

## **Overview and Scrutiny Committee 7 December 2023 Advance Questions**

### **Agenda Item 4 – Quarter 2 2023/24 Performance Report**

#### **Question 1**

(Page 33) KPI 7 Net Affordable Housing Completions

p33 Is it possible to see what affordable housing units are coming through the system for the rest of the year? We are assured that we are ahead at the moment, but will there be further slippage by the end of Q4? Is this year's trend likely to continue?

#### **Written Answer**

As set out in the narrative to KPI7, there are 100 affordable units on sites under construction. These are 50 at Westvale Park, Horley; 23 at Chave Croft, Tadworth; 12 at Brook Road Garage, Redhill; 8 at Chaucer Court, Redhill; 4 at Hockley Industrial Estate, Redhill and 3 at Kingsfield Business Centre, Redhill. There are currently also 32 affordable units permitted on sites that have not yet commenced construction. Given the 100 affordable units on sites under construction it is likely that many will come through to completion by the end of Quarter 4. However, it is impossible to say with any certainty how many, given each site will be at different stages of completion with different build out rates.

#### **Question 2**

(Page 35) KPI 10 – The percentage of household waste that is recycled or composted.

As residual waste rates have remained consistent, what is the thinking behind stating that falling recycling rates may be due to residents changing their purchasing habits?

#### **Written Answer**

Recent refuse (kerbside) data shows to be reasonably consistent, following its peak during covid. Together with the dry mixed recycling and food waste recycling data, we are overall seeing a reduction in these collected materials, not to be confused with the recycling rates.

It is reasonable to suggest this is likely to be a combination of households buying less and wasting less. And it could be added that the reduced dry mixed recycling amount will include an element of reduced packaging by suppliers, which will logically continue to decline with the progression of the Extended Producer Responsibility element of the governments Resources & Waste Strategy.

### **Question 3**

(Page 23) Capital Programme Monitoring

26 per cent of the approved 2023/24 Capital Programme expenditure has not been underspent and noted as slippage. This expenditure is now expected in 2024/25. How does this figure of 26 per cent compare with previous years?

### **Written Answer**

The equivalent slippage was 53% by Q2 in 2022/23 and 62% in 2021/22.

Now that Capital Programme growth has been confirmed for 2024/25 onwards budget holders are being asked to review future capital budget profiles for inclusion in the final budget report in February so that they better reflect planned spend going forward.

### **Question 4**

Page 23 Capital Programme Monitoring

26 per cent of the approved 2023/24 Capital Programme expenditure has not been underspent and noted as slippage. This expenditure is now expected in 2024/25. Given that inflation is running at 4.7 per cent, does this underspend result as a shortfall the following year?

### **Written Answer**

Budget holders are required to ensure that spending plans remain within the allocated budget for their capital schemes. If delivery of a project is delayed there will not be an increase in the original allocation without a formal request to Council for budget growth, supported by the specific reasons why the budget is no longer sufficient to complete the works.

### **Question 5**

Page 23 Capital Programme Monitoring

26 per cent of the approved 2023/24 Capital Programme expenditure has not been underspent and noted as slippage. This expenditure is now expected in 2024/25. Does this council need to identify practical proposals to reduce slippage?

### **Written Answer**

The reasons for the slippage in capital expenditure varies greatly across the different programmes. Some of the slippage relates primarily to external economic factors and some is more driven by internal capability and prioritisation. Efforts are made to reduce slippage where it is appropriate to do so.

Now that Capital Programme growth has been confirmed for 2024/25 onwards budget holders are being asked to review future capital budget profiles for inclusion in the final budget report in February so that they better reflect planned spend going forward.

## **Question 6**

Page 45 2023/24 Outturn Capital Programme Monitoring

26 per cent of the approved 2023/24 Capital Programme expenditure has not been underspent and noted as slippage. This expenditure is now expected in 2024/25. For Merstham Recreation Ground the slippage is £2.57m. The works are now expected to start in April 2024. Merstham Football Club hopes the works will be completed by the start of the 2024 season. Does the Council forecast any further delays which could result in Merstham Football Club's community teams being left without playing fields to fulfil home fixtures?

