



Corporate Management Committee

Thursday, 24 November 2022 at 7.30 pm

Council Chamber, Runnymede Civic Centre,
Addlestone

Members of the Committee

Councillors: T Gracey (Chairman), C Howorth (Vice-Chair), M Cressey, L Gillham, J Gracey, M Heath, N King, R King, I Mullens, M Nuti, 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

- 1) 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.
- 2) 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 G Lelliott, Democratic Services Section, Law and Governance Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425620). (Email: gary.elliott@runnymede.gov.uk).**
- 3) Agendas and Minutes are available on a subscription basis. For details, please contact Democratic.Services@runnymede.gov.uk or 01932 425620. Agendas and Minutes for all the Council's Committees may also be viewed on www.runnymede.gov.uk.
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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

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Part I

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

1. **Notification of Changes to Committee Membership**
2. **Minutes** 4 - 11

To confirm and sign, as a correct record, the minutes of the meeting of the meeting held on 13 October 2022 (Appendix A).
3. **Apologies for Absence**
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Members are invited to declare any disclosable pecuniary interests or other registrable and non-registrable interests in items on the agenda.
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Runnymede Borough Council**Corporate Management Committee****Thursday, 13 October 2022 at 7.30 pm**

Members of the Committee present: Councillors T Gracey (Chairman), C Howorth (Vice-Chair), L Gillham, J Gracey, N King, R King, I Mullens, M Nuti, N Prescott (Substitute, in place of M Heath), D Whyte and M Willingale.

Members of the Committee absent: Councillor M Cressey.

258 Minutes

The minutes of the meeting held on 22 September 2022 were confirmed and signed as a true record.

259 Apologies for Absence

Apologies were received from Cllr M Cressey.

260 Declarations of Interest

None.

261 Talent Management Strategy

The Corporate Head of HR and Organisational Development reported that the Talent Management Strategy followed on from the Organisational Development Strategy and sought to develop the Council's existing workforce and attract new staff.

The strategy advocated a blended approach between exclusive and inclusive, and some of the key areas included the creation of a graduate programme, along with having a high potential talent programme for rising stars within the organisation, which would involve the creation of a development programme and sponsorship of professional qualifications.

The strategy had been an agenda item several times at the last municipal year's HR Member Working Party, and was also presented to the HR & Staff Wellbeing Member Working Party at its meeting earlier in the week.

The Chair of the HR & Staff Wellbeing Member Working Party confirmed that its meetings would have a firm focus on recruitment and retention going forward, and commended the workstreams within the strategy.

Resolved that –

The Talent Management Strategy was approved.

262 Appointment to Outside Bodies - Third Canvas

The Committee considered the Council's appointments to outside bodies that were presently due for renewal in accordance with the recently approved new procedure for such appointments.

This was the third canvas for Members to apply for outside body appointments, yet a handful of vacancies remained.

The Committee Chair instructed the Corporate Head of Law & Governance not to instigate a fourth canvas to try and fill the remaining vacancies, however, it was reported on the night that an email trail had revealed that Cllr Nigel King had volunteered to fill the position of Deputy for the Heathrow Noise & Airspace Community Forum, which the Corporate Head of Law & Governance accepted.

Resolved that –

The nominations to outside bodies were approved.

263 **Calendar of Meetings**

Corporate Management Committee considered the calendar of meetings for 2023/24, which broadly followed the same pattern from previous year and avoided the school holidays.

A Member queried the quick turnaround between the election of new Councillors and the first full Council meeting of the municipal year being less than a fortnight apart, however the Committee Chair felt that having a larger gap would both delay the nomination to Committees and potentially have a knock-on effect on Committee dates, and also send the wrong message to residents.

Democratic Services would consider sending out placeholders for Member Working Parties for 2023/24, with details of those meetings to be firmed up closer to the time. It was emphasised that Member Working Parties took place in private and may lead to confusion if the dates were released to the public.

The Chair of the Planning Committee confirmed he was happy to address any concerns about briefings taking place immediately after Planning Committee meetings.

A Member highlighted the recently announced Bank Holiday in May 2023 and the possible impact that would have on dates.

Resolved that –

The calendar of meetings for 2023/24 was recommended to full Council.

264 **Casework Tracking Software for Members and Officers**

The Head of Digital Innovation advised that following a request from two Members under Standing Order 27.4 of the Council's constitution, Digital Services had researched casework tracking software with a view to assisting Members in serving the residents and businesses of the borough.

Three options were presented to the Committee to achieve this:

- a) Improve the status quo: Members already had access to several IT software applications through the Council's Microsoft licenses. Training and guidance could be provided to help Members fully harness the potential of these applications.
- b) Purchase a new system: this would be tailor built and indicative costs had suggested this would be around £25,000.
- c) Developing the Council's own system utilising its CRM function. This would be the quickest and cheapest option and was recommended by officers.

The proposed timeline would be six weeks to work with Members and Officers to gather requirements, followed by an eight week build within the digital platform, followed by testing, meaning an approximate three-and-a-half-month lead in time.

In the event this was approved, the Head of Digital Innovation asked for nominations for a Task and Finish Group.

Whilst acknowledging that the initial growth request was negligible, the Committee Chair felt that the timing of the matter was not appropriate given that all growth bids would be considered as part of the budget setting process, whilst using OneNote and MS Teams to track tasks and integrate into Outlook was considered a suitable workaround.

A Member highlighted the need for the software by advising that when an officer leaves a role it can often be challenging to track existing casework, which can lead to Member frustration in having to repeat the same information to different officers and effectively return to square one. Furthermore, data could be extracted more quickly and be available for cross-Council incidents and a clear timeframe could be established for responses.

Several Members also spoke of the benefit of Microsoft Power Apps, however the Head of Digital Innovation advised that whilst possible, building this in to the system would be a much longer lead-in time.

Several Members advised they had not been aware of a need for an app to track casework, and suggested that the matter went to the Communication & Digital Transformation Member Working Party to fully assess the need.

A named vote was requested on the item and the voting was as follows:

For (8):

Cllrs T Gracey, Howorth, Gillham, J Gracey, N King, Nuti, Prescott, Willingale

Against (3):

Cllrs R King, Mullens, D Whyte

Resolved that –

The casework tracking software for Members and Officers was deferred to the Communication & Digital Transformation Member Working Party to assess the need.

265 **Improving Online "Report It" Services**

The Head of Digital Innovation advised that following a request from two Members under Standing Order 27.4 of the Council's constitution, Digital Services had looked into options for improving the Council's online reporting services.

It was acknowledged that since the launch of the Council's new website in August 2021 the current options for residents to report matters to the Council was not at the desired level, and a new solution would help to streamline the process.

Work had been ongoing behind the scenes to integrate the Council's mapping solution, and subject to Committee approval a pilot would be rolled out in November to enable the reporting of fly tipping to go into the CRM system and immediately logged. This would be a significant improvement on the current arrangement and longer-term it was hoped to roll this out to other matters such as reporting graffiti or dead animals.

The system could also signpost users to neighbouring boroughs where applicable, and the Head of Digital Innovation confirmed to a Member that an in-house application could be

feasible in future, although scoping work would be required to establish cost.

The Head of Digital Innovation confirmed that Customer Services would have access to the system and would be able to log issues on a resident's behalf, and this would be made clear on the webpage. Furthermore, issues reported would remain on the mapping system for 30 days to prevent duplicate issues being reported.

Resolved that –

1. The options available to improve our online “Report It” services were noted.

2. The progress made on developing our own online “Report It” services using Runnymede Maps was noted.

3. The direction of travel was noted in supporting Digital Services to continue to build on the development work with plans in place to roll out the new model for:

- o **Bus shelters**
- o **Dead animals**
- o **Graffiti**
- o **Public bins**
- o **Dog poo bins**
- o **Street furniture**

266 **Urgent Item - SO42**

The Committee Chair reported on the actions and budgetary implication taken following the passing of Queen Elizabeth II.

The Committee thanked Officers for the work undertaken, particularly preparing the area where the cortege passed through the borough.

The Chief Executive added that attempts were being made through a county-wide bid to recover some or all of the associated costs.

A Member asked that residents were made aware that it was necessary to cancel bin collections on the day of the funeral due to the work undertaken by refuse collectors on Runnymede Meadows rather than because they had the day off, and suggested thanking Officers involved in proceedings via the Council website.

267 **Exclusion of Press and Public**

By resolution of the Committee, the press and public were excluded from the remainder of the meeting during the consideration of the remaining matters 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.

268 **Grounds Maintenance Project Spend**

The Corporate Head of Environmental Services reported that the Grounds Maintenance project team had requested approval for the procurement route and awarding of contracts from within an approved capital budget in order to purchase equipment, machinery and vehicles for the Council's Grounds Maintenance Service.

The Chair of Environment and Sustainability Committee added that whilst a number of the vehicles it was proposed to purchase were diesel engines, it was hoped to move to HVO fuel further down the line. It was also hoped to move to EV vehicles once the necessary

infrastructure was in place to support this.

A Member asked about what was currently known about the scale of what Surrey County Council plan to bring in-house, and the impact on the capital budget, and officers advised that the first meeting with on the subject was in the coming days. There was concern from some Members that details had not been shared at Community Services Committee.

When asked about the prospect of leasing rather than purchasing vehicles to provide more flexibility about when the Council could move to EVs, the Corporate Head of Environmental Services advised that there would be the option of selling the vehicles, whilst second-hand vehicles were also under consideration.

The Chief Executive emphasised the importance of approving the spend in order to be ready for the new season, and offered to take Members through the economics of the spend to reassure residents that value for money was being achieved.

Resolved that –

Approval was given to award contract(s) for the purchase of equipment, machinery and vehicles. Required equipment, plant, machinery and vehicles would be procured subject to a further competition procurement exercise using two frameworks.

269 **Q2 Project Portfolio Report**

The Committee was provided with a progress update on the delivery of the project portfolio up to the end of the second quarter of the municipal year.

Three projects had been delivered within the quarter, six projects were at risk due to two or more indicators not being green within the project's RAG status. Mitigation plans were in place for some of those.

Three projects had an agreed completion date change and from the resulting re-baselining were now reporting green within the RAG status, and twelve projects were reporting good progress and were on track, and four projects had commenced within the quarter. Two projects had been moved to 'on hold'.

A Member commended officers for the completion of Magna Square, but commented on the lack of car club space. The Head of Assets & Regeneration advised that the electric points were now live but there was a bottleneck on the supply of vehicles.

The Committee Chair added that the school transport initiative had been reported to the recent Community Services Committee, and ahead of going to next week's full Council advised that any funds saved as a result of the proposed recommendation would be retained within the Community Services budget for use on projects supporting youth and leisure, as well as recreation facilities across the borough.

A Member asked about the impact of the work coming out of the Corporate Plan on the project portfolio, and was advised that many of the items identified would be actions or standalone items rather than projects.

The Housing Committee Chairman noted that there were more projects from Housing than any other service, all of which were on track and on budget.

Resolved that –

1. Project updates for the thirteen grade A and thirteen grade B projects ranging through the initiation to execution stages were noted

2. The One Programme update was noted.

3. Key project achievements over the second quarter of 2022/23 for the months of July, August, and September were noted.

4. Project execution was noted.

270 **HR and Payroll Procurement Update**

The Head of Digital Innovation reminded Committee that approval for the budget and procurement of the Council's new HR and Payroll integrated system was approved in February 2022.

The procurement exercise failed to identify a sufficient range of supplier tenders, and Procurement Project Board desired more choice to ensure value for money, therefore the contract was not awarded with a view to retendering later in the year.

Following the outcome of the original procurement approach, and taking into consideration all findings and lessons learned, it was recommended to use a framework to procure the HR and Payroll integrated solution. An additional capital outlay was being requested as part of this process.

Further lessons learnt had revealed that the cost for ongoing maintenance and support was too low, a supplementary estimate was therefore being requested to reflect supplier feedback and expectations.

The Chair of the HR and Staff Wellbeing Member Working Party emphasised the importance of the IT upgrade, which would have huge benefits once implemented, adding that the Working Party had looked into the prospect of joint working but it would not be desirable to tie the Council down to a particular system and the ambition should be for other authorities to bid to join Runnymede rather than the other way round.

Resolved that –

1. The outcome of the original procurement exercise using the 'Find a Tender Service' for a HR and Payroll integrated system was noted.

2. The revised procurement approach to procure the HR and Payroll integrated system using the Crown Commercial Services Gcloud framework was approved.

3. An additional capital budget for the implementation of the HR and Payroll system was approved, taking the total capital budget to be drawn down from the pre-approved capital provision held in the Capital Programme.

4. A second supplementary revenue estimate for the ongoing systems licensing, support, and maintenance was approved.

5. Delegated authority to Assistant Chief Executive (S151 Officer) was approved in consultation with the Chair of the HR and Staff Wellbeing Member Working Party and the Chair and Vice Chair of Corporate Management Committee for the Council to enter into a contract with the successful tenderer for the provision of a HR and Payroll integrated system.

271 **Procurement of Agency Services Across the Investment Portfolio**

The Corporate Head of Assets and Regeneration was seeking approval for the

procurement of a commercial and residential agency to provide advice on the running of the commercial portfolio.

A number of different agents were currently utilised to work with the Council on lettings, rent reviews and basic agency advice.

Whilst no growth was being requested for the procurement, financial regulations required Committee approval due to the value being requested.

The service was intended to provide a one-stop service around agency advice across all sectors with the intention of drawing out value across the Council's portfolio.

The desired expertise from market specialists meant that it would not be economic to carry that experience in-house, and the expertise could be drawn upon any time and would save valuable time for the Assets & Regeneration team.

The Committee chair asked about the consequences of the contract value going over budget, and the Corporate Head of Assets & Regeneration advised that such a scenario would be reported back to Corporate Management Committee as an over-spend, however the budget would be monitored closely.

Furthermore, whilst there was a value on the contract, it was potential rather than committed spend and the outlay would be done on a schedule of rates that was largely linked to rent reviews.

A Member asked about the prospect of DLUHC asking the Council to divest some of its investments, and the Committee Chair advised that even if that was the case the Council would still have sufficient properties to manage to make the spend worthwhile.

The Chief Executive added that an asset management review had been instigated, however spend in recent years might be misleading for comparison purposes as it was unlikely to be comparable against what's coming up due to a cluster of leases coming to an end.

Resolved that –

The Committee approved the procurement of Commercial and Residential agency/professional services through an appropriate framework that specialises in these fields.

272 **Proposed Letting at Addlestone One**

The Corporate Head of Assets and Regeneration recommended the letting of part of a unit at Addlestone One to a franchise business, who had suggested they would consider the letting of a unit in Egham subject to the success of this letting.

The letting would offer a diverse option to Addlestone One, and would further cement the scheme as a leisure destination, adding to the vitality and viability of the development, as well as adding to the critical mass to attract further businesses to the scheme.

A Member raised concerns about the potential delay of utility companies accessing the location and the knock-on impact this could have on rent, the Corporate Head of Assets & Regeneration acknowledged the issue and advised that the tenant would be signed up to a meter at the earliest possible opportunity, although stressed that utility work was beyond the Council's control.

Resolved that –

1. Committee approved the outline terms for the letting of part of Unit 6 at Addlestone One.

2. Committee approved the costs to split the unit, which would be taken from the capital budget for the Addlestone One scheme.

(The meeting ended at 9.34 pm.)

Chairman

Review and Replacement Runnymede's Council Tax Support Scheme (Ed Bowen, Customer, Digital and Collection Services)

Synopsis of report:

Following consultation, to approve a revised Council Tax Support scheme, for those of working age, ensuring it is up to date, relevant and incorporates the roll out of Universal Credit to Runnymede's residents.

To simplify the scheme so it is more transparent and easier for some of the Council's most vulnerable residents to receive financial assistance towards their Council Tax liability and align the Council Tax Support Scheme with Housing Benefit regulations.

Recommendation(s):

The Committee to recommend to full Council the preferred option for Runnymede's Council Tax Support scheme and agree the implementation of the revised scheme from 1 April 2023.

1. Introduction

- 1.1 In April 2013 Council Tax Benefit was replaced by a prescribed Council Tax Support (CTS) scheme for those of pension age. The prescribed scheme ensured that pensioners were not affected, at all, by the reduction in funding for CTS.
- 1.2 Each local authority was then required to adopt its own locally designed and funded scheme for Working Age customers.
- 1.3 Any changes to the Housing Benefit regulations will be reflected in this Council Tax Support Scheme, and changes can be made during the financial year with the approval of the Assistant Chief Executive in consultation with the Chair of the Corporate Management Committee.
- 1.4 If a local authority wishes to make fundamental changes to its Council Tax Support scheme, it needs to consult the public and other affected groups. The scheme also needs to be approved by Full Council by 11th March of the preceding financial year.

