

Corporate Management Committee

Thursday 25 November 2021 at 7.30pm

**Council Chamber
Runnymede Civic Centre, Addlestone**

Members of the Committee

Councillors N Prescott (Chairman), T Gracey (Vice-Chairman), A Alderson, D Cotty, M Cressey, L Gillham, J Gracey, M Heath, C Howorth, M Maddox, D Whyte and M Willingale.

In accordance with Standing Order 29.1, any Member of the Council may attend the meeting of this Committee but may speak only with the permission of the Chairman of the Committee, if they are not a member of this Committee.

AGENDA

Notes:

- 1) **The following Measures to comply with current Covid guidelines are in place:**
 - **restricting the number of people that can be in the Council Chamber. Space for the public will be limited and allocated on a first come first served basis.**
 - **temperature check via the undercroft for Members/Officers and Main Reception for the public**
 - **NHS track and trace register, app scan is next to the temperature check**
 - **masks to be worn when moving around the offices**
 - **masks can be kept on whilst sitting in the Council Chamber if individuals wish**
 - **use of hand sanitisers positioned outside and inside the Council Chamber**
 - **increased ventilation inside the Council Chamber**

- 2) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.

'see overleaf'

- 3) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Mr J Gurmin, Democratic Services Section, Law and Governance Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425624). (Email: john.gurmin@runnymede.gov.uk)**.
- 4) Agendas and Minutes are available on a subscription basis. For details, please ring Mr B A Fleckney on 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on [Committee Meetings – Runnymede Borough Council](#)
- 5) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.
- 6) **Filming, Audio-Recording, Photography, Tweeting and Blogging of Meetings**

Members of the public are permitted to film, audio record, take photographs or make use of social media (tweet/blog) at Council and Committee meetings provided that this does not disturb the business of the meeting. If you wish to film a particular meeting, please liaise with the Council Officer listed on the front of the Agenda prior to the start of the meeting so that the Chairman is aware and those attending the meeting can be made aware of any filming taking place.

Filming should be limited to the formal meeting area and not extend to those in the public seating area.

The Chairman will make the final decision on all matters of dispute in regard to the use of social media, audio-recording, photography and filming in the Committee meeting.

LIST OF MATTERS FOR CONSIDERATION

PART I

Matters in respect of which reports have been made available for public inspection

	<u>Page</u>
1. Fire Precautions	4
2. Notification Of Changes To Committee Membership	4
3. Minutes	4
4. Apologies For Absence	16
5. Declarations Of Interest	16
6. 2019/20 Statement Of Accounts	16
7. Budget Monitoring Report – April 2021 To September 2021	19
8. Review And Replacement Of Runnymede's Council Tax Discount Scheme For Empty Properties	31
9. Community Infrastructure Levy (CIL) Partial Review Of Charging Schedule	36
10. Reference From Environment And Sustainability Committee – LGV Drivers – Retention And Succession Planning – Waste Management Operations	41
11. Rough Sleeping Accommodation Programme 2021 – 24	46
12. Strode's Foundation – Appointment Of Replacement Trustee	49
13. Chertsey Combined Charity – Appointment Of Replacement Trustee	50
14. Egham United Charity – Appointment Of Replacement Trustee	51
15. Calendar Of Meetings 2022 – 2023	52
16. Fees And Charges	57
17. Treasury Management Mid-Year Report 2021/22	62
18. Urgent Action – Standing Order 42	76
19. Exclusion Of Press and Public	83

PART II

Matters involving Exempt or Confidential Information in respect of which reports have not been made available for public inspection.

a) Exempt Information

20. Project Portfolio Reporting – To End Of October 2021	84
21. Essential User Car Allowance	104
22. Human Resources Mini Review	108
23. Further Loan Agreement For RBC Investments (Surrey) Ltd	118
24. Options for Leisure Provision In Runnymede	124
25. Urgent Action – Standing Order 42	135

b) Confidential Information

(No reports to be considered under this heading)

1. **Fire Precautions**

The Chairman will read the Fire Precautions which set out the procedures to be followed in the event of fire or other emergency.

2. **Notification Of Changes To Committee Membership**

3. **Minutes**

To confirm and sign the Minutes of the meeting of the Committee held on 9 September 2021 (at Appendix 'A') and on 23 September 2021 (at Appendix 'B').

(To resolve)

Background papers

None

Runnymede Borough CouncilAPPENDIX 'A'CORPORATE MANAGEMENT COMMITTEE9 September 2021 at 7.30 p.m.

Members of the Committee present: Councillors N Prescott (Chairman), T Gracey (Vice-Chairman), A Alderson, D Cotty, M Cressey, L Gillham, J Gracey, M Maddox, P Snow, D Whyte, J Wilson and M Willingale.

Members of the Committee absent: None

FIRE PRECAUTIONS

The Chairman read out the Fire Precautions.

NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Group mentioned below had notified the Chief Executive of their wish that the changes listed below be made to the membership of the Committee. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Conservative	Councillor M Heath	Councillor J Wilson
Conservative	Councillor C Howorth	Councillor P Snow

The Chief Executive had given effect to these requests in accordance with Section 16(2) of the Local Government and Housing Act 1989.

MINUTES

The Minutes of the meeting held on 22 July 2021 were confirmed and signed as a correct record.

STATEMENT OF ACCOUNTS 2020/21 – NARRATIVE REPORT

The Committee considered the Narrative Report to the Statement of Accounts for 2020/21. The accounts for 2020/21 had been submitted for audit by the Council's appointed auditor. It was noted that the Council had not yet received the final audit certificate for 2019/20. The Council's external auditors had advised the Council that they were anticipating issuing the final audit certificate for the 2019/20 accounts by the end of September 2021 and the final audit certificate for the 2020/21 accounts by Christmas 2021. The Narrative Report gave Members an overview of the year and set the scene for preparing the revised estimate for the current year, next year's detailed budget and the Medium Term Financial Strategy (MTFS).

In November 2019, the Council had estimated that close to £60m of business rates (formerly described as National Non-Domestic rates) would be collected. During the pandemic that estimate had fallen to £42.9m. Surrey County Council and the Government had advised that they expected to receive their share of the £60m in full regardless of what was actually collected which gave the Council a potential cash flow difficulty. In November 2020, the Council had advised the Government that the Council's estimated business rates deficit, in cash, would be around £9.5m to £10m. In response, the Government had paid the Council's General Fund, not the Collection Fund, a grant under section 31 of the Local Government Act 2003 of £9.7m. As a result of this, the Council's Collection Fund was in

deficit by approximately £9.4m. Before the pandemic any surplus or deficit had to be recovered in the following financial year. However, in view of the adverse effects of the pandemic, this deficit of £9.4m could now be recovered in 2022/23, 2023/24 and 2024/25 through three equal instalments which would be paid into the Collection Fund from the Business Rates equalisation reserve, which was an earmarked reserve. The Government had paid section 31 grants to a number of other local authorities to cover business rates deficits and some of these grants were for larger amounts than for Runnymede. It was noted that the Government spending review might take into account the large balances which the Council held in its reserves and that the Council should therefore take a cautious approach in its future financial planning.

Officers were working on the financial impact on the Council of the increase in employee national insurance contributions from April 2022. It was noted that there had been a significant increase in refuse collection of around 22% with more people being at home as a result of Covid. Runnymede had deployed additional resources to maintain a full refuse service. The Council's customer services section had been staffed 7 days a week between March and July 2020 taking 135,000 calls. Early in the 2020/21 financial year, the Government had provided financial support to Runnymede to cover additional Covid costs and lost income and £14m for the Council to reduce the rates liability of many commercial premises in the borough.

In 2020/21, the Council's income had fallen to £30,371,000 compared to an original estimate of £36,791,000. It had been originally thought that Covid would be over and that the country would be returning to normal in March 2021 but the recovery had been delayed with consequent effects on income which was not expected to return to pre-Covid levels until 2023. Another surge of Council tax support claimants was also expected in October/November 2021 when furlough would end.

Most of the Council's income was derived from renting the commercial property that it owned. The Council's commercial income results had been good during Covid and had generated a surplus of £13m in 2020/21 although the pandemic had slowed down the letting of units and some tenants had struggled to pay rent. On the commercial asset portfolio, since 2018/19 the Council had reduced costs by employing more permanent rather than agency staff and the value of the assets had increased which had a beneficial effect on the Council's gearing ratio on borrowing. Council tax collection performance had been good with 98.8% of the tax due being collected.

The Council's companies traded at a surplus of £1.428m before interest was paid to the Council which put them in a loss making position so that a working capital loan was required. The company assets were valued higher than the debt to the Council. The interest charges of £1.463m meant that the companies would not be in profit for another fourteen years. However, the continued support of the Council with working capital loans and the increase in asset value showed the companies to be in a healthy position.

The General Fund Summary Revenue Account for 2020/21 had moved from a call on the General Fund balance of £5.6 million to a contribution of £2.8 million which was an adverse swing of £8.4 million. All Council expenditure had been limited to that which was Covid related or provided front line services and a number of underspends were included in the variance analysis for actual against probable for 2020/2021.

On the Housing Revenue Account (HRA) the pandemic had reduced the spend on repairs by more than anticipated which had increased the HRA balances by £5.5 million so that there were total reserves of just over £35 million. The Council's General Fund working balance at 31 March 2021 was £15,188,000, an increase in the year of £2,819,000. The Council's earmarked reserves at 31 March 2021 totalled £22,591,000, an increase in the year of £8,412,000.

The Council had not been able to generate a net surplus of around £2 million by investing in assets as originally envisaged. Covid and restrictions on borrowing meant that the Council could not implement this strategy. As a result the Council had an underlying deficit of approximately £2 million. A small restructure together with a voluntary redundancy programme had generated over £0.5 million net savings in a full year for 2022/23 onwards, which left a deficit of 1.5 million. The Council had a number of years to make its required savings, unlike other local authorities. Another £700,000 of savings was in the pipeline, which left about £800,000 of savings to be found over two years.

RESOLVED that –

the Narrative Report to the Statement of Accounts 2020/21 be approved as an accurate reflection of the Council's financial and corporate strategies.

TREASURY MANAGEMENT ANNUAL REPORT 2020/21

The Committee noted the annual report on treasury management activity and performance for the 2020/21 financial year.

The Committee noted that the policy of avoiding new borrowing by running down spare cash balances known as Internal Borrowing had served the Council well over the last few years. Internal Borrowing at the end of the year amounted to just over £51,000 as increased Government grants and increased balances had negated the need to borrow. This policy would be kept under review to avoid incurring higher borrowing costs in the future when the Council might not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt. The Committee also noted that the Council's actual interest rate performance during the year was 0.34% and that the Council's overall performance compared favourably with the Council's benchmark rates.

BUDGET MONITORING REPORT – APRIL 2021 TO JUNE 2021

The Committee noted the latest financial projections for the 2021/22 financial year for the General Fund, Housing Revenue Account and Capital Programme. The continuing effects of Covid were still causing delays in the levels of income increasing.

The original Medium Term Financial Strategy set a £2m savings target over two years with £0.5m included as a target for 2021/22. As a result of the increased working balance at the start of the year, the achievement of these savings could now be programmed in over a longer period although they still needed to be made to balance future budgets. The Council had £12m in the General Fund which was uncommitted which gave it some time to consider how to make the required savings.

UPGRADE OF HOUSING IT SYSTEM

It was noted that this item would be referred from the Housing Committee meeting on 8 September 2021 to the 23 September 2021 meeting of the Corporate Management Committee in order to take account of any further information required by Members.

URGENT ACTION – STANDING ORDER 42

The Committee noted proforma 982 detailing action taken after consultation with the Chairman and Vice-Chairman of the Committee and the Chairman and Vice-Chairman of the Housing Committee. Approval by email had been given by the Chairman of the Housing Committee to this Urgent Action and a copy of the signed and dated proforma would be forwarded to officers when physically possible.

In view of the humanitarian crisis unfolding in Afghanistan, the Government had invited all local authorities to take part in a scheme with a support funding package in the form of a

grant allocation provided by the Government which would be available for 12 months. Under this scheme local authorities would welcome Afghan Locally Employed Staff (LES) who had worked for the United Kingdom (UK) and risked their lives alongside British Forces in Afghanistan over the last twenty years and had now relocated to the UK with their families. If they remained in Afghanistan, LES and members of their families were at high risk of injury or death.

Under this Urgent Action approval had been given for Runnymede Borough Council to take part in the scheme by offering settlement to three families of up to five/six people per family and the required support had been approved including and additional to housing needs. The costs of housing, managing and settling in the families would met from the grant allocation. It was noted that these families were currently in quarantine.

It was noted that if members of the public in Runnymede wished to make donations towards the settlement of the LES families they were advised to make financial donations to the Mayor's charitable fund in view of the operational and logistical challenges, as well as Covid control considerations, which were associated with making donations of goods and clothing.

A Member of the Committee referred to news items released by Elmbridge Borough Council advising that 199 Afghan nationals had arrived and by Spelthorne Borough Council advising that 58 Afghan refugees had arrived to receive support in both cases in those local authorities. This Member queried whether it would be possible for Runnymede to settle more families.

It was noted that Runnymede had a history of offering humanitarian assistance and in 2016 had approved the settlement of ten Syrian households. Up until now, only about 100 local authorities out of about 300 in total had agreed to take Afghan refugees. It was also suggested that the figures quoted by Elmbridge and Spelthorne might have referred to their capacity to provide support. It was noted that around 3,000 Afghan nationals including families had been brought to the UK and had been accommodated in hotels pending settlement in the regions and therefore the lives of these Afghans were not in imminent danger.

It was noted that Runnymede had agreed to settle three LES families and would review whether it was possible to settle more Afghan families but that if it did so, it would need to be satisfied that a full support package was available to be offered to them.

REVIEW OF PARKING SERVICES – SYSTEM REVIEW

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

At its meeting on 22 July 2021, the Committee had agreed that the Council's Parking Services Review would be undertaken in three phases. The Committee considered a report on the second phase of the Review which related to a review of the case management system and new ways of working including integration with the Council's new website, blue tooth technology for hand held devices for Civil Enforcement Officers, supporting the green agenda and future integration with Automated Number Plate Recognition and Electric Vehicle Charging in some of the Council's car parks. The Council's existing case management system supplier was not able to provide the functionality needed for these new ways of working. It was noted that the proposals for future Automated Number Plate Recognition would be set out in the third phase of the Review and would only apply to some of the larger car parks in the borough.

Officers had identified a new supplier who could provide the case management system and new ways of working that the Council required and who had provided Automated Number Plate Recognition and enforcement in some of the other car parks in the borough. The costs of this new Parking case management system were noted. There would be a small increase in support and maintenance revenue costs to cover new software and website integration but it was anticipated that this additional cost would be offset by the additional income generated by the increased number of Parking Enforcement Officers which had been agreed by the Committee at its meeting on 22 July 2021. The Committee agreed that a direct award be made to this new supplier using the ESPO Framework 509: Car Park Solutions for a six year period to align with the contract dates for the Council's new website. Capital expenditure in the sum reported was approved for the migration and implementation of the new system and it was agreed that the contract with the existing supplier be extended for a period of three months to allow the implementation of the new system.

RESOLVED that –

- i) the procurement of a Parking Case Management system from the new supplier identified in the report via a direct award using the ESPO Framework 509: Car Park Management Solutions for a six year period be approved;**
- ii) the use of capital expenditure in the sum reported from the Digital Transformation provision held within the Capital Programme be approved for the migration and implementation of the new system;**
- iii) the extension of the contract with the existing Parking Case Management supplier be approved for a period of three months to allow the implementation of the new system; and**
- iv) the ongoing increase in support and maintenance revenue costs in the sum reported per annum to cover new software and website integration be noted.**

MAGNA SQUARE (FORMERLY KNOWN AS EGHAM GATEWAY WEST) COMMERCIAL LETTINGS

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a report on three offers for three different commercial units in the Magna Square (formerly known as Egham Gateway West) development. One of the three prospective tenants were now seeking revised terms for their lease which were set out in a Part II Addendum to the agenda and the Committee approved the granting of this lease on these revised terms which officers considered were acceptable in view of the current volatile market.

The Committee approved the granting of the leases for the other two prospective tenants on the terms outlined in the body of the report. The Committee approved delegated authority in respect of each of the three leases as set out in resolution iii) below, as time was of the essence to progress legal documentation and subsequent completion in situ to enable the tenants to commence fitting out.

A key anchor tenant for the development was seeking a Deed of Variation in view of the effects of the pandemic. The Committee noted the reasons for this Deed of Variation and the financial implications for the Council. The Committee approved delegated authority in respect of this Deed of Variation as set out in resolution iv) below.

RESOLVED that –

- i) leases be granted for two of the commercial units in the Magna Square development on the terms outlined in the body of the report;**
- ii) a lease be granted for one of the commercial units in the Magna Square development on the terms outlined in the Part II Addendum to the agenda;**
- iii) delegated authority be granted to the Chief Executive or Assistant Chief Executive, along with the Corporate Head of Law and Governance and the Corporate Head of Assets and Regeneration to approve adaptations to the leases at resolutions i) and ii) above if so required in consultation with the Chairman and Vice-Chairman of the Committee, as the terms have been accepted by the prospective tenants advisors but have yet to receive Board approvals; and**
- iv) a Deed of Variation be agreed for the key anchor tenant for the development as highlighted in the report and delegated authority be granted to the Chief Executive or Assistant Chief Executive or Corporate Head of Law and Governance along with the Corporate Head of Assets and Regeneration to finalise the terms in respect of this Deed of Variation to ensure that the Council obtains the best possible outcome.**

URGENT ACTION – STANDING ORDER 42

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee noted proformas 977, 978, 980 and 981 detailing action taken after consultation with the Chairman and Vice-Chairman of the Committee.

(The meeting ended at 8.40.p.m.)

Chairman

Runnymede Borough CouncilAPPENDIX 'B'CORPORATE MANAGEMENT COMMITTEE23 September 2021 at 7.30 p.m.

Members of the Committee present: Councillors T Gracey (Vice-Chairman in the Chair), D Cotty, M Cressey, L Gillham, J Gracey, M Heath, C Howorth, M Maddox, I Mullens, D Whyte, J Wilson and M Willingale.

Members of the Committee absent: None

FIRE PRECAUTIONS

The Chairman read out the Fire Precautions.

NOTIFICATION OF CHANGES TO COMMITTEE MEMBERSHIP

The Groups mentioned below had notified the Chief Executive of their wish that the changes listed below be made to the membership of the Committee. The changes were for a fixed period ending on the day after the meeting and thereafter the Councillors removed would be reappointed.

<u>Group</u>	<u>Remove From Membership</u>	<u>Appoint Instead</u>
Conservative	Councillor N Prescott (Chairman)	Councillor J Wilson
Runnymede Independent Residents'	Councillor A Alderson	Councillor I Mullens

The Chief Executive had given effect to these requests in accordance with Section 16(2) of the Local Government and Housing Act 1989.

REFERENCE FROM HOUSING COMMITTEE – UPGRADE OF HOUSING IT SYSTEM

The Committee considered a reference from the Housing Committee which at its meeting on 8 September 2021 had made five recommendations on an upgrade of the Housing IT System. Additional wording had been added by officers to these Housing Committee recommendations which set out the means by which the supplementary estimates would be funded and the first recommendation had been amended by officers to clarify that it covered modules approved previously and modules now being recommended to facilitate mobile working. The supplementary estimates required the approval of the Corporate Management Committee.

In 2020 the Council had entered into a new contract with the incumbent supplier, Northgate (now known as NEC Software Solutions) for a number of the Council's back-office systems, including the Housing system. Since approval had been granted for the new contract, the Council's Digital Transformation Programme had delivered much needed system upgrades across the entire organisation.

In June 2021, the Housing Committee had been advised of the need to commit additional resources to the IT upgrade project for phase 2 to ensure that a number of essential complex modules could be implemented within the required timescales. Officers had been working with Digital Services and the provider, NEC and the Corporate Management Committee considered a report which advised them of the detailed plan for implementation and the resources required to fulfil this.

The original capital budget had allocated £150,000 for the Housing element of the Northgate project. This was to be spent on software (£50,000), consultancy (£25,000) and backfilling resources (£65,000). £25,000 had been committed for consultancy for phase 1 and a total of £34,650 had been spent on enhancement for implementation duties and backfilling existing posts.

The Housing Systems Roadmap for phase 2 included implementation of modules for Asset Management, Risk Management, Planned Maintenance, Support Services, Task Manager and Communications. NEC had worked with Digital Services and Housing to formulate a project plan and the Committee noted a summary of this project plan at Appendix 'A' to the agenda. Details of the cashable and non-cashable efficiencies delivered by the project were noted as outlined in Appendix 'B' to the agenda.

Capital costs would be incurred of £78,194 for modules previously approved for purchase as part of the new contract which now required capital resources to enable their implementation. Capital costs were also recommended for mobile working modules in the sum of £38,500. Therefore the total capital costs for modules were £116,694. Annual revenue costs of £13,500 were also required for mobile working.