## **Written Answer**

The works will last a minimum of nine months (starting in spring 2024 and finishing at the end of the year) so this will overlap with the football season. The service has confirmed however that the football pitches being retained in Merstham Rec will not be affected and will continue to be in use during the works. They do not expect that the contractor being on site will affect the football community.

The construction of the new football pitch at Battlebridge (provided as mitigation) is aimed to be delivered in February/March 2024 so that it is ready for the start of the football season in September 2024.

## **Agenda Item 7 – Companies Performance Update – Winter 2023**

### **Question 7**

Page 124 Greensands Holdings Ltd

Could the directors' analysis on the recoverability of inventories be shared with O&S?

Could the independent, professional valuation of the development value of the land be shared with O&S?

### **Written Answer**

The intention is to wind-up Greensand Holdings Ltd by way of a Members Voluntary Liquidation (MVL). To achieve this, the company must remain solvent. Elected Members (via PSTESC) have articulated a desire for the two assets currently owned by the company – Fishers Farm and Crown House – to be transferred into direct Council ownership. It is likely that these transfers will be 'in specie' (ie: not requiring a cash transaction).

It is critical in terms of the solvency requirement that Crown House (as the only revenue generating asset) is transferred last.


The company (after the passing of the relevant resolution at a future board meeting) will be writing to the Council (as Shareholder) to request a letter of consent to prepare to undertake these transfers. This approach is based on advice from the Council's

legal advisors and is consistent with the requirements of the company's Articles of Association.

In terms of recoverability, this solution will result in the Council acquiring legal title to both assets and the realisation of future value will depend on any development plans and/or prevailing market conditions.

Currently, the debt obligations relating to Crown House are being met from trading activities (ie rental income). In the case of Fishers Farm, debt interest has been accrued and has been impaired in the Council's accounts.

The relevant extract from the valuation report is set out below:

					
<b>Valuation Date</b>		<b>31/12/2022</b>			
<b>Tenure</b>		<b>Freehold</b>			
<b>IFRS Categorisation</b>		<b>Investment Property</b>			
<b>Valuation Method</b>		<b>Fair Value</b>			
<b>IFRS 13 Hierarchy</b>		<b>Previous</b>	<b>2</b>	<b>Current</b>	<b>2</b>
<b>Client</b>	<b>Reigate &amp; Banstead Borough Council</b>				
<b>Client Property Reference</b>					
<b>WHE Client Reference</b>	<b>7057</b>				
<b>WHE Asset Reference</b>	<b>7057/20001</b>				
<b>Property Address</b>	<b>Fishers Farm, Lime's avenue, Horley</b>				
<b>Notes</b>	<p style="text-align: center;">Currently leased on an FBT at £1,000pa - holding over Land 21.8 acres</p> <p>The property was purchased for a price of £10,250,000. We understand at the time of purchase there was competition from other parties and as such in our view reflects market value as at November 2019.</p> <p>Whilst there are proposals for this site to become part of a larger development site with two other land plots, detailed plans are not yet known. The expectation is that the development will begin 2024 and as such the purchase reflected an element of hope value, which is reflective by the low £/ha purchase price when compared to the market. Land values increased over the 21/22, circa 7%.</p> <p>In the last year land values have been relatively consistent from a review, albeit there have been contradicting market reports. Due to the lack of sufficient sales evidence we have kept the £/ha the same.</p> <p>Although some commercial sectors have struggled (retail) others have performed well and maintained value. Industrial rents have increased but higher costs and inflation have meant values stayed level. Regional offices have also remained relatively stable.</p> <p>Important to note that this asset should be reviewed annually so it reflects the current planning position as once planning is approved the value could increase considerably.</p> <p style="text-align: center;">From our land value assessment and analysis we have are of the view land values remain stable</p>				