2. Background

- 2.1 When the council tax bills are created in February 2022, we awarded around £4.1 million in CTS, shown in the table below:

Claimant Group	Number of Claims	Total Annual Award.
Pensioners	1,437	£2,000,168
Vulnerable / Disabled Claimants	892	£1,233,734
Working Age & Employed	65	£65,650
Working Age Other	674	£789,234
Totals	3,068	£4,088,786

- 2.2 With Council Tax increasing each year (the increase accelerated recently by the SCC Adult Social Care funding rises) measures need to be in place to control the expenditure. There is an obvious impact on the amount that can be gathered in through Council Tax revenue, if the CTS scheme changes.
- 2.3 With the above in mind, it is timely that the CTS scheme be reviewed to ensure that:
- the scheme is affordable
 - that the scheme remains fair and equitable to all sections of the community
 - that the scheme keeps up to date with changes to national welfare schemes such as Housing Benefit and Universal Credit
 - allows future changes in Housing Benefit legislation to be incorporated to support vulnerable residents

3. The effect on the Council Tax Base:

- 3.1 The council tax base is used to calculate the amount of council tax charged per household and how much is raised for the preceptors (Surrey County Council, Police and Fire authority).
- 3.2 It is important to understand that as CTS increases the less Council Tax revenue becomes available and the shortfall has to be made up by the remaining council taxpayers.
- 3.3 Over the past few years we have chosen to increase the council tax by £5 on Band D. For every £5 increase in the council tax liability, 37 pence went to covering that increase in council tax liability, leaving £4.63 to be spent on other services.
- 3.4 The 2022/23 council tax raises £179.55 on each Band D for all our services, £9.82 of that goes towards the cost of CTS. Therefore, to provide a more generous CTS scheme, more of that revenue would be drawn away from other services.
- 3.5 A consideration has been the Council Tax collection rate. It would make no sense to reduce the level of CTS available if that resulted in a corresponding downturn in the Council Tax collection rate, leaving the Council with higher levels of arrears and increased collection costs.
- 3.6 The following table shows Council Tax collection percentages, across Surrey, by year:

Authority	2018-19	2019-20	2020-21	2021-22
Elmbridge	98.9	98.7	98.4	98.6
Epsom & Ewell	99.1	99.1	98.1	98.5
Guildford	98.9	98.6	97.5	97.5
Mole Valley	99.1	99.0	98.5	98.6
Reigate & Banstead	99.1	98.7	98.1	98.9
Runnymede	98.3	98.3	97.9	98.4
Spelthorne	98.4	98.3	96.8	97.1
Surrey Heath	99.2	99.2	98.7	98.4
Tandridge	98.5	98.2	97.3	97.4
Waverley	98.7	98.0	97.3	98.2
Woking	98.7	98.4	98.1	98.4
Kingston-upon-Thames	99.0	98.7	97.2	98.2
Shire Districts (av.)	97.9	97.7	96.9	97.2

3.7 Due to the Covid pandemic, collection in 2022-21 was lower as courts were closed and resources were diverted to support residents and businesses.

3.8 The table above shows that Council Tax collection rates across Surrey are consistently high. They are also above the national average for shire districts. The concern that a less generous scheme introduced in 2019 would lead to lower collection rates has not been borne out.

4. Options for Change

4.1 A number of options for a revised CTS scheme were considered to meet the following objectives:

- simpler to understand
- stabilise council tax support entitlement so reducing the need to rebill customers every time there is a small change in household income
- use Universal Credit data to streamline the claiming process for the customer
- increase take-up of an underclaimed benefit by proactively supporting people to claim and target those in need
- simplify administration
- redeploy existing staff to overpayment recovery and data matching to ensure awards are correct

4.2 Within the benefits application software, there is the ability to model the financial impact on expenditure of a number of different potential changes to the CTS scheme. Whilst it has not been possible to model all potential revisions to the scheme, the impact of more significant changes has been calculated.

4.3 Based on the CTS caseload as of 28 September 2022, total expenditure for 2022/23 was calculated to be £4,049,408. This is slightly lower than the figure reported as of February 2022 as the caseload is in a constant state of flux. The breakdown of the expenditure figure was:

Claimant Group ^{RRV317}	Number of Claims	Total Annual Award.
Pensioners	1,437	£1,984,510
Vulnerable / Disabled Claimants	892	£1,322,809
Working Age & Employed	65	£49,972
Working Age Other	674	£692,117
Totals	3,068	£4,049,408

- 4.4 With the determination of a reference expenditure figure of £4,049,408, it has been possible to compare the cost of alternative CTS schemes and identify what savings, if any, might be made.

5. Runnymede's current CTS scheme for working age people

PENSION AGE CLAIMANTS

- Pensioners are fully protected and continue to receive up to 100% relief towards their Council Tax

VULNERABLE CLAIMANTS

- Working Age Vulnerable will have to pay a minimum of 10% towards their Council Tax
- The amount of CTS awarded is limited to Band D
- The minimum CTS that will be awarded is £5.00 per week
- The savings/capital limit has remained at £16,000

OTHER WORKING AGE CLAIMANTS

- Working Age Employed and all Others will have to pay a minimum of 20% towards their Council Tax
- The amount of CTS awarded is limited to Band D
- The minimum CTS that will be awarded is £10.00 per week
- The savings/capital limit has remained at £10,000

- 5.1 Four options for change were presented to the Corporate Management Committee on 23 June 2022. Of these, two were identified by officers as preferred options. The preferred options were seen to be those that balanced the need to simplify the scheme and stabilise entitlement but not create a financial burden on all residents of the Borough, whilst continuing to provide financial support to as many residents as possible.

- 5.2 Options two and four were approved for consultation with some additional elements suggested at the meeting on 23rd June. The consultation was undertaken with our precepting authorities and residents of the borough, and deliberately sought the views of a cross section of residents.

6. **Option 2:** Stabilise entitlement for residents in receipt of Universal Credit by simplifying what happens when CTS changes by small amounts during the financial year.

- 6.1 Introduce a de minimis amount where any change of circumstances would result in an increase or decrease in a working age claimant's entitlement of less than £3.25 per week, then no change in CTS will occur until the total changes cumulatively amount to at least £3.25 per week.

- 6.2 Where this does occur, the change will be effective from the date of the last change.
- 6.3 The de-minimis level would be gross income changes of less than £16.25 per week.
- 6.4 Since January 2022, we have looked at the number of claims that have had a change of £3.25 or less. On average around 30% of claims with a change would be affected by this measure, and the numbers with a decrease is broadly similar to the number who have an increase.
Appendix 1 summarises these findings.
7. **Option 4:** Automate most of the claiming process and reporting changes for those in receipt of Universal Credit. Change the minimum weekly entitlement, align uprating and the CTS scheme with HB regulations.
- 7.1 By using as much Universal Credit data as possible we will be able to calculate accurately any entitlement and if necessary, request minimal additional information. This will provide residents with the CTS they are entitled to with a simplified claiming process and much less burdensome.
- 7.2 Currently, CTS is underclaimed in part because of the frequent changes and the broken link to Housing Benefit claims. We propose taking the UC data and treating that as a claim for CTS. However, the data that is shared does not provide all the information we need to make a decision under the current scheme.
- 7.3 To keep the burden on residents to a minimum and provide an accurate assessment of their entitlement, we propose introducing a flat rate non-dependent deduction and removing the additional earnings disregard (AED). These changes will allow us to use the UC data without the cost and delay of gathering additional information.
- 7.4 To help our residents with the current pressure on household budgets, we propose changing the minimum weekly entitlement for all working age customers to £5.00.
- 7.5 Should any residents not qualify and need assistance on hardship grounds we have the ability to remit council tax on under Section 13A of the Local Government Finance Act 1992, taking into consideration the impact on all taxpaying residents.
- 7.6 Using existing records of claims that fall below the £10 minimum we have been able to estimate the number of claims who would continue to receive CTS if the minimum were lowered to £5.00.
- 7.7 This is estimated to cost an additional £50,000 if it were applied to all groups. Appendix 2 shows the potential changes to a £5 minimum between April and September 2022. 33 residents in the 'Other' group and 38 in the 'Employed' group would retain some entitlement over £5 per week.
- 7.8 It should be noted though, that for every £5 increase in council tax liability, 37 pence went to covering that increase in council tax liability, leaving £4.63 to be spent on other services and currently of the £179.55 on each Band D for all our services, £9.82 of that goes towards the cost of CTS. To cover the additional estimated £50,000 for changing the minimum to £5 for all groups would cost .33 on the average band D.
- 7.9 Had these changes been in place in April 2022, the cost of CTS would have been £10.15 on the average Band D charge.

- 7.10 Align Housing Benefit uprating with Council Tax Support uprating and align the Housing Benefit disregard of all local welfare support payments and any future legislative changes, subject to agreement of the Assistant Chief Executive in consultation with the chair of Corporate Management Committee.
- 7.11 Fully aligning the CTS scheme with Housing Benefit regulations will make the CTS easier to understand and consistent with the other benefit. This will also allow the authority to react more quickly to deliver changes announced in Housing Benefit and align the CTS scheme to give the customer an equivalent entitlement.

8. Consultation Responses

- 8.1 An independent market research company undertook the consultation on behalf of Runnymede Borough Council. A total of 1,000 questionnaires were issued and the survey was available on the Council's web site. 92 responses were received.
- 8.2 The consultation group included a wide variety of customer and responses were received from those of working and pensionable age, those who are and are not economically active as well as those classed as 'vulnerable' within the current and proposed CTS schemes.
- 8.3 Officers carefully considered the responses to the consultation and reviewed the preferred options for a replacement scheme. As more than half of respondents supported the changes proposed, officers are recommending a revision to the existing scheme that incorporate elements that are affordable, simpler to understand, and can be delivered with the existing software while protecting the vulnerable in our community.
- 8.4 As a consequence officers confirm that the flat rate non-dependant deduction and removal of the additional earnings disregard affects those on Universal Credit and will not be extended to all working age groups.
- 8.5 For further clarity, the change to the £5 minimum and the disregard of local welfare provision payments affects all working age groups.
- 8.6 The report of the independent market research company, engaged to seek the reviews of residents, is attached to this report as Appendix 3.
- 8.7 We also consulted the precept authorities Surrey Police and Surrey County Council, both of whom supported the proposed changes Appendix 3A.
- 8.8 Citizens Advice said they supported the automation of claims using universal credit data and agreed with the change to the minimum amount.
- 8.9 At the time of writing, Surrey Welfare Rights had yet to comment.

9. Officer recommendation

- 9.1 Having looked at the various options, officers recommend amending the existing scheme with the measures set out and detailed above. These were referred to as Option 2 and 4 in the report to the Corporate Management Committee on 23 June 2022 to Councillors, and the additions made subsequently that the public found acceptable, and we can deliver using the existing software

- 9.2 By amending the current CTS scheme for those of working age, these changes are in summary:
- Stabilise entitlement for those in receipt of Universal Credit by ignoring changes of £3.25 or less in weekly entitlement.
 - Use Universal Credit data to assess entitlement.
 - Introduce flat rate non dependant deductions for claimants in receipt of Universal Credit.
 - Remove the additional earnings disregard for those in receipt of Universal Credit.
 - Change the minimum weekly entitlement to £5 for all working age groups.
 - Align the scheme with Housing Benefit uprating annually and with any future legislative changes.
 - Disregard local welfare payments for all working age groups
- 9.3 The revisions maintain a significant level of protection for a high number of vulnerable residents whilst ensuring that the Council does not overspend against the CTS budget especially in the current economic crisis and rising cost of living.

10. Mechanism for Revising the CTS Scheme

- 10.1 Before the RBC CTS scheme can be revised, there must have been consultation with major preceptors and the general public on the possible options for change. The consultation ran between Friday 12th August and Friday 23rd September, giving sufficient opportunity for interested parties to comment. To try and obtain as broad a range of consultation responses as possible, it was decided to include a sample of the current CTS working age caseload as well as some residents not in receipt of CTS. Officers engaged an independent market research company, tasking them to seek the views of approximately 1,000 residents. The total number of responses to the consultation was 92.
- 10.2 Now the consultation responses are known, and a proposed revised scheme is in place, it needs to be agreed by the Council on 8 December 2022. This will ensure that a revised, replacement scheme is agreed before the legislative deadline of 11 March 2023, enabling adoption and implementation from 1 April 2023.

11. Financial implications

- 11.1 The introduction of the £5 minimum entitlement for all working age groups will lead to an increase in annual CTS expenditure for approximately £50,000 in each year.
- 11.2 As the scheme is looking to increase take-up, there will also be a slight increase in CTS expenditure of around £10,000.
- 11.3 The cost and analysis of the consultation was £4,635.

12. Legal Implications

- 12.1 When Council Tax Support was introduced, local authorities were obliged to have a scheme in place by the 11 March preceding the start of the following financial year. If a changed scheme is not approved, then the current scheme would continue for another year.
- 12.2 On 23 June 2022 Corporate Management Committee considered proposed changes to the CTS scheme for 2023/24 prior to a period of consultation on the suggested

scheme amendments.

- 12.3 This report asks the Corporate Management Committee to approve a revised CTS scheme for 2023/24. The report sets out the responses to the consultation exercise carried out with interested parties between 12 August 2022 and Friday 23 September 2022.
- 12.4 Schemes need to be adopted by full Council, with prior consultation undertaken with stakeholders such as the county council, police authority etc.
- 12.5 Schedule 1A, paragraph 5 of the Local Government Finance Act 1992 states:
- 12.6 For each financial year, each billing authority must consider whether to revise its scheme or to replace it with another scheme
- 12.7 The above is understood to mean that for every financial year since 2013, local authorities need to have considered whether to amend/revise or keep the same their local scheme. Best practice suggests that, as part of any review of a local scheme, consultation with stakeholders be undertaken. As with the initial Council Tax Support scheme from April 2013, the decision to maintain or revise a scheme needs to be made by full Council.
- 12.8 In addition to any local variations, each year the Government issues regulations amending the default scheme. Amendments in respect of pensioners *must* be incorporated into any local scheme. Whether these amendments need to be included in a local scheme for working age residents are for each local authority to decide.

13. Equality implications

- 13.1 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
- 13.2 The Council must pay due regard to any obvious risk of such discrimination arising from the decision before them. There is no prescribed manner in how the equality duty must be exercised though producing an EIA is the most usual method. An EIA for the proposed 2023/24 scheme has been completed.
- 13.3 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.
- 13.4 Councillors will need to consider the effect that implementing any changes to the CTS scheme will have on equality before making a final decision at the Council meeting of 8th December 2022. The EIA will assist with this. If it is apparent that CTS policy would have an adverse effect on equality, then adjustments should be

made to seek to reduce that effect and this is known as mitigation. The options and proposals consulted on in revising our CTS scheme will go some way to help mitigate the impact on vulnerable groups.

14. Environment, Sustainability and Biodiversity implication

- 14.1 The stabilisation of CTS entitlement will lead to a reduction in printing and postage costs, as will the use of Universal Credit data which will mean less need to contact customers and ask for additional information and evidence.

15. Conclusion

- 15.1 The Committee to recommend to full council the preferred options for Runnymede's Council Tax Support scheme and agree the implementation of the revised scheme from 1 April 2023.
- 15.2 Subject to Committee approval, a members' briefing explaining the changes will be held on 28 November 2022 ahead of the 8 December full council meeting.

(To resolve)

Background papers:

Appendix 1 – Ignore small changes CTR605 analysis

Appendix 2 – £5 minimum

Appendix 3 – Council Tax Support Scheme Consultation

Appendix 3a – Consultation response from Preceptors

Appendix 4 – Equalities Screening Assessment

Appendix 5 – Council Tax Reduction Scheme

(Appendices 3, 4 and 5 have not been included within the agenda pack but are available on the Council's website - [Agenda for Corporate Management Committee on Thursday, 24th November, 2022, 7.30 pm – Runnymede Borough Council](#))

Appendix 1 – Ignore small changes CTR605 analysis

TOTALS January to September
2022

Group	<£3.25	UC	>£3.25	UC
Vulnerable	80	47	100	65
Employed	22	8	15	5
Other	81	67	76	66
Total number of changes	183	122	191	136

<£3.25 is a reduction in entitlement of £3.25 or less

>£3.25 is an increase in entitlement of £3.25 or less

During the period January to September there were 183 claims that saw a reduction of £3.25 in weekly CTS entitlement and 191 claims that saw an increase.

The proposal is to ignore the small changes for those on UC, the table above shows of 374 changes 69% of those changes would be ignored, reducing billing and contact with customers.

Appendix 2 – £5 minimum

Between April and September 2022, we have looked at each claim that fell out of entitlement to CTS and assessed if they would have continued to get some CTS if the minimum was £5 per week.

This only affects those in the current “Other” and “Employed” Groups, as the Vulnerable already have a minimum £5 per week.

In the “Other” Group 33 customers would have received something between £5 and £9.99, amounting to an additional £270.96 per week.

In the “Employed” Group 38 customers would have received something between £5 and £9.99, amounting to an additional £287.59 per week.

