



Corporate Management Committee

Thursday, 14 September 2023 at 7.30 pm

Council Chamber - Civic Centre

Members of the Committee

Councillors: T Gracey (Chairman), C Howorth (Vice-Chair), D Coen, M Cressey, L Gillham, R King, I Mullens, M Nuti, S Ringham, P Snow, D Whyte and M Willingale

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

AGENDA

Notes:

- 1) 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 ring 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.

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Part II

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

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Reason for exemption from publication

This report discloses the budget available to the Council for a procurement exercise,

which would put the Council at a commercial disadvantage when seeking to secure the best possible value for money for these works.

20. **Write off of Arrears** 256 - 259

Reason for exemption from publication

This report contains financial data and information on external business' performance, and it names of tenants acting in their personal capacity.

21. **Standing Order 42 - Urgent Planning Service Staffing Matter** 260 - 263

Urgent decision 1027 made in accordance with Standing Order 42 is attached for the Committee's information.

22. **Recommendations from committees**

a) Recommendation from the Environment and Sustainability Committee - Approval of ANPR in Four Car Parks To Follow

A recommendation from the Environment and Sustainability Committee is to follow after its meeting on 13 September 2023.

b) Recommendation from the Environment and Sustainability Committee - Procurement of Replacement Pay and Display Machines To Follow

A recommendation from the Environment and Sustainability Committee is to follow after its meeting on 13 September 2023.

Runnymede Borough Council**Corporate Management Committee****Thursday, 13 July 2023 at 7.30 pm**

Members of the Committee present: Councillors T Gracey (Chairman), C Howorth (Vice-Chair), A Balkan (In place of M Nuti), D Coen, M Cressey, L Gillham, R King, I Mullens, S Ringham, P Snow, D Whyte and M Willingale.

Members of the Committee absent: None

In attendance: Councillors A Berardi and S Jenkins.

31 Minutes

The minutes of the meeting held on 22 June 2023 were confirmed and signed as a correct record.

32 Apologies for Absence

No apologies were received.

33 Declarations of Interest

Cllr Coen raised a query about his role as Non-Executive Director on RBCI in relation to item 17. Cllr Coen sought advice and stayed in the room and voted on the item.

34 Citizens' Panel

The Citizens Panel was a key strand in the Council's Empowering Communities strategy. The budget to establish and maintain the panel was in place, and by utilising its existence for consultation purposes there was confidence that it would deliver savings. It was hoped that the Panel would involve around 1% of the borough's population, some 900 individuals.

Representatives from Royal Holloway University had compiled a report highlighting the value provided by such a panel, and presented its benefits at the Committee, advising that the recommended framework provided the flexibility to meet the Council's need, with studies showing that a Citizens' Panel provided significantly more in-depth feedback than forms of one-way communication. More frequent contact with the Panel also improved the chance of retaining membership.

It was recommended by Royal Holloway representatives to establish a steering committee to include key officers, elected members and experts to reduce any perception of predetermination.

It was acknowledged that the Panel would take time to set up, and addressing concerns of attrition rates, a professional research company would be employed to establish an appropriate representation for the Panel, and would be able to advise on continuity of membership, whilst it was anticipated that officers and members had the necessary contacts within the borough to establish and maintain a representative sample.

Committee members were keen to hear about locations where a Citizens' Panel had worked successfully, whilst consideration was also asked to renaming it a Residents' Panel.

Creative thinking was urged around incentivising participants, and one of the ideas under consideration was funding towards a community project, which was thought would be more desirable than giving individuals a gift card of negligible value. Furthermore, providing evidence that participants' feedback carried weight and influenced policy-making was considered the most effective form of incentivisation.

Additionally, the Panel would be one of a number of tools in decision-making. Feeding back on the occasions when their view were not interpreted in the way they had intended would be equally important.

The Committee were supportive of the creation of the Panel, but felt that a culture change was needed within the Council to ensure that officers possessed the skills, knowledge and capacity to engage in the most appropriate way, factoring in the essential need for it to be interactive and a two-way communication process.

It was confirmed that the Panel's work would be made available to make its outcome transparent, and the process would be as accessible as possible to ensure a representative sample was achieved.

Resolved that –

- 1. Committee recognised the value of a Citizens' Panel in gathering evidence on residents' views of council and potentially partner organisations' services.**
- 2. Approval was given to the establishment of a Runnymede Citizens' Panel.**
- 3. Committee approved expenditure of £10,000 Shared Prosperity Fund to recruit the membership of the Panel.**
- 4. Virement was approved for the remaining costs associated with the Panel from the central Community Budget, held by the Chief Executive. This would enable the authority to offer participants a small incentive for retaining their membership.**

35 Proposed Process for Achieving Savings and Efficiencies

The report followed on from the Medium-Term Financial Strategy and focussed on the process for savings and efficiencies, as well as the service review programme and financial risk mitigation measures around earmarked reserves.

The Council's Medium-Term Financial Forecast showed a budget gap of some £5.2m by the end of 2025/26, which was a figure that did not include growth.

Despite a cautious approach to expected government income and other grants, £5.2m was considered a realistic and significant underlying gap.

Given the number of local authorities who had encountered difficulties in recent times, government investment guidance was soon expected to be tightened, which could impact on borrowing, and even if this was not tightened additional revenue would need to be identified to support additional future borrowing.

A service review programme had begun, with SLT consulted about possible savings initiatives, whilst the more complicated savings would require Member approval. Some schemes would require invest to save.

The complete programme of work would be reported through the proposed Service

Review, Communications and Transformation Member Working Party, which would in turn make recommendations to Corporate Management Committee.

The final outturn position for 2022/23 would be reported to the next Corporate Management Committee, and would set out ways to utilise any underspend, which included adding additional funding to property income reserves given the importance of the commercial income stream to the Council, would also set out a different approach to accessing the planned underspend, and would provide details on the Service Transformation reserve that would drive the Council's income stream.

Whilst the Assistant Chief Executive confirmed that Members would be consulted as part of the process, which would include additional finance training sessions, there was concern from some Members about the prospect of not fully utilising service committees as part of the process, and they cited that decisions being exclusively made by Corporate Management Committee would be more akin to a Cabinet rather than Committee system.

The Chief Executive advised that the Council had continuously operated two years in advance with its budget planning and would continue to do so, which was what had allowed services to be maintained and grown, which had largely been achieved through commercial income. The proposed process would continue to income generate, as well as look at efficiencies, and if necessary would consider a reduction in some services.

It was added that Members would be involved throughout the process and any risks would be clearly explained, and a reporting mechanism would be established to ensure all parties were properly briefed.

Several Members pointed to previous examples of where they felt services committees had been sidelined in the decision-making process, however it was also confirmed by the Chief Executive that services committees would continue to be informed and involved, and reports would not come forward to Corporate Management Committee without the relevant service committee having the chance to contribute in whatever way was appropriate.

The Committee chair added that Corporate Management Committee membership included the chairs of all services committees, and it would not be intended to diminish or devalue those committees, but having one central committee with oversight of the process being shaped by the Member Working Party was an appropriate way forward, whilst Overview & Scrutiny Select Committee would also play a key role in tracking and challenging progress and delivery.

The regularity of reporting back was also discussed, and whilst it was considered too much of a burden to ask officers to provide an update report at every Corporate Management Committee, the Project Management action tracker being developed would track all corporate plan actions. A Member asked for appropriate transparency in order to know the detail rather than just the headline.

A named vote was requested on recommendation (ii) only and voting was as follows:

For (7)

Cllrs Gracey, Willingale, Balkan, Coen, Cressey, Snow, Willingale

Against (5)

Cllrs Gillham, King, Mullens, Ringham, Whyte

Abstain (0)

-

Resolved that –

- 1. Progress against the actions set out in the Medium-Term Financial Strategy was noted.**
- 2. The approach set out in the report to the identification and delivery of savings, income generation and efficiencies was recommended to full Council.**
- 3. The transfers to reserves as set out in the report and the creation of the Planned Underspend Reserve and the Service Transformation Reserve (subject to the final outturn position for 2022/23) was approved.**

36 **Councillor IT Hardware Refresh**

Five years on from the Council's elected members being issued with Surface Pros for their civic duties, the Councillor IT device refresh had been established to decide next steps.

Feedback from a recent Councillor survey had resulted in the desire to have larger screens and a better keyboard. The survey also revealed that Councillor devices were extremely well-used.

Officers recommended an extensive procurement exercise and to extend the life of devices from four to six years and establish an ongoing maintenance programme.

It was confirmed that the current Surface Pros would be replaced in May 2024 and the existing devices would be re-purposed.

Resolved that –

- 1. Committee noted the findings and outcome of the Members survey on IT devices.**
- 2. Approved the recommendation to begin procurement and rollout of replacement IT devices in early 2024. This would allow new devices to be deployed following the May 2024 elections.**
- 3. Approved the recommendation to extend the replacement cycle for councillor IT devices from four years to a minimum of six years. Devices may be replaced sooner if they are lost, stolen, or beyond economic repair.**

37 **Outside Bodies - third round**

In advance of the vote the Leader announced that he had requested dispensation from the chair of the Community Safety Partnership to appoint an additional borough councillor for this municipal year only, with future appointments being made from Community Services Committee.

In the meantime the terms of reference of the Community Safety Partnership would be updated, and the councillor who came second in the vote would be contacted by the chair of the Community Safety Partnership following discussions with key stakeholders to confirm acceptance of the additional appointment.

Resolved that –

The following appointments be made, in accordance with the arrangements set out in the report:

Organisation/Type of Representation	Appointee
Basingstoke Canal JMC – Member	Cllr Scott Lewis
Basingstoke Canal JMC – Deputy	Cllr Mike Smith
Community Safety Partnership	Cllr Alex Balkan
Egham Chamber of Commerce	Cllr Margaret Harnden
South East England Councils	Cllr Tom Gracey

38 **Social Media House Rules**

The purpose of the report was to introduce light-touch rules around the Council's engagement with the public and ensuring its channels were used appropriately. As audiences who accessed these channels continued to grow, a slight increase had been detected in individuals being abusive or going off-topic.

The rules would help to manage such occasions by providing sanctions to either delete posts that were accusational in nature or contained bad language, although authors would have the ability to re-post using more appropriate language. As a last resort, any users who consistently flout the rules could be blocked from a platform, but would still be able to access the Council's output in other channels or through the website.

The Committee was supportive of the house rules, however a Member flagged up a recent Council social media post that highlighted the work done to reduce carbon with electricity, when the Council merely benefitted from a national policy, and asked that every effort was made to ensure that all output was factual and accurate.

Resolved that –

- 1. The committee approved the adoption of a set of social media house rules, including that the Council values freedom of speech, and supported the reasons why in a very small number of cases comments might be deleted and users blocked.**
- 2. The committee delegated authority to the Head of Public Relations and Marketing and staff to make decisions on the application of the house rules on a day-to-day basis as required.**

39 **Standing Order 42 - Household Support Fund (1023)**

The Committee Chair briefed the Committee on a decision taken under Standing Order 42 to implement a policy to administer the next tranche of Household Support Fund to support the borough's most vulnerable residents during the current cost of living crisis.

In response to a Member's concerns that the amount provided would not be sufficient during winter, the Committee Chair advised that a number of other initiatives were under consideration as part of the Council's budget setting process.

40 **Standing Order 42 - Temporary Graduate Climate Change Officer (1025)**

The Committee Chair briefed the Committee on a decision taken under Standing Order 42 to provide additional support to the climate change team over the coming months, which would increase resources working on climate change to 6.2 FTE.

41 **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 as set out in Schedule 12A to Part 1 of the Act.

42 **Provision of Defibrillators**

A high number of defibrillators and cabinets throughout the borough were in need of replacement, and whilst a grant had been identified to assist with the process, the remainder of the funding would require a supplementary estimate to the current budget.

The future cost of replacing end of life defibrillators and cabinets would be built into the budget to allow for them to be replaced when it was necessary to do so without delay.

Committee noted that some of the defibrillators were in very close proximity to each other, however it was decided against removing any or finding an alternative location for them, partly because this included defibrillators not owned by the Council and therefore there was no guarantee they would be maintained correctly.

In response to concerns about a lack of database that contained all defibrillators in the borough, it was confirmed that the Department for Levelling Up, Housing and Communities had recently written to all Councils encouraging them to reach out to partners to ensure such a database existed, and the Council were now in the process of actioning this request. Once compiled, this information would be made clear on the Council website.

Resolved that –

Committee agreed to proceed with the replacement of the defibrillators and cabinets, which required a supplementary estimate to the current budget. Maintenance cost of the equipment would be funded from the Assets and Regeneration budget, the Housing Services budget, and the Community Services budget.

43 **Q1 Project Portfolio Reporting**

The report provided a summary position on progress on the delivery of the Council's project portfolio up to the end of Q1 (April, May and June) 2023.

Two grade A and one grade B projects had been delivered during the quarter, with seven projects reporting amber, which meant that an issue had been identified that was being actively mitigated within project tolerances.

One of these projects was the play area remediation programme. Meetings would be taking place with ward members throughout the summer months, with proposed next steps going to September's Community Services Committee. Budgets were in place for urgent repairs, however the risk was amber to reflect that there was no budget provision to repair every single defect. The repair and replacement programmes were closely aligned and were not intended to be delivered in a single year but were a rolling programme over time.

It was clarified that if a project was running behind time for a legitimate reason a revised date would be issued and the status would become green, however the information about the initial date would remain for readers' awareness.

44 **Update on Abbey Groves**

Following a report to the previous Corporate Management Committee, a review of potential uses of the Abbey Groves site had been undertaken, and a triple tracking approach to

options for its future use was set out that included the possibility of rental, disposal or redevelopment.

Officers intended to get the property to market at the earliest possible opportunity, but conceded the property market was likely to be quiet over the summer months, and it was therefore desired to furnish the location to give potential suiters an impression of how it could look.

The Committee immediately ruled out the option of doing nothing, and were supportive of the triple tracking approach, utilising the proposed Property & Asset Task Force to make recommendations to a future Committee.

A Member felt that a significant part of any potential redevelopment could be done under prior approval provided each unit was a certain footage, and this, along with additional options for schemes that would require full planning permission, would be explored by the Task Force.

Responding to concerns about the time taken to bring these options before the Committee, the Committee chair felt that the creation of the Task Force would expedite similar issues in future to ensure the Council was getting the most out of its assets.

Resolved that –

- 1. Committee noted that the lease of the property had been disclaimed by the current tenant.**
- 2. Committee approved the triple tracking approach to marketing for the disposal of the site for both a letting or freehold sale, along with investigation of the redevelopment. The results of which would be brought back to Committee for consideration.**

45 Addlestone One Post Project Review

Following a Councillor request under Standing Order 27.4(d) of the Council's constitution, a post-investment appraisal of Addlestone One had been undertaken, which explained and highlighted issues faced during development and going forward.

One of the main drivers of the development was to generate additional revenue to replace revenue support grant, which government had withdrawn from local authorities. Residential units had been sold to generate capital receipts, which was initially successful, however a flood, the Covid pandemic and cladding issues had all adversely impacted residential sales.

During construction the retail market became stagnant, which was exacerbated by the economic downturn and Brexit, and led to the need to review the concept. It was ultimately decided to provide a more leisure-focussed development, which it was envisaged would protect income and reflected well on the Council's place shaping.

It was acknowledged that lessons had been learnt by the process, with service charge levels initially unrealistic and Combined Heat and Power – installed to allow recycled energy to be re-used and traded into the grid – not fully utilised.

Whilst acknowledging there was an element of bad luck, the Committee pointed to some alarming failures, including the poor record keeping and documentation trail, along with multiple basic construction errors that cost taxpayer money to be remedied, and had a detrimental effect in attracting retailers to rent units.

The Committee felt that a further lesson learnt was ensuring that a professional team was utilised during any future joint ventures rather than attempting to project manage the entire process in-house without the necessary expertise or capacity to carry out the task.

46 **Letting at Magna Square**

Officers recommended proceeding with the letting of the final vacant unit at Magna Square, which would be to a franchisee that would suit the vision for the location and was in line with the expected rental income.

It was added that the rental forecast on all units in the development were in line with the target rental income set out at the outset, and a lessons learnt appraisal and report for Magna Square, similar to Addlestone One would be presented to Committee in due course.

Resolved that –

- 1. Committee agreed to grant a lease on the terms outlined in the report.**
- 2. Delegated authority was approved to allow the Assistant Chief Executive, in consultation with Corporate Head of Law and Governance and Corporate Head of Assets and Regeneration to undertake additional financial due diligence.**

47 **Housing Benefit Overpayment Write Off**

The report had come about following a case of housing benefit fraud where the claimant was still in receipt of benefits, and ongoing deductions had been made at the highest level possible.

However following the claimant's untimely death it had been established that there were insufficient funds in the estate and the debt was therefore not recoverable. Committee was therefore recommended to write off the debt.

Resolved that –

The sum outlined in the report was written off as no longer recoverable.

48 **Enforcement Agent Contract Procurement**

The two-year extension to the enforcement agents contract, previously agreed by this Committee, would end in December 2023, and there were no further opportunities to extend the contract.

Authority was therefore being sought to go out to procurement, with a framework identified that had been endorsed by debt charities. It was hoped to widen the contract to provide further income generating opportunities beyond council tax and parking.

Resolved that –

- 1. The Committee approved the extension to the existing contracts to protect collection rates and ensure a smooth transition of cases to any new supplier.**
- 2. The Committee approved a procurement process via the CCS RM6226 (Lot 5) to award a single contract to undertake enforcement services on behalf the Council in relation to**
 - Council Tax**
 - Business Rates**

- Parking
- Sundry Debt

3. **The Committee agreed delegated authority to the Assistant Chief Executive (Sec 151) to consider and approve the three separate yearly extensions to the existing term of the contract where there were no material changes to the terms and conditions and the performance remains satisfactory to the Council.**

49 **Chief Executive, Paul Turrell**

The Committee thanked Paul Turrell, the Council's Chief Executive, who was attending his final Corporate Management Committee before his retirement later in the month.

(The meeting ended at 10:33pm.)

Chairman

Report title	Great Big Green Week: Summary of participation in 2023, and level of involvement sought in 2024
Report author	Paul Wade, Planning Policy Officer
Department	Planning, Economy and Built Environment
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:

In part-For information
In part-To resolve

Synopsis of report:

This report summarises the Council’s participation in the 2023 Great Big Green Week (GBGW), considers which elements were the most and least successful as well as lessons learnt.

The report also asks the Committee to agree the level of participation that it would like to see from the Council during the 2024 GBGW, subject to sufficient funding being secured.

Recommendation(s):

Corporate Management Committee is asked to:

1. **NOTE** the information provided on the Council’s participation during the 2023 Great Big Green Week.
2. **AGREE** the level of involvement that the Council should have during the 2024 Great Big Green Week . The different options are as follows:
 - Option 1: Support and promote
 - Option 2: Support, promote and coordinate
 - Option 3: Support, promote, co-ordinate and provide assistance
 - Option 4: Support, promote, co-ordinate, provide assistance and participate (please note that the ‘participation’ element of this option is currently unfunded)

1. Context and background of report

1.1 The Climate Coalition is the operating name of the Climate Movement – Registered Charity No. 1109973.

- 1.2 The main purpose of the organisation is to influence decision makers by bringing people together across society to unify and amplify voices, showing the broad support for climate action across the UK. They aim to highlight all the things supporters want to protect from climate change, and to call on politicians to put aside their differences and commit to doing whatever is necessary to protect them.
- 1.3 The Climate Coalition has, since 2021 organised an annual Great Big Green Week where local groups and organisations across the country are encouraged to run community events split between Local Green Weeks across the country to celebrate how communities are taking action to tackle climate change and protect green spaces.
- 1.4 At February Corporate Management Committee, it was agreed that during the 2023 Great Big Green Week, the Council would:

- Support and promote the Great Big Green Week by encouraging uptake and participation by residents and local community groups;
- Co-ordinate a 'Runnymede Local Green Week' by registering it on the Great Big Green Week website as an overarching Borough based event;
- Provide support where practical and within the Council's remit if approached by local groups or residents who wanted to put on an event;
- Run its own series of events during the course of the week with the aims of:
 - Bringing together and engaging with our residents (including our young people) and businesses on the important issue of climate change;
 - Celebrating local climate change initiatives and encouraging more people and organisations to develop their own initiatives;
 - Raising the profile of the Council's response to climate change;
 - Providing useful information and signposting other relevant organisations to give people the tools they need to help the Borough transition to net zero carbon by 2050.

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

- 2.1 This section is split into two parts; the first considers the Council's participation in the 2023 Great Big Green Week and reflects on the relative success of different events and lessons learnt. The second part of section 2 considers the 2024 Great Big Green Week and the different options for involvement. Officers request that the Committee confirms the level of involvement that it would like to see from the Council next year, subject to the available funding being secured.

Great Big Green Week 2023-summary of participation and feedback

- 2.2 This year, the Great Big Green Week ran between the 10th and 18th June with the intention to build on the successes of the previous two years. Runnymede Borough Council coordinated a Local Green Week, organised a series of events consistent with the ethos of GBGW and also encouraged partners to run their own events. Events were spread around the Borough geographically and involved a range of contributors. The intention was to create a diverse portfolio of events which had the potential to appeal to a large cross-section of the local population and maximise engagement.
- 2.3 Local events were publicised on the Council's website, uploaded to the GBGW website and publicised on social media by members of the Council's

Communications team. Officers have since been made aware that there was an issue with the GBGW website whereby the search function did not enable users to find events in their area. This was a national issue and the Climate Coalition are working to address this ahead of the 2024 GBGW.

- 2.4 The different events that the Council delivered are set out below, along with a summary of the events run by partners.

Egham Environment and Sustainability Day and Vegan Market

- 2.5 This event was arranged by the Council and focussed on the themes of sustainability, nature preservation and climate change action. It comprised Egham regulars, the Ethical Vegan Market, and stalls on Egham High Street hosted by different environmental, community and nature-based organisations. The aim was to provide a fun and engaging day out for the local community, celebrating environmental action that is taking place locally, sharing information and encouraging participation. Stall holders included the River Thames Scheme, Runnymede Borough Council (RBC), Holme Farm, Surrey County Council (SCC), Egham Tree Watch, Surrey Greenpeace Group and Brooklands College. Some organisations approached including the Surrey Wildlife Trust were unable to attend due to insufficient notice being given.
- 2.6 The Council also invited two organisations to attend the event who provided interactive content. The first was Electric Pedals who show how kinetic energy, in this case bicycles, can be used to power household appliances. The second was Brickies Club who provide education through the medium of play, predominantly using Lego. The intention was to use Brickies Club to encourage younger children to contribute to building an eco-city throughout the event. Whilst officers were pleased with both suppliers, given the lower than expected turnout, it is considered that these interactive elements were not as well utilised as hoped. Attendance may have been affected by a number of factors, for example, the weather was warmer than expected, with June 10th being the warmest day of the year to date. This may have deterred attendees. The annual Shepperton Village Fair also took place on the same day which is believed may have attracted residents from Runnymede.
- 2.7 It is estimated that RBC staff spoke to approximately 30 residents about a range of issues, although some of these were not exclusively environmental in nature. The RBC stall was positioned immediately next to SCC which proved advantageous as some of the issues raised fell under the mandate of SCC. The proximity between the two stalls allowed residents to be directed between stalls as appropriate in order to answer queries effectively. There was however a greater separation between these two stalls and the remaining stalls. Officers are of the view that this had a detrimental impact on the cohesiveness of the event.
- 2.8 Officers have reflected that more information/visual material could have been used to advertise the event and to direct residents between the different events taking place in Egham on the same day to increase footfall.
- 2.9 In this regard, a litter picking event was also arranged by Cllr Sam Jenkins on 10th June where a group of residents cleared litter in the area of Hummer Road, Runnymede Road, Crown Street and Egham Library. A range of activities including a Community Fridge and Really Free Market were additionally arranged by St Johns Egham Eco Church situated at the top of Egham High Street (the Council was not involved in the organisation of these events). There was also an event running for part of the day at Egham Library.

- 2.10 Another option for running this type of market stall style event in the future could be to incorporate it into a larger, established event which already runs in the Borough, even if this does not occur during the Great Big Green Week itself. This is because, a larger event is considered to offer greater footfall opportunities. There are a number of fairs which take place between June and August annually which each attract much higher visitor numbers. These include (amongst others):
- Egham Royal Show
 - Chertsey Black Cherry Fair
 - Chertsey Agricultural Show
 - Englefield Green Village Fair
- 2.11 It could be explored whether a ‘Green Quarter’ could become part of such an event with various stalls and activities included to engage the public on the topic of climate change.

Library Events

- 2.12 The Council engaged with Surrey County Council (SCC) and made them aware of the GBGW. As a result, SCC arranged a series of events within Addlestone, Chertsey and Egham libraries during the course of the week. These events were fully funded by SCC and could broadly be broken into two main groups.
- 2.13 The first stream of events focused on environmental literature aimed at children. This involved SCC paying for the authors of titles within this genre to visit the libraries and read their books to an audience, with other environmental literature titles displayed in prominent locations within the libraries. In total, three of these events were organised with one taking place at each library. Unfortunately attendance at these events was relatively limited with approximately 20 individuals attending in total.
- 2.14 The second stream of events was more interactive and involved upcycling bird feeders, seed planting, a green themed treasure trail and incorporating crafts into the libraries’ regularly scheduled rhymetime and storytime events. The seed planting event was the best attended with 16 children and accompanying parents/guardians taking part. The themed rhymetime and storytime events had eight and nine attendees respectively but were all regular events which occur at the library in any instance.
- 2.15 There are a number of possible reasons as to why these events may have struggled, for instance two of the book readings took place on 10th June. This, as discussed above, was the hottest day of the year to that point and this may have had an impact on attendance. There were also a number of other events running locally on this date (as discussed earlier in this report). Also, only one of the library events was advertised on RBC’s printed material which may have had some impact although all of the library events were advertised on all other platforms (social media and the Council’s website). The most frequently cited issue though was the lack of lead in time with events coming together quite late which would have had an impact on the ability to market them effectively.
- 2.16 The issues of attendance notwithstanding, SCC and library managers have stated that they would be very keen to work with RBC as part of the GBGW in 2024. There have also been additional activities suggested (such as foraging) and it has also been suggested that there might be the potential to allocate a day to GBGW where

multiple activities can take place on the same day to maximise impact and attendance. There might also be potential to use authors in time slots allocated to regular book readings as opposed to creating new bespoke sessions. It is felt that the issue of the short time frame to arrange the events can be overcome in 2024 as SCC is now aware of the GBGW following their involvement this year, and the dates for the 2024 GBGW have already been released giving SCC plenty of time to plan their events.