Additional human resources digital costs totalled £129,688 which were needed to provide a project implementation resource. Additional staffing would be brought in to support the implementation of the project. Some additional capacity would also be identified for Housing implementation and testing. A meeting with the Chief Executive, Corporate Heads from Housing, Digital Services and Finance, the Digital Implementation and Delivery Manager and the Head of the Project Management Office would be held to agree what additional capacity was required and where it would be located. Extra capacity would be identified within the maximum human resources cost of £129,688.

The implementation of the Housing Systems Roadmap would be a new project delivered within the Council's project portfolio with the project sponsored by the Corporate Head of Housing and overseen within the Council's Project Management Office. A project team would be set up to oversee the project, which would include a project manager, senior staff from Digital Services, subject matter experts from within the Housing service and consultancy from NEC. A designated project manager would be assigned from NEC who would attend monthly project boards and provide monthly NEC project updates to ensure adherence to timescales. The Service Transformation Member Working Party would monitor the progress of the project via monthly updates.

A waiver to Contract Standing Orders was required as the recommendations in the report would incur costs of a value in excess of £100,000 and the uplift needed for additional services was greater than 10% of the original contract value. As the requirements were intrinsically linked to the Council's Housing System already in place it was agreed that a change control notice be invoked on the direct award contract to account for the additional scope of services being procured and that the Corporate Head of Law and Governance be authorised to enter or execute under seal any contractual documentation to fulfil the change contract.

The Committee approved the expenditure required for the upgrade of the Housing IT system noting that the current level of system upgrade was exceptional due to decades of under investment and that the expenditure would be met from the Housing Revenue Account not the General Fund. In fulfilment of its landlord and statutory duties the Council had to record data on its activities for submission in regular Government returns, to demonstrate compliance with policies if required and to meet increasingly demanding regulatory standards. As the expectations on social landlords had increased beyond traditional landlord functions, it was essential that the Council had Housing IT systems that were able to provide the robust data required for these various purposes.

RESOLVED that –

- i) a supplementary capital estimate in the sum of £116,694 be approved to be used to implement modules approved and implement new modules to facilitate mobile working within the ongoing Housing NEC system upgrade to be financed from HRA revenue reserves;**
- ii) an HRA supplementary revenue estimate in the sum of £13,500 be approved for support and maintenance of new mobile capabilities within the phase 2 project;**
- iii) a supplementary capital estimate in the sum of £129,688 be approved to be used to recruit internal resources for the implementation to be financed from HRA revenue reserves;**
- iv) a waiver to Contract Standing Orders be approved to permit the additional services not contracted for in the original contract with Northgate as the uplift required for additional services is greater than 10% of the original contract value; and**
- v) the Corporate Head of Law and Governance be authorised to enter or execute under seal any contractual documentation to fulfil the change contract.**

COVID EVENTS

The Committee considered a report describing the plans for ‘thank you’ events for members of the community who either volunteered their support or worked beyond the call of duty during the recent Covid crisis. The Committee asked that its appreciation of the work of the community and volunteers in the Covid crisis be recorded and agreed that an appropriate way should be found to thank those who had been instrumental in the community response. It supported the principle of holding one or more Covid events and agreed that the event or events should preferably be held within the current Mayoral Year and that officers would report back by no later than the February 2022 Corporate Management Committee meeting on the proposed arrangements, budget and invitational details.

The Committee did not support the proposal in the report to hold two separate events in November 2021. It was agreed that the event (s) should be held in the spring of 2022 given the current uncertainties about the spread of Covid and another spike in cases. There had been an overall increase in Covid cases in Surrey recently of 8% and an increase in cases in three Surrey districts of over 20%. There was therefore some doubt about whether it would be appropriate to go ahead with events in November.

On the basis of inviting around 400 people, it was noted that it should be possible to contain the cost of the event to no more than £15,000 and the Committee agreed that officers should proceed on this basis rather than spending £25,000 as proposed in the report. The Committee expressed a preference for the event(s) to be held in a community hall or in some kind of community setting if possible.

The Committee also agreed that further work be done on establishing who should be invited to these event(s). It was noted that many people had volunteered during the Covid crisis who were not members of charities or voluntary organisations. Officers had proposed that attendees at the event(s) be given a small token of appreciation. The Committee did not support a key ring which was a suggestion put forward in the report as it did not consider that this represented value for money and it was agreed that as part of a potential revised proposal, officers should report back on the possibility and cost of providing some other form of gift.

RESOLVED that –

- i) the principle of holding one or more Covid events (preferably within the current Mayoral Year) be supported;**
- ii) given the current uncertainties about the spread of Covid and another spike in cases, the proposed arrangements scheduled for November 2021 be postponed and given further consideration [with a view to event(s) taking place in spring 2022];**
- iii) Officers be instructed to report back on a potential revised proposal to be contained within a budget of no more than £15,000;**
- iv) this Committee receives a report on the proposed arrangements, budget and invitational details by no later than the February 2022 Corporate Management Committee meeting.**

REFERENCE FROM COMMUNITY SERVICES COMMITTEE – PROCUREMENT OF A BEFRIENDING SERVICE FOR RUNNYMEDE

By resolution of the Committee, the press and public were excluded from the meeting during the consideration of this matter under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information of the description specified in paragraph 3 of Schedule 12A to Part 1 of the Act.

The Committee considered a report submitted to the Community Services Committee which at its meeting on 16 September 2021 had considered three options for the future delivery of Befriending services in Runnymede. The three options were to end the Befriending service, to continue to provide it in house or for it to be delivered for a limited period by a partner organisation. Befriending services offered supportive, reliable relationships through volunteer befrienders to people who would otherwise be socially isolated. The Council had introduced a Befriending service during the Covid pandemic and several officers had been redeployed from their normal duties to deliver it in house. In the longer term and with staff returning to their normal roles, options for the future of the service needed to be considered.

The Community Services Committee had noted the important role of Befriending in the community and had agreed that the Befriending services should continue. The Community Services Committee had agreed that providing the service in house should not be continued as this option was not financially viable and had recommended that the option of the service being provided by a partner organisation for a limited period should be pursued.

As part of the Council's response to the Covid pandemic it had received funding from the Contain Outbreak Management Fund (COMF). A sum from this funding could be set aside for the procurement of a Befriending service for Runnymede. A third party would be procured to deliver the service and the Council would provide resources for the work of that third party through the COMF funding in the sum reported which would be for a two year period only after which the Befriending service would require further funding in order to continue. The partner organisation's performance would be monitored by the Council. This provider would work in partnership with Runnymede Borough Council to ensure that opportunities to seek and obtain future funding were identified.

The Corporate Management Committee recognised the valuable role of befriending services which complemented other services such as Social Prescribing and Homesafe Plus, the Council's hospital discharge service. It was suggested that pet ownership had a similar beneficial effect to befriending and it was noted that officers were reviewing Council Housing policies on ownership of pets and would be reporting on this issue to the Housing and Enabling Member Working Party.

The Corporate Management Committee concurred with the Community Services Committee's recommendation and noted that the COMF funding was for a period of two years and that continuation of the service beyond that period would be dependent on the financial position of the Council at that time and on whether alternative funding had been secured beyond the two year period.

RESOLVED that –

Befriending services in Runnymede be delivered by a partner organisation for a two year period at a cost in the sum reported to be funded from the money set aside for this purpose from the Contain Outbreak Management Fund.

(The meeting ended at 8.09.p.m.)

Chairman

4. **Apologies For Absence**

5. **Declarations Of Interest**

If Members have an interest in an item, please record the interest on the form circulated with this Agenda and hand it to the Legal Representative or Democratic Services Officer at the start of the meeting. A supply of the form will also be available from the Democratic Services Officer at meetings.

Members are advised to contact the Council's Legal section prior to the meeting if they wish to seek advice on a potential interest.

Members are reminded that a registerable interest includes their appointment by the Council as the Council's representative to an outside body. Membership of an outside body in their private capacity as a trustee, committee member or in another position of influence thereon should also be declared. Any directorship whether paid or unpaid should be regarded as a disclosable pecuniary interest, and declared.

Members who have previously declared interests which are recorded in the Minutes to be considered at this meeting need not repeat the declaration when attending the meeting. Members need take no further action unless the item in which they have an interest becomes the subject of debate, in which event the Member must leave the room if the interest is a disclosable pecuniary interest or other registerable interest and/or the interest could reasonably be regarded as so significant as to prejudice the Member's judgement of the public interest.

6. **2019/20 Statement Of Accounts (Finance – Paul French)**

Synopsis of report:

The purpose of this report is to highlight the production of the Statement of Accounts and the annual audit and recommend that the accounts be approved by the Leader of the Council.

Recommendation:

That the Statement of Accounts for the financial year 2019/20 be approved and the Chairman of the Corporate Management Committee signs the Statement of Accounts.

1. Context of report

- 1.1 The Statement of Accounts reports on the Council's financial results in the form required by statute and recommended accounting practice.
- 1.2 The unaudited Statement of Accounts for 2019/20 was completed and posted on the Council's website on 31 July 2020 and was submitted for audit. The audit began in October 2020.
- 1.3 It is at this stage prior to audit sign off, that the Statement of Accounts need to be signed by the Chairman to signify formally the completion of the Council's approval process of the accounts.

2. The Statement of Accounts

- 2.1 Our accounts are prepared in accordance with the accounting conventions

which apply to all local authorities. We have a statutory responsibility to prepare accounts that present accurately and fairly our operations during the year. This must be done in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the code) (CIPFA/LASAAC). In accordance with the Accounts and Audit Regulations 2015, the draft accounts must be issued by the end of May and the audited version published before the end of July each year.

- 2.2 In response to an unprecedented situation across the UK relating to COVID19 and the need to reduce the pressure on authorities to comply with legal deadlines, the Government introduced The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. These Regulations provided authorities with additional time to complete the audit of their accounts for 2019/20, given the impact of the COVID19 virus on the availability of local authority staff and auditors to complete the audit process within current deadlines due to sickness or redeployment. These Regulations apply only in relation to annual accounts relating to the 2019/20 financial year. For Runnymede the deadline to publish its unaudited accounts moved from 31 May 2020 to 31 August 2020 with the deadline for publishing audited statements being pushed back from 31 July 2020 to 30 November 2020.
- 2.3 For the finance team the redeployment included making welfare calls, managing the payment of Covid related grants, reconciling and paying volunteers for shopping trips and trying to assess the effects of the pandemic on the Council's finances. Of course, it is not just the finance officers that were caught up in this additional activity, Covid redeployment also meant that budget managers were not focussed on the year end making the closedown process less efficient and more problematical than usual. Despite all this, Runnymede officers managed to publish the draft accounts before the August deadline on 31 July 2020.
- 2.4 The updated set of accounts for 2019/20 to be approved, taking into account any audit recommendations is on the Council's website along with the 2020/21 draft accounts.

3. Resource Implications

- 3.1 During a normal year, producing the Council's statutory accounts is undoubtedly the biggest challenge for the team. Throughout the year, the Council produces management accounts for officers and members based on certain criteria. At the end of the year, in order to adhere to different statutory and regulatory requirements we have to not only close down and balance the management accounts, but also turn them into the more complex and technical financial accounts. It is sort of akin to spending a year creating one side of a double-sided jigsaw puzzle and then being asked to break it all up to create the other side with a different picture – all in under two months.
- 3.2 With the first national lockdown being enforced so close to the year end, the finance team were wholly unprepared for working remotely. With an outdated Financial Management System and a majority of the working papers created for the closedown being manual in nature, this caused several issues for the team. Whilst new ways of working were introduced out of necessity, they were more of a "band-aid" to get us through the lockdown rather than way of working for the future. This is something that continued into the 2020/21 accounts closing process and will need to be addressed before next year's closing programme is drafted, although many of the practical issues will remain.
- 3.3 Due to the complexity of the accounts, the compilation of the accounts is usually undertaken by the accountancy team on large 27 inch screens with various files and folders permanently open for ease of reference and for reconciliation and cross-casting purposes. Due to the national lockdown, this was not possible this year and staff working remotely had to contend with flipping between screens on small laptops to undertake the work making it a much longer and stressful process.

- 3.4 Meeting the tight deadlines set by Government is only possible due to the goodwill and dedication of the highly experienced members of staff who undertake substantial amounts of additional hours in order to get the job completed. In addition, it is also usually necessary to employ a temporary member of staff for a two month period to help close down the Collection Fund accounts to ensure they are completed in time to integrate into the main accounts and meet national deadlines.
- 3.5 Looking further ahead, due to the ever increasing complexity of the Council's accounts, there is a need to align the Council's management accounts with the statutory accounts to reduce workloads at the year end. A new Financial Management System which would assist with this is already included in the Council's Digital Transformation Strategy. However, given the Council's current financial position and resourcing issues, the proposed procurement exercise has been delayed until next year.

4 Audit Considerations

- 4.1 The Code of Audit Practice 2008 requires the auditor to issue two reports about the audit of the Statement. First, a report to those charged with governance summarising the conclusions of the auditor (the "ISA 260" report). Second, a value for money conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This includes the financial sustainability of the Council going forward into future years. These are to be presented to the next meeting of the Standards and Audit Committee.
- 4.2 The 2018/19 accounts were the first to be audited by BDO who brought with them new audit approaches and the requirement for new working papers, many of which were required to be created during the audit. With this year's audit being undertaken remotely, this put severe time pressures on officers to deliver and explain transactions when normally an auditor would sit down with them and/or look items up themselves.
- 4.3 As with last year BDO, like many other audit firms, struggled with resourcing the audit. Originally the audit was scheduled for the start of August (hence the push to get the accounts closed by end of July) but this was then put back to the start of September, followed by a further delay until the start of October. The audit of the accounts was then undertaken throughout October to February 2021 and then was postponed until July 2021 when it was picked up again. It should be reiterated that this delay was through no fault of officers who have gone the extra mile to try and get requested information to the auditors in a timely manner. With the exception of the Audit Manager, a whole new audit team, including the audit partner, undertook the Council's audit this year meaning that there was no continuity or prior knowledge of the Council's systems or ways of working meaning additional work for officers.
- 4.4 Figures compiled by PSAA, the organisation responsible for appointing auditors to 478 local bodies, reveal that this situation is not unique to Runnymede with 55% (265) of audit opinions not issued by 30 November 2020. This is an issue that has not improved as just 9% of local government bodies' 2020/21 audits were approved by the 30 September deadline despite more than 80% of councils submitting their draft accounts by the end of July. Covid, extra regulatory requirements and a lack of qualified auditors in the market have all been blamed for these delays.
- 4.5 Whilst the 2019/20 Audit is not yet complete, the Audit Partner has confirmed that he is "reasonably certain we have got to a position where we won't require any further changes to the financial statements. Therefore, I think it will be OK for CMC to approve them". Once these accounts are finally signed, BDO will commence the audit of the 2020/21 accounts which was due to be completed by 30 September 2021.

5. Legal implications

- 5.1 The basic requirement for the audit of accounts is contained in section 3 of the Local Audit and Accountability Act 2014.
- 5.2 The Accounts and Audit (England) Regulations 2015 (the Regulations) require the responsible financial officer to sign the accounts and certify that they present a true and fair view no later than 31 May.
- 5.3 The Regulations require that no later than 31 July, the accounts be submitted for approval by the appropriate Committee and that the Member presiding at the meeting sign and date the Statement of Accounts to indicate the Committee's approval. The responsible financial officer must also re-sign the accounts before the Committee approve them.
- 5.4 Authorities are required to publish the Statement of Accounts as soon as reasonably possible after the audit is concluded. In any event the Statement for 2019/20 must be published by 31 July 2020, even if the audit has not been concluded. As highlighted in the body of the report the timetable applicable for the publication of accounts for 2019/20 was altered by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. The Council complied with the revised timetable.
- 5.5 The Regulations require authorities to advertise that the audit has been concluded and that the Statement of Accounts is available for inspection by electors. No objections were received during the inspection period.

(To resolve)

Background papers

Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (CIPFA)

7. Budget Monitoring Report – April 2021 To September 2021 (Finance – Paul French)

Synopsis of report:

To report the latest financial projections for the 2021/22 financial year for the General Fund, Housing Revenue Account and Capital Programme as at 30 September.

Recommendation:

For information.

1 Context and background of report

- 1.1 The Medium-Term Financial Strategy (MTFS), the Capital Programme and the detailed General Fund budgets for 2021/22 were approved by the Corporate Management Committee on 21 January 2021 and subsequently by Full Council on 9 February 2021.
- 1.2 The detailed HRA budget for 2021/22 was approved by the Housing Committee on 6 January 2021 and subsequently by Full Council in February 2021.

- 1.3 Starting in July, all budget managers are provided with a monthly budgetary control statement showing total budget, profiled budget and spend to date (including commitments). A full salary listing is also provided on an ad-hoc basis to chief officers. Budget managers are expected to work with the accountancy team to report any variations and projected spend to 31 March. Due to the effects of the coronavirus pandemic and the need to report regularly to central Government on predicted income losses, the budget management regime was started earlier than usual.
- 1.4 Budget managers should constantly monitor their budgets and are accountable for their budget and service performance. The projected outturns shown in this report are managers' best estimates as at 30 September 2021.

2 General Fund Revenue Budget

2.1 The Council began the year with General Fund working balance of £15m. This was an increase of £7m over that predicted during the peak of the Covid19 emergency due to increased Government grants, better than predicted commercial income and the measures implemented following the Extraordinary Council meeting held on 28 September 2020 including:

- A continued recruitment freeze
- A freeze on non-essential expenditure
- Removal of uncommitted growth from the existing budget
- Producing plans to reduce the base budget by £2 million

2.2 The detailed General Fund budget for 2021/22 was approved in February 2021 along with the MTFS. Since then various changes have occurred and a summary of the current projected use of balances for the General Fund (in the Budget Book format) setting out these changes is set out at Appendix 'C' and is explored in more detail in the following paragraphs.

2.3 The original MTFS set a £2m savings target over two years with £0.5m included as a target for 2021/22. Due to the increased working balance at the start of the year, the achievement of these savings can now be programmed in over a longer period – although they still need to be made to balance future budgets.

2.4 The General Fund Summary set out in Appendix 'C' sets out the net expenditure for each service area against the forecast outturn as at 30 September 2021. The forecast outturn is made up of the original budget amended for any anticipated changes. A summary of the more significant changes (over £5,000) at the Net Expenditure on Services level is set out in Appendix 'D'.

2.5 Assuming the predictions for the forecast outturn shown in Appendix 'C' materialise at the year end, this will reduce the General Fund working balance by £2.164m taking it from £15.188m at the start of the year to £11.522m at 31 March 2022. Whilst this is a betterment of £0.909m over the figures predicted at the start of the year, this has been mainly achieved through prudent treasury management actions (see report set out elsewhere on this agenda) which are masking an increase in expenditure on services in the current year of £1.257m.

Income from Fees and Charges

2.6 For some services the post-Covid recovery in income has not been as quick as hoped. The table set out below shows the performance of the Council's key income drivers (excluding property) comparing the pre-Covid figures of 2018-19 with the original and actuals for the current year. Where these are anticipated to vary significantly from the budget, an estimate of the year end effect has been included in Appendix 'D'.

Table 1 – Performance of key income drivers				
	2018-19 Actual £000	Original Budget £000	Profiled Budget £000	Actual to Date £000
Halls income	168	23	2	2
Cemetery income	213	235	113	118
Community meals (Day Centre)	229	244	32	21
Community meals (Meals at Home)	166	215	103	94
Green Waste income	450	505	480	497
Trade waste income	520	473	330	347
Off street parking P&D income	960	636	299	145
Planning fees	666	600	300	520
Local land charge search fees	228	235	120	125
TOTALS	3,600	3,367	1,927	1,897

2.7 Whilst some services like Cemetery income and Green Waste income have thrived during the last 18 months, and planning income seems to be catching up for lost time, most concerning is the severe drop in income for car parking. With more people working from home and with some businesses struggling or having closed, parking income is anticipated to be £300k lower than the reduced forecast at the start of the year (excluding lost income from the parking suspensions at test/vaccine centres).

2.8 In 2020/21 the Government gave a grant to Councils to offset a proportion of lost fees and charges resulting from the pandemic. Runnymede was able to claim back £875,000 through this mechanism. This scheme was extended to include the first 3 months of the current financial year and officers have put in a claim for £153,000.

Commercial Income

2.9 By far the biggest income generator for the Council is our rental income from commercial property. In the 2020/21 financial year the Council invoiced £29.1m in rent to various businesses ending the year with arrears of only £1.3m (having previously written off £0.7m during the year). This fell far short of the £4m provision for bad debts predicted at the start of 2021 as businesses struggled with the third national lockdown.

2.10 Despite this achievement, there is still a need to be wary in regard to the long-term ramifications of Covid on the business sector. The effect on businesses as the furlough scheme ends, the future demand for office space and the ability to relet properties at current rental levels are all currently unknown. For this reason, the budget assumes a 5% bad debt provision in the current year (£2.7m) and a 3.5% provision for lower rent levels/delays to reletting vacant properties (£1.0m).

