulated) through efficiency measures (e.g. insulation, LEDs) and behaviour change.

Renewable energy: Generation of renewable energy locally, procurement of renewable energy through reputable green tariffs and working towards the elimination of fossil-fuel consumption.

Low carbon transport: Minimisation of transport emissions through reducing personal car travel, promoting electric vehicles, developing public transport and encouraging cycling and walking.

Embodied carbon: Reduction in embodied carbon in new infrastructure or building projects through lean engineering and construction techniques.

We will seek to reduce energy consumption first, and then obtain the remaining energy from low carbon sources.

In 2022/23, greenhouse gas emissions from operation of our main buildings formed 45% of our carbon footprint (up from 38% in the baseline due to a reduction in vehicle fuel consumption, an increase in gas consumption and the later inclusion of our three community centres). Energy audits have identified opportunities to save energy, replace fossil-fuel heating systems and generate renewable energy, and these measures will be implemented as part of any planned upgrade and works on our assets (subject to decisions on future operational use of buildings). Whole-life cost analysis will form an integral part of the decision-making process as part of any procurement activities to ensure that any mechanical and electrical plant to be replaced are future-proofed moving away from like-for-like replacement if this isn't the best long-term strategy. Emphasis will be on transitioning from fossil-fuels to zero / low carbon technologies. We will continue to monitor the changing timetables for implementing the Minimum Energy Efficiency Standards (MEES) for Council-owned housing and our commercial properties.

Progress:

Our fleet:

- 13 fossil-fuel vehicles replaced with low emission hybrids and EVs
- Installation of EV charging points in 3 Council car parks and at Council sites

Our buildings:

- Building energy audits conducted to guide retrofit activity
- One solar PV installation completed

Borough:

- Social Housing Decarbonisation Fund with Raven Housing to deliver solar PV on 26 properties
- Promoting grants and advice for residents on energy efficiency retrofits
- Supporting SME businesses to facilitate their net zero ambitions, and provided Carbon Literacy training

At the Council level, we switched to a renewable energy tariff for our electricity in 2023. When the contract comes up for renewal, we will explore options to also procure a renewable gas tariff as an interim measure while we work to reduce gas consumption.

The Council’s fleet represented circa 55% of its carbon footprint in 2022/23 (down from 62% in the baseline). We will gradually replace our fleet with electrical vehicles and machinery as part of the scheduled fleet renewal programme where these are suitable and available, whilst also keeping other low emission fuels under consideration. To enable the infrastructure to be put in place for charging electric Refuse Collection Vehicles (RCVs), the RCV fleet will be run on renewable Hydrotreated Vegetable Oil (HVO) in the short-term. It is recognised that there are some sustainability concerns around the use of HVO and these concerns will be addressed by:

- ensuring the procurement process specifies responsibly sourced fuel
- time-limiting the use of HVO to allow installation of electrical charging infrastructure or maturation of other low emission fuel supplies

Use of HVO provides greenhouse gas reduction benefits and some limited local air quality benefits, however transition to electric vehicles powered by renewable electricity will virtually eliminate carbon emissions, eliminate tail-pipe emissions resulting in better air quality, reduce engine noise and we anticipate that this will also provide a pleasanter working environment for our RCV crews.

At the borough level, we will continue to work with residents and businesses to encourage them to adopt more sustainable lifestyles. We will also continue to promote grants and group-buying schemes to residents and businesses to enable them to reduce their energy consumption and decarbonise their buildings and vehicles. Borough level domestic carbon dioxide emissions per capita figures show that Reigate & Banstead residents consume more energy to run their homes than the average person in the rest of England (see Figure 8 below). There is therefore scope for us to concentrate efforts on energy efficiency and to enable a transition towards renewable energy purchase and generation across the borough. The 2020 ES Strategy proposed considering the suitability of developing community-owned renewable energy projects and exploring the possibility to negotiate preferential energy tariffs with reputable renewable energy providers for residents and businesses by teaming up with Surrey County Council – these actions were not progressed due to Covid and the 2022-23 energy price crisis and will be kept under consideration.

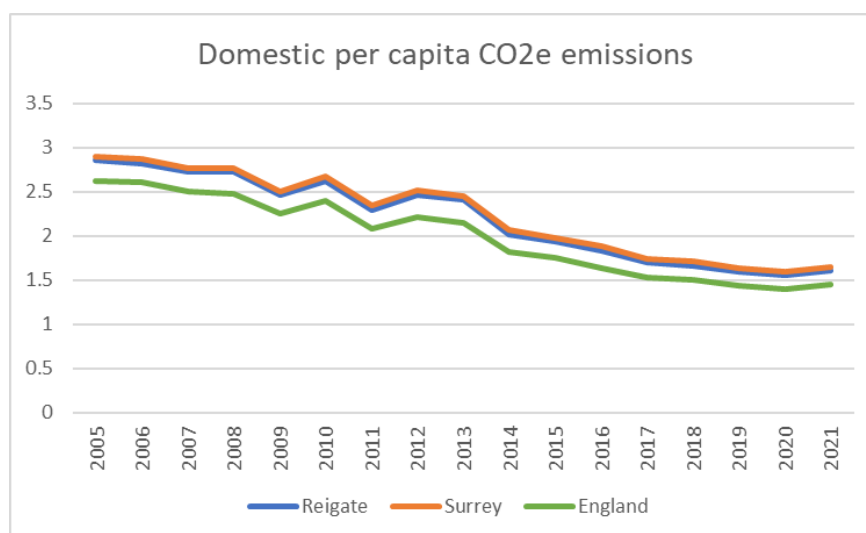


Figure 8 Domestic per capita greenhouse gas emissions (t CO2e) ⁹

As indicated in Figure 9, transport emissions in the borough are above the national average so we will work with SCC to deliver the Local Walking and Cycling Implementation Plan (to deliver appropriate

⁹ Source: National Statistics, Department for Energy Security and Net Zero [UK local authority and regional greenhouse gas emissions national statistics, 2005 to 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021)
<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021>

infrastructure) and with local organisations to engage staff, residents and businesses in reducing personal car and business mileage by identifying low carbon alternatives.

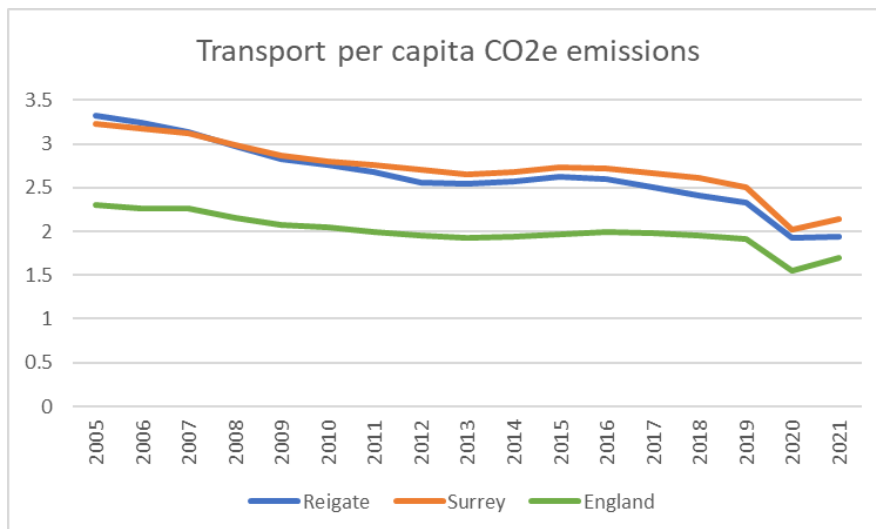


Figure 9 Transport per capita greenhouse gas emissions (t CO2e) ¹⁰

The measures to reduce greenhouse house gas (GHG) emissions associated with the Council and borough activities will have wider benefits beyond limiting contributions to the climate crisis. Initiatives around promoting active travel (e.g. walking and cycling) and reducing gas consumption will improve air quality and overall well-being, energy efficiency can make energy bills more affordable, and measures such as insulation can make a building more comfortable. The latter two issues are particularly important during the current (2023) cost-of-living issues.

Figures 8 and 9 above, and 10 below, show the borough greenhouse gas emissions from 2005-2021 (the latest dataset available) compared to emissions from the county of Surrey and nationally. Per capita emissions from industrial and commercial sources are lower in the borough than the national average due to the lack of heavy industry. We will engage with local businesses to seek to positively influence the trajectory of these emissions.

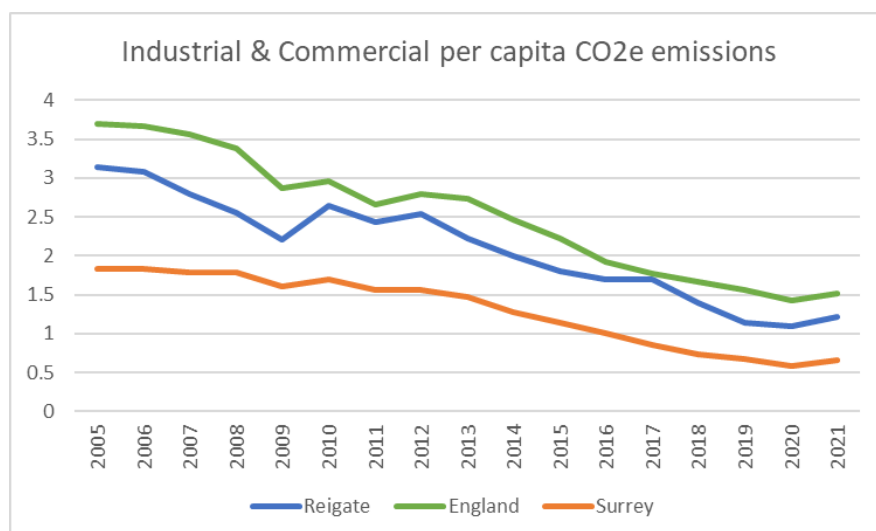


Figure 10 Industrial, commercial and other sources of greenhouse gas emissions per capita (t CO2e) ¹¹

¹⁰ Source: National Statistics, Department for Energy Security and Net Zero [UK local authority and regional greenhouse gas emissions national statistics, 2005 to 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021) <https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021> (Table 1.1 emissions divided by annual population)

¹¹ Source: National Statistics, Department for Energy Security and Net Zero [UK local authority and regional greenhouse gas emissions national statistics, 2005 to 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021)

Key Actions:

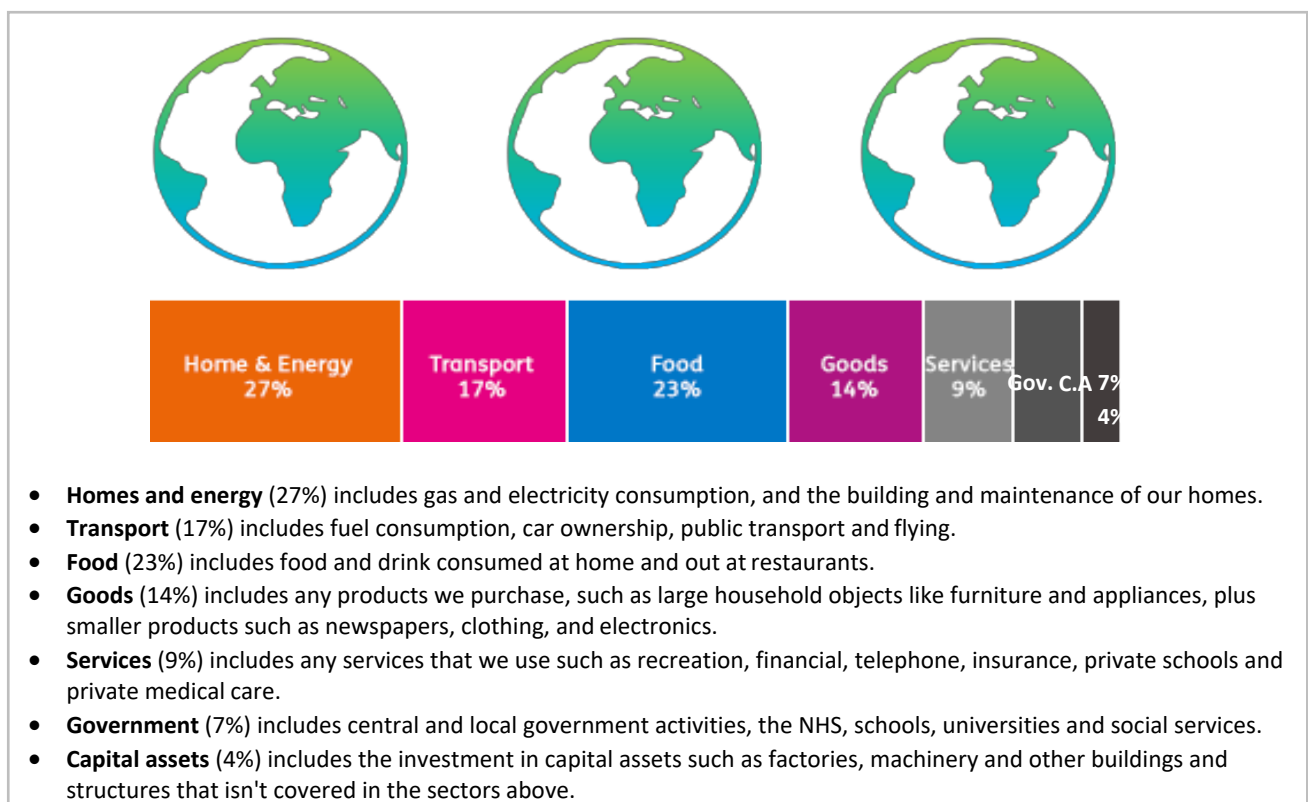
- Implement building energy audit recommendations to deliver energy efficiency
- Continue to promote grants and group-buying schemes to residents and businesses to enable decarbonisation of borough buildings
- Install solar PV on roofs of suitable Council owned and operated buildings
- Continue to procure a renewable electricity tariff
- Convert RCV fleet to HVO as a transition fuel while investigating long-term options
- Continue fleet replacement programme with EV or other low carbon options
- Working with SCC to promote active travel and uptake of low carbon transport
- Working with SCC to implement the Local Cycling and Walking Implementation Plan to deliver improved active travel infrastructure

4. Low impact consumption

4.1 Overview

Living by consuming a fair share of the earth's resources is key to reduce environmental and social impacts associated with over-consumption. It requires us to reflect on our habits to make more informed decisions in our day-to-day activities with a view to consume more responsibly.

We currently deplete natural resources at an alarming rate, much faster than our ecosystems can replenish them. Studies show that an average UK resident requires 5.4gha of biologically productive land and water¹² to support its lifestyle. This means that if everyone on earth consumed as much as the average person in the UK, we would need the equivalent of three planets to support us, as shown in Figure 11 below.¹³



<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021> (Table 1.1 emissions divided by annual population)

¹² Biologically productive land and water is the required area to produce the goods we consume and to assimilate the wastes we generate: cropland, grazing land, fishing grounds, built-up land, forest area, and carbon demand on land.

¹³ <http://calculator.bioregional.com/findoutmore.php>

Figure 11 – UK resident ecological footprint breakdown. Source: Bioregional

Challenges associated with consumption are demonstrated at a borough level. Provisional results for 2022/23 indicate residents in the borough collectively produced 52,508 tonnes of waste, a small decrease compared to the baseline 2019/20 of 52,766 tonnes, with the recycling rate remaining almost static at a provisional 54.2% in 2022/23 against 54.3% in 2019/20, although still putting the Council in the top 20% of local authority recycling rates.

In terms of water use, Reigate & Banstead borough falls into the SES Water supply area, where consumption has increased from 143.3 litres per person per day in the baseline year of 2019/20, to 150.8 litres per person per day in 2022/23¹⁴.

The Council recognises its role in demonstrating leadership on these issues. As part of the review of our own activities we have considered measures to reduce our impacts through the more efficient management of our estate and the set-up of a responsible procurement process. We also propose to support initiatives to see improvements on a borough wide scale. We will continue to utilise the waste hierarchy (Reduce – Reuse – Recycle) to drive down consumption and waste generation.

2050 Vision

- The borough operates as part of a closed-loop system where residents consume only their fair share of the earth's resources.
- Circular economy principles underpin our manufacturing and industrial processes: waste is transformed into valuable resources and pollution is prevented.
- Residents and businesses recycle or compost as much as possible of their waste, and processing takes place as locally as possible.
- Water is viewed as a precious resource, and it is kept as close to its source as possible.

4.2 Priorities

Under the low impact consumption section, we have set a number of objectives under three key priorities:

Waste reduction: Minimisation of waste arisings through better procurement choices (e.g. longer-lasting or better quality products) and recycling unavoidable waste in local treatment facilities.

Water efficiency: Reduction of water consumption by promoting water efficiency to help alleviate water scarcity issues, and good water management to reduce flooding.

Responsible sourcing: Use of materials and products produced responsibly (i.e. not causing any environmental or social harm).

At the Council level, there is still work to do to quantify and reduce waste and implement alternatives to remaining single use plastics. As part of any planned refurbishment or upgrade of our assets, avenues to reduce water energy

Progress:

Our operations:

- Started to investigate types of Scope 3 emissions and options for data collection
- Rainwater collected from the Depot roof is used for landscape watering

Borough:

- Working in partnership with SES Water to distribute water saving devices to residents at events
- The borough recycling rate remains competitive at 54.2% in 2022/23.
- Increasing numbers of properties are signing up to the Green Waste collection scheme.

¹⁴ [SES Water annual performance report | SES Water](https://seswater.co.uk/about-us/publications/our-annual-performance-report) <https://seswater.co.uk/about-us/publications/our-annual-performance-report>

consumption (as well as energy consumption) will be pursued. In parallel, we will look to ensure that responsible sourcing is considered in all purchasing decisions and development of sustainable procurement procedures is an action carried forward from the first Strategy Action Plan.

In partnership with the Surrey Environment Partnership (SEP) there is work to do in communicating the implications of our food choices. Food waste is a big issue as the food needs to be grown, processed, transported, stored and disposed of – a commonly reported statistic is that if food waste was a country it would be the third largest emitter of greenhouse gas emissions in the world¹⁵. Producing food also puts pressure on land use, there are animal welfare issues, there is pollution from agriculture and certain food products have a high carbon intensity (for example meat, and particularly beef)¹⁶. Wasting food costs residents money and also requires the Council to collect the waste for disposal.

At borough level, the Council collects waste, dry mixed recyclables and food from borough households, with an optional charged garden waste service. The Council provides a Trade Waste option for businesses that currently offers collections of residual waste and paper / cardboard for recycling. In October 2023, implementation targets associated with the Government's Resources & Waste Strategy were announced¹⁷ and there is an action in the updated Strategy Action Plan to determine how to implement these new requirements. The requirement for all residential properties to receive a full recycling collection (including food waste) can be expected to increase the borough's domestic recycling rate, as around 5500 flats are currently unable to participate in kerbside recycling. The requirements for business recycling will also help deliver overall recycling objectives. We will continue to look for opportunities to reduce consumption and therefore reduce waste.

There is also a role for the Council to use its planning powers to encourage developers to reduce material consumption as part of their design, facilitate waste reduction during construction and increase water and energy efficiency levels during operation.

Key actions:

- Implement the requirements of the Government's Resources and Waste Strategy to increase borough recycling rates and reduce residual waste
- Work with SES Water to reduce consumption of mains water, and with the Refill scheme and other organisations to reduce packaging and single use plastics
- Replace the Council vehicle wash with a more efficient model
- Implement the procurement actions under the Effective Implementation theme

5. Natural environment and biodiversity

5.1 Overview

The natural environment is essential for human existence and for maintaining a good quality of life. It provides crucial ecosystem services which deliver fundamental requirements such as clean water, food, resources and services such as pollination, carbon storage, climate regulation, and natural protection from hazards such as flooding and erosion¹⁸.

Impact from human activity through pollution, habitat loss and fragmentation has caused stress to the natural environment, accelerated during the Industrial Revolution and continues to this day. This presents a

¹⁵ [Food waste is responsible for 6% of global greenhouse gas emissions - Our World in Data](https://ourworldindata.org/food-waste-emissions)

<https://ourworldindata.org/food-waste-emissions> and [Promoting Sustainable Lifestyles | North America | UNEP - UN Environment Programme](https://www.unep.org/regions/north-america/regional-initiatives/promoting-sustainable-lifestyles#:~:text=Globally%2C%20if%20food%20waste%20could,3.3%20billion%20tons%20of%20CO2) <https://www.unep.org/regions/north-america/regional-initiatives/promoting-sustainable-lifestyles#:~:text=Globally%2C%20if%20food%20waste%20could,3.3%20billion%20tons%20of%20CO2>.

¹⁶ 'How bad are bananas?' by Mike Berners Lee (2020), suggests a portion of protein from peas causes the emission of 1/100th of greenhouse gases compared to a portion of protein from beef (he references beef from cattle raised on deforested land so beef from the UK will have a lower carbon footprint).

¹⁷ [Government response - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/consistency-in-household-and-business-recycling-in-england/outcome/government-response) <https://www.gov.uk/government/consultations/consistency-in-household-and-business-recycling-in-england/outcome/government-response>

¹⁸ IPBES (2019): Summary for policymakers of the global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services https://ipbes.net/system/tdf/ipbes_global_assessment_report_summary_for_policymakers.pdf?file=1&type=node&id=35329&mc_cid=4df044f04d&mc_eid=%5bUNIQID%5d&mc_cid=4df044f04d&mc_eid=2754a8280b

substantial risk to the future of the UK’s native wildlife and also to the crucial ecosystem services they provide (these are services the natural environment provides that benefit people)¹⁹. Future climate change is only likely to accelerate current rates of decline and loss of ecosystem function²⁰ as the natural ability of species and ecosystems to adjust and adapt is reduced.

Access to greenspaces, parks and gardens play an important role in our health and well-being. A 2019 Government report stated that across the UK 65% of people had visited the natural environment at least once a week²¹, which rose to 69% by March 2023²². The importance of maintaining a healthy natural environment cannot therefore be understated.

The borough of Reigate & Banstead is fortunate to benefit from a rich and varied natural environment. Table 2 shows this includes four Sites of Special Scientific Interest (SSSI), Local Wildlife sites (eg 53 Sites of Nature Conservation Importance SNCI) and the Surrey Hills National Landscape (formerly an Area of Outstanding Natural Beauty) with 69% of the borough designated as metropolitan Green Belt, a figure unchanged since the baseline in 2019/20²³.

| Designation | Type of designation | Area (ha) | % of borough |
|---|-----------------------------|-----------|--------------|
| Green Belt | National, Policy | 8,888ha | 69% |
| Surrey Hills Area of Outstanding Natural Beauty | National, Landscape | 1,549 | 12% |
| Area of Great Landscape Value | Local, Landscape | 4,740 | 37% |
| Mole Gap to Reigate Escarpment Special Area of Conservation | International, Biodiversity | 450 | 3% |
| Sites of Special Scientific Interest | National, Biodiversity | 796 | 6% |
| Sites of Nature Conservation Importance | Local, Biodiversity | 1,172 | 9.1% |
| Ancient Woodland | National, Biodiversity | 597 | 4.6% |

Table 2: The extent of policy and environmental designations in Reigate and Banstead in 2019 (from the RBBC Development Management Plan – Green Infrastructure Strategy, August 2017).

The Council owns approximately 1250 hectares of countryside, including internationally rare lowland heath and chalk grassland. This includes three Local Nature Reserves (LNRs) at Banstead Woods, Reigate Heath and Earlswood Common²⁴.

2050 Vision

- Nature forms an integral part of our urban environment.
- New developments include parks or recreational spaces that have been designed to benefit wildlife and contribute to residents’ overall well-being.
- Our drainage systems are designed to respect the natural water cycle, provide valuable habitat to wildlife and deliver amenity benefits where possible.
- Permeable paving solutions have replaced hard surfaces wherever possible.
- Harmful products that have a detrimental impact on our ecosystems or our health are not used.

¹⁹ An introductory guide to valuing ecosystem services - GOV.UK (www.gov.uk)

²⁰ UK Climate Change Risk Assessment 2017: Evidence Report, Chapter 3: Natural environment and natural assets

²¹ Monitor of Engagement with the Natural Environment – The national survey on people and the natural environment. Headline report 2019, September 2019, Natural England.

²² [Adults' Year 3 Annual Report \(April 2022 - March 2023\) \(Official Statistics\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/the-people-and-nature-survey-for-england-data-tables-and-publications-from-adults-survey-year-3-april-2022-march-2023-official-statistics/adults-year-3-annual-report-april-2022-march-2023-official-statistics)
<https://www.gov.uk/government/statistics/the-people-and-nature-survey-for-england-data-tables-and-publications-from-adults-survey-year-3-april-2022-march-2023-official-statistics/adults-year-3-annual-report-april-2022-march-2023-official-statistics> (Chart 2.2)

²³ RBBC Environment and Sustainability Monitor Data Report 31 March 2019 and 31 March 2022. Sourced from: https://www.reigate-banstead.gov.uk/info/20088/planning_policy/1102/plan_monitoring/8

²⁴ https://www.reigate-banstead.gov.uk/info/20082/countryside_management/77/special_greenspaces

5.2 Priorities

Under this natural environment and biodiversity section we have set a number of objectives under three key priorities:

Ecological enhancement: Improvement of the tree and soft landscaping cover to create and maintain habitats that are of benefit to wildlife.

Sustainable drainage systems: Use of sustainable drainage systems (SuDS) to reduce flooding and the embodied carbon of drainage infrastructure whilst providing biodiversity and amenity benefits.

Environmental impact and pollution prevention: Avoid negative impacts to the wider environment i.e. pollution and habitat loss resulting from Council's activities (including procurement) and from activities in the wider borough (eg transport impacting on air quality).

At Council level the importance of the natural assets within the borough and the need to protect and enhance these assets has been recognised. As part of this work the Council has developed a 'Green Infrastructure Strategy'²⁵ (currently under revision) which seeks to make the most of the green infrastructure network that runs through the borough and beyond. The Strategy acknowledges the threat to the green infrastructure network from the competing needs to provide housing and employment land.

The priorities focus on maintaining and improving the most significant elements of the existing green infrastructure network in the borough and exploring ways to increase the size and connectivity of the network through new development and regeneration projects. Developing a Greenspaces Strategy and a Tree Strategy will provide the framework to make improvements across the Council's own estate and are key natural environment actions.

Urban trees are also important. The Action Plan contains broader measures around planning for new development (including Council development) which will provide guidance for incorporating urban trees. Trees on highways, which may be in urban or rural areas, are the responsibility of Surrey County Council, who have a scheme²⁶ to identify new locations for highway trees.

SCC are developing a Local Nature Recovery Strategy (LNRS)²⁷ to identify locations to improve nature and provide other environmental benefits (such as carbon sequestration, flood regulation and access to nature rich spaces). This will also link with the new planning requirement for Biodiversity Net Gain (BNG) which aims to ensure habitat for wildlife is left in a better state than it was before development. We are working closely with SCC to develop the LNRS.