Educational Events

- 2.17 The Council collaborated with Royal Holloway University of London (RHUL) in producing a panel event titled 'How responding to the global threat of climate change is being translated at a local level'. The contributors for this were senior officers from RBC, academics in related disciplines at RHUL and the Cabinet Member for the Environment at SCC. This event had a relatively modest attendance. Attendees were typically academics or local councillors from Runnymede and the surrounding area.
- 2.18 The lack of student engagement can largely be attributed to the timing of the event. This event took place on Monday 5th June with the RHUL summer term ending on Friday 8th June. It is therefore reasonable to assume that students were focusing on assessments, preparing to leave for the summer or had already departed.
- 2.19 There were also very few local residents in attendance. The contributors have suggested that this may be due the choice of venue with residents feeling disconnected to RHUL and that perhaps a more community focused venue such as a village hall or community centre might be more appealing to residents. One of the contributors also said that the venue itself was not easily accessible and those with mobility issues may have struggled to attend.
- 2.20 Despite these issues, the event was well received by those who attended, with attendees so keen to engage with the discussions that the event overran its allotted time. The contributors all agreed that this event should be considered for retention in 2024, albeit with a different title and possibly a shift in focus to highlight efforts undertaken within the community to tackle climate change.
- 2.21 For next year however, there may be an issue with the timing of the event. As stated above, the 2024 GBGW is set to run between 8th and 16th June. This presents a conflict with the RHUL semester schedule which is set to conclude on the 7th June. This may mean that, should Members wish to engage with the student population on the issue of climate change, that any event of this nature will have to take place outside of the GBGW.
- 2.22 The Council also approached all the primary schools in the Borough to ask them if they would be interested in hosting a climate change workshop delivered by Brickies Club and paid for by RBC. The Council received responses from two schools who were keen to host these events. These were Manorcroft Primary School and St Anns Heath Primary School. These schools each received one workshop. These were each well attended and were well received by staff and students. It is hoped that should this type of event be retained in 2024, with a full year to arrange these workshops, there may be a greater level of interest shown from other primary schools, although of course, this would be subject to the required funding being available from RBC (or part of the funding).

- 2.23 There was also a Green Skills event held at the Easter Centre at St John's Eco Church in Egham. The Council funded the venue hire and the cost of solar energy power toolkits which are reusable and were passed to the schools after the event to facilitate future learning opportunities. The Elmbridge and Runnymede Youth Hub ran this event in collaboration with Brooklands Museum and Your Energy Your Way who are an Egham based firm who design and install whole house renewable energy solutions in Hampshire, Berkshire, Surrey, West London, and the surrounding counties. It should be noted that the Youth Hub is a service delivered by Brooklands College on behalf of Elmbridge and Runnymede Borough Councils.
- 2.24 The Youth Hub delivered 4 educational workshops based on sustainability and eco-thinking to approximately 70 children from the following 4 schools in Runnymede:
- Phillip Southcote (Addlestone/SEN)
 - Jubilee High School (Chertsey/secondary)
 - Chertsey High School (Chertsey/Secondary)
 - Manorcroft Primary School (Egham/Primary)
- 2.25 The event coordinator at the Youth Hub felt that the event went very well and has stated that the children were really engaged. The Youth Hub would definitely be interested in running a similar event next year (assuming their funding is retained) and felt that they could build on the event with the hope of including more children. The event coordinator also commented that the businesses had fed back that they enjoyed attending and would be happy to be involved in a similar event next year.

Holme Farm Events

- 2.26 The Council contacted Holme Farm regarding the GBGW and encouraged them to consider running an event(s). Holme Farm responded very positively, organising the following events during the course of the week:
- 2.5 hour Forest Bathing experience with woodland tea included (event funded by RBC);
 - Holme Farm Summer Party;
 - Free guided summer walks guided by Holme Farm's ecologist.
- 2.27 The Forest Bathing event was oversubscribed. The feedback received from attendees was positive and Holme Farm would like to run similar events in the future but with an increased number of spaces. Attendance at the summer party was good, but Holme Farm felt it could have been better with an increased level of advertising in advance. They also noted that there were other local events on that day which may have had a further impact on attendance. Next year, this event is proposed to be moved to tie in with Holme Farm's Summer Solstice Weekend to avoid clashes with other local events. Attendance at the free guided walks was very good and engagement and feedback from attendees was very positive. Holme Farm would like to run more of these walks as well as Owl watching evenings. Holme Farm has said that they would like to be involved in Local Green Week celebrations next year. The general feedback is that more local advertising next year would be helpful in getting more people involved. Holme Farm is hoping to recruit a PR person to assist with this.

Nature and Sustainability Photography competition

- 2.28 The Council ran a photography competition to celebrate nature and sustainability in Runnymede. This was open in everyone, provided the images submitted were taken in Runnymede. There were three aged defined categories. These were:

- Primary School – Up to age 11
- College/Secondary School – age 12 to 18
- Adult – 18 and over

2.29 The competition opened on Friday 5th May and closed on Sunday 18th June. In that time, 102 images were received across the three categories. These images were then judged by RBC officers and the Mayor of Runnymede with the winners each receiving a £50 gift voucher. The winners along with three highly commended entrants also had their work printed on canvas. Their images are now displayed in the Mayor's Parlour. The Mayor also arranged a tea party in the Parlour to meet the winners and highly commended applicants and presented them with their prizes.

Great Big Green Week 2024

2.30 As set out elsewhere in this report, in 2024, the Green Big Green Week will run from 8th to 16th June. There are various options for how the Council could get involved in next year's Great Big Green Week. These options are set out below:

Option 1: Support and promote

2.31 The Council supports and promotes the Great Big Green Week by encouraging uptake and participation by residents and local community groups. For example, local sports clubs, environmental groups, schools, local businesses, youth groups, faith groups, as well as any other organisations or individuals who may have an interest in tackling climate change. Closer to the week's start date, the Council could collate a list of local events based on details provided by the groups participating and advertise and promote them to residents. This could be done via posters/banners and sharing information and links to the Great Big Green Week's website via social media, newsletters and using the Council's website. A comprehensive comms pack is available from The Climate Coalition.

Option 2: Support, promote and co-ordinate

2.32 The Council supports the Great Big Green Week as described in Option 1 above. However, in addition, the Council effectively becomes the co-ordinator of a 'Runnymede Great Big Green Week' by registering it on the Great Big Green Week website as an overarching Borough based event. Local groups wishing to participate would then be able to tag Runnymede Great Big Green Week when they sign up their events taking place in the Borough. The events will be automatically pulled together as one big event for Runnymede on the Great Big Green Week website. If local groups sign up separately and do not tag the Council's banner, officers can still search the Great Big Green Week website via post code and contact those groups to see if they want to fall under the Runnymede Borough Great Big Green Week.

Option 3: Support, promote, co-ordinate and provide assistance

2.33 The Council support the Great Big Green Week as in Option 2 above but additionally look to provide support where practical and within our remit if approached by local groups or residents who would like to put on an event. For example, providing licences for events.

- 2.34 For the avoidance of doubt, Council support would be subject to the usual application processes. All requests would be subject to evaluation and some requests may have to be declined.

Option 4: Support, promote, co-ordinate, provide assistance and participate

- 2.35 This option would build on option 3 above, but would also see the Council running its own series of events during the course of the week with the aims of:
- Bringing together and engaging with our residents (including our young people) and businesses on the important issue of climate change;
 - Celebrating local climate change initiatives and encouraging more people and organisations to develop their own initiatives;
 - Raising the profile of the Council's response to climate change;
 - Providing useful information and signposting other relevant organisations to give people the tools they need to help the Borough transition to net zero carbon by 2050
- 2.36 Please note that the running of our own events is currently unfunded. Please see section 4 of this committee report below for further detail around resource and funding.
- 2.37 Knowing well in advance of the 2024 Great Big Green Week what the preference of the Committee is would allow officers a greater opportunity to plan events, secure the services of relevant stakeholders and explore external funding opportunities (if required).

3. Policy framework implications

- 3.1 Positive participation in the Great Big Green Week will support three of the Council's adopted corporate strategies:

The Climate Change Strategy:

- 3.2 Strategic Objective 3 – Positively engage with residents, businesses, community groups, national and local government and universities to share information and encourage positive behavioural change to adapt to or mitigate climate change. From Runnymede's 2030 climate vision – *'To work with our communities and businesses to create a sustainable living environment where people can meet the needs of the present without compromising the ability of future generations to meet their own needs (United Nations Brundtland Commission, 1987). To support the international climate change response to limit global warming to a 1.5 degrees centigrade temperature increase while simultaneously delivering a prosperous, caring, healthier borough where people are valued and cared for and where strong communities pull together'*.

The Empowering Communities Strategy:

- 3.3 Priority 2 - Listening to residents;
Priority 3 – Enabling communities to help themselves;
Priority 4 - Enabling communities to take control of services or plans for their areas;
Priority 5 – Advocacy: standing up and pressing Government and other organisations to meet Runnymede residents' priorities.

The Economic Development Strategy:

- 3.4 Priority 6 – Developing a low carbon economy: Encourage businesses to be more sustainable and develop the low carbon circular economy. This priority states that, *‘As far as possible, the Council will adopt and promote the principles of the Circular Economy (take, make, use, reuse, reuse) and decouple from the Linear Economy (take, make, use, throw) to minimise Carbon Emissions and waste, reduce environmental damage and increase biodiversity and health. The Council will work with Surrey, the Enterprise M3 LEP and Royal Holloway University of London to increase take up from local businesses of grants, business support and access to knowledge transfer programmes to encourage businesses to be more sustainable’.*

The Health and Wellbeing Strategy:

- 3.4 Contains a strategic objective related to healthy communities which seeks to ensure that all residents to be able to engage and participate in their community, access services, facilities, amenities, leisure, and recreational opportunities locally.

4. Resource implications/Value for Money

- 4.1 £4,580 was spent by the Council on the 2030 Runnymede Local Green Week. A core team of approximately 8 officers from the Climate Change, Planning Policy, Economic Development and Communications teams were involved in arranging the events and resourcing them.

- 4.2 The officer resource and finance implications for the 2024 GBGW will be assessed once the Committee has confirmed the level of involvement that they would like to see. As a general point, it should be noted that there is £1,650 allocated each financial year in the Climate Change budget to fund the promotion of events. This could contribute to the running of events during the 2024 GBGW if Members wish to pursue option 4. Any costs beyond this would either need to be met from savings made elsewhere, or funding would need to be secured from an external funding body.

5. Legal implications

- 5.1 The legal implications associated with the 2023 Great Big Green Week project were regularly assessed as the proposals were developed.
- 5.2 The legal implications associated with the 2024 Great Big Green Week would be regularly assessed as any proposals were developed.

6. Equality implications

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

in relation to the 9 ‘Protected Characteristics’ stated within the Act.

6.2 An Equalities Impact Assessment screening was prepared to support GBGW 2023. This highlighted the anticipated positive impacts on protected characteristics through the provision of inclusive events which would bring together the Borough's communities. Equalities implications continued to be reassessed throughout the development of the events. It is considered noteworthy that some events and activities were arranged specifically for young people. The Green Skills event also catered for children with special educational needs.

6.3 An Equalities Impact Assessment screening may be required if the Committee wishes to participate in the 2024 Great Big Green Week. This will be assessed once the level of involvement sought is known.

7. Environmental/Sustainability/Biodiversity implications

7.1 The implications for environmental/sustainability and biodiversity associated with participation in the Great Big Green Week are considered to be positive by getting involved in this key event which aims to celebrate local initiatives which have been developed to tackle climate change, by raising awareness of this important issue and encouraging others to get involved.

8. Other implications

8.1 Subject to the direction of the Committee in terms of the level of participation sought during the 2024 Great Big Green Week, there may be further implications which Officers need to consider and report back on.

9. Timetable for Implementation

9.1 An indicative timetable for the 2024 Great Big Green Week will be set once the level of participation sought by the Committee is known.

10. Background papers

None

11. Appendices

None

Report title	Climate Change Update Report
Report author	Georgina Pacey, Planning Policy and Climate Change Manager
Department	Planning, Economy and Built Environment
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:
For information

Synopsis of report:
This report seeks to update the Committee on the various activities which have been undertaken, are ongoing or are planned to help the Council and the Borough of Runnymede meet its net zero targets, by 2030 and 2050 respectively.

Recommendation(s):
Corporate Management Committee is requested to:
1: NOTE the Climate Change updates provided in this report;

1. Context and background of report

- 1.1 The Council's Climate Change Strategy which was adopted in October 2022 contains the strategic objective to, 'Reduce Carbon emissions from Council operations to Net Zero by 2030'. More widely, the Council will be working to help ensure that the Borough of Runnymede meets the national target of achieving net zero carbon by 2050.
- 1.2 Councillors have requested regular update reports from officers to detail the activities being carried out across the Council which are likely to impact on the Council's response to climate change and contribute to meeting the above mentioned targets.

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

- 2.1 At the Environment and Sustainability Committee meeting of 9th March, and Corporate Management Committee of 23rd March, officers produced a climate change update report which sought to bring the Committee up to date in terms of the various activities being carried out across the Council to help the organisation respond to the challenges of climate change and meet local and national net zero

targets. This report follows on from the March version, and provides updated information to reflect changes which have occurred in the intervening period.

- 2.2 In producing this latest update report, staff from all service areas within the Council have been approached for their input. Information is now presented in a simple tabular format. A table has been produced for each service area, with additional tables also produced for the Chief Executive's Office and the Central Climate Change Team (the latter is part of the wider Planning, Economy and Built Environment service area, however, given the length of the table for this service area and the Climate Change team, officers have split it into two). These tables can be viewed at Appendix 1. Each table lists the name of the relevant activity, gives a brief description of it, lists any relevant committee report(s) and then provides any relevant update which has occurred since March. A number of new activities are also captured. These are clearly annotated in the first column. It should be noted that some of these activities are genuinely new, in that they have only been initiated since the March update. This 'new' categorisation also captures activities from Service Area Plans which were known about in March 2023 but were not captured in the previous update report.
- 2.3 Each Service Area table has up to three sections as follows:
-Relevant activities completed since 2019. 2019 is the date taken as this will tie in with the base date for calculating the Council's carbon emissions in the Runnymede Carbon Baseline report which is currently being produced.
-Current/ongoing activities
-Planned activities: This largely relates to activities due to be commenced in the 2023/24 financial year. These projects and defined smaller pieces of work/initiatives which flow from the Council's Corporate Business Plan and its supporting strategies.
- 2.4 As well as speaking to staff from each service area, other sources of information which have been reviewed in producing this report are:
- Published information on the Council's website;
 - Information obtained from the Council's Project Management Office;
 - The Forward Plan produced by Committee Services.
- 2.5 In reviewing this report, Members are asked to remember that not all of the activities reported have/are being undertaken specifically in response to climate change. For example, the driver for undertaking a number of the projects/activities has been to make efficiencies in the Council's processes (for example, the introduction of Hybrid Mail), or to respond to statutory requirements (for example the production of the Borough Local Plan). Some of these activities do however have additional benefits of helping the Council deliver more environmentally friendly services/policies which will contribute to the Council's response to climate change. For completeness, these activities have been reported.
- 2.6 The report also sets out the activities which are being specifically undertaken to help the Council respond to climate change, for example, the production of the Council's Carbon Baseline Study, the final outputs of which are reported elsewhere on this agenda, and which establish the baseline carbon emissions for the Council and the Borough as at 2019.
- 2.7 Since the production of the March update report, the Project Management Office and Climate Change Team have been working to develop a high level project and activity report in a dashboard format to provide Members with an overview of the progress of Council activities with climate change impacts. This has been made possible

following updates made to the business case template, project charter template and launch of the Business Planning Tool. Project leads are now required to provide more information in both cases on climate change impacts including any direct or indirect impacts of the proposal on climate change, whether the activity is expected to result in a decrease or increase in carbon emissions and any environmental benefits. The first climate change specific dashboard is appended with this Climate Change Update Report. Moving forward it is proposed that, following discussions with the Leader, future detailed Climate Change update reports will be produced alongside the Q2 and Q4 Project Portfolio Reports in October and April respectively (and reported to CMC at the next available meetings factoring in committee lead in times). For the quarters in between (Q1 and Q3), a climate change dashboard in line with the format shown in Appendix 2 will be produced in July and January respectively and shared with Members via the Members Teams channel to provide a high level update of the ongoing activities across the Council with a climate change impact.

- 2.8 It should be noted that the climate change dashboard provides details of all projects and other activities from Service Area Plans. The more detailed tables seen at Appendix 1 seek to be consistent with information held by the PMO, but in addition, report on the Business as Usual activity which may not be captured by the PMO, but which officers consider is relevant, for example, development of climate change planning guidance is not captured by the PMO but is nevertheless referred to in the Planning, Economy and Built Environment table.
- 2.9 Officers will continue to work to refine the Climate Change updates provided to Members, working to fill gaps in information where they exist. For example, Members will note that additional information on carbon emission impacts associated with a range of activities is now presented in this latest update report.
- 2.10 Members are requested to note when reviewing this report that a number of the planned future activities/initiatives described will require growth bids/supplementary estimates if they are to be delivered. Where it is agreed that business cases and growth bids cannot be supported, certain activities will not be able to proceed. It should also be noted that new initiatives not currently listed in this report may be identified in the future, which may help the Council respond to the challenges of climate change.

3. Policy framework implications

- 3.1 All of the projects/activities which have already been completed by the Council since 2019, or which are underway, would have been assessed for their wider policy implications. Future planned activity through the Service Area Plans across the Authority have been designed to ensure that the objectives of the Council's Corporate Business Plan and supporting corporate strategies can be delivered over their lifetime.

4 Resource implications/Value for Money

- 4.1 All of the projects/activities which have already been completed by the Council since 2019, or which are underway, would have had their resource and financial implications assessed. Activities beyond this current financial year would be set out in future Service Area Plans adopted by the Council.

5. Legal implications

5.1 All of the projects/activities which have already been completed by the Council since 2019, or which are underway, would have had their legal implications assessed. Future planned activities will need to have their legal implications considered at the relevant stages, as appropriate.

6. Equality implications

6.1 All of the projects/activities which have already been completed by the Council since 2019, or which are underway, would have had their equality implications assessed. Future planned activities will need to have their equality implications considered at the relevant stages, as appropriate.

7. Environmental/Sustainability/Biodiversity implications

7.1 All of the projects/activities which have already been completed by the Council since 2019, or which are underway, would have had their environmental/ sustainability/ biodiversity implications assessed. Future planned activities will need to have their implications in terms of environment, sustainability and biodiversity considered at the relevant stages, as appropriate.

8. Other implications

8.1 Future activities listed in the report will be assessed for other implications as appropriate.

9. Timetable for Implementation

9.1 The various activities listed in this update report all have their own timetables. Further climate change update reports will seek to provide further information on the timescales for delivery for different projects where possible through discussion with the Council's Project Management Office and Service Heads.

10. Background papers

10.1 None-relevant committee reports are hyperlinked as appropriate in the Service Area updates.

11. Appendices

Appendix 1: Climate Change updates by Service Area

Appendix 2: Climate Change dashboard

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Adoption of Council net zero target	The Council committed to tackling climate change and adopted a target to achieve operational 'Net Zero Carbon' emissions from its services and operations by 2030.	Full Council, 26th January 2022	NO CHANGE in status
Adoption of Procurement Strategy, Sustainable Procurement Policy and Social Value Policy	The Council's Procurement Strategy addresses all elements of procurement activity carried out at the Council at both a strategic and operational level to support the delivery of the Corporate Business Plan and Service Area Plans. At a strategic level, this will include consideration of ethical and environmental impacts as part of contractual requirements and seek the achievement of sustainable outcomes that support the climate change agenda. The Sustainable Procurement Policy sets out how environmental considerations will be built into the procurement and delivery of goods, works and services through its specifications, tender questions, evaluation criteria, key performance indicators and clauses of contracts. The Social Value Policy sets out how procurement activities in the Borough can achieve wider financial and non-financial outcomes, including improving wellbeing of individuals, communities and the environment by making social value a decision-making criterion when awarding contracts.	Full Council, 27th April 2023	STATUS UPDATE. This was previously a live project. Now marked as completed following adoption in April 2023.
Project Management template updates and future climate change reporting	The Project Management Office (PMO) has reviewed and updated the business case and project charter templates to include a mandatory section on climate change impacts. Each proposed new activity or project will therefore need to identify and detail any	N/A	STATUS UPDATE. The business case and project charter templates have now been updated. The PMO is working alongside the Climate Change Team to develop high level reporting to provide overviews of progress of

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	direct or indirect impacts of the proposal on climate change, whether the activity is expected to result in a decrease or increase in carbon emissions and any environmental benefits. Service Areas are also working with the PMO to retrospectively add this information for existing activities.		activities with climate change impacts as part of the overall performance of the Council. The first climate change specific dashboard is appended with this Climate Change Update Report at Appendix 2.
Live activities			
Community Cool Hubs	This initiative, funded by RBC, will provide cool environments to give relief to people during periods of excessive heat as part of our emergency planning function. However given that hot weather events are likely to continue due to the effects of climate change, a longer term solution needs to be developed. Potential locations are currently under discussion with RHUL. This initiative will be subject to a future growth request and therefore will be dependent on the financial position of the Council at that time.		NO CHANGE in status as there has been no reason to trigger this initiative since the last update report was completed.
ESSO Pipeline Investment Fund	Esso's Environment Investment Programme (EIP) comprises a range of localised projects along the replacement pipeline route to carry out activities such as creating habitats to benefit biodiversity. Through this fund, £50,000 has been secured for tree maintenance and planting on Chertsey Meads. To be delivered by 2025 by the Environmental Services Team.	n/a	STATUS UPDATE. A priced-up plan is currently being developed which will relate to various activities including tree works.
Continued representation on Heathrow Strategic Planning Group (HSPG)	An officer represents the Council on the HSPG and contributes to discussions regarding the future of Heathrow Airport, its plans for expansion, carbon emission reductions and the impact of its activities on the surrounding communities.	n/a	NO CHANGE. The Head of External Projects will continue to represent the Borough including by responding to relevant consultations and will update Members through the relevant committee/Regeneration and Major Projects Working Party as appropriate.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Net Zero Places: Phase 1 Innovate UK + City Science	RBC, as part of the wider Heathrow community secured stage 1 funding of circa £100,000 (£7,000 for Runnymede) to evaluate non-technical barriers (such as financing, governance, regulation, and engagement) to achieving carbon net zero from Innovate UK (part of UK Research and Innovation) in partnership with City Science. The ultimate aim is to help places and businesses accelerate the delivery of the transition to Net Zero. In the first phase of the programme, 31 projects from across the UK, have been awarded a share of £2m through a competitive process, to carry out feasibility studies to understand what approaches to test in their local area.	None	<p>STATUS UPDATE The phase 1 report has been completed and submitted to Innovate UK. The Head of External Projects and the Council's Bids Writer are currently working on stage 2 bid. This will be submitted in early September 2023. The 3 main themes which were identified in stage 1 will address a financial mechanism to provide funding for carbon emissions reduction interventions, energy usage and mobility and transportation within the Heathrow Functional Carbon Area. The stage 1 bid was supported by the 8 local authorities who are also members of the HSPG, Heathrow Airport, and the 3 LEPs who are represented in the region. The stage 2 bid is supported by the same entities. In addition, as a requirement of the stage 2 bid, we are currently in the process of discussing with other third parties with respect to their joining the bid as partners and/or supporters to the initiatives. The local authorities who were supporters during the stage 1 bid will be integral to the stage 2 bid. If successful, the award for the stage 2 bid is likely to be between £2 - 5 million for the collective group but will also include contributions from third party partners which would increase the value of the overall project.</p> <p>Key updates to be provided through the Regeneration and Major Projects Working Party</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
River Thames Scheme	<p>This wider scheme will include the creation of two new river channels which will:</p> <ul style="list-style-type: none"> • Reduce flood risk to homes, businesses and infrastructure. • Provide new habitats and landscape enhancements. • Create new publicly accessible open spaces with footpaths and cycleways to enhance connectivity <p>Active and sustainable travel initiatives are expected to be incorporated into the scheme. New and improved habitat areas for wildlife will also connect with existing nature sites and wildlife corridors to support biodiversity.</p>	None	<p>The current expectation is for the works to start in 2026, with commissioning of the River Channels currently expected to be 2030.</p> <p>STATUS UPDATE: The next statutory consultation is currently still set for November 2023 but the Council is awaiting confirmation that this remains the case.</p> <p>Key updates to be provided through the Regeneration and Major Projects Working Party</p>
Heathrow Surface Access	<p>RBC to work with other Boroughs and Districts to develop a consensus position and lobby the Government in progressing this scheme to enhance public transport options to Heathrow from Surrey/achieve a modal shift to public transport to reduce harmful air quality impacts/carbon emissions associated with private car use. This is lead by the External Projects unit. There are no fixed timescales for this activity at the time of writing.</p>		<p>NO CHANGE Officers continue to be part of discussions with principal entities.</p> <p>Key updates to be provided through the Regeneration and Major Projects Working Party</p>

Service Area: Central Climate Change Team (part of the Planning, Economy and Built Environment Service Area)