2.11 Commercial debt outstanding as at 30 September stood at £2.8m which is in line with the assumptions made in the budget. It is too soon to see whether the bad debt provision is sufficient as the unknown effects of the recent ending of the furlough scheme, increased inflation and energy costs and the ending of the moratorium on chasing outstanding debts have not yet filtered through.

Savings Progress

2.12 At the start of the year the Council had a £2m underlying deficit on the General Fund. Progress towards making this target has been slow and additional new cost pressures (energy inflation, National Insurance increases etc) only add to the target. Whilst there are several plans to make savings, some of these will take time to

deliver (e.g. winning new CCTV contracts). Progress towards the savings to end of September was as follows:

Table 3 – Anticipated General Fund Savings				
	2021-22 £000	2022-23 £000	2023-24 £000	2024-25 £000
Achieved				
Voluntary Redundancy Programme (Net)	165	380	380	380
Surrey wide Travellers Site contribution	75	45	45	45
Deferment of School Bus Service	200	-	-	-
Potential				
Additional income from Egham Orbit	-	200	200	200
Anticipated new CCTV Contracts		150	150	150
Property partnership deal with NHS (Net)		125	125	125
Rental of additional Civic Centre space		100	100	100
Shared services income & efficiencies		100	100	100
New Careline & Out of Hours contracts		24	24	24
TOTALS	440	1,124	1,124	1,124

3 Housing Revenue Account (HRA)

- 3.1 The detailed HRA budget for 2021/22 was approved in February 2021. Since then, various changes have occurred and an updated HRA summary (in the Budget Book format) setting out these changes is set out at Appendix 'E'. This summary sets out the net expenditure for each service area against the forecast outturn as at 30 September 2021. The forecast outturn is made up of the original budget amended for any anticipated changes. A summary of the more significant changes (over £5,000) at the Surplus in year level is set out in Appendix 'F'.
- 3.2 The HRA usually funds (70%) of the costs of new housing property acquisitions and new build costs and these are funded from the HRA working balances. At the current time it is assumed that all schemes are on budget.
- 3.3 The HRA surplus for the year shown in Appendix 'E' is expected to drop by £169,000 from £4.320m to £4.151m. In addition to this it is currently estimated that there will be around £4.423m of balances in the Housing Major Repairs Reserve on 31 March 2022.

4 Capital Expenditure and Receipts

Capital expenditure

- 4.1 The Capital Strategy and detailed Capital budget for 2020/21 was approved in February 2021. It is important to remember that the timing of capital expenditure can sometimes be difficult to predict and can be spread over several financial years. Exempt Appendix '7' at page 142 of the Part II agenda for this meeting (information exempt under paragraph 3 of Schedule 12A to Part 1 of the Local Government Act 1972) summarises the latest capital programme spend to the end of September 2021.

Capital receipts

4.2 The Council started the year with £6.8m in available capital receipts which can be used to fund future acquisition of assets. However, £4.0m of these receipts have been generated from the sale of dwellings under right-to-buy legislation or sales of land and legislation requires this is set aside for specific purposes. In Runnymede's case this is principally:

- Future funding of new affordable housing
- Repayment of housing debt over the next 30 years

4.3 The table below sets out the anticipated usable (non set-aside) capital receipts position as at the 31 March 2021 based on the current forecast outturn in capital spend and receipts:

	Original Estimate £'000	Latest Prediction £'000	
Usable receipts in hand	7,773	3,579	
New Receipts:			
DIYSO Sales	300	349	
Addlestone One	3,065	256	
Loan Repayments	23	13	
Barbara Clark House	1,000	1,825	
	14,431	12,645	Revised figures
Egham Gateway – Sale to RBCI			
Egham Gateway – Sale to Hsg Assoc	5,300	5,300	
Less used to Finance Capital Expenditure	(18,406)	(22,867)	
Usable receipts at year end	13,486	1,100	

4.4 The above table shows that the Council is uncomfortably close to not having enough usable receipts in hand to be able to fund its capital spend in the current year. Natural slippage in this year's Capital Programme at the year-end should alleviate this problem. However, the ongoing issues will prevail unless property sales in the Addlestone and Egham regeneration schemes do not materialise in early 2022/23. Officers are monitoring this situation closely.

5 Legal Implications

5.1 Section 28 of the Local Government Act 2003 requires authorities to monitor their income and expenditure against their budget and be ready to take action if overspends or shortfalls in income emerge. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or the authority might decide to take no action but to finance the shortfall from reserves.

6 Conclusion

6.1 Assuming the predictions for the forecast outturn shown in Appendix 'C' materialise at the year end, this will reduce the General Fund working balance by £2.164m taking it from £15.188m at the start of the year to £11.522m at 31 March 2021. The HRA surplus for the year shown in Appendix 'E' is expected to drop by £169,000 from £4.320m to £4.151m.

6.2 The budget for this year assumed reductions in income with a slow build up back to normal levels during the year. However, in December 2020 to February 2021 when the budget was set, it was generally assumed the lockdowns would end Spring 2021 and the economy would recover. That now appears to be too optimistic. Appendix 'D' shows a further fall of £893,000 over and above the planned income reductions.

- 6.3 As well as lost /declining income, future inflation pressures are also a worry. With many Council contracts linked to CPI currently running at 2.5% (August 2021) and expected to rise as inflated energy prices feed into the system, and with wage inflation and additional National Insurance costs to contend with, additional cost pressures are placing an increasing strain on the Council's budgets – General Fund and HRA alike.
- 6.4 The financing of the Capital Programme remains heavily reliant on income from the sale of development properties. Should sales activity not be forthcoming over the next year, it may be necessary to further delay some capital schemes.

(For information)

Background papers

None stated

General Fund Financial Monitoring Statement

30 September 2021

Service Area	Original Budget £000	Forecast Outturn £000	Variance £000
Housing Committee	2,050	2,058	8
Community Services Committee	5,507	5,413	(94)
Environment & Sustainability Committee	4,067	4,512	445
Licensing Committee	31	31	0
Regulatory Committee	98	108	10
Planning Committee	1,645	1,840	195
Corporate and Business Services	(15,712)	(15,518)	194
Efficiencies & Revenue Reductions	(500)	0	500
Net expenditure/(surplus) on services	(2,814)	(1,557)	1,257
Accounting and other adjustments:			
Reversal of depreciation charges	(2,737)	(2,737)	0
Cost of capital charge to HRA	(43)	(43)	0
Transfer to/(from) reserves:			
Business Rates Equalisation Reserve	(3,880)	0	3,880
Equipment Repairs and renewals reserve	750	750	0
Property repairs and renewals reserve	500	500	0
Investment property income equalisation reserve	0	0	0
Financing and investment income			
Investment income - General	(209)	(260)	(51)
Dividends and Loan interest	(1,477)	(1,484)	(7)
Capital financing costs	15,097	12,916	(2,181)
Minimum Revenue Provision	3,973	4,275	302
Taxation and Non-specific grant income:			
Council Tax	(5,832)	(5,832)	0
Business rates retention	1,144	(2,549)	(3,693)
New Homes Bonus	(599)	(599)	0
Lower Teir Services Grant	(800)	(800)	0
Other Grants - COVID-19: emergency funding	0	(416)	(416)
(Contribution to) / Use of Working Balance	3,073	2,164	(909)

General Fund Working Balance:		
Assumed GF Working Balance at 1 April	5,489	13,686
2020/21 in year movement (from above)	(3,073)	(2,164)
Assumed GF Working Balance at 31 March	2,416	11,522
Note: Minimum Working Balance £3m		

Key:

Original Budget - Approved at Full Council on 11 February 2020

Forecast Outturn - Officer prediction of the year end position based on activity in the year to date

GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2021

() = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

APPENDIX 'D'

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
Housing Committee								0
Reallocation of Housing IT system costs between GF & HRA				8				8
								0
Community Services Committee								0
<u>Community Services</u>								0
Community Services - Admin - Fees	9							9
Parks General - Casuals	20							20
Parks General - Grounds Specials	15							15
Parks - consultancy costs for Grounds maintenance review				35				35
Parks General - wages					(35)			(35)
Parks - Fees and Charges - Camping at Barrsbrook farm							8	8
Parks Chertsey Meads income - ESSO Pipeline						(13)		(13)
Parks - Contribution to Surrey Traveller site delayed until 22/23					(75)			(75)
Cemeteries - reduction in income from fees and charges							36	36
Leisure development - legal Advice re Achieve Lifestyle				2				2
Leisure development - Independent financial review Achieve Lifestyle				10				10
Family support program 21/22 - missed during budget setting process				89				89
Museum - reduced fees and charges as activities not started until Sept							5	5
Travel initiative - delay in start of school bus service					(200)			(200)
								0
Environment and Sustainability Committee								0
<u>Environmental and Regulatory Services</u>								0
Air Quality - Budget provision - deferred to 22/23	3				(3)			0
Refuse and recycling - sale of bins						(10)		(10)
Refuse - bulky waste project on hold plus one off collection income lower than estimated							7	7
Trade Waste Collection - disposal costs, price per tonne lower than estimated					(17)			(17)
Trade Waste Collection - increased income						(24)		(24)
Surrey Environmental Partnership financial mechanism - fixed payment (net)						(5)		(5)
Street Cleansing - litter and dog fouling fines - contractor not replaced in 2021/22					(40)		60	20
								0
<u>Highways and Transport Services</u>								0
Flood Mitigation - Civil Engineering	8							8
Flood Mitigation - Ground Maintenance	1							1
Car Parks - Chertsey Library, charging suspended until March whilst vaccination centre open							70	70
Car Parks - Woodlands, NHS testing in car park reduced income							100	100
Car Parks - Pay & Display income at other sites lower							215	215
Car Parks - Reduction in non residents permits and season tickets							50	50

GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2021

() = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
Parking - PCNs - CMC June 2021 - suggested £100k pa increased income, plus additional management costs				3		(50)		(47)
Car Parks - PCN income lower than estimated							60	60
On Street Parking- PCN income lower than estimated							25	25
Environmental Maintenance - RBC - hanging baskets and troughs cancelled for 21/22					(8)			(8)
								0
Regulatory Committee								0
Taxi Licensing - Income Loss							10	10
								0
Planning Services								0
Local Plan- Planning & Development Advice					(25)			(25)
Neighbourhood Forum - Grant from RBC to Egham Hythe					(4)			(4)
Planning Policy - Government Grants							15	15
Planning Policy - Conservation Area Works					(2)			(2)
Padd Farm - Court costs - Enforcement	44							44
Local Plan - Other Professional	2							2
Neighbourhood Planning	21							21
Policy Implementation - Councils Local Plan	25							25
Policy Implementation - Conservation Advice	20							20
Policy Implementation - Neighbourhood Planning	8							8
Policy Implementation - Other Professional	10							10
Building Control - Anticipated reduction in income							60	60
Longcross Garden Village - £130k Grant received in 2020/21 with expenditure in 2021/22				130		(30)		100
Padd Farm - Court costs - Enforcement costs and costs recovered				70		(149)		(79)
								0
Corporate Management Committee								0
Corporate, Democratic and Central Services								0
Corporate Management - After Covid celebration - CMC 23 Sept 2021		15						15
Corporate Management - Fraud - increased recharges to HRA						(30)		(30)
Corporate Management - Fraud - additional costs of R&B, offset by salary savings				25				25
Corporate Management - External audit - increased charges				30		(7)		23
Corporate Management - External audit - contribution frm PSAA						(7)		(7)
Democratic Representation - Independent remuneration panel - every three years				3				3
Council tax - increased use of Hybrid mail				20				20
Council tax - reduced costs recovered							30	30
Business rates - Business support administration grant						(167)		(167)
Register of electors - IER grant used to finance temp staffing				6		(6)		0
								0
Commercial Property & Business Services								0
Pine Trees Viability - Surveyors Fees	45							45

GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2021

() = reduced expend or increased income

P/U = Planned Underspend (budget carried over from previous year)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
Land & Prop Portfolio - Surveyors Fees	125							125
Magna Sq Landlord costs - Marketing	18							18
Addlestone One - S&W cat ladder installment				6				6
Professional advice				10				10
St Judes - remedial works & compensation for loss of income				28				28
Pine Trees - fit out contribution				37				37
Property Development - Ashdene - abortive costs				282				282
Corporate property income/rents (predominantly Egham Gateway delays)							142	142
								0
Control & Establishment								0
Staffing - Net Voluntary Redundancy savings in current year					(165)			(165)
Staffing - Current variance over vacancy provision					(200)			(200)
Civic Centre - additional covid cleaning (financed by Grant on GF Summary page)				20				20
Civic Centre - Communications development - Telephone system				9				9
Civic Centre - rent increase						(21)		(21)
Chertsey Depot - Reorganisation professional fees	23							23
Training - Management development	13				(13)			0
Financial services - Accountancy ACE recruitment costs				20				20
Financial services - Accountancy computer developments	2							2
Financial services - Income computer developments	6							6
Financial services - Increase in Internal Audit contract fees				4				4
Digital services - additional IT training costs				12				12
Digital services - Modern.Gov CMC May 2021				11				11
Digital services - Transformation Programme - Increased computer maintenance costs				21				21
								0
Efficiencies & Revenue Reductions								0
Variations in Strategic Maintenance Plan as agreed at CMC February 2021					(32)			(32)
Variations in Strategic Maintenance Plan additional savings identified Sept 2021					(51)			(51)
Variations in Transport costs - due to reduced usage identified Sept 2021					(70)			(70)
Removal of Savings target with savings included elsewhere above				500				500
								0
Total changes in net expenditure	418	15	0	1,391	(940)	(519)	893	1,257

	£'000
Original Net Expenditure on Services (as per the 2021/22 Budget Book)	(2,814)
Total changes in net expenditure	1,257
Forecast Net Expenditure on Services	(1,557)

HRA Financial Monitoring Statement

30 September 2021

Service Area	Original Budget	Forecast Outturn	Variance
	£000	£000	£000
Expenditure			
General management	2,016	2,138	(122)
Special services management	872	872	0
Supporting people for Council tenants	145	177	(32)
Mobile home site (Net)	(83)	(83)	0
Housing repairs	6,606	6,606	0
Less funded from major repairs reserve	(2,976)	(2,976)	0
Other HRA Expenditure	481	511	(30)
Debt charges	3,425	3,425	0
Depreciation charges	1,948	1,948	0
	12,434	12,618	(184)
Income			
Rent from dwellings	16,574	16,574	0
Non-dwelling rents and income	180	180	0
Interest on balances	0	0	0
	16,754	16,754	0
Revenue Surplus / (deficit) in the year	4,320	4,136	184

HRA Working Balance:			
Assumed HRA Working Balance at 31/3/21	28,223	29,254	(1,031)
In year movement	4,320	4,136	184
<u>Less Capital Contributions</u>			
Strategic purchases	(910)	(910)	0
New Build programme	(843)	(5,343)	4,500
Further potential schemes (not yet approved)	(1,550)	(1,550)	0
Assumed HRA Balance at 31/3/22	29,240	25,587	3,653

Key:

Original Budget - Approved at Full Council on 9 February 2021

Forecast Outturn - Officer prediction of the year end position based on activity in the year to date

HRA - Changes in Revenue Account Working Balance as at 30 September 2021

APPENDIX 'F'

() = reduced expend or increased income

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U B/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
Revenue Expenditure & Income								
Management General - Increased staffing (Hsg Ctte - March 2021)		85						85
Reallocation of Housing IT system costs between GF & HRA (contra G Fund Housing)				(8)				(8)
Increased Housing insurance premiums wef July 2021 - (perceived flood risk)				45				45
Reallocation of Corporate Fraud costs wef 10/21 (CMC July 2021)				30				30
								0
Special Management - Community Alarm charges for 2021/22 cancelled							32	32
								0
								0
								0
Total changes in net expenditure	0	85	0	67	0	0	32	184

Original surplus in year (as per the 2021/22 Budget Book)
 Total changes in net expenditure
 Forecast Net Expenditure on Services

£'000
 (4,320)
 184
 (4,136)

	Increased Expenditure				Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U B/fwd £'000	Supp Est £'000	Virement £'000	Other £'000				
<u>Changes in Capital Programme -</u>								0
Land acquisition in Chertsey (Hsg Ctte - April 2021)		4,500						4,500
								0
								0
Total changes in capital expenditure funded from working balance	0	4,500	0	0	0	0	0	4,500

8. **Review And Replacement Of Runnymede's Council Tax Discount Scheme For Empty Properties (Collection Services – Linda Norman)**

Synopsis of report:

The purpose of this report is to recommend amendments to the level of Council Tax discount for unoccupied and substantially unfurnished dwellings and to consider increasing the premium on properties that are long term empty (unoccupied and unfurnished) for more than 2 years.

By reducing the Council Tax discount for unoccupied and substantially unfurnished dwellings from 100% for up to 3 months to 100% for up to 28 days and increasing the long term empty charges in line with legislation from 50% to 100%, 200% and 300% depending on length of time empty, this will support the Council's Housing priority and encourage empty dwellings to be brought back into use more quickly.

In addition, there is also the potential to raise additional Council Tax income of approximately £406k of which £37k will be retained by Runnymede BC which will reduce pressure on the Council's Medium Term Financial Strategy (MTFS).

This could increase to £349k should Runnymede apply to Surrey CC to reinvest this income into specific County and Borough joint projects

Recommendation:

To consider and agree to recommend to Full Council on 9 December 2021 the amendments set out below:

That with effect from 1 April 2022:

- the Council Tax discount for unoccupied and substantially unfurnished dwellings is reduced from 100% for up to 3 months to 100% for up to 28 days (Class C of the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012)
- In accordance with Section 11B of the Local Government Finance Act 1992 and Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 increase the additional amount payable for Council Tax from 50% to 100% for dwellings that are unoccupied and substantially unfurnished for more than two years
- Increase the additional amount of Council Tax from 50% to 200% for properties that are unoccupied and substantially unfurnished for more than five years
- Increase the additional amount of Council Tax from 50% to 300% for properties that are unoccupied and substantially unfurnished for more than ten years

1. **Context and background of report**

1.1.1 Local Authorities were given the powers and flexibility to amend certain Council Tax discounts under the Local Government Finance Act 2012, which were enacted by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 and the Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012.

1.1.2 Section 12 of the Local Government Finance Act 2012 added section 11B to the Local Government Finance Act 1992 enabling Local Authorities to increase the charge on long term empty dwellings (unoccupied and substantially unfurnished for

at least 2 years) by up to 50%. The Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 further amended this regulation to enable local authorities to increase the amount that can be charged on long term empty dwellings up to 100%.

- 1.1.3 Research with other Surrey authorities shows that Runnymede is the only Surrey authority that continues to grant an exemption for 3 months, most have reduced to either 28 days or 1 month. The table below details the schemes across the county:

Local Authorities	Unoccupied, unfurnished home discount	Period
Elmbridge	0%	0 days
Epsom	100%	1 month
Guildford	100%	7 days
Mole Valley	100%	28 days
Reigate	100%	28 days
Runnymede	100%	3 months
Spelthorne	100%	1 month
Surrey Heath	100%	0 days
Tandridge	100%	28 days
Waverley	50%	1 month
Woking	100%	28 days

- 1.1.4 Again several Surrey authorities have taken advantage of the change in premium levels as detailed below:

Local Authorities	Long term empty premium 2 years	Long term empty premium 5 years	Long term empty premium 10 years
Elmbridge	100%	200%	300%
Epsom	100%	200%	300%
Guildford	100%	200%	300%
Mole Valley	150%	200%	200%
Reigate	100%	200%	300%
Runnymede	150%	150%	150%
Spelthorne	150%	150%	150%
Surrey Heath	150%	150%	150%
Tandridge	150%	200%	300%
Waverley	100%	200%	300%
Woking	100%	200%	300%

- 1.1.5 At its meeting on 15 July 2021, Full Council considered a motion from Councillor D Whyte seeking the support of Full Council to fully enact Empty Dwelling Council Tax Premiums from April 2022 to encourage empty dwellings in Runnymede to be brought back into use as legislated by Her Majesty's Government. The legislation in summary allowed for Council Tax Premiums of 100%, 200% and 300% to be applied to dwellings that had been empty for more than 2,5 and 10 years respectively.
- 1.1.6 This Motion was lost and the Leader of the Council stated that a report would be submitted to the Corporate Management Committee as part of the Medium Term Financial Strategy (MTFS).
- 1.1.7 As decisions on these issues are related to Council Tax rather than to the MTFS, this report is being submitted to the Committee for it to make recommendations to the next meeting of Full Council on 9 December 2021. Usually the Committee would make recommendations to the Council Tax setting meeting of Full Council which will be held on 10 February 2022. However, the Committee will note from paragraph 2.6 of this report, that Surrey County Council (SCC) has indicated that it would be willing to reallocate its share of the additional Council Tax funding that directly results from changes in Empty Homes policies. If Runnymede wishes to take up this offer, it needs to apply to SCC by the end of December 2021. Therefore, as a decision is

required in December 2021, the Committee's recommendations will be submitted to the 9 December 2021 Full Council meeting in case Full Council were to decide to take up this offer.