Measures to increase soft landscaping and tree cover can have wide ranging environmental benefits which will also contribute to the achievement of other objectives within this Strategy, including:

- A reduction in carbon emissions (one large tree consumes circa 20.3 kgCO₂e in a year)
- A reduction in air pollution (trees can remove pollutants such as nitrous oxide and particulate matter)

Progress:

Our landholdings:

- Created new natural meadows by relaxing grass cutting during the cutting season
- Peat-free planters, hanging baskets and barrier baskets
- Converting some flower beds from annual to perennial planting

Borough:

- SCC planted approx. 6600 trees in the borough in 2022/23 as part of their 1.2 million tree target
- Developed a Community Tree Planting guide and helped support local tree planting schemes
- Provided website pages with advice on improving biodiversity at home

²⁵ Reigate and Banstead Borough Council 'Green Infrastructure Strategy', August 2017 <http://www.reigate-banstead.gov.uk/downloads/file/3600/green-infrastructure-strategy-and-action-plan>

²⁶ [Planting trees on the highway - Surrey County Council \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/roads-and-transport/permits-and-licences/planting-trees) <https://www.surreycc.gov.uk/roads-and-transport/permits-and-licences/planting-trees>

²⁷ [Local Nature Recovery Strategy \(LNRS\) - Surrey County Council \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/land-planning-and-development/local-nature-recovery-strategy-lnrs)

<https://www.surreycc.gov.uk/land-planning-and-development/local-nature-recovery-strategy-lnrs>

- from the atmosphere)
- A reduction in water scarcity
- Flood alleviation from slowed runoff rates and natural floodwater storage
- A reduction in urban heat island effect

Reducing impacts to the environment from pollution is part of the day-to-day work of the Council's Environmental Health team, including those statutory nuisances like noise and light pollution, as well as delivery of actions within the local Air Quality Action Plan and Strategy. Larger scale activities are regulated by the Environment Agency. There are opportunities to further review Council activities for opportunities to limit negative impacts on the environment, for example in operation of the cemetery and regulating events on Council land.

Key actions:

- Prepare and implement the Council Greenspaces and Tree Strategies
- Support community tree planting and wildlife measure initiatives
- Continue to maintain watercourses on the Council estate and work with SCC and the EA on flood mitigation projects
- Deliver the Council Air Quality Action Plan and Strategy

6. Climate Adaptation and Resilience

6.1 Overview

When our original ES Strategy was published in 2020, climate adaptation and resilience was incorporated as a cross-cutting issue that would appear across all themes. This approach was considered appropriate at the time, however the rapidity with which the climate is changing suggests that this would be better recognised as a theme in itself, acknowledging that there may be stand-alone actions as well as actions related to the other Strategy themes.

Adaptation is the actions we take to survive in the actual or expected climate, whilst resilience is our capacity to cope with shocks and to recover from their impacts²⁸. For the Council, adaptation may be ensuring appropriate drainage to prevent flooding, or planting trees to cool urban areas. Climate resilience is a multi-dimensional approach to prepare, respond and recover from the impacts of climatic events and may involve system-level changes.

Summer 2022 saw record-breaking temperatures which resulted in an unprecedented number of heat-related deaths, drownings, wildfire incidents and significant infrastructure disruption in the UK²⁹, and human-induced climate change made these temperatures at least ten times more likely than without human-induced climate change³⁰.

Globally, 2023 has seen unprecedented levels of wildfires from Greece to Canada, and ocean and Antarctic temperatures higher than usual. July 2023 saw extreme heat in North America, Europe and China, leading to heat deaths, hospitalisations and negative impacts on crops. These heat events are becoming more frequent (approx. once every 5-15 years) but without human induced climate change these events would have been extremely rare (approx. once every 250 years in China)³¹.

The Climate Change Act 2008 requires the UK to produce a Climate Change Risk Assessment (to identify risks) with a National Adaptation Programme (to address the risks) every five years. Adaptation is also

²⁸ What is the difference between climate change adaptation and resilience? - Grantham Research Institute on climate change and the environment (lse.ac.uk) <https://www.lse.ac.uk/granthaminstitute/explainers/what-is-the-difference-between-climate-change-adaptation-and-resilience/>

²⁹ [Progress in adapting to climate change - 2023 Report to Parliament - Climate Change Committee \(theccc.org.uk\)](https://www.theccc.org.uk/2023/07/20/progress-in-adapting-to-climate-change-2023-report-to-parliament-climate-change-committee/)

³⁰ [Without human-caused climate change temperatures of 40°C in the UK would have been extremely](https://www.bbc.com/news/health-65111111)

³¹ [Extreme heat in North America, Europe and China in July 2023 made much more likely by climate change – World Weather Attribution](https://www.bbc.com/news/health-65111111)

embedded in the 25 Year Environment Plan.

The independent Climate Change Committee advises the UK Government on emissions targets and the progress being made in reducing GHG emissions and preparing and adapting to the impacts of climate change. It advises that "The UK must adapt to a minimum average global temperature rise of between 1.5 and 2°C for the period 2050 – 2100 and consider the risks up to a 4°C warming scenario"³².

Surrey County Council has recently adopted Surrey Adapt – the Surrey Climate Change Adaptation and Resilience Strategy³³. This sets out how SCC proposes to respond to the hazards, risks, vulnerabilities and opportunities posed by climate change impacts for the period 2023-2028, working with partner organisations including district and borough authorities. A more detailed action plan is to be developed in 2024.

The Surrey Adapt report contains projections for what Surrey weather is likely to be in 2080 and these projections are summarised in the graphics below:

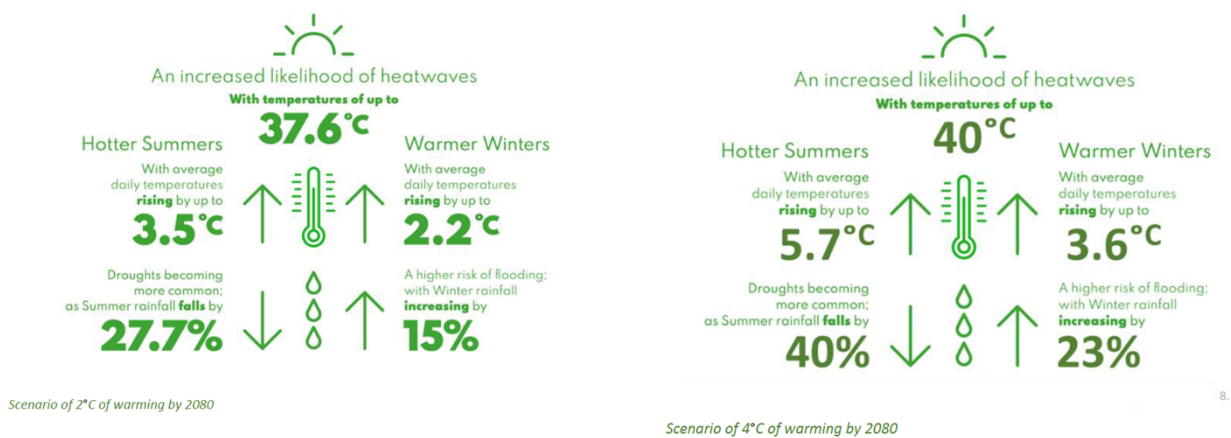


Figure 12: Projections for Surrey weather in 2080 (from draft Surrey Adapt report, SCC 2023)

Under both scenarios presented above it is likely that summers will become hotter and drier, making drought (and the risk of wildfires) more likely, whilst winters will be wetter and stormier. Rainfall is likely to be more intense leading to flooding.

The Council has an Emergency Planning team who - working with the Surrey Local Resilience Forum - will take the lead, with support from the Sustainability team, in reviewing climate risks and communicating these to service areas (who can implement appropriate plans and adaptation measures) and to borough residents and businesses.

2050 Vision

- Council buildings and services are prepared for and resilient to future climate predictions.
- Urban trees provide shade and cooling.
- Buildings utilise water storage devices; gardens and parks contain climate resilient plants.
- Flood risk from heavier rainfall has been reduced by implementation of sustainable drainage solutions, more trees and flood alleviation schemes.
- Some Council buildings are available as Cool and Warm Hubs (depending on season) for use by residents.

³² <https://www.theccc.org.uk/wp-content/uploads/2021/10/Independent-Assessment-of-UK-Climate-Risk-Advice-to-Govt-for-Climate-Change-2021.pdf>

³³ Surrey County Council (2023) Surrey Adapt: Surrey Climate Change Adaptation and Resilience Strategy https://www.surreycc.gov.uk/community/climate-change/what-are-we-doing/adaptation-strategy/_nocache_.

6.2 Priorities

Under the climate adaptation and resilience section we have set one objective:

Adapting to Climate Change: accelerate adaptation and develop resilience for the predicted future climate

In assessments of climate adaptation and resilience, all sectors of the community must be considered. Climate impacts are likely to impact the vulnerable in society most, so actions taken must ensure social equity.

At Council level, climate change is recognised as a risk on the Strategic Risk Register. Projects should record how the changing climate may impact delivery and operation and should record the measures taken to adapt to the future climate. Service teams must review operations and take appropriate measures to ensure services can continue to be delivered in the future climate.

At a borough level, the Council will work with SCC on relevant actions from Surrey Adapt, whilst ensuring adequate communications with residents and businesses.

Key Actions:

- Ensure climate change risks are embedded across the organisation, including understanding the borough's flood and wildfire risk.
- Develop appropriate communications for residents and businesses
- Continue working in partnership with SCC and other local Districts and boroughs

Progress:

Our processes:

- Recognition of the importance of adaptation and resilience and including it as a new theme in the ES Strategy
- Inclusion as a risk on the Council Strategic Risk Register
- Developed a [household emergency plan](#)
- Business continuity plans for extreme weather events

Borough:

- Supporting SCC 'Surrey Adapt: The Surrey Climate Change Adaptation and Resilience Strategy'
- Incorporation of adaption measures in Climate Change and Sustainable Construction SPD

7. Effective implementation

A series of overarching and supporting measures are needed to achieve the objectives set out in this Strategy and to implement the Action Plan.

7.1 Capacity-building, Communications and Engagement, Training, and Partnership Working

We know that we have an important role in encouraging businesses and residents within the borough to support actions which address the climate crisis and environmental sustainability. Recognising the importance of providing easily accessible and digestible information as part of this process, the original Action Plan proposed that an online central information resource be developed – this has been created and is kept up to date to benefit residents, businesses and other audiences³⁴.

The success of the objectives outlined within the Action Plan will be reliant on support from communication campaigns to help aid the understanding of sustainability issues across the borough and within the Council, and to encourage behaviour change. The Council will therefore ensure that, where applicable, actions are supported by the dissemination of appropriate materials. As appropriate, information from other partner organisations, like SCC, will be shared and promoted too.

Engagement activities within the Council now include training for staff and councillors, sustainability drop-in sessions and a Staff Sustainability Network for interested staff members and these will continue and will be expanded as appropriate.

Engagement activities within the borough are wide-ranging and include attendance at events, business forums, and speaking with residents and resident's groups, and these will continue and grow as necessary.

There is also substantial engagement with Surrey County Council and our neighbouring local authorities at officer and Member level (eg via the Greener Futures Partnership Steering Group), whilst promotion of SCC grant schemes and other partner initiatives forms a central part of the borough engagement activities.

We have worked in partnership with Raven Housing, other housing providers and with other local authorities to gain Government funding for decarbonisation measures for borough housing. We work with SES Water to spread water efficiency messages and distribute free water saving devices. We are working with energy providers, both in terms of the local distribution network operator (DNO) and the local community energy sector and with local organisation to plant trees and hedgerows. We will continue to look for new ways to work with partners to deliver environmental sustainability and carbon reduction activities.

7.2 Planning policies

When considering the UK Government's target of achieving net zero carbon by 2050 it is clear that planning policy will have a crucial role in supporting the transition towards achieving this, as well as in adapting our borough to the changing climate. In light of the UK target, the Council recognises the impracticalities of continuing to grant planning permission for developments which are planned and built in a way that will

Progress:

Our processes:

- Produced a [climate change and sustainable construction Supplementary Planning Document](#) (SPD)
- Delivered training opportunities for staff and Council members
- Developed a set of [sustainability webpages](#) for residents and businesses
- Implementing a sustainability communications plan
- Produce annual Strategy progress reports

Borough:

- Continuing to work with partners across the voluntary, community, private and public sectors to share learnings, access funding and develop projects

³⁴ [Environmental sustainability and climate change](#)

require retrofitting in the near future.

As part of the Council's strategy to address the climate crisis and improve sustainability at a borough wide level there is an intention to focus on how the current planning policies and processes can be used to help deliver environmental sustainability across Reigate & Banstead, within the framework provided by national legislation and policy. This will include review of the Local Plan policies, including to help facilitate our ES Strategy objectives as part of the next review process (commencing in 2023/24).

7.3 Procurement

Procurement is key to influencing change beyond the areas under our direct control. A number of objectives across all overarching environmental themes of the Strategy relate to products and services being supplied to the Council by third party providers/suppliers. In order to ensure that we select suppliers/providers with the right level of products and expertise to deliver this ES Strategy, changes to the internal procurement procedures will be required - this action is carried forward from the previous Action Plan.

It is proposed to include sustainability within a wider review of the procurement process that will also consider social impacts. Procurement documents will be updated to ensure that the objectives of the Action Plan relative to the service which is being tendered are reflected.

In parallel, the Council will develop general implementation guidance on key topics (e.g. embodied carbon) and consider training methods to facilitate uptake and ensure consistency in terms of implementation across different companies/suppliers. We will need to review whether we should provide training to key suppliers too.

The Council procures food to serve to the public at the community centres and the Harlequin theatre, whilst there are vending machines at Council offices and the Depot. There are opportunities to deliver environmental and financial savings by consolidating our approach and reviewing the environmental impacts of the food offered.

7.4 Resources and Governance

The appointment of a dedicated sustainability resource has been essential in ensuring the delivery of the Strategy Action Plan to date. It is not sole responsibility of the Council's Environmental Sustainability Team to implement all measures within the Action Plan, rather its role is to guide and support the relevant Council departments in delivering their sustainability objectives in conjunction with other key stakeholders where applicable. The Council's ES Team currently has 1.8FTE officers, one with a focus on Council activities, and one focusing on engagement with the wider borough and partner organisations who can deliver borough-wide environmental improvements.

To achieve the objectives of this Strategy, staff resources in other teams will also be required to work to deliver the actions in the Strategy Action Plan. It is important that an understanding and commitment to sustainability is embedded across the Council so that it is recognised that every Council employee has a role to play in delivering the Strategy. A key action will therefore be to review HR policies and procedures to incorporate sustainability where possible.

To effectively deliver the Strategy, financial resources will also be required, and identified via the annual budget setting process or stand-alone funding bids. Wherever appropriate, sources of external funding will be pursued.

In terms of governance, it is proposed to review processes to ensure sustainability is given consideration both upfront (as proposals and projects are developed) and at key decision points.

7.5 Monitoring and Reporting

As part of the implementation of the ES Strategy it will be crucial to ensure that all objectives of the associated Action Plan are monitored. This will assist in understanding where measures have been successful and to identify where improvements to the implementation approach may be required.

Performance indicators have been reviewed, and the new performance indicators are presented in the Action Plan.

A Sustainability Steering Group, comprised of Heads of Services and other key officers with responsibility for Council-related operations that have environmental impact, meets quarterly to review activities and consider progress on the ES Strategy. This group receives updates on progress from service areas and has the opportunity to consider complementary or conflicting projects and identify and resolve blockers. This Group has also provided an overview function for this first ES Strategy Review.

The Council has also established an informal Cross Party Member Sustainability Group to review and feedback on the implementation of the Strategy.

A report on progress is presented to the Council Executive annually, and each report is available on the website³⁵. A new template will be developed to assist in future progress reporting.

The ES Strategy will be kept under review to ensure that the Council's activities continue to take account of national policies, commitments and technological changes. This version 2 is the first review of the Strategy to do this. It is intended that Version 2 should be reviewed in 2027.

Key Actions:

- Update and continue to deliver internal and external communication plans
- Continue to cultivate partnerships and work with partners to deliver projects
- Consider the climate crisis, decarbonisation and other environmental sustainability objectives in the Local Plan Review
- Develop a Sustainable Procurement Statement or Policy and associated training and guidance
- Develop a Corporate Development framework to embed environmental sustainability measures into all Council building projects
- Review Council project documentation, decision-making and governance to ensure environmental sustainability is given due consideration
- Review effective options for the future offsetting of residual Council carbon emissions

8. Preparing for 2030

8.1 Scope 3

The Strategy sets a net zero target of 2030 for Scope 1 and 2 Council operation greenhouse gas emissions with an aim to get Scope 3 emissions (see box) to net zero as soon as possible thereafter (as explained in Section 3.1 above). In order to be in a position to deliver actions and report on progress on Scope 3 there are preparations that will need to be made prior to 2030, such as ensuring the Council has mechanisms in place to obtain data from suppliers so a Scope 3 baseline can be developed and establishing a procedure for ongoing reporting.

For our leased assets, preparing for Scope 3 reporting now will give the Council the opportunity to start discussions with leaseholders about the types of actions they may be able to take, either alone or in partnership with the Council. The Council also has the opportunity to review the conditions of any leases or licences that come up for renewal or reletting to include a focus on sustainability and energy efficiency.

³⁵ [Our approach to environmental sustainability](#)

For purchases, an initial approach will be to estimate the carbon impact from a year of purchases to prioritise the most significant emissions. Sustainable procurement, and training Council purchasers, alongside engagement with suppliers will be key to driving down emissions from the supply chain.

In terms of business travel and commuting, data will be collected to guide behaviour change and a review of HR policies will be conducted to incentivise lower carbon travel methods.

For waste generated within our operations, we need to estimate waste generation and work towards collection of accurate data. Education and messaging to prevent waste and to maximise recycling will also be key.

Regular readings of water meters will allow accurate data collection for calculation of emissions for water consumption and treatment, and again, education and messaging will be key to reduce water use.

We already have data for purchased electricity so can calculate the transmission and distribution (T&D) emissions. These will decrease as our consumption of grid electricity decreases due to efficiency measures.

**Carbon Footprint (In scope from 2030 onwards):
Scope 3 - suppliers**

- purchased goods and services, including water consumption and treatment
- business travel (mileage, public transport, hotels)
- employee commuting
- waste generated in operations (treatment and disposal)
- upstream leased assets (where RBBC is tenant)
- downstream leased assets (where RBBC is landlord, case-by-case as and when lease arrangements allow)
- purchased electricity transmission and distribution (T&D)

8.2 Offsetting

The aim of our net zero target is to reduce emissions as far as possible. It is recognised that there are likely to be some obstinate emissions that we are unable to eliminate and, in line with best practice, we will endeavour to ensure these are less than 10% of baseline by 2030.

One of the actions of this revised Strategy is to research and develop a credible offsetting strategy for these residual emissions. It is important that we plan ahead so that we are able to implement effective offsetting from 2030. Questions that will be considered as part of this action include:

- Review of the Oxford Offsetting Principles³⁶ to guide the project.
- Whether it is more effective to invest in installing renewable energy, over and above what the Council consumes, as an offsetting mechanism
- Whether it is more effective to develop nature-based carbon offsetting on the Council's own land, and if so, should this be done by Council services or in partnership with other organisations
- What organisation(s) should the Council partner with if offsetting is to be outsourced
- Partnership opportunities if offsetting on Council land
- What type of projects should be supported
- How much will each option cost
- When the Council will need to begin investing in any offset scheme in order to realise the carbon reductions. This is particularly important for nature-based carbon removals where carbon takes time to be sequestered and a tree doesn't remove carbon from the atmosphere at an equal rate through its lifetime.
- Whether there are any forthcoming or predicted guidance or regulatory changes that will affect the offsetting strategy
- As the aspiration is to be net zero for Scope 3 emissions as soon as possible after 2030, when the Council will implement Scope 3 offsetting

It must be recognised that any offsetting strategy may need to evolve over time due to the different timescales associated with different opportunities.

³⁶ [The Oxford Offsetting Principles | Smith School of Enterprise and the Environment](#)

9. Challenges and Opportunities

9.1 Opportunities

There are many opportunities arising from achieving the Vision of this Strategy. Co-benefits will arise when the action to deliver an objective in one theme, also delivers on objectives for another theme, whilst some actions will have non-environmental benefits too. Co-benefits and opportunities include:

- **Financial** – Energy efficiency measures reduce energy consumption thereby lowering energy bills as well as greenhouse gas (GHG) emissions. Renewable energy sources provide low GHG emissions and ‘free’ electricity once the initial investment is paid back. Early action on climate adaptation is more cost-effective than delayed action.
- **Improved health** – measures to reduce GHG emissions from transport generally reduce air pollution by reducing exhaust emissions, whilst active travel options can play a part in increasing activity levels which lead to better health and wellbeing.
- **Less pollution** - measures to reduce GHG emissions from transport generally reduce air pollution by reducing exhaust emissions, uptake of active travel methods (rather than the use of private vehicles) will also reduce particulate pollution from car tyres, and electric heating and cooking will improve indoor air quality compared to using gas.
- **Building comfort** – better insulated buildings are generally less draughty and more comfortable, being warmer in winter and cooler in summer, with lower energy costs for occupants. Installing green roofs and walls can insulate a building as well as improving nature and air quality.
- **Improving wildlife** – adding trees, hedgerows, green roofs and walls, and wildflower meadows improves local wildlife whilst vegetation also absorbs pollutants and urban trees provide shade and cooling.
- **Reducing flood risk** – installing SUDS, creating ponds and planting trees can reduce run-off from intense rainfall, thereby reducing flood risk and these actions can also benefit wildlife.

9.2 Challenges

In common with most organisations, and particularly other local authorities, there are challenges to achieving net zero, particularly by 2030. Key challenges that are inhibiting our decarbonisation efforts are described in Section 2.5 above and repeated in the ‘Challenges specific to us’ point below. Sharing learning with our neighbouring authorities and utilising best practice from other organisations are the types of actions we can take to help overcome these challenges.

- **Unique challenges** – each of our buildings is one-of-a-kind in the borough and we have many task-specific vehicles and machinery that we will need to decarbonise, requiring bespoke solutions for each. However, other local authorities are facing the same situation so we can share our learnings to avoid ‘reinventing the wheel’. We can also learn from commercial operators, for example for our theatre and for our refuse fleet.
- **Fossil fuel use** – to achieve net zero without significant offsetting we need to transition our buildings away from using natural gas. We are developing a programme of works and budgets to achieve this, that recognise the unique challenges in each building, for example the listed, historic nature of the Town Hall.
- **Resourcing** – Council budgets are stretched. We will consider whole-life costs to demonstrate the value from all decarbonisation activities.
- **Skills** – the country is facing a skills shortage for the design and installation of decarbonisation technologies. SCC is developing a work programme around skills, commercial organisations are training their staff in the installation of low carbon heating systems and there are Government initiatives in ‘green’ training and apprenticeships which will slowly reduce the skills gap.
- **Involvement of communities** – improving the environment of the borough cannot be done by the Council alone so residents, businesses and organisations will need to contribute. Generally, people are engaged with environmental issues, but they lead busy lives in which they may not have capacity to take this on, whilst businesses need guidance to take advantage of the commercial benefits that

can accrue from having a more sustainable outlook. For areas like walking and cycling (highways) and what happens to our waste we are reliant on SCC. To help with local delivery we will continue to engage with the local community and our partners, with particular focus on the benefits that taking sustainability action can have, over and above the specific environmental improvements.

- **Competing priorities** – true for the Council, but particularly for local businesses and residents, the cost-of-living crisis can affect the priority that is given to environmental initiatives. Communicating the financial benefits of decarbonisation measures (such as insulation and renewable energy) and the wider benefits of environmental initiatives with the local community and members will help keep a high profile for environmental issues.
- **Electrical grid capacity** – the ability to install EV charging and renewable energy is dependent on approval from the Distribution Network Operator (DNO) and may require costly grid upgrades. To try to manage this we are holding early engagement with our local DNO.
- **Legislation and policy** – there is still some uncertainty in national policy (for example, whether hydrogen will play a big part in domestic and commercial heating) and associated legislation, and there have been delays to key policy (for example the outcomes of the Resources and Waste Strategy).
- **Technology** – much of the technology necessary to decarbonise our buildings and fleet is established but may be less well known or tested in the UK. Seeing these technologies in action in other local authorities or trialling equipment can help dispel doubts and concerns around reliability and durability.
- **Survival of tree planting** – ensuring sufficient watering of new planting, both for Council planting and for that done by community groups, is critical for newly planted trees and hedgerows to survive, and there is a requirement for ongoing investment in maintenance to ensure planting remains healthy. Options such as natural regeneration will be explored.
- **Organisational capacity** – unlike many larger organisations, but in common with other district and borough Councils, many delivery areas are dependent on small teams who are dealing with multiple workstreams. If staff leave, or corporate priorities change, this can delay implementation of sustainability actions.
- Challenges specific to us:
 - **Electrical capacity, space and layout at the Depot** – electrification of the refuse fleet is likely to require investment in increased electrical capacity. Space at the Depot is also constrained and there may need to be work to change the layout to optimise the available land.
 - **Uncertainty about building futures** – clarity is needed on future operational use patterns at a number of buildings which is holding back the design of and investment in energy efficiency measures and renewable energy solutions.
 - **Data** – to report on, and communicate, our progress it is important that we have robust and comprehensive data sets. More work is required, for example, to collect accurate energy data for our buildings. A programme of building sub-metering is proposed; and we will explore options to streamline data collection and presentation of data relating to this Strategy.