Lead Officer: Georgina Pacey/Sarah Hides

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Adoption of Climate Change Strategy	Sets out the Council's overarching Climate Change Strategy up to 2030.	Full Council, 20th October 2022	NO CHANGE in status
Green Homes Grants: LAD 1B and LAD2	<p>In July 2020, the Chancellor announced a £2 billion Green Homes Grant scheme to upgrade homes across England. Under this, £500 million funding was allocated to local authorities through the Local Authority Delivery (LAD) scheme. The LAD scheme aims to improve the energy efficiency of homes of low-income households (typically those having a combined gross income of less than £30,000) with low energy performance homes (those with energy performance certificate (EPC) ratings of E, F or G, including off-gas grid homes. Some Band D properties can be included).</p> <p>In 2021, RBC secured £4.335m LAD1B funding from BEIS. In addition to this Surrey contributed £68,000 and RBC contributed £0.39m to this project making a total amount of £4.4m.</p> <p>Between March and September 2022, RBC along with the other Surrey Boroughs and Districts were part of the Surrey County Council consortium for LAD2 funding.</p>	Environment and Sustainability Committee, 17th November 2022	<p>NO CHANGE</p> <p>LAD 1B (01/2022-09/2022): 390 homes had measures installed (192 were RBC owned). Delivery partner: Happy Energy Solutions.</p> <p>LAD2 (03/2022/09/2022): 6 properties had measures installed. Total value of works £36,302. Delivery partner: Action Surrey.</p> <p>Updated EPC report for relevant properties have not been conducted, but the estimated savings for Runnymede is approx. 5 tCO₂e</p>
Help to Heat funding: Sustainable Warmth: Home	The Surrey consortium of Local Authorities was allocated approximately £1.8m total capital funding. The aims of the project are aligned with previous LAD schemes: to raise energy efficiency of	None	STATUS UPDATE The project commenced in October 2022 and the HUG1 phase ended in April 2023.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Upgrade Grant phase 1 (HUG1).	<p>households with low-income and low energy performance certificate (EPC) ratings, thus reducing fuel poverty and initiating a phase-out of high carbon fossil fuel heating.</p> <p>The most prominent difference to the LAD phases is the higher average cost expectations for off gas properties, ranging from £10,000 to £25,000 per home, depending upon the starting Energy Performance Certificate (EPC) rating of the property and fuel type.</p>		<p>On average, households where measures are installed are expected to save approximately £260 per year on energy costs.</p> <p>In Runnymede the following measures were installed during the funding period: Loft insulation: 1 Park home insulation: 24</p> <p>Total value of measures: £363,494.50 Total projected reduction in carbon emissions: approx. 27024.6 kgCO₂e/year</p>
Great Big Green Week (GBGW)	<p>This is an annual celebration of local climate change action where local communities run a range of events as part of Local Green Weeks to celebrate how communities are taking action to tackle climate change and protect green spaces.</p>	<p>Thursday 23rd February 2023 – Corporate Management Committee</p> <p>Corporate Management Committee, 14th September 2023</p>	<p>Corporate Management Committee agreed in February 2023 that for the 2023 GBGW, the Council would:</p> <ul style="list-style-type: none"> -Support and promote the GBGW by encouraging uptake and participation by residents and local community groups; - Co-ordinate a ‘Runnymede Local Green Week’ by registering it on the GBGW website as an overarching Borough based event. - Provide support where practical and within the Council’s remit if approached by local groups or residents who would like to put on an event; -Run its own series of events during the course of the week with the aims of: <ul style="list-style-type: none"> 1-Bringing together and engaging with our residents (including our young people) and businesses on the important issue of climate change;

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
			<p>2-Celebrating local climate change initiatives and encouraging more people and organisations to develop their own initiatives;</p> <p>3-Raising the profile of the Council's response to climate change;</p> <p>4-Providing useful information and signposting other relevant organisations to give people the tools they need to help the Borough transition to net zero carbon by 2050</p> <p>A report is being considered elsewhere on this agenda to summarise the events run during the course of the 2023 GBGW and to consider the successes and lessons learnt. The Committee will also be asked how they would like the Council to participate in the 2024 GBGW.</p>
Live activities			
Climate Change Study (Stage 1)	The main purpose of the Climate Change Study stage 1 is to establish the Council's carbon emissions baseline and improve and streamline the Council's carbon monitoring, measuring and reporting methodologies. The Stage 1 work will also estimate carbon emissions trajectories for various mitigation pathways out to 2030 and 2050. The emissions baseline year has been chosen to be 2019 to be in line with Surrey County Council reporting.	<p>Thursday 14th July 2022 - Corporate Management Committee</p> <p>Corporate Management Committee, 14th September 2023</p>	STATUS UPDATE The Runnymede Climate Change Study: Council Estate and Area GHG Baseline has been completed and is being reported elsewhere on this agenda.
Help to Heat funding: Sustainable Warmth: LAD3	Sustainable Warmth encompasses the third phase of Local Authority Delivery (LAD3) scheme, for on-gas properties. The scheme is part of the wider £75m contract for Decarbonisation of Housing in		The project commenced in October 2022 and the LAD3 is ongoing at the time of writing. This round of funding will end in September 2023.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	Surrey, awarded to ThamesWey by Surrey County Council in Quarter 2 last year.		<p>Between 1st April and 30th June 2023, 57 energy efficiency improvements have been installed in 34 Runnymede households at a total cost of £321,727 resulting in an estimated CO2 saving of 40.75 tonnes/year.</p> <p>Delivery partner: Action Surrey</p>
Carbon Literacy Training: Members and Senior Officers	Carbon Literacy is an understanding of the causes and impacts of our everyday carbon emissions – the fundamental awareness that offers a starting point for making real change in the way we tackle climate change.	Thursday 23rd March 2023 – Corporate management Committee	STATUS UPDATE CMC approved the delivery of carbon literacy training for Members and Senior Officers in March 2023. The training for Members has since taken place (25 members took part). Members are currently completing their pledges. The training for senior officers is to be rolled out this Autumn.
Runnymede Climate Change Action Plan	The purpose of the Climate Change Action Plan (CCAP) will be to set out a series of mitigation and adaptation actions that will need to be implemented in order to reduce both the Council’s own operational emissions and the emissions from Runnymede as a whole, in accordance with objectives and targets in the Climate Change Strategy 2022-2030 . The CCAP will be the subject of periodic reviews so that updated versions can reflect any new information gathered about potential new projects and activities.	Corporate Management Committee, 25th May 2023	<p>A draft Climate Change Action Plan is currently being drafted following consideration of responses received through the Council’s online climate change survey which ran for 6 weeks over the summer period, as well as from focus groups and 1:1s with various organisations/groups and discussions with Service Heads. The draft CCAP will be shared with Corporate Leadership Team in September.</p> <p>Beyond this, it is anticipated that the CCAP will be ready to be discussed with the Climate Change Working Party this Autumn before being brought through Corporate Management Committee, with approval being sought for public consultation to take place. Adoption is anticipated in Spring 2024.</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
NEW Environmental Behavioural Change Strategy	<p>The purpose of the Environmental Behavioural Change Strategy is to identify from relevant published reports/data alongside the responses received through the Council's engagement with local people the key areas where communities and organisations need to be supported by the Council in order to maximise opportunities for positive behaviour change to reduce the Borough wide carbon emissions to net zero carbon by 2050.</p> <p>It is intended that the Environmental Behavioural Change Strategy will be supported by annual Communications Action Plans to support the initiatives being pursued in each financial year.</p>	Corporate Management Committee, 25th May 2023	<p>Consultation Reports which summarise the feedback received during the Council's summer of engagement on climate change with local communities and organisations are currently being produced, and will be shared with Members in due course. In terms of the headline statistics, 815 over 18s, 450 under 18s and 25 organisations responded to the online survey. In addition, meetings have been held with the Showmen's Guild of Great Britain, Addlestone & Chertsey Town Teams, the Business Runnymede Steering group and St John's Eco Church in Egham. A focus group has also been held with local residents. Officers are also planning to attend the Community Action Group meetings in September and meet with the Surrey Gypsy Traveller Communities Forum.</p> <p>A draft Environmental Behavioural Change Strategy is in the early stages of being drafted following consideration of responses received through the Council's online climate change survey and other engagement activities undertaken to date.</p>
NEW Graduate Climate Change and Sustainability Officer post appointed	<p>The vacant Energy Manager post within the Climate Change Team has been regraded to provide a Graduate Climate Change and Sustainability Officer post for a 2 year period.</p>	None	<p>This post has been successfully recruited and the new officer (Dan Callaghan) will start in the Climate Change Team on 4th September, bolstering the resource of the team.</p> <p>One off activity. Future updates not anticipated.</p>
Planned activities			

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Production of 2022/23 carbon emissions report	This will set out the Council carbon emissions for the 2022/23 financial year.	TBC	Report anticipated to be reported through Corporate Management Committee by the end of the year.

Service Area: Assets and Regeneration

Lead Officer: Alex Williams

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Installation of Photovoltaic Panels on Council Owned Assets	Panels have been installed on the roofs at the Hythe Centre, the Woodham and New Haw Day Centre, Egham Orbit leisure centre and Unit 1 Chertsey Business Park to produce electricity.	None	NO CHANGE in status
Development of Council Assets: Magna Square	The completed Council owned Magna Square development which has achieved EPC A rating on its residential buildings also includes a number of measures within its structure to support the environment and climate including solar controlled glazing, low energy internal lighting, waste water heat recovery system, highly efficient thermal insulation, high thermal mass soffit boards, low water use fixtures. One of the buildings has a living roof and a low water irrigation strategy has been developed to minimise water usage.	n/a	NO CHANGE in status
Development of Council Assets: Chertsey Business Park	The completed development aims to ensure a minimum 6% decrease in CO2 emissions over 2013 Buildings Regulations. All units have achieved EPC Grade A rating, and other initiatives include: <ul style="list-style-type: none"> • low air permeability design; • electric vehicle charging points; • transparent warehouse roof panels which increase natural lighting, the cutting the amount of electrically powered light needed; • high performance insulated cladding and roof materials • secure cycle parking to encourage workers to ride to work rather than drive. 	n/a	NO CHANGE in status
NEW ENTRY Procurement of Facilities	Procurement of Facilities Management contract for student block at Magna Square	May 2023 CMC	June 2023 Derwent Facilities Management appointed. Current EPC rating is a B. Partnership approach being taken with the

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Management contract for student block at Magna Square			students to achieve sustainable measures and cultural change to ensure we reduce impacts on the environment. The students are keen to achieve this.
Live/ongoing activities			
NEW-LED Lighting surveys-operational buildings	LED lighting surveys have been carried out for Civic Centre and Chertsey Depot by LASER. The results of these surveys are awaited but will provide information on the cost of upgrading the lighting in both buildings and the carbon emissions savings associated.		Survey results expected imminently. Depending on the findings, a report will then be prepared for Corporate Management Committee to request the release of the capital provision (carbon change initiatives for Council estate) which was included in the 2023/24 budget process.
Civic Centre building upgrades	This will include replacement of the roof at the Civic Centre, and upgrades/replacement of the Building Management System (BMS), heating, ventilation, air conditioning (HVAC), windows mechanism and the lifts. As part of this, it will be explored whether there are any opportunities for installation of renewable or low carbon technologies, subject to cost and pay back.	Corporate Management Committee, 14th September 2023	STATUS UPDATE Report considering these upgrades is reported elsewhere on this agenda. This project is due to take place during the remainder of the current financial year and next.
NEW Civic Centre usage	This relates to how much of the internal space at the Civic Centre is required for RBC own staff, stakeholders and tenants (including Surrey Police and SCC), and consideration of how to optimise the use of the space to provide a secure sustainable future for the Civic Centre.	n/a	n/a at current time. Updates as relevant will be provided in future reports.
Operational Assets Conditions Surveys and Mechanical and Electrical condition surveys	These surveys will be carried out across the whole of the operational estate both in respect of our building fabric and the mechanical and electrical plant which make up our unique portfolio. This survey work will help provide a better understanding of where adaptations are required across our	Corporate Management Committee, November 2023	STATUS UPDATE At the procurement stage. Prospective bidders are due to visit the Borough on 16 th and 17 th August with the aim of then receiving a compliant bid. The growth bids for these two sets of surveys were agreed as part of the Budget

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	estate, including those which will help us work towards our 2030 net zero carbon target.		for 23/24. The CMC report in November will be seeking the release of the funds to carry out the survey work.
Strategic Review of Council owned Carparks	To ensure required upgrades are considered/delivered as part of any upgrades for ANPR or EV charging installation e.g. switch to LED lighting, upgrade electrics, renew carpark surfacing etc	Environment and Sustainability Committee, 13th September 2023	STATUS UPDATE ANPR report being taken as a part 2 item to September Environment and Sustainability Committee. Cross over with Customer, Digital and Customer Services and a similar item is reported in this Service Area's update table.
Moving to Greener Energy Supplies	Officers will be working with its energy procurer LASER to explore the options and costs associated with moving its energy supplies to greener alternatives when existing arrangements come to an end.	None	STATUS UPDATE The Council has signed the access agreement for the 2024-2028 LASER Framework period. Officers will be working alongside LASER to explore the options for transitioning its energy supplies across its estate to greener supplies when existing agreements come to an end. The Council has recently renewed its contract with Ecotricity for Addlestone One (2 residential blocks) for 100% renewable energy for a 3 year period.
Planned activities			
NEW ENTRY LASER Energy Bureau	Amongst other things, having LASER Energy Bureau means that the Council will have access to regular Energy Monitoring Reports (cost and consumption, CO2 etc) for its Assets and Regeneration Estate. The bureau service will allow the Council to better monitor carbon emissions and energy savings. A dedicated LASER analyst will monitor all of the Council's energy data and provide a breakdown of results based on our agreed specific criteria (i.e. carbon data will be presented in a format to meet our needs).	None	The Council will initially have the benefit of LASER Energy Bureau from 1 st November 2023 for a period of 5 years.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
EPC rating surveys for all commercial assets and upgrades	It is proposed to carry out EPC rating surveys for all commercial assets and upgrade over a rolling programme to achieve a minimum EPC C rating to achieve carbon emission reduction (both investment and operational estate).	None	NO CHANGE. Within budget provision
Decarbonisation plans for Assets and Regeneration (A and R) Estate	<p>This activity will involve producing decarbonisation plans for the Assets and Regeneration estate to determine the climate change initiatives required to help achieve the Council's 2030 net zero carbon target for its operations and services.</p> <p>A growth bid of £500,000 capital spend has been approved (to be spent over 5 years) for climate change initiatives for the Council's operational buildings.</p>	None	STATUS UPDATE officers are currently considering whether it is possible to apply for capital funding for any of the Council's A and R estate in the 2023 round of the Public Sector Decarbonisation Scheme (PSDS).

Service Area: Community Services

Lead Officer: Darren Williams

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Meals at Home Service Review	A review of service delivery options has been completed for Meals at Home, within which consideration was given to the fleet to be used, in conjunction with operational processes and risk. The number of required vehicles was also reviewed.	Thursday 16th March - Community Services Committee	<p>STATUS UPDATE It was agreed that the Meals at Home fleet (for Runnymede and Surrey Heath) be transitioned to an electric fleet and use of this new fleet commenced in May 2023. The March Community Services Report also secured approval (£15,000) for the supporting EV charging infrastructure.</p> <p>There are 7 new EV vehicles in the fleet for the 2 Boroughs and 1 diesel vehicle has been retained. Runnymede contractually has 4 EVs, and Surrey Heath 3 EVs and the diesel. The diesel vehicle is to be swapped between the 2 boroughs every 6 months. This move should decrease emissions by at least 1.1 tonnes per vehicle a year, or 61%.</p> <p>The EV charging infrastructure is not yet in situ but the business continuity plan is in place and the service is operating.</p>
Ongoing/live activities			
Community Transport Review	This review is ongoing, and discussions are being held with Surrey County Council regarding the potential to partner on the electrifying of a future Community Transport fleet and service model (no agreement has been made at the time of writing, but this matter is being explored).	TBC	NO CHANGE These discussions are in early stages and with no guarantees, however, this forms a core part of the service review. The review will also consider new demand responsive service models which if viable in the borough, will provide an opportunity to promote active/alternative

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
			<p>travel options to residents, reducing their requirements for personal car use etc. Within service KPI's for 2023/2024, officers will be measuring service delivery against numbers of kilometres driven and diesel fuel drawn, to monitor operational and environmental efficiency in our planning and scheduling. When Hydrotreated Vegetable Oil (HVO) is made available at the depot, it is intended that all community services vehicles that are able use HVO, do so until they reach the end of their life, at which point, their replacement with greener alternatives will be considered. The inability to accept HVO by some vehicles, will form part of the considerations when refreshing the vehicle replacement programme.</p>
NEW Biodiversity Officer appointed	<p>This new post, approved at June Community Services Committee will ensure that the Council has a specialist in house advisor in this important area. The officer will sit within the Open Spaces and Community Development team but will also work closely with the Planning and Climate Change teams (as well as other service areas across the Council) as required.</p>	<p>Community Services Committee, 15th June 2023</p>	<p>Interviews held on 9th August 2023. Offer made by officers and the preferred candidate has accepted this offer. Start date TBC but subject to all pre employment checks being completed and satisfactory references.</p>

Service Area: Customer, Digital and Collection Services

Lead Officer: Linda Norman

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Mod.Gov. Paperless Committee Paper Document Administration	A joint Digital Services/Democratic Services project which has procured and installed Modern.Gov; a paperless meeting app that supports good governance and transparency, and delivers streamlined co-ordination of meetings and documents.		NO CHANGE This new system came into force in January 2022 and it is hoped that it will help significantly reduce the amount of paper produced to support the Council's committee processes.
Website Upgrade and Introduction of the OneAccount	<p>Through the OneAccount, customers can currently access the following online services: Council Tax, Housing Benefit and Council Tax Support, Business Rates, Recycling & Waste. Amongst other things, the OneAccount offers customers options to sign up to pay by Direct Debit and switch to paperless billing and notifications.</p> <p>Website also includes a Landlord portal which allows landlords (both social and private) who receive payments of housing benefit to: check payments, review individual cases, and report a change in a tenant's circumstance. 50 landlords who between them manage 570 properties receiving Housing Benefit have signed up.</p> <p>The Citizens Access Benefits: Has approximately 132 users. Allows users to view notification letters online. 155 Online Benefit claims have been received which not only reduces paper but integrates with the Benefits system to reduce the number of days it takes to process a Benefits application and get a payment to a claimant.</p>		<p>The Council upgraded its website in August 2021. The OneAccount helps reduce the number of paper bills issued.</p> <p>STATUS UPDATE In March 2023, the baseline in terms of OneAccount users was reported at 19,383. The number of users increased by 1473 new accounts in Q1 this year, representing a 7.6% increase.</p> <p>Currently 2,146 of Council Tax customers are registered for e-billing (up from 1801 in March) which equates to 5.5% of total users.</p>
Hardware Refresh for Council Staff	As part of the wider IT hardware refresh roll out at the end of 2022, staff across the organisation are moving from two screens to single screens. One of the benefits from this is to cut monitor energy consumption by 50% for those desks which have/have previously had two monitors.	Thursday 24th February 2022 – Corporate Management Committee	STATUS CHANGE. Moved from a live to completed activity.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Disposal of IT Assets sustainably	<p>in 2022, a new contract was put in place for the disposal of IT hardware and peripherals across the Council. Stone Group who are ISO:14001 accredited were appointed. Their collection service includes the data erasure, disposal, and refurbishment of IT hardware, cabling and peripherals. Stone Ltd have been accredited by Valpak for its Zero landfill policy. The asset disposal solution will ensure that no hardware is sent to landfill. Stone Ltd are part of the Microsoft initiative www.getonline@home.org. A percentage of IT equipment will be offered to the largest independent grant giving charity in the UK providing valuable help to low-income families caring for severely disabled or seriously ill children aged 17 and under. The Council will be rewarded for recycling its IT assets responsibility with Stone Ltd by planting trees in The Nation Forest as part of Stone's ongoing commitment to a sustainable future. In addition, unlike the Council's previous arrangement where the Council was having to pay a contractor to dispose of its redundant IT equipment, this initiative with the Stone Group now generates a modest income stream for the Council.</p>	<p>Thursday 24th February 2022 – Corporate Management Committee</p>	<p>STATUS UPDATE. Moved from a live to completed activity.</p>
Hybrid Mail	<p>Not only has this initiative facilitated agile working, it has also allowed the Council to streamline the letters that it sends to its customers, for example, Council Tax, Revenues and Benefits notices are now matched for people who do not have access to e-billing; reducing the number of hard copy letters which need to be sent out which reduces paper usage.</p>		<p>NO CHANGE</p>
Live/ongoing activities			
Review all Car Parks to Establish Potential to Install EV Charging Point Facilities	<p>Officers are working to facilitate public charging points across the borough on Council owned land, subject to demand and available funding. The initial focus is on Council owned car parks but there is future potential to look at 18 other locations in the longer term. The timescales for this work will be set out</p>		<p>Officers are awaiting completion of the evidence base work by Energy Saving Trust before bringing this item through CLT and then CMC. Date TBC.</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	in the Council's Electric Vehicle Strategy which is currently being developed and which is discussed in more detail under the Planning, Economic Development and Built Environment section of this report		
NEW Hardware Refresh for Councillors	<p>Committee approval was given in July to begin procurement and rollout of replacement IT devices for Councillors in early 2024. This would allow new devices to be deployed following the May 2024 elections. Committee approval was also given to extend the replacement cycle for councillor IT devices from four years to a minimum of six years. Devices may be replaced sooner if they are lost, stolen, or beyond economic repair.</p> <p>The committee report considers in detail environmental considerations associated with the roll out.</p>	13th July Corporate Management Committee	Procurement to commence in Q3. Rollout to be completed by April 2024.
Pay and Display Parking Machine Upgrade	A business case has been approved to upgrade the Pay and Display machines in the Council's car parks. This upgrade will be linked with ANPR technology and aims to provide a contactless system and allow paperless permits. A contactless system will mean that operatives will no longer be required to collect money from the machines, which will result in a cost saving to the Council and also reduce carbon emissions from vehicle trips. As part of the upgrade to the machines in the car park, the use of renewable technologies will be explored to power the machines, for example, the use of solar technology.	Environment and Sustainability Committee, 13th September 2023	STATUS UPDATE. This has been moved from a planned activity to a live activity. Part 2 reports are being presented to the September meeting of the Environment and Sustainability Committee on the procurement of replacement of pay and display machines and use of ANPR in 4 car parks.
One Account Enhancements	Further enhancements to the Council's OneAccount to include an online Parking portal to digitalise the parking service and increase the Council's online offer is planned, and this is set out in the 2023/24 Service Area Plan for this department.		<p>STATUS UPDATE. Moved from a planned activity to a live activity.</p> <p>In Q1, the OneAccount was enhanced to make various services available to Council</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
			<p>tenants including the ability to access their rent accounts and the repairs service.</p> <p>Parking portal to follow in Q3</p>
Planned activity			
Waste and Recycling Software Improvements	<p>Included in the 2023/24 Service Area Plan for Customer, Digital and Collection Services is an initiative to carry out improvements to the Council's waste and recycling software. This will improve efficiency of waste collections and allow real time access for customers to report missed bins. From a climate change perspective, this will also enable optimisation of waste collection rounds</p>		

Service Area: Environmental Services

Lead Officer: Helen Clark

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Grounds Maintenance (procurement of equipment)	As part of this wider project, some lithium-ion powered equipment has been procured to support the new in house grounds maintenance team.		NO CHANGE. This element of the wider project is complete.
Live/ongoing activities			
Local Authority Treescape Fund (LATF)	The LATF is the key Government offer for local authorities (LAs) to restore tree cover in non-woodland areas which may have been impacted by issues such as disease, habitat degradation or ageing tree stock. The fund is focused on planting and natural colonisation of trees in areas outside of woodlands, including parklands, riparian zones, urban areas, beside roads and footpaths as well as trees in hedgerows and field boundaries (not hedgerows themselves).The fund is open all year and offers capital funding is offered to successful applicants. The Council has historically worked with Surrey County Council to access this fund.		The RBC application via SCC in 2019-2020 secured £700, £3050 was secured in 2020-2021 and £85,000 in 2021-2022. As a result of this funding, the Council has been able to plant approx. 2250 trees at sites including Chertsey Meads, Homewood Park, Thorpe Lea, Bishops Way and Aviator Park.
NEW Grounds Maintenance	Embedding new Grounds Maintenance arrangements. This could include amended practices which have a positive impact for climate change/the environment.		In progress, new BAU. Started in February 2023. Ongoing
Depot Refurbishment	Relevant to the Council's response to climate change, the specification for the Depot Refurbishment contains the following key elements: -EV Vehicle charging points: The viability of installing EV charging points will be reviewed and a minimum of two spaces allowed for within the scheme subject to feasibility (i.e. that there is adequate power on the grid to achieve this).		This Grade A corporate project commenced in September 2022. Members are advised to review the quarterly project updates that are reported to Corporate Management Committee to keep abreast of the latest updates on this project. The depot refurbishment works are in the approved Capital Programme.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	<p>-Mechanical Plant: A condition survey of the existing mechanical plant and equipment throughout the site is to be undertaken. Where plant and equipment is at its end of life, there will be an allowance for a specification to upgrade to meet current regulations and improve efficiency throughout the site. This is to include heating and ventilation of all occupied areas and consideration will be given to renewable/low carbon technologies to help the Council meet its 2030 Net Zero Carbon target for its operations.</p>		
Re wilding, replanting and green projects	<p>Includes the Sustainable Planting Policy which incorporates planting principles that will help guide the Council in meeting challenges posed by our changing weather systems, offer support to native species, and encourage biodiversity.</p>	<p>Environment and Sustainability Committee, 17th November 2022</p>	<p>STATUS UPDATE. High street planters have now been planted with perennials. Planning to redesign park planting over winter.</p>
NEW Production of Winter Plan	<p>This plan will inter alia address the Council's response relating to flooding, cold weather events etc.</p>	<p>None</p>	<p>Update has commenced. Committee date has not yet been set</p>
Recycling initiatives	<p>The following initiatives are being rolled out at the time of writing this report:</p> <ul style="list-style-type: none"> • Dedicated communal collection project (ongoing) – creating a round specifically that collects bulk bins from flats in order to get a more consistent overview to see why flats struggle to dispose of their waste; • Flats above shops (ongoing) – where possible exchanging the bulk bins to individual lockable bins so that it can prevent fly-tipping and the public from using their bin, and overall reducing the amount of overflowing bins across the borough; • Food waste project (ongoing) – Improving our own housing stock by introducing more food waste bins, and delivering toolbox talks; • Recycling improvements project 		<p>NO CHANGE. Remains on ongoing</p> <p>In relation to the contamination project, it should be noted that the % of contamination is assessed on a regular basis and typically varies between approx. 4.5 and 16%.</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	<p>(ongoing) – Working with JW (Joint waste) to improve the boroughs recycling through leaflets, recycling bin modifications;</p> <ul style="list-style-type: none"> • Pilot introduction of recycling bins within parks and on the High Street. The project to start at the Runnymede Pleasure Grounds. <p>-Contamination work (Autumn 2022) –The Surrey Environment Partnership (SEP) worked with RBC to analyse the borough’s contamination rates in individual bins. This looked at contamination rates in specific geographical areas of the borough.</p>		
Monitoring Air Quality	Dynamic monitoring of air quality is being undertaken to determine if any areas meet the criteria to establish an Air Quality Management Area. The Council works with SCC where existing road infrastructure is contributing to poorer air quality.		STATUS UPDATE Air Quality Action Plan is currently being updated using Covid Government funding.
SEP 2025	A recommendation is being brought to E and S Committee in March 2023 to adopt the Surrey Environmental Partnership approach to waste prevention and recycling in Surrey for the next three years known as SEP 2025; and approve Runnymede Borough Council’s Service Delivery Plan relating to SEP 25.	Environment and Sustainability Committee, 9th March 2023	STATUS UPDATE Moved from planned activity to live. Now in progress. Started in May.
Planned activities			
HVO review	The switch is dependent upon a new fuel tank and fuel management system being purchased for the depot. The cost of the switch to HVO fuel (£100k revenue growth for additional cost of HVO fuel) was approved as part of the budget in February 2023.		CLT report to be prepared in due course to consider next steps following depot survey.
Tree Surveys	Identify condition of council owned trees in the borough to look at risks and mitigation.		Jan 2024 start expected

Service Area: Financial Services

Corporate Head: Paul French

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Hybrid Mail	The use of hybrid mail for sundry debtors has been in use since 2021. This has replaced the printing of invoices in the majority of cases, reducing paper use.		NO CHANGE in status
Changing existing practices	In addition to the use of hybrid mail, over 70% of invoices to Council customers are now being sent by email as well as a majority of recovery runs. The team are also making better use of technology and have reduced paper outputs significantly by digitising many former manual paper based processes where to do so does not contravene audit requirements.		NO CHANGE in status
Live/ongoing activities			
Joint HR/Payroll System Initiative	This new system will assist in making work flow efficiencies. An additional benefit is anticipated to be the reduction in the need for paper documentation.		This Grade A corporate project commenced in November 2021 and is due to be completed in April 2024. Members are advised to review the quarterly project updates that are reported to Corporate Management Committee to keep abreast of the latest updates on this project.
Planned activities			
New Financial Management System [FMS]	Given the need to focus resources on the joint HR/Payroll system, there are no additional projects in the next financial year. However, subject to committee approval, the tendering for the implementation of a new financial management system is proposed to begin in late 2023 which is anticipated to transform workflow practices and significantly reduce the need for paper documentation		NO CHANGE in status

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	across the Council. Delivery of this initiative is anticipated to take 2 years.		