- 1.1.8 This report makes recommendations regarding the additional amount of Council Tax payable (or premium) and also the Council Tax discount payable in respect of unoccupied and substantially unfurnished dwellings.

Proposal

- 2.1 Given the increasing pressures on housing within the Borough, by reducing the period of empty property discount to 28 days, this will provide a greater incentive for owners of empty properties to bring the property back into use in a timely manner, without putting undue pressure on owners immediately if the discount was totally removed. It puts Runnymede in line with most other Surrey Authorities allowing 28 days for owners to re-let properties without accruing liability.
- 2.2 It is also worth considering the potential additional Council Tax that could be raised as a result of reviewing the current discounts levels.
- 2.3 The estimated additional Council Tax that can potentially be raised as a result of implementing the recommendations is as follows:

Band	3 Months Discount (£)	28 Day Discount (£)	Potential Increase in Income (£)
A	3,013.85	1,004.62	2,009.24
B	5,078.91	1,692.97	3,385.94
C	37,059.29	12,353.10	24,706.20
D	34,659.39	11,553.13	23,106.26
E	15,962.31	5,320.77	10,641.54
F	9,432.28	3,144.09	6,288.19
G	14,232.10	4,744.03	9,488.07
H	12,055.44	4,018.48	8,036.96
	131,493.57	43,831.19	87,662.38

- Potential income for changing the unoccupied and unfurnished dwellings discount from 100% for 3 months to just 28 days will raise an estimated £88k in additional Council Tax.
- If the discount was removed completely, this could raise £131k in additional Council Tax.
- It is worth noting that any changes in empty discounts will apply to all properties and as such, this could have an impact on Housing and Commercial services.

Empty Homes premiums

- 2.4 As shown in the benchmarking with other Surrey authorities, many have taken advantage of the increased charges on long term empty properties and whilst Runnymede does not have many, there is potential to increase Council Tax on these properties which may incentivise the owners to bringing back into use.
- 2.5 Detailed on the next page is an analysis of empty homes as at 20 September 2021 and what the potential increase in Council Tax would be:

Band	Numer of Empty Properties Over 2 Years	Full Liability	Current 50% Premium	Accounts over 2 but under 5 years	Projected 100% Premium	Accounts over 5 but under 10 years	Projected 200% Premium	Accounts over 10 Years	Projected 300% Premium	Additional Revenue Raised
A	14	18,752.86	28,129.29	8	21,431.84	5	20,092.35	1	5,357.96	18,752.86
B	4	6,250.96	9,376.44	4	12,501.92	0	0.00	0	0.00	3,125.48
C	51	91,085.49	136,628.24	43	153,595.14	3	16,073.91	5	35,719.80	68,760.62
D	32	64,295.68	96,443.52	23	92,425.04	4	24,110.88	5	41,068.87	61,161.27
E	19	46,659.06	69,988.59	10	49,114.80	7	51,570.54	2	19,645.92	50,342.67
F	8	23,217.92	34,826.88	5	29,022.40	2	17,413.44	1	11,608.96	23,217.92
G	14	46,882.22	70,323.33	10	66,974.60	3	30,138.57	1	13,394.92	40,184.76
H	12	48,221.76	72,332.64	6	48,221.76	5	60,277.20	1	16,073.92	52,240.24
	154	345,365.95	518,048.93	109	473,287.50	29	219,676.89	16	142,870.35	317,785.81

- Increasing the premium to the maximum allowable under the regulations has the potential to raise an estimated £318k in additional Council Tax, split between the preceptors.
- The current total of accounts with this premium as at September 2021 is 154.

2.6 It is worth noting that Surrey County Council (SCC) has indicated that it would be willing to reallocate its share of the additional council tax funding that directly results from changes in Empty Homes policies. This reimbursement would be available to fund new, or extend existing initiatives and projects that directly support a County initiative/ specific project. Examples are work within climate change, supporting homelessness reductions, rethinking local transport or supporting economic development. Should Runnymede wish to take up this offer, the Council would need to apply to SCC by the end of December 2021. They would review the position some time in 2023 financial year as to whether this funding would continue from April 2024.

3. Policy framework implications

3.1 This change in policy will support the Corporate Business plan with regards to Housing and Financial stability

4. Resource implications/Value for Money

4.1 The estimated additional Council Tax raised by changing both discount schemes would be £405k as follows;

	£
28 day discount	87,662
Empty homes premium	317,785
Total	405,447

and would be shared approximately as follows:

	£
Surrey County Council	312,000
Surrey Police	57,000
Runnymede BC	37,000

- 4.2 Whilst both the additional income and homes returning to use quicker would be welcome, implementing this scheme would have additional consequences for the Council.
- 4.3 Currently the HRA are paying Council Tax on empty properties where the current three-month exemption has expired. As at September 2021, 21 Council properties are receiving a discount of £10.5k. This would be reduced to £3.5k if the exemption was amended from three months to 28 days. The increase in Council Tax for Housing would therefore be £7k pa. if they were not relet within the 28-day period.
- 4.4 As at September 2021, the HRA has 8 properties that would be affected by the changes to the long-term premium. Should these changes be implemented, the potential annual cost to the Council could be in the region of an extra £ 27k Council Tax liability.
- 4.5 The overall potential cost to the HRA based on current costs would be £37.5k.
- 4.6 In addition to the HRA, there are a further 26 properties owned by the Council's commercial company which could be affected by these changes as they have been empty for over 2 years (and will continue to be vacant until renovation works have been completed) and the potential cost could be in the region of an extra £93k. This change in policy may also affect the properties being built at Magna Square in Egham, which are due to be completed in the Spring of 2022. Any properties that remain empty and unoccupied after the 28 day void period will attract a Council Tax liability which will need to be budgeted for by either the Council or the Council's companies.
- 4.7 It is anticipated that the additional costs to both the HRA and the Council's companies will be a short term issue, and if Surrey County Council are willing to reallocate their share of the additional council tax, this additional income will exceed the potential costs highlighted above.
- 4.8 Changes to the policy will automatically be administered by the NEC (formerly Northgate) Revenues system with minimal training and testing. However, there will be an annual charge for the licence, support and maintenance of this additional module of approximately £700 pa which would increase revenue expenditure on the NEC (formerly Northgate) system. This will be found from within existing resources

5. **Legal implications**

- 5.1 There is no legal requirement to consult on the recommended changes but there is a legal requirement to publish any changes to the Council Tax regime in at least one newspaper circulating in the Billing Authority's area. This must be done within 21 days of the resolution being agreed by full Council.
- 5.2 Making changes to the existing level of discounts means that, as the Billing Authority, the Council will incur the additional costs associated with implementing and administering the changes, although this is not expected to be significant.
- 5.3 There is also a risk to the collection of debts resulting from any changes. The recommended levels are based on the considered implications on collection whilst, at the same time, maximising the potential income opportunity for the Council.
- 5.4 The revised discounts may lead to some complaints and appeals. Section 13A of the Local Government Finance Act 1992 allows for the Council to reduce or remit any amount of council tax (at the full cost of the Council). These powers can be considered in certain circumstances where a dwelling cannot be occupied, such as fire or flood damage.

6. **Equality implications**

6.1 Councillors need to demonstrate that they have consciously thought about the three aims of the Public Sector Equality Duty, as set out in Section 149 of the Equality Act 2010, as part of the decision-making process. The three aims the authority must have due regard for are:

- eliminate discrimination, harassment and victimisation
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- foster good relations between persons who share a relevant protected characteristic

6.2 The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including ethnic or national origins, colour or nationality), religion or belief, sex or sexual orientation.

6.3 However, any amendments made to Council Tax discounts for empty or long term empty dwellings are not based on individual circumstances or family characteristics but on whether the property is empty and for how long. Therefore, the recommendations will apply equally to everyone.

7. **Environmental/Sustainability/Biodiversity implications**

7.1 There are no implications for, sustainability or biodiversity but encouraging owners of empty properties to bring them back into occupation in a timely manner may have a positive impact on communities where properties are not left unkempt or rundown which may impact on environmental issues.

8. **Timetable for Implementation**

8.1 It is recommended that these changes are implemented from 1 April 2022.

9. **Conclusions**

9.1 It is recommended that the Committee consider and agree to recommend to full Council the amendments set out in the recommendations at the beginning of this report.

(To recommend to Full Council on 9 December 2021)

Background papers

None

9. **Community Infrastructure Levy (CIL) Partial Review Of Charging Schedule (Planning Policy & Economic Development – John Devonshire)**

Synopsis of report:

During 2020 Officers prepared a Community Infrastructure Levy (CIL) charging schedule which set out proposed charges for residential, office and student accommodation development coming forward in the Borough. Following recommendations by the CIL Examiner the CIL Charging Schedule was adopted by Council on 9th February 2021 without the student accommodation charge. Council resolved at that meeting that a partial review of the CIL Charging Schedule be initiated, and this report fulfils the requirement that a report be submitted to Corporate Management Committee for any supplementary revenue estimate required. This report seeks to update Members on the Government's

proposed changes to CIL/S106 and recommends deferral of any decision by Corporate Management Committee to approve a supplementary revenue estimate until these reforms to CIL are complete.

Recommendation:

The Corporate Management Committee is recommended to defer a decision on whether it wishes to approve a supplementary revenue estimate for an additional £22,000 to be provided to the Planning Policy budget to enable a partial review of CIL to be undertaken, until the Government's plans to reform CIL/S106 are published.

1. Context of report

- 1.1 The Planning Act 2008 (as amended) introduced the idea of 'a charge' that local authorities can apply to development to secure contributions towards infrastructure, known as the Community Infrastructure Levy (CIL). CIL sits alongside the ability to physically provide or raise funds towards infrastructure via the existing Section 106 planning obligations process and the two mechanisms can work in tandem. Unlike Section 106, CIL is a non-negotiable charge. CIL charges must be set out within a CIL Charging Schedule and on a pounds per sqm basis and must be subject to consultation and independent examination before adoption.
- 1.2 A CIL Charging Schedule must set out the charges the Council wishes to charge in respect of a development. Charges can be based on the type, scale and/or location of development or a mix of all three. Charges must strike a balance between the desire to fund infrastructure through the Levy and development viability and be supported by relevant evidence.
- 1.3 In 2020 Officers prepared a draft CIL Charging Schedule proposing rates for residential, office and student accommodation based on the evidence of development viability set out within a CIL Viability Assessment undertaken by consultants on behalf of the Council. The rates proposed for residential, office and student accommodation development were subject to independent Examination in October 2020.
- 1.4 The independent Examiner reported in December 2020 and recommended that the charges proposed for residential and office development were appropriate and could be adopted, but did not find the evidence for charging student accommodation to be compelling due to concerns over viability and recommended deletion of the student accommodation rate.
- 1.5 The CIL Charging Schedule was adopted at a meeting of the Council on the 9th February 2021 with charges for residential and office development but without charges for student accommodation as recommended by the CIL Examiner. However, in adopting the CIL charging schedule Council resolved:

'Due to Members having concerns that the CIL Charging Schedule did not incorporate an element in respect of student accommodation, the action supported by the Infrastructure Member Working Party at its meeting in December 2020, to undertake a review of the CIL at the earliest opportunity, be actioned and the outcome reported back to the Planning Committee.'

The minutes of the meeting record that *'In order to do this, consultants with specific experience of student accommodation viability would need to be appointed and costs of this would be reported in due course as the programme for the review progressed and if a supplementary estimate was required a report would be made to*

1.6 A supplementary revenue estimate for the consultancy support required for a partial review is detailed in this report together with the risks involved. However, Members are requested to defer a decision on whether they wish to approve this supplementary revenue estimate until the Government's plans to reform CIL/S106 are published. Under the Government's proposals to reform the planning system, set out in the Planning for the Future White Paper (2020), the current Section 106 (S106) and CIL system is to be replaced by a mandatory all-encompassing Infrastructure Levy (IL). The proposed IL would be calculated on a national formula but based on local values. These changes are also mentioned in the Social Housing White Paper (2021). The proposed reforms were due to be published this summer but have been delayed. However, in response to questions at a House of Lord's Built Environment Committee on 2 November 2021, the Housing Minister Christopher Pincher reiterated that the Government were looking at a better system than S106 and CIL and appeared to suggest proposals would be coming out in the near future. If a new system were introduced, work on a partial CIL review would need to be aborted.

2. **Report and options considered**

2.1 The Government's Planning Practice Guidance on CIL sets out in paragraph 045 that

'Charging authorities may revise their charging schedule in whole or in part. Any revisions must follow the same processes as the preparation, examination, approval and publication of a charging schedule' and goes on to state *'The law does not prescribe when reviews should take place.'*

2.2 Given the above guidance, it appears that a partial review of the CIL Charging Schedule can be undertaken, although there is no provision for this set out in the Planning Act 2008 (as amended) or CIL regulations 2010 (as amended). In any event a partial review must be accompanied by a fresh evidence base, be subject to public consultation and independent examination before any changes or additions can be adopted by the Council. Any partial review would also need to follow the requirements of the Planning Act 2008 in that any charges proposed must strike a balance between a desire to fund infrastructure through CIL and development viability. The requirement to have regard to development viability is set out in Section 211 of the 2008 Act and Regulation 14 of the 2010 Regulations and is therefore a matter of law.

2.3 As such, in undertaking a partial review of the CIL Charging Schedule, the Council will need to commission fresh evidence of development viability for student accommodation and undertake public consultation of any proposed charges for at least 4 weeks followed by submission of the proposals for independent examination.

2.4 Officers have sought estimates from viability consultants to undertake viability assessment of student accommodation. Two estimates were received, both from consultants with experience of undertaking viability appraisals for student accommodation. Adding in the estimated costs of further consultation and examination, the overall cost of undertaking a CIL partial review is estimated to be between £18,000-£22,000. This figure will be subject to change if consultants prepare more detailed fee proposals or the costs of Examination change.

2.5 In undertaking a partial review there are inherent risks to the Council as follows:

- i) There is no guarantee, having undertaken further viability evidence, that a CIL charge for student accommodation could be supported;

- ii) As there are no provisions for undertaking CIL reviews, an Examiner could take it upon themselves to widen the scope of review beyond student accommodation should representations be received requesting this. This would either require further viability evidence, consultation and further examination which it is estimated could cost an additional £35,000-£40,000 in addition to the £18,000-£22,000 estimate or the review would need to be withdrawn;
- iii) Through permissions and completions, the Council has met the requirement for student accommodation set out in the Local Plan and as such any further development coming forward will be windfall. As there is no way of knowing how much additional development may come forward from windfall, an estimate of CIL receipts from student accommodation cannot be made.
- iv) Any student accommodation developed by Royal Holloway University of London (RHUL) could be subject to an exemption under the CIL Regulations for Charitable Relief and no CIL receipts would be forthcoming even if a CIL rate is adopted. This would not be the case for Purpose Built Student Accommodation (PBSA) provided by the private sector.
- v) Proposed Government reforms to CIL/S106 are published and brought forward in the next year, resulting in significant changes to the existing system. Recent statements by the Housing Minister suggest that although Planning reforms are being reconsidered, the Government still propose to bring forward changes to CIL/S106.

2.6 To help mitigate risk the Council should ensure that any proposed charge taken forward to Examination is clearly based on viability evidence and that public consultation is clear that the review is solely for student accommodation and that other existing charges are not being reviewed.

3. **Policy framework implications**

- 3.1 CIL supports Corporate Business Plan (2016-2020) themes of 'Improving our Economy' and 'Enhancing our Environment' particularly the priorities to review and support delivery of county and regional infrastructure strategies and support projects which improve integration of road and rail to reduce congestion.
- 3.2 Although not a Local Plan document, the CIL Charging Schedule supports Local Plan objectives and policies with respect to infrastructure delivery.

4. **Resource implications**

- 4.1 As set out above, undertaking a CIL partial review is estimated to cost £18-£22,000 in addition to the existing Planning Policy budget. As an estimate of future student accommodation floorspace cannot be made given its windfall nature, an estimate of CIL receipts from student accommodation cannot be made.
- 4.2 There is no budget provision for a partial CIL review, and therefore a supplementary revenue estimate in the sum of £22,000 would be required in order to undertake the work should Members require a review to be undertaken.
- 4.3 In addition to these costs, officer time will be needed to undertake procurement, organisation of the consultation and examination processes and screening for Strategic Environmental Assessment, Habitats Regulations Assessment and Equalities Impact Assessment in order to complete the CIL review. This will put additional pressure on the policy team, who are already working to a tight timetable to complete the review of the Local Plan.

5. **Legal implications**

- 5.1 The Planning Act 2008 (as amended) and the CIL Regulations 2010 (as amended) do not set out any provisions for the review of CIL Charging Schedules. However, the Government's Planning Practice Guidance (PPG) on CIL does state that charging authorities may revise their charging schedules either in whole or in part.
- 5.2 Although the law does not prescribe when CIL reviews should take place, it is considered good practice to review them in tandem with Local Plan reviews. Thus, if there is no Government change to the CIL/S106 system, a complete review of the CIL charging schedule should be undertaken in 2023/24 as part of the Local Plan review process. This could be dovetailed with the viability work required for the Plan Review, potentially reducing costs.
- 5.3 Procedurally, a partial review would need to take the same process as a draft CIL Charging Schedule in that it will require fresh viability evidence, public consultation for at least 4 weeks and independent examination.

6. **Equality implications**

- 6.1 The Council has a Public Sector Duty under the Equalities Act 2020 to have due regard to the need to:
- a) Eliminate unlawful discrimination, harassment, or victimisation;
 - b) Advance equality of opportunity between persons who share a Protected Characteristic and persons who do not share it;
 - c) Foster good relations between those who share a relevant and persons who do not share those characteristics.

in relation to the 9 'Protected Characteristics' stated within the Act.

- 6.2 A partial review of the CIL Charging Schedule would need to undergo screening for Equalities Impact Assessment. This would be reported to Planning Committee at a later date.

7. **Environmental/Sustainability/Biodiversity Implications**

- 7.1 A CIL Charging Schedule is not a Local Plan document and as such is not subject to Sustainability Appraisal. A reviewed CIL Charging Schedule will however need to undergo Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) screening. This would be reported to Planning Committee at a later date.

8. **Other Implications**

- 8.1 None

9. **Timetable for implementation**

- 9.1 The review is estimated to take 12-18 months to complete following appointment of consultants.

(To resolve)

Background papers

None

10. **Reference From Environment And Sustainability Committee – LGV Drivers – Retention And Succession Planning – Waste Management Operations (DSO – Shaun Barnes)**

Synopsis of report:

To consider a reference from the Environment and Sustainability Committee, which at its meeting on 17 November 2021, will be considering an increase to the refuse and recycling budget for a retention / market supplement payment for the DSO's existing 15 LGV drivers, the training and enhanced payment for five relief drivers to cover holidays etc. and the additional funding to increase the salary budget of the waste and street scene services for the appointment of an operations manager.

Recommendation:

a supplementary revenue estimate be approved in the sum of 131,500.68 for the additional funding of:

£57,825.00 pa for the existing 15 LGV refuse drivers as a retention / market supplement payment

£11,470.00 pa for the training of existing staff to cover the role of relief drivers

£53,205.68 for the increase in salaries once relief drivers are qualified, an increase for five members of staff from a Grade 4 Loader to a Grade 8 LGV Refuse Driver

£9,000.00 for the increase in the salary budget for the appointment of an operations manager for the waste and street scene budget.

(This recommendation is subject to consideration by the Environment and Sustainability Committee at its meeting on 17 November 2021).

At its meeting on 17 November 2021, the Environment and Sustainability Committee will be considering whether to recommend to this Committee that a supplementary revenue estimate be approved for an increase to the refuse and recycling budget for a retention / market supplement payment for the DSO's existing 15 LGV drivers, the training and enhanced payment for five relief drivers to cover holidays etc. and the additional funding to increase the salary budget of the waste and street scene services for the appointment of an operations manager.

The report to the Environment and Sustainability Committee is at Appendix 'G' attached. The recommendation of the Environment and Sustainability Committee on 17 November 2021 will be reported to this meeting.

(To resolve)

Background Papers

None

AGENDA REPORT TO ENVIRONMENT AND SUSTAINABILITY COMMITTEE – 17 NOVEMBER 2021

LGV Drivers – Retention and Succession Planning – waste management operations (DSO-Shaun Barnes)

Synopsis of report:

This report seeks the approval of Members for an increase to the refuse and recycling budget for a retention / market supplement payment for our existing 15 LGV drivers and the training and enhanced payment for five relief drivers to cover holidays etc. Also, the additional funding to increase the salary budget of the waste and street scene services for the appointment of an operations manager.

The sum including all on-costs is £57,825.00 pa for our existing LGV drivers, £11,470.00 pa for the training of 5 relief drivers and £53,205.68 for the increase in salaries from a Grade 4 Refuse Loader to a Grade 8 LGV refuse driver. Also, an additional £9,000.00 pa for appointment of an operations manager for waste and street scene service.