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Environmental Sustainability Strategy - 2023 Review - draft Action Plan

Annex 2

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|-------------------|--|--|--|--|---|--|---|--|--|----------------|---------------------------------|-------------------------------|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 1 Energy & Carbon | 1 - Energy minimisation: reduction of operational energy (regulated and unregulated) through efficiency measures (eg insulation, LEDs) and behaviour change) | 1 – Reduce operational energy consumption for new and existing buildings through a fabric first approach with energy efficient equipment for Council buildings by promoting and facilitating opportunities to deliver retrofit fo | | | | | | | | | | | |
| | | Indicator - Council building energy consumption | | | | | | | | Council | | | |
| | | Indicator - Council CO2e footprint | | | | | | | | Council | | | |
| | | Indicator - borough CO2e estimates (DESNZ) | | | | | | | | Borough | | | |
| | | 1 | BOROUGH: Continue to achieve a high take-up of national or other domestic energy efficiency grants and schemes through local marketing and networking campaigns. | 2024/25 ongoing | Number of properties that have had a measure installed via a specific grant/scheme. Proportion of Surrey-wide funding secured compared to proportion of households. | N/A as this uses national and regional grant schemes | National grants | Finance Energy Carbon Resident comfort | Borough | Sustainability | Data Insight, Comms, Env Health | Residents, SCC, Action Surrey | |
| | | 2 | COUNCIL: Implement a rolling programme of maintenance and improvement works to reduce gas consumption across the Council estate and implement as and when equipment needs replacing. | 2024/25 ongoing | Reduction in gas consumption. Reduction in gas carbon footprint. Measures installed will be tracked and reported. | ££ - £££ | Revenue (maintenance) and Capital (replacement equipment) | Finance Energy Carbon Resources Adaptation | Council | Property | Sustainability | N/A | |
| | | 3 | COUNCIL: Develop a plan to improve the energy efficiency of council-owned housing with a view to leveraging external funding to implement improvements. | 2024/25 | Plan developed. Plan reviewed every three years. Value of external funding leveraged. | £ | Revenue | Potential: Finance Energy Carbon | Council and Borough | Property | Sustainability | N/A | |
| 4 | COUNCIL: Review potential energy efficiency savings for IT equipment. To include: - Review of power use and standby settings on laptops, monitors and printers; - Reviewing comms room and server room power consumption and temperature settings and removing unneeded equipment. | 2024/25 | Review completed; measures implemented will be tracked and reported. | N/A | N/A | Potential: Finance Energy Carbon | Council | IT | Sustainability | N/A | | | |
| 5 | COUNCIL: Implement energy efficiency measures across Council operational buildings as identified within the Building Energy Audits 'no regrets' scenario, and including any recommendations identified in Display Energy Certificates. | 2024/25 ongoing | Reduction in building energy use. Reduction in building carbon footprint. Measures installed will be tracked and reported. | £££ | Capital | Finance Energy Carbon User comfort | Council | Property | Sustainability | N/A | | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|---|--|--|---|---|---|--|---|--|--|------------------------------------|--|------------------|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 1 Energy & Carbon | 1 - Energy minimisation: reduction of operational energy (regulated and unregulated) through efficiency measures (eg insulation, LEDs) and behaviour change) | 6 | COUNCIL: Undertake further investigation into implementation of Building Energy Audits 'accelerated pathway' interventions for our operational buildings. | 2025/26 ongoing | Investigation completed. (Note outcome will inform future action, indicators and funding bids). | ££ | Revenue | Potential: Finance Energy Carbon | Council | Property | Sustainability | N/A | |
| | | 2 – Promote behaviour changes to reduce operational energy consumption | | | | | | | | | | | |
| | | Indicator - number of initiatives delivered to staff to reduce operational energy consumption | | | | | | | | | Council | | |
| | | Indicator - number of initiatives delivered across the borough to reduce energy consumption | | | | | | | | | Borough | | |
| | | <i>See also actions under Objective 17 - Communications</i> | | | | | | | | | | | |
| | | 7 | BOROUGH: capacity build/enable local community groups across the borough to work on energy reduction projects. | 2024/25 ongoing | Number of groups delivering schemes. | N/A | external grants only | Finance Energy Carbon Community capacity-building Engagement | Borough | Sustainability | Community partnerships | Community Groups | |
| | | 8 | COUNCIL: With support from the Transport team, all service areas that have vehicles to: implement driver management, efficient driver training and review of how they use vehicles, including route optimisation. | 2024/25 ongoing | Relevant services implementing driver management and route optimisation. Reduction in fuel usage. | ££ (approx 30k) | revenue | Energy Carbon | Council | Transport | Waste Cleansing Greenspaces JET | N/A | |
| | | 9 | Implement the Solar Big Belly Bin project in 2024 to reduce mileage in the Cleansing fleet. | 2024/25 | Project implemented. Reduction in cleansing fleet mileage. | £££ | Capital (CIL) | Energy Carbon Litter | Borough | Waste & Recycling | Data & Insight | N/A | |
| | | 10 | COUNCIL: Provide tenants in council-owned housing with energy efficiency and sustainability advice. | 2024/25 ongoing | Number and % of tenants provided with advice. | N/A | N/A | Finance Energy Carbon | Borough | Housing and Community Partnerships | Sustainability | N/A | |
| | | 11 | COUNCIL: Implement a rolling programme of energy smart meter improvements across key council buildings. (3 year programme) | 2024/25 and ongoing | % of meters that are smart | N/K | Revenue/Capital | Potential: Finance Energy Carbon | Council | Property | N/A | N/A | |
| | | 1 Energy & Carbon | 2 – Renewable Energy: Generation of renewable energy locally and | 3 – Promote the use of renewable energy through on/off-site generation and renewable tariff procurement and work towards the elimination of fossil-fuel consumption. | | | | | | | | | |
| Indicator - number of solar installations in the borough (DESNZ) | | | | | | | | | Borough | | | | |
| Indicator - energy generated by solar installations on council buildings | | | | | | | | | Council | | | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|-------------------|---|---|---|--|--|--|---|--|--|--------------------------|--------------------------------------|--|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 1 Energy & Carbon | procurement of renewable energy through reputable green tariffs. | 12 | BOROUGH: Continue to achieve a high take up of national or other domestic renewable energy grants and schemes, through local marketing and networking campaigns. | 2024/25 ongoing | Number of properties that have had a measure installed via a specific grant/ scheme. Proportion of Surrey-wide funding secured compared to proportion of households. | N/A | national and regional grant schemes | Finance Energy Carbon Resilience | Borough | Sustainability | Data Insight Comms, Env Health | Residents, SCC, Action Surrey | |
| | | 13 | COUNCIL: Establish a project group to explore options for council owned ground mounted solar farm and/ or wind turbines in the borough including on-site or direct-wire use (PPA) to negate new grid connections, and any financial opportunities from roof rental for solar, variable and export tariffs, battery storage, demand side response etc. (approx 3y project) | 2024/25 | Project completed (note project outcome will inform future action and indicators). | ££ | Revenue | Potential: Finance Energy Carbon Resilience Influence | Council | Sustainability | Property Finance Place | Private companies, energy companies, SCC Community Energy etc | |
| | | 14 | COUNCIL: Implement renewable energy measures across Council operated buildings as identified within Building Energy Audits 'no regrets' and 'accelerated pathway' scenarios; and investigate the potential for renewable generation on other council owned buildings. | 2023/24 ongoing | Amount of renewable energy generated. Number of buildings with renewable energy installations. Measures installed will be tracked and reported. | ££ | Capital (inc some CIL) | Finance Energy Carbon Resilience | Council | Property | Sustainability | N/A | |
| | | 15 | COUNCIL: Procure renewable tariffs for council electricity and explore options to procure renewable gas when contracts come up for renewal. | 2024/25 ongoing (when contracts come up for renewal) | % of council electricity from a renewable tariff; % of gas from a renewable tariff. | N/K | Revenue | Carbon | Council | Property | Sustainability Procurement | Energy company | |
| | | | | | | | | | | | | | |
| | 3 – Low Carbon Transport: Minimisation of transport emissions through reducing personal car travel, promoting electric vehicles, developing public transport and encouraging cycling and walking. | 4 – Reduce carbon emissions associated with transport through minimising travel and reliance on personal cars. | | | | | | | | | | | |
| | | Indicator - number of events at which active travel has been promoted | | | | | | | Borough | | | | |
| | | 16 | COUNCIL: Develop a programme of actions to incentivise and promote lower carbon business and staff travel that will include a Council Travel Plan (to cover all the key RBBC sites) and a review of policies and incentives. (approx 3y project) | 2024/25 | Programme of actions developed. Travel Plan in place. (note project outcome will inform future action and indicators). | ££ | revenue | Potential: Carbon Resilience Air Quality Health | Council | Sustainability, Comms | HR | N/A | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | | |
|--------------------------|--|--|---|--|--|--|---|--|--|----------------|-------------------------------|--------------------------|--|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | | |
| 1 Energy & Carbon 186 | 3 – Low Carbon Transport: Minimisation of transport emissions through reducing personal car travel, promoting electric vehicles, developing public transport and encouraging cycling and walking. | 17 | BOROUGH: Continue to work with SCC to improve the uptake of active travel in the borough, including measures to encourage behaviour change. | 2024/25 ongoing | Active Travel projects progressed; number of people engaged with. | N/K | N/K | Potential: Energy Carbon Resilience Air Quality Influence Health | Borough | Sustainability | Community Partnerships | Sustrans | | |
| | | 18 | COUNCIL: Work with SCC to deliver the boroughs' Local Cycling & Walking Implementation Plan (LCWIP) to support cycling and walking in the borough. (Undertake initial projects stage 2 in 2024/25, start delivery from 2025/26 (subject to funding availability)) | 2025/26 | Schemes delivered; investment value. | N/A | SIP/SCC Funds/ \$106/ Active Travel England | Energy Carbon Nature Resources Resilience Air Quality Noise Influence | Borough | Planning | N/A | SCC | | |
| | | 19 | COUNCIL: With partners, lobby to improve public transport infrastructure, services and frequencies that meet the needs of local residents. | 2024/25 ongoing | Improvements to public transport provision secured. | N/A | N/A | | Borough | Planning | N/A | N/A | | |
| | | 5 – Improve the uptake of low and zero emission vehicles across the Council and the borough | | | | | | | | | | | | |
| | | Indicator - number of public EV charging points in borough (Zapmap) | | | | | | | | | Borough | | | |
| | | Indicator - number of plug-in EVs licensed in the borough (DVLA) | | | | | | | | | Borough | | | |
| | | <i>See also actions under Objective 19 Planning</i> | | | | | | | | | | | | |
| | | 20 | BOROUGH: develop an EV Charging Strategy in order to expand EV charging on our estate. | 2024/25 ongoing | Strategy adopted (note strategy content will inform future action and indicators). | N/A | N/A | Potential: Carbon Air quality Influence | Council and Borough | Sustainability | Property, Parking, Env Health | N/A | | |
| | | | - deliver more EV charging on our estate | 2024/25 ongoing | number of EV points | N/K | N/K | Carbon Air quality Influence | Council and Borough | Sustainability | Property, Parking | N/A | | |
| | | | - Work with SCC on roll out of EV on street charging. | 2024/25 ongoing | number of EV points | N/A | SCC | Carbon Air quality Influence | Borough | Sustainability | N/A | SCC | | |
| | | 21 | COUNCIL: Explore the leisure centre operators agreement for installation of EV charging points. | 2024/25 | investigation complete (note project outcome will inform future action and indicators) | N/A | N/A | Potential: Carbon Air quality Influence | Borough | Leisure | Sustainability | Leisure Centre operators | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|----------------------------|--|-----------------|--|--|---|--|---|--|--|------------------------|----------------------------|------------|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 1 Energy & Carbon | 4 – Embodied Carbon: Reduction in embodied carbon in new infrastructure or building projects through lean engineering and construction techniques. | | 6 – Reduce embodied carbon in infrastructure and building projects | | | | | | | | | | |
| | | | Indicator - % of relevant staff attending embodied carbon training | | | | | | | Council | | | |
| | | 29 | COUNCIL: Organise training for relevant teams on assessing and reducing embodied carbon in material purchases and construction projects. | 2024/25 | Number of staff who have received training. | £ | Revenue | Potential: Carbon | Council | Sustainability | HR | N/A | |
| 2 – Low Impact Consumption | 5 – Waste Reduction: Minimisation of waste arisings through better procurement choices (e.g. longer-lasting or better-quality products) and recycling unavoidable waste in local treatment facilities. | | 7 – Reduce waste through avoiding it in the first place and promoting reuse opportunities, including composting and anaerobic digestion | | | | | | | | | | |
| | | | Indicator - total municipal household waste collected at borough level | | | | | | | Borough | | | |
| | | | Indicator - total waste generated by Council (not initially reportable - note that work needs to be undertaken to enable this to be reported) | | | | | | | Council | | | |
| | | 30 | COUNCIL: Implement a project to improve recycling across all Council sites. To include: - Education and behaviour change (see Objective 17) - Review the existing recycling arrangements - A review of the potential to collect 'hard-to-recycle' items through TerraCycle (or similar) - Review the previous Facilities SUP paper then conduct a Single-Use Plastics audit across the estate (including events), and identification of where SUP can be reduced or eliminated and how any essential SUPs can be recycled. | 2025/26 | Improved recycling options at council sites. | N/A | N/A | Potential: Waste reduction | Council | Sustainability | Facilities, Waste | N/A | |
| | | 2024/25 | | Review completed | N/A | N/A | Potential: Waste reduction | Council | Facilities | Sustainability; Waste | N/A | | |
| | | 2024/25 | | Review completed | N/A | N/A | Potential: Waste reduction | Council | Sustainability | Facilities | N/A | | |
| | | 2024/25 | | Review completed | N/A | N/A | Potential: Waste reduction | Council | Sustainability | Facilities | N/A | | |
| | | 31 | BOROUGH: Explore and expand the promotion of the water (and other) refill network. | 2024/25 | For the borough: number of additional businesses signed up; number of additional users signed up. | £ | Revenue | Potential: Waste reduction Litter Influence Business footfall | Borough | Economic Prosperity | Sustainability, Comms | Businesses | |
| | | 32 | COUNCIL: Inclusion of a fact sheet / educational material as part of annual allotment invoice mailshot, which is delivered to all tenants. | 2024/25 and ongoing | fact sheet distributed | £ | Revenue | Water Adaptation | Council | Greenspaces | N/A | N/A | |
| | | 33 | COUNCIL: Investigate opportunities to promote reuse across the borough, such as establishing local repair cafes and library of things. | 2025/26 | Investigation complete (note investigation outcome will inform future action and indicators). | N/A | N/A | Potential: Waste reduction Community spirit | Borough | Community Partnerships | Sustainability | N/K | |
| 34 | COUNCIL: Work with community groups to encourage composting | 2024/25 ongoing | Number of additional community composting schemes. | N/A | N/A | Resources Waste reduction Influence | Borough | Community Partnerships | Greenspaces | Community groups | | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|----------------------------|--|--|--|---|---|--|--|--|--|-------------------|-----------------------------|----------|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 2 – Low Impact Consumption | 5 – Waste Reduction: Minimisation of waste arising through better procurement choices (e.g. longer-lasting or better-quality products) and recycling unavoidable waste in local treatment facilities. | | 8 – Facilitate recycling to maximise value of non-avoidable waste and encourage waste treatment locally to minimise transport emissions | | | | | | | | | | |
| | | | Indicator - proportion of household waste recycled, composted or anaerobically digested (borough level) | | | | | | | Borough | | | |
| | | | Indicator - proportion of waste collected treated within the UK (borough level) | | | | | | | Borough | | | |
| | | 35 | COUNCIL: Research options for future process for electrical kit reuse or proper disposal, including frequency of collections to maximise value. Currently a third party company is used. | 2024/25 | Investigation completed (note investigation outcome will inform future action and indicators). | N/A | N/A | Potential: Waste reduction | Council | IT | Sustainability | N/A | |
| | | 36 | COUNCIL: Comply with the current plans (Nov 23) from the government Resources and Waste Strategy, for rolling out recycling (including food waste) to all properties in the borough (for completion by 31/3/26). | 2025/26 | number of properties receiving full recycling service; % of properties receiving full recycling service. | N/K | N/K | Waste reduction | Borough | Waste & Recycling | N/A | N/A | |
| | | 37 | COUNCIL: Comply with current government plans (Nov 23) for Trade waste: Larger businesses (>10FTE) by 31/3/25 Smaller businesses (<10FTE) by 31/3/27 | 2026/27 | Trade Waste recycling to all relevant council contracts. | N/K | N/K | Waste reduction | Borough | Waste & Recycling | Comms, Data & Insight | N/A | |
| | | 38 | COUNCIL: Continue to increase the number of properties covered by Garden Waste collections, including current government plans (Nov 23) to provide collections to every property that requests it from 31/3/26. | 2024/25 ongoing | Number of properties receiving Garden Waste collections; % properties able to receive garden waste collections. | N/K | N/K | Waste reduction | Borough | Waste & Recycling | Comms, Data & Insight | N/A | |
| 2 – Low Impact Consumption | 6 – Water Efficiency: Reduction of water consumption by promoting water efficiency to alleviate water scarcity issues, and good water management to reduce flooding. | | 9 – Reduce tap water consumption through a combination of efficiency and reduction and substitution measures | | | | | | | | | | |
| | | | Indicator - Council building water consumption | | | | | | | Council | | | |
| | | | Indicator - water consumption per capita per day (SES Water supply area) | | | | | | | Borough | | | |
| | 39 | BOROUGH: work with SESW on initiatives to reduce water use and implement water substitution measures, to include: - consideration for areas where the Council can take action to reduce water use - consider opportunities to provide resident advice on saving water and not putting things down drains - providing advice to residents to soft landscape their gardens - promotion of the advice in the Climate Change SPD - Review potential to subsidise water butts for residents. | 2024/25 and ongoing | Number and type of projects delivered; per capita per day water use | N/A | SES Water | Energy Carbon Nature Adaptation Flood risk | Borough and Council | Sustainability | Comms | SESW, Residents, businesses | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|------------------------|--|---------------|--|--|--|---|---|--|--|----------------|----------------------------------|------------------------|-----|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| Low Impact Consumption | 7 – Responsible Sourcing: Use of materials and products produced responsibly (ie not causing any environmental or social harm) | 40 | COUNCIL: Vehicle wash upgrade at the Depot. | 2026/27 | Completion of upgrade | £££ (approx £350k) | capital | Finance Water | Council | Transport | Property | N/A | |
| | | 41 | COUNCIL: Investigate borehole drilling for sourcing water, and identify other sites where rainwater could potentially be harvested. | 2024/25 | Investigation completed (note investigation outcome will inform future action and indicators). | N/K | N/K | Potential: Water Adaptation | Council | Greenspaces | N/A | N/A | |
| | | 42 | COUNCIL: Implement a rolling programme of water meter improvements across key council buildings. (3 year programme) | 2024/25 and ongoing | % of meters that are smart | N/K | Revenue/ Capital | Carbon Water | Council | Property | N/A | N/A | |
| | | 43 | COUNCIL: Consider water efficiency during maintenance / upgrade works. To include: - Installation of low flow fittings - assessment of rainwater harvesting / greywater recycling viability, for example, water butts in community centre gardens. | 2024/25 ongoing | Water consumption per council building. Measures installed will be tracked and reported. | £ | Revenue/ Capital | Finance Carbon Nature Water Adaptation Flood risk | Council | Facilities | Community Partnerships | N/A | |
| | | | | | | | | | | | | | |
| | | | 10 – Maximise the use of materials and products that are produced responsibly (i.e. environmentally and socially) | | | | | | | | | | |
| | | | Indicator - Proportion of Council-procured goods that are defined as environmentally friendly | | | | | | | Council | | | |
| | | | 44 | COUNCIL: Include recycled and sustainable materials in specifications for new / upgraded play area tenders and increase the weighting given to these considerations. | 2024/25 and ongoing | % of play areas upgraded where recycled and sustainable materials have been used. | N/A | N/A | Resources | Council | Greenspaces | N/A | N/A |
| | | | 45 | COUNCIL: Review opportunities to make council-run events more sustainable, particularly in terms of the materials purchased, and develop ideas into guidance and training for all relevant service teams. | 2025/26 | Review completed. Guidance and training developed. | N/A | N/A | Potential: Energy Carbon Nature Resources Waste reduction | Council | Sustainability | Community Partnerships | N/A |
| | | | 46 | COUNCIL: Review the opportunities to reduce the impact of food purchases across the Council. This could include: - A research piece comparing the cost of a basket of food items used by the Community Centres, Harlequin and offices between fair trade/ sustainable/ organic/ local and the current. - Review Harlequin methods to reduce multiple deliveries and, where appropriate, roll out across the Community Centres and entire estate. | 2025/26 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: Finance Carbon Waste reduction Sustainable products Local sourcing | Council | Leisure / Community Partnerships | Data and Insight | N/A |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | | |
|-------------------------|--|---------------|--|--|---|--|---|--|--|--------------|--|----------|--|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | | |
| | | | | | | | | | | | | | | |
| 3 – Natural Environment | 8 – Ecological Enhancement: Improvement of the tree and soft landscaping cover to create and maintain habitats that are of benefit to wildlife. | | 11 – Improve native tree species mix, diversity and ecological value of the green assets across the borough | | | | | | | | | | | |
| | | | Indicator - Tree canopy cover percentage (Forestry Commission) | | | | | | | | Borough | | | |
| | | 47 | COUNCIL: Agree and Implement the Tree Strategy. | 2024/25 | Tree strategy is agreed (note outcome will inform future action and indicators). | ££ | Revenue | Carbon Nature Adaptation Air quality | Council | Greenspaces | N/A | N/A | | |
| | | 48 | COUNCIL: Research opportunities to support increase in trees in woodland areas via natural regenerative growth, and associated benefits in relation to tree coverage resilience and relative benefits from reduction in intensive watering regime for new trees. (Starting 2023/4 for completion 2025/26). | 2025/26 | Research completed; with recommendations made. (note outcome will inform future action and indicators). | N/A | N/A | Potential: Finance Energy Carbon Nature Resources Adaptation Air quality | Council | Greenspaces | N/A | N/A | | |
| | | 49 | COUNCIL: Support community tree planting initiatives. | 2024/25 | Number and locations of initiatives supported; trees planted. | N/A | N/A | Carbon Nature Adaptation Air quality Community | Council | Greenspaces | Sustainability, Community Partnerships | N/K | | |
| 3 – Natural Environment | 8 – Ecological Enhancement: Improvement of the tree and soft landscaping cover to create and maintain habitats that are of benefit to wildlife. | | 12 – Improve the area of soft landscape valuable to wildlife, including pollinators, across the borough | | | | | | | | | | | |
| | | | Indicator - area of new planting by the Council | | | | | | | | Council | | | |
| | | 50 | COUNCIL: Agree and Implement the Greenspaces Strategy. | 2024/25 | Strategy agreed (note outcome will inform future action and indicators). | ££ | Revenue | Nature Adaptation | Council | Greenspaces | N/A | N/A | | |
| | | 51 | COUNCIL: Review opportunities to include wildlife measures such as bird and bat boxes on the Council estate. | 2024/25 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: Nature | Council | Greenspaces | Facilities | N/A | | |
| | | 52 | COUNCIL: Explore opportunities to support community groups to install wildlife measures such as bird and bat boxes, and support local groups improving local spaces to provide drought-resistant planting, plants suitable for wildlife and to take decisions that benefit the environment. | 2024/25 ongoing | Number type and location of initiatives supported | N/A | N/A | Potential: Nature Community | Council | Greenspaces | Community Partnerships | N/K | | |
| | | | | | | | | | | | | | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|-------------------------|---|-----------------|--|--|---|--|---|--|--|----------------|------------------------------------|--|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 3 – Natural Environment | 9 – Sustainable Drainage Systems: Use of sustainable drainage systems (SuDS) to reduce flooding and the embodied carbon of drainage infrastructure whilst providing biodiversity, water management and amenity benefits. | | 13 – Improve the ability of the natural environment to store water and reduce surface water run-off | | | | | | | | | | |
| | | | Indicator - number of flood risk mitigation projects completed | | | | | | | | | | |
| | | 53 | COUNCIL: Continue to work with SCC and the EA on flood risk mitigation projects to improve the outcomes of those in the borough or that may affect the borough (including consideration of habitat improvements). | 2024/25 ongoing | Projects completed. | N/K | N/K | Nature Adaptation Flood risk | Borough | Greenspaces | N/A | SCC EA | |
| | | 54 | COUNCIL: Manage and maintain SuDS on new developments under Council responsibility. | 2024/25 ongoing | No detrimental flooding events associated with mismanagement of SuDS. | N/K | N/K | Nature Adaptation Flood risk | Council | Greenspaces | N/A | N/A | |
| | | 55 | COUNCIL: Continue to maintain the watercourses on our estate and work with SCC and EA to maintain the borough's water courses. | 2024/25 ongoing | Length and % of watercourses on RBBC estate maintained. | N/A | N/A | Nature Resilience Flood risk | Borough | Greenspaces | Adaptation GIS | SCC EA Other local interest groups | |
| 3 – Natural Environment | 10 – Environmental Impact and Pollution Prevention: Avoid negative impacts to the wider environment i.e. pollution and habitat loss resulting from Council's activities (including procurement) and from activities in the wider borough (eg transport impacting on air quality). | | 14 – Limit negative impacts to the wider environment i.e. from pollution to air, water, ground, and habitat loss | | | | | | | | | | |
| | | | Indicator - annual air quality results for nitrogen dioxide (borough) | | | | | | | Borough | | | |
| | | 56 | COUNCIL: Review the environmental impact of currently-used chemicals to determine if there are any suitable alternative products with lower environmental impact. To include: - Continue to minimise the use of glyphosate. | 2024/25 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: lower impact products | Council | Sustainability | Transport, Facilities, Greenspaces | N/A | |
| | | | | 2024/25 ongoing | Litres of glyphosate used. | N/K | N/A | less chemical use | Borough | Greenspaces | | | |
| | | 57 | COUNCIL: Review the drainage from the wash bay and fuel tank at the Depot and implement any necessary changes. | 2025/26 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Adaptation | Council | Property | N/A | SCC | |
| | | 58 | COUNCIL: Identify opportunities to improve the environmental sustainability of Redstone Cemetery and develop an implementation plan. | 2025/26 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation | Council | Greenspaces | Sustainability | N/A | |
| 59 | COUNCIL: Deliver the AQ Action Plan and Strategy. | 2024/25 ongoing | Improvement in annual air quality monitoring results for nitrogen dioxide. | N/K | N/K | Air quality | Council | Environmental Health | N/A | N/A | | | |