Service Area: Housing Services

Corporate Head: Andy Vincent

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Adoption of the Housing Asset Management Plan (2021-2026)	The Housing Asset Management Plan sits within a framework of other key strategic documents. The plan identifies the key capital programmes of work for Runnymede Borough Council's Housing Service for the 5 year period it relates to. The Plan covers 3 key environmental commitments: <ul style="list-style-type: none"> • Energy Performance (minimum energy performance of our stock at a C energy efficiency rating by 2030); • Commencement of work to deliver 125 additional units by 2026; built to a high energy efficiency rating (A) and to include alternative heating sources to gas where appropriate.; • Runnymede Borough Council's Housing Service will invest in its 'refuse areas' at flat blocks to promote recycling. T 	TBC	NO CHANGE in status
NEW ENTRY: Photovoltaic panels installed on Council owned Housing	Through LAD 1 grant funding, to date, 104 solar panels have been installed on Council owned housing.	None	It has been calculated that installing 104 sets of solar panels on our houses saves 124.8 tons of carbon each year.
Introduction of Asset Management Software System	A new Asset Management Software System went live on 11 July 2022 to enhance the quality of information Housing Services are able to provide in relation to the condition of their assets. An Energy Assessor Module was implemented in August 2022 to model scenarios around the energy performance of their assets.		NO CHANGE in status
Live/ongoing activities			
Working to EPC C rating by 2030 (some upgrades as part of the Decent	Currently RBC has 757 properties with an energy efficiency rating below a C. All of these properties are general needs accommodation. 443 of these properties will achieve a C rating by the installation of new doors, windows, boilers	Wednesday 8 th March – Housing Committee	STATUS UPDATE In Autumn 2022, the Council applied for £3.39 million of funding from the Social Housing Decarbonisation Fund wave 2.1 to make

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Homes Programme will contribute to meeting this target)	<p>etc. via RBC's 'Decent Homes' programme. The remainder 331 will require additional work on top of what is planned under the Council's capital programme to achieve a C rating.</p> <p>At the beginning of 2022 it was estimated that £8.78m of investment will be required in the Council's housing stock to deliver the target of 'ensuring all RBC owned social housing units have an energy efficiency rating of C or above by 2030'. £1,790,000 has come through the LAD1 (this amount includes 30% match funding from RBC. A further £3.7m of work identified to improve the energy performance of the Council's housing stock will use resources from within the Housing Revenue Account Business Plan and will be phased over 4 years from 2022 – 2026. This leaves a shortfall of approx. £3.29 million.</p>		<p>up the shortfall in investment which would allow the Housing Service to meet its key carbon reduction target. Unfortunately, in Spring 2023, the Council was advised that its bid was unsuccessful meaning that the funding gap remains at the time of writing. It is likely that the Council will reapply for funding during the next funding wave (Date of fund TBC)</p> <p>It should be noted that by delivering a C energy efficiency rating for all Council owned homes, the Council's carbon emissions would reduce by 1078 tonnes per year.</p> <p>Q1 update (Decent Homes Programme): A number of programmes are now mobilised. Doors and windows, boilers, kitchens and bathrooms</p> <p>Roofing and associated works will commence in Autumn 2023.</p> <p>As noted elsewhere in this update, under LAD1B, 192 council owned homes received energy efficiency upgrades. Works to be carried out to Council homes under ECO 4 will include - cavity wall insulation, external wall insulation, floor insulation, low energy lighting and loft</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
			insulation. OVO have indicated that this work can be applied to 59 properties who would qualify for ECO4. The works are expected to be delivered over a 1 year period. Start date TBC. The works are estimated to cost between £800,000 and £900,000 although £800,000 will be funded via ECO4. At the time of writing a specification is being prepared so that a firm quote can be provided for the works by OVO.
NEW New homes EPC A (incorporates Dunkirk Nurseries project and Development of a new Council House building programme)	All new homes constructed by the Council's Housing Department will be constructed to meet EPC A.		This project commenced in September 2021 and will continue until March 2026. For Dunkirk Nurseries, the Q1 update was: Work is underway to update the design of the original scheme. Seek further planning approval. Source the necessary professionals to take the site forward.
NEW Reduction of waste to landfill	This is an ongoing process with tenants to maximise recycling rates		This project commenced in March 2021. Q1 update: Work has been done at Surrey Towers to relocate the bins and improve recycling rates. This arrangement will be made permanent by building brick storage facilities.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
			Recycling facilities are being looked at, at the IRL schemes
NEW IRL Boilers	Two gas boilers in our Independent Retirement Living require replacement (Bemonds and Floral House)	Housing Committee, 7th June 2023	At Housing Committee in June a replacement gas boiler was agreed to be installed at Floral House following consideration of various options. Due to the increased efficiency of the boiler, this will reduce carbon emissions from this development from 76.7 tons annually down to between approximately 49.3 tons at 95% efficiency and 54.8 tons at 90% efficiency.
NEW ENTRY Moving energy supply to LASER contract for communal areas and IRL	The Housing Department is in the process of moving approximately 40 of its energy supplies for its communal areas onto the Council's wider LASER energy contract. This will mean for the 2024-2028 flexible procurement framework period with LASER that the majority of all of the Council's scope 2 energy suppliers will be under this LASER arrangement. Not only is this expected to have cost avoidance benefits based on the success of previous frameworks with LASER, but moving the Housing Estate communal supplies on to this framework will open up various routes to assist in achieving our 2030 Net Zero Carbon target via energy supply agreements.		LASER 2024-2028 flexible procurement framework period commences on 1 st October 2024.
Planned activities			
NEW ENTRY: LASER Energy Bureau	From 1 st November, the Council will have access to LASER Energy Bureau. Amongst other things this means that the Council will have access to regular Energy Monitoring Reports (cost and consumption, CO2 etc) for its Housing Estate. The bureau service will allow the Council to better monitor carbon emissions and energy savings. A dedicated LASER analyst will monitor all of the Council's		The Council will initially have the benefit of LASER Energy Bureau from 1 st November 2023 for a period of 5 years.

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	energy data and provide a breakdown of results based on our agreed specific criteria (i.e. carbon data will be presented in a format to meet our needs).		
NEW Council Heating Plan	This activity will involve the development of a Council Heating Plan to transition away from gas.		Planned activity April 2024 to 2030

Service Area: HR and Organisational Development

Corporate Head: Fiona Skene

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Agile Working Policy Rollout	This roll out has allowed staff to work from home for part of the week. This policy has sought to formalise changes in working patterns that had happened as a result of the Covid 19 pandemic stay at home orders.		<p>NO CHANGE This Grade B corporate project commenced in September 2021. A new formal policy came into effect in February 2023 on agile working for the organisation.</p> <p>The Council's carbon emissions baseline report shows that in 2019/20 emissions from commuting stood at 2865 ktCO₂e but had reduced to 1618 ktCO₂e in 2021/22; a reduction of 44%.</p>
Planned activities			
Active Travel Strategy	<p>The 2023/24 Service Area Plan for the Human Resources and Organisational Development Service Area proposes to review existing, and investigate and develop new policies to encourage colleagues to adopt Active Travel to commute to work through:</p> <ul style="list-style-type: none"> -Green Travel Policy for employees; -Season Ticket Loan Scheme for commute to work. <p>This action is due to be completed in March 2024.</p>		NO CHANGE

Service Area: Planning, Economy and Built Environment (minus central Climate Change Team which is reported separately)

Corporate Head: Ashley Smith

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Completed activities			
Building Control becoming a 'Paperless Service Area'	The Building Control Service went paperless in 2020. For background information, the Development Management function went paperless around 2013.	n/a	NO CHANGE in status
Adoption of Runnymede 2030 Local Plan (Adoption July 2020)	One of the Council's most significant policy documents in relation to the environment and climate is the adopted Runnymede 2020 Local Plan. This Local Plan which was adopted in July 2020 includes number of policies which contribute to the mitigation of, and adaptation to, climate change.	Full Council, 16th July 2020	NO CHANGE in status
Sustainability Award Included in the Runnymede Business Awards 2023	2023 was the inaugural year for the Runnymede Business Awards. A Sustainability Award was included which sought to showcase the efforts of Runnymede businesses that have shown significant initiative in moving towards a greener and more sustainable future.	n/a	STATUS UPDATE The awards ceremony was held in May. St George's College won the Sustainability Award category.
Live/ongoing activities			
Promoting LoCASE and other business support initiatives through Business Runnymede (part of ED015 Business sustainability action in Service Area Plan)	The Low Carbon Across the South and East (LoCASE) programme was supported by the European Regional Development Fund to provide a free business support programme to SMEs in the South and East. The aim was to help businesses to become more competitive and profitable while protecting the environment and encouraging low carbon solutions. Grants of up to £10,000 were provided (although match funding is required) as well		STATUS UPDATE. LoCASE fund closed in June 2023. The final number of enquiries from businesses is currently being determined but at the last count, there were 78 enquiries from businesses in Runnymede. Other Greener Futures grants programmes coming up which are

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	as training workshops and fully funded events. The Council will continue to work with organisations including Surrey County Council to promote other support initiatives for businesses which become available.		<p>potentially relevant to Runnymede businesses are:</p> <ul style="list-style-type: none"> • Grants up to £10,000 for New Electric Van if you use the A3 regularly.
Climate Change Study part 2 (Local plan evidence on Climate Change)	<p>The stage 2 work considers various ways that the revised Local Plan can be strengthened in response to climate change. It is made up of the following 5 tasks:</p> <p>Task 1: Establish a 'high level' baseline scenario for the 2040 Local Plan</p> <p>Task 2: Energy Standards for Domestic & Non-Domestic Properties</p> <p>Task 3: Sustainable Design Principles</p> <p>Task 4: Renewable & Low-carbon Energy Capacity Assessment</p> <p>Task 5: Climate Change Adaptation Policy Recommendations and supply the consultants with final feedback.</p>	n/a	STATUS UPDATE. Outputs from tasks 2-5 now in final draft form and with officers for final review. Task 1 remains outstanding but is in progress. Outputs to be shared with Members in Autumn 2023.
Local Plan Review	The Local Plan Review offers a significant opportunity to revisit the policies in the 2030 Local Plan to see if their contribution to climate change mitigation and adaptation can be strengthened and determine whether any new policies should be introduced. There is scope for policies to play a greater role in, for example, improving the sustainable design and construction of new development; promoting the provision of active travel, low carbon and renewable energy	Planning Committee, 28th June 2023	STATUS UPDATE. Report taken to June 2023 Planning Committee where it was agreed that the work on the next iteration of the Local Plan should be based around the option for preparing a Plan under the new plan-making arrangements that are proposed by Central Government to come into force in late 2024. Once the Government had published its next iteration of the

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	infrastructure; and protecting and enhancing green and blue infrastructure to adjust to the adverse impacts of climate change. The Local Plan also has a significant role to play in setting the spatial distribution of new development in the Borough to ensure sustainable patterns of development.		National Planning Policy Framework (NPPF), a new Local Development Scheme (LDS) will be produced based around the option of preparing a Plan under the new plan-making arrangements, and brought back to the Planning Committee, prior to being taken to Full Council for final approval. The Planning Committee will receive a further update on this, ideally at the October 2023 meeting of the Committee.
NEW ACTION: Climate Change Planning Guidance	It was agreed at 28 th June 2023 Planning Committee that details of new/revised climate change planning guidance that could be adopted by the Council in the interim period whilst the new Plan Making system is awaited (see entry in line above) would be provided to the Planning Committee this Autumn.	Planning Committee, 25th October 2023	In preparation
Electric Vehicle Strategy (relates to Investing in Sustainable Infrastructure activity- ED014)	The main purpose of the EV Strategy is to develop a borough wide approach in the period up to 2030 to encourage the transition from petrol and diesel vehicles to electric vehicles (EVs) as part of a sustainable transport system. The Strategy will also encourage the use of e-bikes.	TBC	STATUS UPDATE. This strategy was originally proposed to be considered at Corporate Management Committee in July 2023. However, officers are awaiting completion of some evidence base work by Energy Saving Trust before bringing this item through CLT and then CMC. Date TBC.
Corporate Green and Blue Infrastructure (GBI) Strategy	The purpose of the GBI Strategy is to set the framework for the Council's approach to GBI; identifying the assets and features we have, whether there are any deficits or weaknesses and where/how these could be strengthened with opportunities/	Thursday 16th March – Community Services Committee	STATUS UPDATE The audit of GBI assets and features in the Borough has been completed and high level conclusions drawn regarding quantity, accessibility and gaps in provision. An

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	<p>projects for improving/enhancing GBI and partners required to aid delivery clearly set out. In relation to climate change, the strategy could make recommendations related to provision of multi-functional GBI, projects to help adapt to long term implications for flood risk, cooling & shading, the capture of carbon, projects which could help contribute to delivering 1.2m trees in Surrey. For biodiversity, the strategy could make recommendations related to halting decline, promoting conservation, increasing woodland, identifying wildlife corridors, enhancements at catchment/landscape scale.</p>		<p>All Member Briefing has been arranged for September 2023 to take Members through the work completed to date, to discuss what needs to be captured in the vision, objectives and priorities for the strategy prior to wider stakeholder engagement taking place. Next steps in the development of the strategy will also be discussed.</p>
<p>Local Cycling and Walking Infrastructure Plan (LCWIP) (relates to Investing in Sustainable Infrastructure activity-ED014)</p>	<p>LCWIPs are an initiative from Central Government asking local authorities to put together a long-term strategic approach for the walking and cycling infrastructure which is required across an area. The RBC LCWIP project is led by Surrey County Council with RBC part funding the consultants.</p> <p>More information about the Runnymede LCWIP can be found at: Runnymede Local Cycling and Walking Infrastructure Plan (LCWIP) - Surrey County Council (surreycc.gov.uk)</p>	<p>TBC</p>	<p>Project started in March 2021 and phase 1 is now complete.</p> <p>STATUS UPDATE Stage 2 feasibility design/development of the Runnymede LCWIP is now ready to commence. Feasibility design/development work is against the phase 1 priority cycle corridors and core walking zones as identified from the LCWIP report. This design stage including public consultation on the proposed schemes is expected to take 10-12 months to complete, depending on complexity of route. Final stage detailed design will then be undertaken for the DfT/Active Travel England (ATF4) 'development funded' routes from the Runnymede</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
			<p>LCWIP (corridors 1 & 2; Chertsey to Weybridge, via Addlestone).</p> <p>Design work is being undertaken in preparation for being in position to bid for potential future DfT/ATE funding rounds for scheme delivery.</p>
E-Bikes Pilot (relates to Investing in Sustainable Infrastructure activity-ED014)	As part of the wider Electric Vehicle Strategy that is being developed, a specific action is being investigated in relation to E Bikes.	n/a at current time	STATUS UPDATE Potential for part funding the capital costs of a scheme in the north of the Borough is currently being explored with Surrey County Council through S106 contributions. Without this investment, a E Bike pilot is unlikely to be progressed at the current time.
NEW ENTRY Egham Liveable Neighbourhood (relates to Investing in Sustainable Infrastructure activity-ED014)	<p>Liveable neighbourhoods (LN) will deliver solutions that will improve the pedestrian and cycling environment through interventions to lower traffic speeds and increase the perception of road safety, particularly for vulnerable road user groups.</p> <p>LN's intend to help deliver some of the objectives of Local Transport Plan 4 (LTP4), particularly in relation to net zero carbon emissions, sustainable growth and clean air.</p> <p>The first batch of DfT (Department for Transport) design-funded Liveable Neighbourhood zones has been identified for two areas in Surrey, one of which is Egham Hythe (known as zone RU7).</p>	Surrey County Council Cabinet Report, 23rd June 2023	<p>The total value of delivering a Liveable Neighbourhood in Egham Hythe is estimated to be in the region of £540,200. The DfT has awarded funding of £97,700 to Surrey CC to develop design proposals and deliver stakeholder engagement for. Construction is provisionally planned for 2024/25. SCC may bid to Active Travel England later in the year for further funding for this scheme.</p> <p>Officers at Surrey CC are currently progressing the design of a LN scheme in Egham Hythe. The proposals will be</p>

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
	<p>There are a high number of schools and nurseries in vicinity of the zone and the RU7 interventions will aim to complement safer routes to schools and support an active travel lifestyle from an early age. Physical infrastructure will be designed to support compliance with a proposed 20mph road speed limit. Designs will also include measures to enhance accessibility, for example through additional provision of dropped kerbs, thereby enhancing accessibility for pedestrians including users in wheelchairs and those with push chairs and users with restricted mobility.</p>		<p>the subject of public consultation in due course.</p>
Planned activities			
NEW Development Management climate change review	To identify and introduce new ways of working to reduce the business unit's carbon footprint/positive impact on climate change	None	None at the current time.
NEW Planning System training	Train staff on changes to planning system in terms of NPPF updates and levelling up bill.	None	This could include ensuring impact of new national policies on climate change are properly understood (and embedded in the Local Plan Review as appropriate) and could include discussions in terms of the weight to be given to climate change considerations in decision taking.
NEW Launch of the Runnymede Business Growth and Innovation Service (relates to ED004/005 Develop Business	The Runnymede Business Growth and Innovation Service will, amongst other things, provide advice to help businesses become more sustainable and will help businesses which work in the green sector to grow.		The service will be delivered by Coast to Capital who have 10 years experience of delivering the LEPs Business Growth Hub. The service will start in October. Coast to Capital will work closely with RHUL, Business Runnymede, local Chambers, the

Activity title	Description	Relevant Committee Reports	Current status (to include any change in status from March 2023), and any additional relevant information
Runnymede/Business Support)			Federation of Small Businesses, the Department for Business and Trade and the Enterprise Europe Network (EEN), which will facilitate regular liaison with regional management and local International Trade Advisers.

Runnymede Borough Council - Climate Change Delivery Dashboard



Total # of CC Activities	Total # of CC Activities in Progress	Total # of CC Activities Not Started	CC Activities Blocked	CC Activities Completed 23/24	CC Activities Due 23/24	CC Due Apr 24 Onwards
83	57	19	2	5	22	21

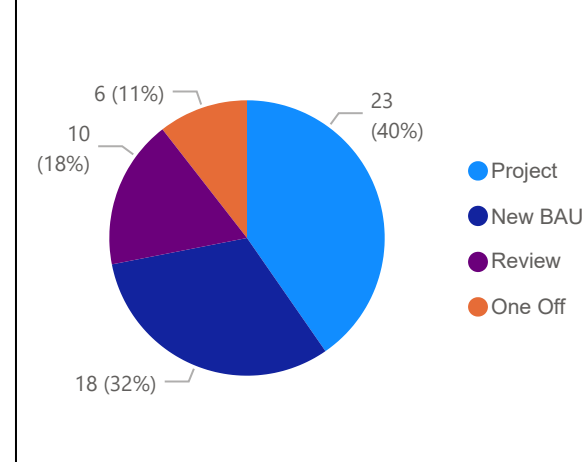
Positive Impact by Service Areas

Service Area	Yes Positive	Yes Positive and Negative	Total
Planning, Economy & Built Environment.	14	4	18
Assets & Regen	7	7	14
CEO	13		13
Env Services	8	1	9
Housing	8		8
Customer, Digital & Collection	6		6
Community Services	3	2	5
Finance	3		3
HR	2		2
Total	64	14	78

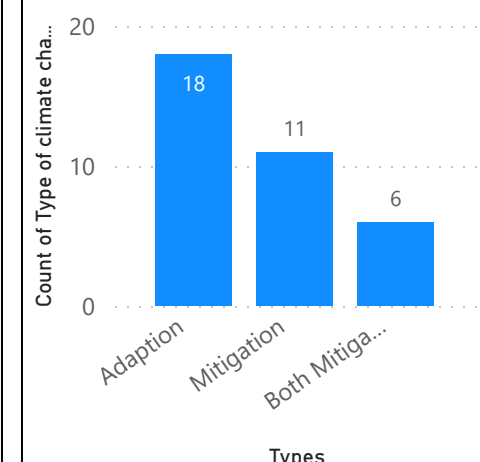
Detailed CC Activities Due 23/24

Title	Status	Type	Priority	Plan Year	Actual Start	Plan Due
Runnymede Standard Carbon Baseline	In progress	One Off	Must	22/23		01 March 2023
Rationalisation of Energy Supplies	In progress	New BAU	TBC	22/23	01 September 2022	31 March 2023
NEC Housing Phase 2	In progress	Project	Must	22/23	01 January 2022	31 July 2023
Social Media Growth Strategy	In progress	New BAU	Should	23/24	01 April 2023	01 November 2023
Citizen's Panel	In progress	One Off	Should	23/24	01 April 2023	01 December 2023
Chertsey Depot Refurbishment - options appraisal	In progress	Project	Must	22/23	01 October 2022	31 December 2023
Embedding new Grounds arrangements	In progress	New BAU	Should	23/24	01 February 2023	01 February 2024
Investing in sustainable infrastructure	In progress	Review	Must	22/23	01 May 2023	01 March 2024
Voluntary Org Grant Reviews	In progress	Review	Should	23/24	30 April 2023	01 March 2024
Active Travel for Employees	In progress	Review	Should	23/24		31 March 2024
Civic Centre Refurbishment (Roof & BMS)	In progress	Project	Must	23/24		31 March 2024
Community Transport Needs	In progress	Review	Must	22/23	01 April 2023	31 March 2024
EV & ANPR Feasibility	In progress	Review	Must	22/23	01 July 2022	31 March 2024
Facilities Management and Contract Management	In progress	New BAU	Must	22/23	01 September 2022	31 March 2024
HVO Fuel Review	Not started	Review	Must	23/24		31 March 2024
Hybrid Meeting Rooms	Not started	Project	Should	23/24		31 March 2024
IRL Boilers	In progress	Project	Should	23/24		31 March 2024
Members Device Refresh	In progress	Project	Must	23/24	01 July 2023	31 March 2024
Portfolio climate change initiatives	In progress	New BAU	Must	23/24		31 March 2024
Review Emergency Flood Plan	In progress	Review	Must	22/23		31 March 2024
Runnymede Local Initiatives Fund	Not started	One Off	Could	23/24		31 March 2024
Waste & recycling software	Not started	Project	Should	23/24		31 March 2024

Total In Progress by Activity Type



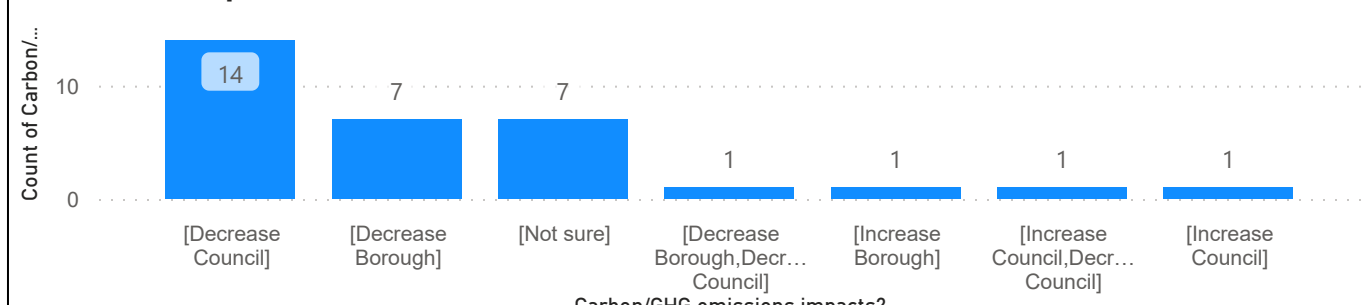
Type of Positive Impact



Completed Activities

Title	First Service Area	Status	Type	Priority	Plan Year	Completion Date
Assets and Regeneration strategy	Assets & Regen	Completed	One Off	Must	22/23	01 March 2023
IT Hardware Refresh	Customer, Digital & Collection	Completed	Project	Should	22/23	31 January 2023
Meals at Home Review	Community Services	Completed	Review	Should	22/23	01 May 2023
Procurement of FM for Student Block Magna Square	Assets & Regen	Completed	One Off	Must	22/23	30 June 2023
Runnymede Business Awards	Planning, Economy & Built Environment.	Completed	One Off	Should	23/24	01 May 2023

Emissions Impacts



Report title	Runnymede Climate Change Study Stage 1: Council Estate and Area Green House Gas (GHG) Baseline
Report author	Sarah Hides, Principal Climate Change Officer
Department	Planning, Economy and Built Environment
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:
To recommend

Synopsis of report:
The purpose of this report is to summarise the findings of the Runnymede Climate Change Study: Council Estate and Area Green House Gas (GHG) Baseline report which has been produced by the Council’s retained consultants Aether Ltd. This includes setting out the key results and recommendations. The contents of this report and the Aether Baseline are intended for information only.