Claim Part Code	Scheme	Cancellation Date	Cancellation Reason	Between £5 & £10
CTR	Oth	01/04/2022	Zero Entitlement	8.72
CTR	Emp	08/04/2022	Zero Entitlement	5.2
CTR	Emp	08/04/2022	Zero Entitlement	9.46
CTR	Emp	19/04/2022	Zero Entitlement	7.52
CTR	Emp	20/04/2022	Zero Entitlement	7.42
CTR	Emp	25/04/2022	Zero Entitlement	6.42
CTR	Emp	25/04/2022	Zero Entitlement	6.61
CTR	Oth	25/04/2022	Zero Entitlement	6.95
CTR	Oth	25/04/2022	Zero Entitlement	9.99
CTR	Emp	26/04/2022	Zero Entitlement	5
CTR	Emp	26/04/2022	Zero Entitlement	7.14
CTR	Emp	26/04/2022	Zero Entitlement	9.25
CTR	Emp	26/04/2022	Zero Entitlement	9.48
CTR	Oth	26/04/2022	Zero Entitlement	7.88
CTR	Oth	26/04/2022	Zero Entitlement	8.48
CTR	Oth	26/04/2022	Zero Entitlement	9.24
CTR	Emp	28/04/2022	Zero Entitlement	7.91
CTR	Emp	28/04/2022	Zero Entitlement	9.22
CTR	Oth	02/05/2022	Zero Entitlement	5.91
CTR	Oth	02/05/2022	Zero Entitlement	7.35
CTR	Emp	03/05/2022	Zero Entitlement	5.55
CTR	Oth	03/05/2022	Zero Entitlement	7.99
CTR	Emp	04/05/2022	Zero Entitlement	5.31
CTR	Oth	05/05/2022	Zero Entitlement	7.31
CTR	Oth	06/05/2022	Zero Entitlement	7.47
CTR	Emp	11/05/2022	Zero Entitlement	7.57
CTR	Oth	13/05/2022	Zero Entitlement	9.39
CTR	Emp	16/05/2022	Zero Entitlement	8.31
CTR	Emp	17/05/2022	Zero Entitlement	5.6
CTR	Oth	17/05/2022	Zero Entitlement	9.64
CTR	Oth	18/05/2022	Zero Entitlement	9.23
CTR	Oth	18/05/2022	Zero Entitlement	9.53
CTR	Emp	24/05/2022	Zero Entitlement	9.7

CTR	Emp	25/05/2022	Zero Entitlement	9.49
CTR	Oth	27/05/2022	Zero Entitlement	8.71
CTR	Emp	02/06/2022	Zero Entitlement	7.91
CTR	Emp	07/06/2022	Zero Entitlement	7.76
CTR	Oth	07/06/2022	Zero Entitlement	8.64
CTR	Emp	09/06/2022	Zero Entitlement	6.25
CTR	Emp	15/06/2022	Zero Entitlement	6.29
CTR	Oth	16/06/2022	Zero Entitlement	8.24
CTR	Oth	24/06/2022	Zero Entitlement	7.43
CTR	Emp	27/06/2022	Zero Entitlement	8.82
CTR	Emp	28/06/2022	Zero Entitlement	6.92
CTR	Emp	28/06/2022	Zero Entitlement	9.84
CTR	Oth	28/06/2022	Zero Entitlement	7.42
CTR	Oth	29/06/2022	Zero Entitlement	9.45
CTR	Oth	30/06/2022	Zero Entitlement	8.98
CTR	Emp	05/07/2022	Zero Entitlement	5.52
CTR	Oth	05/07/2022	Zero Entitlement	9.35
CTR	Oth	11/07/2022	Zero Entitlement	5.17
CTR	Oth	11/07/2022	Zero Entitlement	8.79
CTR	Oth	13/07/2022	Zero Entitlement	8.56
CTR	Oth	26/07/2022	Zero Entitlement	9.61
CTR	Emp	01/08/2022	Zero Entitlement	5.96
CTR	Oth	01/08/2022	Zero Entitlement	5.6
CTR	Emp	02/08/2022	Zero Entitlement	8.7
CTR	Oth	02/08/2022	Zero Entitlement	8.41
CTR	Oth	05/08/2022	Zero Entitlement	9
CTR	Emp	08/08/2022	Zero Entitlement	8.19
CTR	Emp	09/08/2022	Zero Entitlement	8.5
CTR	Oth	17/08/2022	Zero Entitlement	7.56
CTR	Oth	19/08/2022	Zero Entitlement	6.1
CTR	Emp	22/08/2022	Zero Entitlement	9.53
CTR	Emp	08/09/2022	Zero Entitlement	9.46
CTR	Emp	12/09/2022	Zero Entitlement	7.03
CTR	Emp	16/09/2022	Zero Entitlement	6.78
CTR	Oth	23/09/2022	Zero Entitlement	8.86
CTR	Emp	26/09/2022	Zero Entitlement	9.69
CTR	Emp	28/09/2022	Zero Entitlement	6.7
CTR	Emp	29/09/2022	Zero Entitlement	5.58
				558.55

Because the new lower entitlement may only come into payment part way through the year and other changes may happen later in the year that further reduces or increases entitlement. The estimated overall cost has been forecast at £50,000.

Appendix 3a – Consultation response from Preceptors and agencies

Surrey County Council

Hi Ed

I'm sorry for the lack of response to both your emails you sent about the LCTS. We didn't specifically have any issues with your plans, but the review did spark a discussion internally about the schemes (across Surrey) and how we can bolster support for them and the role SCC should play.

The policy team here have been asked to develop a policy position on this, which I suspect will be shared with all districts and boroughs once finalised.

So apologies once again for the lack of communicating that earlier,
Lucinda Derry

Surrey Police

Hi Ed,

Thank you for explaining the potential impact. Like all preceptors we anticipate a difficult year ahead and normally would look to maximise our income. However given that these groups will need extra help, it will also simply your benefits processing and the amount is relatively small we are happy to agree to your proposals.

Yours

Kelvin Menon

Kelvin Menon CIPFA FCA

Chief Finance and Section 151 Officer

Office of the Police and Crime Commissioner for Surrey

Citizens Advice

Dear Ed

Many thanks for the opportunity to comment on the proposed changes to council tax support. We particularly welcome the minimum payment change to £5/week (see below), but you will understand that in the current climate, we can't support any reduction in welfare payments.

Our comments:

Change to other adult resident deductions (non-dependant deductions)

Replace the four existing weekly deduction rates with a flat rate of £5 for those out of work and £10 for those in work:

We find that our clients often are unable to succeed in getting the non-dependents (particularly adult children) to make up the non dependent deduction. A £5/week increase in the non-dep deduction for council tax would have a significant adverse effect on many in our client group. We would expect the effect to be to increase council tax arrears.

Minimum weekly amount:

To replace the £10/week minimum payment with £5/week minimum.

This is a particularly welcome change. Even better (of course) would be if there were no minimum payment threshold.

Earning disregards:

UC claimants have an automatic CTS application made - this would be great - we see a small number of clients who miss out entirely on CTS with thousands of pounds of arrears as a consequence. But as the effect of this change would be to reduce CTS payable, we are unable to support it.

Kind regards

Lorna

[Lorna Thomas](#) | [Advice Services Manager](#)

Surrey Welfare Rights

Hi Ed,

Thank you very much for this. I've forwarded it to our Chief Officer, Maria Zealey, who I am sure will respond.

Best regards,

Ray Savage

Unit Administrator

Surrey Welfare Rights Unit

Treasury Management Mid-Year Report 2022/23 (Paul French – Corporate Head of Finance)

Synopsis of report:

The report sets out the treasury activity for the first six months of the 2022/23 financial year.

Recommendations:

For information

1 Context of report

- 1.1 The Prudential and Treasury Management Codes, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), 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 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 borrowing, 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 before being recommended to the Council. 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 – 2021 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 2022/23 were considered by the Corporate Management Committee at its meeting held on 20 January 2022, and the Overview and Scrutiny Select Committee at its meeting on 3 February 2022 before final approval by full Council on 10 February 2022.

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, Link Group (Link) were awarded a new contract from September 2021. This contract is for the period of three years (with an option to further extend for additional two years). Although Link provide advice to the Council, responsibility for final decision making always remains with the Council and its officers.

Economic Update

- 2.2 The Council’s treasury advisor, Link Asset Services, has provided the economic update in the following paragraphs (it should be noted that this was prior to the resignation of Liz Truss as Prime Minister and the installation of Jeremy Hunt as Chancellor of the Exchequer):
- 2.3 The first half of 2022/23 saw:
- GDP revised upwards in Q2 2022/23 to +0.2% quarter on quarter from -0.1% (in Q1 2022/23), which means the UK economy has avoided recession for the time being;
 - Signs of economic activity losing momentum as production fell due to rising energy prices;
 - CPI inflation ease to 9.9% year on year in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
 - The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
 - Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
 - Gilt yields surge and sterling fall following the “fiscal event” of the new Prime Minister and Chancellor on 23rd September.
- 2.4 The UK economy grew by 0.2% quarter on quarter in Q2 2022/23, though revisions to historic data left it below pre-pandemic levels.
- 2.5 There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g., chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.
- 2.6 The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% quarter on quarter in Q3 and

consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rise of £4.6bn.

- 2.7 The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.
- 2.8 CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below \$90pb, we would expect to see fuel prices fall further in the coming months.
- 2.9 However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.
- 2.10 Nonetheless, the rise in services CPI inflation from 5.7% year on year in July to a 30-year high of 5.9% year on year in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.
- 2.11 During the first half of the year 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.
- 2.12 Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of \$1.035 on the Monday following the government's "fiscal event", it has since recovered to around \$1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the near term. This was

originally expected as part of the fiscal statement on 23rd November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.

- 2.13 The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.
- 2.14 Since the fiscal event on 23rd September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.
- 2.15 Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharply at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.
- 2.16 Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.
- 2.17 There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.
- 2.18 After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

Outlook for Interest Rates

- 2.19 Part of Link Asset Services' service is to assist the Council in formulating a view on interest rates. The latest forecast on 27 September 2022 (see below) sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.
- 2.20 The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control.

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

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 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.
- 3.5 Total borrowing as at 30 September 2022 was as follows:

Investment Sector	Outstanding at 1 April 2022	New Borrowing	Borrowing Repaid	Outstanding at 30 Sep 2022
	£000	£000	£000	£000
HRA - PWLB	100,000	-	-	100,000
General Fund – PWLB	499,000	-	-	499,000
General Fund – Non PWLB	54,731	-	273	54,458-
	653,731	-	273	653,458

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

4 Annual Investment Strategy

4.1 The Treasury Management Strategy Statement (TMSS) for 2022/23, which includes the Annual Investment Strategy sets out the Council's investment priorities as being:

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

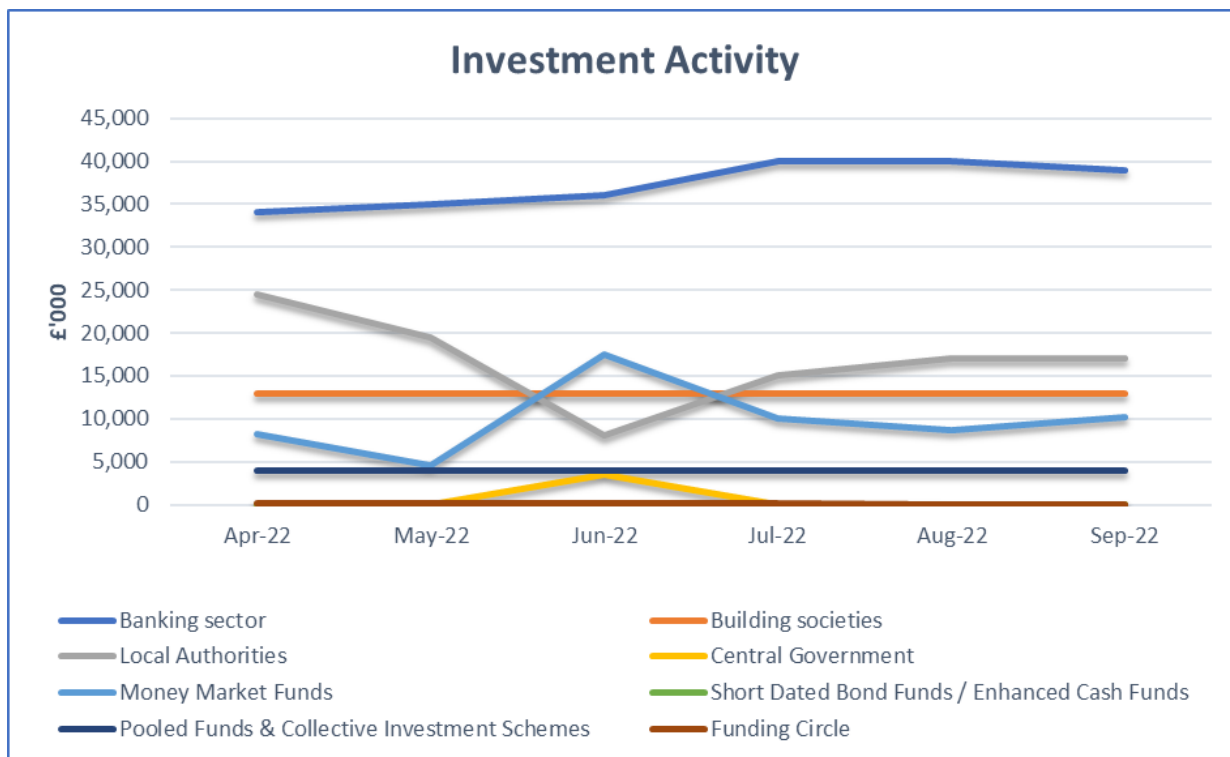
4.2 The Council's investment policy is governed by DLUHC investment guidance and is reflected in the Annual Investment Strategy approved by the Council each year. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit 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 The Council held £83.3m of investments at 30 September 2022 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 2022	New Investments	Investments Recalled	Outstanding at 30 Sep 2022
	£000	£000	£000	£000
Specified Investments				
Banking sector	23,000	37,000	21,000	39,000
Building societies	16,000	22,000	25,000	13,000
Local Authorities	24,500	17,000	24,500	17,000
Central Government	0	3,500	3,500	0
Money Market Funds	9,820	45,750	45,370	10,200
Unspecified Investments				
Pooled & Collective Investment Schemes	4,000	0	0	4,000
Funding Circle	104	0	28	76
	77,424	125,250	119,398	83,276

4.5 The monthly movement in balances between these categories is set out in Table 6 below and reflects the available counterparties and investment rates at that time.



4.6 A full list of investments held at the 30 September is set out at Appendix A.

4.7 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 12month cycle.

Breach of Counterparty limits

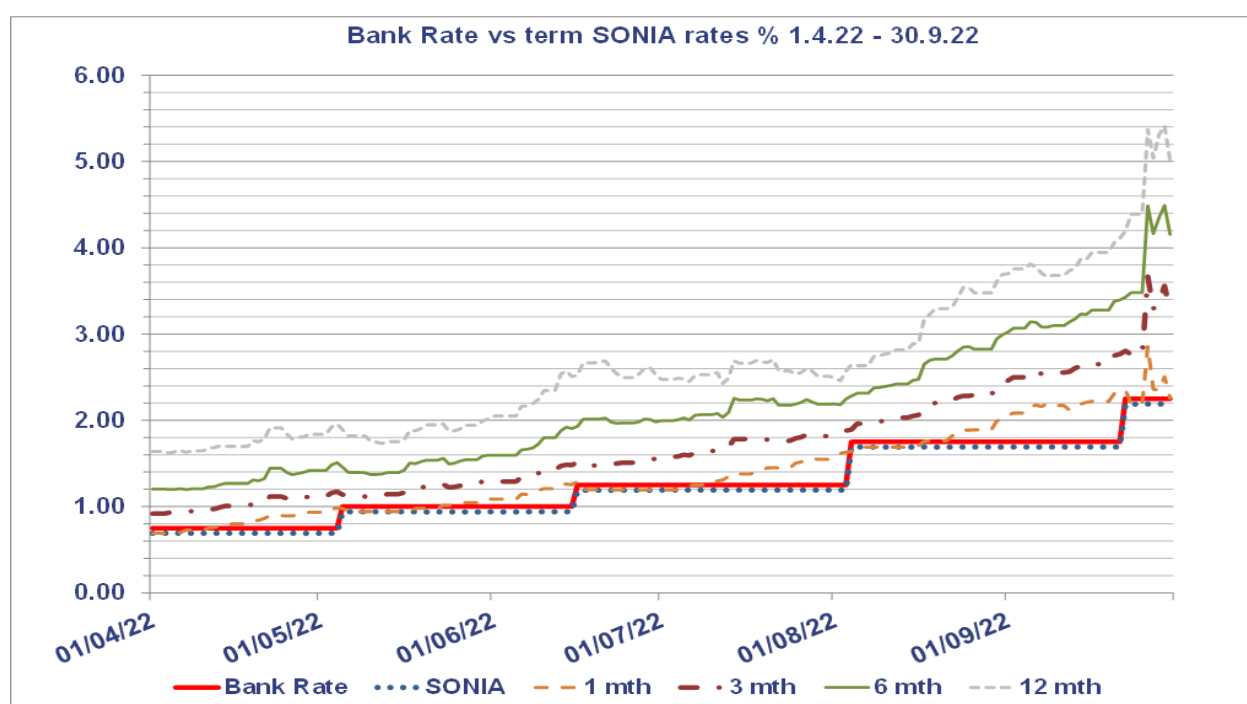
4.8 On Friday 30 September the Council invested in a £1million Certificate of Deposit (CD) with Credit Suisse for the duration of 3 months. Unfortunately, one of the three ratings agencies downgraded Credit Suisse's rating to bbb+ in August, which is below Council's minimum rating level for this type of institution, but our treasury system did not remove the counterparty as a lending option as expected when the new credit ratings were uploaded into Treasury Management System. As the Council's risk management policy is to take the lowest of the three credit ratings, this investment did not meet the Council's criteria at the time of the investment and therefore a breach occurred which was reported to Council Members in accordance with our treasury procedures.

4.9 When the error was discovered, officers considered an option of selling the CD in the second hand market at a marginal loss (confirmed by the market brokers). However, taking into account the size and short-term nature of the investment, the probability of risk of non-recovery was deemed as low, especially taking comfort that two other credit rating agencies still rate the bank the equivalent of A- which still meets Council's short-term investment criteria. Based on that, it was concluded to do nothing for the time being – i.e. to continue to hold the investment until maturity.

- 4.10 At the start of November, S&P Global Ratings (S&P) downgraded the Long Term of Credit Suisse AG to 'A-' from 'A'. At the same time, the Outlook on the Long Term Rating was changed to Stable from Negative. S&P notes that the Stable Outlooks reflect the rating agency's expectation that Credit Suisse will maintain robust capital, funding, and liquidity positions to mitigate the risks inherent in the implementation of the new strategy. S&P expect the bank will steadily execute its transformation plan, delivering on the targets that are fully within its control (such as cost cutting) and applying strong risk management and governance to the investment bank downsizing.
- 4.11 Since this error was picked up, officers have been in contact with the treasury system suppliers to establish what went wrong and new preventive controls and procedures have now been introduced to ensure that this does not happen again.
- 4.12 The current investment counterparty criteria selection approved in the TMSS is currently meeting the requirements of the treasury management function, however, with the build up of Minimum Revenue Provision balances being set aside in an unusable reserve to repay future debt liabilities when they become due, officers will be recommending changes in the Treasury Management Strategy for 2023/24 when it is reported in January.

Investment income and debt interest

- 4.13 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.
- 4.14 The original estimate for investment income for 2022/23 was based on the Council achieving an average interest rate of 0.50%. Currently the Council is at 1.10%, and it is likely to increase further in the year with the anticipated rises of base rate.
- 4.15 The average rate of interest generated is in line with the Council's benchmark rates which follows a similar pattern as follows:



NB: SONIA (Sterling Overnight Index Average) is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors

QUARTER ENDED 30/9/2022						
	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	2.25	2.19	2.86	3.67	4.49	5.41
High Date	22/09/2022	30/09/2022	26/09/2022	26/09/2022	29/09/2022	29/09/2022
Low	0.75	0.69	0.69	0.92	1.20	1.62
Low Date	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
Average	1.28	1.22	1.39	1.70	2.12	2.62
Spread	1.50	1.50	2.17	2.75	3.29	3.79

The table above, for completeness, covers both the first and second quarters of 2022/23.