192

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners |
|----------------------------------|---|---|---|--|---|--|---|--|--|---------------------------|---|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | |
| | | 60 | COUNCIL: Review options to make third party events on Council owned land more environmentally sustainable. | 2024/25 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: Energy Carbon Nature Resources Waste reduction | Borough | Sustainability | Greenspaces | N/A |
| 4 - CC Adaptation and Resilience | 11 – Adapting to climate change: Accelerate adaptation and develop resilience for the predicted future climate. | 15 – Accelerate action to adapt buildings and services to the advancing rate of climate change. | | | | | | | | | | |
| | | Indicator - | | | | | | | | | | |
| | | 61 | COUNCIL: Regularly review and update internal business continuity plans to adapt service delivery in extreme weather conditions reflecting sector best practice. | 2024/25 ongoing | % of business continuity plans that are up to date. | N/A | N/A | Potential: Adaptation | Council | All | N/A | N/A |
| | | 62 | COUNCIL: Continue to encourage and support local groups improving local spaces to provide drought-resistant planting, plants suitable for wildlife, plants adapted to the future climate predictions and to take decisions that benefit the environment. | 2024/25 ongoing | Number, type and location of initiatives supported. | N/A | N/A | Nature Water Adaptation Air quality Community | Borough | Community Partnerships | Sustainability | N/K |
| | | 63 | COUNCIL: Review the SCC Surrey Adapt Strategy and its resulting action plan to determine those actions relevant to RBBC. | 2024/25 | Review completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: Adaptation | Borough | Sustainability | Emergency Planning | N/A |
| | | | - where these actions align with our priorities, work with SCC and other D&Bs to deliver those actions. | 2024/25 onwards | % of relevant actions delivered. | N/K | N/K | Adaptation | Borough | Sustainability | Adaptation All | SCC Surrey D&Bs |
| 4 - CC Adaptation and Resilience | 11 – Adapting to climate change: Accelerate adaptation and develop resilience for the predicted future climate. | 16 – Improve the resilience of our communities and the natural and built environment to respond to changes in climate. | | | | | | | | | | |
| | | Indicator - number of engagements delivered | | | | | | | | | | |
| | | 64 | COUNCIL: Deliver the external comms plan which will include: - adaptation messages that are targeted at those who are most vulnerable to climate change impacts - information for businesses on how to prepare for the impacts of climate change - emergency planning and business continuity. | 2024/25 ongoing | Number, type and reach of activities undertaken | N/A | N/A | Adaptation | Borough | Sustainability | Economic Prosperity Emergency Planning / Adaptation Community Partnerships Comms Data & Insight | Surrey Local Resilience Forum; Applied Resilience |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners |
|------------------------------|---|--|--|--|---|--|---|--|--|--------------------|--|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | |
| | | 65 | COUNCIL: Understand borough flood and potentially wildfire risk. Educate businesses and residents, making them aware of their risk, their responsibilities and mitigations/preparations they can take. | 2025/26 | Number of residents and businesses that information has been disseminated to. | N/A | N/A | Adaptation & Resilience | Borough | Emergency Planning | Adaptation GIS Comms | N/A |
| 5 - Effective Implementation | 12 – Capacity-building, Communications and training | 17 – Provide informative accessible material for staff, councillors, residents, businesses and all relevant stakeholders, partners, contractors and suppliers on how to deliver our ES objectives at the borough level, and explain t | | | | | | | | | | |
| | | Indicator - number of staff attending environmental sustainability training | | | | | | | | Council | | |
| | | Indicator - % of comms plan delivered annually | | | | | | | | Borough | | |
| | | 66 | COUNCIL: Write and deliver external and internal communications plans to support all Strategy themes. These should consider appropriate channels and resources for different stakeholders, including 'harder to hear' audiences and those more susceptible to the impacts of climate change. | 2024/25 ongoing | Number, type and reach of activities undertaken. | £ | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | Sustainability | Comms D&I EP Staff Sus Network Emergency Planning Greenspaces | N/A |
| | | 67 | COUNCIL: Deliver both general and targeted training to officers and members on a range of environmental sustainability issues to aid understanding and to assist in the delivery of Strategy objectives and actions. | 2024/25 ongoing | Number of staff trained; number of members trained. | £ | Revenue | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | Sustainability | HR Procurement | N/A |
| | | 68 | COUNCIL: All service teams to include sustainability during staff induction, and in performance review and recruitment processes. | 2024/25 and ongoing | Number of staff given sustainability induction | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | HR | Sustainability ALL | N/A |
| 5 - Effective Implementation | 13 – Partnership Working | 18 – Work with partners, businesses and voluntary organisations to identify shared objectives and opportunities for cooperation, partnership working, project development and delivery | | | | | | | | | | |
| | | Indicator - number of engagements | | | | | | | | Borough | | |
| | | 69 | COUNCIL: Engage with a range of partners via existing networks to deliver shared sustainability objectives and share best practice. Seek to develop new groups and networks as appropriate. | 2024/25 ongoing | Number of engagements; number of people engaged with; type of engagement and audience type. | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience Share learning Build capacity | Council | Sustainability | Transport, Comm Partnerships | Surrey Councils, SCC, Voluntary Sector, Sustainable Business Network, Greater SE Net Zero Hub, Community Energy South, private sector partners etc |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|------------------------------|---------------|---------------|--|--|--|--|---|--|--|------------------------|----------------------------|--------------------------------|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| 5 - Effective Implementation | 14 – Planning | | - continue to be a funding member of Action Surrey (approx £3k/y) | 2024/25 ongoing | funding contribution made | £ | N/A | Potential: Energy Carbon Build capacity | Borough | Environmental Health | Sustainability | Action Surrey | |
| | | | - continue to work with Surrey Environment Partnership to deliver waste and recycling communications and behaviour change messages | 2024/25 ongoing | | N/A | N/A | Resources | Borough | Waste & Recycling | Communications | Surrey Environment Partnership | |
| | | | - continue growing the Sustainable Business Group, with relevant and engaging content and speakers to encourage business collaboration and shared best practice. | 2024/25 ongoing | Number of large businesses attending each meeting. | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience Share learning | Council | Economic Prosperity | Sustainability | Businesses | |
| | | 70 | COUNCIL: Incorporate high level environmental sustainability ambitions into the Council's corporate plan for 2025-30. | 2024/25 | Sustainability ambitions incorporated in new corporate plan. | N/A | N/A | | Council | CPPP | N/A | N/A | |
| | | 71 | COUNCIL: Explore opportunities for a Transition Streets project. | 2026/27 | Investigation completed (note outcome will inform future action and indicators). | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience Community | Borough | Community Partnerships | N/A | N/K | |
| | | 72 | COUNCIL: Alone and in partnership, continue to lobby government and other bodies to support local sustainability objectives and ensure local authorities have the powers and resources to facilitate change. | 2024/25 ongoing | Number of representations made and who to. | N/A | N/A | | Borough | Sustainability | N/A | N/K | |
| | | | | | | | | | | | | | |
| | | | 19 – Support the delivery of our ES Objectives through the Council's planning policy and development management activity. | | | | | | | | | | |
| | | | Indicator - Local Plan review completed | | | | | | Borough | | | | |
| | | 73 | COUNCIL: As part of Local Plan Review DMP Policy CCF1 Climate change mitigation will be assessed and consideration made how this policy might be enhanced for renewable energy in the new local plan and in embedding in planning applications. (Review 2024 Evidence 2025 Draft Policy 2027 Adopted Plan 2028). | 2027/28 | Draft plan proposes updated approach. | ££ | Revenue | Potential: Energy Carbon Resources Adaptation | Borough | Planning | N/A | N/A | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | |
|------------------------------|------------------|---|--|--|---|--|---|--|--|----------------|----------------------------|----------|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | |
| | | 74 | COUNCIL: New Local Plan will support low carbon agenda by considering ways to strengthen existing climate change / carbon reduction policies and support improved infrastructure resilience in the borough. (Evidence paper 2025. Consultation 2026 & 2027 Adopt Local Plan 2028). | 2027/28 | Draft plan proposes updated approach. | N/A | N/A | Potential: Energy Carbon Resilience | Borough | Planning | N/A | N/A | |
| | | 75 | COUNCIL: As part of Local Plan Review consider whether the requirement for EV charging points associated with new development can be expanded. (Review 2024, Evidence 2025, Draft Policy 2027, Adopted Plan 2028). | 2027/28 | Draft plan proposes updated approach. | ££ | Revenue | Potential: Carbon Adaptation | Borough | Planning | N/A | N/A | |
| | | 76 | COUNCIL: Consider a requirement for EV charging points on existing development where appropriate planning applications are received. (Evidence 2025 Draft Policy 2027 Adopted Plan 2028). | 2027/28 | Draft plan proposes updated approach. | £ | Revenue | Potential: Carbon Adaptation | Borough | Planning | N/A | N/A | |
| | | 77 | COUNCIL: Develop evidence and explore options to inform an embodied carbon policy for the new Local Plan. (Appoint specialist 2023 Report 2025 Draft Policy 2027 Adopted Plan 2028). | 2027/28 | Draft plan proposes updated approach. | N/A | Revenue | Potential: Energy Carbon Adaptation | Borough | Planning | N/A | SCC | |
| | | | | | | | | | | | | | |
| 5 - Effective Implementation | 15 – Procurement | 20 – Ensure environmental sustainability is taken into consideration as part of the procurement process for all aspects of council purchasing. | | | | | | | | | | | |
| | | Indicator - new sustainable procurement policy adopted | | | | | | | | Council | | | |
| | | 78 | COUNCIL: Develop a Sustainable Procurement Statement or Policy that includes environmental issues, indirect impacts, living wage obligations etc. | 2024/25 | Agreement of a sustainable procurement statement / policy | £ | Revenue | Potential: Finance Energy Carbon Nature Resources Adaptation & resilience | Council | Procurement | Sustainability | N/A | |
| | | 79 | COUNCIL: Sustainability team to input to a review of the Procurement Procedures to ensure procurement documents contain sustainability considerations and to sit on the Procurement Board once established. | 2024/25 and ongoing | Sustainability incorporated in updated procurement procedures; sustainability incorporated in updated documents; Sustainability represented on Board. | N/A | N/A | Potential: Finance Energy Carbon Nature Resources Adaptation & resilience | Council | Procurement | Sustainability | N/A | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners | | |
|------------------------------|-------------------------------|--|--|--|---|--|---|--|--|----------------|----------------------------|----------------------|--|--|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | | | |
| 5 - Effective Implementation | 16 – Resources and governance | 80 | COUNCIL: Ensure procurement processes include a review by the sustainability team at an early stage in the procurement process, to ensure sustainability considerations (including carbon, waste reduction and reuse) have been included within the specification and / or the tender appraisal. | 2024/25 ongoing | Number of tenders where sustainability improvements have been secured. | N/A | N/A | Potential: Finance Energy Carbon Nature Resources Adaptation & resilience | Council | Procurement | Sustainability | N/A | | |
| | | 21 – Ensure effective implementation and reporting of Council progress against specified targets and indicators | | | | | | | | | | | | |
| | | Indicator - annual environmental sustainability strategy review completed | | | | | | | | | Council | | | |
| | | 81 | COUNCIL: Review effective options for offsetting remaining emissions from 2030 onwards and implement the most suitable options, recognising that a range of methods may be required. | 2024/25 | Review complete (note outcome will inform future actions and indicators). | N/A | N/A | Potential: Carbon Nature | Council | Sustainability | Finance, Greenspaces | N/A | | |
| | | 82 | COUNCIL: All key service teams to include relevant sustainability actions within their business plans to enable funding to be secured and projects to be implemented. | 2024/25 ongoing | Annual business plans incorporate sustainability actions. | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | All | N/A | N/A | | |
| | | 83 | COUNCIL: Regularly review funding opportunities and disseminate these to the appropriate teams and support them to submit bids. | 2024/25 ongoing | Number and type of funding opportunities explored. | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | Sustainability | All | N/A | | |
| | | 84 | COUNCIL: Explore opportunities to implement green leases in commercial lettings. | 2024/25 ongoing | % of lease renewals that are 'green' | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Borough | Property | Sustainability | N/A | | |
| | | 85 | COUNCIL: Consider innovative funding mechanisms to create renewable energy infrastructure within the borough. This could include community energy, PPA or other mechanisms. | 2026/27 | Review complete (note outcome will inform future actions and indicators). | N/A | N/A | Potential: Finance Energy Carbon Nature Resources Adaptation & resilience | Borough | Sustainability | Finance | SCC Community Energy | | |

| Theme | Priority | Action Number | Action | Timeframes | Performance indicator | Financial cost to Council | How to fund? | Benefits Summary | Council or Borough Impact | Action owner | Contributing service areas | Partners |
|------------------------------|-------------------------------|---------------|--|--|--|--|---|--|--|--|----------------------------|----------|
| | | | | When will you deliver this? Specify a year and if it is ongoing. | How will progress be measured? | Specify if £ <10k, ££ 10-100k, £££ >100k, N/A (if no cost or BAU) or N/K | Specify if Revenue / capital / PPA / N/A or N/K | Financial, energy, carbon, nature, resource savings, adaptation, other environment or other benefits | Specify if improvement to Council or Borough | | | |
| 5 - Effective Implementation | 16 – Resources and governance | | 22 - Embed consideration of ES objectives into Council governance and decision making. | | | | | | | | | |
| | | | Indicator - | | | | | | | | | |
| | | 86 | COUNCIL: Require provision of information about energy and carbon reduction, resource minimisation and nature protection and enhancement in project and programme documentation via review of corporate project and programme management frameworks. | 2024/25 | Project templates updated. | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | CPPP | N/A | N/A |
| | | 87 | COUNCIL: Review governance processes to ensure that information about the environmental sustainability implications of the decision is provided to help inform decision-making. | 2025/26 | Review complete (note outcome will inform future actions and indicators). | £ | Revenue | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | CPPP | Democratic Services | N/A |
| | | 88 | COUNCIL: When RBBC plans and policies are up for review, ensure climate change adaptation and resilience is included and there is policy alignment across the Council. | 2025/26 | Number and type of updated plans/policies where climate adaptation and resilience is included. | N/A | N/A | Potential: Adaptation & resilience | Council | All | Emergency planning | N/A |
| | | 89 | COUNCIL: Consider the potential to incorporate environmental sustainability criteria within the application processes associated with Council grants. | 2024/25 | Number and type of Council grants that contain environmental sustainability criteria. | N/A | N/A | Potential: Energy Carbon Nature Resources Adaptation & resilience | Council | Community Partnerships, Economic Prosperity , Mayor's Fund | Sustainability | N/A |
| | | 90 | COUNCIL: Develop a corporate framework setting out how environmental sustainability considerations will be incorporated within Council development proposals. | 2024/25 | framework agreed | N/A | N/A | Potential: Energy Carbon Nature Resources | Council | Place delivery | Sustainability; property | N/A |
| | | 91 | COUNCIL: Use whole life cycle costs for decision making during plant renewals and avoiding 'like-for-like' replacements unless the technology is future-proofed and low-carbon options are not viable. | 2025/26 | % of plant renewals for which whole life cycle costs are prepared. | N/A | N/A | Potential: Energy Carbon | Council | All | Sustainability | N/A |

198

KEY:

Borough Benefits predominantly accrue across the borough

Council Benefits predominantly accrue to the Council

Annex 3: Environmental Sustainability Strategy Scrutiny Panel Suggested Changes and officer responses

| Document | Reference | Comment | Response | Change proposed |
|----------|---------------------------------|---|---|-----------------|
| Strategy | Foreword | This section is blank | This section will be completed with a Foreword from the Portfolio Holder once the document has been approved | No |
| Strategy | Para 2, various other instances | Whether 'climate crisis' is an appropriate term to use; or whether an alternative term (eg climate change or climate emergency) should be used | Climate crisis is considered to be an appropriate term; no change to strategy required. | No |
| Strategy | Section 1.2 | Clarify that Council net zero target is for scope 1 and 2 emissions; also include reference to scope 3 approach | Amend bullet points as follows: “ - the target to get to net zero carbon by 2030 for the Council (<u>scope 1 and 2 emissions</u>); - <u>The aim to achieve net zero for scope 3 emissions as soon as possible after 2030...</u> ” | Yes (Strategy) |
| Strategy | Section 1.5 | Strategy should include recognition of uncertainty surrounding future of the Harlequin Theatre | Add footnote as follows: “ <u>At the time of writing, the Harlequin Theatre is shut, but it remains in the carbon footprint baseline and Scope 1 and Scope 2 Harlequin activities that are undertaken elsewhere will be reported in the 2023/24 carbon footprint and annual report.</u> ” | Yes (Strategy) |
| Strategy | Section 1.5 | Business as usual options should also have their sustainability 'costs' considered | This already happens and is covered by Action 86, no change to strategy required. | No |
| Strategy | Section 2 | Wording about the number of themes could be clarified | Amend as follows: “...however we now believe that this needs greater emphasis and therefore include it in this 2024 update as a <u>fourth environmental fifth</u> theme” | Yes (Strategy) |
| Strategy | Section 3.1 | Consider a specific 2050 target for net zero scope 3 emissions | A flexible approach is considered appropriate until we have better baseline evidence; current approach allows for action to reach net zero scope 3 <i>before</i> 2050. No change to strategy required. | No |
| Strategy | Section 3.2 | Consider adding reference to moving away from gas heating as well as exploring potential for renewable gas tariff | Amend as follows: “At the Council level, we switched to a renewable energy tariff for our electricity in 2023. When the contract comes up for renewal, we will explore options to also procure a renewable gas tariff <u>as an interim measure while we work to reduce gas consumption</u> ” | Yes (Strategy) |
| Strategy | Section 4.1 | Add timeframe to units of water consumption | Amend: “...litres per person/ <u>per day</u> ...” | Yes (Strategy) |
| Strategy | Section 4.1 | Reference to water consumption could be confusing, we should use clear language as this could be misinterpreted as the amount of water we drink | Amend: “In terms of water <u>use consumption</u> , Reigate & Banstead borough...” | Yes (Strategy) |

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| Strategy | Section 4.2 | Correct date typo | Amend: “...October 2020 2023” | Yes (Strategy) |
| Strategy | Section 4.2 | Question whether we should also seek to work with Thames Water as well as SES Water, specifically should we lobby them in relation to leaks and safe discharge into waterways | Action 72 covers lobbying, this has been expanded as follows: “Alone and in partnership, continue to lobby government <u>and other bodies to support local sustainability objectives and ensure local authorities have the powers and resources to facilitate change</u> ” Officers will also investigate working with Thames Water in relation to water usage more generally. | Yes (Action Plan) |
| Strategy | Section 5.1 | [Advance question] Impact from human activity has been happening since the industrial revolution | Amend as follows: “ Over recent decades Impact from human activity through pollution, habitat loss and fragmentation <u>has</u> have caused stress to the natural environment <u>accelerated during the Industrial Revolution and continues to this day...</u> ” | Yes (Strategy) |
| Strategy | Section 5.1 | The stated area of council owned and managed land is incorrect; reference to Banstead Woods as a LNR is missing | Amend: “The Council owns and manages approximately 1,250 hectares of countryside, including internationally rare lowland heath and chalk grassland. <u>This includes</u> The Council also owns two <u>three</u> Local Nature Reserves (LNRs) at <u>Banstead Woods, Reigate Heath and Earlswood Common</u> ” | Yes (Strategy) |
| Strategy | Section 7.3 | As well as procuring food sustainably, can we do more do more to educate people (including via schools) and help minimise food waste? | The Council already works closely with Surrey Environment Partnership to promote a reduction in food waste, and food waste recycling. Amend Action 69 to include specific reference to our work with Surrey Environment Partnership to deliver waste and recycling comms messages. | Yes (Action Plan) |
| Strategy | Section 7.5 | The strategy could be clearer about the review date, rather than providing a time range | Amend as follows: “This version 2 is the first review of the Strategy to do this. <u>It is intended that</u> Version 2 should be reviewed in 2027 and no later than 2029 ” | Yes (Strategy) |
| Action Plan | General | Question whether ‘ongoing’ activity (which might be BAU) should be included within the Action Plan | Ongoing actions tend to relate to activity that – once commenced – will be delivered as business as usual. It is considered important that this is captured in the Action Plan so a complete picture of activity is presented. | No |
| Action Plan | General (timeframes column) | Concern about whether there is sufficient clarity over how progress on ‘ongoing’ actions will be tracked, monitored and reported against. | Ongoing actions tend to relate to activity that – once commenced – will be delivered as business as usual. Start dates have now been clarified for all ongoing actions, with changes made to the following actions: - 2, 10, 17, 19, 24, 26-28, 31, 34, 38, 43, 52-55, 59, 61, 62, 64, 66, 69, 72, 82-84 | Yes (Action Plan) |

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| | | | Progress against ongoing actions will be reported in the annual report each year commencing for the 'start' year (ie not <i>just</i> in the start year), using the performance indicators provided. | |
| Action Plan | General (performance indicators column) | Concern about a lack of quantifiable targets and indicators for some actions and therefore how progress is measured. | Performance indicators for all actions are included. Given the nature of some actions, it is not possible to set quantifiable targets for them – where this is not the case, narrative updates will be provided via the annual reporting process. Following the Panel meeting, PIs have been reviewed and tightened up where possible – this has included changes to indicators for the following actions: - 1-6, 7-10, 12-15, 16-19, 20-27, 29, 30, 31, 33, 34, 35-38, 39, 41, 43, 44-46, 47-49, 50-52, 53, 55, 56-60, 61-63, 64, 65, 66, 67, 69, 70-72, 73-77, 78-80, 81-83, 85, 86-89, 91 plus objective 13. | Yes (Action Plan) |
| Action Plan | General (reporting) | Can a more detailed trajectory / milestones for how the key identified actions will move us to net zero be included to assist members in tracking progress? | The importance of helping members to understand progress is acknowledged. However as noted in the covering report provided to the Panel, when it comes to buildings in particular, there are complex interrelationships between interventions that mean that quantifying the impact of individual measures in advance is unreliable and potentially misleading. More information has now been provided in the O&S Committee / Executive covering report about this, including to help members visualise the impact of relevant actions to reduce vehicle fuel emissions and gas use in our buildings. Where possible, more detailed trajectory graphs will be included in future annual reports as more detailed business cases for the key interventions listed in the covering report are developed. | Yes (covering report) |
| Action Plan | General (reporting) | There would be value in highlighting to members what the critical projects are that we need to achieve, and the risks associated with them | <u>Critical projects:</u> The covering paper provided to the Panel provides information about the key critical actions that are required to achieve the Council's 2030 net zero target, along with the main constraints, challenges and risks to delivering these. As noted above, more information has now been provided in the O&S Committee / Executive covering report about this, to help members visualise the impact of key actions to reduce vehicle fuel emissions and gas use in our buildings. <u>Risks:</u> A summary of the constraints to delivery, and delivery challenges, is also included in the Strategy document at section 1.5 and Chapter 9. As set out in the covering report to | Yes (covering report) |

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| | | | the Panel at para 60 these will be kept under review and escalated to operational risks should the need arise. The annual report process also provides the opportunity to highlight any new risks and how already identified risks are being controlled and/or mitigated | |
| Action Plan | Action 2 | Does this action refer to heating alone; are we working towards no gas? | To achieve net zero we need to work towards reducing gas use as much as possible. See comment above, this will be clarified in the strategy document | Yes (Strategy) |
| Action Plan | Action 5 | Targets should be included. | The Council's capital programme sets out the years in which funding is allocated to specific buildings. Once funding has been agreed, a programme of works will be developed. | No |
| Action Plan | Action 6 | Targets should be included. | The action is to undertake investigation. Once this has been completed a programme will be able to be developed | No |
| Action Plan | Action 7 | Target should be included to work with groups in all areas | Action wording can be amended for clarity to explain that it will apply ' <u>...across the borough</u> ', however not appropriate to have a target for delivery in all areas as dependent on third parties | Yes (Action Plan) |
| Action Plan | Action 9 | Question whether this was a past objective now nearing completion | Funding has been secured but the project has not been implemented | No |
| Action Plan | Action 10 | Concern whether this action (about the provision of information) will lead to change | This action will be delivered in conjunction with Action 3, which relates to physical changes to buildings. No change to Action Plan required. | No |
| Action Plan | Action 14 | Question whether this replicates Actions 5 and 6 | This action relates to renewable energy; Actions 5 and 6 relate to energy efficiency measures | No |
| Action Plan | Action 20 | Targets should be included. | The action is to prepare a strategy – this will include more detail about our approach including any targets | No |
| Action Plan | Action 27 | Words such as 'encourage' and 'consider' could be stronger | The action will be implemented via a policy review, which will explore which options are most appropriate to pursue | No |
| Action Plan | Action 33 | Target should be included to ensure coverage across all areas | Action wording can be amended for clarity to explain that it will apply ' <u>...across the borough</u> ', however not appropriate to have a target for delivery in all areas as dependent on third parties | Yes (Action Plan) |
| Action Plan | Action 37 | Should the Council be doing more to engage with schools in relation to waste reduction and recycling? | The Council can work with Surrey Environment Partnership to promote awareness of waste & recycling including at schools (see change proposed above) | Yes (Action Plan) |
| Action Plan | Action 39 | Not clear how some elements of this action be achieved | Action wording can be amended for clarity, to explain: ' <u>...providing advice supporting</u> residents to soft landscape their gardens' and ' <u>...promotion recognition</u> of advice in the Climate Change SPD..' ' <u>... review potential</u> to subsidise water butts for residents.' | Yes (Action Plan) |

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| | | | And in recognition of comment under Strategy Section 4.1 the main action wording can be amended for clarity: '... initiatives to reduce water consumption <u>use</u> and implement water substitution ...' | |
| Action Plan | Action 45 | Targets should be included | The action is to undertake a review. As part of this consideration will be given to the appropriateness of numerical targets. | No |
| Action Plan | Action 46 | Targets should be included | The action is to undertake a review. As part of this, consideration will be given to the appropriateness of numerical targets | No |
| Action Plan | Action 48 | Could make reference to working with third parties | This action is specific to land in council management; however, if successful, consideration will be given to rolling it out more widely | No |
| Action Plan | Action 50 | Should the Council be doing more to recognise the need to work with third party landowners on nature and biodiversity issues? | This will be covered by the Green Infrastructure Strategy which is currently being reviewed by the Planning team and is mentioned in section 5.2 of the Strategy document | No |
| Action Plan | Action 50 | What opportunity is there for large-scale woodland planting (eg in the Banstead Woods area)? | Opportunities such as this will be considered as part of the Greenspaces and Tree Strategies referred to at Actions 47 and 50 | No |
| Action Plan | Action 55 | Could make reference to working with other third parties | Partners column of action plan can be amended to recognise other local interest groups | Yes (Action Plan) |
| Action Plan | Action 56 | Targets should be included | The action is to undertake a review. As part of this consideration will be given to the appropriateness of numerical targets | No |
| Action Plan | Action 57 | Compliancey/targets should be included | The action is to undertake a review then implement as appropriate. Review is required first to understand options, compliancey and consider potential targets | No |
| Action Plan | Action 69 | Will the Council consider partnerships with private providers to deliver strategy objectives | Potentially these kind of partnerships will be considered, subject to procurement and other best value requirements. Action 69, 'Partners' column has been amended to reflect this. | Yes (Action Plan) |
| Action Plan | Actions 73-75 | More detail and targets are needed | Actions relate to the Local Plan which is subject to a separate timetable and process. The outcomes of this process cannot be pre-determined. | No |
| Action Plan | Action 79 | Procurement documents should contain sustainability targets rather than considerations | A very wide range of products and services are procured across the Council; in some cases targets will be applicable but not necessary for all procurements. However consideration of sustainability options and opportunities is essential | No |

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| Action Plan | Potential new action | The previous Action Plan included an action about pesticide reduction. Could this be considered for inclusion in the new plan? | Action 56 wording can be amended to be more comprehensive about the chemicals used across the organisation and to specifically refer to the pesticide glyphosate: ' Review the environmental impact of currently used cleaning chemicals ... <u>to include:</u> - Continue to minimise the use of glyphosate.' | Yes (Action Plan) |
| Objectives | Priority 3 | Could the objective be extended to make reference to community transport as this is much needed in some areas? | No change proposed – priority relates to minimisation of emissions from transport rather than the type of services provided locally | No |
| Objectives | Objectives 11 and 12 | These objectives have been changed to 'improve' rather than 'increase' tree planting and soft landscaping. Should consider a return to 'increase' | The term 'improve' does not preclude an increase in tree planting and soft landscaping but recognises the nuances associated with land and woodland management, including the benefits that enhancing quality (as well as quantity) can bring, and also the challenges the borough faces in dealing with Ash Die Back and similar. Use of the term 'improve' is therefore considered more appropriate. | No |

Questions to follow up with written answers

2024 How many AQMAs does the council have, have some been revoked, why and what is the process for doing so?

The Council currently has 9 Air Quality Management Areas (AQMA's), which have been in place from between 2003 to 2013. Following completion of the Air Quality Action Plan (AQAP) and Strategy, recently submitted in draft to Defra, it is proposed to un-declare 7 of these AQMA's. This is because there has been a clear downward trend in air pollutant concentrations, particularly when evaluated over a number of years (including pre-Covid), that is well evidenced at these Areas. Having considered the Defra criteria for un-declaring an AQMA, and taking a more cautious approach still, this is now felt to be the appropriate course of action.