Recommendations:

i) Members approve the additional funding of:

£57,825.00 pa for the existing 15 LGV refuse drivers as a retention / market supplement payment

£11,470.00 pa for the training of existing staff to cover the role of relief drivers

£53,205.68 for the increase in salaries once relief drivers are qualified, an increase for five members of staff from a Grade 4 Loader to a Grade 8 LGV Refuse Driver

£9,000.00 for the increase in the salary budget for the appointment of an operations manager for the waste and street scene budget

Total annual increase in budget £131,500.68

ii) The Corporate Management Committee be requested to approve a supplementary revenue estimate in the sum of £ 131,500.68

1. Context of report

1.1 As Members will be aware from the recent media coverage, there is currently an estimated 100,000+ LGV and HGV (Class 2 and Class 1) vacant drivers posts throughout the United Kingdom. The same problems also exist throughout Europe. Salaries have also increased not just in the private sector but also across the public sector to retain existing drivers and protect services provided. The report shows the need for RBC to protect its exposure to staff being offered higher rates of pay to work elsewhere due to shortages as well as developing its own workforce through

retention and training. The proposal is to increase through a market supplement payment of an annual payment to each driver of £3,000 plus on-costs to enhance driver payments in line with external competition. This proposal will enable training and developing our staff to become relief drivers / loaders as well as dealing with future succession planning.

- 1.2 The driver shortage across the UK has been affected by the on-going industrial dispute at the DVLA with medical and licence renewals taking up to nine months to be processed with an estimated 50,000 renewals and medical assessments held up.
- 1.3 At the start of the COVID-19 pandemic, March 2020, the testing centres closed and remained closed for seven months, creating a backlog of tests.
- 1.4 There is across all industries an ageing workforce, particularly in the haulage / waste management industries, RBC is no different with two-thirds of our LGV drivers over the age of 60, with four members working past the age at which they could collect their pensions.
- 1.5 Throughout COVID-19, RBC was only one of twenty five local authorities across England (345) who did not use resources from other departments, suspend collection services or use external contractors to supplement its existing workforce to ensure a continuation of service delivery.
- 1.6 Currently throughout England, 48% of local authorities have reduced collections due to the shortage of drivers. The suspension of garden waste collections has been reported in the media over the last few months, but other local authorities have had to suspend food waste and recycling collections due to staff shortages.
- 1.7 Waste collection operations are a unique operation in which RBC operates. It requires 100% staffing regardless of holidays or sickness.
- 1.8 Until August 2021, the Council's Waste Management team were able to hire in relief drivers from agencies to cover holidays and sickness but due to the shortage of drivers nationally they have chosen to work elsewhere due to higher rates of pay and full-time positions.
- 1.9 Due to the age profile of our workforce as well as the shortage of qualified relief drivers we are looking to cover the periods of holidays and sickness as well as succession planning to ensure service delivery as well as developing our own staff through external training to become relief drivers / loaders.
- 1.10 During 2020 a report was presented to Members for an additional funding of £80,000 for the increase in food waste collections. The true cost was £98,000 of which £19,000 was taken from the salary budget to supplement the increased costs incurred with the procurement of the new food waste collection vehicles. Throughout COVID-19 and on-going the waste and street scene services RBC has had to rely on the service manager not taking any leave to ensure services could be maintained due to no management cover across the services.
- 1.11 The Council's Waste Management Team with the appointment of an Operations Manager also wish to further increase its work expanding the promotion and improvement of recycling and waste collections across the Borough as well as improving its recycling and contamination performance.

- 1.12 RBC has the highest ratio of workforce to management staff across the County and also the lowest operational salary cost for the delivery of waste, street scene and grounds maintenance operations.
- 1.13 Training of relief drivers could take up to four months from medical, training to examination. Training would need to commence during January 2022 to allow cover and resilience to ensure service delivery for Spring 2022 onwards.
- 1.14 The current waste management operations in the interim could still be affected by potential COVID-19 or winter flu outbreaks putting ever increasing pressure on the Council's Waste Management Team to suspend services.

2. **Report and, where applicable, options considered**

- 2.1 As part of its overall policy, approved by Members during July 2020 to improve recycling rates throughout Runnymede, over the last 15 months RBC recycling performance has increased 7.25% and our contamination levels have dropped from 17.7% to 4%.
- 2.2. The Council's Waste Management Team believe as from April 2022, with existing staff wanting to book and take annual leave they will struggle to replace drivers with agency drivers with there being an increased possibility of the suspension of operational rounds.
- 2.3 The Council's Waste Management Team have spoken to 48 local authorities across England, and they all expect to continue to have service disruption to collection services due to staff shortages and reduced income from Garden waste subscriptions throughout 2022.
- 2.4 The Council's Waste Management Team wish to explore with all its operational staff the working of a 4-day week collection service instead of a 5 day week which is a common practice across the industry to improve service delivery and performance.

3. **Policy framework implications**

- 3.1 On-going training of our existing staff to develop relief drivers and the succession planning of developing our own staff shows a commitment by RBC to improve members of staff pay and future career development.

4. **Resource implications**

- 4.1 Increased costs for market supplement payments to our existing 15 LGV drivers, the training of five relief drivers and on-going annual training, the salary increase of training our existing workforce to undertake relief driver / loader positions as well as supplementing the waste and street scene management budget are set out below:

- **£57,825.00 pa for the existing 15 LGV refuse drivers as a retention / market supplement payment**
- **£11,470.00 pa for the training of existing staff to cover the role of relief drivers**
- **£53,205.68 for the increase in salaries once relief drivers are qualified, an increase for five members of staff from a Grade 4 Loader to a Grade 8 LGV Refuse Driver**
- **£9,000.00 for the increase in the salary budget for the appointment of an operations manager for the waste and street scene budget**

- **Total annual increase in budget £131,500.68**

A Supplementary revenue estimate in the sum of £131,500.68 will be required.

5. Legal implications

5.1 Section 112 Local Government Act 1972 (Section 112) provides that a local authority shall appoint such officers as they think necessary for the proper discharge by the authority of such of their or another authority's functions as fall to be discharged by them. Section 112 goes on to provide that any officer appointed shall hold office on such reasonable terms and conditions, including conditions as to remuneration, as the authority appointing him think fit.

5.2 The payment of a market factor supplement is a common tool used by local authorities to address recruitment and retention problems in certain sectors. Such payments are designed to address short term problems and can be withdrawn if recruitment and retention issues improve over time.

5.3 Clearly the investment in training staff is something which the Council must protect. This can be achieved by the Council requiring staff it pays to train entering into any agreement that if they leave the Council's employment within a fixed period of securing a qualification, they will reimburse the Council the cost of such training.

6. Equality implications

6.1. None Identified

7. Environmental/Sustainability/ Biodiversity implications

7.1. None Identified

8. Conclusions

8.1 The proposals set out above seek to address national issues which exist in respect of the recruitment and retention of HGV drivers. Refuse collection is a service which is high profile, and any cessation of this service can result in adverse public reaction. By introducing the proposal to train existing staff the Council is being forward thinking and creating a career path for staff. Whilst the Council was able to continue delivering this important service during the height of the Covid pandemic it cannot be complacent about the longer term.

(To resolve)

Background papers

None

11. **Rough Sleeping Accommodation Programme 2021 – 24 (Housing – Maggie Ward)**

Synopsis of report:

The Housing Service has made a successful bid to what is now the Department of Levelling Up, Housing and Communities (DLUHC). This scheme is a co-production with Homes England, to provide both revenue and capital funding within the Rough Sleeping Accommodation Programme 2021-24, known as RSAP. This is a grant fund for provision of accommodation specifically designed for rough sleepers. The programme has a capital element for purchase and repair of properties and a revenue stream for provision of support services to the client group.

Permission is sought to purchase 3 properties utilising the Homes England grant, commuted sums held for Affordable Housing in lieu of on-site provision accrued through the Planning process and further funding secured from Surrey County Council. The properties will be held within the General Fund and be utilised for this scheme for 30 years.

Recommend to Full Council on 9 December 2021 that:

- i. **The purchase of 3 properties under the Homes England Rough Sleeping Accommodation Programme 2021-24 be approved to be held in the General Fund.**
- ii. **A supplementary capital estimate of £700,000 be approved to be funded from external grants and commuted sums.**

1. Context and background of report

- 1.1 Homes England administers funding for Affordable Housing Schemes to Registered Providers and Local Authorities through specific capital programmes which are open to bidding. Runnymede has made a successful bid under the Rough Sleeping Accommodation Programme 2021-24 (RSAP).

2. Report

- 2.1 Following the Government's "Everyone In" initiative operated during Covid-19 there have been opportunities to bid for grant funding to support the overarching strategy to end rough sleeping and to enable the move on from emergency and temporary accommodation of people assisted during lockdown. In September 2020 Runnymede was successful in the Next Steps Accommodation Programme (NSAP) with an Allocation of £52,240 revenue funding to provide support for rough sleepers.
- 2.2 The NSAP funding has now been followed up with a further capital programme, the Rough Sleeping Accommodation Programme 2021-24 (RSAP). Housing officers made a successful bid for £225,000 of capital funding towards purchase and repair of 3 properties to be used for rough sleeper move on. They will be one-bedroom flats or houses and can be let on non-secure tenancies or assured shorthold tenancies which means that they can be recycled for this use. It is a grant condition that the properties are retained for this purpose for 30 years.
- 2.3 A further £75,000 of grant funding has been promised by Surrey County Council which means that there is an initial £300,000 capital available. The grant funding from Homes England assumes 3 properties can be acquired and made ready to let for £675,000, leaving £375,000 to be found by the Council

- 2.4 In addition to the capital funding Runnymede was also successful in a revenue bid and has been awarded £80,000 which will be spread over years 2 and 3 of the programme to provide specialist support to the clients. For the first year funding of £40,000 will be covered by a further successful bid to the Rough Sleeper Initiative fund.
- 2.5 Officers are exploring contract options with specialist providers to ensure bespoke support is provided along with the accommodation to this client group who are likely to have complex needs with multiple deprivations and will need a high level of support to sustain a tenancy and hopefully transition into education or work.
- 2.6 These properties will be recycled with clients moving on to permanent housing when their support needs decrease to enable the scheme to be continuous.
- 2.7 Through the Planning process the Council receives from time to time “commuted sums” which are paid in lieu of on-site Affordable Housing provision where for instance a specialised type of housing such as older persons accommodation or the size of the development means that on site provision is not appropriate. These sums are paid to the Council to be utilised to provide Affordable Housing at alternative locations. It is proposed to utilise these commuted sums to fund the remaining cost of these units.
- 2.8 These properties must be purchased within this financial year. Officers have identified 2 suitable properties to date, one is in a Housing Revenue Account owned block and will be a Right to Buy buyback, and the other is a one bedroom starter home so has its own front door. The combined cost of these two properties is anticipated to be £430,000 purchase costs with up to £15,000 additional works so within the costs of the original bid. It is important that these are sensitive purchases in terms of both the client group and potential neighbours. A scheme like this will house a vulnerable and complex client group and the location of properties is very important. Flexibility in funding available for the third property will give more certainty to completing a final purchase within the short timescale.
- 2.9 The successful RSI bid also included the provision of a Housing Navigator role. This position will identify rough sleepers and support them off of the streets. Building rapport with the client they will guide them through their pathway plan and into safe housing in one of these properties. The officer will continue to provide support throughout their journey to enable successful transition from the street to a home.
- 2.10 There is no requirement within the agreement for continuous provision of specific support services. Revenue funding is for shorter periods of time and it is indicated that there will be a subsequent RSAP funding round after year 3 for additional support costs. If this is not available the management of these units will be absorbed into the Housing Solutions Service or an alternative scheme. There is no commitment from the Council to maintain the costs of the support services and any contract entered into will be for the period of this funding only.

3. **Policy framework implications**

- 3.1 This scheme will support the aims within a number of key Runnymede strategies:
- Runnymede Corporate Business Plan 2016-2020, Corporate Theme Supporting Local people: This theme involves improving the quality of people’s lives through developing healthier and safer communities, improving life chances, as well as listening to and representing local people.
 - Runnymede Borough Council Housing Strategy Statement 2021 – 2026
 - Runnymede Homelessness & Rough Sleeping Strategy 2019 – 2024

4. **Resource implications/Value for Money (where applicable)**

4.1 Although the grant funding of £225,000 from Homes England assumed 3 properties can be acquired and made ready to let for £675,000, given the two properties already identified as potential purchases, it is more likely that a budget of £700,000 will be required to cover the purchase price, fees and any adaptations needed.

4.2 It is anticipated that the funding of these purchases will be as follows:

Homes England Grant £	Surrey CC Grant £	Planning Commuted Sums £	Total £
225,000	75,000	400,000	700,000

4.3 This means that there would be no call on the Council's own capital funds to facilitate the purchase for this scheme.

4.4 Although the funding is in place, the Council's Financial Regulations state that any additions to the Capital Programme must be approved by Committee and a capital estimate sought regardless of the funding mechanisms, therefore the recommendation for this report has been worded accordingly and as the amount of the capital estimate exceeds the sum which this Committee can approve, this is a recommendation to Full Council.

4.5 The anticipated ongoing revenue costs of this scheme are set out below. The costs are elevated from a usual general needs property as the turnover is likely to be higher than a standard socially rented property. However, there will be an annual surplus for the General Fund which barring exceptional circumstances could be approximately £15,000. This is a client group which could result in higher costs but the intensive management should mitigate this and it has been reflected in the estimated annual costs.

4.6 **Potential Income**

Property	Market rent of property	80% of market rent	Annual Rent	Annual costs	Potential Income
1 bed house	219	175.2	8760	2500	6260
1 bed (ex RBC flat)	183	146.4	7320	2500	4820
1 bed flat	183	146.4	7320	2500	4820
Total		468	23400	7500	15900

5. **Legal implications**

5.1 In order to give the authority the necessary flexibility to operate the scheme as envisaged, officers are in discussions with a Registered Provider to which the three properties would be leased and then let to the individuals under assured shorthold tenancies.

6. **Equality implications**

6.1 This scheme will provide accommodation with support for vulnerable adults who have experienced rough sleeping. The properties will be allocated in line with our statutory duties and it is not believed that there are any equality implications.

7. **Timetable for Implementation**

7.1 The properties must be purchased by 31 March 2022 to benefit from the Homes England grant allocation.

8. Conclusions

- 8.1 This is an opportunity for the Council to acquire 3 properties to be used to support the Homelessness and Rough Sleeper Strategy utilising existing capital funding. An annual income from the properties will be accrued by the General Fund after management and maintenance costs.

(To recommend to Full Council on 9 December 2021)

Background Papers

None stated

12. **Strode's Foundation – Appointment Of Replacement Trustee (Law and Governance – Carol Holehouse)**

Synopsis of report:

To ask Members to consider the two nominations received to replace Mrs Eiry Price as a Trustee on Strode's Foundation for a 4 year term.

Recommendation:

To consider the nominations received from Councillor Balkan and Councillor Williams and to make the appointment in accordance with Standing Order 39.6.

1. This item was on the agenda for the meeting of the Committee on 14 October 2021 which was cancelled and accordingly is submitted to this meeting of the Committee for decision.
2. Officers have received earlier in the year notification that Mrs Eiry Price wished to resign as Trustee on the Strode's Foundation in September 2021 at the end of her term of office.
3. Officers contacted all Members to ask for nominations for the role and Councillors Balkan and Williams have expressed an interest. Members are therefore asked to consider the nominations received, which have been circulated to Members. The procedure which will be followed for the appointment, in accordance with Standing Order 39.6, is set out below.
4. If a Member is nominated for appointment to an outside body, they are not allowed to speak in support of their nomination.
5. One Member of the Committee (not the Member nominated) is allowed a maximum of two minutes to speak in support of the nomination of another Member to represent the Council on an outside body. Any other Member of the Committee (not the Member nominated) wishing to speak on the proposed nomination shall also have a maximum of two minutes to speak.
6. The names of the candidates/nominations shall be put to the meeting in alphabetical order and the Members of the Committee voting for each candidate shall indicate their vote by raising their hands. Whichever candidate receives the greater number of votes shall be appointed.

(To resolve)

Background papers

Nomination forms received.

13. **Chertsey Combined Charity – Appointment Of Replacement Trustee
(Law And Governance – Carol Holehouse)**

Synopsis of report:

To ask Members to consider the two nominations received to replace Mrs J. Norman as a trustee on the Chertsey Combined Charity.

Recommendation:

To consider the nominations received for Mr Adrian Elston and Mr Neill Rubidge and to make the appointment in accordance with Standing Order 39.6.

1. Officers received notification earlier in the year that Mrs. J Norman wished to resign as Trustee on the Chertsey Combined Charity.
2. Officers contacted Members asking if they would like to put their name forward or, as the replacement does not need to be a Member of the Council, knew of anyone in the community who would be interested in taking on this role. Officers have received a nomination from Mr. Adrian Elston.
3. Officers have also been advised by the Secretary and Treasurer of the Chertsey Combined Charity that one of the Charity's Trustees, Councillor Dolsie Clarke, has nominated Mr Neill Rubidge for this appointment.
4. The Secretary and Treasurer of the Chertsey Combined Charity has asked Members to note that the Charity has been under represented in Addlestone, from where a large proportion of assistance requests emanates, for many years.
5. The Committee is requested to note that both of the candidates who have been nominated for this appointment, Mr Adrian Elston and Mr Neill Rubidge, are Addlestone residents.
6. Chertsey Combined Charity is an independent body and the appointee is placed there to act as a Trustee. They are not there to act as Council representatives but to use their judgement in the best interests of the Charity. In many cases, while acting on the outside body, they will be under a positive legal duty to act in its best interests rather than those of the Council. Council insurance will not cover them and they cannot be indemnified by the Council.
7. Members are asked to consider the nominations received, which have been circulated to Members. The procedure which will be followed for the appointment, in accordance with Standing Order 39.6, is set out below.
8. If a Member or a candidate is nominated for appointment to an outside body, they are not allowed to speak in support of their nomination.
9. One Member of the Committee is allowed a maximum of two minutes to speak in support of the nomination of a candidate to represent the Council on an outside body. Any other Member of the Committee wishing to speak on the proposed nomination shall also have a maximum of two minutes to speak.
10. The names of the candidates/nominations shall be put to the meeting in alphabetical order and the Members of the Committee voting for each candidate

shall indicate their vote by raising their hands. Whichever candidate receives the greater number of votes shall be appointed.

(To resolve)

Background papers

Nomination forms received

Email correspondence with the Secretary and Treasurer of the Chertsey Combined Charity

14. **Egham United Charity – Appointment Of Replacement Trustee
(Law And Governance – Carol Holehouse)**

Synopsis of report:

To ask Members to approve the proposed replacement Trustee on the Egham United Charity.

Recommendation:

To approve Mr Hemang Shah as the proposed replacement Trustee on the Egham United Charity.

1. This item was on the agenda for the meeting of the Committee on 14 October 2021 which was cancelled and accordingly is submitted to this meeting of the Committee for decision.
2. Officers have received notification from Egham United Charity that one of their current Trustees wished to resign and the Chairman of the Trustees has asked this Council to approve Mr Hemang Shah as replacement Trustee for the unexpired term of office until 2023.
3. Egham United Charity is an independent body and the appointee is placed there to act as a Trustee. They are not there to act as Council representatives but to use their judgement in the best interests of the Charity. In many cases, while acting on the outside body, they will be under a positive legal duty to act in its best interests rather than those of the Council. Council insurance will not cover them and they cannot be indemnified by the Council.
4. Under the governing document of the Egham United Charity it states that it will have nine trustees who are made up of the following three groups:

Two Ex-officio Trustees
Four Representative Trustees
Three Co-optative Trustees
5. In respect of the Representative Trustees the governing document states that they will be a resident in one of four wards specified in the governing document and need not be a Member of the Council. This charity has adopted a proactive approach to developing people as future trustees and have created a group of people they describe as Associate Trustees. In order to provide an effective succession, when a vacancy for a Representative Trustee arises, they will invite the Council to appoint a person who is currently an Associate Trustee as a Representative Trustee. This allows them to have someone who is familiar and committed to the organisation take on the role.

(To resolve)

Background papers

None

15. **Calendar Of Meetings 2022 – 2023 (Law And Governance – Bernard Fleckney)**

Synopsis of report:

To consider the calendar of meetings for the next Municipal Year.

Recommend to Full Council on 9 December 2021 that:

The calendar of meetings for May 2022-May 2023 be approved.