- 4.16 By way of comparison the Council's investment performance month by month for the year to date is set out below. This shows the average interest rates achieved from our investments each month and reflects the value in keeping investments short in an unpredictable rising market.

Month	Interest Rate (%)
April 2022	0.61
May 2022	0.75
June 2022	0.87
July 2022	1.19
August 2022	1.42
September 2022	1.72
Average Rate YTD	1.10

- 4.17 Included in the above table are 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 volatility over relatively short time frames. The movement in these funds during the year has been as follows:

	Original Investment £'000	Value 31 March 2022 £'000	Value 31 Sep 2022 £'000	Average Dividend Return %
CCLA Property Fund	2,000	2,710	2,731	4.80
CCLA Diversified Income Fund	2,000	2,079	1,901	3.10

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.

- 4.18 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. The table below sets out these loans and the expected income to the Council in a full year.

Loan Type	Original Investment £'000	Annual Interest £'000	Interest Rate %
Development Loans - AddlestoneOne	25,326	1,276	5.04
Development Loans – Magna Square	11,838	500	4.22
Development Loans - Other	1,000	49	4.86
Working Capital Loans	445	34	7.54
Working Capital Loans	300	22	7.36
Working Capital Loans	1,800	133	7.40
Totals	40,709	2,014	

- 4.19 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	347	96	443
Interest on loans to RBC companies	1,862	0	1,862
Dividend income	120	0	120
Interest paid on deposits and other balances	(1)	0	(1)
Net Investment Income	2,328	96	2,424
Debt Interest	(13,480)	(3,379)	(16,859)
Management Expenses	(27)	0	(27)
Net Investment Income / (Debt interest)	(11,179)	(3,283)	(14,462)

- 4.20 Based on current predictions using the data set out in the above paragraphs, the revised figures for 2022/23 are assumed to be as follows:

	General Fund £'000	HRA £'000	Total £'000
Gross external investment income	2,169	738	2,907
Interest on loans to RBC companies	1,806	-	1,806
Dividend income	120	-	120
Interest paid on deposits and other balances	(6)	-	(6)
Net Investment Income	4,089	738	4,827
Debt Interest	(13,469)	(3,379)	(16,848)
Management Expenses	(28)	-	(28)
Net Investment Income / (Debt interest)	(9,408)	(2,641)	(12,049)

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 10 February 2022.
- 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	693,570	643,458
Upper limit on variable interest rate exposures	0	(73,276)

- 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 most of the Council's investments mature within the financial year, GBP73.3mln are classed as variable rate investments. The Council has no variable rate borrowings to offset these against, hence the negative target 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%	1.53%
12 months and within 24 months	25%	0%	2.30%
24 months and within five years	25%	0%	1.53%
Five years and within 10 years	50%	0%	14.54%
10 years and above	100%	0%	80.11%

- 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	720,710
Approved Operational Boundary	695,710
Actual borrowing as at 30 September	653,458

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 One of the requirements of the new CIPFA Treasury Codes is to ensure that Members and Officers undertaking treasury functions or scrutiny are adequately trained. Two training courses were made to the Council members relating to Treasury Management were undertaken in the first half of Oct 2022, one run by the Council's Finance officers and another one run by Link Asset Services).

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. Environmental/Sustainability/Biodiversity implications

8.1 Ethical or Sustainable investing is becoming a more commonplace discussion within the wider investment community. There are currently a small, but growing number of financial institutions and fund managers promoting Environmental, Social and Governance (ESG)

products however the types of products we can invest in are constrained to those set out in our Investment Strategy which is driven by investment guidance, both statutory and from CIPFA, making it clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities.

- 8.2 The Council does not invest directly in any companies – other than our own - and our investments are limited to investments with the banking sector (term deposits etc) and investments in property (our investment properties). We do have £4million split between two pooled funds both managed by the CCLA and their approach to ESG can be found on their website:
<https://www.ccla.co.uk/sustainability/corporate-governance/approach-esg>

9. Conclusion

- 9.1 With continued UK economic uncertainties, the Ukraine conflict, pan-European energy crisis, global recessions, and global market uncertainty generally, investment rates have been increasing throughout the first half of year 2022-23. An increasing base rate is hard to keep up with, especially given so much uncertainty as to when and how high increases in rates are likely to be. For this reason, officers are keeping investments short term to ensure that the time lag between increasing rate changes and reinvestment of maturities are kept to a minimum.
- 9.2 With the exception of one breach in counterparty limits, during the period the Council has operated within all the other 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

Appendix A

Borrowings as at 30 Sep 2022					
	Principal Sum £'000	Original Term (Years)	Annual Interest £	MATURITY	%
Housing Revenue Account					
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%
	100,000		3,379,000	Average Rate:	3.38%
General Fund					
London Borough of Sutton	5,000	1	7,500	18 Oct 2022	0.15%
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%
Sheffield Combined Authority	5,000	2	25,000	19 Oct 2023	0.50%
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%
Phonenix Life Limited	39,458	40	1,141,830	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%
PWLB - 434500	10,000	50	167,000	09 Nov 2071	1.67%
	553,458		12,786,530	Average Rate:	2.31%
Total Borrowings	653,458		16,165,530	Annual Interest	
	£'000				
Authorised Borrowing Limit 2022/23	720,710	(approved 10 Feb 2022 - Full Council)			
Borrowing to date	(653,458)				
Authorised Borrowing remaining	67,252				

Appendix A

Investments as at 30 Sep 2022					
	<u>£'000</u>		<u>ORIGINAL TERM</u>	<u>MATURITY</u>	<u>%</u>
<u>Banks</u>					
<u>Access Accounts</u>					
Santander Business Reserve Account	4,000		**** 95 Day Notice A/C ****		0.930
<u>Term Deposits</u>					
Goldman Sachs International Bank	5,000		6 mth	10 Oct 2022	1.305
National Bank of Kuwait	4,000		5 mth	18 Oct 2022	1.550
DBS Bank	1,000		4 mth	18 Nov 2022	2.100
SMBC	4,000		4 mth	18 Nov 2022	1.970
Al Rayan Bank	5,000		3 mth	22 Nov 2022	1.850
Landesbank Hessen Thuringen Girozentrale - London	1,000		3 mth	20 Dec 2022	2.565
<u>Certificates of Deposit</u>					
Nat West Bank	2,000		1 yr	19 Dec 2022	1.950
Lloyds Bank	5,000		6 mth	22 Dec 2022	2.010
Credit Suisse	1,000		3 mth	04 Jan 2023	3.730
Nat West Bank	1,000		9 mth	17 Feb 2023	1.700
Toronto Dominion Bank	1,000		10 mth	27 Feb 2023	1.920
Standard Chartered Bank	5,000		1 yr	13 Apr 2023	1.910
Total Banks	39,000	47%			
<u>Building Societies</u>					
Coventry BS	3,000		3 mth	10 Oct 2022	1.300
Yorkshire BS	3,000		3 mth	31 Oct 2022	1.550
Nationwide BS	4,000		3 mth	09 Dec 2022	2.230
Leeds BS	3,000		3 mth	20 Dec 2022	2.250
Total Building Society	13,000	16%	(50% Limit)		
<u>Local Authorities</u>					
Plymouth City Council	5,000		11 mth	14 Oct 2022	1.420
Birmingham City Council	5,000		3 mth	19 Oct 2022	1.450
Merthyr Tydfil County Borough	2,000		3 mth	02 Nov 2022	1.620
North Lanarkshire	5,000		11mth	12 Jun 2023	1.900
Total Local Authorities	17,000	20%			
<u>Money Market Funds</u>					
Aberdeen Liquidity Sterling Fund	-		***** On Call *****		Variable
Aviva Investors Sterling Liquidity Fund - Class 3	200		***** On Call *****		Variable
Insight Liquidity Fund PLC	10,000		***** On Call *****		Variable
Total Money Market Funds	10,200	12%			
<u>Pooled Funds & Collective Investment Schemes</u>					
CCLA Property Fund	2,000		**** 3 mth settlement ****		Variable
CCLA Diversified Income Fund	2,000		**** 3 mth settlement ****		Variable
Total Pooled Funds	4,000	5%			
<u>Funding Circle</u>					
Lending to small and medium sized companies	76		**** up to 5 years ****		Variable
Total Other Investments	76	0%	(with the ability to sell loans)		
Total Investments	83,276				

Referral from Standards & Audit Committee – Counter Fraud Service Update (Amanda Fahey, Assistant Chief Executive)

At its meeting on 15 November 2022 Standards & Audit Committee will consider a report on Counter Fraud Service Update, with the following recommendations:

Members of the Standards and Audit Committee are asked to:

- i) consider the proposal to increase resources to combat fraud, and approve a further 3 year agreement with Reigate and Banstead Borough Council from 1 April 2022 to 31 March 2025 for the provision of a Counter Fraud Service; and
- ii) recommend to Corporate Management Committee approval of a supplementary estimate of £12,700, to be split 80/20 between the Housing Revenue Account and the General Fund, following consultation with the Chairman of the Housing Committee

The full report can be found below:

[Counter Fraud Service Update](#)

Subject to Standards & Audit Committee agreeing the recommendations, an addendum will be tabled to Corporate Management Committee closer to the meeting.

Budget Monitoring Report - April 2022 to September 2022 (Paul French, Corporate Head of Finance)

Synopsis of report:

To report the latest financial projections for the 2022/23 financial year for General Fund, Housing Revenue Account and Capital Programme.

Recommendation(s):

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 2022/23 were approved by the Corporate Management Committee on 20 January 2022 and subsequently by Full Council on 10 February 2022.
- 1.2 The detailed HRA budget for 2022/23 was approved by the Housing Committee on 12 January 2022 and subsequently by Full Council in February 2022.
- 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 Corporate Heads. Budget managers are expected to work with the accountancy team to report any variations and projected spend to 31 March.
- 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 2022.

2 General Fund Revenue Budget

- 2.1 The detailed General Fund budget for 2022/23 was approved in February 2022 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 1 and is explored in more detail in the following paragraphs.
- 2.2 Due to resourcing issues, officers are still working on the outturn figures for last year, however provisional data indicates that the General Fund balance at the start of the year was £17.9m. Taking this into account, the effect of the changes shown in Appendix 1 on the General Fund Working Balance at the year-end is anticipated to be as follows:

Table 1

General Fund Working Balance:		
Assumed GF Working Balance at 1 April	14,082	18,194
2022/23 in year movement (from above)	(249)	(633)
Assumed GF Working Balance at 31 March	13,833	17,562
Note: Minimum Working Balance £3m (Currently under review)		

- 2.3 The General Fund Summary set out in Appendix 1 sets out the net expenditure for each service area against the forecast outturn as at 30 September 2022. 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 2.

- 2.4 Appendix 2 shows that net surplus on services is forecast to be £1.676m, a reduction in net surplus on the original budget of £2.246m. This reduction can be summarised as follows:

Table 2

Analysis of budget changes in Net Expenditure on Services	£000
Increased Expenditure:	
- Planned Underspends carried forward from 2021/22	1,071
- Approved supplementary estimates	848
- Other cost pressures	356
Reduced Expenditure	- 644
Increased Income	- 50
Reduced Income	665
	2,246

- 2.5 The increase in costs on the Net expenditure on Service line represents an additional £2.2m draw on the General Fund working balance. It should be noted however that the effects of inflation and increased prices have not yet filtered through into budgets and as at the end of September estimates of these have not yet been included in the above figures. These will be worked up during the redrafting of the estimates and MTFs during October and November.
- 2.6 The original 2022/23 budget had savings targets built into it to offset some of the additional expenditure the Council had highlighted it wished to undertake. The following table sets out the achievements against these targets to date.

Table 3

Savings / income generation identified:	Forecast	Achieved
	2022/23	2022/23
	£000	£000
Voluntary Redundancy scheme (net of £340k new posts)	380	380
Car Parks - increase in income from ANPR installation	100	0
Reduced contribution towards Surrey Travellers site	45	45
Overhaul of Essential Car User Allowance (£99k in a full year)	25	0
Careline income - Woking BC (net of costs)	19	0
Rough Sleeping Accommodation Programme	13	13
Out of Hours Contracts - Spelthorne BC	5	0
Growth in Leisure income	200	0
CCTV Contracts	150	50
Partnership working with the NHS (Chertsey property - net of borrowing costs)	125	0
	1,062	488

- 2.7 Savings that have not yet been achieved appear in Appendix 2/Table 2 above under the Reduced Income column.
- 2.8 By far the biggest income generator for the Council is our rental income from commercial property. In the 2022/23 financial year the Council anticipates receiving rent (net of voids and bad debts) of £25.9m from various businesses across its portfolio. At the end of September officers believe that we are currently on track to deliver this.

- 2.9 Despite this, there is still a need to be wary in regard to:
- the long-term ramifications of Covid on the business sector (especially the future demand for office space)
 - the ability to relet properties at current rental levels
 - the cost-of-living crisis caused by high inflation and energy costs
 - potential costs coming out of the developing Asset Management Plan
 - sustainability issues ensuring that the portfolio is compliant with energy regulations
 - potential measures coming out of the Levelling up and Regeneration Bill once enacted
- 2.10 To mitigate this, the Council continues to build up earmarked resources to maintain properties to ensure they remain in a lettable standard and also to cover for loss of rent and rent-free periods.
- 2.11 Whilst the effects of high inflation adversely affect the Council's finances, the measures put in place by the Bank of England to manage the economy and bring inflation back down, have a beneficial effect on the Council's treasury operations. Increases in the bank base rate during the year and estimates of future rises mean that the Council is now forecasting investment income of £2.2m as opposed to £0.4m at the start of the year. Because the Council's borrowings have all been taken out at fixed rates of interest, there are currently no adverse effects on the interest paid by the Council from the bank rate rises. Further details on the Council treasury performance can be found in the mid-year treasury report set out under agenda item 6 of this agenda.

3 Housing Revenue Account (HRA)

- 3.1 The detailed HRA budget for 2022/23 was approved in February 2022. 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 3. This summary sets out the net expenditure for each service area against the forecast outturn as at 30 September 2022. 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 4.
- 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 deficit for the year shown in Appendix 3 is expected to increase by £33,000 from £1.610m to £1.643m.

4 Capital Expenditure and Receipts

Capital receipts and expenditure

- 4.1 The Capital Strategy and detailed Capital budget for 2022/23 was approved in February 2022. 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. (Confidential) Appendix 5 summarises the capital spend on schemes in the programme for the current year to the end of September 2022 and the capital receipts against the programme for the same period.
- 4.2 The Council started the year with £9.2m in available capital receipts which can be used to fund future acquisition of assets. However, £2.0m 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 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 or find alternative methods of funding for them.

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 1 materialise at the year end, this will reduce the General Fund working balance by £0.633m taking it from the anticipated £18.194m at the start of the year to £17.561m at 31 March 2023. The HRA deficit for the year shown in Appendix 4 is expected to increase by £33,000 from £1.610m to £1.643m.
- 6.2 Whilst there would currently appear to be a large level of General Fund Balances predicted for the year end, Appendix 2 shows that there are now additional ongoing commitments of £1m on top of the underlying £2m deficit identified in the MTF5 to be addressed. This is before:
- the effects of the current and medium-term inflationary pressures have been calculated
 - the costs of any works coming out of the developing Corporate Business Plan have been included
 - The results of the Fair Funding review have been announced, and
 - Any measures coming out of the Levelling up and Regeneration Bill once enacted.