An AQMA is un-declared by the issue of a Revocation Order made under the Environment Act 1995. Prior to this, it is however proposed to take the following steps;

- Receive and incorporate any feedback from Defra on the draft AQAP & Strategy
- Undertake a public and member consultation on the proposals, including the contents of the AQAP & Strategy
- Take the final AQAP & Strategy to Executive for sign off and approval of the Revocation Order.'

Are the greenspaces and tree strategy a single strategy or separate? Will members get to see the greenspaces strategy content? What will the scope be (ie land within our ownership or wider)?

It is intended that they will be separate strategies. Consultants are in the process of being procured. The strategy will be developed in line with the operational strategy guidance that was prepared earlier this year and will be shared with members in accordance with that document. The focus will be land within Council ownership.

Who is in the sustainable business group and what is it doing?

The sustainable business group is a group of large employers who are sharing best practice on their sustainable journeys. Companies who attend the group include:

- Santander Consumer Finance
- Gatwick Airport
- Raven Housing Trust
- Southern Gas Networks
- Lactalis
- Surrey County Council
- First Community Health

The group is a way of us sharing relevant content with the group and the group discussing and sharing any successes or challenges. We have other channels to talk with smaller businesses. Some examples of discussion topics are how to embed sustainability with staff in an organisation, low carbon fleet considerations, and green social prescribing.

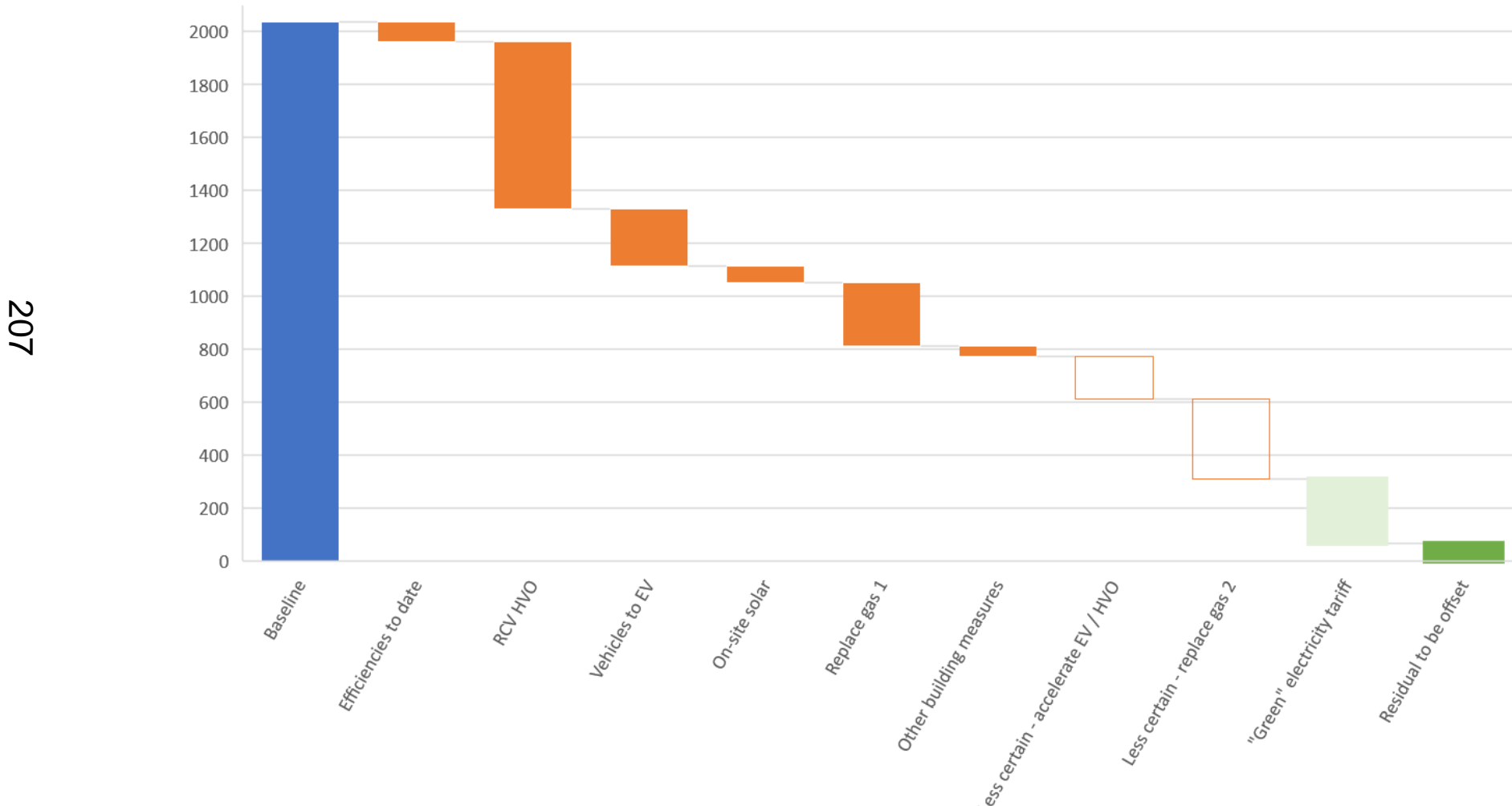
Which authority (RBBC or SCC) has responsibility for weedkilling on pavements?

It is mainly the responsibility of SCC to control weeds on pavements.

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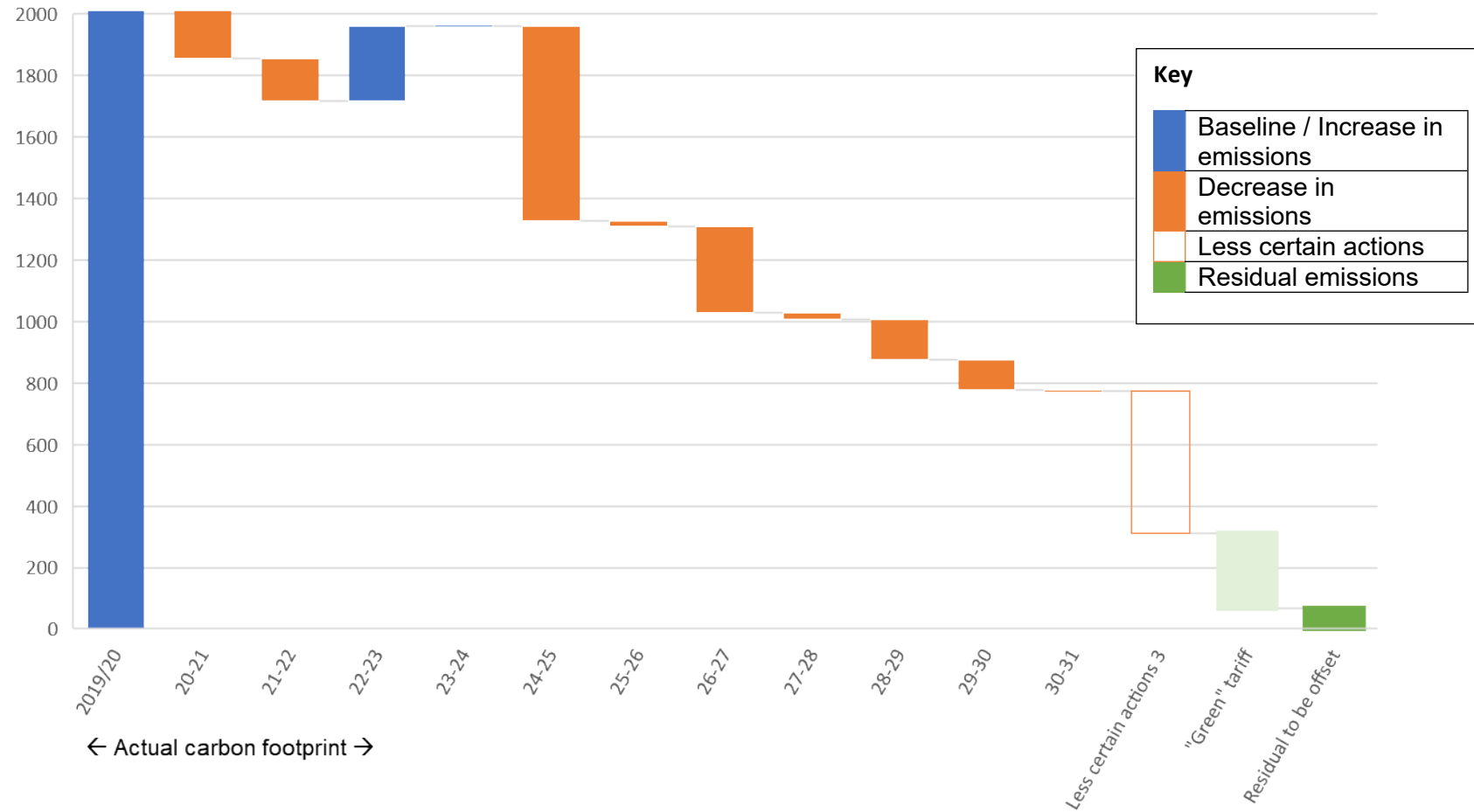
Annex 4: Expected operational carbon emissions reductions by 2030 Note that these charts are based on the best information available at the time of writing and rely on a number of assumptions. The annual reporting process will report actual carbon emissions, and as more information becomes available (for example, as detailed business cases for some actions are developed) these pathways will be refined.

Graph 1: Expected operational carbon emissions by type, by 2030



Notes:
 Replace gas 1: Town Hall, Banstead Community Centre, Woodhatch Community centre, Earlswood Depot, Tattenham Park Pavilion (funding currently within agreed capital programme)
 Less certain – accelerate EV/HVO: Subject to technological advances and HVO compatibility of non-RCV diesel fleet
 Less certain – replace gas 2: Other main operational buildings (Harlequin, Horley Community Centre) (funding currently not within agreed capital programme)

Graph 2: Expected operational carbon emissions by year to 2030



208

Notes:

Less certain actions: Includes acceleration of EV/HVO transition, subject to technological advances and HVO compatibility of non-RCV diesel fleet; plus replacement of gas in other main operational buildings (Harlequin, Horley Community Centre).

Green tariff: Will offset residual electricity emissions – amount shown is indicative only

Annex 4 – Engagement Report

Environmental Sustainability Strategy

2023 Review

Engagement Summary

1 Introduction

Reigate & Banstead Borough Council (R&BBC) published its first Environmental Sustainability Strategy (ES Strategy) in 2020 with a commitment to review it going forward to continue to take account of local progress, the latest evidence, policy and technological advancements.

In 2023 it was agreed that a light-touch review should be undertaken. The Review process was carried out by the Environmental Sustainability team (ES team) between September and December 2023 in order to deliver a revised ES Strategy document and Action Plan for approval by the Council in early 2024. As part of the Review, an engagement process was developed.

The original Strategy vision, themes, priority areas and net zero targets were not within scope of the review. The objectives were reviewed to ensure the wording is clear and there are no duplicates or omissions.

The key focus of the review was to develop new measurable actions to deliver the objectives in the shorter term, with some less specific actions for the medium and long term. Performance indicators were reviewed to ensure they remain fit for purpose, data is easily obtainable and that they relate to the new actions.

The ES Strategy itself was reviewed and updated, with some additional sections to clarify the scope of the review, the scope of the carbon footprint and to include climate adaptation and resilience as a new theme. Short sections on plans to tackle scope 3 (supplier) carbon emissions and offsetting, as well as challenges and opportunities were also added.

2 Stakeholder Mapping

To develop a suitable engagement process, taking into account the need to ensure adequate feedback whilst recognising resource and time constraints, a stakeholder map was created. Using a matrix of Interest in the Topic against Power and Influence to make change in relation to the topic, stakeholders were located on the matrix as follows:

- Low to Medium Interest, Low to Medium Influence – Monitor sentiment
- Medium to High Interest, Low to Medium Influence – Communicate
- Low to Medium Interest, Medium to High Influence – Keep satisfied
- Medium to High Interest, Medium to High Influence – Key stakeholders – bespoke approach

The resulting matrix is presented in Appendix 1.

From this exercise the method of engagement was chosen for each type of stakeholder grouping, based on knowledge of the stakeholder, opportunities to use existing engagement methods, and time and resource constraints (for the ES team and for stakeholders).

3 Engagement Activities

3.1 Monitor sentiment - Prioritising the objectives

Prioritising the ES Strategy objectives, to give a steer as to where efforts should be focused, formed the main part of our engagement with the 'monitor sentiment' group. This involved stakeholders seeing a list of the objectives, having an opportunity to discuss them, and then indicating those they felt should have highest priority. This was mainly done using printed objectives with attendees adding stickers to their priorities, however the exercise was also successfully undertaken using a Teams Whiteboard for online engagement sessions. Unless indicated in the stakeholder summaries below, the number of objectives the attendees could choose was not limited.

This was a quick and easy engagement exercise, that also allowed discussion, however, with over 20 objectives there was a tendency for people to focus on those that were first in their line of sight and the possibility that they didn't read every objective.

3.2 Communicate

For this group of stakeholders we used the objectives prioritisation exercise (see 3.1) but prefaced it with presentations about the ES Strategy review, and opportunities for discussion, to provide further information and feedback opportunities.

3.3 Keep satisfied

This group of stakeholders were kept informed of the ES Strategy review.

3.4 Key stakeholders – bespoke

These stakeholders were invited to bespoke sessions to provide them with information about the ES Strategy review, but also to gain input from them, over and above that obtained for the other three stakeholder groups. The engagement exercises for the stakeholders in this group are explained further in the stakeholder summaries in Section 4 below.

3.5 Constraints

Engagement exercises were subject to constraints of time and resources.

The engagement sessions were informal and were to gauge views rather than perform a rigorous analysis of responses. This document summarises the engagement sessions held and offers summaries of the responses received. As explained in Section 6 below, all responses have been reviewed by the ES team, although for presentational purposes they have been summarised and grouped in this report.

4 Engagement Exercises – Council

4.1 Members – key stakeholders

4.1.1 Cross-Party Member Sustainability Group

As an informal Group, established as a consultative forum of councillors from across the political spectrum, this group were identified as key stakeholders. The Group formed in 2020 to review and feedback on implementation of the ES Strategy and was reconvened for the ES Strategy Review and to oversee ongoing implementation of the ES Strategy.

As key stakeholders, two bespoke sessions took place.

Session 1 started with a presentation reviewing the current ES Strategy and outlining the Review process. Group members were then asked to consider where the focus of the ES Strategy should be, in terms of control and influence – things within our direct control (typically our activities, buildings and vehicles), things where we have an indirect impact (procurement, planning) and things that we have an influence over (working with others, communications).

There was a good discussion with some of the points raised including:

- The Council can show what we have done and identify what residents can do at home
- There are influences on borough activities from outside the borough (eg traffic, aircraft)
- The Council needs to do everything it can, and be an exemplar
- With limited resources, it is important to focus on areas under direct control, then areas with the most effect (eg partnership working)

The second exercise was to consider what three priority areas the Council should focus on. The top and joint second priority objectives were:

1. Generate renewable energy
2. Partnership working; Planning

Session 2 enabled the Group to consider the emerging Action Plan. The session comprised a presentation providing a progress update on the review, the engagement activities undertaken and the addition of a new theme of climate change adaptation and resilience. There was then a discussion of the key actions identified within the emerging Action Plan. There was general support for the key actions and the addition of the new theme. The main points from the discussion included:

- Ensure renewable energy schemes requiring planning permission clearly explain the benefits and that information about return on investment is included in business cases.
- Council activity should be high quality, 'exemplar' and leading by example.
- Ensure the priority in the energy and carbon section is on reduction rather than changing tariffs
- Effective implementation actions will help formalise culture change throughout the Council
- There is a need for integrated plans for Council building assets (eg solar PV, battery storage and EV charging). This should include considering more innovative solutions
- The Council should consider how to support residents across a range of different housing tenures, including private rent
- Recognising we can use planning policies to incentivise 'green' changes such as EV charging and green walls. The existing Planning SPDs contain sustainability themes, particularly covering climate adaptation
- The Council should explore opportunities at its buildings to reduce water use (eg greywater use, further opportunities for water reuse in Greenspaces activities).
- Support for promoting a reduction in overall consumption and supporting more opportunities for reuse (eg the Refill scheme).
- Recognition that some challenges (eg water company pollution incidents) fall outside our control but we can work with partners to lobby and mitigate these
- Some actions are more visible and have added value for the ability to influence change

Members supported the potential benefits of offsetting locally, recognising that working in partnership provided opportunities. It was noted that the offsetting strategy would likely need to evolve over time given the different timescales associated with different opportunities.

In relation to Scope 3 (supplier) carbon emissions discussion points included:

- Preventative maintenance, repair and refurbishment can reduce the need to buy new products
- All processes need to be considered including service delivery

In relation to the challenges and opportunities that will arise while delivering the Strategy, discussion points included:

- Feedback from shops and businesses is that grid connections are difficult for EV charging points
- Need government support and legislation to support these activities
- The Local Plan can help delivery

4.1.2 All Members

Members may have a range of interest in environmental sustainability and therefore a bespoke approach was delivered.

One workshop session was held, that was open for all members to attend. The session had two interactive elements. The first asked members to prioritise the objectives. The five objectives that received the most votes were identified as:

- Reduce operational energy
- Generate renewable energy
- Low and zero emission vehicles
- Reduce waste
- Improve tree cover

Key points from the discussion included:

- Hard to prioritise – all the objectives have merit
- Doing is important but so is messaging:
 - case studies
 - positive opportunities – actions that save money
- need to start programming carbon reduction into budget setting
- food production and consumption is missing

Members were then asked to identify actions that would deliver those top five objectives. Many actions were identified and all recorded; a selection that best represent the responses are presented below:

Reduce operational energy:

- Install renewables and insulation and spend the savings from reduced energy bills on other schemes
- Lower room temperatures
- Identify buildings using gas and switch to renewables, and those that need insulation

Generate renewable energy:

- Solar / wind on Council buildings
- Set up a local authority electricity provider (from 100% renewable sources)
- Encourage residents to consider use of solar

Low and Zero Emission Vehicles:

- EV messaging on Council fleet vehicles
- EV chargepoints

- Commit to transitioning entire Council fleet by 2030

Reduce waste:

- Encourage residents to use shops that provide refillable products
- Community composting
- Brown and grey water to be used in Council sites

Improve tree cover:

- Encourage ponds
- Plant evergreen trees to create shelter and reduce heat
- Replant trees where there has been loss

To give all Members the opportunity to contribute, a follow-up survey was distributed by email to which a further nine responses were received, with the following objectives identified as first and joint second priority objectives:

1. Behaviour change to reduce energy
2. Reduce operational energy; Reduce waste; Improve recycling; Planning; Procurement

As part of the survey Members were offered the opportunity to suggest actions to achieve one or more of their identified top objectives. Comments included:

- Stick to measurable and sensible actions ... to improve our environmental credentials whilst maintaining levels of service
- Sustainable energy generation
- Retrofit social housing stock within the borough
- Focus efforts on what we can actually deliver ourselves
- Borough businesses are critical to enabling the transition to a low carbon economy – Council can offer financial incentives to businesses that invest in sustainable technologies or practices.
- Make it easier for offices to recycle
- Install more EV fast-charging points
- Clear delivery plan for carbon reduction within the Council's control (buildings and fleet)

In addition to the above, all members were invited to provide further ideas and feedback to the team via email.

4.2 Officer Sustainability Steering Group – key stakeholders

The Sustainability Steering Group (SSG) is a small group of mainly senior officers from service areas responsible for the main areas of delivery of the ES Strategy. Two bespoke engagement sessions were planned with this Group.

The first session reviewed each of the existing objectives to confirm that they were still fit for purpose, clearly worded and whether any could be combined. The resulting wording was used for the majority of the subsequent engagement sessions.

The session also considered whether any new objectives were needed to fill specific gaps identified in the three years since the original ES Strategy was drafted. It was recognised that climate change adaptation and resilience was missing from the 2020 list of objectives, and minor amendments to wording and consolidation of a couple of objectives were agreed.

The second session reviewed the Action Plan that was developed from each Service Area workshop and the member workshop/survey, to ensure the identified actions would deliver the

objectives, were achievable and that actions from different service areas didn't conflict with each other in terms of timing. Discussion points included:

- Risks associated with the use of new or emerging technology and the need to consider these via business cases.
- Procurement is key – in terms of the products/services procured, the credentials of suppliers, and enabling data collection.
- Important to consider the Council's role as a developer as well as a planning authority and the opportunities for environmental standards in new builds.
- Information about local geographic risk arising from a changing climate will be important to communicate carefully.
- Whether any particular actions should be prioritised based on eg cost/benefit assessment
- Resourcing and information requirements associated with bidding for external funding

The SSG members all endorsed the Action Plan for it to be taken forward for Member consideration.

4.3 Officers from Service Areas – key stakeholders

A number of the service areas were identified as having a particular ability to effect change and were therefore key stakeholders requiring a bespoke approach.

To simplify the exercise, the same format was used for engagement across service areas. Where appropriate, service areas were grouped together into ten workshop sessions. Service leads were invited to attend, and there was a request that another team member, interested in environmental issues, came too to cover ideas from across the service area.

Each workshop followed the same structure of a presentation, a review of the objectives to see which were relevant to the service area, and then a discussion to identify actions which the service area could undertake to deliver the identified objectives. Although following the same structure, each session was bespoke with a tailored presentation followed by flexible discussions to suit the topics under discussion.

The following workshops were held:

| Workshop Title | Service Areas |
|---|---|
| PROPERTY WORKSHOP | Property, Community Partnerships, Leisure |
| ORGANISATION WORKSHOP | Comms, Customer Contact, Data & Insight, Corporate Policy, Projects & Performance, HR & Organisational Development, Legal & Governance, Finance, IT |
| COMMUNITY FACING WORKSHOP | Leisure & intervention, Community Partnerships, Housing |
| GREENSPACES (NATURE THEME) WORKSHOP | Greenspaces, Engineering |
| WASTE AND RECYCLING (LOW IMPACT CONSUMPTION THEME) WORKSHOP | Cleansing, Waste, Recycling |
| NEIGHBOURHOOD OPS WORKSHOP | Parking, Environmental Health, Licensing |
| INFLUENCING THE BOROUGH WORKSHOP | Economic Prosperity, Place Delivery, Planning |
| TRANSPORT WORKSHOP | Transport, Facilities |
| ADAPTATION AND RESILIENCE WORKSHOP | Emergency Planning, ES team |

| | |
|-------------------------|---------|
| SUSTAINABILITY WORKSHOP | ES team |
|-------------------------|---------|

From these sessions, over 200 actions were identified, along with any outstanding from the 2020 Action Plan. Some service areas proposed actions for other service areas, so once the full list was collated, the ES team discussed those actions with the nominated service area to determine feasibility for inclusion in the plan.

The ES team then undertook a rationalisation exercise, to identify the actions that will deliver significant progress towards the ES Strategy objectives, are enabling actions, or help with engagement and influence. The exercise also involved combining similar actions (for example many service areas identified communications activities which could be delivered by a communications plan). Some actions falling outside the above criteria were moved to a 'long list' that we will seek to implement as part of or in addition to the formal Action Plan (where resources allow).

4.4 Staff

4.4.1 Staff Sustainability Network - Communicate

The Staff Sustainability Network is a group of staff interested in environmental issues and engagement with the Network took the form of a hybrid workshop. There was an initial presentation about the ES Strategy review then a detailed discussion on the objectives. Finally the Network undertook the objectives prioritisation exercise.

The objective identified as being most important to the Network was:

- improve recycling

4.4.2 Staff - Monitor Sentiment

The wider body of staff have a range of interest in environmental issues, and all staff have an opportunity to join the staff network. Therefore in terms of general engagement the initial plan was to monitor sentiment via questions in the all-staff survey. This was planned for November but unfortunately it was delayed so no longer available in the engagement timeframe.

We therefore chose to adopt the same strategy as for the other engagement sessions – an exercise to prioritise the objectives.

To enable as many staff as possible to attend there was an online session open to all with a presentation about the ES Strategy review and a Teams Whiteboard to allow prioritisation of the objectives. There was also an all day in-person 'drop-in' session, where staff could speak to the ES team about the ES Strategy and prioritise the objectives using stickers.

Between the two sessions, staff prioritised the following objectives, as first, second and joint third:

1. reduce waste
2. communications
3. reduce operational energy, increase recycling, improve tree cover, improve soft landscape

5 Engagement Exercises - External

5.1.1 Residents – monitor sentiment

Resident interest may range from low to high, with influence varying depending on their involvement in local activities. Therefore the process was to monitor their sentiment during

existing engagement activities, such as local event days and drop-in sessions at community centres. To complement this, sentiment was also gathered at existing resident group sessions.

In total, four sessions were attended, at locations spread across the borough:

- Rivers Estate event day, Redhill
- Woodhatch Community Centre
- Merstham Hub
- Banstead Area Federation of Residents Associations (9 groups represented)

The objectives prioritisation exercise was used as the primary means of engagement with the first and joint second priorities identified by residents as:

1. Generate renewable energy
2. Improve tree cover, reduce potable water use

The general sentiment from residents was positivity towards the environmental agenda. A recurring theme from those who engaged was that sustainability was a co-benefit to the cost-of-living crisis, not something that was opposed to it. This was particularly the case in relation to energy saving advice and grants.

A short item in the Borough News (free newsletter delivered to all borough households) invited interested residents to get in touch to learn more about the ES Strategy review. This generated a limited response with the majority of respondents requesting more information and a minority expressing their opinion that there is no such thing as man-made climate change. All were sent further information about the ES Strategy and the review.

5.1.2 Businesses – Communicate

Business interest may range from low to high, with influence depending on their size, local presence, ability to engage customers and involvement in local activities therefore the process was to monitor their sentiment during existing engagement activities.

Small and medium businesses (SMEs) in the borough are invited to join regular learning lunches, but there was not a meeting in the timeframe for engagement. Unfortunately, the December Sustainable Business Network (SBN) was cancelled due to a number of businesses being unable to attend. However, selected businesses were also invited to comment as part of partner organisation engagement and any responses from businesses to that are considered in Section 5.1.3 below.