<b>Total Asset Valuation:</b>	=	<b>£10,879,800</b>	
<b>Total Building Valuation:</b>	=	<b>£0</b>	
<b>Total Land Valuation:</b>	=	<b>£10,879,800</b>	
<b>Weighted Average Remaining Useful Life</b>	=	<b>999 Years</b>	
<b>Annual Depreciation Charge (ADC) - Building only</b>			
<b>Component Summary</b>			
		<b>Total</b>	<b>ADC</b>
Structure	=	£0	£0
Heating & Associated Systems	=	£0	£0
Electrical	=	£0	£0
Roof	=	£0	£0
Lift	=	£0	£0
Externals	=	£0	£0
			£0
<b>Annual Depreciation Charge - Difference componentised / non-componentised</b>			

## Item 8 – Marketfield Way Update

### Question 8

Page 135 para 12

The Executive Summary of the public report does not refer to the financial aspects of the project, and only acknowledges them in paragraph 12. It is not referred to as a primary objective. This is surprising as generating a revenue income stream has been a key objective of the Council's Commercial Strategy which is fundamental to the Council's future, and this is by far the biggest project undertaken by the Council. Is there a comment on this difference in focus?

### Written Answer

Previous reports to Executive have highlighted that one of the primary objectives of the project was to provide an important revenue stream for the Council and this financial information is clearly outlined in paragraph 12 in the main body of the Part 1 report. There is no intended difference in focus and in retrospect it would have been advantageous to have highlighted the positive income generation that is forecast within the Executive summary.

### Question 9

Page 138 Para 59

Does the in-house management of the property call for new skills in the team? Please provide more details on the issues taken into account in deciding on in-house management.

## **Written Answer**

The Property team have sufficient skills and knowledge to manage the reactive and planned maintenance works at Marketfield Way. The restructure of the team in 2022 included the introduction of a Help Desk Co-ordinator, Assistant Facilities Manager and in 2023 a Facilities Surveyor.

While these roles are not solely dedicated for Marketfield Way they do ensure that there are sufficient resources for the development to be managed in house.

All commercial units and the Kooky housing units are under Full Repairing and Insuring leases lessening the liability to the Council.

The service charge function and rent collection will be retained in house and managed by the Asset management team.

It is considered therefore appropriate at this stage that the Property team have the skills and the capacity to manage Marketfield Way project in a cost-effective way.

## **Question 10**

Page 140-143 para 73-95

Footfall, catchment and dwell time – please provide further detail on these matters. How was the data collected? Number of interviews, over how many days etc? Is the information statistically sound?

## **Written Answer**

The report provides an initial assessment of the economic and social benefits that are beginning to be realised by the project.

This assessment has been undertaken using a variety of information that has been collected from a number of sources which are all statistically robust.

A public survey – As explained in Paras 139 – 141 of the report, the Council undertook an online survey of local people to obtain a better understanding of their opinions and use of The Rise.





The survey was promoted primarily through the Council's social media channels on X (twitter), its Instagram feed, on Facebook and on in its e-business newsletter.

The survey was available for two weeks starting on 30th October and ending on 13th November.










The survey was completed by a large number of respondents. A total of 1,090 people completed the survey which provides a very large sample size and forms a sound basis on which to draw any initial conclusions about people's opinions and use of The Rise.

Information about the profile of people completing the survey including their gender age and ethnicity was obtained and is included below.

#### 14. Are you?

Answer Choices		Response Percent	Response Total
1	Male		23.92% 259
2	Female		74.24% 804
3	Non-binary		0.28% 3
4	Prefer not to say		1.57% 17
		answered	1083
		skipped	7

#### 15. What age range do you fall into?

Answer Choices		Response Percent	Response Total
1	Under 18		0.28% 3
2	19-24		2.67% 29
3	25-34		19.94% 217
4	35-44		36.67% 399
5	45-54		25.00% 272
6	55-64		9.19% 100
7	65-74		2.76% 30
8	75-84		0.92% 10
9	85+		0.00% 0
10	Prefer not to say		2.57% 28
		answered	1088
		skipped	2