(For information)

Background Papers

None stated

General Fund Financial Monitoring Statement 30 September 2022

Service Area	Original Budget £000	Forecast Outturn £000	Variance £000
Housing Committee	2,229	2,237	8
Community Services Committee	4,871	5,479	608
Environment & Sustainability Committee	4,453	4,877	424
Licensing Committee	25	25	0
Regulatory Committee	105	105	0
Planning Committee	2,048	2,215	167
Corporate and Business Services	(17,652)	(16,613)	1,039
Efficiencies & Revenue Reductions	0	0	0
Net expenditure/(surplus) on services	(3,921)	(1,676)	2,246
Accounting and other adjustments:			
Reversal of depreciation charges	(2,178)	(2,178)	0
Cost of capital charge to HRA	(43)	(43)	0
Transfer to/(from) reserves:			
Business Rates Equalisation Reserve	(3,147)	(3,147)	0
Equipment Repairs and renewals reserve	750	750	0
Property repairs and renewals reserve	1,345	1,345	0
Investment property income equalisation reserve	750	750	0
Infrastructure Feasibility Study Reserve	(162)	(162)	0
Financing and investment income			
Investment income - General	(440)	(2,200)	(1,760)
Dividends and Loan interest	(1,862)	(1,806)	56
Capital financing costs	13,480	13,469	(11)
Minimum Revenue Provision	4,586	4,439	(147)
Taxation and Non-specific grant income:			
Council Tax	(6,199)	(6,199)	0
Council Tax surplus/deficit	(166)	(166)	0
Business rates retention	(1,383)	(1,383)	0
New Homes Bonus	(907)	(907)	0
Services Grant	(128)	(128)	0
Lower Tier Services Grant	(126)	(126)	0
(Contribution to) / Use of Working Balance	249	633	384

General Fund Working Balance:

Assumed GF Working Balance at 1 April	14,082	18,194
2022/23 in year movement (from above)	(249)	(633)
Assumed GF Working Balance at 31 March	13,833	17,561

Note: Minimum Working Balance £3m (Currently under review)

Key:

Original Budget - Approved at Full Council on 10 February 2022

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 2022

Appendix 2

() = 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	MTFS 2023/24 £'000	MTFS 2024/25 £'000	MTFS 2025/26 £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000							
Housing Committee								0			
Leased Properties - property repairs at termination of leases	8							8			
Additional staff for provide outreach social prescriber function (CMC - Sept 22) - Funded by grant		50				(50)		0			
								0			
Community Services Committee								0			
Community Services								0			
Community Services Salaries - Restructure changes (CMC - Apr 22)		78						78	78	78	78
Grant to Holme Farm Project - offset by savings in 2021-22 (CS Cttee - 1 Feb 2022)	25			35				60			
Day Centre Provision - Reprovision at Addlestone Community Association (CMC - Sept 22)		30						30	30	30	30
Community Alarms - replacements required following digital upgrade	16							16			
Community transport - Contribution to costs - BSOF funding not available to English Authorities this year							10	10			
Grant Aid - Addlestone Comm Assoc. to support development of community asset (CMC - Sept 22)		13						13	13		
Parks - Grounds maintenance - Specials - works unable to be undertaken by 31 March	37							37			
Parks - Grounds maintenance - manned parks - Drainage work delays	7							7			
Parks - Sports equipment repairs	3							3			
Parks - Aviator Skate Park removal (CMC - Sept 22)		20						20			
Safer Runnymede - Costs recovered and Income from new CCTV Contracts (£150,000 in a full year)							60	60	(40)	(40)	(40)
Safer Runnymede - Increased staffing (CMC 23 June 2022 - £65,000 in a full year)		33						33	65	65	65
Safer Runnymede - Increased cost of new maintenance contract (access platform & operator)				31				31			
Careline income from new contracts							10	10	10	10	10
Increased income from Egham Orbit not yet forthcoming							200	200	200	200	200
								0			
Environment and Sustainability Committee								0			
Environmental and Regulatory Services								0			
Pollution Control - provision for purchase of noise equipment deferred to 2023/24						(6)		(6)		(6)	(6)
Contaminated Land - professional fees	10							10			
Recycling - initiatives provision	15							15			
Green Waste - income lower than estimated							30	30			
Energy Management & Climate Change - Production of Borough widenet zero study (CMC - Jul 22)		60						60			
Bringing Grounds Maintenance back in house (Full Council - 3/3/21)		81						81	81	81	81
Bringing Grounds Maintenance back in house (CMC Oct 22)		38						38	38	38	38
								0			
Highways and Transport Services								0			
Car Parks -stock condition survey	10							10			
Car Parks - computer licence	2							2			
Car Parks - estimated loss of P&D income at Woodlands car park							40	40	40	40	40
Car Parks - loss of P&D income at Hummer Road car park to be handed back to Tesco wef 01.10.22							40	40	40	40	40
Car Parks - permit income lower than estimated - customers not renewing							40	40			
Car Parks - PCN income lower than estimated							20	20			
On Street Parking - computer licence	4							4			
On Street Parking- PCN income lower than estimated							40	40			
								0			
								0			
Licensing Committee								0			
None anticipated								0			
								0			
Regulatory Committee								0			
None anticipated								0			
								0			
Planning Services								0			
Building Control - Increased staffing costs (Planning Cttee March 2022)		66						66	66	66	66
Longcross Garden Village - Conservation Advice	10							10			
Local Plan - Planning Advice	80							80			

GENERAL FUND - Changes in Net Expenditure on Services as at 30 September 2022

Appendix 2

() = 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	MTFS 2023/24 £'000	MTFS 2024/25 £'000	MTFS 2025/26 £'000
	P/U C/fwd £'000	Supp Est £'000	Virement £'000	Other £'000							
Egham Hythe Forum - Grant Aid	1							1			
Policy Implementation - Conservation Advice	10							10			
								0			
Corporate Management Committee								0			
Corporate, Democratic and Central Services								0			
External Audit - Increased costs of Audit (Base budget £74,000) & new Scale fees for 2023/24 onwards	77			71				148	141	141	141
Enterprise Zone	12							12			
Communications service	16							16			
Contingencies Planning - Supporting the proclamation of the new King and National Period of Mourning for Her Majesty (SO42 Sept 22)		50						50			
Increase in Members Allowances (Full Council - 3/3/22)		49						49	49	49	49
Removal of Member Working Party Allowance (Full Council - 3/3/22)					(43)			(43)	(43)	(43)	(43)
Communications service	16							16			
								0			
Commercial Property & Business Services								0			
Strategic Maintenance - planned maintenance	19							19			
Pine Trees uplift to void service charge exp - £50k p.a. back-dated to Dec-21				63				63			
Property purchase/Partnership working with NHS							150	150	150	150	150
Commercial Property - legal fees (various activities)	80							80			
Commercial Property - Surveyors & professional property fees (various activities)	488							488			
Commercial Property - Marketing fees at various sites including Magna Square	30							30			
Commercial Property - Rent Reviews - professional fees	30							30			
Commercial Property - Delayed maintenance works	20							20			
Addlestone One legal & consultancy costs for potential claim (SO42 - Jan 2022)		150						150			
								0			
Control & Establishment								0			
Salaries - Savings from vacant posts					(595)			(595)			
Salaries - Increase in leave entitlement (CMC June 2022) - costs will be split across frontline services		15						15	30	45	45
Municipal Safety - H&S consultancy support	5							5			
Car Allowances - Overhaul of Essential Car User scheme (£99,000 in a full year)							25	25			
Financial Services - Internal audits started in 2021/22 to be completed in 22/23	6							6			
HR / Financial Services - CMC Feb 2022 & Oct 2022 - Joint HR/Payroll system costs (£26k in a full year)		26						26	26	26	26
Human Resources - CMC Nov 2021 - restructure costs		22						22			
Human Resources - Home working self assessment software	7							7			
Human Resources - Management Development programme	5							5			
Law & Governance - CMC Apr 2022 - redundancy costs		37						37			
Law & Governance - CMC Jan 2022 - interim legal Services costs to June		30						30			
Procurement - Consultancy support	22							22			
Energy - increased cost of fuel based on 6 months of the year				100				100			
Vehicles - increased cost of fuel based on 6 months of the year				36				36			
Vehicles - increased cost of tyres				20				20			
								0			
Total changes in net expenditure	1,071	848	0	356	(644)	(50)	665	2,246	974	970	970

£'000

Original Net Expenditure on Services (as per the 2022/23 Budget Book)

(3,921)

Total changes in net expenditure

2,246

Forecast Net Expenditure on Services

(1,676)

HRA Financial Monitoring Statement

30 September 2022

Service Area	Original Budget	Forecast Outturn	Variance
	£000	£000	£000
Expenditure			
General management	2,265	2,277	12
Special services management	928	1,028	100
Supporting people for Council tenants	182	182	0
Mobile home site (Net)	(169)	(169)	0
Housing repairs	15,201	15,922	721
Less funded from major repairs reserve	(11,720)	(12,120)	(400)
Other HRA Expenditure	518	518	0
Debt charges	3,379	3,379	0
Depreciation charges	1,963	1,963	0
Repairs reserve	6,737	6,737	0
	19,284	19,717	433
Income			
Rent from dwellings	17,391	17,391	0
Non-dwelling rents and income	187	187	0
Interest on balances	96	496	400
	17,674	18,074	400
Revenue Surplus / (deficit) in the year	(1,610)	(1,643)	(33)

HRA Working Balance:			
Assumed HRA Working Balance at 31/3/22	26,946	32,632	5,686
In year movement	(1,610)	(1,643)	(33)
Less Capital Contributions			
Strategic purchases	(780)	(780)	0
New Build programme	(1,430)	(55)	1,375
Further potential schemes (not yet approved)	(5,000)	(5,000)	0
Assumed HRA Balance at 31/3/23	18,126	25,154	7,028

Key:

Original Budget - Approved at Full Council on 10 February 2022

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 2022

Appendix 4

() = 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								
Purchase, implementation and annual maintenance cost of Energy Assessor Module (SO42 - April 2022)		12						12
Potential Increase in utility costs Sheltered Housing & estates, which will probably result in increased Heating charges & service charges in subsequent years				100				100
Improving Energy Performance of Housing Stock (SO42 - April 2022)		100						100
Major repair Planned Underspends Brought forward from 2021/22	621							621
Increased costs met by increased transfer from MRR					(400)			(400)
								0
Likely interest on HRA balances due to increase in Bank of England base rate (to date)						(400)		(400)
								0
								0
Total changes in net expenditure	621	112	0	100	(400)	(400)	0	33

	£'000
Original deficit (surplus) in year (as per the 2022/23 Budget Book)	1,610
Total changes in net expenditure	33
Forecast Net Expenditure on Services	1,643

	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				
Changes in Capital Programme -								0
Slippage in St Georges development (completed May 2022)				55				55
Developments at Dunkirk Nursery site and garage conversions likely to be deferred until 2023/24				(1,430)				(1,430)
								0
Total changes in capital expenditure funded from working balance	0	0	0	(1,375)	0	0	0	(1,375)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Refurbishment of Tennis Courts an Increased Participation Project - Update (Anthony Jones, Community Services)

Synopsis of report:

- The Refurbishment of Tennis Courts an Increased Participation Project report gained approval by Corporate Management Committee (CMC) on the 22 September 2022.
- RBC secured £161,375 worth of funding in principle from the LTA but had to contribute an additional £7.5k as the Chertsey Rec site is multiuse (netball and tennis). This funding is in principle and not the final grant amount as a more detailed assessment will need to be carried out. Any potential increase to the amount that will be grant funded will be covered by the LTA as long as it's financially viable.
- One of the recommendations from the first report was for 'members to approve the Council enters a partnership arrangement with the Lawn Tennis Association (LTA), in order to secure funding for the refurbishment of the Council's Park tennis courts.'
- It has now come to light that RBC will have contractual arrangements not only with the LTA but also with their approved contractors.
- Officers are now seeking members approval for RBC to enter into contractual agreements with the LTA and their procured contractors.

Recommendation(s):

- To comply with the requirements of CSO 2.5 due to the value of the works being greater than £100,000, and a requirement of LTA the funding is for the Council to enter in to contract directly with the appointed contractors via the 'Parks Improvement Programme' and the 'Gate Locks' frameworks, Members are asked to authorise the Council entering into agreement with contractors appointed to complete the works at each venue.

1. Context of report

- 1.1 This report provides an update on the Refurbishment of Tennis Courts, an Increased Participation Project, with further recommendations as Runnymede Borough Council is moving into stage three of the funding process.
- 1.2 The original report sought approval for Runnymede Borough Council to enter a partnership with the Lawn Tennis Association (LTA) to develop the Tennis Courts at Gogmore Farm Park, Ottershaw Memorial Fields, Victory Park, Chertsey Recreation Ground (Chertsey Rec) and Heathervale Recreation Ground.
- 1.3 The report recommendations were approved by Corporate Management Committee (CMC) on the 22 September 2022.

1.4 The following recommendations were proposed by officers and agreed by CMC:

- i) the Council enters into a partnership arrangement with the Lawn Tennis Association (LTA), in order to secure funding for the refurbishment of the Council's Park tennis courts;
- ii) Corporate Management Committee be requested to agree a Capital Estimate in the sum of £168,000 for the works to the courts, to be entirely funded from the grant awarded by the LTA;
- iii) the proposed charging structure be approved and the proposed project budget if funding is successful.
- iv) Corporate Management Committee be requested to agree to the creation of a new Earmarked Reserve and an annual transfer of any unused court maintenance budget into it to specifically fund the future maintenance works associated with the courts; and
- v) subject to the proposed terms not requiring the Council to incur any expenditure beyond that approved, this Committee is requested to delegate authority to the Chief Executive, in consultation with the Chairman and Vice-Chairman of Community Services Committee, to enter into an agreement with the Lawn Tennis Association once full details have been received and considered.

2. Report

- 2.1 Since the approval by the CMC, the Council instructed the LTA to begin the application process on the Council's behalf. At this stage the LTA advised that due to Chertsey Recreation Ground being a multiuse site (used for Tennis and Netball) the resurfacing cost for the site would not be covered by the LTA funding criteria as funding is exclusively for tennis only sites.
- 2.2 As a result, a sum estimated as £7,500 would need to be contributed by the Council to cover the works at Chertsey Rec and to enable Netball to continue. Alternatively, the other options are to remove the Netball provision from the site or decline LTA funding for Chertsey Rec.
- 2.3 Not committing to meet the £7,500 shortfall would mean a loss of Netball in the community and as the sport is predominantly played by women and girls, the Council would also be lowering participation in this already inactive cohort. This would also be in contradiction to the priorities in the Council's Health and Wellbeing strategy.
- 2.4 Officers were able to find the shortfall through one-off underspends identified within 22/23 budgets across Community Services to cover the cost of the resurfacing works in principle, leaving netball provision in the borough unaffected.
- 2.5 The LTA's funding application for Runnymede was successful, with £161,375 allocated as funding in principle, which together with the above Council contribution realizes a total sum of £168,875.
- 2.6 It is important to note that the £161,375 is not the final grant total, this may increase once a more detailed assessment by contractors is conducted. Any increase to the grant amount will be covered by the LTA, providing it is deemed financially viable.
- 2.7 As a result, there is the potential that the £7,500 contributed by Council could potentially increase, which would be intended to be funded from within existing budgets, given, for example, that a 10% increase would only result in a £750 increase.

- 2.8 As part of the funding agreement, the Council is required to use contractors appointed to Lot 1 (South East region) of the “Parks Improvement Programme” procurement framework, administered by the LTA. The Council will enter into contract with the appointed operator for the resurfacing and fencing works required. A separate contractor, appointed via the ‘Gate Locks’ framework will be required for the gate access system. The LTA will pay the funding grant to the Council upon completion of the works, who in turn will pay the appointed contractors. Such an arrangement will allow the Council to have a contract with their approved contractors meaning that any warranties will remain between the contractor and the Council.
- 2.9 Using appointed contractors from the frameworks will ensure that the Council benefits from specialists in the required fields and from best value, given the number of works they intend to fund nationally. It is therefore unlikely that the Council will be able to obtain the same value, quality and price should the Council carry-out a procurement exercise in isolation of the LTA’s.
- 2.10 As the appointments to the frameworks is underway, it should also be noted that if a separate procurement exercise was undertaken by the Council, it would likely result in delays to the proposed timeline, which seeks to have the works completed before the end of Q1, 2023-2024. The LTA ‘Procurement Strategy – Summary Document for “Parks Improvement Programme” Framework can be found in appendix A.
- 2.11 Therefore, given this newly received information and clarifications on the process, to be compliant with Contract Standing Orders 2.5: Approvals, as the value of the contract for the works will be over £100,000, Officers are seeking authority for the award of the required call-off contracts between the Council and the appointed contractors and also the agreement with the LTA for the purposes of receipt of funding.

3. Conclusion

- 3.1 The further information received from the LTA results in Officers seeking the authority of CMC to enter into contract with contractors appointed to the ‘Parks Improvement Programme’ and the ‘Gate Locks’ frameworks. The report also updates Members as to how officers are intending to preserve Netball at Chertsey Rec, by contributing a small amount of funding to the project.
- 3.2 With the hope being that this work will be completed in the early stages of 2023/2024, it is hoped that new tennis facilities will be available to residents, as will club and community coaching opportunities, by next summer, delivering against both the Health and Wellbeing Strategy and Health and Wellbeing Member Working Group priority of improving play and recreation facilities across the borough.

4. Policy framework implications

- 4.1 The development of the tennis courts will meet with priority of the health and wellbeing strategy by providing improved facilities and affordable access to sport and recreation in the borough.

5. Legal implications

- 5.1 Appointment of suppliers to the “Parks Improvement Programme” procurement framework is underway via a Find-a-Tender Service (FTS) process in compliance with the Public Contract Regulations 2015 (PCR 2015). The Football Foundation is the Contracting Authority, and the LTA are appointed as the framework agent to administer the framework contracts awarded. The framework is set-up to appoint a

single operator per geographical region. Runnymede would be serviced by the operator appointed to Lot 1: South West London and South East.

- 5.2 When the framework appointments have been completed, Local Authorities will be able to access the framework to undertake the process of obtaining site specific costs and establish delivery timetables of the works. As each Lot is based on geographical location and will be allocated to a single operator, the appointment will be by direct award.
- 5.3 A call-off contract (JCT Minor Works Contract 2016 (With Contractor's Design) would be signed between the Council and the operator to ensure that contract liability including warranties is direct with the Authority. The Authority would be liable for payments to the supplier in line with the payment schedule in the contract. The LTA will reimburse these costs.
- 5.4 Separately to the above, the PCR 2015 compliant 'Gate Locks' framework will be used to appoint a suitably-qualified contractor for this aspect of the works required.

6. Equality implications

- 6.1 The Council is required to have due regard to its public sector Equality Duty before approving the proposals.
- 6.2 The Council's Duty is stated under the Equality Act 2010 and is to have 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 characteristic and those who do not
- 6.3 Improving the park tennis courts will have a positive impact on all sections of the community. The Council will be able to better engage with residents from all backgrounds and abilities using tennis as a vehicle. A full Equality Impact Assessment has been completed to highlight the benefits to the community.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 All refurbishments will be done in accordance with the LTA's [Environmental Sustainability Plan "Securing and lasting future for tennis in Britain"](#).

(To resolve)

Background papers

- Refurbishment of Tennis Courts - an Increased Participation Project



Procurement Strategy – Summary Document

for

“Parks Improvement Programme” Framework

1. Introduction & Background

1.1. Background

1.1.1. The Lawn Tennis Association (LTA) park refurbishment program will refurbish park courts across the UK having received £21.9m of funding directly from DCMS and an additional £8.4m from the LTA Tennis Foundation to deliver the programme by March 2024.

1.1.2. This paper provides a summary of the Framework procured by the LTA to deliver the Parks Refurbishment Programme. The Football Foundation (FF) have been appointed as (the “Contracting Authority”) and the LTA will act as the Agent.

1.2. Framework Objectives

The Framework will appoint circa 11 Contractor(s) in a region to provide a “Turn-Key” service and will act as the Lead Designer”, “Principal Designer” and “Principal Contractor” under the Construction, Design and Management Regulations 2015 (CDM2015). Two frameworks will be established to deliver the parks refurbishment program.

Framework 1 will include tennis court surface works (including specific types of resurfacing, cleaning, repainting), repairing and installing specific grades of fencing, replacing gates, posts and nets. Framework 1 will have 11 lots to provide national coverage (including Scotland and Wales). The 11 Lots are shown in Appendix 1. The call off contract that will be used for each individual site will be JCT Minor Works Contract 2016 (With Contractor’s Design).

Framework 2 will include the installation of stand alone gates (projects as not part of framework 1 works) and gate access systems. The framework will appoint a single contractor to provide national coverage.