The learning lunches for SMEs and the SBN are both opportunities for learning and sharing experiences, so the ES team will look to attend future meetings to share how we undertook the review and the lessons we have learnt from the process, to aid those organisations when they undertake similar exercises.

5.1.3 Interest Groups - bespoke

These are local groups which focus their activities typically on one environmental issue, so required a bespoke approach.

An online workshop was held which was attended by members from four local interest groups who have activities in the borough:

- Energy Action Redhill and Reigate (EARR)
- Climate Action Redhill and Reigate (CARR)
- Communities Against Gatwick Noise Emissions (CAGNE)
- Friends of Merstham Park

An introductory presentation was to be followed by the objective prioritisation exercise. Unfortunately, the Teams Whiteboard did not work for all attendees and so a general discussion on the objectives was held with contributions including:

- For easy wins, focus on behaviour change – it costs next to nothing and saves money
- Urban greening is key
- Big opportunity for carbon sequestration on Council land
- Objectives don't have 'sequestration', 'urban greening' or 'educate' in the wording
- The tree objective should include 'increase' alongside 'improve'
- Don't cut down mature trees and replace with saplings
- Every decision should consider the climate implications

5.1.4 Partner Organisations - bespoke

Partner organisations such as charities, statutory organisations, town and parish councils, neighbouring local authorities and larger businesses delivering actions in areas covered by the ES Strategy were identified as stakeholders in delivering the objectives borough-wide and were therefore in the communicate and bespoke approaches. As such the method chosen was to conduct engagement via email.

The ES Strategy Vision and Objectives were sent to 29 partner organisations along with the following questions:

- Do you broadly support the vision and RBBC objectives? If not, what are your concerns?
- Do you think we are missing any objectives that are necessary to help us deliver our vision?
- Are you delivering any projects in the borough that will help deliver our objectives?
- Do you have any future projects in the borough that will help deliver our objectives that there may be benefits to exploring partnership working?
- Do you have any other comments on the RBBC ES Strategy vision and objectives?

Six partner organisations provided informal responses, giving a good spread from neighbouring local authorities, a housing authority and interest groups:

- Kingston and Sutton Shared Environment Service
- Transform Housing
- Campaign for the Protection of Rural England CPRE Surrey
- Surrey Climate Commission
- Epsom and Ewell Borough Council Environment and Sustainability
- Reigate and Redhill Society's Green Spaces Group

Respondents broadly supported the Vision and objectives. The key points raised were:

- public EV chargepoints could offer cheaper charging at off-peak times
- focus on domestic building retrofit, including tackling mould, damp and condensation
- Add the EPC domestic building improvement timeline
- For housing, add energy security and reduction of fuel poverty through cheaper and greener alternatives
- Noted that it wasn't clear which were Council or borough objectives
- Concern that many of the objectives are outside Council control
- Omissions include reducing noise and light pollution
- Native trees may not be the answer in a changing climate
- Planning could refer specifically to the revised local plan
- Suggest inclusion of indicative targets

- No specific mention of housing which RBBC can influence
- Omits the link between environmental and other benefits

Partner organisations also identified opportunities for joint working which will be explored once the revised Strategy has been agreed.

5.2 Other responses received

Additional comments received by email or in Council meetings include:

- Important to clean our water areas and lakes in the borough
- Whether industrial-sized recycling bins can be provided for organisations
- Extend Banstead Wood across the Council-owned 'long field' to improve biodiversity, carbon capture and public accessibility

6 Engagement results

Many attendees when asked to prioritise the objectives said "but they are all important". However, across the whole range of parties who undertook the objectives prioritisation exercise the most important objectives collectively were:

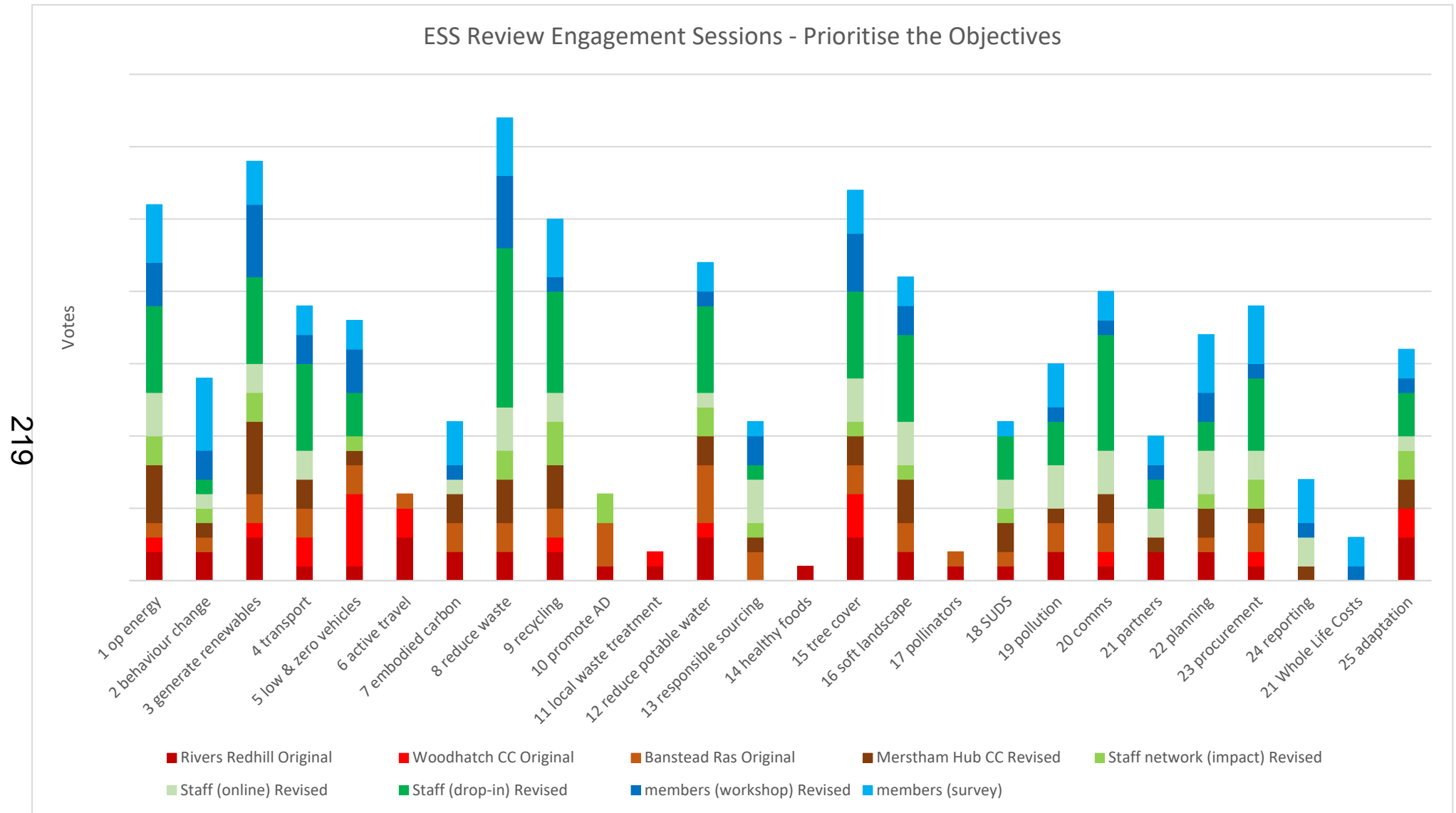
1. Reduce waste
2. Generate renewable energy
3. Improve tree cover
4. Reduce operational energy use
5. Improve recycling

The overall spread of votes is indicated in Figure 1 below. All the objectives are still considered important to deliver environmental improvements across the borough and Council activities, but consideration will be given to prioritise work on these identified objectives.

All verbal and written engagement responses have been reviewed by the ES team and added to either the Action Plan or the ES Strategy where appropriate. Specific reasons have not been included within this document to keep it concise, however reasons for not including suggestions in the final versions include that the suggestion was outside the remit of the review and / or the ES Strategy, was too detailed for the Action Plan, was too similar to actions proposed by others so has been amalgamated / incorporated, or is a task that contributes to an action in the Action Plan. Some suggestions have not been identified as specific actions, but the topic has been included within the ES Strategy document.

Where proposals that are within scope of the review have not been included in either document they have been retained by the team to explore as part of the ES team's ongoing work, subject to time and resources.

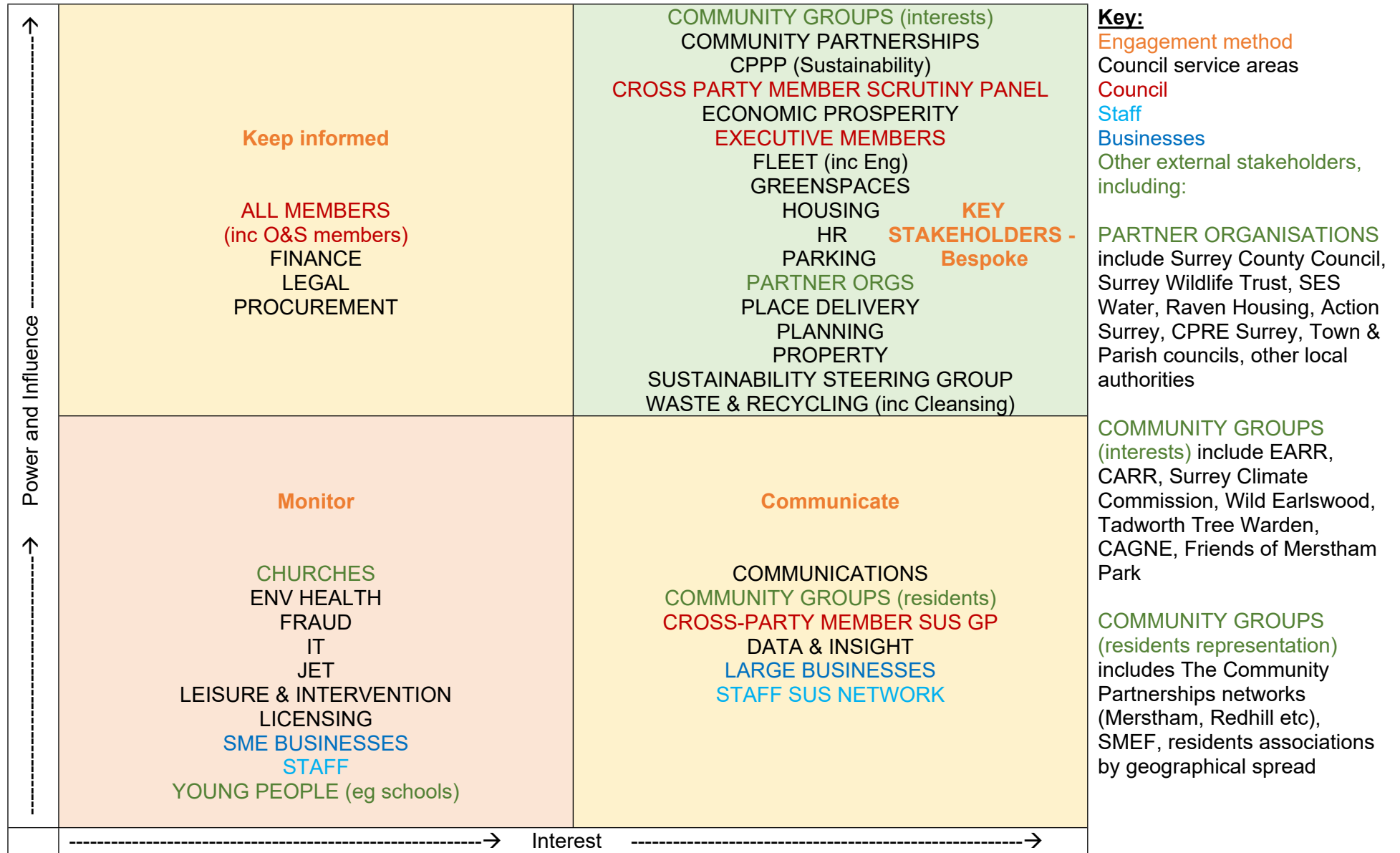
Figure 1 Results of the engagement exercises to prioritise the ES Strategy Objectives



NOTE: The original ES Strategy objectives were used for the Rivers Estate, Woodhatch and Banstead engagement exercises – objectives 6, 11, 14 and 17 were combined with other objectives so do not appear in the final list.

Appendix 1 – Stakeholder Mapping exercise

220



Economic Prosperity Portfolio Update

221
March 2024

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



Helping
businesses start,
develop and grow

Agenda Item 7

Our Objectives

“To drive the continued economic prosperity of the borough, facilitate improved business infrastructure, and confirm the borough’s reputation as a great place to do business.”

“With our partners, invest in our town and village centres, so they continue to be places where people choose to live, work, do business and visit.”

Reigate & Banstead 2025, Corporate Plan



Business Support

Priority: Providing support to start-up and micro businesses to increase business birth and survival rates. Facilitating networking to strengthen the business community.

- A total of 34 Business Support Grants (£33,479) awarded this year.
- New £100k Business Employment Growth and Skills Grant launched (up to £5k per business to support growth).
- Awaiting final sign off on contract to deliver a peer-to-peer mentoring network for small businesses in the borough using revenue reserves of £50k.
- 10th anniversary of the Entrepreneur Academy celebrated with a special event for past 'students' and supporters. 90+ entrepreneurs have been supported since start.
- 10 Learning Lunches delivered including a special networking event planned for International Women's Day (March).

2023



Agenda Item 7

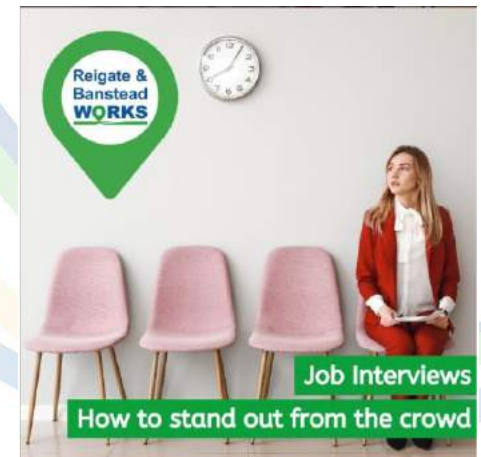
Skills & Employment

Priority: Working with large employers and supporting them to maintain a local presence, employ local workers, build stronger relationships with local education and skills providers and support apprenticeship schemes.

- Reigate & Banstead Works – continue to grow the employment website with new content, careers information and self-employment blogs.
 - The Start careers platform is currently being utilised in four local schools: Merstham Park, Oakwood, Carrington, and Reigate College.
- Engaged in the Local Skills Improvement Plan and Local Skills Improvement Fund work streams.

224

Agenda Item 7



Town Centres

Priority: Work with businesses and other organisations to make the borough a more attractive location for residents and visitors to live, work and spend time

- Recently launched a new £100k Town Centre Vitality Fund to fund activities aimed at increasing footfall and/or dwell time in our towns and neighbourhood shopping centres to attract more residents and visitors and improve the visitor experience.

225

Example: Funded the #DestinationRedhill Christmas event driving footfall to Redhill in the run-up to Christmas.

- Added a section to the RB-Works website highlighting some of the borough's 'hidden gems' and attractions.
- Working with the managers of Redhill Market to attract new stall holders. Investment in new canopies and lights.



Communications

Cross-cutting priority: To use a range of channels to communicate the Council's commitment to driving the economic prosperity of the borough; to share information on business support and advice; to promote our high streets; and to celebrate our local business community.

- Continue to grow our @RBBCbusiness channels (Instagram & Twitter) and LinkedIn Business Group – 2,326 followers across the three accounts.
- Regular #SupportLocal posts on social media
- Monthly Business e-Bulletin. Circulated to c1,900 subscribers per month with a high (40%) open rate.
- Reigate & Banstead Business Awards 2023 was a huge success raising £5445 for the Lucy Rayner Foundation and the Royal British Legion, Banstead.

226



Partnership Working

Priority: Working with colleagues and partners across the wider economic area to make the borough a more attractive location for residents and visitors to live, work and spend time; and to secure investment, promote the borough, deliver business floorspace and business infrastructure

- Managing the UK Shared Prosperity Fund Investment plan for the borough
- Leading the Shared East Surrey Economic Development project
- Membership of Gatwick Diamond Business and Orbital South Colleges
- Representing the borough at UKREiiF 2024
- Supporting the three Town Centre guilds
- Working with Surrey Hills Enterprises

227



Agenda Item 7

Proud to make a difference

“

It's amazing that the council is so in touch with local businesses and offers comprehensive support. This collaboration can lead to a healthier local economy and more thriving community.

William Head
WH Creations

”

“

Self employment was daunting but the Entrepreneur Academy opened my eyes to everything from accounting and marketing to sales and identifying your ideal customer, which was exactly what I needed at the time.

Frank Sinclair
Fit With Frank

”

“

Doing your own thing can be a bit lonely sometimes. The decisions, questions and challenges never really stop. The Entrepreneur Academy was a great space in which to share a bit of the burden with people going through the same thing.

Morgan Arnell
Crumbs Brewing

”

Priorities for 2024/5

- Completing the delivery of the UKSPF Investment Plan (Year 3)
 - Leading on the shared East Surrey Economic Development project delivery plan
 - Launching the peer-to-peer mentoring network
 - Delivering the Town Centre Vitality Fund
 - Delivering the Business Employment Growth and Skills Grant
 - Delivering the Business Support Grant programme
- 229 Celebrating 10 years of the Economic Prosperity Team
- Growing our programme of events and networking (e.g. targeting key sections of the business community)
 - Continuing to develop the RB-Works employment and skills website
 - Supporting and growing Redhill market (e.g. youth market)
 - Growing our communications & social media capabilities

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Place Delivery

231

March 2024



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BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

Place Delivery

Focus of service

- Place Delivery works with internal and external partners to deliver the Council's corporate priority place shaping projects and programmes, with a focus on four key areas:
 - **Development projects** including housing and mixed use schemes
 - **Estate based regeneration** in key areas of need within our Borough
 - **Town Centre regeneration** with a focus in Redhill and Horley
 - **New neighbourhoods** and infrastructure improvements in Horley
- The Service has made substantial progress this year in delivering a range of capital projects and programmes to meet key corporate priorities in our Five Year Plan

232

AFFORDABLE HOMES

Secure the delivery of homes that can be afforded by local people and which provide a wider choice of tenure, type and size

TOWN CENTRES

With our partners, invest in our town and village centres, so they continue to be places where people choose to live, work, do business and visit

SHAPING OUR PLACES

Ensure new development is properly planned and sustainable, and benefits the borough's communities and the wider area

CLEAN & GREEN

Invest in parks, recreational facilities and countryside in Council ownership, promote biodiversity and encourage greater use of our green spaces...through the provision of new facilities, activities and events

Development Projects

Progress this year

The Rise (Marketfield Way)

- Practical completion of the development was achieved in July and the Council has agreed the Final Account with VINCI
- Our residential sale to Kooky was completed in July realising a significant capital receipt for the Council
- Kooky took possession in July and have completed their fit out with 95% of flats let
- The Light completed their fit out and opened to the public in June, alongside Tesco and Loungers who have also opened
- We have completed a lease with a franchisee for a Creams who is in the process of fitting out.
- Terms have been agreed on unit 5 and lawyers are instructed
- Marketing continues on units 6 and 8

233



Development Projects

Future Focus– 2024/25

The Rise (Marketfield Way)

- Work with Property to successfully implement landlord works and improve estate maintenance
- Complete Agreement For Lease and lease with tenant for unit 5 and work with property to overs fit out and opening
- Secure offers and enter into legals for units 6 and 8

234



Development Projects

Progress this year

Temporary & Emergency Accommodation

We have made very good progress in helping our Housing Service to provide temporary accommodation (TA) for people in need

- We have completed the purchase of four TA properties
- Three of these have been refurbished and are now occupied
- Another is currently being refurbished and will be let soon
- We have also had an offer accepted on one further property which is progressing through conveyancing
- We have been very successful in applying for Homes England funding and we have received grants totalling £127k for these four properties with a further £40k secured
- We continue to search for a suitable property to provide emergency accommodation



Development Projects

Progress this year

Refugee Accommodation (Phase 1)

We have made great progress in providing refugee accommodation as part of DLUHC's Local Housing Authority Fund Programme.

We have secured 40% match funding from DLUHC towards our capital costs.

- We have completed the purchase of four properties, which have all been refurbished and let to Ukrainian households
- We have also been working with partners to assist them in their delivery as part of the programme
- Mount Green has purchased one property, which has been refurbished and is now occupied by an Afghan family and they are progressing with the refurbishment of another for a Ukrainian family. A third and fourth are under offer and will be let to Ukrainian households
- Raven has completed the purchase of two properties. One of these has been refurbished and is now occupied by an Afghan household and the other is currently being refurbished for a Ukrainian household. A third and fourth property are currently under offer and will be let to Ukrainian households



Development Projects

Progress this year



Refugee Accommodation (Phase 2)

Following the success of the first round Executive agreed to participate in a second round.

- Three properties have been purchased to date
- All of these properties are either being refurbished or are programmed for refurbishment to home Afghan families
- We are also under offer on a further property which is intended to meet the TA element of this programme
- We expect to have purchased all 4 properties in time to meet DLUHC's deadline

Development Projects

Future Focus for 2024/25

T/EA & Refugee Programmes

- Look to secure the acquisition of and refurbish a property for Emergency Accommodation and let them out to people in housing need
- Complete the acquisition and the refurbishment of two further properties for Temporary Accommodation
- Depending on the level of funding left available within the programme seek to purchase further homes for Temporary Accommodation
- Apply for further Homes England grant funding to support our programme
- Work with our partners Mount Green and Raven to help them to complete the acquisition and refurbishment of properties within the LAHF Round 1 programme for Afghan and Ukrainian families
- Complete the refurbishment of all three properties in LAHF Round 2 and let them to eligible families

Horley Community Centre

- Secured over the £1.4m of Strategic Community Infrastructure Levy funding for improvements
- Developed options for the centre

Doing Development Even Better

Progress this year

- We have commenced work on a Development Strategy
- The Development Strategy is intended to provide the Council's vision; objectives; types of development schemes and the proposed delivery mechanisms to bring them forward.
- As part of this work we have been consulting with all services to better understand their needs and we have begun to develop some initial draft priorities

239

We have begun reviewing potential sites with a view to forming a short, medium and longer term Development Pipeline

- This work will be assisted by us securing a grant of £47K from the Department of Levelling Up, Homes and Communities (DLUHC) PropTech Innovation Fund Round 4 to procure site assessment modelling software with technical support and training to assist in the preparation of a development programme using our assets

Future Focus for 2024/25

- We will work with Portfolio holders and the Executive to complete a Development Strategy
- Use the modelling software to review the Council's assets, identify and prioritise sites to form a financially sustainable pipeline development programme with a focus on housing

Town Centres: Horley

Progress this year

- We have undertaken extensive engagement and consultation with residents, businesses and stakeholders regarding the Delivering Change in Horley Programme
- Successful bids have been made to the Strategic Community Infrastructure Levy fund for improvements to the High Street, Subway, Central Car Park and wayfinding securing £745k of funding
- 240 The Service has secured match funding of the projects by SCC up to a total overall budget of £3m
- The RIBA stage 3 design for improvements to the High Street has been completed
- The project has now transferred to SCC to deliver and the terms of a funding agreement are finalised
- We have selected a contractor to provide ERV charge points in Central Car Park
- We have selected a contractor to provide landscaping works in Central Car Park
- Working with artists and stakeholders we have developed mural artwork designs for the subway



Town Centres: Horley

Future focus for 2024/25

- Electric charging points will be installed and landscaping works undertaken in Central Car Park
- We will work with SCC to finalise the stage 4 design and look to ensure their term contractor commences the main High Street works by January 2025
- Ahead of the main works we will work with SCC to bring forward elements of the High Street works
- We will work with Network Rail to ensure flood mitigation works are undertaken to reduce incidents of flooding
- We will complete phase 3 design work for the subway

241



Shaping our neighbourhoods: Westvale Park

Progress this year

- We issued a Notice to the Westvale Park Consortium in October to stop the construction of and sale of new homes for they were in breach of their Section 106 agreement
- To facilitate a return to site we have finalised the terms of a Deed of Variation to a Section 106 agreement, which will require a £16.5m bond to be put in place tied to a revised delivery programme
- If the Consortium fail to deliver against the revised programme the Council can call upon the bond and step-in to deliver the infrastructure
- The Council is now having fortnightly meetings with the Consortium
- Work to progress the neighbourhood hall has commenced
- Work to complete four new play areas is almost complete and will be ready to transfer by the end of March
- Works to construct a further four play areas is underway
- Design work has been completed for the allotments
- Works to complete the first phase of the Riverside Green Chain is substantially complete



Shaping our places: Westvale Park

Future Focus for 2024/25

- Enter into a Deed of Variation with the Consortium
- Work to ensure the neighbourhood hall is built to a satisfactory standard and to secure an end user who will manage and maintain it
- Work with health providers to agree terms and secure their use of clinical rooms in the neighbourhood hall
- Work to ensure that phases 1 and 5 of the Riverside Green Chain and all play areas are provided to a good standard and transferred to the Council to manage
- Agree the specifications for the two allotment sites and ensure that they are laid out to a good standard and transferred to the Council



Shaping our neighbourhoods: Preston

Progress this year

- We completed and opened a new wheeled sports facility in Preston Park
- We have worked up plans for parking improvements in Longwalk and Coxdene
- We have submitted two planning applications for the works

244



Future Focus for 2024/25

- Enter into a S278 legal agreement with SCC and appropriate land agreements with Raven and SCC
- Implement car parking schemes in Coxdene and Long Walk once planning permission is secured

Clean & Green : Merstham Rec

Progress this year

- Planning permission has been granted following a referral to the Secretary of State
- Applications to discharge our pre commencement planning conditions have been submitted
- Works to provide a replacement pitch at Battlebridge have been tendered and a contractor appointed
- Works for the main works at Merstham Rec have been tendered and a contractor appointed
- £750,000 has been secured through a bid to the Strategic Community Infrastructure Levy
- £500,000 has been secured through a bid to the National Lottery

245



Clean & Green

Future Focus for 2024/25

Merstham Rec

- Discharge of all pre commencement planning conditions by April
- Planned start on site for replacement pitch at Battlebridge in March
- Forecast of replacement pitch by May
- Planned start on site for main works at Merstham Rec in April
- Completion of works in third quarter

246

Horley Outdoor Sports and Recreation Facilities

- We will consult with local people and stakeholders about the location for improvements and ideas
- We will decide on the favoured option(s) and progress initial ideas



Planning and Regulatory Services

247

Local Plan 2027

- New Local Plan timetable affected by the Government's Local Plan Reforms as reported to O&S in October 2023.
- Housing Needs Assessment and Retail and Leisure Needs Assessments have been instructed and are nearing completion.
- Housing and Economic Land Availability Assessment (HELAA) methodology and online form completed, ready for call for sites to be commenced imminently
- Sustainability Appraisal and Habitats Regulation Assessment procurements unsuccessful and impacted by Local Plan reforms and policy vacuum until Autumn 2024.

