

**Overview and Scrutiny Committee 12 October 2023**  
**Advance Questions**

**Agenda Item 4 – Organisation Portfolio Holders' Update**

**Question 1**

(Page 22) Comms and Customer contact

- a) How often is the customer contact strategy developed? Is this a review or a completely new strategy?
- b) Is there resident/ customer/user representation in the working group?

**Written Answer**

- a) The council has a channel shift strategy, introduced in 2016, which provides the framework for our customer contact approach including:
  - the increased use of automated phone technology and on-line self-serve options (via our [then] relaunched task-focused, mobile friendly website) alongside
  - our traditional telephone-based customer contact offer.

Since 2016 we have seen a noticeable increase in, and resident preference for, contacting us via other digital channels including social media. We want to explore how we can meet this changing resident need, through the provision of a balanced customer contact approach – using more technology whilst ensuring our phone channels remain available, particularly for the more vulnerable residents and/or those in most need of our assistance.

- b) 'Understanding resident need' is a key element of our initial work, to help us understand what residents need and want. At the moment we are conducting initial 'secondary research' i.e. reviewing all our existing data and insight relating to residents contact preferences. The intention is then to involve residents through various means (examples could include focus groups, surveys, discussion with representative groups) to bring the 'lived experience' of residents into our work. There is the potential to continue to tap into those resident networks as we evolve our approach, to test and help refine the final approach.

If the Councillor, any other Members, or residents have any comments or concerns relating to customer contact or if a resident has been having any difficulties please write directly to the Head of Service Carys Jones, or to the portfolio holder, the Leader of the Council.

**Question 2**

(Page 36) Revenues and Fraud

Please provide a breakdown of the £179k of money recovered and £725k savings due to the counter fraud work against different types of fraudulent activities.

## Written Answer

The breakdown of the two amounts is set out below:

<b>Cashable Savings</b>	
Council Tax Fraud - Single Person Discounts	£36,724.72
Housing Benefit and Local Council Tax Support Fraud	£142,953.68
<b>Total (A)</b>	<b>£179,678.40</b>
<b>Cabinet Office Savings</b>	
Housing Register	£16,200.00
Homeless and Homeless Prevention	£19,440.00
Social Housing	£279,000.00
Right to Buy	£231,000.00
<b>Total (B)</b>	<b>£545,640.00</b>
<b>Grand Total (A+B)</b>	<b>£725,318.40</b>

These figures reflect the outcomes of investigations and checks made into applications and data matching.

They do not include any indication of the savings achieved due to fraud prevention. i.e. where an individual may decide against committing fraud due to the counter fraud activities in place.

## Question 3

(Page 38) Finance

What is the plan to address the medium term forecast for a predicted budget gap?

## Written Answer

The most recent review of medium-term budget forecasts that was published in July identified a number of pressures that will need to be addressed during budget-setting in 2024/25 onwards.

They include:

- Making provision for future pay increases at a time of escalating inflation;

- Budgeting for the costs of approved borrowing to fund planned Capital Programme commitments;
- The potential impacts on available resources of Government funding reductions in future years; and
- Revenue and capital budget growth to deliver priorities in the Corporate Plan.

As in previous years, at the time of preparing the July 2023 forecasts, the details of how they were to be funded to ensure that the budget remains in balance were not yet confirmed.

The service & financial planning process over the summer has therefore focussed on quantifying the impacts of these potential pressures; also identifying the new sources of income or budget savings that can be delivered to help address them. The outcome, and the updated forecasts budget gap for 2024/25 onwards, will be reported to Executive in November and will be subject to scrutiny and public consultation before the final budget is approved in February.

In addition, Executive has previously acknowledged that reliance on measures such as multiple small-scale savings and the use of reserves to balance the budget is not without risks and is unlikely to be sustainable over the long-term. Going forward, solutions that reduce costs or increase income on a larger scale will have to be identified. These activities are overseen through the Financial Sustainability programme which focuses on four key areas:

#### Income Generation

- Pursuing opportunities to generate new income streams.
- Optimising fees and charges.
- Implementation of 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 monitoring forecasts to identify new opportunities for savings and efficiencies.
- Reviewing the level of service provided and focussing resources on priority services.
- Managing pay costs and making effective use of staff resources.

#### Achieving Value for Money

- Actively pursuing options to share with other councils to realise efficiency savings.
- Identification of invest to save opportunities – including investment in technology and assets to reduce operational costs.

The scale and cross-cutting nature of these initiatives means that it will take time to develop business cases and implement them. Managing them through a Programme will help ensure that they are seen through to delivery and incorporated into budget setting as the benefits are realised.