The reason for using a framework approach to deliver the “Parks Investment Programme” is to enable Local Authorities to directly contract with contractors who have been procured using the Public Procurement Regulations 2015 procedure. The framework will deliver the following objectives:-

1. Enable the LA to use the framework to deliver the projects.
2. Achieve value for money through a competitive procurement process.
3. Make sure projects are delivered on time, budget and to the correct specifications.

The procurement accords with the requirements of PCR2015 and will be procured using the Open procedure. Contractors will be appointed in line with PCR 2015 Regulations and will have to pass a pre qualification questionnaire as well as being assessed on their

- technical compliance
- Competitive pricing
- proposed delivery team,

- Resource available to deliver projects
- Supply chain arrangements
- Social value in the delivery of projects
- Business continuity, resilience and risk

Contract Management

The LTA is making a separate appointment of a Consultant who will undertake the role of “Contract Administrator”. They will oversee each call-off contract and provide wider services supporting the overall delivery of the framework. The Consultant will be appointed and paid for under a Deed of Appointment by the LTA. The Deed of Appointment includes provision under the Contracts (Rights of Third Parties) Act 1999 which permits the Local Authority named in a Notification Letter issued by LTA to the Local Authority, the entitlement to enforce for its benefit under the Act, third party rights in relation to the services provided by the Consultant and their duty of care on a call-off contract

Timetable for Delivery

The LTA has advertised Public Information Notices for both frameworks and it is envisaged that the frameworks will be advertised in May with contractors appointed in July. Local Authorities will then be able to access the frameworks to undertake the process of obtaining site specific costs and establish delivery timetables of the works.

Appendix 1

Framework 1 Lots

Lot	Description	Number of Operators
1	South West London and South East*	1
2	South Wales and South West	1
3	South London and South East (a)**	1
4	North London and South East (b)***	1
5	Central and East	1
6	West Midlands	1
7	Midlands	1
8	North Wales & North West	1
9	Yorkshire and Humber	1
10	North East	1
11	Scotland	1

*Local Authorities Basingstoke, Bournemouth, Eastleigh, Havant, Portsmouth, Southampton, Swindon, Hillingdon, Brighton, Bromley, Crawley, Croydon, Eastbourne, Epsom, Guildford, Hammersmith, Hastings, Hounslow, Kingston, Mid Sussex, Reigate, Runneymede, Rushmore, Slough, Spelthorne, Surrey Heath, Sutton, Windsor, Woking,

**Ashford (Kent), Barking, Bexley, Harlow, Harrow, Lambeth, Lewisham, Medway, Southward, Swale, Thanet, Thurrock, Ealing, Merton, Rother, Sevenoaks, Tandridge

***Barnet, Basildon, Broxbourne, Canterbury, Dartford, Dover, Enfield, Epping Forest, Folkestone, Gravesham, Greenwich, Hackney, Haringey, Hertsmere, Newham, Redbridge, Welwyn and Hatfield

**Parliamentary Boundary Review
(Kath Richards, Law & Governance)**

Synopsis of report:

- 1 The Boundary Commission for England (BCE) have the task of periodically reviewing the boundaries of all the Parliamentary constituencies in England. They are currently conducting a review based on legislative rules most recently updated by Parliament in 2020.**
- 2 Those rules tell them that they must make recommendations for new Parliamentary constituency boundaries by 1 July 2023. While retaining the overall number of constituencies across the UK at 650, the rules apply a distribution formula that results in an increase in the number of constituencies in England (from 533 to 543).**
- 3 In 2022 the initial proposals were published, and responses were invited and on 8 November the BCE have responded to the feedback received with in some instances resulting in a change being made.**

Recommendation(s):

- a) That the revised proposals be noted with regard to the Runnymede and Weybridge Constituency**
- b) To decide whether a submission to the Boundary Commission for England shall be made before the deadline of 5 December 2022 in relation to the revised proposals for the Runnymede and Weybridge and Windsor Constituencies.**

1. Context and background of report

- 1.1 The Boundary Commission for England (BCE) is an independent and impartial non-departmental public body, which is responsible for reviewing Parliamentary constituency boundaries in England.
- 1.2 The BCE has the task of periodically reviewing all the Parliamentary constituencies in England. It is currently conducting a review on the basis of rules most recently updated by Parliament in 2020. These latest rules retain 650 constituencies for the UK Parliament as a whole and require constituencies that they propose or recommend complying with strict parameters, in particular as far as the number of electors in each constituency is concerned.
- 1.3 The review process is heavily informed by public consultation. The BCE developed and published initial proposals for constituencies across England. Representations from the public about those proposals were then taken in writing and at public hearings in each region of England across two rounds of consultation. In light of all the views expressed about these initial proposals, the BCE revised them and will then conduct a further round of written consultation on the revised proposals.

- 1.4 The BCE is required to make a formal final report to the Speaker of the House of Commons before 1 July 2023, recommending any changes that it believes are appropriate to the distribution, size, shape, name or designation of constituencies in England. The current constituencies review is therefore referred to as ‘the 2023 Review’.
- 1.5 The rules also require that every recommended constituency across the UK – apart from five specified exceptions (two of them in England) – must have an electorate that is no smaller than 69,724 and no larger than 77,062.
- 1.6 The Government must turn the recommendations of the BCE (and those of the equivalent Commissions for the other three parts of the UK) into an ‘Order in Council’ that implements the recommendations. The constituencies set out in the Order will then be implemented for the next General Election after the date on which the legislation is approved.

2. **Report**

- 2.1 The purpose of this report is to provide members with an update on the BCE proposals and to decide whether the Council wishes to respond to the revised recommendations.
- 2.2 The Commission had received over 45,000 comments sent in by the public during the previous two stages of public consultation and has changed nearly half of its initial proposals based on this feedback.
- 2.3 The BCE have published its new revised proposals for constituencies across the country and opened a final month-long consultation, giving the public a last opportunity to send in their views.
- 2.4 The final consultation on the new map of revised constituency proposals is open now until 5 December 2022. The public are invited to view and comment on the new map at bcereviews.org.uk.
- 2.5 After this final consultation has closed on 5 December, the BCE will analyse the responses and form its final recommendations. These will be submitted to Parliament by 1 July 2023.

Initial Proposals and Consultation

- 2.6 The South East has been allocated 91 constituencies – an increase of seven from the current number. This includes two protected constituencies on the Isle of Wight. Their proposals leave 13 of the 84 existing constituencies wholly unchanged, and three unchanged except to realign constituency boundaries with new or prospective local government ward boundaries.
- 2.7 As it has not always been possible to allocate whole numbers of constituencies to individual counties, they grouped some county council and unitary authority areas into sub-regions. The number of constituencies allocated to each sub-region is determined by the combined electorate of the local authorities they contain.
- 2.8 Consequently, it was necessary to propose some constituencies that cross county council or unitary authority boundaries, although they sought to keep such crossings to a minimum.

Sub-region	Existing allocation	Proposed allocation
Berkshire ¹ , Hampshire ² , and Surrey	37	39
Buckinghamshire ³	7	8
Sussex ⁴	16	17
Isle of Wight	1	2
Kent ⁵	17	18
Oxfordshire	6	7

- 2.9 Berkshire's electorate of 635,137 results in a mathematical entitlement to 8.65 constituencies. However, to allocate Berkshire nine constituencies would require average constituency sizes so close to the minimum permitted electorate that it would be impossible to realise in practice without an undesirable number of ward splits and/or significant disruption to local community ties. The BCE proposed a sub-region pairing Berkshire with the neighbouring counties of Hampshire and Surrey, which included two constituencies that cross from Berkshire to Surrey, and Surrey to Hampshire respectively.
- 2.10 Although neither Hampshire nor Surrey, with respective mathematical entitlements to 18.44 and 11.72 constituencies, required these crossings to build constituencies within the permitted electorate range, it would result in the preservation of a greater overall number of existing constituencies, particularly along the coast of Hampshire.
- 2.11 The sub-region of Berkshire, Hampshire, and Surrey together (with a total electorate of 2,848,212) has a mathematical entitlement to 38.81 constituencies; the BCE have therefore allocated 39 constituencies, an increase of two.
- 2.12 The BCE proposed one constituency that contains electors from both Berkshire and Surrey, which combines the town of Windsor and the town of Egham.
- 2.13 They also proposed one constituency that contains electors from both Surrey and Hampshire, which combines the town of Bordon from the district of East Hampshire in a constituency with the towns of Farnham and Haslemere in Surrey's Borough of Waverley.
- 2.14 There are currently 11 constituencies in Surrey. Of the existing constituencies, five have electorates within the permitted range; however, only three of these could remain wholly unchanged, due to changes to local government ward boundaries (this due to local authorities in those constituencies having undertaken electoral reviews since constituencies last reviewed). All of the remaining six constituencies are above the 5% limit.
- 2.15 Of the three constituencies which could be retained wholly unchanged, the Spelthorne constituency (which is coterminous with the Borough of Spelthorne) is the only one which the BCE propose no alterations to.
- 2.16 The BCE have proposed changes to 10 out of 11 existing constituencies in Surrey. To enable Members to understand how complex the process is and impact of changes, officers set out below the changes which have been proposed to the 10 existing Surrey constituencies.

- 2.17 The BCE proposed that two wards from the existing Woking constituency be transferred to Surrey Heath, such that the Woking constituency would become coterminous with the Woking local authority.
- 2.18 With electorates having increased to the east of the existing Mole Valley constituency, the BCE propose that it would include the three wards for the town of Horley, as well as the South Park & Woodhatch ward, from the Borough of Reigate and Banstead. The BCE proposed that the constituency be called Dorking and Horley to reflect both major population centres as well as the constituency including parts of two local authorities.
- 2.19 The BCE considered that the Reigate constituency would not be able to remain unchanged despite falling within the permitted electorate range, due to the need to align with changes to local government boundaries and the adjacent East Surrey constituency. This latter constituency is largely contained within Tandridge district, which is mathematically entitled to 0.89 constituencies, so needed to include wards from elsewhere, but is penned in by boundaries with two other counties in the South East region, as well as with London. The BCE proposed that the East Surrey constituency included the Hooley, Merstham & Netherne ward from the Reigate and Banstead local authority.
- 2.20 The BCE also proposed a Reigate constituency comprising the northern part of the Reigate and Banstead local authority, including two wards (Nork, and Tattenham Corner & Preston) that were previously included in the Epsom and Ewell constituency.
- 2.21 The BCE also proposed that the Epsom and Ewell constituency, which previously included wards from three different local authorities, would consist of the entirety of the Borough of Epsom and Ewell with only one authority crossing, into Mole Valley district, to include the towns of Leatherhead and Ashted.
- 2.22 In order to bring the Surrey Heath constituency to within the permitted range, the BCE proposed that it include, in addition to the entirety of Surrey Heath district, two wards from the existing Woking constituency, but that the three wards consisting of the villages of Ash and Ash Vale are transferred to the Godalming and Ash constituency.
- 2.23 The BCE proposed that the Guildford constituency be reconfigured, such that it is entirely within the Borough of Guildford. The village of Cranleigh, which was previously in the Guildford constituency, would be included with its closer neighbour Godalming from the same Borough of Waverley, along with Ash in a Godalming and Ash constituency which crosses the local authority boundary between the Borough of Guildford and the Borough of Waverley.

Impact on Runnymede

- 2.24 In relation to the Runnymede area the proposal was for a new constituency called Weybridge and Chertsey, which would have incorporated all wards within Runnymede except for Egham Town and Egham Hythe which it was proposed to be added to the Windsor Constituency which will be managed by Windsor and Maidenhead Royal Borough Council.
- 2.25 In addition to the Runnymede Wards which will make up the Weybridge and Chertsey Constituency it is proposed that the Cobham and Downside, Oatlands and Burwood

Park, Weybridge Riverside and Weybridge St George's Hill wards from Elmbridge will be included.

- 2.26 Officers held a workshop with the Constitution Member Working Party to see if an alternative could be found to the initial proposals. It was agreed that the limitations on the numbers would not enable the current Runnymede and Weybridge Constituency to remain as is. A copy of the Council's submission on the initial proposals can be found at Appendix A.

What are the revised proposals for the South East region?

- 2.27 They have revised the composition of 27 of the 91 constituencies proposed in June 2021 and maintained the initial proposals for the remainder. They have revised the name of 19 of our initially proposed constituencies. Our revised proposals would leave 15 existing constituencies in the South East region wholly unchanged, and three unchanged except to realign constituency boundaries with local government ward boundaries.
- 2.28 As it is not always possible to allocate whole numbers of constituencies to individual counties or unitary authorities, they sometimes group these into sub-regions, meaning some constituencies cross county or unitary authority boundaries. After consideration of the responses to the sub-regions in the initial proposals, the revised proposals are based on unchanged sub-regions, as follows:
- Berkshire/Hampshire/Surrey (allocated 39 constituencies);
 - Buckinghamshire (allocated eight constituencies);
 - Sussex (allocated 17 constituencies);
 - Isle of Wight (allocated two constituencies);
 - Kent (allocated 18 constituencies);
 - and Oxfordshire (allocated seven constituencies).
- 2.29 In Berkshire, Hampshire, and Surrey, they have retained one county-crossing constituency between Berkshire and Surrey, and one between Surrey and Hampshire, with minor alterations to what was initially proposed. They have also proposed minor revisions to a series of constituencies between Farnham and Bordon and Reigate, such that those settlements would not be divided between constituencies; they have additionally proposed a minor reconfiguration around Cobham and Stoke D'Abernon as well as the inclusion of Englefield Green and Virginia Water in the Windsor constituency instead of Egham.

Extract from the BCE's revised proposals relating to Runnymede.

- 2.30 We received a number of representations in opposition to the initial proposals from the two Egham wards, which were initially proposed to be included in the Windsor constituency. Many of these responses disagreed with the principle of a constituency straddling the county boundary. Separately to the boundary concerns, we received several comments arguing for the retention of the name Runnymede and Weybridge, as opposed to the Commission's initially proposed name of Weybridge and Chertsey; local respondents advocated for the importance of the Runnymede name.
- 2.31 An alternative county crossing at Englefield Green and Virginia Water was separately proposed by two people this counterproposal would transfer the three wards of Englefield Green East, Englefield Green West, and Virginia Water, to the Windsor constituency and return the Egham Hythe and Egham Town wards to Weybridge and Chertsey. Some local residents acknowledged the merits of such an arrangement,

noting that '[Englefield Green and Virginia Water] are areas that look to Windsor and Ascot for entertainment and commerce, and are more similar in character to Windsor and Ascot'. See Appendix A.

- 2.32 The Assistant Commissioners conducted a site visit to assess this alternative and were persuaded that a constituency pairing Windsor with Englefield Green and Virginia Water would have a more consistent character than the initially proposed Windsor constituency. They additionally noted the strength of local feeling regarding the Runnymede and Weybridge constituency name. The Assistant Commissioners therefore recommended that the Windsor constituency should include Englefield Green East, Englefield Green West, and Virginia Water (see appendix C), and that the proposed Weybridge and Chertsey constituency both retain the wards of Egham Hythe and Egham Town and retain its existing name of 'Runnymede and Weybridge'. We agree with their recommendations and therefore propose these revisions.
- 2.33 There was a significant discussion concerning the two wards of Cobham & Downside and Oxshott & Stoke D'Abernon in Elmbridge. Both wards fall within the existing Esher and Walton constituency, which is above the permitted electorate range. To bring the constituency within range, we initially proposed including Cobham & Downside ward in Weybridge and Chertsey, retaining Oxshott & Stoke D'Abernon in Esher and Walton. Residents of both wards opposed this, arguing that the Cobham and Stoke D'Abernon area is a continuous settlement (BCE-95568, and Councillor Dave Lewis – BCE-97867). Some of these representations proposed reuniting the two wards within the Esher and Walton constituency by removing the Hersham Village ward instead. The latter submission additionally mentioned the possibility of splitting Esher ward, as one of its component polling districts falls on the western side of the River Mole (next to Hersham Village ward); however, this split is not required to bring either constituency within the permitted electorate range. A large number of representations were, however, received from across the area that disagreed with the Conservative Party's counterproposal to transfer Hersham Village ward out, asserting that the Hersham settlement represents an integral part of the Esher and Walton community. Other responses said that the Cobham, Downside, Stoke D'Abernon and Oxshott communities should be reunited in a different constituency if it were not possible to do so within Esher and Walton.
- 2.34 In light of the considerable discussion generated around the counterproposal, and the number of responses concerning these Elmbridge wards, the Assistant Commissioners visited the area. Their assessment was that the connections of Hersham Village ward with Esher and Walton were too strong to be broken in order to make room for both Cobham & Downside and Oxshott & Stoke D'Abernon. Specifically, they considered the railway line between Hersham Village ward and Walton South ward did not represent a significant barrier between the two communities, and neither did the River Mole between Hersham Village ward and Esher ward. They observed that these three communities represented one continuous area, and therefore did not endorse the counterproposal.
- 2.35 Nonetheless, the Assistant Commissioners accepted that the initial proposals broke local ties between Cobham & Downside and Oxshott & Stoke D'Abernon wards. They therefore recommended a revision that would bring both wards into Runnymede and Weybridge rather than Esher and Walton. In order to accommodate the addition of Cobham & Downside ward and Oxshott & Stoke D'Abernon ward to Runnymede and Weybridge, they recommended bringing the Oatlands & Burwood Park ward into Esher and Walton. Although this specific orientation was not proposed by any representations, the Assistant Commissioners were of the view that it best maintained the local ties in both the Hersham and Cobham/Stoke D'Abernon/Oxshott areas. The

Assistant Commissioners noted that the Burwood Park estate already falls within the boundaries of the existing Esher and Walton, and that Oatlands is linked with Walton for its county council representation. They further noted the representation which suggested that the ties of Oatlands and Burwood Park are to Hersham, rather than to Cobham and Downside. See Appendix B.