248

Core Strategy and Statement of Community Involvement

- Statutory requirement to review strategic policies every 5 years.
- Core Strategy adopted July 2014 and reviewed 2019 so must be reviewed again by July 2024.
- Core Strategy Review 2024 undertaken, including duty to co-operate engagement with neighbours, as now advised.
- To be reported to Executive and Full Council this month – important to maintain weight of policies, including the 460pa housing figure.
- Statement of Community Involvement (SCI) also requires review every 5 years. Last reviewed in April 2019 so must be reviewed by April 2024.
- SCI sets out general approach to Council's engagement on planning matters. Updated to reflect changes in technology and digitalisation and to improve online accessibility.
- Will also commit to review whether to change process of publication of names and addresses of those commenting on planning applications.

Monitors

- A range of Monitors have been produced. The Housing Monitor in June determines the Council's housing land supply position affecting decision making on planning applications and release of the Sustainable Urban Extensions
- A range of other Monitors produced throughout the year: Industrial Monitor; Local Centres Monitor; Environmental and Sustainability Monitor; Commercial Commitments Monitor; Town Centre Monitor and Annual Monitoring Report.

250 Consultations

- Various consultations are made on changes to legislation proposed by Government, including permitted development (removal of 3-month vacancy requirements for retail conversions and size limits for office conversions)

Surrey Hills AONB Review

- Natural England's review of the Surrey Hills Area of Outstanding Natural Beauty ongoing
- Have continued to work with Surrey Hills AONB Board to provide evidence in support of the review



Biodiversity Net Gain

- 251 10% biodiversity net gain mandated for major planning applications from February 2024 and for non-major applications from April 2024
- Various work associated with this including updating planning validation requirements, familiarisation with processes, sourcing of external advice, drafting Green Infrastructure Strategy and surveying land holdings as potential habitat banks



A23 Design Code and Digital Twin

- Draft design code completed following funding from Government.
- Consultation on potential SPD undertaken. Comments considered at Local Plan Advisory Group (LPAG) and to be addressed prior to any adoption
- Further funding to digitalise the code
- Code sits alongside a digital twin of the 5 mile stretch of A23 allowing potential development sites to be input and assessed

252



Local Cycling Walking Infrastructure Plan (LCWIP)

- Following preparation of the LCWIP, work has been ongoing with SCC to consider detailed design options for first LCWIP routes.

Gatwick Airport Northern Runway DCO

- Significant involvement in Gatwick's development consent order
- Relevant Representation submitted late 2023; Statement of Common Ground prepared, various technical work ongoing and Local Impact Report to be submitted in March 2024.
- Attendance at preliminary hearing in February 2024 and Issue Specific Hearings in Feb-March 2024
- Due to be concluded August 2024
- RBBC position has been to challenge assumptions and minimise negative impacts to benefit of the Borough and local communities including justifying a range of Section 106 'asks'



Table 1: Community Infrastructure Levy (CIL) collected since 1 April 2016

| Year (1 April – 31 March) | Amount of CIL funding collected |
|--|---------------------------------|
| 2016 to 2017 | £ 187,561.37 |
| 2017 to 2018 | £ 965,418.45 |
| 2018 to 2019 | £ 2,230,862.70 |
| 2019 to 2020 | £ 3,466,176.19 |
| 2020 to 2021 | £ 2,068,955.98 |
| 2021 to 2022 | £ 2,993,352.93 |
| 2022 to 2023 (The reported year) | £ 2,371,822.91 |
| Total CIL collected 1 April 2016 to 31 March 2023 | £ 14,283,950.53 |

Community Infrastructure Levy CIL

- Over £14 million has now been secured from development contributions since 2016
- Strategic Infrastructure Plan adopted March 2023 allocating over £16m to 51 projects across the Borough
- Infrastructure Funding Statement published
- £1.3m spent on infrastructure projects in 2023
- Range of Local CIL infrastructure provided

254

Figure 10: NE71 – To fund the replacement and improvement of the roof insulation at Kingswood Village Hall, Waterhouse Lane, Kingswood, Surrey



During



After

Replacement bus shelter on Fir Tree Road (A2022) with Sycamore Rise, Banstead, SM7



Figure 8: NW121 The repair of the sub-floor, and replacement of the floor surface (Phase 1 of Tadworth Scouts HQ's upgrade) at The Green Hall, Dorking Road, KT20 5SL.



Southern Building Control Partnership

- Active role as Board and Management Team representatives to oversee performance and budgetary matters
- Significant implications and actions falling out of Building Safety Act 2022
- Need for surveyors to pass new examinations and other requirements – all relevant SBCP staff have taken exams, 3 passed
- Challenging market conditions given new responsibilities from the new Act, aging workforce and weakened housing market



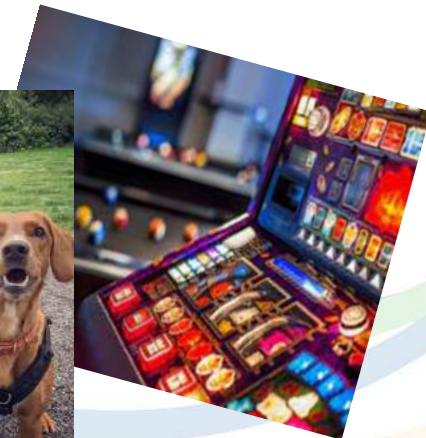
Regulatory Services - Environmental Health

- Enforce standards of food hygiene in all food businesses, have inspected over 400 premises in 2023-24.
- Investigate over 400 complaints about environmental protection issues such as noise, smoke, dust, odour and air quality.
- Enforce standards in private sector housing, licence certain houses in multiple occupation (HMO's) and administer funding for Disabled Facilities Grants.
- Deal with a range of public health matters, such as pests, accumulations, filthy and verminous premises and public health funerals.
- 256 • Enforce standards of health and safety at work in commercial premises.
- Provide Corporate health & safety advice to the whole Council.



Regulatory Services - Licensing

- Apply standards which safeguard the travelling public by licensing vehicles, drivers, and operators. Current total = 3294 licences which represents an all-time high demand
- Check all driver applicants against the new National Register of Taxi Licence Refusals, Revocations and Suspensions (NR3S). In 2023, 41 individuals were refused revoked or suspended and entered onto the register.
- Maintain and update premises licences required for regulated activities e.g. alcohol sales, music, gambling, gaming machines. 319 Temporary event notices received in 2023, licensed several large outdoor events ie Women's Open Golf championship 20,000 people
- Enforce licence conditions and animal welfare standards across a range of activities eg boarding, breeding, riding, selling pets, exhibiting, arranging accommodation
- Continued investigation and enforcement relating to licensing, permits and registrations.



What's next

- Local Plan – await legislation necessary to progress environmental/sustainability evidence base work; push to be a pathfinder in 'new style plan' programme. Start draft of Vision and Strategy
- Conclude Gatwick DCO Examination
- Biodiversity Net Gain – commence reporting and monitoring processes
- ²⁰²⁵₀₈ Adopt A23 Great Street Design Guide SPD and conclude its digitalisation
- £60k secured for 2024/25 from Planning Skills Delivery Fund to clear planning backlogs
- Review of Licensing Policies – Gambling Act, Licensing Act etc



Neighbourhood Operations

259

Portfolio Update 2023/4

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



Refuse, Recycling & Cleansing – What We Do

- Collect recycling & waste from 64000 households (including 6600 tonnes of paper, 7000 tonnes of Mixed Recycling & 5000 tonnes of food, garden waste tonnages of 10,600
 - Provide assisted collections for 600 elderly or disabled residents.
 - Collect garden waste from approx. 28000 garden waste members
 - Manage the changing demands of Commercial Waste
 - Collect recycling from 23 Bring Sites around the borough, 340 tonnes textiles, 450 tonnes of DMR & 450 tonnes of paper.
- 260 Sweep & litter pick in excess of 500 miles of road within the Borough.
- Empty 1300 litter bins with varying frequency every week
 - Work with local community litter picking groups.
 - Work with Place colleagues to support new developments with waste collections and cleansing duties, e.g. Marketfield Way development.
 - Work with Business prosperity colleagues to improve the appeal of Town centres



Refuse, Recycling and Cleansing 23/24

- Restructured the Management of the Cleansing Team
- Defra announced the outcomes of the Governments Resources & Waste Strategy
- Deployed our new camera equipped Karcher street sweepers which maximise usage
- 261 Solar Powered compaction bin project initiated
- Worked with Place colleagues to support new developments with waste collections and cleansing duties, e.g. Marketfield Way development.
- Working closely with Keep Britain Tidy to manage littering in the borough
- Recycling rate of 54.2% top ten of the country



Fleet Management – What We Do

- Procurement of the Council's vehicle fleet.
- Repair and maintenance of the Council's fleet vehicles.
- Workshop apprenticeships.
- 262 Ensuring Traffic Commissioner standards are maintained.
- Undertaking MOTs and plating of taxis registered within the Borough. Each year approx. 1,500 taxis are MoT'd and plated.
- Provide MoT's for the public



Fleet Management – Highlights of 2023/24

- Taken delivery of 4 new compact sweepers,
- The Executive committee approved funding for the purchase of one electric powered RCV and the move to Hydrotreated vegetable oil for all 28 of our 26 tonne RCV's
- Pedestrian Sweeper being procured to support the cleansing of town centers, specifically Redhill.



Regulatory Services - Parking

- At the end March 2023, the on-street parking enforcement returned to SCC and is now delivered by their contractors Marstons.
- Staff were Tupe'd over to the new contractors and we have a much-reduced team
- Focus is now based around enforcing our own Car Parks in our fully electric parking vehicles.
- Issuing season tickets and contract parking permits
- Working alongside our Sustainability team to investigate Electric Charging points for more of our car parks.

264



Regulatory Services - Joint Enforcement Team

- Enforcement coordination within Council departments e.g. Planning, Licensing, Fraud and take active part in joined up action with the Police, SCC and other partners.
- Working closely with our Partners to manage antisocial behaviour within Redhill as a particular hot spot.
- Tackling reports of fly tipping & abandoned vehicles.
- Dealing with traveller and other unauthorised encampments.
- Issuing of Fixed Penalty Notices for Fly Tipping, with the emphasis on bring sites
- Use of CCTV to catch offenders in action.
- Investigating reports of graffiti in the borough

265



The Outlook For 2024

- Delivering the objectives of Governments recently published 'Simpler Recycling' strategy
 - Supporting the Council's Environmental Sustainability Strategy, with the transition of our dustcarts to HVO, delivering a significant carbon saving.
 - Deliver the solar powered compacting bins project,
 - Assess viability of bring sites which disproportionately absorb staffing resource due to miss use and fly tipping.
- Progress the Depot Operational area project to deliver a fit for purpose facility to continue to deliver our statutory services to a high standard and allow for new initiatives to be realised.

266



Greenspaces

267 Portfolio update

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





Five Year Plan

Clean and green spaces

268

Provide high quality neighbourhood services to ensure that the borough continues to be clean and attractive and local people have access to the services and facilities they need

Greenspaces & Engineers

The teams maintain parks, open spaces and infrastructure for residents and visitors to a recognised high standard. These services include:

- Grounds maintenance
- Play area provision & maintenance
- Allotments
- Bereavement services
- Volunteer co-ordination
- Sports pitch provision
- Banner sites
- Sponsorship
- Trees & woodland management
- Countryside management
- Engineering

269



Greenspaces & Engineers

2023/24 Achievements

- Retained high ratings for In-Bloom Awards, with 9 awarded in total.
 - Strengthened arboriculture resources to deal with the management of the borough tree stock and increasing pest and diseases.
 - CIL projects delivered in partnership with Development Management and Planning Policy teams.
 - Replacement of Woodhatch, Ifold Rd and Howards Close play area, which includes the use of recycled materials and ocean plastic in its design.
- 270 Installed outdoor gym equipment at Reigate Priory, Lady Neville and Woodhatch Park and installed a trim trail at Nork Park



Greenspaces & Engineers

2024/25 Outlook

- Development and implementation of a Greenspaces strategy to ensure resources aligned with the achievement of the Council's objectives.
- Supporting the delivery of Merstham Recreation Ground regeneration project with the Place Delivery team.
- Working with SCC on drainage and flood prevention schemes, and continue to maintain watercourses.
- A pipeline of CIL and S106 projects to be delivered, such as a pump track at Tattenham rec, installation of additional benches and the adoption of land at Westvale Park
- Continue to deliver replacement of play areas



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Environmental Sustainability (1)

PH Objective: Scope and commence review of ES Strategy review

- Draft considered in detail by O&S Panel; documents updated and elsewhere on this meeting's agenda; due to be adopted by end March 2024

PH Objective: Raise the profile of sustainability across councillors and communities

- Cross party member working group; regular member newsletter, member engagement in ES Strategy review
- Member induction training and optional 'climate essentials' training
- Active travel officer working across target communities
- Great levels of resident engagement with domestic retrofit programmes (Sustainable Warmth Fund, Homes Upgrade Grant, Solar Together)
- Officer attendance at community events and community centres

Environmental Sustainability (2)

PH Objective: Work with other portfolio holders to embed sustainable ways of working and bring down carbon emissions

- Funding for HVO and EV bin lorry secured
- Solar PV installed on temporary and emergency accommodation
- Funding for operational building improvements secured; Priory Pavilion solar PV implemented
- Sustainability promoted by Community Development and Economic Prosperity Teams

PH Objective: Represent RBBC on SCC Greener Futures Partnership Board and engage with other organisations to promote ES

- Greener Futures partnership board meetings focusing on (amongst other things) – shared vision; green financing; climate adaptation; business support
- Officer engagement with other organisations including East Surrey College, Sutton and East Surrey Water, Energy Action Redhill & Reigate; Raven Housing Trust, SCC, other districts & boroughs etc

Env Sustainability - What's next?

- Get on with implementing the new ES Strategy Action Plan (91 actions in total!)
- Annual report to O&S and Executive in September – more detailed progress update
- Develop new EV charge-point plan
- Programme of improvement works for Town Hall, Community Centres and Depot
- Greenspaces & Tree Strategies
- Refill scheme
- Continue comms and promoting opportunities to residents around domestic retrofit
- Sustainable procurement policy and guidance
- Work with SCC on business loans project

275

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| Signed off by | Strategic Head of Legal and Governance |
| Author | Marie Crabtree, Democratic Services Officer |
| Telephone | 01737 276657 |
| Email | marie.crabtree@reigate-banstead.gov.uk |
| To | Overview and Scrutiny Committee |
| Date | Thursday, 14 March 2024 |
| Executive Member | Councillor Nick Harrison, Chair of Overview & Scrutiny |

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

| | |
|----------------|---|
| Subject | Overview and Scrutiny Annual Report 2023/24 |
|----------------|---|

| |
|--|
| Recommendations |
| <p>(i) That the Annual Report of the Overview and Scrutiny Committee for this year be noted and recommended to Council.</p> <p>(ii) That any additional observations be made to Council on 28 March 2024.</p> |
| Reasons for Recommendations |
| <p>The Overview and Scrutiny Committee serves as a critical friend to the Council and Executive. Holding an authority's decision-makers to account is important to the successful functioning of local democracy, governance, and leadership. Effective scrutiny helps secure the efficient delivery of public services and drives improvements. The Annual Report of the Committee provides a summary of the work of the Committee during 2023/24 to Full Council for approval at its meeting on 28 March 2024.</p> |
| Executive Summary |
| <p>The Overview and Scrutiny Committee and its Scrutiny Panels examine whether Council services and policies are being delivered in the most efficient and effective way possible, and whether they are meeting the needs of local residents, businesses, and users of Council services.</p> |

Agenda Item 9

There are strong performance management arrangements in place and the Overview and Scrutiny Committee receives management information quarterly.

The Annual Report of the Committee provides a summary of the work of the Committee in 2023/24 to the Council. This report therefore supports awareness of the role and actions of the Committee by the Council.

The above recommendations are subject to approval by Full Council.

Statutory Powers

1. The requirement for local authorities in England to establish overview and scrutiny committees is set out in sections 9F to 9FI of the Local Government Act 2000, as amended by the Localism Act 2011. The functions of the Committee are set out in the Council's Constitution and in the terms of reference of the Committee.

Background

2. This Annual Report 2023/24 of the Overview and Scrutiny Committee sets out the work of the Committee in 2023/24. Membership and attendance information for the year is set out in Annex 1. The Committee's Annual Work Programme 2024/25 is set out in a separate report to the Committee for consideration by Executive on 21 March 2024 and approval by Full Council on 28 March 2024.

Annual Report

3. This report reflects the work of the Committee as the Council continued to support the borough's residents and keep services operating at a high level in the midst of the increasing cost of living pressures. The Committee scrutinised this programme of work through updates to Committee meetings throughout the year.
4. This year, the Overview and Scrutiny Committee met eight times on 15 June 2023, 6 July 2023, 12 October 2023, 7 December 2023, 25 January 2024, 22 February 2024 and 14 March 2024. A Budget Scrutiny Panel was constituted and completed their work and recommendations in 2023/24. An Environmental Sustainability Strategy Review Panel was constituted and completed their work and recommendations in 2023/24.

Holding the Executive to Account

5. Executive Members, the Managing Director, Directors, and Officers supported the Committee's scrutiny activities and attended meetings of the Committee throughout the year. Executive Portfolio Holders and Officers attended and supported the Budget Scrutiny Panel.
6. The Committee held the Leader and Executive Members to account through:
the attendance of the Leader, the Deputy Leader and Portfolio Holders at the Committee or its Panels to explain how the Executive proposed to deliver its plans and strategies; Portfolio Holders presenting and reporting on their work and

objectives for each of their service areas and responding to questions from the Committee; considering a number of proposed Executive decisions and providing commentary and recommendations to the Executive where judged appropriate.

Leader's Updates

7. Councillor Biggs, Leader of the Council, provided a briefing on the work of the Council at the Committee meetings in September 2023 and January 2024.
8. At the September meeting, the Leader briefed the Committee on Council initiatives and projects, future challenges and engagement between the Executive and the Overview and Scrutiny Committee including leadership updates on continuing to address anti-social behaviour, the positive impact of The Rise on footfall in Redhill, funding from the Department of Levelling Up Communities and Housing to help provide additional temporary housing in the local area, the commencement of work on the outdoor fitness areas in Woodhatch, Lady Neville Recreation Ground and Priory Park, a new transformation plan for Redhill library, consultation on the next round of subway improvements in Horley, and continuing work on environmental sustainability.
9. At the January meeting, the Leader briefed the Committee on Council initiatives and projects, future challenges and engagement between the Executive and the Overview and Scrutiny Committee including leadership updates on the challenges presented by the unexpected closure of the Harlequin theatre, which had brought both a loss of income and a decrease in costs; the successful relocation of the pantomime; approval for a trial of an electric bin lorry and plans to transition waste fleet vehicles to Hydrotreated Vegetable Oil fuel; renewal of the Public Space Protection Order in Redhill; the Housing Policy amendment to support residents interested in downsizing to help make better use of local housing stock; the continuing influence of The Rise, offering new facilities for residents and attracting new businesses to the area; the Volunteer Awards in October 2023; the Business Awards in November 2023; the current light touch review of the Environmental Sustainability Strategy; engagement with stakeholders to inform the development of the next Corporate Plan for 2025-2030; consultation on the A23 Great Street Design Code and the Department of Levelling Up, Housing and Communities funding secured; and plans for the 50th anniversary of Reigate and Banstead Borough Council.

Executive Member Objectives and Updates

10. Executive Members presented the work and objectives of their service areas to the Committee under the three corporate themes of Organisation, People and Place.

Organisation Executive Updates – 12 October

11. Councillor Biggs, Leader of the Council, gave an overview of Communications & Customer Contact and the Corporate Plan Review. This included updates on the changing ways in which residents can contact the Council, the development of a

Agenda Item 9

communications toolkit providing a library of resources for use by services, and the commencement of engagement with Members on the new Corporate Plan.

12. Councillor Lewanski, Deputy Leader and Portfolio Holder for Finance, Governance and Organisation, gave an overview of Finance, Governance and Organisation service areas. This included updates on Service and Financial Planning, the restructure of Organisational Development & Human Resources service, the successful implementation of voter ID at the May 2023 elections, future plans to review the Constitution and Code of Corporate Governance, replacement of the webcasting equipment in the New Council chamber, a national excellence award for the Council's counter-fraud team.
13. Councillor Andrew King, Portfolio Holder for Commercial and Community Assets, gave an oversight of the Council's commercial agenda, investments and companies, commercial strategy and other work overseen by the Partnership, Shareholder and Trustee Executive Sub-Committee (PSTESC). This included updates on the successful opening of Marketfield Way (The Rise) development, the continuing progress of the Council's exiting arrangements from its companies, PSTESC taking over formal responsibility for the overseeing of charities and ensuring compliance with annual trustee reporting requirements and making effective use of Council owned assets. The Committee receives regular reviews of the Council's property portfolio.
14. Councillor James King, Portfolio Holder for Corporate Policy and Resources, provided a briefing on Council's Performance Management, Corporate Policy, ICT and Data and Insight. This included updates on the approach to the development of Council strategies, work on the Corporate Assurance Framework, the progression of the IT Strategy. This will would be followed by a review of the level of IT resource to help with IT project delivery, and the continuing work of the Data and Insight team.

People Executive Member Updates – 25 January

15. In January, the Committee received a briefing from the People Portfolio Holders on the People service areas.
16. Councillor Neame, Portfolio Holder for Housing & Support, gave an overview of the work on homelessness, housing options, housing register, refugee and asylum seeker accommodation, and housing delivery as well as the work of Family Support, Money Support and Refugee Settlement teams and the work of Housing Benefits and Fraud teams.
17. Councillor Biggs, Leader of the Council gave an overview of work on the three Leisure Centres, Leisure Development, Arts Development, and the Harlequin Theatre. The Council was working hard to continue to provide these services despite the challenges faced by the unexpected closure of the Harlequin Theatre.
18. Councillor Biggs, Leader of the Council, gave an update on the Council's work on Community Partnerships, including community centres, community partnership working with the NHS, and supporting the voluntary sector, as well as supporting food clubs, assisting with fuel poverty, and assisting in the delivery of the Household Support Fund.

Place Executive Member Updates – 14 March

19. **Insert text after March Committee meeting.**

Annual Community Safety Partnership Scrutiny – ‘Crime and Disorder’

20. On 22 February, the Committee held an annual meeting as part of its scrutiny responsibilities under the Crime and Disorder Reduction Act 1998 and the Anti-Social Behaviour, Crime and Policing Act 2014. Councillor Biggs, Leader of the Council, gave an overview of the Council’s work with Surrey Police and Surrey County Council over the last year.
21. The Surrey Police Borough Commander for Reigate and Banstead, Inspector Jon Vale, and Sergeant Rob Staplehurst attended as key community safety partners.
22. The Committee questioned the speakers on a wide range of community safety issues, such as anti-social behaviour, Violence Against Women and Girls, communication between residents and the Police, keyless car theft, County Lines, engaging with minority communities, retail crime and youth engagement.
23. The Community Safety Team also gave a presentation on the work of the Community Safety Partnership. The Committee questioned the team on a wide range of community safety issues, such as identifying and tackling problems, fly tipping, youth provision and ways in which Councillors can help with community safety issues.

Review of the work of the Greenspaces Team

24. On 22 February, the Committee received a presentation on the work of the Greenspaces Team from Councillor Moses, Portfolio Holder for Environment and Sustainability and the Greenspaces Team.
25. The Committee questioned the speakers on a wide range of Greenspaces and Countryside issues, such as management plans, managing Ash Dieback, wildlife surveys, grass cutting methods, and made suggestions on alternative ways of grass cutting and hedge management. Committee members were encouraged to bring their suggestions and comments to the forthcoming consultations on the Greenspaces Strategy.

Performance Monitoring

26. The Committee continued to monitor the Council’s performance. This included reviewing the following information:
 - Service Performance Management (quarterly)
 - Key Performance Indicators (KPIs) (quarterly)
 - Revenue and Capital Budget Monitoring (quarterly)
 - Treasury Management (quarterly)
 - Update on the Corporate Plan 2020-25 (Reigate and Banstead 2025 Annual Report 2022/23).
 - Environmental Sustainability Strategy – Annual Progress Report 2023
27. The quarterly performance reports and KPIs showed that the Council continued to meet the majority of its Key Performance Indicators. Any comments from the Committee on performance were reported to the Executive for their consideration. Treasury Management activities were included in the Revenue and Budget

Agenda Item 9

monitoring reporting for the first time, and the Council remained in a good financial position.

28. More detailed reporting information on the work of Council services was provided via programme dashboards available on the Members' area of the ModGov intranet.

Advance Questions

29. The Advance Questioning procedure is in use for the Overview and Scrutiny Committee. This allows members of the committee to submit questions in advance of the meeting based on the information received in the agenda pack, which is published five clear working days before the meeting. Advance questions are then forwarded to the relevant officers to provide written responses which are then circulated to committee members the day before the committee meeting and are published in the Council's web library. This procedure allows Council officers and Executive Members to prepare detailed answers to questions arising regarding the agenda item and to provide these detailed answers during the meeting.
30. The Advance Questioning procedure was used to support Member questions on quarterly performance reports as well as advance questions on published reports and presentations in advance of formal Committee meetings (such as Portfolio Holder briefings).
31. The Managing Director, Directors, Chief Finance Officer, Monitoring Officer, and relevant Heads of Service supported meetings of the Overview and Scrutiny Committee to answer additional questions on the Council's performance or via written answers.
32. The Committee also keeps an "Action Tracker", a register of questions raised in meetings which require further research before they can be responded to. Answers are given subsequently in writing and reviewed at subsequent meetings of the Committee, to ensure issues are addressed.

Strategy and Policy Development

33. The Committee commented on the following draft strategies and policies:
 - Medium Term Financial Plan 2024/25 - 2028/29
 - Treasury Management Strategy 2023/24
 - Commercial Strategy
 - Capital Investment Strategy 2024/25 to 2028/29
 - Annual Environmental Sustainability Strategy

Treasury Management

34. This year, Overview and Scrutiny Committee took over responsibility for overseeing the Council's Treasury Management from Audit Committee. Committee members undertook Treasury Management training on 8 June 2023 and were consulted on the Treasury Management Strategy, Investment Strategy, and Capital Strategy for 2023/24 at their meeting on 15 June 2023. Quarterly treasury management updates were provided as part of the Performance Monitoring reports.

35. **Insert text following the March Committee meeting.**

Companies Performance

36. The Committee received two Companies Performance Update reports on the progress of companies owned and part-owned by the Council in July 2023 and December 2023.

The Summer update reported that the Horley Business Park Development LLP was expected to be dissolved, with a Settlement Agreement between members of the LLP underway. Also, that the Council continued to seek critical business information from Pathway for Care Limited in order to review its performance.

The Winter update reported that preparations were being made in anticipation of Greensand Holdings Limited being dissolved, with its assets likely to be transferred to direct holding by the Council.