## 16. Which of the following best describes your ethnicity?

Answer Choices		Response Percent	Response Total
1	White - British	77.24%	835
2	White - Irish	2.22%	24
3	White - Eastern European	1.67%	18
4	White - Other background	5.55%	60
5	Mixed - White and Black Caribbean	0.09%	1
6	Mixed - White and Black African	0.28%	3
7	Mixed - White and Asian	1.02%	11
8	Mixed - Other mixed background	1.11%	12
9	Asian or Asian British - Indian	1.20%	13
10	Asian or Asian British - Pakistani	0.19%	2
11	Asian or Asian British - Bangladeshi	0.19%	2
12	Asian or Asian British - Other Asian background	1.48%	16
13	Black or Black British - Caribbean	0.19%	2
14	Black or Black British - African	0.65%	7
15	Black or Black British - Other Black background	0.00%	0
16	Chinese	0.74%	8
17	Arab	0.37%	4
18	Prefer not to say	4.26%	46
19	Other (please specify):	1.57%	17
		answered	1081
		skipped	9

The survey asked people a series of questions. This included questions that were grouped:

Had they visited before? Whether they had visited The Rise or not? If they had not what were their reasons?

Travel and parking - If they had visited how did they travel there and if by car where did they park?





Activities – What were their thoughts about the activities at The Rise, would they recommend it and what else would improve their experience?








People's use and opinions of the Town - Their opinions and use of Redhill town centre since The Rise opened.



A summary of the report's findings including the numbers of responses to each question and the percentage response rate can be found below.

1. Have you visited The Rise in Redhill Town Centre?			
Answer Choices		Response Percent	Response Total
1	Yes		95.69% 1043
2	No		4.31% 47
		answered	1090
		skipped	0

2. Please tell us why you haven't visited The Rise			
Answer Choices		Response Percent	Response Total
1	I didn't know about it		36.73% 18
2	It is too expensive		16.33% 8
3	It does not appeal to me		40.82% 20
4	I can't travel there		6.12% 3
		answered	49
		skipped	1041
Other reason, please state (16)			

3. When visiting The Rise how do you normally get there?			
Answer Choices		Response Percent	Response Total
1	Foot		41.61% 434
2	Bicycle		0.29% 3
3	Bus		4.12% 43
4	Train		1.53% 16
5	Motorbike		0.10% 1
6	Car		51.39% 536
7	Other, please state		0.96% 10
		answered	1043
		skipped	47
Other, please state (10)			

#### 4. If you travel by car to The Rise where do you normally park?

Answer Choices		Response Percent	Response Total
1	The Belfry car park	69.09%	371
2	Sainsburys car park	19.37%	104
3	Gloucester Road car park	1.86%	10
4	Clarendon Road car park	1.12%	6
5	Station car park	0.93%	5
6	Somewhere else, please state	7.64%	41
		answered	537
		skipped	553

Somewhere else, please state (41)






#### 5. How important has the opening of the Belfry car park in the evening been to you in your visit to The Rise?

Answer Choices		Response Percent	Response Total
1	Very important	52.43%	281
2	Important	18.66%	100
3	Fairly important	9.14%	49
4	Not important	19.78%	106
		answered	536
		skipped	554






#### 6. How important has evening free car parking at the Belfry been to you in your visit to The Light?

Answer Choices		Response Percent	Response Total
1	Very important	52.05%	279
2	Important	19.22%	103
3	Fairly important	8.96%	48
4	Not important	19.78%	106
		answered	536
		skipped	554








### 7. How satisfied are you with the activities that have opened so far at The Rise?

Answer Choices			Response Percent	Response Total
1	They are brilliant		45.45%	474
2	They are very good		39.21%	409
3	They are okay		11.60%	121
4	They are not very good		2.30%	24
5	No opinion		1.44%	15
			answered	1043
			skipped	47

### 8. How likely are you to recommend The Rise to your family and friends as a place to visit?







Answer Choices			Response Percent	Response Total
1	Extremely likely		53.88%	562
2	Very likely		25.70%	268
3	Likely		14.29%	149
4	Not likely		5.27%	55
5	No opinion		0.86%	9
			answered	1043
			skipped	47