- 2.36 In considering the Assistant Commissioners' recommended revisions for Esher and Walton, and Weybridge and Chertsey, we acknowledge that there may be more limited connections of the Cobham & Downside and Oxshott & Stoke D'Abernon ward pair with Weybridge than with Esher, but feel that the communities of those wards represent a semi-independent settlement area, and note there are some links between these areas and Weybridge, including the 'Chatterbus' local transport service mentioned in some representations. In contrast, we consider that Hersham Village ward is part of a contiguous community with the neighbouring wards of Esher and Walton South. Accordingly, we agree with the recommendations of the Assistant Commissioners in this area and therefore propose a revised Esher and Walton constituency to include the Oatlands & Burwood Park ward and the renamed Runnymede and Weybridge constituency to include together the Cobham & Downside, and Oxshott & Stoke D'Abernon wards.
- 2.37 Attached at Appendix D is a table with all the numbers relating to the first and second proposals.
- 2.38 Clearly the Council could submit a response whilst in an ideal world we could object on the principal issue, but the BCE have said that previous arguments should not be submitted as they have already been taken into consideration.

3. Policy framework implications

- 3.1 There is no existing policy that relates to this. However, it does come under the Empowering Communities theme in the corporate business plan. Dealing with this proposal facilitates supporting the community to respond to its democratic structure.

4. Resource implications/Value for Money

- 4.1 There are no resource or financial implications.

5. Legal implications

- 5.1 There is a legal requirement for the BCE to carry out this exercise which is laid out in the body of the report.

6. Equality implications

- 6.1 This proposal will not change the current equality implications.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 The consultations were encouraged to be submitted electronically.

8. Timetable for Implementation

- 8.1 If the Council decides to submit a further response it will have to be submitted by 5 December 2022. The BCE has reiterated that they do not want any previous issues that had been raised submitted again.

9. **Conclusions**

- 9.1 The BCE are charged with this exercise; they have to undertake it with regard to certain criteria. They have applied that criteria in the proposals. We have reviewed their proposals and could not devise an alternative that falls within the boundaries required that would retain the Runnymede and Weybridge constituency in its current form.

(To resolve)

Background papers

None stated

Boundary review submission

Runnymede Borough Council acknowledges the work undertaken by the Boundary Commission (the Commission) in formulating the first set of draft proposals.

In relation to the Runnymede area the proposal is for a new constituency called Weybridge and Chertsey. This will incorporate existing wards within the Runnymede Borough Council local authority area. It is proposed that Egham Town and Egham Hythe wards will be added to the proposed Windsor Constituency which falls within the local authority area administered by Windsor and Maidenhead Royal Borough Council.

In addition to the Runnymede Borough Council wards for the proposed Weybridge and Chertsey Constituency it is proposed that the Cobham and Downside, Oatlands and Burwood Park, Weybridge Riverside and Weybridge St George's Hill wards from Elmbridge Borough Council local authority area will be included.

Runnymede Borough Council disagrees with the conclusion which has been reached.

Runnymede Borough Council was formed in 1974 under the Local Government Act 1972 by the merger of the Chertsey and Egham Urban Districts, both of which had been created in 1894. The existing Runnymede and Weybridge constituency was created in 1997 from parts of the former constituencies of Chertsey and Walton and North West Surrey.

During the course of its existence the Runnymede and Weybridge constituency has created a strong community identity with each area recognised by its electorate. Across Runnymede the electorate identify with a specific local authority which serves its diverse social and economic needs. Likewise, other organisations e.g. health sector, which serve the electorate are in the main structured to reflect the existing boundaries of the Runnymede and Weybridge constituency.

The current proposal would have a detrimental impact on the community identity which has been created since 1974 and was built upon when the existing constituency was created in 1997. Whilst the wards of Egham Town and Egham Hythe may physically border Windsor the electorate of those wards look towards Surrey as their county seat and associate themselves with Surrey and Runnymede rather than Berkshire. A range of services that the electorate benefit from are delivered by Runnymede Borough Council and Surrey County Council.

Local identity and community also links closely the wards within Egham and those of Englefield Green. The Royal Holloway (RHUL) estate straddles Englefield Green East ward and Egham Town ward, as does its associated student housing, which is situated throughout all the local wards. The areas are socially, economically and infrastructurally connected, and issues affecting the university affect many residents in both areas therefore removing the link to a single constituency and parliamentary representative would add confusion and complexity as well as dividing this natural community.

The community is also served by Surrey Police and the local Runnymede force. The Police and Crime Commissioner that oversees the work of the local constabulary that look after the electorate is the Surrey Police and Crime Commissioner. In every way the Egham wards identify with the Runnymede and Surrey communities, and not Windsor or Berkshire as proposed.

As the Commission acknowledges, in the criteria it uses to formulate proposals, community identity and ties are important factors which should be taken into account in drafting proposals. The justification put forward for the current proposal fails to articulate in any coherent fashion why existing community identity and ties should be severed. Whilst appreciating the problems faced, due to the electorate size in Berkshire, it would appear that a very simplistic approach has been taken to resolve that issue which will have a negative impact on a sizable number of the electorates who reside in the current Runnymede and Weybridge constituency.

It is the view of Runnymede Borough Council that an alternative proposal could be formulated which not only addresses the problems faced by Berkshire but at the same time ensures that the electorate of Runnymede and Weybridge constituency are not negatively impacted.

Runnymede Borough Council would invite the Commission to consider the creation of a constituency which is coterminous with the Runnymede Borough Council local authority area. It is the belief of Runnymede Borough Council that such an approach would be a correct application of the criteria that the Commission has indicated should influence its formulation of proposals. Such a proposal would ensure the continuation of the existing community identity and ties.

The Runnymede and Weybridge constituency, through its historic connections, is at the heart of parliamentary democracy and its residents are proud of their history and community identity. Given the establishment of Members of Parliament was a stage in the evolution of democracy, which took place following the sealing of the Magna Carta within the Runnymede and Weybridge constituency in 1215, it is important that any proposals dealing with such matters reflect the desires and wishes of the electorate who will be affected by them.

Name of the proposed constituency

In its proposals in respect of the naming of any new constituency the Commission states that as the water-meadow of Runnymede lies within the Egham wards, which it proposes to include in the Windsor constituency, the name 'Runnymede and Weybridge' is no longer appropriate; therefore, it proposes a new name of the Weybridge and Chertsey constituency with broadly similar boundaries.

Runnymede Borough Council would propose that any new name for a constituency which incorporates the totality or majority of the Runnymede Borough Council local authority area should retain the name Runnymede as part of its description.

The rationale behind this response is as follows.

As mentioned above the local authority area of Runnymede Borough Council came into existence in 1974. The selection of the name Runnymede was designed to create a new community spirit and succeeded, with residents across the borough proud of the history and heritage that the name reflects.

It is the view of Runnymede Borough Council that the proposed name seeks to emphasise merely one settlement within the Runnymede area and would not be felt to represent the majority of residents in the area. There are a number of settlements within the existing Runnymede and Weybridge constituency, of which Chertsey is merely one. Due to demographic and economic factors it would not be possible to point to one of those settlements as preeminent. Each settlement has certain features which make it unique. As outlined above, the name Runnymede is recognised by the whole community as identifying

the area they live in. As the Commission will note from the material above the name Runnymede was adopted into the constituency name in 1997 because it reflected the fact that the whole of the Runnymede Borough Council local authority area fell within the constituency area.

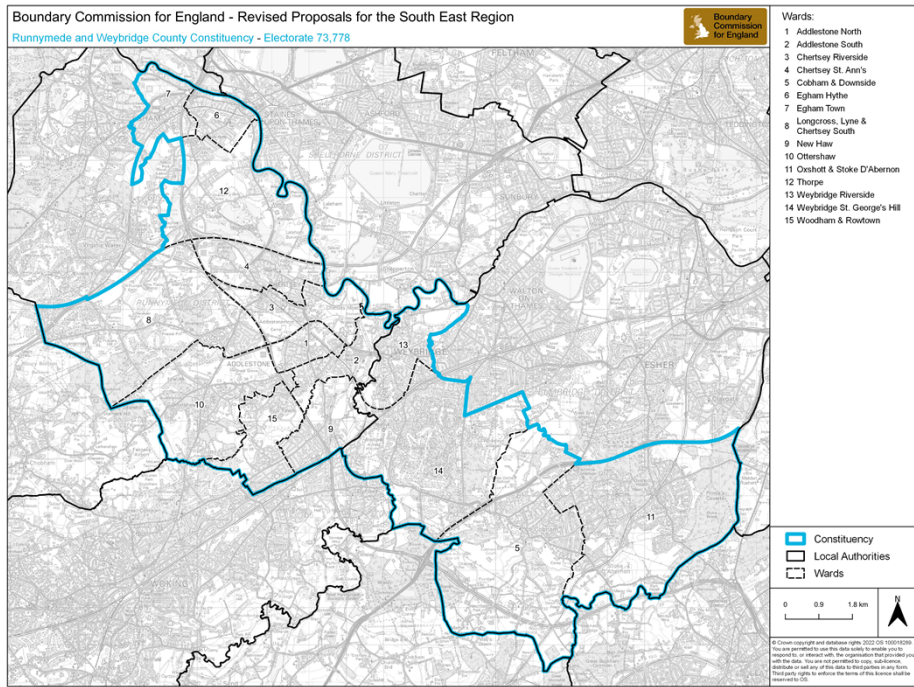
The Commission state that in selecting names for constituencies regard should be had to reflecting local community identities. The proposal put forward by the Commission appears inconsistent with that principle.

Given that the current proposal for a new constituency, which Runnymede Borough Council objects to, would incorporate the vast majority of the Runnymede Borough Council local authority area, it is our strong belief this name should continue to form part of any new constituency, to maintain consistency and as the most representative of the area.

Consultation process

On a final point, Runnymede Council notes that the Boundary Commission guidance that submissions should present alternative solutions where they do not agree with the proposals put forward. Members of Runnymede Borough Council believe this would be possible had the consultation period allowed enough time to do so. However, bearing in mind consultees do not have access to the modelling and technology of the Boundary Commission, we do not feel an 8 weeks consultation provides sufficient time to read and review the proposals, model alternative solutions, prepare and publish a response. We would urge the Boundary Commission to ensure any future consultations run for a minimum of 12 weeks to allow for more meaningful engagement.

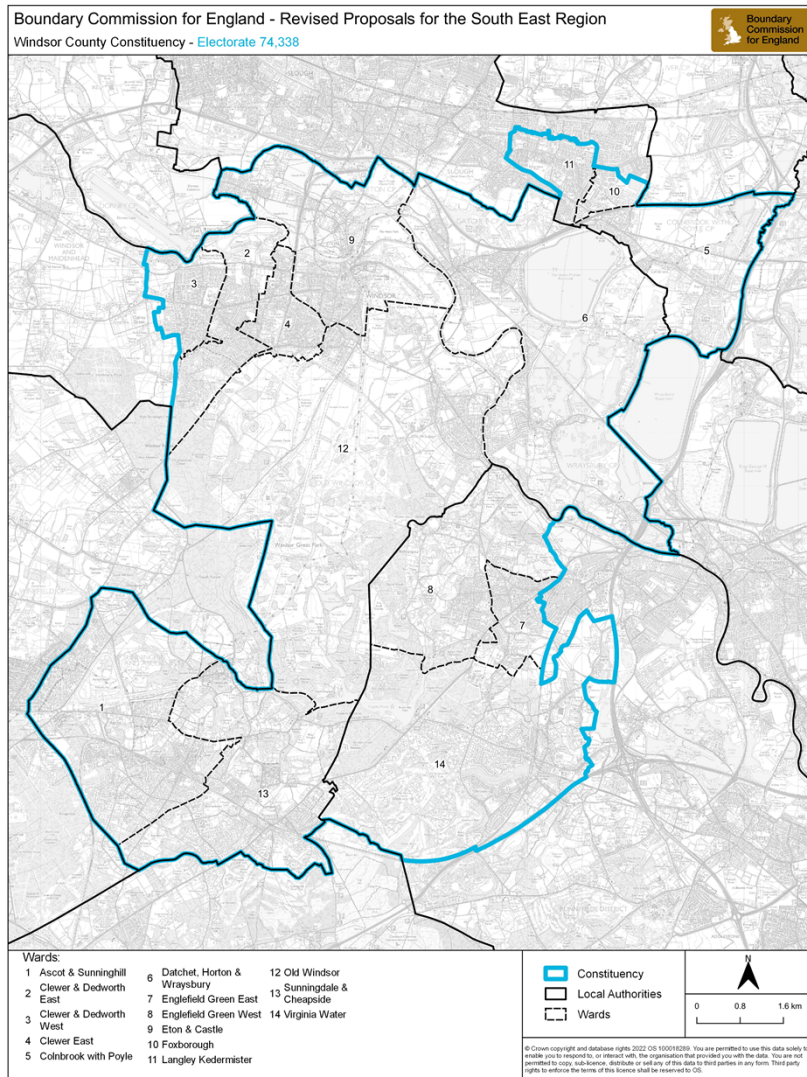
Appendix B



Runnymede and Weybridge County Constituency

Runnymede and Weybridge CC		73,778
Cobham & Downside	Elmbridge	6,231
Oxshott & Stoke D'Abernon	Elmbridge	6,424
Weybridge Riverside	Elmbridge	5,750
Weybridge St. George's Hill	Elmbridge	6,089
Addlestone North	Runnymede	4,150
Addlestone South	Runnymede	4,718
Chertsey Riverside	Runnymede	4,353
Chertsey St. Ann's	Runnymede	4,782
Egham Hythe	Runnymede	4,819
Egham Town	Runnymede	4,838
Longcross, Lyne & Chertsey South	Runnymede	2,607
New Haw	Runnymede	4,910
Ottershaw	Runnymede	4,820
Thorpe	Runnymede	4,365
Woodham & Rowtown	Runnymede	4,922

Appendix C



Windsor County Constituency

Windsor CC		74,338
Englefield Green East	Runnymede	3,258
Englefield Green West	Runnymede	3,970
Virginia Water	Runnymede	4,201
Colnbrook with Poyle	Slough	3,624
Foxborough	Slough	2,294
Langley Kedermister	Slough	6,641
Ascot & Sunninghill	Windsor and Maidenhead	8,543
Clewer & Dedworth East	Windsor and Maidenhead	5,215
Clewer & Dedworth West	Windsor and Maidenhead	5,288
Clewer East	Windsor and Maidenhead	5,013
Datchet, Horton & Wraysbury	Windsor and Maidenhead	7,764
Eton & Castle	Windsor and Maidenhead	8,254
Old Windsor	Windsor and Maidenhead	5,614
Sunningdale & Cheapside	Windsor and Maidenhead	4,659

Appendix D

Table showing the numbers relating to the initial and revised proposals:

Ward	Local Authority	2019 Parli	2020 as is	2020 Inc Egham	1st Proposed changes	Egham	2nd Proposals
Addlestone North	Runnymede	4030	4150	4150	4150		4150
Addlestone South	Runnymede	4633	4718	4718	4718		4718
Chertsey Riverside	Runnymede	4197	4353	4353	4353		4353
Chertsey St Ann's	Runnymede	4646	4782	4782	4782		4782
Cobham and Downside	Elmbridge			6231	6231		6231
Egham Hythe	Runnymede	4684	4819	4819		4819	4819
Egham Town	Runnymede	4344	4838	4838		4838	4838
Englefield Green East	Runnymede	2807	3258	3258	3258		
Englefield Green West	Runnymede	3557	3970	3970	3970		
Longcross, Lyne and Chertsey South	Runnymede	2502	2607	2607	2607		2607
New Haw	Runnymede	4798	4910	4910	4910		4910
Oatlands and Burwood Park	Elmbridge	4801	5782	5782	5782		
Ottershaw	Runnymede	4713	4820	4820	4820		4820
Oxshott & Stoke D'Abernon	Elmbridge						6424
Thorpe	Runnymede	4302	4365	4365	4365		4365
Virginia Water	Runnymede	4062	4201	4201	4201		
Walton Central (part)	Elmbridge	225	225				
Weybridge Riverside	Elmbridge	6230	5750	5750	5750		5750
Weybridge St Georges Hill	Elmbridge	5937	6089	6089	6089		6089
Woodham and Rowtown	Runnymede	4863	4922	4922	4922		4922
		75331	78559	84565	74908	9657	73778

Fees and Charges (Samantha Cooper, Finance)

Synopsis of report:

To recommend the proposed fees and charges under this Committees remit for the next financial year.

Recommendation(s):

The proposed fees and charges as set out in Appendix A are 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 twelve months ago at the committee meeting in November 2021.

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 still 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 in order to counteract the high levels of inflation officers were asked to aim for an average of 8% for discretionary locally set charges where to do so would not be detrimental to the service.
- 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.
- 2.5 The fees and charges proposed by service managers for next year are set out at Appendix A along with the dates that they will take effect. The appendix includes a Yield column showing the budget for each charges/group of charges, so that Members can estimate the financial implications of any price rises.

3 Resource implications

- 3.1 Individual fees and charges:-

3.2 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, while having due regard to pricing in the market from competitors. The account has been in deficit for the last two years and it is estimated it will

be in deficit for 2022/23. By increasing some fees between 7.89 – 11.11%, it is estimated the account will breakeven in 2023/24 without affecting demand for the service.

3.3 Council tax and Business rates – court costs:

The Council Tax and Business Rates court costs are partially statutory fees, and the Council must apply to the Courts for any increase. The fees are required to be set at no greater than cost recovery, including officer time, and while these costs are likely to increase due to inflationary pressures on the Council, the ability to pay of those affected by these charges will also be highly impacted. Any increase in costs will impact on those most struggling to pay, whether that be for Council Tax or Business Rates. A straw poll of Surrey Authorities indicated that no other District or Borough in the area is planning to increase these charges in the current climate. Officer recommendation is to hold the charge at the existing level for 2023/24.

3.4 Freedom of Information/Environmental Information Request:

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

3.5 Corporate properties:

This committee includes the fees and charges for garages. The fees for garage rents are to be increased by 25pence per week if included with a council property and 30pence for private rental, plus VAT where appropriate.

3.6 A number of new fees have been introduced by Assets and Regeneration, the aim of the new fees and charges is to fairly recover the cost of carrying out tasks at the request of third parties.