Also that Horley Business Park Development LLP was on track to be dissolved by way of a Members Voluntary Liquidation.

The report confirmed that Pathway for Care Limited was technically insolvent, and the redemption date of April 2023 for the Council's £1.1 million preference shares had not been honoured.

Commercial Strategy

37. In December 2023, the Committee received a progress update on work aligned with delivery of the Council's Commercial Strategy and objectives. Progress in 2023/24 had included completion of The Rise development at Marketfield Way, a contribution of an additional £700k to the revenue budget from Council property income, and additional income of nearly £540k from planned updates to fees and charges.

Calendar of Meetings 2024/25

38. The Committee received and considered the Calendar of Meetings for 2024/25, before it was presented to Council for approval on 20 February 2024.

Budget Scrutiny Review Panel

39. Councillor Biggs, Leader of the Council, and Councillor Lewanski, Deputy Leader and Portfolio Holder for Finance, Governance and Organisation, with the Managing Director and Chief Finance Officer, attended the Budget Scrutiny Panel on 29 November 2023, to support the Panel's review of Service and Financial Planning for 2024/25. These councillors and officers also attended the Committee meeting when the report of the Budget Scrutiny Panel was considered, to further support this process, and respond to questions from the Committee.
40. The Budget Scrutiny Review Panel reviewed the Service & Financial Planning 2024/25 report. The Panel undertook a robust review of the draft budget proposals and considered 82 advance questions along with further questions and comments that were raised at the meeting.

Agenda Item 9

41. The Panel recognised and appreciated the significant amount of work that had gone into preparing the draft revenue and capital budget for 2024/25 and concluded that the proposals were achievable and realistic and based on sound financial practices and reasonable assumptions. The Panel noted that proposed savings were not expected to have significant impact on service scope or quality.
42. The Panel noted the national and local policy context and significant uncertainties at that stage of the budget-setting process. It noted that the Service and Financial Planning 2024/25 report forecast a balanced Revenue Budget for 2024/25 subject to final confirmation of outstanding items.
43. The Panel supported changes to the Local Council Tax Support Scheme to be adopted from 2024/25 and the changes to Council Tax premiums on empty properties to be adopted from 2024/25.
44. The Panel expressed concern about general inflationary pressures in the UK economy, which put short-term inflation well above the Bank of England target and suggested this would put further upward pressures on the cost of goods and services and the annual pay award.
45. The Panel noted that the use of earmarked reserves, to fund housing benefit shortfalls, could only be a one-off action and not a permanent solution.
46. The importance of the Council's Financial Sustainability Plan to address future budget gaps was also noted.
47. The Panel noted that, in the Financial Accounts, a £1.1million provision has been made for credit loss with regard to the investment in Pathway for Care. This would be funded from the Commercial Risks and Volatility Reserve.
48. The Budget Scrutiny Panel report and recommendations was reported to the main Committee at its meeting on 7 December 2023. The Committee debated the findings including the Housing Benefit subsidy shortfall and the Government's recently announced increase in the Local Housing Allowance.
49. The Committee resolved to support the recommendations of the Budget Scrutiny Panel report which went to Executive for consideration at its meeting on 14 December 2023, with the additional recommendation to work with other local authorities, and to lobby government, directly and through the through the Local Government Association on the challenges of the shortfall in reimbursement for housing benefit payments.
50. At the Overview and Scrutiny Committee meeting on 25 January 2024, an update for the Committee on the Budget and Capital Programme 2024/25 was given to Members. It was reported to the Committee that the net impact of minor adjustments to Service Budgets resulted in a net growth of £0.134million. Treasury Management budget income forecasts had been reduced by £0.055 million. The forecast budget pressure for the shortfall in housing benefit subsidy had been reviewed and reduced by £0.270 million but remained a significant risk. These changes had made it possible

to reduce the call on reserves. Increased Minimum Funding Guarantee Grant from Government had offset a decrease in New Homes Bonus Grant and Services Grant. The budget for 2024/25 was therefore balanced.

51. Members asked questions about the balance on the IT Strategy Reserve and how it would be used.
52. The Committee noted the updated elements of the Budget and had no further observations to make to Executive on 1 February 2024.

Environmental Sustainability Strategy Review Panel

53. Councillor Moses, Portfolio Holder for Environment and Sustainability, with the Head of Corporate Policy, Projects and Performance and Sustainability Project Officer, attended the Environmental Sustainability Strategy Review Panel on 12 February 2024, to support the Panel's review of the Environmental Sustainability Strategy and Action Plan. Councillor Moses and the officers also attended the Committee meeting when the Environmental Sustainability Strategy Review was considered, to further support this process, and respond to questions from the Committee.
54. The Environmental Sustainability Strategy Review Panel reviewed the Council's Environmental Sustainability Strategy and Action Plan Report and supporting documents. The Panel undertook a robust review of the strategy proposals and considered 21 advance questions along with further questions and comments that were raised at the meeting.
55. The Environment Sustainability Strategy Review Panel minutes and the updated Environmental Sustainability Strategy and Action Plan were reported to the main Committee at its meeting on 14 March 2024.
56. **Insert text following March Committee meeting.**

Local Plan Update

57. In October 2023, the Committee received an update on the development of the new Local Plan, setting out the current position and the proposed way forward. The current Local Plan would end in 2027 and the Council would be working towards the new style of local plan.
58. **Insert text following March Committee meeting.**

Lessons Learnt – Pitwood Park, Cromwell Road and Lee Street

59. At the Overview and Scrutiny Committee meeting held on 12 October 2023, the Committee received a report setting out a project overview for the three recent housing delivery projects at Pitwood Park, Cromwell Road and Lee Street, including the Council's key reflections and learnings from these recent housing delivery projects undertaken between October 2020 and August 2022.

Marketfield Way Update

60. A report containing an update on the progress of the Marketfield Way project was presented to Overview and Scrutiny Committee on 7 December 2023.
61. The report highlighted the challenges of the project, which had been overcome, but had led to delays and cost increases. The Rise was now open, welcoming thousands

Agenda Item 9

of people every day; the residential part of the development had been sold to the Council's private sector partner and over 70% of the commercial floorspace had been let, with letting agreements for the remaining units underway.

62. Continued discussion of the Marketfield Way project took part in a Part 2 session of the meeting reviewing timescales, budgets, and costs. The project was subsequently funded by an additional capital bid of £4.2 million, approved at the full Council meeting in February 2024.

Call-in of Executive Decisions

63. Call-in is a provision of the Local Government Act (2000) that enables councillors on Overview and Scrutiny committee to ensure that the principles of decision making set out in the council's Constitution are adhered to. It allows Overview and Scrutiny committees to require the council's Executive to reconsider a decision which has been made, but not yet implemented.

Call-in is only intended to be used in exceptional circumstances.

64. There were no Call-Ins of Executive Decisions during 2023/24.

This indicates that there is a good working relationship between Overview and Scrutiny and Executive, in which Overview and Scrutiny are consulted on forthcoming Executive business avoiding use of the call-in procedure.

Operational arrangements

65. The Chair of the Committee had regular meetings with the Managing Director (Mari Roberts-Wood), Director (Luci Mould), Chief Finance Officer (Pat Main), and relevant Heads of Service. This focused the planning and delivering of the Committee's work programme. In accordance with the Overview and Scrutiny Committee's Procedure Rules, the Committee's work programme for 2024/25 was discussed with the Leader.

Conclusion

66. The Committee recognises that the Council continues to focus on outcomes for residents and businesses and is responding well to continuing financial pressures and managing its processes in an efficient manner. The work of the Overview and Scrutiny Committee has maintained a streamlined approach in 2023/24 and in developing its annual work programme for the coming year 2024/25 has sought to continue this.
67. The Committee has worked hard on behalf of the Council and community in scrutinising the Council's decision-making process, holding Executive Members to account, and monitoring the Council's performance, as well as contributing to strategic policy development such as the Capital Investment Strategy 2024/25 to 2028/29.

Options

Agenda Item 9

68. The Committee has the option to support the Annual Report of the Overview and Scrutiny Committee 2023/24 and make any additional observations.
69. The Committee has the option not to support the Annual Report of the Overview and Scrutiny Committee 2023/24. This is not the recommended course of action.

Legal Implications

70. There are no immediate legal implications arising from this report. The Overview and Scrutiny Committee is a strategic function of the authority and central to the organisation's corporate governance.

Financial Implications

71. There are no direct financial implications arising from the annual report.

Equalities Implications

72. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
 - Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
73. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
74. The Committee should ensure that it has regard for these duties by considering them through the course of its work. This should include considering:
 - How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;
 - Whether there is equality of access to service and fair representation of all groups within the Borough;
 - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

Communication Implications

75. There are no significant communications implications arising from this report.

Agenda Item 9

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| Environmental Sustainability Implications |
| 76. There are no significant environmental sustainability implications arising from this report. |
| Risk Management Considerations |
| 77. There are no significant risk management implications arising from this report. |
| Consultation |
| 78. In accordance with the Overview and Scrutiny arrangements contained in the Council's constitution, the Committee's Annual Report was discussed with the Chair and Vice-Chair of the Overview and Scrutiny Committee. |
| Policy Framework |
| 79. There are no policy framework implications. |
| Background Powers |
| <ol style="list-style-type: none">1. Corporate Plan 2025 - https://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/reigate_and_banstead_20252. Annex 1 – Overview and Scrutiny Committee 2023/24 – Membership and Member Attendance |

Overview and Scrutiny Committee 2023/24

Membership and Attendance

8 O&S meetings up to 14 March 2024.

Note – this record of attendance needs to be updated following the final meeting of the year on 14 March 2024.

| | | |
|-------------------------|------------|------------|
| Councillor N. Harrison | Chair | 7 meetings |
| Councillor G. Buttironi | Vice-Chair | 6 meetings |
| Councillor J. Baker | Member | 6 meetings |
| Councillor M. Blacker | Member | 6 meetings |
| Councillor J. Booton | Member | 5 meetings |
| Councillor J. Dwight | Member | 7 meetings |
| Councillor M. Elbourne | Member | 4 meetings |
| Councillor K. Fairhurst | Member | 7 meetings |
| Councillor B. Green | Member | 6 meetings |
| Councillor G. Hinton | Member | 6 meetings |
| Councillor S. Khan | Member | 7 meetings |
| Councillor S. Parnall | Member | 6 meetings |
| Councillor A. Proudfoot | Member | 7 meetings |
| Councillor R. Ritter | Member | 6 meetings |
| Councillor K. Sachdeva | Member | 4 meetings |

Virtual Attendance

| | | |
|----------------------|--------|-----------|
| Councillor J. Booton | Member | 1 meeting |
|----------------------|--------|-----------|

Substitutes at meetings

| | | |
|----------------------|-------------------|------------|
| Councillor Z. Cooper | Substitute Member | 1 meeting |
| Councillor J. Essex | Substitute Member | 2 meeting |
| Councillor P. Harp | Substitute Member | 1 meeting |
| Councillor J. Hudson | Substitute Member | 2 meetings |
| Councillor S. Kulka | Substitute Member | 3 meetings |

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| Signed off by | Strategic Head of Legal and Governance |
| Author | Marie Crabtree, Democratic Services Officer |
| Telephone | 01737 276657 |
| Email | marie.crabtree@reigate-banstead.gov.uk |
| To | Overview and Scrutiny Committee – 14 March 2024 Executive – 21 March 2024 Council – 28 March 2024 |
| Date | Thursday, 14 March 2024 |
| Executive Member | Chair of Overview and Scrutiny Committee |

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

| | |
|----------------|--|
| Subject | Overview and Scrutiny Proposed Annual Work Programme 2024/25 |
|----------------|--|

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| Recommendations |
| That the proposed Work Programme for 2024/25 as set out at Annex 1 and detailed in the report be approved. |
| Reasons for Recommendations |
| To agree a Work Programme for the Overview and Scrutiny Committee for the 2024/25 Municipal Year. |
| Executive Summary |
| <p>The Overview and Scrutiny Committee proposed annual Work Programme 2024/25 sets out a programme of activity that is in line with the Council’s priorities. The Work Programme for the coming year is considered and agreed by the Overview and Scrutiny Committee for consultation with the Executive.</p> <p>Following consultation with the Executive and the Leader, the Work Programme is submitted for approval by the Council so that it can be agreed before the start of the next Municipal Year.</p> |

Agenda Item 10

The above recommendations are subject to approval by Full Council.

Statutory Powers

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

Background

2. As required by the Constitution, an outline of the Committee's work programme for the year is discussed between the Leader of the Council and the Chair of the Committee with representatives from the Management Team.
3. The Committee's work programme is designed to help it plan its business during the year and is set out in various categories in paragraphs 8 to 29.
4. To provide flexibility (to accommodate matters not contained within the work programme) the following protocol has been established: *"In addition to the Committee's agreed work programme it needs to allow flexibility for additional priority work that emerges during the course of the year. In those circumstances the Committee should be permitted to undertake that piece of work following consultation and agreement with the Chairman of the Committee and appropriate Executive Member and Management Team Manager. In the event that this is not possible a report should be made to the Executive requesting the inclusion of the issue within the work programme"*.
5. The prioritisation of the Work Programme may be adjusted by the Chair during the year to manage the business effectively.
6. An important element of the Committee's work is to ensure that it continues to assist the Council in driving forward the Corporate Plan's key objectives and priorities. The Committee's work programme is therefore designed in a constructive way to link with the Executive's work programme.

Key Information

7. Annex 1 sets out a summary of the Committee's proposed Work Programme 2024/25 and further details are set out below.
8. Policy Framework consultations – It is proposed that the Work Programme includes Policy Framework consultation documents as required by Policy Framework procedures within the Council's Constitution. There are no new Policy Framework consultations documents currently in progress, however any that emerge during the course of the year will be reported to the Committee.
9. Strategies and Plans - A plan is prepared administratively which continues to identify all of the strategies/plans that will be reviewed by the Executive. Work is also underway to implement other important strategies such as the Commercial Strategy and the Leisure and Culture Strategy. Progress will be reported in line with the arrangements set out in those

strategies. Specifically, an annual update on the Commercial Strategy was presented to the December 2023 committee and it is planned to repeat that in 2024/25. Where an updated strategy is being prepared, and where the proposed strategy is not significantly different, or where changes have been tested through Member briefings/seminars, then following consultation with the Chair, a formal report will not usually be brought to the Committee.

10. Work Programme rolled forward from 2023/24 – The Review of the Greenspaces Strategy will be rolled forward to 2024/25. The Leisure and Culture Strategy, which has been delayed by the unexpected closure of The Harlequin theatre, will also be rolled forward to 2024/25.
11. Portfolio Holder Objectives – The Committee has continued to work closely with Executive Members during 2023/24 and has received presentations from Portfolio Holders on a number of the Council's priority work streams. The Committee proposes to continue this approach in 2024/25.
12. Leader Updates – To support effective cooperation of the Committee and the Executive, the Committee receives twice-yearly updates from the Leader of the Council on the Council's overarching activities and strategic objectives. The Committee proposes to continue this approach in 2024/25.
13. Performance Management Monitoring Activities – The Committee has a role to monitor the performance of the Council. Programme and project dashboards are made available each month on the ModernGov intranet library. The monitoring activities have been fulfilled by reporting on the following matters, which the Committee consider appropriate to continue for 2024/25:
 14. Quarterly Revenue and Capital budget monitoring forecasts
 15. Quarterly Treasury Management forecasts.
 16. Quarterly Service Performance Management Monitoring
 17. Corporate Plan performance (annual basis).
18. Local Plan Update – Group Leaders agreed the previous year, that the Portfolio Holder for Place, Planning, and Regulatory Services should give six-monthly updates to Overview & Scrutiny Committee to monitor progress and address any issues arising from the new Local Plan. The Committee received updates in October 2023 and March 2024 and proposes to continue this approach in 2024/25.
19. Panels for 2024/25 – In addition to the annual Budget Scrutiny Panel and the Local Plan Scrutiny Panel, three members of the Committee have been appointed to the Local Plan Advisory Group. An Environmental Sustainability Strategy Review Panel was established in 2023/24 and concluded its business; there is not intention for this panel to meet in 2024/25. However, there will be an annual update of the Strategy to the full committee.
20. Budget Scrutiny Panel – The Committee has established an annual Budget Scrutiny Panel. The Budget Scrutiny Review Panel held one meeting in 2023/24 (29 November 2023) and reviewed the Service and Financial Planning 2024/25 report and supporting documents. A streamlined approach, supported by an advance questioning process, continued to work well and allowed the Panel to conclude its work in one meeting.
21. It is therefore suggested that the Panel's work in 2024/25 be based on considering the Provisional Budget proposals for 2025/26 (including any updated assumptions within the Medium Term Financial Plan, appropriate revenue projections and a progress report on the Capital Programme projections).
22. Local Plan Scrutiny Review Panel – The Local Plan Scrutiny Review Panel did not meet in 2023/24. A Local Plan Scrutiny Review Panel is planned for 2024/25 to review the responses to the public consultation on the new Local Plan.

Agenda Item 10

23. Externally Focused Overview and Scrutiny work – The Committee has successfully undertaken scrutiny with and of partner organisations in recent years. At the meeting of the Environmental Sustainability Strategy Review Panel it was suggested that the Committee could review the two water utilities operating in the borough (SES Water and Thames Water). It is recommended that waste water arrangements is the priority for 2024/25, and that the form of scrutiny be explored by officers and the Chair.
24. Crime and Disorder Scrutiny – The Committee is the ‘crime and disorder’ scrutiny committee for the purposes of the Police and Justice Act 2006. This requires the Committee to undertake scrutiny activity of crime and disorder matters once every 12-month period. The Committee has worked well with partners such as the Reigate and Banstead Borough Commander, Surrey Police and Surrey County Council in developing this work.
25. In 2023/24 the Committee invited the Portfolio Holder for Community Partnerships, along with representatives of the Police and Community Safety Partnership to this meeting (on 22 February 2024) to assist. It is proposed that the Committee continue to undertake this activity in 2024/25.
26. Members discussed a review of recycling, to include food waste and services to flats and social housing. It was agreed this review would be held as ‘pending’ following the anticipated Resources and Waste Strategy expected shortly from government, which was likely to require the revisions to the Council’s own Waste Strategy.
27. Council Corporate Scrutiny – the Managing Director, Directors, Leader, and Chair of the Overview & Scrutiny Committee considered the balance between effective scrutiny, with the need to protect commercial confidentiality and enable the Council’s services to operate competitively.
28. In 2023/24, updates on Council-owned companies were considered by the Committee bi-annually. This is planned to continue.
29. Call-Ins – The Committee would also consider matters that have been called in for review. There were no Call-Ins of Executive decision in 2023/24.

Options

30. The Executive has the option to support the proposed Overview and Scrutiny Work Programme 2024/25 as set out in the report.
31. The Executive has the option not to support the proposed work programme as set out in the report and request it to be reconsidered. This is not recommended as the Committee would not then have a scrutiny work programme in place for 2024/25 to enable them to carry out effectively their scrutiny of the Executive.

Management Team Comments

32. Management Team are supportive of the Work Programme proposed.
33. The work of the Committee is clearly a valuable part of the overall checks and balances needed to ensure that the authority makes decisions that are robust and challenged with the best interests of the community and the delivery of quality services at the heart of this remit.

Legal Implications

34. There are no immediate legal implications arising from this report. However, if the proposed Work Programme is not adopted then this will mean that the work of the

Council will not have the overview and scrutiny that is a strategic function of the authority and central to the organisation's corporate governance. The Work Programme provides councillors, who are not in decision-making roles, a work plan to set out what and how it wants to hold the Executive publicly to account over the coming year.

Financial Implications

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

Equalities Implications

36. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
37. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
38. The Committee should ensure that it has regard for these duties by considering them through the course of its work. This should include considering:
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
 - Whether the impact on particular groups is fair and proportionate;
 - Whether there is equality of access to service and fair representation of all groups within the Borough;
 - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

Communication Implications

39. There are no significant communications implications arising from this report.

Environmental Sustainability Implications

40. There are no significant environmental sustainability implications arising from this report.

Agenda Item 10

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| Risk Management Considerations |
| 41. There are no significant risk management implications arising from this report. |
| Resource Implications |
| 42. The main role of the Council in considering the Overview and Scrutiny Committee's Work Programme is to ensure that the work streams are appropriate and not duplicating ongoing work. More importantly the Council must ensure appropriate resources are available to add value to that Work Programme and balance the demands of the Committee against the overall priorities of the Council. Given the proposed work programme, no specific resource implications beyond those planned are anticipated. |
| Consultation |
| 43. In accordance with the Overview and Scrutiny arrangements contained in the Council's Constitution, the Committee's future work programme was discussed with the Leader and the Chair/Vice-Chair of Overview and Scrutiny. |
| Policy Framework |
| 44. Policy framework considerations are noted in paragraph 8 and 9. |
| Background Powers |
| 1. Annex 1 sets out a summary outline of the proposed O&S Annual Forward Work Programme 2024/25. |

Overview and Scrutiny Committee

Annex 1 - Proposed Annual Forward Work Programme 2024/25

What is scrutinised by O&S each year

| Topic | How often |
|---|--|
| Service and Financial Planning Budget Scrutiny Panel | Budget Scrutiny Panel plus scrutiny of Service and Financial Planning reports for the following financial year (November/December) |
| Performance Management Monitoring: <ul style="list-style-type: none"> • Quarterly Revenue and Capital Budget monitoring forecasts • Quarterly Treasury Management Performance • Quarterly Service Performance Management Monitoring (KPIs) • Reigate and Banstead 2020-25 (Corporate Plan) – Performance Report 2023/24 | Quarterly 12 Sept - Q1 2024/25 5 Dec - Q2 2024/25 13 March – Q3 2024/25 12 June – Q4 2024/25 1 meeting – June or July |
| Leader's Update | Twice yearly |
| Portfolio Holder updates: <ul style="list-style-type: none"> • Organisation – Corporate Policy & Resources, Finance, Governance & Organisation, Commercial & Community Assets • People: Housing & Support, Communities, Leisure & Culture • Place: Place, Planning & Regulatory Services, Neighbourhood Services, Corporate Policy & Resources | Three times a year at three separate meetings 10 Oct 2024 / 23 Jan 2024 / 13 March 2025 |
| Companies Performance Updates | Twice yearly (partially Exempt) |
| Environmental Sustainability Strategy update | Annually (Autumn) |

| | |
|---|---|
| Commercial Strategy update | Annually (Autumn) |
| Local Plan Update | Twice yearly (October and March) |
| Policy Framework consultations | No new policy consultations in progress |
| Annual Community Partnership Scrutiny 'Crime and Disorder Scrutiny' | Once a year - February |
| O&S Annual Forward Work Programme | March |
| O&S Annual report | March |

Scrutiny Panels planned 2024/25

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|------------------------------|------------------|
| Budget Scrutiny Review Panel | 27 November 2024 |
| Local Plan Scrutiny Panel | To be agreed |

Items brought forward from 2023/24

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| To review the recycling service, following proposed revisions to the service as a consequence of the Government's Resources and Waste Strategy. Agreed to hold this topic as a pending item for scrutiny early in 2024/25. |
| To review the Greenspaces Strategy. Agreed to hold this as a pending item for scrutiny in 2024/25. |
| To review the Leisure and Culture Strategy. |

Member Suggestions – additional scrutiny topics - Overview and Scrutiny Committee 2024/25

To review Waste Water arrangements (Thames Water), as suggested by the Environmental Sustainability Strategy Review Panel

O&S Meeting dates 2024/25

Seven O&S Committee meetings a year (plus one - Annual Community Safety Partnership Scrutiny) and Budget Scrutiny Panel, and Local Plan Scrutiny Panel (if required).

13 June 2024 (Election of Chair/Vice-Chair), 4 July 2024, 12 Sept 2024, 10 Oct 2024, 27 Nov 2024 (Budget Scrutiny), 5 Dec 2024, 23 Jan 2025, 27 Feb 2025 (Annual Community Safety Partnership), 13 March 2025

(As at March 2024)

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Action Tracker - Overview and Scrutiny Committee 2023/24

| Meeting 2021/22 | Subject and request | Action | Who | Status | Completed |
|-----------------|--|--|---------------------|-------------|--|
| 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 | Completed | <i>To be addressed when the next MTFP refresh is reported in July 2024</i> |
| 7 Sep 2023 | Item 6 Environmental Sustainability Strategy Annual Report | Improvements to Council buildings – Members requested an update on LED replacement roll out across Council buildings. | Request to officers | In progress | |
| 12 Oct 2023 | Item 4 Organisation Portfolio Holders' Update | IT – Possible consideration of reviewing IT support for Members, after the review of IT resourcing. | Request to officers | Completed | <i>Following the success of the event held on 18/01/2024 further Member IT drop-in sessions will be scheduled.</i> |
| 7 December 2023 | Item 7 Companies Performance Update – Winter 2023 (Exempt) | The Chair requested that a summary of the relevant background on the origins of the investment in Pathway for Care be shared with Overview & Scrutiny Committee. | Request to officers | In progress | <i>This document is expected to be available at the end of February 2024.</i> |

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| 25 Jan 2024 | Item 5 Leader's Update | The Chair requested an update on the Council's position regarding the Gatwick DCO. | Request to officers | Completed | <i>An update on the Gatwick DCO was emailed to all Members on 12 January. This was forwarded to the Chair again on 30/01/2024.</i> |
| 25 Jan 2024 | Item 6 People Portfolio Holders Update | Confirmation of commencement of the period of residency for asylum seekers/refugees. | Request to officers | Completed | <i>Response emailed to Members on 6/02/2024. Copy of response published in Mod.Gov library</i> |
| 25 Jan 2024 | Item 6 People Portfolio Holders Update | A visiting member requested information on the amount of the £30million Council aspiration to spend on affordable social housing that has been spent to date. | Request to officers | In progress | |
| 25 Jan 2024 | Item 6 People Portfolio Holders Update | A Member asked what is being done to make public centres and buildings, such as leisure centres and community centres, more autism friendly. | Request to officers | In progress | |
| 25 Jan 2024 | Item 6 People Portfolio Holders Update | A Member asked for details on the plans for delivering Star for a Night while the Harlequin Theatre is closed. | Request to officers | Completed | <i>Response emailed to Members on 14/02/2024. Copy of response published in Mod.Gov library</i> |

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| 25 Jan 2024 | Item 6 People Portfolio Holders Update | Members asked for information on food club waiting lists. | Request to officers | Completed | <i>Response emailed to Members on 14/02/2024. Copy of response published in Mod.Gov library</i> |
| 22 Feb 2024 | Item 5 Review of the work of the Greenspaces Team | The Head of Neighbourhood Operations would check that the plans to carry out a new survey and the analysis from the survey at Mere Pond were shared with the community group. | Request to officers | In progress | |
| 22 Feb 2024 | Item 5 Review of the work of the Greenspaces Team | In response to a request for an update on the BMX track at Burgh Heath which had been closed, the Head of Neighbourhood Operations agreed to provide a written response. | Request to officers | In progress | |

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