Recommendation:
Corporate Management Committee is asked to:

1. Agree that the Aether Ltd Council Estate and Area GHG Baseline report at Appendix 1, alongside other sources of information (including consultation feedback from Summer 2023) should be used to develop a Climate Change Action Plan for the Borough.
2. Recommend that Full Council note the contents of the Aether Ltd Council Estate and Area GHG Baseline report.

1. Context and background of report

1.1 Runnymede Borough Council’s Climate Change Study began at the end of October 2022. The main purpose of the project is to support the implementation of Runnymede Borough Council’s Climate Change Strategy and Action Plan, and also to underpin the Local Plan Review process. The work of the study is split into two main stages:

- a. The Stage 1 work will establish the Council’s and the Borough’s emissions baseline and improve and streamline our carbon monitoring, measuring and reporting methodologies. The Council’s emissions baseline year has been chosen to be 2019 to be in line with Surrey County Council (SCC) reporting.

- b. The Stage 2 work will establish the evidence base needed to underpin the development of future planning policies to mitigate and adapt to climate change in the revised Local Plan. Building on the Council's Climate Change Strategy and using the baseline work on emissions from Stage 1 of the Climate Change Study, the Stage 2 work will recommend decarbonisation pathways which will help identify priority areas for action and show where policy gaps remain.
- 1.2 The Climate Change Study will have a key role to play in helping the Council better understand the scale of carbon emissions from different operations/sectors. This will assist in developing and then prioritising actions needed to achieve operational net zero carbon emissions from Council services and operations by 2030, and also guide the Council in developing actions within its areas of influence, to reduce emissions across the wider Borough by 2050, in line with national targets.
 - 1.3 The emissions accounting methods used to develop the baseline are derived from the guidance given in the Green House Gas (GHG) Protocol. The GHG Protocol establishes comprehensive global standardised frameworks to measure GHG emissions from private and public sector operations, value chains and mitigation actions. The standards produced are designed to provide a framework for businesses, governments and other entities to measure and report their GHG emissions in ways that support their goals.
 - 1.4 Land Use Consultants Limited (LUC) are the consultants who hold overall responsibility for the project management of the Climate Change Study and are completing the majority of the Stage 2 work. However, as a broad field of expertise is needed to cover all parts of this project, LUC subcontracted the bulk of the Stage 1 work to Aether Ltd, who are the authors of the baseline study which is the subject of consideration in this report. Aether Ltd holds considerable expertise and experience in carbon modelling, measuring, monitoring and reporting, and work with a range of local authorities and other public bodies in this area.
 - 1.5 The Stage 1 work of the Climate Change Study has now been completed and the associated report 'Runnymede Climate Change Study: Council Estate and Area GHG Baseline' is attached in Appendix 1. The purpose of the remainder of this report is to summarise its key points and recommendations, as well as next steps. The contents of this covering report and the Aether Baseline are intended for information only.

2. **Report**

- 2.1 The Runnymede Climate Change Study: Council Estate and Area GHG Baseline report (from now on referred to in this report as 'The Aether Baseline report') presents a summary of the outcome of the first stage of work which focused on developing a baseline emission estimate for the Council estate and the borough (Section 4 and Section 5 of the report respectively). The Aether Baseline report also presents recommendations on how the baseline can support monitoring against the Climate Change Strategy and how the Council could establish a governance structure for effective monitoring (Section 6).
- 2.2 Section 1 introduces the report within the framework of the global climate agenda, UK 2050 Net Zero target and RBC's climate vision and 2030 Net Zero target.
- 2.3 Section 2 sets out the background concepts and principles that have been used to draft the emissions baseline for the Council Estate and wider borough. As such, this section sets out the carbon accounting principles used to define the organisational

boundary which will be used for reporting emissions for the Council estate and operations. Table 1 on p.4 describes the carbon accounting definitions of Scope 1, 2 and 3 emission sources. Figure 1 on p.6 shows the activities that are included in the Runnymede borough baseline and Figure 2 on p.11 sets out the scope of the emissions baseline for the Council estate and where our assets and services sit within the three emission scopes as defined within the GHG Protocol corporate guidance (Table 1 on p.4).

- 2.4 The carbon accounting principles detailed in Section 2, the organisational boundary approach used to develop the emissions baseline for the Council estate (an operational control boundary has been chosen) and the scope allocation of RBC assets and services have all been previously discussed and agreed by Members at Corporate Management Committee in March 2023 (please see the relevant reports and briefing notes under the 'Background Information' heading at the end of this report for further details).
- 2.5 Section 3 of the Aether Baseline report presents the methodology used to compile the GHG emissions estimates for the Council estate and wider borough area. It introduces the key concepts of emissions accounting and presents the input data used in the calculations. This methodology has also previously been presented by Aether and discussed with Members at an all Member briefing in February 2023. The recording of the presentation and the slide pack are available on the All Members Teams Channel.
- 2.6 Section 4 of the report sets out the Runnymede Borough Council GHG inventory. A GHG inventory is a data set which presents estimates of emissions of various greenhouse gases from a wide range of activities in an organisation, country or other geographical area. A GHG baseline is the GHG inventory for a specific year chosen by the reporting organisation from which progress in decarbonisation is monitored. The Council baseline year has been chosen as 2019 to be in line with SCC's reporting as described in point 1.1a above.
- 2.7 Runnymede Borough Council's GHG emissions for 2019/2020 were estimated to be 19,836 tCO₂e increasing to 21,922 tCO₂e in 2021/2022. This equates to an 11% increase. The sources which contributed most to this increase were Council buildings-sheltered housing and communal use which saw a 26% increase in emissions over this period, and procured goods, works and services where a 59% increase in emissions was observed.
- 2.8 Emissions by sector are presented in Figure 3 and Table 4. Figures 4, 5, 6, 7 and 8 present subsets of the main data set. Figure 4 shows Scope 1 and 2 sources, Figure 5 shows building emissions split by electricity and gas by building type and Figure 6 shows total Scope 3 sources. Figures 7 and 8 provide a further breakdown of the Council's scope 3 emissions by source. Further information on the estimation of emissions which result from the third party provision of goods, works and services (this is through the Council's procurement processes) is reported in section 4.1.4. Please note, that as methodologies for estimating emissions from third party suppliers are not yet well established and have a high uncertainty, they are presented separately from the inventory. A breakdown of emission hotspots within the Council's supply chain (i.e. from procured works, goods and services) can be viewed in Table 5.
- 2.9 Overall, the most significant emission source within Scope 1 and 2 is 'all Council buildings', making up 38% of the total emissions across all scopes in 2019/2020. Next is waste collection and transport at 2.6% of the total emissions in 2019/2020. For scope 3 emissions, the largest sources by a significant margin are tenant energy use, making up 49% of the total emissions in 2019/2020, then those produced by third party

provision of goods, works and services making up approximately 28% of the total emissions in 2019/2020. The next most significant source is staff commuting estimated to equate to 14% of total Council GHG emissions in 2019/2020.

- 2.10 It is noteworthy that if you compare the emissions for the Council's Scope 1 and Scope 2 sources for each year with those we have previously reported to BEIS (now Department of Energy Security and Net Zero), our emissions total has now increased by 15% for 2019/2020, 29% for 2020/2021 and 22% for 2021/2022. This was to be expected and reflects the improved detail and accuracy, as well as the increased number of assets from the Council estate that have been included for the purpose of calculating the new Council baseline.
- 2.11 Improved understanding of the Council's Scope 3 emissions has enabled the extent of sources that can be reported to increase. Therefore, this has also contributed to increases in total emissions reported each year when compared to previous figures. These new figures will be reported and updated from 2019/2020 onwards in this year's emissions report to the Department for Energy Security and Net Zero (DESNZ) . They will also be provided to Surrey County Council to whom we also report our emissions on an annual basis.
- 2.12 The new refined and updated baseline will now provide the Council with the most accurate data possible to help prioritise decarbonisation actions and measure the effectiveness of our actions over time.
- 2.13 Section 5 of the Aether baseline report sets out the GHG inventory for the wider borough of Runnymede. The borough's GHG emissions for 2019 have been estimated to be 634ktCO₂e. Emissions by sector are presented in Figure 9 and Table 6 on p.27. The most significant emissions source is the transport sector, comprising 58% of total emissions for 2019 with 47% of total emissions for this year attributable to private car, LGVs and motorbike use. The second largest source at 21% of total emissions, is from heating of residential homes. Emission from land use and land use change in Runnymede are currently a small net sink at -4.3ktCO₂e. This is due to carbon sequestration in woodland and grassland areas of the Borough.
- 2.14 Figure 10 and Table 7 on p.29 show the change in Borough emissions from 2019 to 2020. Total emissions decreased from 634ktCO₂e in 2019 to 556ktCO₂e in 2020 equating to a 12% reduction. The largest decrease is seen in emissions from commercial and industrial electricity use. This is probably due to the decrease in electricity demand due to the impacts of COVID-19 and temporary closure of non-essential commercial activity combined with the ongoing decrease in the carbon intensity of the UK electricity grid. There is also a decrease from transport emissions most likely attributable to stay at home orders during the pandemic.
- 2.15 Section 6 of the Aether Baseline report gives recommendations for use in future monitoring and governance. These recommendations include:
 - a. establishing and formalising data supply chains so that emissions can be monitored and reported with confidence at regular intervals.
 - b. placing operational (non-political) governance for the council's net zero targets, both for the Council's own emissions and those from the wider borough at Corporate Leadership Team level to ensure that that the commitment to net-zero comes from the top of the Council down.

- c. embedding carbon literacy training within the Council to create a net-zero culture.
- 2.16 Section 7 of the report brings together the conclusions and recommendations. The recommendations focus on the following 4 areas:
- a. Establishing and maintaining data flows;
 - b. Making data set improvements where possible;
 - c. Engaging with the Council's largest suppliers and contractors to better understand scope 3 emissions from third party suppliers procured by the Council; and,
 - d. Future tracking and reporting of GHG emissions.

3. **Policy framework implications**

- 3.1 The Runnymede Climate Change Study is essential to support implementation of the Council's Climate Change Strategy. The Climate Change Strategy states in relation to the Council's baseline work that *'Getting this right is key to ensuring that we can evidence our work and investment as well as establishing our credentials to drive wider changes in areas outside our direct control'*.
- 3.2 The overarching target for the Borough and the UK is to reach net zero carbon emissions by 2050. In addition, the Council adopted its own climate change target in January 2022 'to achieve operational 'Net Zero Carbon' emissions from its services and operations by 2030'. The baseline and emissions accounting work from Stage 1 of the Climate Change Study is essential in enabling the Council to achieve these targets and successfully measure and monitor our progress towards doing so.

4. **Resource and finance implications**

- 4.1 The Aether baseline report draws conclusions on the level of carbon emissions emitted by the Council and the Borough as at 2019. The next step in the process will be to use the findings of this work, alongside the responses received through the public engagement on climate change over the summer to inform the development of a Climate Change Action Plan and Environmental Behavioural Change Strategy for Runnymede. Through the development of these important documents, the impacts of different decarbonisation actions can be considered in more detail; both in terms of resources required from different Service Areas and also financial implications.
- 4.2 Both the Climate Change Action Plan and Environmental Behavioural Change Strategy will be developed with input from Councillors this Autumn.

5. **Legal implications**

- 5.1 The Paris Agreement which is a legally binding international treaty on climate change was adopted by 196 Parties, including the UK at COP 21 in Paris on 12 December 2015 and came into force on 4 November 2016. Its goal is to limit global warming to well below 2 degrees Celsius, preferably 1.5 degrees Celsius, compared to preindustrial levels.
- 5.2 In June 2019, Parliament passed The Climate Change Act 2008 (2050 Target Amendment) Order 2019, which requires the Government to reduce the UK's net emissions of greenhouse gases by 100 per cent relative to 1990 levels by 2050.

- 5.3 In January 2022, the Council committed to tackling climate change and adopted a target to achieve operational 'Net Zero Carbon' emissions from its services and operations by 2030.
- 5.4 The Council's Climate Change Study and baseline work will be vital in ensuring that the Council has the best chance of success in delivering on the above commitments.
- 5.5 Any specific legal implications associated with organisational boundary setting for the Council's emissions reporting will be assessed as they occur.

6. **Equality implications**

- 6.1 The Council has a Public Sector Duty under the Equality Act 2010 (as amended) to have due regard to the need to:
 - a) Eliminate unlawful discrimination, harassment or victimisation;
 - b) Advance equality of opportunity between persons who share a Protected Characteristic and persons who do not share it;
 - c) Foster good relations between those who share a relevant protected characteristic and persons who do not share those characteristics;

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

- 6.2 The Council will need to ensure a fair transition to net zero for all parts of its communities; including those with protected characteristics. Each strategy developed as part of the Council's response to climate change will be accompanied by an equalities screening to assess the potential impacts on people with protected characteristics and to ensure that necessary mitigation is put in place to limit adverse effects.

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

- 7.1 The objectives set out in the Climate Change Strategy aim to enhance the environment and to promote sustainability and biodiversity. The work of the Climate Change Study is fundamental to taking forward, and then meeting these objectives.

8. **Other implications**

- 8.1 As detailed in point 2.11 above, officers will need to update past emissions reports given to DESNZ (previously BEIS) and Surrey County Council to reflect the increase in emissions calculated within the Aether Baseline report.

9. **Timetable for Implementation – Next steps**

- 9.1 Once the Aether baseline report has been considered by Corporate Management Committee and Full Council it will be published on the Council's website (October 2023).
- 9.2 Separately, at the current time, officers are in the process of reviewing the comments received during the summer of public engagement on climate change. These are the comments received through the online climate change survey, and also during focus group and 1:1 meetings held. Some additional engagement is also due to take place in September with the Surrey Gypsy Traveller Communities Forum and the Council's Community Action Groups. The feedback from the engagement undertaken is being

summarised in a Consultation Report which will be distributed to Members this Autumn and which will underpin the development of a draft Environmental Behavioural Change Strategy. This draft strategy is expected to be consulted on with the public in late 2023/early 2024. Adoption is anticipated in Spring 2024.

- 9.3 Based on the feedback received to date through the public engagement, as well as the comments received from the different Service Areas across the Council, a draft Climate Change Action Plan is also being developed. This Action Plan will be shared with Members this Autumn before being the subject of public consultation (most likely in late 2023/early 2024). Adoption is anticipated in Spring 2024.
- 9.4 The details of other ongoing activities which will assist in the Council's wider response to climate change are set out by Service Area in item 6 of this agenda.
- 9.5 Members may also note that the Forward Plan sets out that a report will also be brought back through Corporate Management Committee in due course reporting on the Council emissions for the 2022/23 financial year.

10. **Conclusions**

- 10.1 This report presents a detailed summary of the outcome of the Stage 1 work from the wider Runnymede Climate Change Study. This focuses on developing a baseline emissions estimate for the Council estate and the wider borough. The Aether Baseline report can be viewed in full at Appendix 1.
- 10.2 The Aether Baseline report sets out GHG gas emissions inventories and associated emissions estimates by source for the Council and the wider borough area. Recommendations are given for future improvements that can be made to further improve the Council's data acquisition and future monitoring of both Council and borough emissions.
- 10.3 The Aether Baseline report has refined and updated the Council and borough emissions estimates, and provided an improved understanding of emissions within the Council, especially in relation to Scope 3 emissions. The more detailed emissions estimates, which are based on a wider range of information held by the Council, will provide the most accurate data possible to help prioritise decarbonisation actions and measure the effectiveness of these actions over time.

Accompanying report (attached)

Appendix 1: Runnymede Climate Change Study: Council Estate and area GHG Baseline – Stage1 – Runnymede Borough Council June 2023

Background papers

1. RunnymedeNetZero_CarbonReporting_Briefing Note_Feb8
Please see Corporate Management Committee papers for 23 March 2023
2. Climate Change Study Part 1 – Organisational Boundary and Scope Allocation
Please see Corporate Management Committee papers for 23 March 2023

Runnymede Climate Change Study: Council Estate and Area GHG Baseline

Stage 1

Runnymede Borough Council

August 2023



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1 Introduction

In response to rising global temperatures due to greenhouse gases (GHG) emissions the Intergovernmental Panel on Climate Change (IPCC) released the *Special Report on Global Warming of 1.5°C*¹. In this, it is made clear that ensuring global temperatures stay well below 2°C pre-industrial levels is crucial to reduce large risks to human and natural systems, and efforts should be made to pursue warming of only 1.5°C to prevent the largest risks. Following this, global accords such as the Paris Agreement were signed, and national goals such as those outlined by the Climate Change Committee were made. The UK, as outlined by the Committee on Climate Change (2019), has set an ambition to “vigorously pursue an ambitious target to reduce greenhouse gas emissions (GHGs) to ‘net-zero’ by 2050” across the whole economy.

It is widely recognised that achieving the UK target will require cross-government cooperation. Local authorities are well placed to influence emissions in buildings, transport, and waste whilst holding the best knowledge of the needs and opportunities of their area. Local authorities can also drive emissions reductions in their areas through their role as community leaders and major employers, as well as their regulatory and planning capacities. Through their planning role, local authorities can leverage change by enabling sustainable development and placemaking, establishing building energy efficiency standards, implementing sustainable travel programmes and infrastructure, approving renewable energy projects, pursuing district heating programmes and implementing sustainable waste management programmes. Therefore, local action to reduce carbon emissions is vital for the UK to meet its international commitments to reduce our impact on global warming.

In January 2022, Runnymede Borough Council committed to tackling climate change and adopted a target to achieve operational ‘Net Zero Carbon’ emissions from its services and operations by 2030.

Runnymede’s 2030 climate vision

The council intends that all its operations will be Carbon Net Zero by 2030.

- To work with our communities and businesses to create a sustainable living environment where people can meet the needs of the present without compromising the ability of future generations to meet their own needs (United Nations Brundtland Commission, 1987).
- To support the international climate change response to limit global warming to a 1.5 degrees centigrade temperature increase while simultaneously delivering a prosperous, caring, healthier borough where people are valued and cared for and where strong communities pull together.
- To support and encourage the private sector and green technology innovation within the Borough and incorporate it into our strategy wherever possible.

¹ <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

In making these commitments, Runnymede Borough Council acknowledged that reaching net zero will involve fundamental changes across the UK economy and that against this backdrop Runnymede Borough's influence individually, will be limited. However jointly, with other councils and organisations across the public and private sectors, notable impacts will be achievable.

Runnymede Borough Council published the Climate Change Strategy² in 2022 which presents the council's roadmap to reducing its carbon emissions in line with the Government's Net Zero targets. The strategy contains examples of actions already taken by the council in response to climate change and committed actions moving forwards which includes supporting communities, establishing a citizens panel and supporting schemes which promote localised services. A comprehensive list of the actions proposed by the council to meet its Net Zero commitments will be contained in the Council's Climate Change Action Plan which was under production at the time of writing this report. The Climate Change Strategy highlighted the need to establish a greenhouse gas (GHG) baseline on which progress towards the target can be monitored. Importantly, RBC outlined that the Runnymede Standard Carbon Baseline (RSCB) developed should be future proofed against emerging guidance on compiling baseline emissions at a local authority level by adhering to the principles of consistency and transparency. In practice this means that the baseline can be adapted against emerging guidance to ensure consistency in the method that RBC uses to monitor progress in implanting the climate change strategy.

Aether, Land Use Consultants (LUC) and Centre for Sustainable Energy (CSE) were commissioned by Runnymede Borough Council to complete a body of work to establish an evidence base, to be completed in two stages. This report presents a summary of the outcome of the first stage of work led by Aether, which focused on developing a baseline emission estimate for the council estate and the borough (**Section 44** and **Section 55**, respectively). This report also presents recommendations on how the baseline can support monitoring against the climate change strategy and establishing governance structure for effective monitoring (**Section 66**).

² <https://www.runnymede.gov.uk/downloads/file/1533/climate-change-strategy>

2 Scope of the emissions baseline

An important first step in the establishment of any emissions baseline is defining the scope of emission sources to cover. In the case of the area wide baseline, this is well defined, however for the council estate, careful consideration is required to ensure that emission accounting aligns with the council's ability to influence emissions.

Scopes are defined by the Greenhouse Gas Protocol for GHG accounting, as outlined in the table on the next page. Dividing emission sources into scopes is a useful way of breaking down the decision-making process as to what should be included within an organisational or city scale emissions inventory. Generally, all carbon accounts include scope 1 and 2 emissions, whereas scope 3 sources might be excluded or only partially included, depending on both the availability of data and the usefulness of its collection. It should be noted that one organisation's scope 3 emissions are another organisation's scope 1 or 2.

The emissions accounted for in the 'borough wide' baseline and the 'council estate' baseline are not discrete. For example, emissions included for 'commuting' in the council estate baseline will be partially included in transport emissions at the borough level.

2.1 Borough wide scope considerations

The baseline compiled for Runnymede area wide is a 'territorial-based emission inventory'. This type of emissions accounting is conventionally used for national carbon accounting, such as the UK's national inventory. It is geographically bounded, so limited to emission sources within specific boundaries. This inventory follows a sector-based approach, splitting emissions by the activity that caused them e.g. emissions from agriculture, transport, electricity generation etc.

2.1.1 Geographical boundaries and time range

The geographical, operational and time-related scopes of the targets are outlined below:

- The geographical boundary is the areas covered by the administrative areas of Runnymede Borough Council
- The baseline for data is the 2019 calendar year. Calendar year is used as this matches the timeframe of the activity data used as input to the emission calculation.
- The unit of measurement is CO₂e

2.1.2 Operational Boundary

An operational boundary defines the emission sources that are included in the reporting. Emission sources are divided into three scopes (see **Table 1** on the next page). Setting a clear operational boundary defines which emission sources are included in the reporting and which ones are excluded.

The most widely used set of standards for carbon accounting are those produced under the Greenhouse Gas Protocol. Of particular relevance to this project is the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories, otherwise known as the [GHG Protocol for Cities](#). This standard describes the emission sources by "scopes" which should be considered as part of a city-wide carbon accounting process; the

definitions of the three scopes are shown in Table 1 below. The diagram (**Figure 1**) shows the activities that are included in the Runnymede borough baseline.

Table 1 City carbon accounting scope definitions from the GHG Protocol for Cities

Scope	Definition	Sources to consider
1	GHG emissions from sources located within the borough	<ul style="list-style-type: none"> Fuel combustion (for energy and transportation) within the borough boundary Fugitive emissions from fossil fuels extraction and processing Solid waste disposal (in boundary) Biological treatment of waste (in boundary) Incineration and open burning of waste (in boundary) Wastewater treatment (in boundary) Industrial processes occurring within the boundary Product use occurring within the borough boundary Livestock emission sources Land use emission sources Aggregate sources and non-CO₂ emission sources on land (e.g., fertilizer application and rice cultivation)
2	GHG emissions occurring as a consequence of the use of grid-supplied electricity, heat, steam and/or cooling within the borough boundary	<ul style="list-style-type: none"> Consumption of grid-supplied energy consumed within the borough boundary (energy and transportation)
3	Other GHG emissions that occur outside the borough boundary as a result of activities taking place within the borough boundary	<ul style="list-style-type: none"> Transmission and distribution losses from grid-supplied electricity Well-to-tank emissions for stationary fuels, transportation fuels and electricity generation Emissions from transboundary transportation Solid waste disposal of waste transported out of boundary Biological treatment of waste transported out of boundary Incineration and open burning of waste transported out of boundary Wastewater transported out of boundary to be treated

There are various reasons why some emissions are excluded from the scope of the area-wide baseline:

Limited data availability at borough scale:

- **Off-road machinery:** Data on fuel consumption is not available. Given the transient nature of e.g. construction equipment, the impact of actions taken at a borough level are unlikely to be completely captured. Nevertheless, this should not discount consideration of construction in the borough’s climate action plans.
- **Household and commercial/industrial wastewater treatment:** Data held by Thames Water are not currently accessible and, in any case, identifying data specific to Runnymede may not be possible. Emissions could be estimated – albeit with a high degree of uncertainty. This could be considered under the

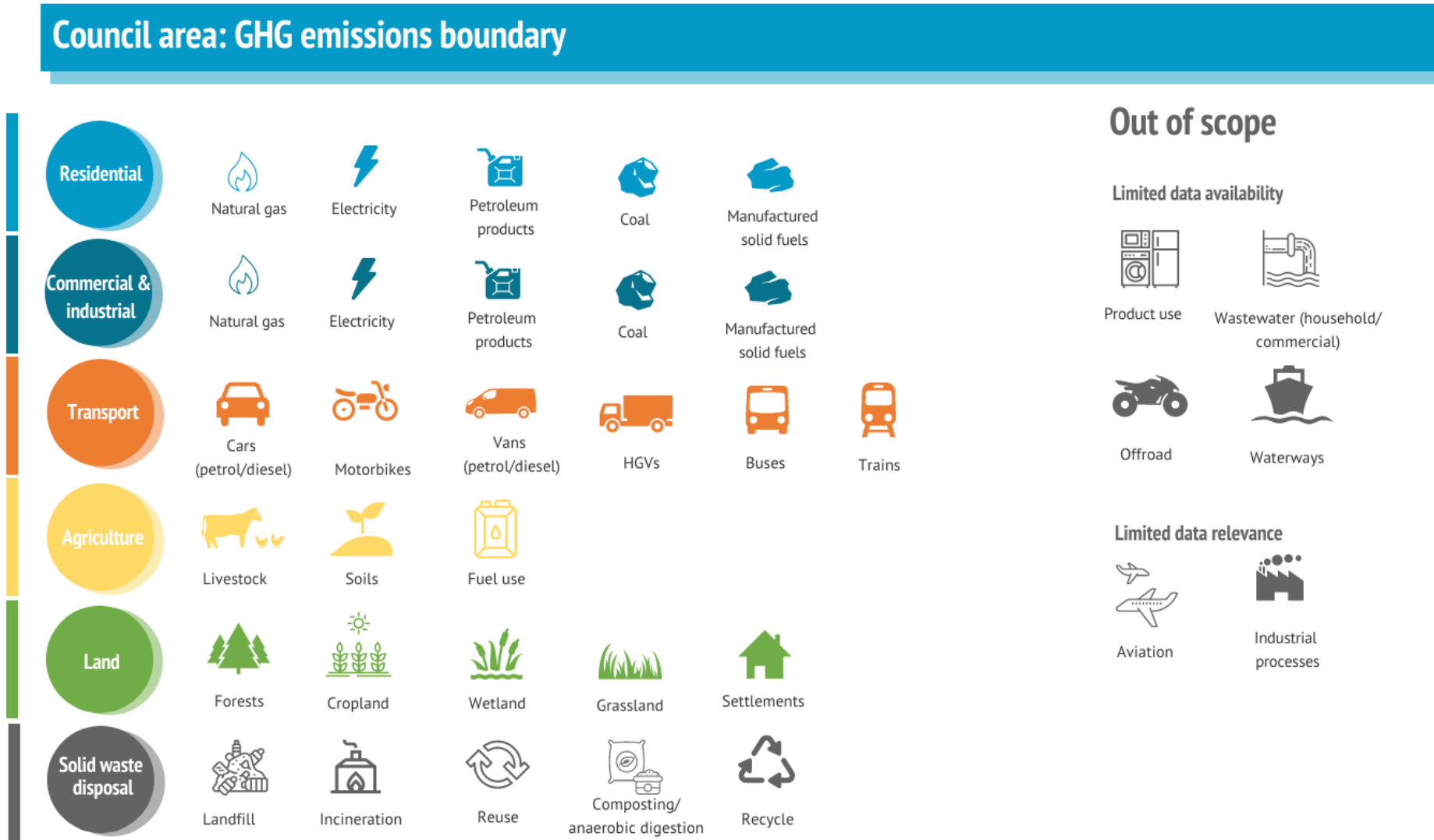
climate action plans and included within the modelling at a later date. Emissions from wastewater treatment are relatively small.