1. Report

- 1.1 This item was on the agenda for the meeting of the Committee on the 14 October 2021 which was cancelled and accordingly is submitted to this meeting of the Committee for it to make a recommendation.
- 1.2 The Committee is asked to consider and recommend to full Council the proposed Calendar of meetings for the next Municipal Year which runs from May 2022-May 2023 as shown on Appendix 'H'.
- 1.3 The schedule of meetings largely follows the usual well established pattern. As per last year, wherever possible, the opportunity has been taken to try and avoid meetings of Committees, other than Planning Committee, during school holiday periods. In view of the small amount of business for the two Corporate Management Committee meetings held this year, only one Corporate Management Committee meeting is scheduled for September 2022 which will meet on 22 September 2022.
- 1.4 For ease of reference, a diary schedule of the Committee dates is also attached at Appendix 'I'.
- 1.5 The Chief Executive has delegated authority to make ad hoc minor changes to the calendar of meetings in consultation with the respective Leaders of the political groups. Special meetings of committees can be held where circumstances dictate.

(To recommend to Full Council on 9 December 2021)

Background papers

None

CALENDAR OF MEETINGS – MUNICIPAL YEAR 2022/2023

MAY 2022

Mon		BH	9	16	23	30
Tue		3	10	17	24	31
Wed		4	PL	AC	SA	
Thr		BE	12	19	CM	
Fri		6	13	20	27	
Sat		7	14	21	28	
Sun	1	8	15	22	29	

JUNE

Mon		6	13	20	27	
Tue		7	14	LC/RC	EG	
Wed		PL	H	15	PL	29
Thr		BH	ES	CS	CM	30
Fri		BH	10	17	24	
Sat		4	11	18	25	
Sun		5	12	19	26	

JULY

Mon		4	11	18	25	
Tue		5	12	SA	26	
Wed		6	PL	20	27	
Thr		OS/CD	C/CT	CM	28	
Fri	1	8	15	22	29	
Sat	2	9	16	23	30	
Sun	3	10	17	24	31	

AUGUST

Mon	1	8	15	22	BH	
Tue	2	9	16	23	30	
Wed	3	10	17	24	31	
Thr	4	11	18	25		
Fri	5	12	19	26		
Sat	6	13	20	27		
Sun	7	14	21	28		

SEPTEMBER

Mon		5	12	19	26	
Tue		CMLG	13	SA	LC/RC	
Wed		PL	ES	H	PL	
Thr	1	8	CS	CM	29	
Fri	2	9	16	23	30	
Sat	3	10	17	24		
Sun	4	11	18	25		

OCTOBER

Mon		3	10	17	24	31
Tue		4	11	EG	25	
Wed		5	12	PL	26	
Thr		OS/CD	CM	C	27	
Fri		7	14	21	28	
Sat	1	8	15	22	29	
Sun	2	9	16	23	30	

NOVEMBER

Mon		7	14	21	28	
Tue	1	LC/RC	15	SA	29	
Wed	2	PL	H	23	PL	
Thr	3	CS	ES	CM		
Fri	4	11	18	25		
Sat	5	12	19	26		
Sun	6	13	20	27		

DECEMBER

Mon		5	12	19	BH	
Tue		6	13	20	BH	
Wed		7	14	PL	28	
Thr	OS	C	CM	22	29	
Fri	2	9	16	23	30	
Sat	3	10	17	24	31	
Sun	4	11	18	25		

JANUARY 2023

Mon		BH	9	16	23	30
Tue		3	10	17	SA	31
Wed		LC/RC	H	PL	25	
Thr		CS/CT	ES	CM	26	
Fri		6	13	20	27	
Sat		7	14	21	28	
Sun	1	8	15	22	29	

FEBRUARY

Mon		6	13	20	27	
Tue		7	14	EG	CMLG	
Wed	1	PL	15	22		
Thr	OS/CD	C	16	CM		
Fri	3	10	17	24		
Sat	4	11	18	25		
Sun	5	12	19	26		

MARCH

Mon		6	13	20	27	
Tue		7	14	21	28	
Wed		PL	H	LC/RC	PL	29
Thr		C	ES	CS	CM	OS/CD
Fri	3	10	17	24	31	
Sat	4	11	18	25		
Sun	5	12	19	26		

APRIL

Mon		3	BH	17	24	
Tue		4	11	18	25	
Wed		5	PL	19	26	
Thr		6	13	CM	C	
Fri		BH	14	21	28	
Sat	1	8	15	22	29	
Sun	2	9	16	23	30	

MAY

Mon		BH	8	15	22	BH
Tue		2	9	16	23	30
Wed		3	PL	AC	SA	31
Thr		BE	11	18	CM	
Fri		5	12	19	26	
Sat		6	13	20	27	
Sun		7	14	21	28	

LEGEND

- AC** - Annual Council
- BE** - Borough Election
- CT** - Cabrera Trust Management Committee (2.30pm)
- CMLG** - Chertsey Meads Management Liaison Group
- C** - Council
- CD** - Crime and Disorder Committee
- CM** - Corporate Management Committee
- CS** - Community Services Committee
- EG** - Englefield Green (at Cricket Pavilion)
- ES** - Environment and Sustainability Committee
- H** - Housing Committee
- JC** - Runnymede and Surrey Joint Committee
- LC** - Licensing Committee
- OS** - Overview & Scrutiny Select Committee
- PL** - Planning Committee (6.30pm)
- RC** - Regulatory Committee
- SA** - Standards and Audit Committee
- BH** - Bank Holiday

- All meetings of Council and Committees commence at 7.30 p.m. and are held in the Council Chamber at the Civic Centre, Addlestone, unless otherwise stated.
- The Council Meeting on 9 February 2023 is held primarily to approve the Council Tax.

COUNCIL & COMMITTEE MEETINGS MAY 2022- MAY 2023

All meetings start at 7.30pm except for Planning Committee which starts at 6.30pm. Meetings will held at the Civic Centre unless otherwise stated.

May 2022

- 5 Borough Election
- 11 Planning Committee
- 18 Annual Council
- 25 Standards and Audit Committee
- 26 Corporate Management Committee

June 2022

- 1 Planning Committee
- 8 Housing Committee
- 9 Environment and Sustainability Committee
- 16 Community Services Committee
- 21 Licensing Committee
- 21 Regulatory Committee
- 22 Planning Committee
- 23 Corporate Management Committee
- 28 Englefield Green Committee

July 2022

- 7 Overview and Scrutiny Select Committee
- 7 Crime and Disorder Committee
- 13 Planning Committee
- 14 Council
- 14 Cabrera Trust AGM
- 19 Standards and Audit Committee
- 21 Corporate Management Committee

August 2022

No meetings scheduled

September 2022

- 6 Chertsey Meads Management Liaison Group
- 7 Planning Committee
- 14 Environment and Sustainability Committee
- 15 Community Services Committee
- 20 Standards and Audit Committee
- 21 Housing Committee
- 22 Corporate Management Committee
- 27 Licensing Committee
- 27 Regulatory Committee
- 28 Planning Committee

October 2022

- 6 Overview and Scrutiny Select Committee
- 6 Crime and Disorder Committee
- 13 Corporate Management Committee

- 18 Englefield Green Committee (at Cricket Pavilion)
- 19 Planning Committee
- 20 Council

November 2022

- 8 Licensing Committee
- 8 Regulatory Committee
- 9 Planning Committee
- 10 Community Services Committee
- 16 Housing Committee
- 17 Environment and Sustainability Committee
- 22 Standards and Audit Committee
- 24 Corporate Management Committee
- 30 Planning Committee

December 2022

- 1 Overview and Scrutiny Select Committee
- 8 Council
- 15 Corporate Management Committee
- 21 Planning Committee

January 2023

- 4 Licensing Committee
- 4 Regulatory Committee
- 5 Community Services Committee
- 5 Cabrera Trust Management Committee
- 11 Housing Committee
- 12 Environment and Sustainability Committee
- 18 Planning Committee
- 19 Corporate Management Committee
- 24 Standards and Audit Committee

February 2023

- 2 Overview and Scrutiny Select Committee
- 2 Crime and Disorder Committee
- 8 Planning Committee
- 9 Council
- 21 Englefield Green Committee (at Cricket Pavilion)
- 23 Corporate Management Committee
- 28 Chertsey Meads Management Liaison Group

March 2023

- 1 Planning Committee
- 2 Council
- 8 Housing Committee
- 9 Environment and Sustainability Committee
- 15 Licensing Committee
- 15 Regulatory Committee
- 16 Community Services Committee
- 22 Planning Committee
- 23 Corporate Management Committee
- 30 Overview and Scrutiny Select Committee
- 30 Crime and Disorder Committee

April 2023

12 Planning Committee
20 Corporate Management Committee
27 Council

May 2023

4 Borough Election
10 Planning Committee
17 Annual Council
24 Standards and Audit Committee
25 Corporate Management Committee

16. **Fees And Charges (Finance – Peter Hubbard)**

Synopsis of report:

To recommend the proposed fees and charges under this Committee’s remit for next financial year.

Recommendation:

the proposed fees and charges as set out in Appendix 'J' be approved to be effective from the dates within the Appendix or as soon as practical thereafter.

1. Context of report

1.1 The current fees and charges were agreed last year at the Committee’s meeting in November 2020.

2. Report

2.1 The Council Constitution provides delegated authority to Officers to alter fees, charges and prices without reference to Committee in order to respond to market conditions, new needs, changes in tax rates, and so on. Nonetheless, the annual review of charges remains an important part of the overall budget setting process and the policy framework for service provision in general.

2.2 As part of the budget setting process, Service Managers are requested to review their charges each year. Members have previously agreed that officers put forward recommended increases based on:

- Current market conditions
- Local competition
- The likely yield of any fee increase
- On-going savings targets and revenue reduction programmes

2.3 Members have accepted that in some service areas it may not be possible to significantly increase fees, and in others it may be necessary to decrease them to stimulate demand. However, an average of 2% for discretionary locally set charges should be aimed for as the financial plans of the Council assume at least an inflationary increase.

2.4 This report reviews current levels of fees and charges, with a view to helping to balance next year’s budget and is a key strand of the Council’s Medium Term Financial Strategy of net revenue reductions.

2.5 The fees and charges proposed by service managers for next year are set out at Appendix ‘J’ along with the dates that they will take effect. The Appendix includes a Yield column showing the next year’s budget for each charges/group of charges, so that Members can estimate the financial implications of any price rises.

3. Resource implications

3.1 Local land charges

The aim is to recover the full cost of operating the Land Charges service by breaking even over each three-year period. The 2020/21 account was not expecting to break even because of the reduced income due to Covid. However, including a contribution from the Government, the account did break even.

3.2 **Council tax and Business rates**

The Council Tax and Business Rates court costs are partially statutory fees, and the Council must apply to the Courts for any increase. The cost of officer time is recovered by the fees. In 2022, as the UK moves out of the Covid pandemic the fee level can be discussed with magistrates.

3.3 **Freedom of Information/Environmental Information Requests**

The fee for staff time (where chargeable) has been set at £25 per hour.

3.4 **Corporate properties**

This Committee includes the fees and charges for garages. The fees for garage rents are proposed to be increased by 25 pence per week, plus VAT where appropriate.

3.5 **Civic centre accommodation**

The accommodation fees have not increased in the last ten years and with costs rising these charges have been reviewed and increased by varying percentages.

4. **Legal implications**

- 4.1 Where the status of a charge is marked as 'statutory' the Council is required under the law to levy a fee. Where the status is given as 'discretionary' the Council may amend the fee charged or choose to make no charge for the service.

5. **Equality implications**

- 5.1 Where any major changes to the structure of any charging regime are proposed, an Equality Impact Assessment will have been completed by the relevant Budget Manager.

(To resolve)

Background papers

None

Fees and charges

APPENDIX 'J'

Corporate and Business Services

	Charge Status	From April 2021 £	From April 2022 £	% Increase	Yield £	VAT treatment	
<u>Register of Electors</u>							
Sale of Register of Electors - published full registers - charges set by legislation							
Data format	Statutory	20.00	20.00	0.00%	1,500	Outside Scope	
plus for every 1,000 entries or part thereof	Statutory	1.50	1.50	0.00%		Outside Scope	
Printed paper format	Statutory	10.00	10.00	0.00%		Outside Scope	
plus for every 1,000 entries or part thereof	Statutory	5.00	5.00	0.00%		Outside Scope	
Sale of Overseas register of Electors - published full registers - charges set by legislation							
Data format	Statutory	20.00	20.00	0.00%		Outside Scope	
plus for every 100 entries or part thereof	Statutory	1.50	1.50	0.00%		Outside Scope	
Printed paper format	Statutory	10.00	10.00	0.00%		Outside Scope	
plus for every 100 entries or part thereof	Statutory	5.00	5.00	0.00%		Outside Scope	
Sale of Register of Electors - marked registers - charges set by legislation							
Data format	Statutory	10.00	10.00	0.00%		Outside Scope	
plus for every 1,000 entries or part thereof	Statutory	1.00	1.00	0.00%		Outside Scope	
Printed paper format	Statutory	10.00	10.00	0.00%	Outside Scope		
plus for every 1,000 entries or part thereof	Statutory	2.00	2.00	0.00%	Outside Scope		
Sale of Register of Electors - published edited registers - charges set by legislation							
Data format	Statutory	20.00	20.00	0.00%	Outside Scope		
plus for every 1,000 entries or part thereof	Statutory	1.50	1.50	0.00%	Outside Scope		
Printed paper format	Statutory	10.00	10.00	0.00%	Outside Scope		
plus for every 1,000 entries or part thereof	Statutory	5.00	5.00	0.00%	Outside Scope		

Fees and charges

Corporate and Business Services

	Charge Status	From April 2021 £	From April 2022 £	% Increase	Yield £	VAT treatment
<u>Local land charges search fees</u>						
Personal search - charge set by the Lord Chancellor	Statutory	Nil	Nil	-	} nil	Outside Scope
Each extra taxable assessment - charge set by the Lord Chancellor	Statutory	Nil	Nil	-		Outside Scope
LLC 1 Search form:-						
Commercial	Discretionary	45.00	45.00	0.00%	} 245,000	Outside Scope
Residential	Discretionary	45.00	45.00	0.00%		Outside Scope
Each extra taxable assessment	Discretionary	10.00	10.00	0.00%		Outside Scope
Search any one part of the register	Discretionary	11.00	11.00	0.00%		Outside Scope
CON 29 enquiry form:-						
Commercial	Discretionary	240.00	240.00	0.00%	} 245,000	Standard
Residential	Discretionary	190.00	190.00	0.00%		Standard
Each extra taxable assessment	Discretionary	30.00	30.00	0.00%		Standard
Optional part II enquiry	Discretionary	21.00	21.00	0.00%		Standard
Additional enquiry	Discretionary	42.00	42.00	0.00%		Standard
General:-						
Copy Search	Discretionary	11.00	11.00	0.00%	} 300	Standard
Copy of legal agreement (including plans)	Discretionary	35.00	35.00	0.00%		Standard
<u>Council Tax</u>						
Court costs	Statutory	94.50	94.50	0.00%	165,000	Exempt
<u>Business Rates</u>						
Court costs	Statutory	135.50	135.50	0.00%	8,000	Outside Scope
<u>Other charges</u>						
Freedom of information/Environmental Information regulations - staff time per hour	Discretionary	25.00	25.00	0.00%	} 100	Standard
Data Protection Subject Access Request - per request - charges set by legislation	Statutory	no charge from May 2018				Outside Scope
Provision of photocopies of documents under the Local Government (Access to Information Act 1986) (per page)	Discretionary	0.30	0.30	0.00%	} 100	Standard
Provision of photocopies generally						
Printing/copying A4 documents (per page)	Discretionary	0.30	0.30	0.00%		Standard
Printing/copying A3 documents (per page)	Discretionary	0.40	0.40	0.00%		Standard

Fees and charges

Corporate and Business Services

		Charge Status	From April 2021 £	From April 2022 £	% Increase	Yield £	VAT treatment
<u>Corporate Properties</u>							
Garage rentals (per week)							
	If included with house	Discretionary	13.50	13.75	1.85%	702,400	Outside Scope
	Private rental	Discretionary	16.20	16.50	1.85%		Standard
Sale of property enquiries - refundable if sale proceeds		Discretionary	1,000.00	1,000.00	0.00%	nil	Standard
<u>Civic Centre accommodation charges</u>							
Council Chamber		Community use per hour	40.00	45.00	12.50%	nil	Standard
		Semi commercial use per hour	80.00	90.00	12.50%		Standard
		Commercial use per hour	120.00	135.00	12.50%		Standard
Committee Room		Community use per hour	20.00	25.00	25.00%	nil	Standard
		Semi commercial use per hour	40.00	50.00	25.00%		Standard
		Commercial use per hour	60.00	75.00	25.00%		Standard
Foyer/Meeting Rooms/Members Room		Community use per hour	10.00	15.00	50.00%	nil	Standard
		Semi commercial use per hour	20.00	30.00	50.00%		Standard
		Commercial use per hour	30.00	45.00	50.00%		Standard
Out of hours reception cover		per hour	35.00	40.00	14.29%	nil	Standard
<u>Sale of agendas and civic publications</u>							
Sale of copy agendas per annum							
	Residents groups etc. - All Committees	Discretionary	126.00	126.00	0.00%	300	Outside Scope
	Residents groups etc. - individual main Committee only (except Planning)	Discretionary	35.00	35.00	0.00%		Outside Scope
	Residents groups etc. - Planning Committee only	Discretionary	105.00	105.00	0.00%		Outside Scope
	Commercial organisations - All Committees	Discretionary	499.00	499.00	0.00%		Outside Scope
	Commercial organisations - Individual Main Committee only (except Planning)	Discretionary	110.00	110.00	0.00%		Outside Scope
	Commercial organisations - Planning Committee only	Discretionary	324.00	324.00	0.00%		Outside Scope
	Sale of copy agendas - Individual copies	Discretionary	3.50	3.50	0.00%		Outside Scope
Sale of copy minute book							
	Residents groups etc. - per annum	Discretionary	52.50	52.50	0.00%	300	Outside Scope
	Residents groups etc. - per individual copy	Discretionary	9.45	9.45	0.00%		Outside Scope
	Commercial organisations - per annum	Discretionary	180.00	180.00	0.00%		Outside Scope
	Commercial organisations - per individual copy	Discretionary	46.00	46.00	0.00%		Outside Scope

17. **Treasury Management Mid Year Report 2021/22 (Finance – Paul French)**

Synopsis of report:

The report sets out the treasury activity for the first six months of the 2021/22 financial year.

Recommendations:

For information

1 Context of report

- 1.1 In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare Treasury Management and Capital Strategies
- 1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
- 1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 1.4 CIPFA define treasury management as:
- “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*
- 1.5 The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These are:
- Prudential and Treasury Indicators and Treasury Management Strategy (TMS)
 - A mid year Treasury Management Report (this report)
 - An annual Treasury Management Report
- 1.6 The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Corporate Management Committee, and for the execution and administration of treasury management decisions to the Assistant Chief Executive, who will act in accordance with the Council's Treasury Policy Statement and Treasury Management Practices (TMP).
- 1.7 These reports are required to be adequately scrutinised and this role is undertaken by the Overview and Scrutiny Select Committee.
- 1.8 The Council has adopted both the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes – 2017 Edition (the

TM Code) and the Prudential Code and this report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the relevant CIPFA Codes and Department for Levelling Up, Housing and Communities (DLUHC - formerly MHCLG) Guidance.

- 1.9 The Council's Treasury Management Strategy, Annual Investment Strategy and Prudential Indicators for 2021/22 were considered by the Corporate Management Committee at its meeting held on 21 January 2021 and the Overview and Scrutiny Select Committee at its meeting on 4 February 2021 before final approval by full Council on 9 February 2021.

2. Economy and Outlook for Interest Rates

Treasury Management Consultants

- 2.1 The Council recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. Following a tendering exercise carried out during the summer of 2016, Link Asset Services (Link) were awarded a new contract from 1 October 2016. This contract is for the period of five years. Although Link provide advice to the Council, responsibility for final decision making remains with the Council and its officers at all times.

Economic Update

- 2.2 The Council's treasury advisor, Link Asset Services, has provided the economic update in the following paragraphs.
- 2.3 At its meeting on 24 September 2021, the Monetary Policy Committee (MPC) voted unanimously to leave Bank Rate unchanged at 0.10% and made no changes to its programme of quantitative easing purchases due to finish by the end of this year at a total of £895bn; two MPC members voted to stop the last £35bn of purchases as they were concerned that this would add to inflationary pressures.
- 2.4 There was a major shift in the tone of the MPC's minutes at this meeting from the previous meeting in August which had majored on indicating that some tightening in monetary policy was now on the horizon, but also not wanting to stifle economic recovery by too early an increase in Bank Rate. In his press conference after the August MPC meeting, Governor Andrew Bailey said, "the challenge of avoiding a steep rise in unemployment has been replaced by that of ensuring a flow of labour into jobs" and that "the Committee will be monitoring closely the incoming evidence regarding developments in the labour market, and particularly unemployment, wider measures of slack, and underlying wage pressures." In other words, it was flagging up a potential danger that labour shortages could push up wage growth by more than it expects and that, as a result, CPI inflation would stay above the 2% target for longer. It also discounted sharp increases in monthly inflation figures in the pipeline in late 2021 which were largely propelled by events a year ago e.g., the cut in VAT in August 2020 for the hospitality industry, and by temporary shortages which would eventually work their way out of the system: in other words, the MPC had been prepared to look through a temporary spike in inflation.
- 2.5 So, in August the country was just put on alert. However, this time the MPC's words indicated there had been a marked increase in concern that more recent increases in prices, particularly the increases in gas and electricity prices in October and due again next April, are, indeed, likely to lead to faster and higher inflation expectations and underlying wage growth, which would in turn increase the risk that price pressures would prove more persistent next year than previously expected. Indeed, to emphasise its concern about inflationary pressures, the MPC pointedly chose to reaffirm its commitment to the 2% inflation target in its statement; this suggested that it was now willing to look through the flagging economic recovery during the summer to prioritise bringing inflation down next year. This is a reversal of its priorities in

August and a long way from words at earlier MPC meetings which indicated a willingness to look through inflation overshooting the target for limited periods to ensure that inflation was ‘sustainably over 2%’. Indeed, whereas in August the MPC’s focus was on getting through a winter of temporarily high energy prices and supply shortages, believing that inflation would return to just under the 2% target after reaching a high of around 4% in late 2021, now its primary concern is that underlying price pressures in the economy are likely to get embedded over the next year and elevate future inflation to stay significantly above its 2% target and for longer.