3.7 Civic centre accommodation:

The accommodation fees have been increased by approximately 8%..

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.

6. Environmental/Sustainability/Biodiversity implications

6.1 There are no direct implications from the setting of fees and charges. Environmental, Sustainability and Biodiversity implications are reviewed as part of overall service area planning and decision making.

7. Timetable for Implementation

7.1 The proposed fees and charges as set out in this report are to be effective from the dates within the appendix or as soon as practical thereafter.

8. Conclusions

8.1 High inflation is a cost to the Council as well as to our customers. Setting fees and charges is a fine balance between generating income for the Council to help support and maintain services and ensuring that the service will not be adversely affected by a drop in usage through over-pricing.

(To resolve)

Background papers

None stated

Appendix A

Fees and charges

Corporate and Business Services

	Charge Status	From April 2021 £	From April 2022 £	From April 2023 £	% Increase	Yield £	VAT treatment
Register of Electors							
Sale of Register of Electors - published full registers - charges set by legislation							
Data format	Statutory	20.00	20.00	20.00	0.00%	1,500	Outside Scope
plus for every 1,000 entries or part thereof	Statutory	1.50	1.50	1.50	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 1,000 entries or part thereof	Statutory	5.00	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	20.00	0.00%	1,500	Outside Scope
plus for every 100 entries or part thereof	Statutory	1.50	1.50	1.50	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 100 entries or part thereof	Statutory	5.00	5.00	5.00	0.00%		Outside Scope
Sale of Register of Electors - marked registers - charges set by legislation							
Data format	Statutory	20.00	20.00	20.00	0.00%	1,500	Outside Scope
plus for every 1,000 entries or part thereof	Statutory	1.00	1.00	1.00	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 1,000 entries or part thereof	Statutory	2.00	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	20.00	0.00%	1,500	Outside Scope
plus for every 1,000 entries or part thereof	Statutory	1.50	1.50	1.50	0.00%		Outside Scope
Printed paper format	Statutory	10.00	10.00	10.00	0.00%		Outside Scope
plus for every 1,000 entries or part thereof	Statutory	5.00	5.00	5.00	0.00%		Outside Scope

Fees and charges

Corporate and Business Services

	Charge Status	From April 2021 £	From April 2022 £	From April 2023 £	% Increase	Yield £	VAT treatment
<u>Local land charges search fees</u>							
Personal search - charge set by the Lord Chancellor	Statutory	Nil	Nil	Nil	-	} nil	Outside Scope
Each extra taxable assessment - charge set by the Lord Chancellor	Statutory	Nil	Nil	Nil	-		Outside Scope
LLC 1 Search form:-							
Commercial	Discretionary	45.00	45.00	50.00	11.11%	} 255,000	Outside Scope
Residential	Discretionary	45.00	45.00	50.00	11.11%		Outside Scope
Each extra taxable assessment	Discretionary	10.00	10.00	10.00	0.00%		Outside Scope
Search any one part of the register	Discretionary	11.00	11.00	12.00	9.09%		Outside Scope
CON 29 enquiry form:-							
Commercial	Discretionary	240.00	240.00	260.00	8.33%	} 255,000	Standard
Residential	Discretionary	190.00	190.00	205.00	7.89%		Standard
Each extra taxable assessment	Discretionary	30.00	30.00	30.00	0.00%		Standard
Optional part II enquiry	Discretionary	21.00	21.00	21.00	0.00%		Standard
Additional enquiry	Discretionary	42.00	42.00	42.00	0.00%		Standard
General:-							
Copy Search	Discretionary	11.00	11.00	12.00	9.09%	} 300	Standard
Copy of legal agreement (including plans)	Discretionary	35.00	36.00	39.00	8.33%		Standard
<u>Council Tax</u>							
Court costs	Statutory	94.50	94.50	94.50	0.00%	165,000	Exempt
<u>Business Rates</u>							
Court costs	Statutory	135.50	135.50	135.50	0.00%	8,000	Outside Scope
<u>Other charges (VAT charged where applicable)</u>							
Freedom of information/Environmental Information regulations - staff time per hour	Discretionary	25.00	25.00	25.00	0.00%	} 0	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	0.30	0.00%	} 0	Standard
Provision of photocopies generally							
- Printing/copying A4 documents (per page)	Discretionary	0.30	0.30	0.30	0.00%		Standard
- Printing/copying A3 documents (per page)	Discretionary	0.40	0.40	0.40	0.00%	Standard	

Fees and charges

Corporate and Business Services

	Charge Status	From April 2021 £	From April 2022 £	From April 2023 £	% Increase	Yield £	VAT treatment	
Corporate Properties								
Garage rentals (per week)								
If included with house	Discretionary	13.50	13.75	14.00	1.82%	} 702,000	Outside Scope	
Private rental	Discretionary	16.20	16.50	16.80	1.82%		Standard	
Sale of property enquiries - refundable if sale proceeds	Discretionary	1,000.00	1,000.00	1,080.00	8.00%	nil	Standard	
Completion of Leasehold Property Enquiries	Discretionary			500.00	n/a *		Standard	
Disposal of Council Land (at 3rd party's request) (whether sale completes or not)	Discretionary			1,000.00	n/a *		Standard	
Grant of Consent to Alter/Sub let or other consent under a lease	Discretionary			750.00	n/a *		Standard	
Grant of Licence (<3 months/low risk/not for sales activity)	Discretionary			150.00	n/a *		Standard	
Grant of Licence (3-12 months/low risk/not for sales activity)	Discretionary			300.00	n/a *		Standard	
Grant of Licence (Any duration/high risk/sales)	Discretionary			750.00	n/a *		Standard	
Grant of Easement or Wayleave to statutory undertaker	Discretionary			300.00	n/a		Standard	
Grant of Easement other than to statutory undertaker (whether completes or not)	Discretionary			500.00	n/a *		Standard	
Preparation of Schedule of Dilapidations	Discretionary			1,000.00	n/a *		Standard	
Grant of Deed of Surrender (not including surrender premium)	Discretionary			1,000.00	n/a *		Standard	
Grant of Alteration/Release from Covenant (whether granted or not)	Discretionary			1,000.00	n/a *		Standard	
* Concessionary rate applies to registered charities and community groups in the local community (25% discount).								
Civic Centre accommodation charges								
Council Chamber	Community use per hour	Discretionary	40.00	40.00	43.20	8.00%	} nil	Standard
	Semi commercial use per hour	Discretionary	80.00	80.00	86.40	8.00%		Standard
	Commercial use per hour	Discretionary	120.00	120.00	129.60	8.00%		Standard
Committee Room	Community use per hour	Discretionary	20.00	20.00	21.60	8.00%		Standard
	Semi commercial use per hour	Discretionary	40.00	40.00	43.20	8.00%		Standard
	Commercial use per hour	Discretionary	60.00	60.00	64.80	8.00%		Standard
Foyer/Meeting Rooms/Members Room	Community use per hour	Discretionary	10.00	10.00	10.80	8.00%		Standard
	Semi commercial use per hour	Discretionary	20.00	20.00	21.60	8.00%		Standard
	Commercial use per hour	Discretionary	30.00	30.00	32.40	8.00%		Standard
Out of hours reception cover	per hour	Discretionary	35.00	40.00	43.20	8.00%	Standard	
Sale of agendas and civic publications								
Sale of copy agendas per annum								
Residents groups etc. - All Committees	Discretionary	126.00	126.00	136.00	7.94%	} 300	Outside Scope	
Residents groups etc. - individual main Committee only (except Planning)	Discretionary	35.00	35.00	38.00	8.57%		Outside Scope	
Residents groups etc. - Planning Committee only	Discretionary	105.00	105.00	113.00	7.62%		Outside Scope	
Commercial organisations - All Committees	Discretionary	499.00	499.00	539.00	8.02%		Outside Scope	
Commercial organisations - Individual Main Committee only (except Planning)	Discretionary	110.00	110.00	119.00	8.18%		Outside Scope	
Commercial organisations - Planning Committee only	Discretionary	324.00	324.00	350.00	8.02%		Outside Scope	
Sale of copy agendas - Individual copies	Discretionary	3.50	3.50	3.80	8.73%		Outside Scope	
Sale of copy minute book								
Residents groups etc. - per annum	Discretionary	52.50	52.50	56.70	8.00%		Outside Scope	
Residents groups etc. - per individual copy	Discretionary	9.45	9.45	10.20	7.94%		Outside Scope	
Commercial organisations - per annum	Discretionary	180.00	180.00	194.40	8.00%		Outside Scope	
Commercial organisations - per individual copy	Discretionary	46.00	46.00	49.70	8.04%		Outside Scope	

Urgent Action – Standing Order 42

A copy of proformas 1,011 detailing action taken after consultation with the Chairman and Vice-Chairman of the Committee is attached as Appendix A.

(For information)

Background Papers

None

RUNNYMEDE BOROUGH COUNCIL**CONSULTATION WITH APPROPRIATE CHAIRMAN AND VICE CHAIRMAN IN RESPECT OF URGENT ACTION TAKEN UNDER STANDING ORDER 42**

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

FROM: Amanda Fahey, Assistant Chief Executive

OFFICER REFERENCE: Business Rates Pooling **DATE:** 04.10.22
2023/24 Ref No: 1011

1. Synopsis of report:

Under the current Business Rates Retention Scheme, Runnymede Borough Council is able to retain 50% of any growth in business rates generated in its area, paying the balance to central government as a levy. The pooling of business rates allows the Council to potentially retain a greater share of this growth, by sharing the risks and rewards across a group of Councils.

This report aims to provide an overview of those risks and rewards and recommends that the Council signifies its intention to join the Surrey Business Rates Pool for 2023/24.

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

On 18 August 2022, the Council received an invitation from the Department for Levelling Up, Housing and Communities ('The Department') to indicate its preferred pooling arrangements for 2023/24.

Part 9 of Schedule 7B to the Local Government Act 1988 states that the Secretary of State can designate two or more local authorities as a "pool" for the purposes of the business rates retention scheme, providing that those authorities agree to the designation. If pools are to be created for 2023/24, the Department must make the necessary designations by the time of the 2023/24 provisional Local Government Finance Settlement. Unless designations are made by this date, a pool cannot be brought into existence for 2023/24.

By law, existing designations continue in force from year to year unless they are revoked by the Department, following a request by one or more of the pool members. Similarly, if an existing pool wishes to expand its membership, it will be necessary for the original pool to be revoked and for a new designation to be made. Lead authorities, (in our case, Surrey County Council), are required to confirm the continuation, revocation or expansion of the pool by 22 September 2022 and all parties to the pool need to sign the Memorandum of Understanding, to be submitted alongside the pooling proforma.

LG Futures, who support potential pool members with financial analysis, requested data from all Surrey Councils on 24 August and hosted an online seminar explaining the modelling template on 31 August. A revised template was issued 5 September for completion by all potential pool members. LG Futures have now completed their financial analysis and presented this to Surrey Treasurers at their meeting on 30 September. An extension from the original deadline of 22 September to 7 October was allowed by the Department, to enable this discussion to take place.

This revised deadline falls before the next meeting of the Corporate Management Committee (13 October 2022). If the decision is not taken within the extended deadline, the Council will be unable to participate in a Business Rates Pool for 2023/24, meaning that the opportunity to retain locally a higher proportion of any business rates growth will be lost.

3. Recommendation(s)

- i. To confirm to Surrey County Council, and thereby to the Department for Levelling Up, Housing and Communities, the Council's intention to enter into the Surrey Business Rates Pool for the financial year 2023/24, and
- ii. Delegate authority to the Council's s151 Officer, in consultation with the Chairman and Vice-Chairman of the Corporate Management Committee, to sign the Memorandum of Understanding governing the Pool arrangements for 2023/24.

4. Context of report

Business rate income is normally shared as follows:

- 50% central government
- 40% District Councils/lower tier
- 10% County Councils/upper tier

Districts then pay a tariff to government to reduce their share in line with funding levels, while County Councils and upper tier authorities receive a Top-up. Growth is shared in the same proportions, but Runnymede then pays a levy of 50% of its share of growth to Government, meaning that it actually retains just 20% of any growth outside of pooling arrangements. Joining a pool, allows Runnymede to benefit from combining the different Top-up and Levy positions of each of the member authorities to increase its share of retained growth.

Surrey authorities have been considering the benefits and risks of pooling arrangements for the year 2023/24 and the optimal financial position for membership of the pool. Pool membership is reviewed at each annual submission, rather than rolling forward existing membership, which reduces risk by removing those authorities who may contribute least to the pool and allowing more Councils to benefit from the arrangement over the medium term through rotation. Runnymede is a member of the 2022/23 pool and has been invited to join the pool for 2023/24.

Once all Councils who have been invited to participate have confirmed their agreement, SCC will issue a Memorandum of Understanding for all parties to sign and then submit the pool proposal to government.

5. Report and, where applicable, options considered

Pool members need to be geographically linked and the 2022/23 pool includes Surrey County Council, London Borough of Sutton, Runnymede, Surrey Heath, Woking, Mole Valley and Elmbridge and is projected to achieve £2.9m in pooling gain in total, with Runnymede's share being £314,000.

Under the modelling conducted by LG Futures, and consistent with previous years, the top 4 ranked authorities in terms of potential gains have been assumed as in the pool, with the bottom 3 assumed to be removed. These 3 authorities are those that would pose greatest risk to the pool and are either expected to be at safety net level or with very low anticipated growth. All permutations for the middle ranking authorities have been modelled, with and without the inclusion of Sutton. The pool gains across all scenarios range from £0.9m to £3.5m. The highest forecast gain is a pool which includes Runnymede and would expand the pool to 8 authorities (Surrey CC, Sutton, Surrey Heath, Runnymede, Woking, Epsom & Ewell, Tandridge and Spelthorne) and provides estimated gains of £352,000 for Runnymede.

50% of the net gain from pooling will be allocated to SCC and Sutton, based on their Top-Up amounts, with the remaining 50% of the gain split amongst participating Districts and Boroughs in proportion to the levy payments that would have been applicable if each had acted individually.

Any pooling losses would be shared in the same way. However, given that members of the pool have been selected to optimise the financial gain to the pool, there is low risk of any financial loss for the pool. Risk is mitigated by the rotation of pool members, by the selection of a limited number of participants and the inclusion of those typically furthest above their safety net positions. There is sufficient headroom in the estimated pool receipts to provide a high level of assurance to the Council's funding position as compared to not being a member of the pool, alongside significant opportunity for additional financial benefit that would not otherwise be available. In addition, a key principle of the pooling agreement is that each authority will receive at least the same funding level that they would have received without the pool. Any additional resources generated will be distributed proportionately as set out above.

It should be noted that the government is yet to rule out a reset of business rates baselines, which would redistribute national growth more evenly across the country. This would not make pooling worthwhile as there would be no levy due and therefore no opportunity for pooling gains. There would also be a greater risk of pooling loss due to the increased proximity of each Council to its baseline. However, a number of factors suggest that a reset is unlikely for 2023/24 including lack of an established methodology, no reference to resets in the methodology for the 2023 business rates revaluation exercise, lack of data due to unaudited status of many business rates returns (NNDR3) for 2021/22 and departmental capacity given high level of turnover in recent months. This risk is mitigated due to the fact that a pool can change its mind after the provisional settlement, so could withdraw if resets were introduced for 2023/24.

The Revaluation exercise itself will change individual authorities NNDR Baselines (and therefore Tariff and Top Up amounts) as it aims to make revaluation revenue neutral for councils. There may however be an impact on the levy rate for the pool, which has been taken into account in the modelling.

The main aim of the pool is to maximise the retention of locally generated business rates and to support the economic regeneration of the wider County of Surrey and neighbouring Sutton. The modelling work that has been undertaken demonstrates that financially pool members would retain a greater share of business rates revenue through pooling than they would otherwise as long as the pool experiences economic growth.

Key principles within the MOU are:

- To recognise the fundamental objective to generate increased resources for the area and for individual pool members
- To mitigate risks associated with business rate income as pooling arrangements should reduce inherent volatility
- To share costs, risks and benefits of business rate retention proportionately
- That no pool member should be worse off than if they were outside of the pool
- That pool members will share data and intelligence on substantive issues relating to business rates retention in their area and agree to act reasonably and in good faith

6. Policy framework implications

None

7. **Financial and Resource implications (where practicable)**

After examination of all reasonable scenarios, the proposed business rates pool for Surrey is estimated to make a net gain of £3.5m with Runnymede gaining by around £352,000. Risk is mitigated by the method of selection of pool members as described in the report.

The possibility of a reset removing any gains from the pool looks unlikely. However, the pool can always choose not to proceed within 28 days of the provisional local government finance settlement.

Revaluation will alter the gains, but the forecast changes do not materially alter the rankings of potential members of the pool. The final impact on the forecast gains will not be known until the actual impact of Revaluation 2023 is known and it should be noted that all figures in the report are only forecasts and subject to change. Based on this modelling, the up-side risk of the potential for gains exceeds any downside risk of losses, particularly when the Council has an opportunity after the provisional settlement to review its position. If any Council chooses to withdraw at that point, the pool will be unable to proceed.

8. **Legal implications**

The creation of Business Rate Pools is governed by statute under Part 9, Schedule 7B, Local Government Finance Act 1988. The Council's Monitoring Officer (Corporate Head of Law and Governance) has reviewed the MOU and is satisfied with the proposed governance arrangements.

9. **Equality implications**

There are no equality implications in respect of this decision. The Pooling arrangement is a collaboration between Authorities that seeks to maximise local financial gain and has no impact on individual rate payers.

10. **Other implications (where applicable)**

None

11. **Background papers**

None.

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

Signature of authorised officer . 

I have been consulted and am in agreement with the 

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:

Further information may be obtained from Amanda Fahey, Assistant Chief Executive on Ext.5320

The completed copy is to be returned by the Councillor to the Corporate Head of Law and Governance (c/o Andrew Finch) who will send a copy to the Chief Officer and report to the relevant Committee, as necessary.

**Exclusion of Press and Public
Officers' Recommendation that –**

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

(To resolve)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

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of the Local Government Act 1972.

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