## Question 4

(Page 41-42) Property Assets

- a) Please provide the current incomes received against purchase price and price/sqm for the council's top income producing assets listed on page 41.
- b) In addition, please provide list of current vacant properties across the council property and land portfolio where tenancies have not yet been finalised.

## Written Answer

a) The requested information is set out in the table below.

NB: "price/sqm" has been interpreted to refer to the rent per square metre

Property	Asset Type	Purchase Price	Year Acquired	Passing Rent	Rent per square metre
Units 1-5 Redhill Distribution Centre, Salfords	Industrial / warehousing	£15,000,000	2018	£833,226	£100.88
Regent House, Queensway, Redhill	Offices	£15,365,000	2018	£822,844	£268.54
Warwick Quadrant, Redhill	Retail / library / theatre	Historic costs of assembling site with SCC in the late '80s not known. £2,400,000 paid for SCC's half-share of freehold	2005	£303,991	N/A. Ground lease
Travelodge, Warwick Quadrant, Redhill	Hotel	£5,000,000 (development cost)	2017	£362,558	N/A
Linden House, 51b High Street, Reigate	Retail / gym	Freehold acquired for £236,700. Leasehold acquired for £4,850,000	1973 & 2014	£335,000	M&S (Ground and basement): £173.05 Gym (First & Second) £114.55
Crown House, Gloucester Road, Redhill	Offices	£2,150,000	2017	£176,790	£211.77
Forum House, Brighton Road, Redhill	Offices	£5,775,000	2017	£270,015	£143.98
Beech House, London Road, Reigate	Offices	£6,000,000	2017	Vacant	N/A
1 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000	1972	£51,050	N/A. Ground lease
3 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000. Leasehold acquired for £300,000	1972 & 2020	£10,400	£21.73
4 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000	1972	£9,500	N/A. Ground lease

Property	Asset Type	Purchase Price	Year Acquired	Passing Rent	Rent per square metre
6 Reading Arch Road	Industrial	Freehold of larger site acquired for £450,000	1972	£8,500	N/A. Ground lease
8 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000. Leasehold acquired for £325,000	1972 & 2020	£19,250	£78.77
14-16 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000. Leasehold acquired for £365,000	1972 & 2023	£42,500	£132.62
18 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000. Leasehold acquired for £310,000	1972 & 2023	£20,000	£133.39
20 Reading Arch Road, Redhill	Industrial	Freehold of larger site acquired for £450,000. Leasehold acquired for £300,000	1972 & 2020	£30,000	£135.92
Unit 61E, Albert Road North, Reigate	Industrial / warehousing	£950,000	2018	£107,052	£118.68
55-63 Victoria Road, Horley	Restaurant / library / retail	Nil. Sale and Leaseback transaction with Thames Valley Housing Association	2015	£102,000	£170.58
1-4 Quarrydene Parade/Hearthstone, Merstham	Retail / residential	£17,500 for larger site	1950	£87,500	£146.58
Priory Gate, Castlefield Road, Reigate	Offices	£300 for larger Town Hall site	1889	£91,112	£183.24
Old Town Hall, High Street, Reigate	Retail	Nil. Gifted to the Council	1922	£91,007*	£446.95

\* Estimated annual rent including turnover-related payment.

b) Current vacant properties are as follows:

Property	Asset Type
Second Floor, Forum House, Redhill	Office
Third Floor South, Forum House, Redhill	Office
Part ground floor, Regent House, Redhill	Office
Part Third Floor (Suite C), Regent House, Redhill	Office
Beech House, London Road, Reigate	Office
1, 3 & 7 Linkfield Street, Redhill	Retail

Property	Asset Type
16-18 & 20-22 Cromwell Road	Retail
Priory Park Pavilion, Reigate	Catering
Lady Neville Recreation Ground Pavilion, Banstead	Catering
Redhill Memorial Park Café	Catering

### Question 5

(Page 43) Companies

Horley Business Park's latest set of full accounts stated members believed the LLP would not be active 12 months from the date of approval of the full set of accounts. Is this still the anticipated case? Does the answer to this relate in any way to the extension to the accounting period from Dec to June, as per the statement on Companies House on 27th Sept 2023?

#### Written Answer

In order to avoid cost and to reflect a realistic timeline for the closure of Horley Business Park Development LLP, the accounting date has been extended to avoid the need to produce two sets of accounts in quick succession – ie: Year End 2022 and closing accounts.