### 9. What things would improve your experience of The Rise (please tick all that is appropriate)?





Answer Choices			Response Percent	Response Total
1	More places to eat		69.80%	705
2	More leisure activities		25.15%	254
3	Better signage		12.38%	125
4	More on offer at different times of day		18.91%	191
5	More low cost activities		42.97%	434
6	Outdoor activities and events		15.54%	157
7	Other (please specify)		20.00%	202
			answered	1010
			skipped	80

Other (please specify) (202)






**10. Do you think Redhill town centre has changed for the better, since The Rise opened?**

Answer Choices		Response Percent	Response Total
1	It is significantly better		26.51% 289
2	It is better		33.30% 363
3	There is some improvement		29.17% 318
4	No improvement		6.79% 74
5	It is worse		2.02% 22
6	Don't know		2.20% 24
		answered	1090
		skipped	0

**11. How important has the opening of The Rise been to improving Redhill town centre as a place to visit for leisure activities?**

Answer Choices		Response Percent	Response Total
1	Very important		59.72% 651
2	Important		32.20% 351
3	Not important		5.23% 57
4	Don't know		2.84% 31
		answered	1090
		skipped	0

**12. Since the opening of The Rise, do you visit Redhill more often at weekends and in the evenings?**

Answer Choices		Response Percent	Response Total
1	Yes, I visit a lot more now		16.33% 178
2	Yes, I visit a bit more frequently now		47.89% 522
3	I visit about the same as I did before		32.75% 357
4	No, I visit less		2.20% 24
5	Don't know		0.83% 9
		answered	1090
		skipped	0

13. Since <u>The Rise</u> opened are you using the other town centre shops and businesses in Redhill more?				
Answer Choices			Response Percent	Response Total
1	Yes, I am using the other businesses much more now		9.54%	104
2	Yes, I am using the other businesses a bit more now		30.00%	327
3	I use the businesses the same as I did before		57.16%	623
4	No, I visit the businesses less		2.39%	28
5	Don't know		0.92%	10
			answered	1090
			skipped	0

**Belfry Footfall data** – Footfall data for the Belfry Shopping Centre was obtained from MRI Springboard. MRI Springboard are the UK’s market leader footfall counting and artificial intelligence (AI)-powered analytics to retailers, landlords, media and government bodies including the Office for National Statistics.

MRI Springboard have been monitoring and recording footfall data since 2002. They track foot traffic into and passing stores/malls and across downtowns with a reported minimum 98% accuracy.

**Catchment Data and Dwell Time** – Data relating to both catchment and dwell time was obtained from Place Informatics online resource TOWNANDPLACE.AI which the Council’s Economic Development Team have been subscribing to.

TownandPlace.AI provides access to footfall, dwell time, visit frequency and catchment for more than 2,500 town centres across the UK.

Place Informatics uses mobile location data. This mobile location data is sourced from over 12 million permission based, 200+ GDPR compliant apps, providing national coverage and a geo-demographic representation of the UK population.

Place Informatics proprietary place database includes 500,000 plus manually created polygons (geo shapes) which are used to calculate visits to locations such as town centres, shopping centres and green spaces.

Place Informatics processes 4,000 million GPS events per month, captured from 12 million unique phones, from 200plus different app types. To achieve the most robust behaviour patterns each phone must deliver a minimum of 30+ GPS data events per day. This equates to at least 1 hour physical movement per day.

For the defined digital polygon area of each town centre the following statistical random sample panel sizes are required.

Catchment Population	Confidence Level		
	90%	95%	99%
100	50	80	99
500	81	218	476
1000	88	278	906
10000	96	370	4900
100000	96	383	8763
1000000+	97	384	9513

Sophisticated algorithms avoid the issue of double counting of visitor footfall. Place Informatics records only one unique visit per phone, ensuring a highly accurate recording of how busy a location is – not how many times the same phone passes a camera or sensor during the same visit trip.

*Several further advance questions were submitted regarding the part 2 (exempt) elements of the agenda papers. As these contain exempt information, the questions and responses were shared with Committee members only.*