- **Waterways:** While there are emissions from river traffic within the borough boundary, apportioning them to Runnymede is highly uncertain and would not account for changes at a borough level.
- **Product Use:** data are scarce and uncertain. Emissions of concern in this sector are fluorocarbons used in electronics production and lubricants/paraffin waxes for non-energy products, neither of which are considered a significant source in Runnymede.

Limited relevance to borough emissions:

- **Aviation:** this is not a relevant source for inclusion in the baseline emissions as there is no airport within the council boundary. However, Runnymede Borough Council is committed to working jointly with partners such as the Heathrow Strategic Planning Group to address emissions associated with travel to London Heathrow Airport.
- **Industrial processes:** Energy consumption at industrial sites is contained within the BEIS energy data although other process emissions are not. It is likely that obtaining additional data would require significant time and effort for minimal return as there is not a significant industrial manufacturing sector within Runnymede. Additionally, Runnymede Borough Council has limited ability to alter these emissions.

Figure 1: Scope diagram for the borough wide emissions baseline



2.2 Council Estate scope considerations

2.2.1 Time range

The time-related scopes of the targets are outlined below:

- The baseline for data is the 2019/20 financial year. Financial years are used for reporting for the estate baseline as this matches the format of most input activity data.
- Emissions have also been compiled for subsequent years: 2020/21 and 2021/22.

2.2.2 Operational Boundary

An operational boundary defines the emission sources that are included in the reporting. Emission sources are divided into three scopes, see **Table 2** below. **Figure 2** later in this section presents more detail on the activities been identified within these three scopes that are included in the council baseline. Setting a clear operational boundary defines which emission sources are included in the reporting and which ones are excluded.

Runnymede is committed to considering the full scope of emissions occurring within the operational boundary within the limits of the organisational boundary, as outlined in the next section.

Table 2 Scope definitions for the Council estate baseline

Scope	Definition
Scope 1	GHG emissions from sources owned or controlled by the council.
Scope 2	GHG emissions from the consumption of purchased electricity, steam or other sources of grid-generated energy. Includes electricity supply to the council's operational buildings.
Scope 3	GHG emissions that occur indirectly from council activities, outside the control of the council (e.g. the council's procured services and investments).

2.2.3 Organisational Boundary

An organisational boundary defines which parts of an organisation are included for the purpose of GHG reporting. The following definitions are given in the GHG Protocol corporate reporting guidance.

Financial control boundary

Your organisation reports on all sources of environmental impact over which it has financial control. Your organisation has financial control over an operation if your organisation has the ability to direct the financial and operating policies of the operation with a view to gaining economic benefits from its activities.

Operational control boundary

Your organisation reports on all sources of environmental impact over which it has operational control. Your organisation has operational control over an operation if your organisation or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.

Equity share boundary

Your organisation accounts for GHG emissions from operations according to its share of equity in the operation

Considering the implications of each organisational boundary, Runnymede Borough Council opted to develop the emissions baseline for the council estate using an **operational control boundary** for the following reasons:

- It presented the most pragmatic approach to defining the council estate emissions baseline as it allows the council to focus on what is in our direct control and what we are most able to influence and change.
- This approach most closely fits the aim of the climate change target adopted by the council in January 2022 ‘to achieve operational ‘Net Zero Carbon’ emissions from its services and operations by 2030’.
- An operational control boundary accounting approach is used by Surrey County Council to whom we regularly report our CO₂e emissions.
- The emissions estimates previously reported to BEIS sit within this approach.

It is important to note that the organisational boundary agreed is for reporting purposes only and does not preclude the council from working to reduce emissions in areas of its influence not included or reported on within the chosen boundary. This also applies to areas where data to show progress is hard to come by.

It is also noteworthy that if the approach to defining the organisational boundary should need to change in the future for any reason not yet foreseen, this would be possible due to the transparent accounting process used to create the baseline. As such information per source of emission could be disaggregated and moved between scopes to align with a different approach to defining the council’s organisational boundary, if this became necessary.

Consideration to how the organisational approach impacts emission allocations within specific emission sources is presented below:

Leased Assets

Leased assets may be included in a local authority’s Scope 1 or Scope 2 inventory depending on the type of lease and the consolidation approach the local authority uses

to define its organisational boundaries (the financial/operational control approach or the equity share approach). Emissions from leased assets that the council maintain operational control over are allocated to Scope 1 and 2 of the council estate. However, in line with reporting at Surrey County level, an operational approach has been chosen which means that when the council lease a building to another user on a full repairing and insuring (FRI) lease, the emissions associated with the operation of that building are allocated to Scope 3. This is because the level of influence such a lease allows means that the council is limited in the work that can be done until the break clauses in contracts.

Homeworking

Whilst emissions from homeworking would not be significant in the baseline year (2019/20), the rise in hybrid working due to the COVID-19 pandemic means that it is necessary to consider these emissions and are therefore included in scope. Emissions from homeworking have not been estimated for the year 2019/20 but are included in subsequent emission inventory years.

Council housing

Sheltered housing and care provision: Emissions from all council owned and operated sheltered housing, including care and retirement homes are included under Scope 1 and 2.

Communal areas: Runnymede is responsible for communal areas of council housing such as external lighting, entryways, corridors, stairways, etc and therefore has control over the emissions from these sources. The local authority could influence the emissions by, for example installing more energy efficient lighting or replacing heating systems. Reporting for these areas is included under Scopes 1 and 2.

Landlord services: Runnymede owns housing that is privately tenanted and therefore the council is not responsible for the payment of bills and does not have operational control of the use of energy.

It is understood that Runnymede owns the heating systems installed in council Housing and funds housing through a Housing Revenue Account. Therefore, in line with the considerations given to leased assets, the energy emissions from privately tenanted housing are included under Scope 3 in line with an operational based accounting approach.

Incorporated council companies

The operational emissions of the RBC Companies (RBC Heat, RBC Investments and RBC Services) are included in Scope 3 when using the operational control boundary approach.

2.2.4 Exclusions from scope

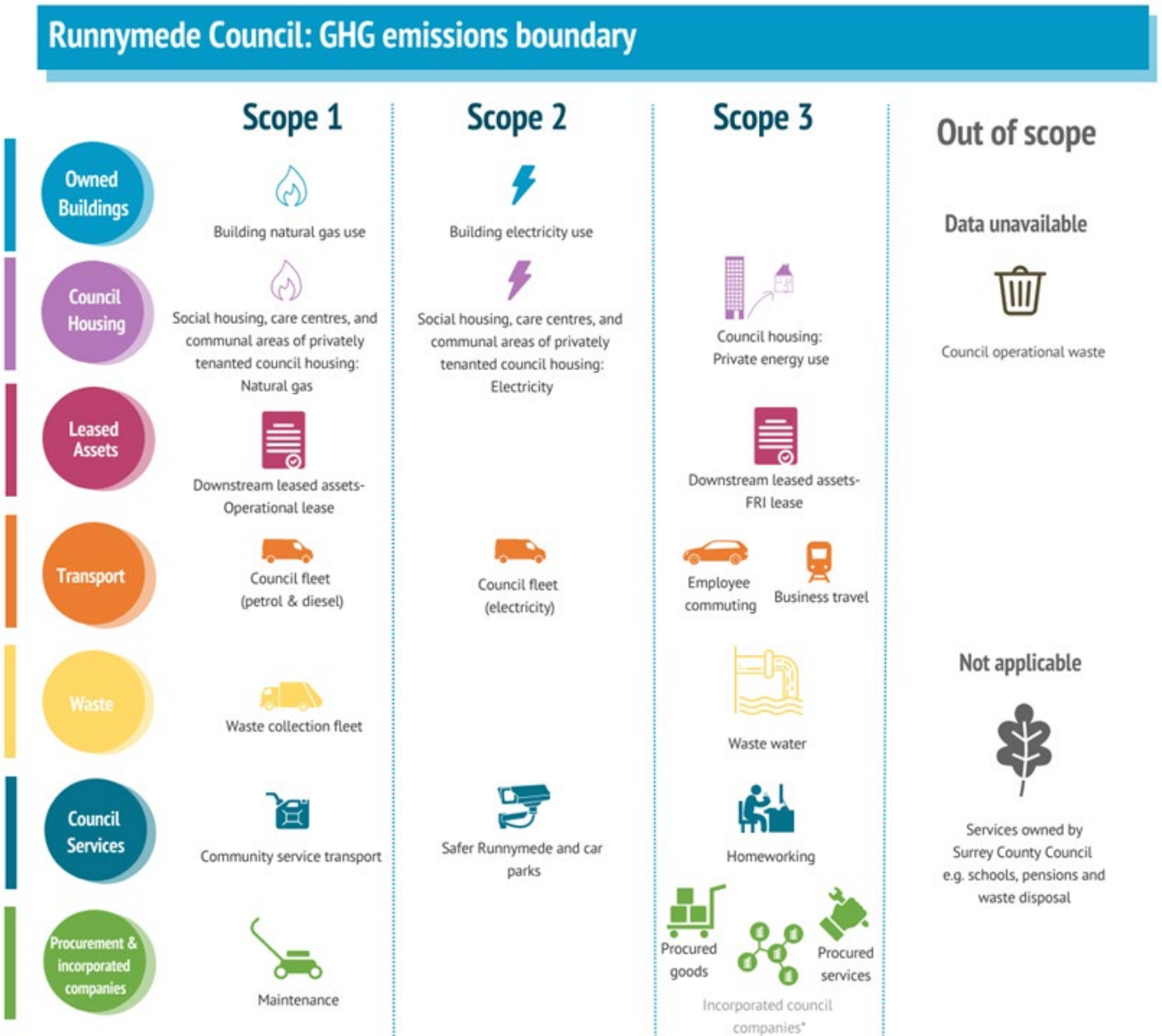
Surrey County Council Services i.e., waste processing, streetlighting, schools and pension fund are excluded from the RBC emissions baseline. Runnymede is not a waste authority

and therefore in accordance with the LGA reporting guidance for local authorities³ will not report emissions arising from waste in the council estate scope. The emissions from the waste collection fleet however are included under Scope 1. The same principle has been applied to other services that Surrey has operational control over such as schools and streetlighting.

A summary of the source covered by Scopes 1 2 and 3 is provided in **Figure 2**.

³ <https://www.local.gov.uk/climate-change-reporting-guidance-local-authorities#scope-3-emissions-reporting-categories->

Figure 2: Summary of the scope of emissions baseline for the council estate



3 Methodology

This section presents the methodology used to compile the GHG emissions estimates for Runnymede Borough Council estate and wider borough area. It introduces the key concepts of emissions accounting and presents the input data used in the calculations.

3.1 Approach

The most widely used set of standards for local carbon accounting are those produced under the Greenhouse Gas Protocol; of relevance to this project is the Global Protocol for Companies and Organizations and Cities⁴.

A **GHG inventory** is a dataset which presents estimates of emissions of various greenhouse gases from a wide range of activities in an organisation, country or other geographical area. A **GHG baseline**, is the GHG inventory for a specific year chosen by the reporting organisation from which progress in decarbonisation is monitored.

The standard approach to estimate GHG emissions is by multiplying activity data by an emission factor associated with the activity being measured (**Equation 1**).

Equation 1: Emission factor approach for calculating GHG emissions.

$$\text{GHG emissions} = \text{Activity Data} * \text{Emission Factor}$$

Emission Factor - This is the emissions per unit of activity, which usually comes from scientific literature. Emission factors may be quantified in a number of ways; for processes that strictly follow clear chemical or mass balance reactions they can be developed using an understanding of stoichiometry, or they can be developed empirically through statistical sample measurements. For example, EFs for stationary energy emissions are generally estimated based on sample measurements of the average carbon content of the fuel.

Activity data - This is a measure or estimate of the activity which is taking place, such as tonnes of fuel or miles driven. This data typically comes from national statistical datasets or from the organisation in question, in this case Runnymede Borough Council.

Example Calculation

➤ *Activity Data*

Natural gas consumption in an organisation's operated building: 98,500 kWh

➤ *Emission Factor*

Gross natural gas EF (direct): EF: 0.18385kg CO₂e/kWh

➤ *Calculation*

Multiply kWh activity by the fuel specific EF to get total emissions from natural gas consumption

Total emissions: 98,500 x 0.18385= 18,109 kg CO₂e

⁴ <https://ghgprotocol.org/companies-and-organizations>

3.1.1 Carbon Dioxide Equivalent

The impact of different gases on the atmosphere is complex and depends on their duration and behaviour in the atmosphere. For example, methane produces 28 times more warming effect than an equivalent amount of carbon dioxide over an equivalent time period, known as the Global Warming Potential (GWP). In order to simplify this complicated situation, data for all GHGs are translated into a single comparable unit, carbon dioxide equivalence, or CO₂e, usually measured in kilogrammes or tonnes. Therefore, one tonne of CO₂e has the global warming impact of one tonne of CO₂ but it can be a mix of any of the seven Kyoto gases:

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)
- Perfluorocarbons (PFCs)
- Sulphur hexafluoride (SF₆)
- Nitrogen trifluoride (NF₃)

Emissions are reported as a mass of CO₂ equivalent, CO₂e. Whilst less abundant than CO₂, other GHGs such as methane (CH₄) and nitrous oxides (N₂O) have a greater warming effect than CO₂. A Global Warming Potential (GWP) factor is applied to these GHGs to convert to CO₂e.

The council agreed that their net zero targets should cover all relevant gases and therefore emissions are to be reported in CO₂ equivalent.

3.1.2 Quality Principles

The GHG Protocol Accounting and Reporting standard also sets out a series of principles which are intended to guide GHG accounting towards a fair and accurate account of GHG emissions. These are:

- **Relevance:** Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users, both internal and external to the company
- **Completeness:** Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.
- **Consistency:** Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series
- **Transparency:** Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
- **Accuracy:** Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to

enable users to make decisions with reasonable assurance as to the integrity of the reported information.

Complying with these principles will provide a very high standard of GHG accounting.

3.2 Input Data

Activity data was collected from regularly published datasets of sub-national statistics for the area wide baseline and directly from Runnymede Borough Council for the council estate. Further details are provided on the council estate and borough wide inventories in **Appendix 1** and **Appendix 2**.

Emission factors for both the council and the borough GHG inventory are taken from “UK Government GHG Conversion Factors for Company Reporting”⁵ for the applicable sources and years. For data sources in the council inventory which relate to the 2019/20 financial year, the 2019 emission factors are applied. Emission factors for the council Estate and area wide GHG inventory are further documented in Appendix 1 and 2, respectively.

3.2.1 Energy

The energy consumption data covers a range of council-owned buildings which have been categorised into the several groups. The groups used and a summary of the buildings covered within each group are presented in **Table 3**, together with the Scope within which they are accounted.

3.2.2 Water

Water supply and treatment covers emissions from the supply of water to council buildings and the treatment of wastewater. Water supply data was provided on a spend basis. It was assumed that emissions from water treatment were 95% of those from water supply.

3.2.3 Fleet and green spaces

Runnymede Borough Council provided fuel consumption for the council’s fleet. Petrol and diesel consumption were multiplied by an emission factor to calculate emissions.

Green spaces and machinery cover emissions related to the fuel used to power tools such as leaf blowers, hedge cutters, and vehicles used by the council’s green spaces team.

3.2.4 Waste

Waste emissions relate to the collection of waste through the contracted service provided by the council and fuel used to power street cleaners. These are estimated through applying BEIS carbon factors based on the fuel used by refuse trucks and street cleaners, respectively.

⁵ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

Table 3: Buildings covered in Runnymede Borough Council's emissions inventory

Category	Buildings included	Scope	Data/ emissions apportionment
Operational buildings	Runnymede Civic Centre	1 & 2	Emissions apportioned based on floor area within ownership of RBC (80%)
	Chertsey Depot	1 & 2	Whole site
Community buildings	W Davies Pavilion	1 & 2	Whole site
	Chertsey Hall	1 & 2	Whole site
	Charter Place and Library	1 & 2	Whole site
	Eileen Tozer Day Centre	1 & 2	Whole site
	The Literary Institute Cultural Community Hub	3	Emissions apportioned based on ownership, RBC accounts for 20%
	Runnymede Pleasure Grounds	1 & 2	Whole site
	The Orchard	1 & 2	Whole site
	Ottershaw Memorial Fields	1 & 2	Whole site
	Chertsey Recreation Ground	1 & 2	Whole site
	Chertsey Museum	1 & 2	Whole site
	Gogmore Farm Park	1 & 2	Whole site
	MANORCROFTS & MANOR FARM	1 & 2	Whole site
	Woodham and New Haw Day Centre	1 & 2	Whole site
	Hythe Centre	1 & 2	Whole site
	Chertsey Cemetery	1 & 2	Whole site
	Victory Park	1 & 2	Whole site
	Sports Pavilion	1 & 2	Whole site
	The Lodge	1 & 2	Whole site
	Toilets	1 & 2	Whole site
	Housing – Sheltered and communal use	Addlestone (Surrey Towers)	1 & 2
Sandhills Lane		1 & 2	Communal areas
Darley Dene Landlords Supply		1 & 2	Communal areas
Stoneylands		1 & 2	Communal areas

Category	Buildings included	Scope	Data/ emissions apportionment
	Floral House	1 & 2	Communal areas
	Beomonds	1 & 2	Communal areas
	Heatherfields	1 & 2	Communal areas
	Beomonds Sheltered Housing	1 & 2	Communal areas
Housing – tenant use	Council housing	3	Whole site based on SAP ratings
Runnymede Heat Company Ltd.	Addlestone District Heat Network (DHN)	3	Whole site for 2021/22

3.2.5 Commuting

The *Runnymede Borough Council – Homeworking and Commuting Survey*⁶ was developed to collect information to calculate emissions from heating as part of homeworking calculations and to understand commuting patterns. The total distance travelled was grouped by mode of travel based on categories listed in GHG Conversion Factors for Company Reporting. The survey was completed by 165 staff members (approximately 36% of council staff) and provided distances travelled one-way on a particular day. They were therefore scaled to reflect three return journeys a week (in line with the assumption of three days in the office per week). To estimate distance for all staff members, results were scaled against the 2021/22 FTE number of 445.3. Uncertainty is high for this emission source due to the need to extrapolate survey results to represent all staff and because of the likely variations in the way that individuals choose to travel.

3.2.6 Working from home emissions

Emissions related to working from home (WfH) were calculated following the methodology provided by Ecoact in their 2020 Homeworking emissions whitepaper⁷. WfH emissions were calculated for 2021, assuming that across a five-day work week, staff work from home for three of those days. As part of the combined commuting and homeworking survey, staff were asked about their homeworking setup. WfH emissions were calculated where staff were working in homes that would otherwise have been unoccupied, based on rates reported in the survey. Emissions were then calculated by aggregating up the survey results to a full-time equivalent (FTE) basis.

Homeworking emissions were calculated for electricity usage to power desk equipment and lighting, and emissions from heating. Benchmark values provided in the whitepaper were used to calculate emissions from electricity use for office equipment and lighting, using the assumption that 140W of power for desk equipment (e.g. monitors, chargers) and 10W for lighting is used across the year.

To calculate emissions from heating, staff were asked how their homes were heated. Natural gas was the most common heating type, followed by electricity and oil. It was assumed that heating was turned on for two homeworking days a week for 6 months between October and March. Average energy consumption rates per heating day were used for a household, based on the Ecoact method.

3.2.7 Emissions from third party suppliers

Standard industrial classification codes (SIC) are used to categories different activity types by industrial sector. In 2019, Defra published ‘Indirect emissions from the supply chain’⁸ which contains a list of carbon emission factors for each SIC code. This table can

⁶

<https://forms.office.com/Pages/DesignPageV2.aspx?subpage=design&token=6ff3eb99811c460f81debcc9560ba0b1&id=35BPxq8KfkKEAaHd3MAqhSpJeaV6gpeoKQmh5UuwutxUOEpWMDBDU1RSNTYzSzQ4VFNFFVhMVzZMS4u&analysis=true>

⁷ <https://info.eco-act.com/en/homeworking-emissions-whitepaper-2020>

⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/404542/Table_13_Indirect_emissions_from_supply_chain_2007-2011.xls

be used to produce initial high-level estimates of the Greenhouse Gas emissions relating to the production of goods, works and services purchased by a company or organisation.

Emission estimates from third party suppliers used by the council (appointed in accordance with the council’s procurement processes) were calculated for 2019/20 – 2021/22 using expense reports provided by Runnymede Borough Council, which were allocated to SIC groups using expense codes information and the relevant carbon factor was then applied. Only the top 90% of spend was considered in each year, to focus on key sources and reduce the time needed for data processing. As Runnymede Borough Council provided an expense report, activity related to the transfer of finances was excluded from estimates. Expenses related to activities already included within the baseline were also excluded to avoid double counting. This covers activities such as electricity, gas and water payments.

The methodology used to estimate emissions from the supply chain should be considered as a tool to support a first estimate of supply chain emissions and identify hotspots of emissions in the supply chain and not as a tool with which to monitor and report emissions from specific procurement actions and contracts. The reasons for that are:

1. The categories are broad and allow for little discrimination between different product options and services within a category e.g. they cannot be used to choose a lower carbon option for delivering social care services because the one category covers all the options available to deliver care.
2. Relationships between spend and carbon emissions are complex; for materials and simple products, the relationships are likely to be reasonably accurate because energy and transport make up a larger proportion of the cost; however, for complex products and services, it is likely that each category represents a much larger range of actual emissions.
3. The emissions factors by SIC code will change over time depending on the industry efficiency and carbon intensity of energy use, but the published dataset may not be updated regularly.
4. An organisation cannot monitor change in Scope 3 supply chain emissions based on spend because the estimate will only change by reducing spend or by switching spend to a different lower carbon category. More detailed methods are required for monitoring change.
5. These factors are designed to look at the upstream Scope 3 emissions of goods and services but some purchasing decisions will also have potential impacts on the Scope 1 and 2 emissions of the organisation e.g. energy use by IT equipment or significant downstream scope 3 emissions e.g. non-reusable products going to landfill. These carbon/unit of spend factors do not enable easy understanding of these additional emissions.

Therefore, to support monitoring and reporting, a more dynamic approach is required. The initial analysis enables procurers to identify probable hotspots of carbon emissions within the supply chain (which might be related to the spend, or high carbon categories, or volume of materials) to inform a more collaborate approach with suppliers to identify both key sources of emissions within the specific product or service, and opportunities for reducing these and reporting savings. Recommendations on how RBC may look to improve estimation of emissions from this sector are included in **Section 7**.

4 Runnymede Borough Council GHG inventory

4.1 Runnymede Borough Council baseline inventory for 2019/20 - 2021/22

4.1.1 Total emissions (Scope 1-3)

Runnymede Borough Council's total GHG emissions, considering emissions from scope 1-3, in 2019/20 were estimated to be **19,836 tCO₂e**. A 11% increase in total emissions was estimated between 2019/20 and 2021/22 with emissions estimated to be **21,922 tCO₂e** in 2021/22.

Emissions from scope 3 sources, meaning GHG emissions that occur indirectly from council activities, outside of the direct control of the council (e.g. the council's procured services and investments) account for 94% of the total GHG emissions. Emissions from scope 1 and 2 are included in the inventory, meaning emissions arising from sources owned or controlled by the council directly or resulting from the consumption of purchased electricity, steam or other sources of grid-generated energy, account for the remaining 6% of the total GHG emissions. Emissions from scope 1 and 2 are explored further in **section 4.1.2** and scope 3 sources in **section 4.1.3**.

Emission estimates by sector are presented for the years 2019/20 to 2021/22 in **Figure 3** and

Table 4.