2.6 Financial markets are now pricing in a first increase in Bank Rate from 0.10% to 0.25% in February 2022, but this looks ambitious as the MPC has stated that it wants to see what happens to the economy, and particularly to employment once furlough ends at the end of September. At the MPC’s meeting in February it will only have available the employment figures for November: to get a clearer picture of employment trends, it would need to wait until the May meeting when it would have data up until February. At its May meeting, it will also have a clearer understanding of the likely peak of inflation.

2.7 The MPC’s forward guidance on its intended monetary policy on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -

- Placing the focus on raising Bank Rate as “the active instrument in most circumstances”.
- Raising Bank Rate to 0.50% before starting on reducing its holdings.
- Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
- Once Bank Rate had risen to at least 1%, it would start selling its holdings.

2.8 COVID-19 vaccines. These have been the game changer which have enormously boosted confidence that life in the UK could largely return to normal during the summer after a third wave of the virus threatened to overwhelm hospitals in the spring. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in hard hit sectors like restaurants, travel and hotels. The big question is whether mutations of the virus could develop which render current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread.

Outlook for Interest Rates

2.9 The Council’s treasury advisor, Link Asset Services, has provided the following forecast on 29th September 2021 (PWLB rates are certainty rates, gilt yields plus 80bps):

Link Group Interest Rate View		29.9.21								
	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75
3 month ave earnings	0.10	0.10	0.20	0.20	0.30	0.40	0.50	0.50	0.60	0.70
6 month ave earnings	0.20	0.20	0.30	0.30	0.40	0.50	0.60	0.60	0.70	0.80
12 month ave earnings	0.30	0.40	0.50	0.50	0.50	0.60	0.70	0.80	0.90	1.00
5 yr PWLB	1.40	1.40	1.50	1.50	1.60	1.60	1.60	1.70	1.70	1.70
10 yr PWLB	1.80	1.80	1.90	1.90	2.00	2.00	2.00	2.10	2.10	2.10
25 yr PWLB	2.20	2.20	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.60
50 yr PWLB	2.00	2.00	2.10	2.20	2.20	2.20	2.20	2.30	2.30	2.40

2.10 The coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings. Bank Rate is not expected to go up fast after the initial rate

rise as the supply potential of the economy has not generally taken a major hit during the pandemic, so should be able to cope well with meeting demand without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the surge to around 4% towards the end of 2021. Three increases in Bank rate are forecast in the period to March 2024, ending at 0.75%. However, these forecasts may well need changing within a relatively short time frame for the following reasons: -

- There are increasing grounds for viewing the economic recovery as running out of steam during the summer and now into the autumn. This could lead into stagflation which would create a dilemma for the MPC as to which way to face.
- Will some current key supply shortages e.g., petrol and diesel, spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation. Then we have the Government's upcoming budget in October, which could also end up in reducing consumer spending power.
- On the other hand, consumers are sitting on around £200bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- There are 1.6 million people coming off furlough at the end of September; how many of those will not have jobs on 1st October and will, therefore, be available to fill labour shortages in many sectors of the economy? So, supply shortages which have been driving up both wages and costs, could reduce significantly within the next six months or so and alleviate the MPC's current concerns.
- There is a risk that there could be further nasty surprises on the Covid front, on top of the flu season this winter, which could depress economic activity.

2.11 In summary, with the high level of uncertainty prevailing on several different fronts, it is likely that these forecasts will need to be revised again soon - in line with what the new news is. It also needs to be borne in mind that Bank Rate being cut to 0.10% was an emergency measure to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away that final emergency cut from 0.25% to 0.10% on the grounds of it no longer being warranted and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

2.12 As the interest forecast table for PWLB certainty rates above shows, there is likely to be a steady rise over the forecast period, with some degree of uplift due to rising treasury yields in the US. There is also likely to be exceptional volatility and unpredictability in respect of gilt yields and PWLB rates. The forecasts are also predicated on an assumption that there is no break-up of the Eurozone or EU within our forecasting period, despite the major challenges that are looming up, and that there are no major ructions in international relations, especially between the US and China / North Korea and Iran, which have a major impact on international trade and world GDP growth.

2.13 Since the start of 2021, there has been a lot of volatility in gilt yields, and hence PWLB rates. During the first part of the year, US President Biden's, and the Democratic party's determination to push through a \$1.9trn (equivalent to 8.8% of GDP) fiscal boost for the US economy as a recovery package from the Covid pandemic was what unsettled financial markets. However, this was in addition to the \$900bn support package already passed in December 2020 under President Trump.

This was then followed by additional Democratic ambition to spend further huge sums on infrastructure and an American families plan over the next decade which are caught up in Democrat / Republican haggling. Financial markets were alarmed at all this stimulus, which is much bigger than in other western economies.

- 2.14 As the US financial markets are, by far, the biggest financial markets in the world, any trend upwards in the US will invariably impact and influence financial markets in other countries. However, during June and July, longer term yields fell sharply; even the large non-farm payroll increase in the first week of August seemed to cause the markets little concern, which is somewhat puzzling, particularly in the context of the concerns of many commentators that inflation may not be as transitory as the Fed is expecting it to be. Indeed, inflation pressures and erosion of surplus economic capacity look much stronger in the US than in the UK. As an average since 2011, there has been a 75% correlation between movements in 10 year treasury yields and 10 year gilt yields. This is a significant UPWARD RISK exposure to our forecasts for longer term PWLB rates. However, gilt yields and treasury yields do not always move in unison.
- 2.15 There are also possible DOWNSIDE RISKS from the huge sums of cash that the UK populace have saved during the pandemic; when savings accounts earn little interest, it is likely that some of this cash mountain could end up being invested in bonds and so push up demand for bonds and support their prices i.e., this would help to keep their yields down. How this will interplay with the Bank of England eventually getting round to not reinvesting maturing gilts and then later selling gilts, will be interesting to keep an eye on.
- 2.16 One of the key results of the pandemic has been a fundamental rethinking and shift in monetary policy by major central banks like the Fed, the Bank of England and the ECB, to tolerate a higher level of inflation than in the previous two decades when inflation was the prime target to bear down on so as to stop it going above a target rate. There is now also a greater emphasis on other targets for monetary policy than just inflation, especially on 'achieving broad and inclusive "maximum" employment in its entirety' in the US before consideration would be given to increasing rates.

3 Debt Management Strategy

- 3.1 The Council's underlying need to borrow, known as the Capital Financing Requirement (CFR), represents the level of unfinanced capital expenditure. Part of the Council's treasury activity is to address the funding requirements for this borrowing need.
- 3.2 During last year, the Council maintained an under-borrowed position. This means that the borrowing need, was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow, was used as an interim measure - this is known as "internal borrowing"
- 3.3 The policy of avoiding new borrowing by running down spare cash balances, has served the Council well over the last few years and in the last year in particular it has made sense to use our spare balances in this way as investment rates have been close to zero. With £51m under borrowed at the end of last year, this effectively saved the Council £1m a year in loan interest payments.
- 3.4 However, interest rates have started to pick up in recent weeks so officers are currently taking advantage of the low rates whilst they are still available, borrowing, not to finance new activity, but to finance previous year's capital expenditure that has been financed by internal borrowing. The first of these additional borrowings was made at the end of September.
- 3.5 Total borrowing as at 30 September 2021 was as follows:

Investment Sector	Outstanding at 1 April 2021	New Borrowing	Borrowing Repaid	Outstanding at 30 Sept 2021
	£000	£000	£000	£000
HRA - PWLB	101,956	-	-	101,956
General Fund – PWLB	525,336	10,000	-	535,336
General Fund – Non PWLB	0	-	-	-
	627,292	10,000	-	637,292

3.6 A full list of borrowings held at the 30 September is set out at Appendix 'K'.

4 Annual Investment Strategy

4.1 The Treasury Management Strategy Statement (TMSS) for 2021/22, which includes the Annual Investment Strategy sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield.

4.2 The Council's investment policy is governed by DLUHC investment guidance and is reflected in the Annual Investment Strategy approved by the Council each year. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).

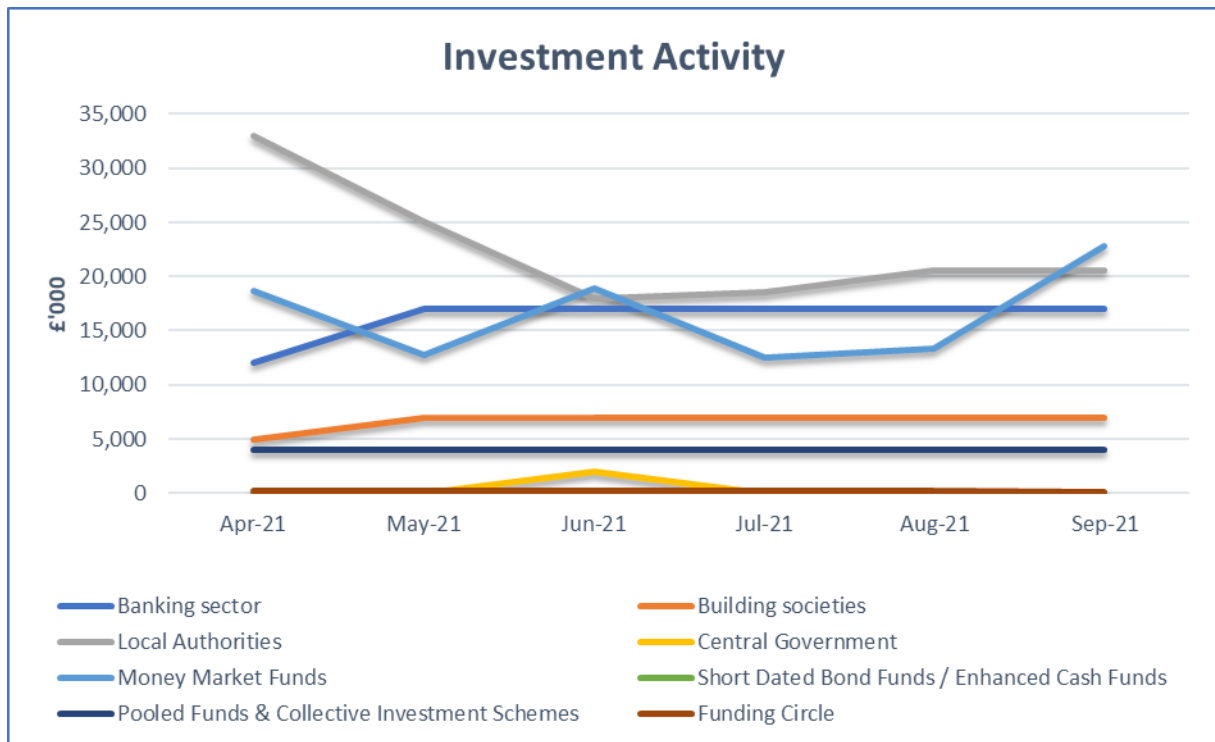
4.3 The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions.

4.4 As shown by the interest rate forecasts in section 2 of this report above, it is now impossible to earn the level of interest rates commonly seen in previous decades as all short-term money market investment rates have only risen weakly since Bank Rate was cut to 0.10% in March 2020. Given this environment and the fact that Bank Rate may only rise marginally before the second half of 2023, investment returns are expected to remain low.

4.5 The Council held £71.5m of investments at 30 September 2021 and the investment activity during the first six months of the year, which has been principally driven by the availability of counterparties that meet the criteria set out in the Annual Investment Strategy, can be seen from the table below:

Investment Sector	Outstanding at 1 April 2021	New Investments	Investments Recalled	Outstanding at 30 Sept 2021
	£000	£000	£000	£000
Specified Investments				
Banking sector	12,000	11,000	6,000	17,000
Building societies	5,000	10,000	8,000	7,000
Local Authorities	33,000	20,500	33,000	20,500
Central Government	0	2,000	2,000	0
Money Market Funds	12,490	86,145	75,835	22,800
Unspecified Investments				
Pooled & Collective Investment Schemes	4,000	0	0	4,000
Funding Circle	206	0	52	154
	66,696	129,645	124,887	71,454

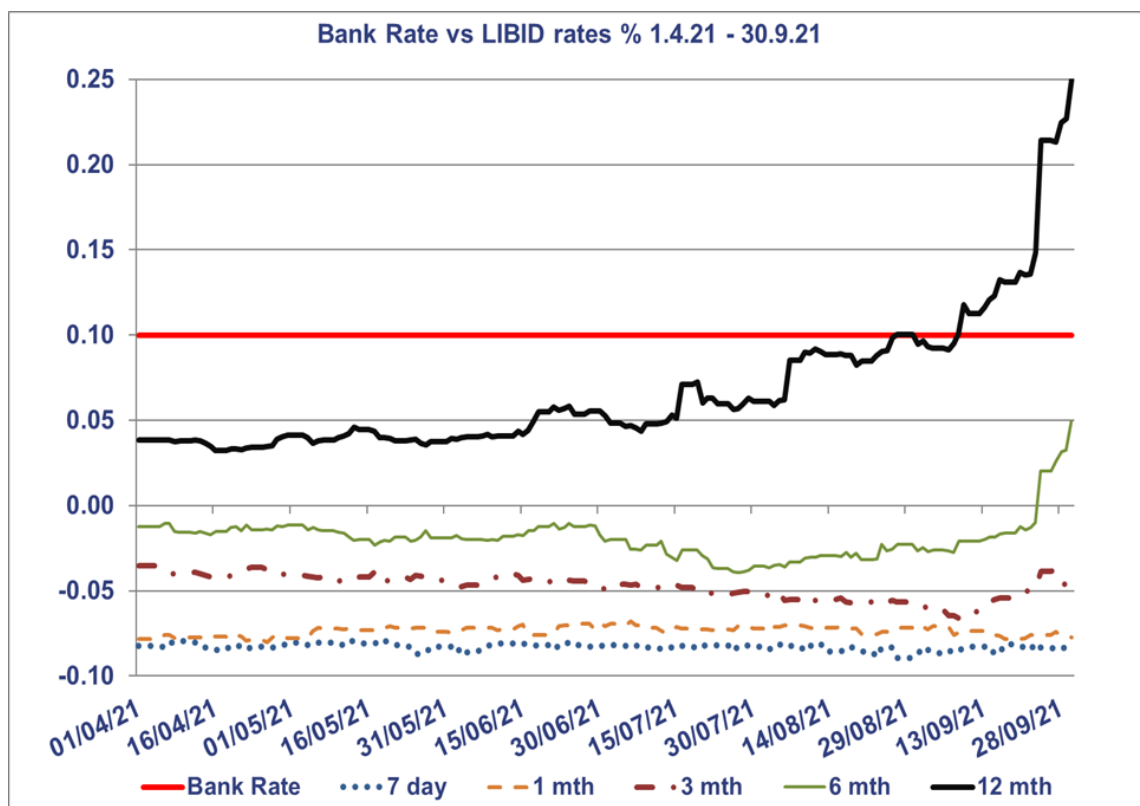
- 4.6 The monthly movement in balances between these categories is set out below and reflects the available counterparties and investment rates at that time.



- 4.7 A full list of investments held at the 30 September is set out at Appendix 'L'.
- 4.8 The Council's cash balances comprise revenue and capital resources and cash flow monies (creditors etc) and the level of funds available is mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. Traditionally the amount of income the Council has to invest increases during the year before dropping back down in February and March. This is predominantly due to Council Tax and Business Rates being collected over ten monthly instalments but paid over to preceptors over a 12 month cycle.
- 4.9 The current investment counterparty criteria selection approved in the TMS is meeting the requirement of the treasury management function

Investment income and debt interest

- 4.10 Aside from the parameters set in the Annual Investment Strategy, the main factors that determine the amount of investment income gained by the Council are the level of interest rates, cash flow and the level of reserves and balances. The impact of capital cash flows – receipts from sales, and timing of capital projects – also has a significant impact on cash flows.
- 4.11 The original estimate for investment income for 2020/21 was based on the Council achieving an average interest rate of 0.20%. Currently the Council is at 0.29%, but this will drop in the second half of the year as the longer term investments taken out last year at beneficial rates fall away to be replaced with the much lower rates currently on offer.
- 4.12 The average rate of interest generated is in line with the Council's benchmark rates which follows a similar downward pattern as follows:



LIBID (The London Interbank Bid Rate) is the rate bid by banks on deposits i.e., the rate at which a bank is willing to borrow from other banks.

Averages for the Council's benchmark rates for the first six months of the year were:

Index	Annualised Return %
7 day LIBID average	-0.08
Average Bank Base rate	-0.07
3 month LIBID average	-0.05
6 month LIBID average	-0.02
12 month LIBID average	0.07
Runnymede Average	0.29

4.13 The main reason that the Runnymede average is so high is our investments in two CCLA Pooled Funds. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Investments in these funds are long term in nature and over long term horizons they provide investors with strong levels of interest (in the form of dividends) relative to other forms of investment. However past performance has also shown that the capital values of these assets can be subject to large fluctuations (both up and down) over relatively short time frames. The movement in these funds during the year has been as follows:

	Original Investment £	Value 31 March 2021 £	Value 30 Sept 2021 £	Average Dividend Return %
CCLA Property Fund	2,000,000	2,305,553	2,428,121	3.20
CCLA Diversified Income Fund	2,000,000	1,987,139	2,084,193	3.00

- 4.14 The differences between the Original Sums invested and the Values at 31 March each year are held on the Council's Balance Sheet in the Pooled Investments Adjustment Account.
- 4.15 In addition to the normal money markets, the Council also invests in its own companies by way of loans provided to them for the purchase of assets from the Council (that the Council cannot hold itself) and via working capital loans. All such Loan Agreements have been approved by Full Council at rates set in accordance with European Commission competition rules. The table below sets out these loans and the income to the Council.

Loan Type	Original Investment £	Annual Interest £	Interest Rate %
Development Loans – Addlestone One	25,326,000	1,276,433	5.04
Development Loans - Other	1,000,000	48,600	4.86
Working Capital Loans	445,000	33,553	7.54
Working Capital Loans	300,000	22,080	7.36
Working Capital Loans	1,500,000	103,600	7.40
Totals	28,571,000	1,484,266	

- 4.16 The estimate for investment income and debt interest for the current year at the start of the year was as follows:

	General Fund £'000	HRA £'000	Total £'000
Gross external investment income	91	0	91
Interest on loans to RBC companies	1,477	0	1,477
Dividend income	120	0	120
Interest paid on deposits and other balances	(2)	0	(2)
Net Investment Income	1,686	0	1,686
Debt Interest	(15,097)	(3,426)	(18,523)
Management Expenses	(50)	0	(50)
Net Investment Income / (Debt interest)	(13,461)	(3,426)	(16,877)

- 4.17 Based on current predictions the revised figures for 2021/22 are assumed to be as follows:

	General Fund £'000	HRA £'000	Total £'000
Gross external investment income	178	35	213
Interest on loans to RBC companies	1,484	-	1,484
Dividend income	120	-	120
Interest paid on deposits and other balances	(1)	-	(1)
Net Investment Income	1,781	35	1,816
Debt Interest	(12,916)	(3,426)	(16,342)
Management Expenses	(36)	-	(36)
Net Investment Income / (Debt interest)	(11,171)	(3,391)	(14,562)

5. Treasury Management Indicators

- 5.1 The CIPFA Code on Treasury Management requires the Council to approve a set of treasury management indicators by which the Council can measure its exposure to risk. The Council's treasury indicators were approved by Council on 9 February 2021.
- 5.2 During the financial year to date, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices.

The following paragraphs show the position as at 30 September against each of the indicators.