The extension of the accounting period will allow Moore Kingston Smith (the company's accountants) to produce a single set of closing accounts. These are required to be prepared prior to the LLP entering the Members Voluntary Liquidation (MVL) process.

### Agenda Item 5 - Lessons Learnt: Pitwood Park, Cromwell Road & Lee Street

### Question 6

(Page 50) What is the situation with regards to renting the ground floor commercial units of Wheatley Court?

#### Written Answer

The two commercial units are vacant and on the market with two local agents. Interest has been received from prospective tenants and offers received but, as yet, no lettings have been agreed.

### Question 7

(Page 56)

- a) Is the on-going revenue stream from the Cromwell Road development solely from the letting of the commercial units or also from the rental of the social housing units?

- b) What is the expected payback period for the costs of the build?

### **Written Answer**

- a) The net revenue income from letting the commercial units at Wheatley Court (Cromwell Road) will contribute to funding the Council's overall revenue budget and the net revenue income from the housing tenancies will be used to maintain the Council's housing properties and to help fund future housing service delivery.
- b) Camelia Close (Pitwood Park): the funding for development of the properties was paid back in full when they were sold.

Lee Street: project build costs were funded in full from grant and section 106 contributions with no payback requirement.

Wheatley Court (Cromwell Road): the business case approved by Executive in March 2022 was based on a 50 year payback period.

### **Question 8**

(Page 60)

- a) What is the context of paragraph 33 in terms of the joint foul and surface drains described? It is my understanding that properties should have separate connections for foul and surface water and/or a soak away for surface water to prevent excess water overwhelming sewage treatment works during heavy rain events (and consequently causing untreated sewage spills into rivers).
- b) Was the 'new connection' installed a joint one or two separate drains?

### **Written Answer**

- a) The development is built off Lee Street, which already had a combined foul and surface water system in place for the rest of the properties on this road. A combined connection into this had previously been in place for the office block and associated hardstanding which had historically occupied the site. After lengthy consideration from Thames Water, they determined that the output from the Council's development was acceptable via a connection into the existing combined system.

- b) A joint system - see answer at (a) above.

## **Agenda Item 6 – New Local Plan Update**

### **Question 9**

(Page 66) Has the government provided any timelines for when guidance will be issued for the Environmental outcomes reports?

## **Written Answer**

Part 6 of the Levelling Up and Regeneration Bill includes powers to implement a new system of environmental assessment known as Environmental Outcomes Reports. This will mark a change from the European Strategic Environmental Assessment and Environmental Impact Assessment processes which have been criticised for being overly complex. To this end, Government are seeking a more streamlined approach.

A Government consultation on Environmental Outcomes Reporting was undertaken between 17th March and 9th June 2023. At present there has been no update on the consultation and no new guidance has been published. This may in part be due to the delays in the passage of the Bill which is now in the Final Stages with its next meeting scheduled for 17th October 2023. Environmental outcomes reports feature heavily in the July 2023 Local Plan Reforms Consultation, with guidance on new style local plans anticipated by autumn 2024.

## **Question 10**

(Page 67) Please confirm the level of resourcing (person months of officers at what grade) and cost (internal and external costs) of this in a) this and b) next financial years.

## **Written Answer**

The Planning Policy team comprises the Policy Manager, Principal Officer, Senior Officer, 3 Planning Officers who all work part time and one Research and Monitoring Officer. There are a number of workstreams that must be completed irrespective of any local plan work, such as publishing the suite of monitoring reports, maintaining the Brownfield Register, responding to consultations from Government or neighbouring authorities and preparing for new legislation such as biodiversity net gain.

In the year to date significant work has also been undertaken finalising Strategic CIL spending agreements, responding to the Gatwick DCO and completing work on the Redhill to Horley Design Code and Digital Twin. The team does not undertake time recording and so only an estimate of time spent on local plan work can be given but it has consumed around half of the Planning Policy Manager's time, preparing tenders for evidence work and around one full time equivalent's time across the other officers, reviewing existing Development Management Policies and considering requirements for the new plan.

This is likely to be the case for the remainder of this year. Next year, the proportion of time spent on the plan will likely increase as we can make a proper start once the new style local plan guidance emerges, once we have key evidence on housing needs completed and other workstreams such as Gatwick, Strategic CIL and the design code are completed. Overall, around half the team's work next year will likely be local plan focussed.

Local Plans take a long time to prepare and during most of this preparation time Officers will undertake other policy work alongside local plan work to a varying degree, being almost exclusively focussed on the local plan just ahead of submission, during consultation exercises and in the examination period, but less so at other times.