Figure 3: Emissions for Runnymede Borough Council (t CO₂e) , 2019/20 – 2021/22

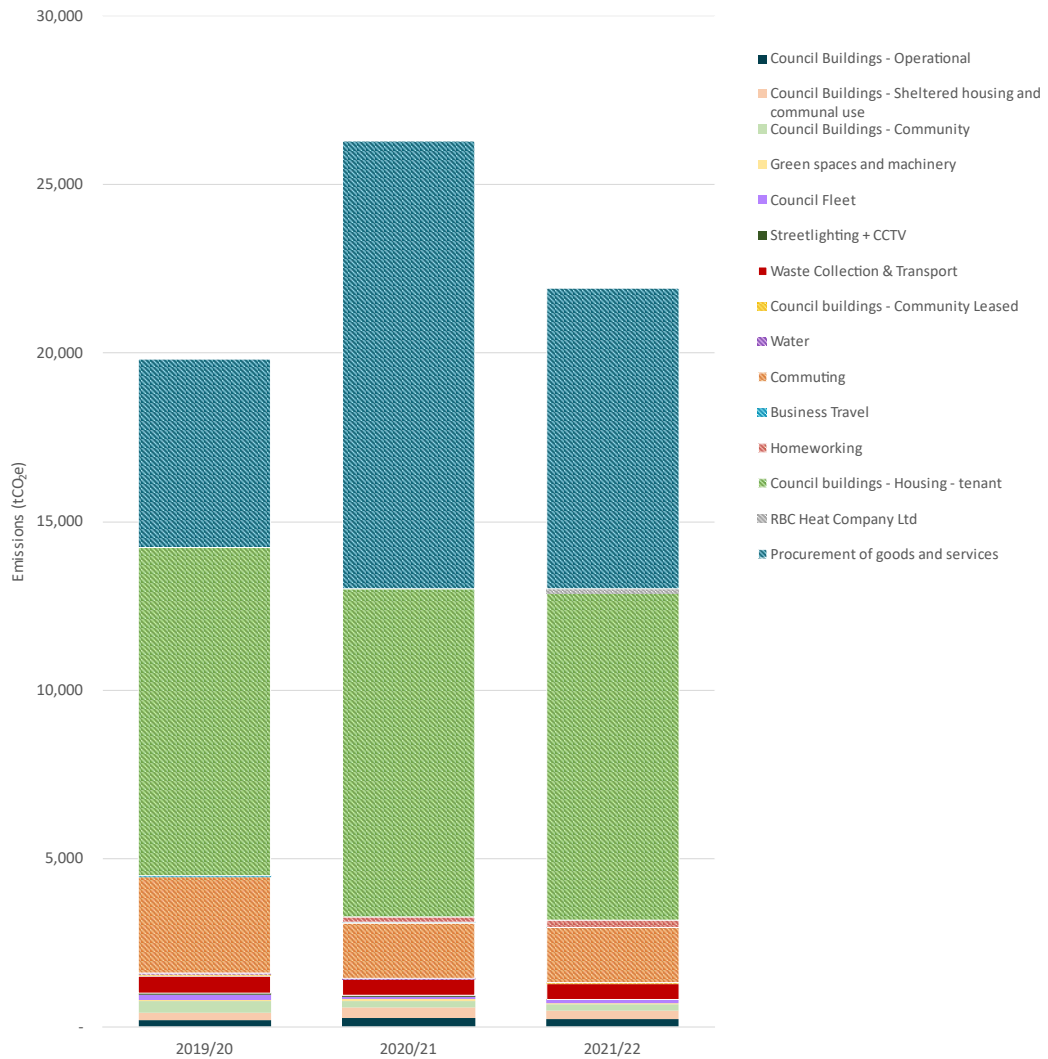


Table 4: Emissions (in tCO₂e) and percentage change in emissions from each sector, 2019/20-2021/22

Sector	Scope	Emissions (ktCO ₂ e)			Change between 2019 baseline and 2021 (%)
		2019/20	2020/21	2021/22	
<i>Council Buildings – Operational</i>	1+2	212	274	234	10%
<i>Council Buildings – Sheltered housing and communal use</i>	1+2	200	298	251	26%
<i>Council Buildings – Community</i>	1+2	342	210	193	-44%
Council buildings - Total	1+2	754	781	678	-10%
Green spaces and machinery	1+2	47	44	19	-60%
Council fleet	1	147	81	102	-31%
Streetlighting + CCTV	2	60	55	14	-76%
Waste collection & transport	1	513	470	470	-8%
Scope 1 and 2 emissions total		1,521	1,395	1,283	-16%

Council buildings – community leased assets	3	33	10	6	-82%
Water	3	38	45	36	-6%
Commuting	3	2,865	1,635	1,618	-44%
Business travel	3	34	15	15	-57%
Homeworking	3	-	180	213	-
Housing – tenant consumption	3	9,733	9,734	9,697	0%
RBC Heat Company Ltd CHP	3	-	-	146	-
Procurement of goods and services	3	5,612	13,291	8,908	59%
Scope 3 emissions total		18,316	24,909	20,639	13%
Council total		19,836	26,304	21,922	11%

4.1.2 Scope 1 & 2 Emissions

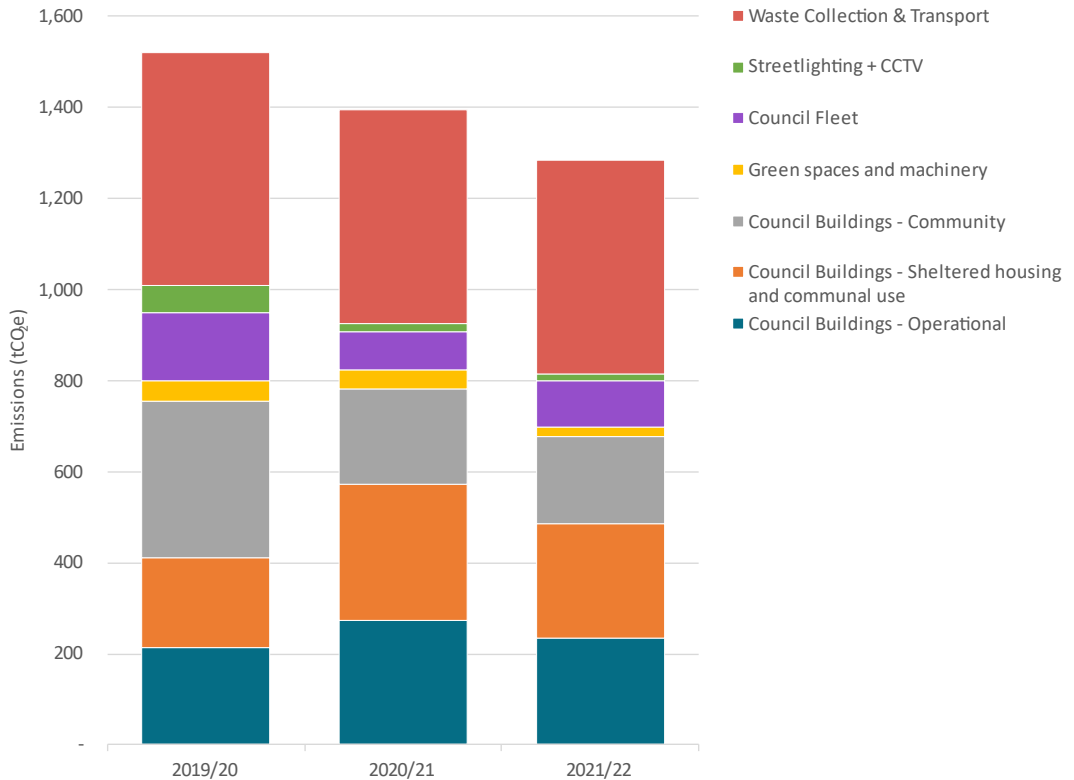
Considering emissions arising from Scope 1 and 2 only, emissions from the council estate **decrease** between 2019/20 and 2021/22 by 16%, from **1,521 tCO₂e** to **1,283 tCO₂e**, respectively (Figure 4). Emission reductions are observed across all categories under scope 1 and 2 except for ‘Council Buildings – Operational and Sheltered housing and communal use’.

Considering emissions from scope 1 and 2 only, the most significant emissions within arise from energy consumption within council buildings (53% of the total). Waste collection and transport is the next most significant source comprising of 37% of total emissions. Emissions from fuel consumed within the council owned fleet is responsible for 8% of the total, with emissions from green spaces and machinery, street lighting and CCTV attributable to approximately 1% each.

The greatest reduction in emissions between 2019/20 and 2021/22 was a 76% reduction in emissions arising from the operation of streetlighting and CCTV. Whilst the decarbonisation of the electricity grid drives reductions in emissions associated with electricity consumption, significant reductions in the total kWh consumed by streetlighting and CCTV networks were also observed.

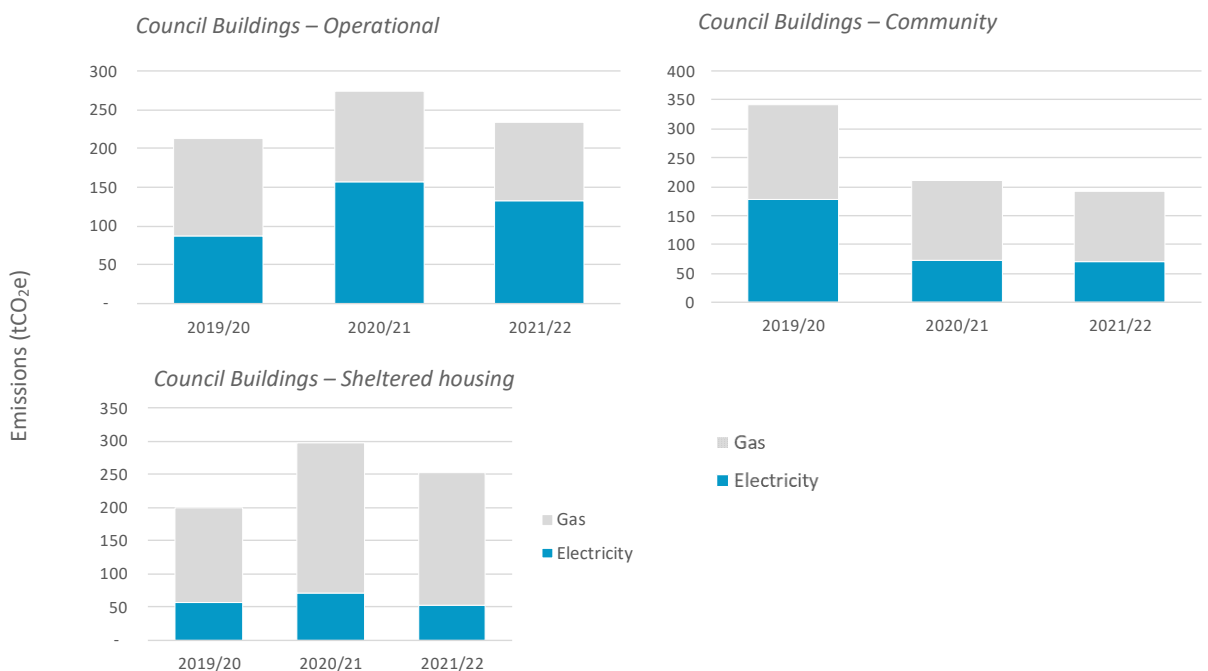
Significant reductions are also observed in fuel consumed in vehicles and machinery used for the management of green spaces (60% decrease) and in gas emissions from community council buildings (44% decrease). The impact of COVID-19 is observed through reductions in 2020/21 compared to 2019/20 for the council fleet, which to some extent ‘rebounded’ in 2021/22 and ‘Council Buildings – Community’. There is no observed reduction in operational council buildings in 2020/21 suggesting that lower occupancy rates and building closures did not lower recorded energy use. Emissions from ‘Council Buildings – Sheltered housing and communal use’ increased in 2020/21 which may indicate higher energy consumption due to the ‘stay at home’ order as a result of COVID-19.

Figure 4: Emissions for scope 1 and 2 sources for Runnymede Borough Council, 2019/20 – 2021/22 (tCO₂e)



Emissions from council buildings (as presented in Table 4) arise due to consumption of both electricity and gas. Figure 5 presents the split of emissions between those arising from gas and electricity use by each building category.

Figure 5: Building emissions split by electricity and gas, by type, 2019/20 – 2021/22 (tCO₂e)



4.1.3 Scope 3 Emissions

Emissions arising from scope 3 are significant, comprising of 94% of the total emissions from the council estate in 2021/22. Emissions in scope 3 are dominated by a handful of sectors with large associated emissions; procured of goods, works and services, council housing and commuting. **Figure 6** presents the split of emissions across scope 3 in 2021/22, with the trends presented in **Figure 7** and

Figure 8.

Emissions related to the third-party provision of goods, works and services increase by 59% between 2019/20 and 2021/22. This is explored in more detail in section 4.1.4.

Estimated emissions from commuting and homeworking have varied significantly over the time series due to changes in working patterns at RBC driven by COVID-19. The results indicate that the reduction in emissions associated with commuting outweighs the increase in emissions due to energy consumed whilst employees work from home.

Figure 6: Emissions for scope 3 sources for Runnymede Borough Council, 2021/22 (tCO₂e)

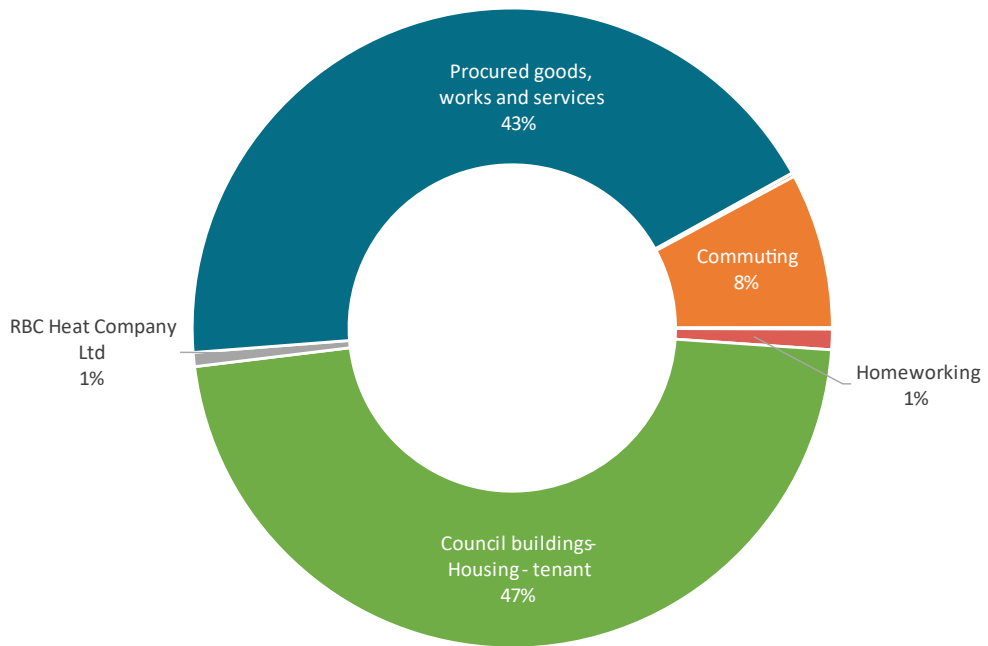


Figure 7: Emissions for largest scope 3 sources for Runnymede Borough Council, 2019/20-2021/22 (tCO₂e)

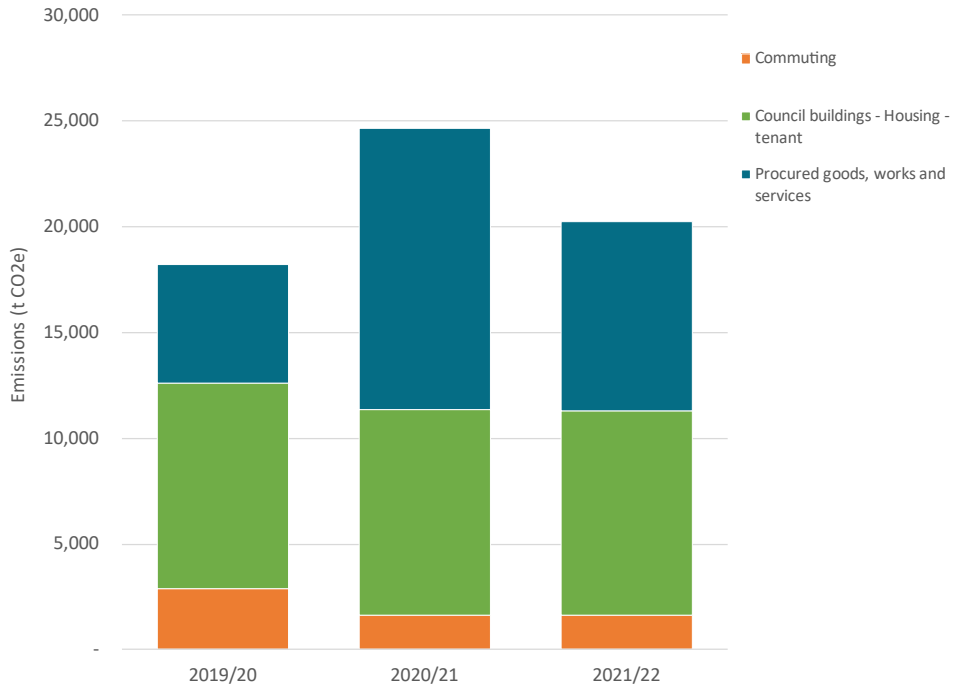
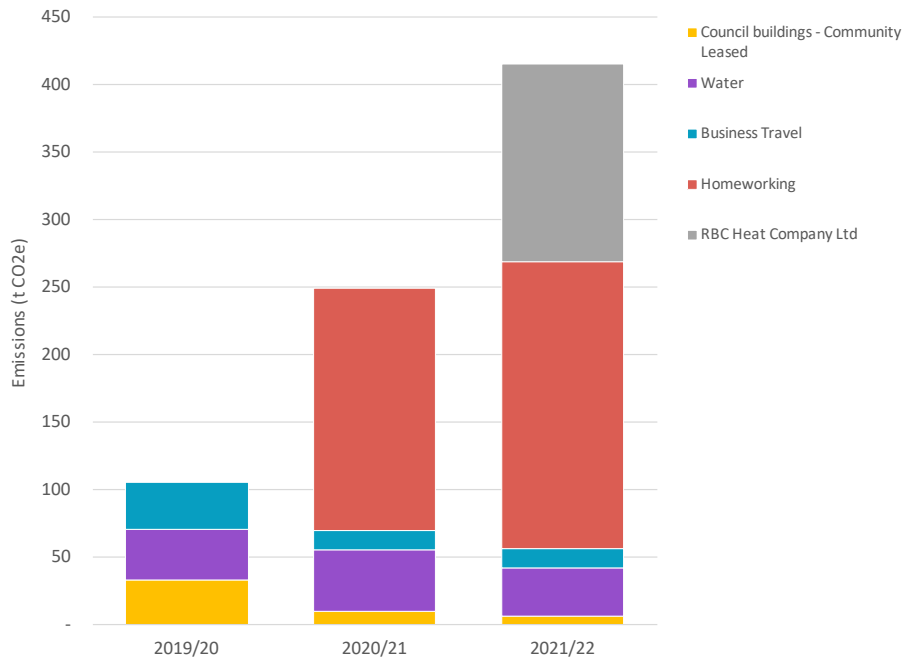


Figure 8: Emissions for other scope 3 sources for Runnymede Borough Council, 2019/20-2021/22 (tCO₂e)



4.1.4 Emissions related to the third-party provision of goods, works and services

There are emissions associated with the third party provision of goods, works and services which result from the procurement activities carried out by the council. Whilst the council has an influence over emissions from this source, it does not have direct control. These emissions are presented here as an initial estimate of the scale of third party emissions, and to start to identify the goods, works and services which represent the largest carbon sources within this category. Methodologies for estimating emissions from third party suppliers are not yet well established and have a high uncertainty and are therefore presented separately to the inventory.

The methodology used to estimate emissions from third parties following the procurement of goods, works and services is based on published factors of carbon intensity per amount spent⁹. This was applied to the council’s financial accounts summary. Financial transactions not related to the purchase of goods, works and services were excluded from the carbon totals, as were activities that were included within the baseline, such as purchase of fuel, to avoid double counting.

Emissions from third party suppliers procured by the council were approximately 5,612 tCO₂e in 2019/20, 13,291 tCO₂e in 2020/21 and 8,908 tCO₂e in 2021/22. Phase 1 of the Egham Regeneration project was identified as the greatest source of emissions at 37% in 2019/20 (**Table 5**). However, to put this in context, this was a major £90 million mixed use town centre regeneration scheme which has provided 100 student bedspaces, 101 residential units, a cinema and a variety of retail units together with car parking,

⁹ <https://www.gov.uk/government/statistics/uks-carbon-footprint>

highway improvements and public realm enhancements. The construction of this scheme will also have contributed to the carbon emissions under this category in 2020/21 and 2021/22.

Table 5: Identified emission hotspots within Runnymede Borough Council's supply chain

Year	Procurement type	Spend category	SIC Category	% of procurement emissions
2019/20	Works	Egham Regeneration – Phase 1	Buildings and building construction works	37%
		Chertsey Metrode Development	Buildings and building construction works	9%
		New Egham Leisure Centre Development	Buildings and building construction works	6%
2020/21	Works	Egham Regeneration - Phase 1	Buildings and building construction works	68%
		Chertsey Metrode Development	Buildings and building construction works	16%
2021/22	Works	Egham Regeneration - Phase 1	Buildings and building construction works	91%
	Services	Major Repairs - Major Specials (C)	Rest of repair; Installation	4%

5 Runnymede Borough GHG inventory

5.1 Borough inventory

Runnymede Borough's GHG emissions for 2019 have been estimated to be 634 ktCO₂e. Emissions by sector are presented in **Figure 9** and **Table 6**. The most significant emissions source is the transport sector, comprising 58% of total emissions.

Figure 9: Estimated ktCO₂e emissions for Runnymede Borough in 2019

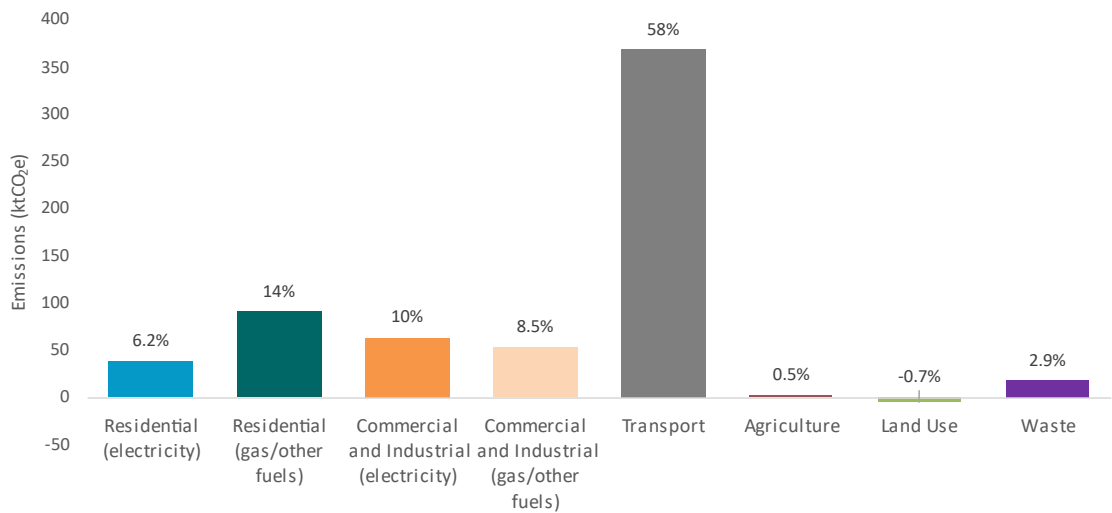


Table 6: Estimated ktCO₂e emissions for Runnymede Borough in 2019

Sector	2019 emissions (kt CO ₂ e) ¹⁰	% of total emissions ¹⁰
Residential (electricity)	39.3	6.2%
Residential (gas/other fuels)	90.9	14.3%
Commercial and Industrial (electricity)	63.8	10.1%
Commercial and Industrial (gas/other fuels)	53.9	8.5%
Transport (buses and rail)	6.2	1.0%
Transport (cars/LGVs/motorbikes)	298	47.1%
Transport (HGVs)	64	10.1%
Agriculture	3.1	0.5%
Land use	-4.3	-0.68%
Waste	18.3	2.9%
Total	634	

The sources of emissions in Runnymede are dominated by transport use within the borough, particularly from private car use. The second largest source, at 21% of total emissions, is from heating of residential homes.

¹⁰ Due to rounding of values, summing values shown in the table may not equal totals shown.

Emissions from land use and land use change in Runnymede are currently a small net sink of CO₂ at -4.3 ktCO₂e. This is due to carbon sequestration occurring in woodland and grassland areas of the borough.

Please note that a portion of emissions included in the council baseline are also included in the borough baseline. For example, council fleet, commuting, and business travel are included within the borough transport figures and working from home is included within the residential sector. Emissions from the collection of waste material by the council are included in the transport emissions from HGVs. This is due to the subnational datasets used to calculate the borough emissions not specifying the purpose of the fuel quantities provided. The data sources used to calculate the borough baseline are included in **Table A2.1**. The activity data and emission factors used are in **Table A2.** and **Table A2.**, respectively.

A per capita factor represents the emissions of an average person in a country or region – they are total emissions divided by population. The average per capita emission for England was 5.7 tCO₂e in 2019¹¹. In comparison, per capita emissions in Runnymede are 7.1 tCO₂e in 2019. This comparatively higher emission per capita is largely driven by the high transport emissions within Runnymede; as an average, in England transport emissions comprise 33% of total emissions, whereas in Runnymede transport is 58% of the total emissions.

5.2 Change in emissions compared to the 2019 baseline

Emissions from private transport decreased between 2019 and 2020 by 23%. The change in fuel usage for each transport mode and types are presented in **Table 8**.

Emissions from land use and land use change remained consistent between years, at a sink of -4.30 ktCO₂e in 2019 and -4.24 ktCO₂e in 2020. Waste emissions decreased from 18.3 ktCO₂e in 2019 to 17.6 ktCO₂e in 2020.

In summary, emissions at the borough level reduced in a number of key sectors between 2019 and 2020, however, it is likely that there will be a ‘rebound’ effect in future years reflecting a return to ‘business as usual’ following the lockdown during the COVID-19 pandemic.

¹¹ UK local authority and regional greenhouse gas emissions national statistics: 2005-2021

Figure 10 and **Table 7** show the emissions for the borough for the years 2019 and 2020. Total emissions decreased from 634 ktCO₂e in 2019 to 556 ktCO₂e in 2020, equating to a 12% reduction.

At 21%, the greatest reduction in emissions across this period was from electricity use in the commercial and industrial sector followed by a 19% reduction in emissions from the transport sector. The reduction in emissions may be due to the impacts of the COVID-19 pandemic. Domestic electricity usage increased by 9 GWh between 2019 and 2020 while non-domestic usage decreased by 33 GWh over the same period, potentially reflecting stay at home orders, an increase in homeworking, and temporary closure of non-essential commercial activity. The decreased electricity demand, combined with the decrease in the carbon intensity of the UK electricity grid, resulted in a decrease in emissions between 2019 and 2020. Transport emissions equally decreased across this period due to stay at home orders, reducing travel for leisure and commuting.