Interest rate exposures

- 5.3 This indicator is set to control the Council's net exposure (taking borrowings and investments together) to interest rate risk. The upper limits proposed on fixed and variable rate interest rate exposures, expressed as the principal sums outstanding are:

Upper limits proposed on fixed and variable rate interest rate exposures expressed as the principal sums outstanding in respect of borrowing		
	Target £'000	Actual £'000
Upper limit on fixed interest rate exposures	690,907	592,793
Upper limit on variable interest rate exposures	0	(26,954)

- 5.4 Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate. If it is not clear whether an instrument should be treated as fixed or variable rate, then it is treated as variable rate.
- 5.5 The variable rate upper limit of zero means that the Council is minimising its exposure to uncertain future interest rates on its debt. As all the Council's investments mature within the year they are classed as variable the Council has no variable rate borrowings to offset these against, hence the negative figure in the table above.

Maturity structure of borrowing

- 5.6 This indicator is set to control the Council's exposure to refinancing risk. The upper limits on the maturity structure of fixed rate borrowing are set at their maximum because it is important to maintain this flexibility to allow the optimum debt structure to be put in place for any future redevelopment schemes.

Proposed upper and lower limits on the maturity structure of fixed rate borrowing			
	Upper	Lower	Actual
Under 12 months	25%	0%	0.60%
12 months and within 24 months	25%	0%	0.87%
24 months and within five years	25%	0%	4.99%
Five years and within 10 years	50%	0%	9.15%
10 years and above	100%	0%	84.39%

- 5.7 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.

Principal sums invested for periods longer than 364 days

- 5.8 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 proposed limits on the total principal sum invested to final maturities beyond the period end are:

Principal sums invested for periods longer than 364 days		
	Target £'000	Actual £'000
Limit on principal invested beyond one year	3,000	0

Borrowing limits

- 5.9 The Council's borrowing limits were set at the start of the financial year and are as follows:

Borrowing Limits	
	Target £'000
Approved Authorised Limit	759,704
Approved Operational Boundary	737,857
Actual borrowing as at 30 September	637,292

- 5.10 The Authorised Limit is a limit on the maximum amount the authority expects to borrow at any one point in time. The limit includes short-term borrowing. The Operational Boundary is the term used to describe the most likely scenario of cash flow movements and equates to the maximum level of external debt projected by the authority's estimates. The Authorised Limit differs in that it provides over and above the operational boundary for unusual cash movements (hence, one is a limit, the other a boundary).

6. Other Treasury Related Items

- 6.1 The provisions of the prudential framework for local authorities are currently under scrutiny again with the main aim to address continued borrowing for commercial investment purposes. The definition of "commercial investment" has been expanded to include any investment which is long term in nature (e.g. commercial property, equities, long term bonds or pooled funds).
- 6.2 Along with recent changes to the PWLB access rules, the proposals for the new Prudential and Treasury Management Codes effectively make it much harder to make commercial investments by getting rid of ambiguities and misinterpretation and adding in a new objective of proportionality and a new liability benchmark as a treasury indicator. Officers are currently reviewing the new draft codes and will build in any new requirements to both the Capital and Treasury Strategies for approval in January.

7. Legal Implications

- 7.1 The powers for a local authority to borrow and invest are governed by the Local Government Act 2003 and associated Regulations. A local authority may borrow or invest for any purpose relevant to its functions, under any enactment, or for the purpose of the prudent management of its financial affairs. The Regulations also specify that authorities should have regard to the CIPFA Treasury Management Code when carrying out their treasury management functions.
- 7.2 Section 15 of the Local Government Act 2003 provides the power for the Government to issue guidance about investments to which authorities are to have regard. This report takes account of the current and proposed guidance issued by the Government.
- 7.3 The Government has issued Regulations to require investment in share capital to be treated as capital expenditure. The Government state that this acts as a disincentive to local authorities to make such investments, as they would consume the authority's capital resources. However, the Government has excluded investments in money market funds, multilateral development banks and real estate investment trusts (REITs) from this definition, as it has no wish to deter authorities from considering these investments.

8. Conclusion

- 8.1 With the continued uncertainty over the coronavirus pandemic, Brexit and global market uncertainty generally, investment rates have been slowly declining

throughout the year. Despite this, by tapping into medium term investments with Local Authorities, the Council has managed to achieve above average returns for the first half of the year.

- 8.2 During the period the Council has operated within the treasury and prudential indicators set out in the Council's Treasury management Strategy and in compliance with its Treasury Management Practices.

(For information)

Background papers

None stated

Borrowings as at 30 September 2021					
	Principal Sum £'000	Original Term (Years)	Annual Interest £	MATURITY	%
Housing Revenue Account					
PWLB - 500502 (part)	1,956	10	46,944	28 Mar 2022	2.40%
PWLB - 500495	10,000	15	301,000	28 Mar 2027	3.01%
PWLB - 500498	10,000	20	332,000	29 Mar 2032	3.32%
PWLB - 500500	10,000	20	332,000	29 Mar 2032	3.32%
PWLB - 500501	10,000	20	332,000	29 Mar 2032	3.32%
PWLB - 500493	10,000	25	344,000	27 Mar 2037	3.44%
PWLB - 500496	10,000	25	344,000	27 Mar 2037	3.44%
PWLB - 500503	10,000	25	344,000	27 Mar 2037	3.44%
PWLB - 500494	10,000	30	350,000	28 Mar 2042	3.50%
PWLB - 500497	10,000	30	350,000	28 Mar 2042	3.50%
PWLB - 500499	10,000	30	350,000	28 Mar 2042	3.50%
	101,956		3,425,944	Average Rate:	3.36%
General Fund					
PWLB - 500502 (part) - Appropriated from HRA	1,336	10	32,064	28 Mar 2022	2.40%
London Borough of Barking & Dagenham	5,000	3	90,000	20 Dec 2022	1.80%
PWLB - 507919	10,000	5	195,000	17 Oct 2023	1.95%
PWLB - 507920	10,000	6	205,000	17 Oct 2024	2.05%
PWLB - 504312	10,000	10	256,000	17 Aug 2025	2.56%
PWLB - 506855	10,000	10	219,000	23 Jan 2028	2.19%
PWLB - 505012	4,000	12	86,400	08 Jun 2028	2.16%
PWLB - 507919	6,000	9	150,000	22 Dec 2028	2.50%
PWLB - 504520	15,000	15	414,000	04 Dec 2030	2.76%
PWLB - 176998	10,000	11	226,000	30 Mar 2031	2.26%
PWLB - 410351	10,000	11	167,000	28 Sep 2032	1.67%
PWLB - 505233	10,000	30	244,000	12 Jul 2046	2.44%
PhonenixLife Limited	40,000	40	1,149,646	02 May 2061	2.88%
PWLB - 505335	20,000	45	376,000	01 Sep 2061	1.88%
PWLB - 508328	10,000	43	247,000	31 Dec 2061	2.47%
PWLB - 508377	10,000	43	249,000	18 Jan 2062	2.49%
PWLB - 505968	15,000	45	351,000	04 Apr 2062	2.34%
PWLB - 505969	15,000	45	351,000	04 Apr 2062	2.34%
PWLB - 505972	20,000	46	470,000	05 Apr 2063	2.35%
PWLB - 505433	10,000	47	207,000	29 Sep 2063	2.07%
PWLB - 508192	10,000	45	243,000	12 Dec 2063	2.43%
PWLB - 508226	10,000	45	239,000	13 Dec 2063	2.39%
PWLB - 505434	14,000	48	289,800	29 Sep 2064	2.07%
PWLB - 505668	20,000	48	514,000	20 Jan 2065	2.57%
PWLB - 507420	40,000	47	980,000	29 May 2065	2.45%
PWLB - 507145	10,000	48	228,000	27 Mar 2066	2.28%
PWLB - 507416	40,000	48	984,000	25 May 2066	2.46%
PWLB - 505611	20,000	50	524,000	16 Dec 2066	2.62%
PWLB - 506991	10,000	50	240,000	05 Mar 2067	2.40%
PWLB - 507425	20,000	49	480,000	30 May 2067	2.40%
PWLB - 506125	10,000	50	230,000	12 Jun 2067	2.30%
PWLB - 506887	15,000	50	367,500	08 Feb 2068	2.45%
PWLB - 506888	15,000	50	367,500	08 Feb 2068	2.45%
PWLB - 507407	20,000	50	490,000	23 May 2068	2.45%
PWLB - 177081	40,000	50	932,000	30 Mar 2070	2.33%
	535,336		12,793,910	Average Rate:	2.39%
Total Borrowings	637,292		16,219,854	Annual Interest	

Investments as at 30 September 2021					
	£'000		ORIGINAL TERM	MATURITY	%
Banks					
<u>Access Accounts</u>					
Santander Business Reserve Account	4,000		**** 95 Day Notice A/C ****		0.400
Lloyds Bank PLC	4,000		**** 95 Day Notice A/C ****		0.050
<u>Term Deposits</u>					
DBS Bank	1,000		6 mth	20 Jan 2022	0.120
Landesbank Hessen Thuringen Girozentrale - London	1,000		6 mth	17 Jan 2022	0.100
<u>Certificates of Deposit</u>					
Nat West Bank	2,000		1 yr	01 Jul 2022	0.120
Nat West Bank	1,000		1 yr	18 May 2022	0.120
Standard Chartered Bank	4,000		6 mth	05 Nov 2021	0.060
Total Banks	17,000	24%			
Building Societies					
Leeds BS	3,000		3 mth	19 Oct 2021	0.040
Nationwide BS	4,000		6 mth	08 Nov 2021	0.070
Total Building Society	7,000	10%	(50% Limit)		
Local Authorities					
Chesterfield Borough Council	3,000		1 yr	15 Jul 2022	0.090
London Fire Commissioner	5,000		1 yr	10 Jun 2022	0.100
Mid- Suffolk District Council	2,500		1 yr	29 Jun 2022	0.100
Plymouth City Council	5,000		11 mth	14 Jul 2022	0.100
Slough Borough Council	5,000		9mth	16 Mar 2022	0.120
Total Local Authorities	20,500	29%			
Money Market Funds					
Aberdeen Liquidity Sterling Fund	10,000		***** On Call *****		Variable
Aviva Investors Sterling Liquidity Fund - Class 3	10,000		***** On Call *****		Variable
CCLA - Public Sector Deposit Fund	2,000		***** On Call *****		Variable
Insight Liquidity Fund PLC	800		***** On Call *****		Variable
Total Money Market Funds	22,800	32%			
Pooled Funds & Collective Investment Schemes					
CCLA Property Fund	2,000		**** 3 mth settlement ****		Variable
CCLA Diversified Income Fund	2,000		**** 3 mth settlement ****		Variable
Total Pooled Funds	4,000	6%			
Funding Circle					
Lending to small and medium sized companies	154		**** up to 5 years ****		Variable
Total Other Investments	154	0%	(w ith the ability to sell loans)		
Total Investments	71,454				

18. **Urgent Action – Standing Order 42 (Law and Governance – John Gurmin)**

Copies of proformas 984 and 986 detailing action taken after consultation with the Chairman and Vice-Chairman of the Committee are attached at Appendix 'M'.

(For information)

Background Papers

None

RUNNYMEDE BOROUGH COUNCIL**CONSULTATION WITH APPROPRIATE CHAIRMAN AND VICE- CHAIRMAN FOR URGENT ACTION TO BE TAKEN UNDER STANDING ORDER 42**

TO: Councillors Prescott and T Gracey
Chairman and Vice- Chairman of the Corporate Committee Management

FROM: Paul Turrell

1 HOUSING STAFFING RESOURCES;
2 GROUNDS MAINTENANCE OPTIONS
APPRAISAL
3 FINANCIAL SERVICES RESTRUCTURE

DATE: 13 October 2021

1. Synopsis of reports: Please refer to items 6 (Housing Staffing Resources), 12 (Grounds Maintenance Options Appraisal), and 14 (Financial Services Restructure) on agenda for Corporate Management Committee 14 October 2021
2. Reasons why this matter cannot wait for a Committee Decision. Decisions required to be taken following cancellation of Corporate Management Committee on 14 October.
3. Recommendation(s) As set out in the reports on agenda
4. Context of report As set out in the reports on agenda
5. Report and, where applicable, options considered As set out in the reports on agenda
6. Policy framework implications As set out in the reports on agenda
7. Financial and Resource implications (where practicable) As set out in the reports on agenda
8. Legal implications As set out in the reports on agenda
9. Equality implications As set out in the reports on agenda
10. Other implications As set out in the reports on agenda

11.	<p>Background papers</p> <p>As set out in the reports on agenda</p>
12.	<p><u>Chief Officer(s) Decision</u></p> <div style="text-align: right; margin-right: 100px;"> </div> <p style="text-align: right;">Signature of authorised officer</p> <p>I have been consulted and am in agreement with the above</p> <p>Signature(s) and position(s) of other relevant Chief Officer, Corporate Heads or authorised representatives</p> <p>.....</p> <p>NB: this <u>must</u> include the Assistant Chief Executive or his authorised representative where the decision involves expenditure, loss of income, or future implications for budget or financial forecast.</p>
13.	<p><u>Chief Executive's Decision</u></p> <div style="text-align: right; margin-right: 100px;"> </div> <p style="text-align: right;">Signature of Chief Executive ...</p> <p>I have been consulted and am in agreement with the above</p>
14.	<p><u>Chairman and Vice-Chairman Comments</u></p> <p>I concur in the Chief Officer's decision</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 30%;"> <p>Signed _____</p> <p>Date _____</p> <p>Signed _____</p> <p>Date _____</p> </div> <div style="width: 60%; text-align: right;"> </div> </div> <p>I have the following further comments:</p> <p style="text-align: center;">•</p>

Further information may be obtained from _____ on Ext. _____

The completed copy is to be returned by the Councillors to the Corporate Head of Law and Governance (John Gurmin) who will send a copy to the Chief Officer and report to the relevant Committee for information.

RUNNYMEDE BOROUGH COUNCIL

CONSULTATION WITH APPROPRIATE CHAIRMAN AND VICE- CHAIRMAN FOR URGENT ACTION TO BE TAKEN UNDER STANDING ORDER 42

**TO: Councillors N Prescott and T Gracey
Chairman and Vice- Chairman of the Corporate Management Committee**

FROM: Mario Leo (Corporate Head of Law and Governance)

OFFICER REFERENCE: MAL/IRP Member 2021 DATE: 25 October 2021

1. Synopsis of report:

To agree the appointment of an individual to be a member of the Independent Remuneration Panel appointed by the Council to make recommendations to it on the level of Member Allowances.

2. Reasons why this matter cannot wait for a Committee Decision.

The next scheduled triennial review of the Members' Allowances Scheme by the Independent Remuneration Panel would commence in this or next month. The next meeting of Full Council at which an appointment could be confirmed is not until the 9th December 2021. If the confirmation of this appointment were held over until that meeting a delay would be caused to the timetable for the work of the Independent Remuneration Panel.

3. Recommendation(s)

Ms Clare Titcomb-Jones, School Business Manager at Lyne and Longcross Primary School, be appointed as the Education representative on the Independent Remuneration Panel

4. Context of report

The purpose of this report is to seek agreement to the appointment of a particular individual to represent a certain sector of the community on the Independent Remuneration Panel appointed by the Council to make recommendations to it on the level of Member Allowances.

The Council is by law required to appoint such a Panel and have on it members who are not Councillors.

5. Report and, where applicable, options considered

Section 18 of the Local Government and Housing Act 1989 (the 1989 Act), as amended by section 99 of the Local Government Act 2000 (the 2000 Act), makes provision in relation to basic, special responsibility and childcare and dependants' carers' allowances for members of local authorities. The Secretary of State can make regulations under this section requiring local authorities to make a scheme of allowances for their members and to establish and maintain a panel to make recommendations to the Council about the scheme.

Section 100 of the 2000 Act allows the Secretary of State to make provision in relation to travel and subsistence allowance for members of local authorities and an allowance for non-councillors who are members of a Council's committees or sub-committees. This includes the amendment or repeal of provisions of sections 173 to 178 of the Local Government Act 1972 (the 1972 Act).

The Local Authorities (Members' Allowances)(England) Regulations 2003 (the Regulations) have been made under these provisions. The Regulations provide that it is for each local authority to decide its scheme and the amounts to be paid under that scheme.

Councils are required to establish and maintain an Independent Remuneration Panel which will broadly have the functions of providing the local authority with advice on its scheme, the amounts to be paid and the pensionability of allowances where relevant. Local authorities must have regard to this advice.

The approach, therefore, is one where questions as to the amounts payable to members are matters for local determination. In this way, Councils can take full account of their particular circumstances, including the precise form of their constitution, and be directly accountable to their electorate. This accountability is sharpened through each Council being advised on its own allowances scheme by a local panel whose members are required to be independent.

Runnymede made the decision that the members of its Independent Remuneration Panel should consist of five persons who represented residents' associations, business, voluntary sector, education, and health.

Three of the current panellists, representing residents' associations, voluntary sector and health will serve for a further term as permitted under the Regulations. However, a replacement Business panellist could not be found despite best efforts. A replacement Education panellist was interviewed by the Councillor Selection Panel consisting of Cllrs T Gracey, J Sohi, L Gillham and D Whyte on 19 October 2021 and the appointment of Ms Clare Titcomb-Jones to the Independent Remuneration Panel to represent the Education sector is recommended.

6. Policy framework implications

Whilst elected Councillors make decisions on the amount of allowances, they receive for devoting time to their duties they are, by law required to have regard to recommendations made by an independent panel.

The Council has previously made the decision that this independent panel should be made up of persons who represent various sectors of the community. This is designed to bring into play the knowledge of those various sectors about the work undertaken by councillors in serving their community.

7. Financial and Resource implications (where practicable)

Each person who serves on the Independent Remuneration Panel is entitled to receive a payment of £500-00 per year, which is subject to Tax and NI depending on thresholds currently in place. This payment is to acknowledge the time commitment required of members of the panel.

8. Legal implications

As mentioned in the body of the report there is a legal requirement imposed on local authorities to establish a panel to advise them on the level of allowances which should be paid to elected Members. The legislation requires that any members of such panels are not elected Members. It is a matter for a local authority to decide the size of their panels and they can seek to draw that membership from certain sectors of the community.

9. **Equality implications**

There are no equality issues associated with the proposals contained in this report.

10. **Other implications (Environmental/biodiversity/ sustainability must be addressed)**

In an effort to address environmental issues the meetings of the Independent Remuneration Panel will, whenever possible, be conducted remotely to avoid unnecessary journeys.

11. **Background papers**

None

12. **Chief Officer(s) Decision**

Signature of authorised officer: **Mario A Leo (CHL&G)** . 

I have been consulted and am in agreement with the above

Signature(s) and position(s) of
other relevant Chief Officer, Corporate Heads or authorised representatives

.....

NB: this must include the Assistant Chief Executive or his authorised representative where the decision involves expenditure, loss of income, or future implications for budget or financial forecast.

13. **Chief Executive's Decision**

Signature of Chief Executive 

I have been consulted and am in agreement with the above

14. **Chairman and Vice-Chairman Comments**

I concur in the Chief Officer's decision 

Signed _____

Date _____

Signed _____

Date _____

I have the following further comments:

9. **Equality implications**

There are no equality issues associated with the proposals contained in this report.

10. **Other implications (Environmental/biodiversity/ sustainability must be addressed)**

In an effort to address environmental issues the meetings of the Independent Remuneration Panel will, whenever possible, be conducted remotely to avoid unnecessary journeys.

11. **Background papers**

None

12. **Chief Officer(s) Decision**

Signature of authorised officer: **Mario A Leo (CHL&G)** 

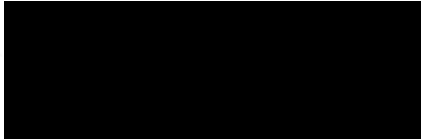
I have been consulted and am in agreement with the above

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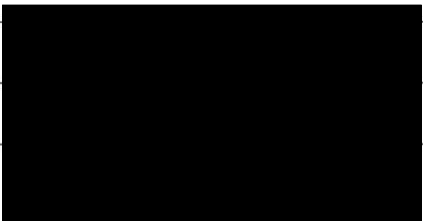
Signed _____

Date  _____

Signed _____

Date _____

I have the following further comments:



19. **Exclusion Of Press And Public**

OFFICERS' RECOMMENDATION that –

the press and public be excluded from the meeting during discussion of the following reports under Section 100A(4) of the Local Government Act 1972 on the grounds that the reports in question would be likely to involve disclosure of exempt information of the description specified in paragraphs 1, 3 and 4 of Part 1 of Schedule 12A of the Act.

(To resolve)

PART II

Matters involving Exempt or Confidential information in respect of which reports have not been made available for public inspection

	<u>Exempt Information</u>	<u>Paras</u>
20.	Project Portfolio Reporting – To End Of October 2021	3
21.	Essential User Car Allowance	4
22.	Human Resources Mini Review	1 & 3
23.	Further Loan Agreement For RBC Investments (Surrey) Ltd	3
24.	Options for Leisure Provision In Runnymede	3
25.	Urgent Action – Standing Order 42	1 & 3

Confidential Information

(No reports to be considered under this heading)