Emissions from private transport decreased between 2019 and 2020 by 23%. The change in fuel usage for each transport mode and types are presented in **Table 8**.

Emissions from land use and land use change remained consistent between years, at a sink of -4.30 ktCO₂e in 2019 and -4.24 ktCO₂e in 2020. Waste emissions decreased from 18.3 ktCO₂e in 2019 to 17.6 ktCO₂e in 2020.

In summary, emissions at the borough level reduced in a number of key sectors between 2019 and 2020, however, it is likely that there will be a 'rebound' effect in future years reflecting a return to 'business as usual' following the lockdown during the COVID-19 pandemic.

Figure 10: ktCO₂e emissions for Runnymede Borough, 2019-2020

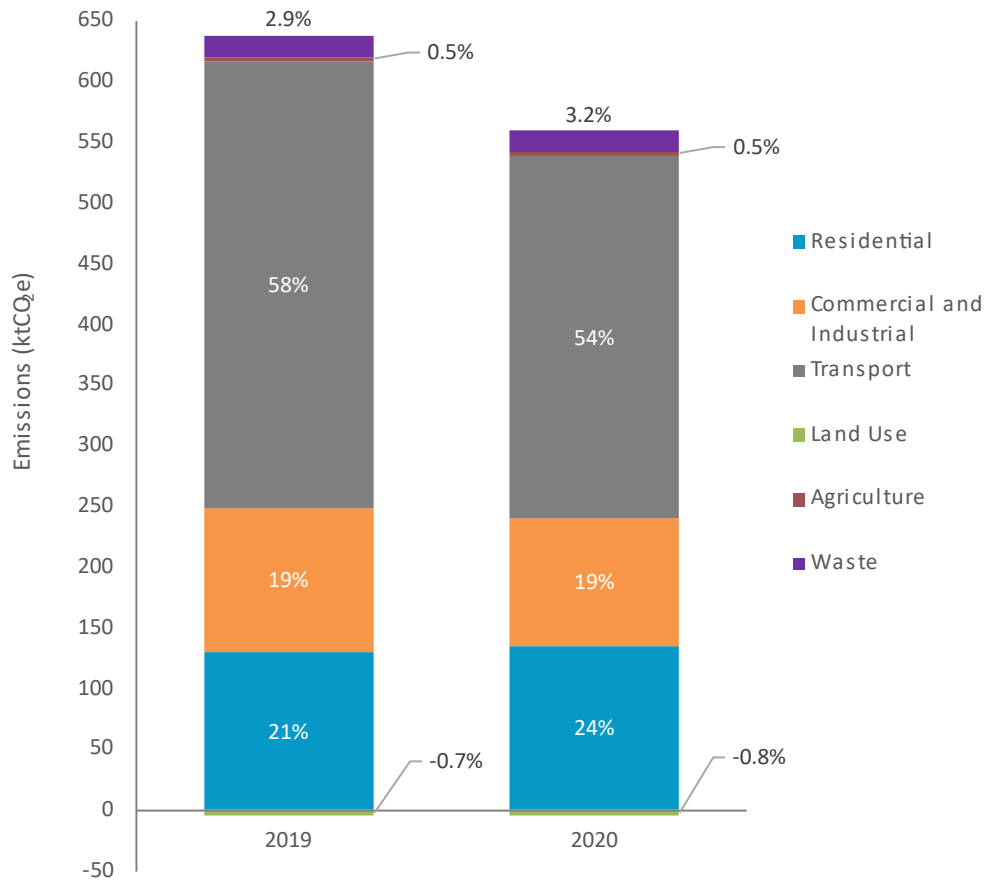


Table 7: Emissions (in ktCO₂e) and percentage change in emissions from each sector, 2019-2021

Sector	Scope	Emissions (ktCO ₂ e)		Change between 2019 baseline and 2020 (%)
		2019	2020	
Residential (electricity)	2&3	39.3	38.0	-3.3%
Residential (gas/other fuels)	1	90.9	97.7	7.5%
Residential buildings total		130	136	4.2%
Commercial and industrial (electricity)	2&3	63.8	50.4	-21%
Commercial and Industrial (gas/other fuels)	1	53.9	54.2	0.6%
Commercial and Industrial buildings total		118	105	-11%
Transport (buses and rail)	1	6.2	3.5	-43.9%
Transport (cars/LGVs/motorbikes)	1	298.4	231.1	-22.6%
Transport (HGVs)	1	64.2	64.4	0.2%
Transport total		369	299	-19%
Agriculture	1	3.1	3.0	-2.3%
Land use	1	-4.3	-4.2	-1.2%
Waste	3	18.3	17.6	-3.7%
Borough Total		634	556	-12%

Table 8: Borough private transport emissions and percentage change, 2019-2020

Emission source	Emissions (ktCO ₂ e)		Change from 2019-2020 (ktCO ₂ e)	% change 2019 – 2020
	2019	2020		
Cars (petrol)	118	89	-28	-24%
Cars (diesel)	121	85	-36	-30%
Motorcycles (petrol)	1.7	1.2	-0.54	-31%
LGVs (petrol)	1.8	1.7	-0.12	-7%
LGVs (diesel)	56	54	-1.84	-3%
Total	298	231	-67	-23%

6 Monitoring and governance

By updating the GHG inventory on a regular basis, Runnymede Borough Council will be able to track the level of GHG emissions for the council and the borough included in the scope of the inventories, albeit with some delay in data availability. The ability of the GHG inventory to show progress in decarbonisation and the effectiveness of mitigation actions depends on the GHG estimation methods possible for the inventory. Where data availability is a limiting factor, the inventory might not show a true reflection of decarbonisation efforts.

It will be necessary for the council to establish and formalise data supply chains so that emissions can be monitored and reported with confidence at regular intervals. This will particularly be the case for emissions from the council's own estate and operations. It is therefore recommended that data requirements are set out clearly for each service area. Data provision will need to be given a high priority, with commitment agreed at Head of Service level. Responsibility for data should sit with a specific role as opposed to with a named individual, to allow for staff turnover.

If one does not already exist, it would be beneficial to set up an asset register, listing individually the buildings and vehicles which are considered to be within scope. It is also recommended that the process for data provision should be made as clear and simple as possible, with template forms provided for each service area for the submission of (e.g.) meter readings.

Priority areas for formalising data supply processes should include:

- Gas and electricity consumption in council buildings (e.g. offices, depots)
- Gas and electricity consumption in community buildings (e.g. day centres)
- Gas and electricity consumption in council housing
- Fuel consumption by waste collection vehicles
- Fuel consumption by other council vehicles
- Fuel consumption associated with business travel

It is recommended that the frequency of monitoring and reporting is also agreed at the outset. If reporting is to be an annual activity, there may still be value in more regular monitoring to ensure that emissions reporting is based, for example, on actual rather than estimated meter readings. For certain areas, it may be possible to align financial reporting with data provision - for example, the council's energy bills will be based on gas or electric meter readings - and it would be worth exploring whether aligning the two might lead to some internal efficiencies.

With regard to procured works, goods and services, the council adopted its Sustainable Procurement Policy in 2023. This sets out how environmental considerations will be built into the procurement and delivery of goods, works and services through its specifications, tender questions, evaluation criteria, key performance indicators and clauses of contracts.

Specifically in relation to carbon reduction, the policy sets out supplier expectations, stating that where relevant and appropriate to the contract and decided on a case by case basis, the council expects prospective suppliers to:

- Provide requested information and details of environmental impacts (including for in-scope suppliers, carbon emissions under scopes 1 and 2 with estimations

on emissions from scope 3 activities), compliance with corporate commitments and plans for improvement during the procurement process;

- Meet requirements for environmental impact improvement, monitoring and reporting (for example relating to carbon emission reduction) which have been built into the specification of contracts, where appropriate, and measure and report on these requirements throughout the contract lifetime, taking corrective and remedial actions if necessary;
- Commit to mitigating impacts on climate change throughout operations through carbon reduction initiatives as well as through the encouragement and support of this practice throughout their own supply chains;
- Minimise the transport requirements associated with any contract through local sourcing and servicing, efficiency improvements or transport alternatives (such as using postal services, active transport or electric vehicles) to minimise air pollution and carbon impact of transport operations;

This policy is expected to ensure that a consistent approach to carbon is applied throughout the tender process, reducing the risk around contracts being let which fail to deliver emissions reductions. It should be noted that whilst the policy sets out council requirements, it does not constrain council officers in exceeding the requirements where appropriate.

In terms of governance, it is recommended that operational (non-political) governance for the councils' net-zero targets, both for the council's own emissions and those from the wider borough area, should sit at Corporate Leadership Team level. This will ensure that the commitment to net-zero comes from the top of the council down. The recently established Climate Change Working Party will provide steer on key matters associated with the Council's response to climate change. Working party discussions will help shape the development of reports which will be taken through Corporate Management Committee (or other relevant committees as appropriate) on climate change matters. This will provide governance arrangements through which the council can ensure that operational decisions being made within each individual service area are consistent with the over-arching net-zero commitments.

It would also be worth considering Carbon Literacy training for the council, with the aim of achieving accreditation from the Carbon Literacy Project as a Carbon Literate organisation, possibly to Silver level. If the Senior Leadership Team undertook this training initially, that would help to embed a net-zero culture across the council, again from the top down.

7 Conclusions and Recommendations

Runnymede Borough Council has set an ambitious net zero target for its operations by 2030. To determine the extent of additional policies and actions required to meet this target, an evidence base of a comprehensive and accurate baseline is required, and is provided in this report.

This evidence base report has been compiled for Runnymede Borough Council to present the main components of their own footprint and wider geographical area. This can be used to work with internal council departments to identify key areas for projects or for wider stakeholder engagement with local businesses and other public bodies.

Throughout the report, a number of recommendations have been made - some recommendations relate to data improvements or suggestions to provide further data sources to the baseline and trajectories and some recommendations are suggested to Runnymede Borough Council as next steps. Both are summarised below.

Recommendation 1: Establish and maintain data flows

This study was informed by a number of key data sources obtained from different departments across Runnymede Borough Council. It is therefore recommended that as follow up to this work that data flows are established within the council which set out the data requirements from council officers across the different departments. This should communicate to all data providers the frequency at which data is required, the preferred format and the reporting period. It is important that this data requirement is established within departments as opposed to with individuals to ensure that institutional memory is retained should individuals move departments/ leave the council.

Recommendation 2: Data set improvements

The period between baseline compilation and data collection for the subsequent year should be utilised to follow up with data providers to discuss further clarification to data sets and to discuss alternative datasets which may allow for improvements in emission calculations. The following datasets have been identified as priorities following this baseline compilation and relate to areas where it is felt that data quality could be improved or data gaps filled.

A key principle of GHG inventory compilation is continuous improvement, and therefore RBC should view these data improvement suggestions as the start of an improvement plan to be implemented as a standard part of an annual cycle to improve the GHG estimates.

Energy consumption from operational and leased council buildings: Data is incomplete for some leased assets and so a priority of the improvement plan should be to gap fill missing data.

Council spend on third party suppliers: Current emission estimates from procurement are uncertain due to the use of per £ carbon factors. See Recommendation 3 for further guidance.

Water usage and treatment: It was not possible to estimate emissions from water usage and treatment from activity data (m³) and therefore spend data was used to infer consumption. Whilst the use of spend data is an acceptable data source for calculating

baseline emissions at a high-level baseline due to the close relationship between spend and consumption, to improve accuracy moving forward, it is recommended that the council collect data on a volume basis. It is however noted that as water usage and treatment is a minor source of emissions that this may be lower priority compared to other improvement items

Recommendation 3: Engage with the council's largest suppliers and contractors to better understand scope 3 emissions from third party suppliers procured by the council

As is expected, the emissions from third party suppliers who are providing goods, works and services for the council are a large source of emissions from the council's activities. The methodology used in this baseline study gives an indication of the magnitude of the emissions using high level estimates of CO₂e per £ spent.

To gain a more accurate representation of emissions from the procurement of third party suppliers it is recommended that the council improve the accuracy of the emission calculations by engaging with their highest spend sectors to provide more detailed information on the carbon emissions associated with the goods, services or works they are providing. The implementation and embedding of the council's 2023 Sustainable Procurement Policy within the organisation and the council's supply chains should allow the council to gather improved data in this regard.

Recommendation 4: Future tracking and reporting of GHG emissions

It will be necessary to produce further GHG inventories of emissions within the scope of this baseline in order to assess realised emission reductions. This will be required at minimum in any target year to verify if the emissions target has been achieved, however it is recommended that inventories are calculated annually to track progress. It is further recommended that the council consider some external verification of any updated GHG estimates to ensure that the estimates align with the GHG protocol methodologies and quality principles.

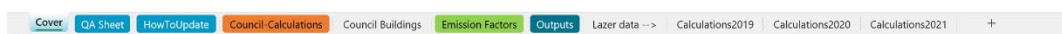
Appendix 1 – Council Estate Inventory Calculation tool

The council estate baseline was developed within Aether’s GHG inventory tool. The tool is designed to present the emission estimates in a transparent manner, with all data sources documented within the tool itself.

The ‘How To Update’ sheet in the workbook contains step-by-step instructions on how Runnymede Borough Council can update the inventory in the future. Figure 811 shows the cover page of the GHG inventory tool for Runnymede Borough Council. The sheets of the tool are as follows:

- **QA Sheet** – containing meta-data on version control, authors, quality assurance checks
- **How To Update** – containing steps on how to update the inventories and tracker in future iterations, as well as full references for data sources
- **Council-Calculations** - containing activity data, emission factors and emissions calculations for Runnymede Borough Council
- **Council Buildings** – containing emission calculations at the council building level using linked activity data from the laser energy data sheets.
- **Emission factors** – contains the emission factors applied to activity data to calculate greenhouse gas emissions
- **Outputs** – containing summary figures of the inventories
- **Laser data** – Sheets ‘Calculations 2019-2021’ include the raw energy consumption data from laser energy for the council building calculations.

Figure 811: Structure of Runnymede Borough’s GHG Inventory tool



Appendix 2– Borough wide Inventory Datasets

Table A2.1: Data sets used for the borough GHG inventory

Source number	Data Source	Sector	Description
1	Department for Business, Energy and Industrial Strategy (BEIS): 'Sub-national electricity sales and numbers of customers'	Grid electricity; domestic economy, domestic standard and non-domestic	This dataset provides energy consumption data for domestic and commercial electricity use in the borough of Runnymede.
2	Department for Business, Energy and Industrial Strategy (BEIS): 'Road transport energy consumption at regional and local authority level'	Borough bus travel, Borough diesel car travel, Borough petrol car travel, Borough motorbike travel, Borough HGV, Borough LGV diesel and Borough LGV petrol	This dataset provides fuel consumption data (diesel and petrol) for road vehicles in the borough of Runnymede.
3	Department for Business, Energy and Industrial Strategy (BEIS): 'Sub-national weather uncorrected gas sales and numbers of customers'	Natural gas; domestic and non-domestic	This dataset provides energy consumption data for domestic and commercial gas use in the borough of Runnymede.
4	Department for Business, Energy and Industrial Strategy (BEIS): 'Sub-national estimates of non-gas, non-electricity and non-road transport fuels'	Petroleum, coal and manufactured solid fuels consumption	This data set provides consumption data for other fuels, non-gas and non-electricity for domestic, commercial, industrial and non-road transport use in the borough of Runnymede.
5	Department for Business, Energy and Industrial Strategy (BEIS): 'UK local authority and regional carbon dioxide emissions national statistics'	Borough emissions from land use, agriculture and waste	This dataset provides net CO ₂ e emissions from land use, land use change and forestry (LULUCF), agriculture and waste for the borough of Runnymede.
6	Department for Business, Energy and Industrial Strategy (BEIS): 'Greenhouse gas reporting: conversion factors' 2019 - 2020	All sectors	This dataset provides emission factors for all sources covered in this inventory.

Calculation Input Data

Table A2.2: Activity data for the borough GHG inventory

Sector	Category	Fuel	Unit	Data Source	2019	2020
Commercial	Non-domestic	Gas	GWh	3	240	243
Commercial	Non-domestic	Electricity	GWh	1	250	216
Commercial	Public Administration	Petroleum	ktoe	4	0.171	0.331
Commercial	Commercial	Petroleum	ktoe	4	0.114	0.054
Industrial	Industry	Petroleum	ktoe	4	2.9	2.7
Industrial	Industry	Manufactured solid fuels	ktoe	4	0.05	0.06
Industrial	Industry	Coal	ktoe	4	-	-
Land Use	Forest	Net CO ₂ emissions	kt CO ₂ e	5	-5.26	-5.25
Land Use	Cropland	Net CO ₂ emissions	kt CO ₂ e	5	1.97	1.99
Land Use	Grassland	Net CO ₂ emissions	kt CO ₂ e	5	-2.27	-2.28
Land Use	Wetlands	Net CO ₂ emissions	kt CO ₂ e	5	-	-
Land Use	Settlements	Net CO ₂ emissions	kt CO ₂ e	5	1.27	1.29
Residential	Domestic	Gas	GWh	3	472	509
Residential	Domestic	Electricity	GWh	1	154	163
Residential	Domestic	Petroleum	ktoe	4	0.55	0.57
Residential	Domestic	Coal	ktoe	4	0.29	0.28
Residential	Domestic	Manufactured solid fuels	ktoe	4	0.35	0.34
Transport	Buses	Diesel	ktoe	2	1.83	0.99
Transport	Cars	Petrol	ktoe	2	37.3	28.2
Transport	Cars	Diesel	ktoe	2	39	28
Transport	Motorcycles	Petrol	ktoe	2	0.55	0.38
Transport	HGV	Diesel	ktoe	2	20.8	21.3
Transport	LGV	Petrol	ktoe	2	0.6	0.5

Sector	Category	Fuel	Unit	Data Source	2019	2020
Transport	LGV	Diesel	ktoe	2	18.2	18.0
Transport	Rail	Petroleum	ktoe	4	0.186	0.158
Agriculture	Off-road/agriculture	Petroleum	ktoe	4	0.159	0.156
Agriculture	Livestock	-	kt CO ₂ e	5	2.10	2.10
Agriculture	Soils	-	kt CO ₂ e	5	0.53	0.47
Waste	Landfill	-	kt CO ₂ e	5	7.62	6.99
Waste	Waste Management 'Other'	-	kt CO ₂ e	5	10.63	10.59

Table A2.3: Emission factors for the borough GHG inventory

Sector	Category	Fuel	Unit	Data Source	2019	2020
Multiple	UK	Grid Electricity	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - UK Electricity - Electricity generated	0.2556	0.2331
Multiple	UK	Grid Electricity T&D	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - Transmission and distribution - T&D- UK electricity	0.1839	0.1839
Multiple	UK	Natural Gas	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - Fuels - Gaseous Fuels - Natural Gas - kWh (Gross CV)	0.3318	0.3204
Multiple	Industrial & Commercial	Coal	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - Fuels - Solid fuels - Coal (industrial) - kWh (Gross CV)	0.2568	0.2567
Multiple	UK	Gas oil	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - Fuels - Liquid fuels - Gas Oil - kWh (Gross CV)	0.3350	0.3350
Multiple	UK	Solid smokeless fuel	ktCO ₂ e/TJ	NAEI https://naei.beis.gov.uk/data/ef-all-results?q=149740	0.3447	0.3446
Residential	Domestic	Coal	ktCO ₂ e/TJ	NAEI https://naei.beis.gov.uk/data/ef-all-results?q=149742	0.2468	0.2467
Residential	Domestic	Kerosene (burning oil)	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - Fuels - Liquid fuels - Burning Oil - kWh (Gross CV)	0.1734	0.1684
Transport	Car (average size)	Diesel	kg CO ₂ e/km	UK Government GHG Conversion Factors for Company Reporting - Passenger vehicles - Cars (by size) - Average car - Diesel	0.1808	0.1743
Transport	Car (average size)	Petrol	kg CO ₂ e/km	UK Government GHG Conversion Factors for Company Reporting - Passenger vehicles - Cars (by size) - Average car - Petrol	0.1047	0.1031

Sector	Category	Fuel	Unit	Data Source	2019	2020
Transport	Buses	Petrol	kg CO ₂ e/passenger km	UK Government GHG Conversion Factors for Company Reporting - Business travel-land - Bus - Average Local Bus	0.8456	0.8302
Transport	HGV (all, 50% laden)	Diesel	kg CO ₂ e/km	UK Government GHG Conversion Factors for Company Reporting - Freightng goods - HGV(all diesel) - All HGVs – 50% laden	0.1155	0.1134
Transport	Motorcycle (average)	Petrol	kg CO ₂ e/km	UK Government GHG Conversion Factors for Company Reporting - Passenger vehicles - Motorbike - Average	0.2365	0.2196
Transport	Van (average)	Petrol	kg CO ₂ e/km	UK Government GHG Conversion Factors for Company Reporting - Freightng goods - Vans - Average (up to 3.5 tonnes) - Petrol	0.2521	0.2471
Transport	Van (average)	Diesel	kg CO ₂ e/km	UK Government GHG Conversion Factors for Company Reporting - Freightng goods - Vans - Average (up to 3.5 tonnes) - Diesel	0.2568	0.2567
Transport	Rail	Diesel	kgCO ₂ e/kWh	UK Government GHG Conversion Factors for Company Reporting - Fuels - Liquid fuels - Gas Oil - kWh (Gross CV)	0.2556	0.2331

Appendix 3 - Key Terms and Definitions

Activity: an action that leads to emissions of greenhouse gases. Examples include combustion of fossil fuels for heat, generation of electricity and transport, treatment of waste and wastewater, industrial processes. Activity data represent how much of this activity is taking place and has a variety of different units e.g. kWh, passenger kilometres, tonnes of waste etc.

Carbon dioxide equivalent (CO₂e): carbon dioxide equivalent is a measure used to compare the emissions from various greenhouse gases based upon their global warming potential. For example, the global warming potential for methane over 100 years is 28. Therefore 1 tonne of methane released is equivalent to 28 tonnes of CO₂ (measured on a 100-year time horizon). Therefore, CO₂e works as a single 'currency' for greenhouse gases.

Carbon emissions: often used as a shorthand to refer to greenhouse gas (GHG) emissions that are included in the Kyoto Treaty. Carbon dioxide is the most common GHG and other gases can be measured in relation to it (see CO₂e).

Carbon neutral: the balancing of carbon emissions against carbon removals and/or carbon offsetting with the net result being zero (see also net zero carbon).

Carbon reduction: an activity that reduces carbon emissions compared to a baseline scenario.

Climate change: the large-scale, long-term shift in the planet's weather patterns or average temperatures.

Climate change mitigation: action taken to reduce the release of greenhouse gas emissions or increase the removal of emissions by enhancing sinks (e.g. increasing the area of forests).

Decarbonisation: usually refers to the electricity sector and refers to reducing the carbon intensity of electricity generated (emissions per kWh) by increasing efficiency of supply or changing the generation fuel mix from fossil fuel to renewables and low carbon sources.

Emission factor: the average emissions of a given GHG for a particular activity. Emission factors are also expressed as the average combination of GHGs for a particular activity, in units of kgCO₂e.

Global warming: refers to the recent and ongoing rise in global average temperature near Earth's surface. It is caused mostly by increasing concentrations of greenhouse gases in the atmosphere. Global warming is causing climate patterns to change. However, global warming itself represents only one aspect of climate change.

Greenhouse Gas (GHG): a gas in our atmosphere that absorbs and emits radiation within the thermal infrared range. There are naturally occurring greenhouse gases in our atmosphere which maintain surface temperatures in a range conducive to life. However, since the industrial revolution, anthropogenic sources of GHGs have increased hugely, leading to 40% increase in atmospheric concentration of carbon dioxide. This is causing

increases in surface temperatures and is the main cause of climate change. There are seven GHGs covered by the Kyoto Treaty, but the main ones are carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), and action needs to be taken to reduce emissions of these.

Greenhouse Gas Protocol: a joint initiative of the World Resource Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the GHG Protocol provides global standard frameworks for the measurement and management of greenhouse gas emissions.

Net zero carbon: the balancing of carbon emissions against carbon removals and/or carbon offsetting with the net result being zero (see also carbon neutral).

Project lifetime: anticipated lifetime of an energy efficiency technology or low carbon behaviour, used to calculate lifetime savings.

Removals: CO₂ removals refer to a set of techniques that aim to remove CO₂ directly from the atmosphere by either increasing natural sinks for carbon or using chemical engineering to remove the CO₂, with the intent of reducing the atmospheric CO₂ concentration.

Scope: a way of categorising emission sources in relation to the reporting organisation, used as a way of providing transparency in emissions accounting, making it clear the type of emission source and the level of control of the reporting organisation over the source. Three levels of scope have been defined and used on a global basis.

Sequestration: a natural or artificial process by which carbon dioxide is removed from the atmosphere and held in solid or liquid form. The uptake of atmospheric carbon by plants and the growth of wood or increase of peat volume are examples of biological sequestration. Also see removals.



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Report title	Shared Prosperity Fund Update
Report author	Paul Hadfield, Senior Economic Development Officer
Department	Planning, Economy, and Built Environment
Exempt?	No
Exemption type	Not applicable.
Reasons for exemption	Not applicable.

Purpose of report:
For information and to resolve.

Synopsis of report:
To provide an update on the development of the Runnymede Shared Prosperity Fund (SPF) Investment Plan.

Recommendation(s):
To note:

- Progress on the development of the SPF Investment plan as detailed in section 2

 To approve :

- The release of £20,000 provision set aside in the General Fund Revenue Budget to support the feasibility study to improve the public realm in Guildford Street in Chertsey (as detailed in 2.8-2.10)
- The business case which has been completed to procure a contractor to carry out a wayfinding audit and to develop proposals and purchase new signage in the Borough's three main town centres (see Appendix 2).

1. Context and background of report

- 1.1 In July 2022 CMC agreed the indicative projects and budgets that would form the basis of the Council's Investment Plan to the UK Shared Prosperity Fund (SPF) and unlock the Council's £1 million allocation.
- 1.2 The SPF is the key Government funding stream which supports levelling up. The primary goal of the SPF is to build pride in place and increase life chances across the UK. There are three UKSPF investment priorities:
 - Communities and place.
 - Supporting local business.
 - People and skills.

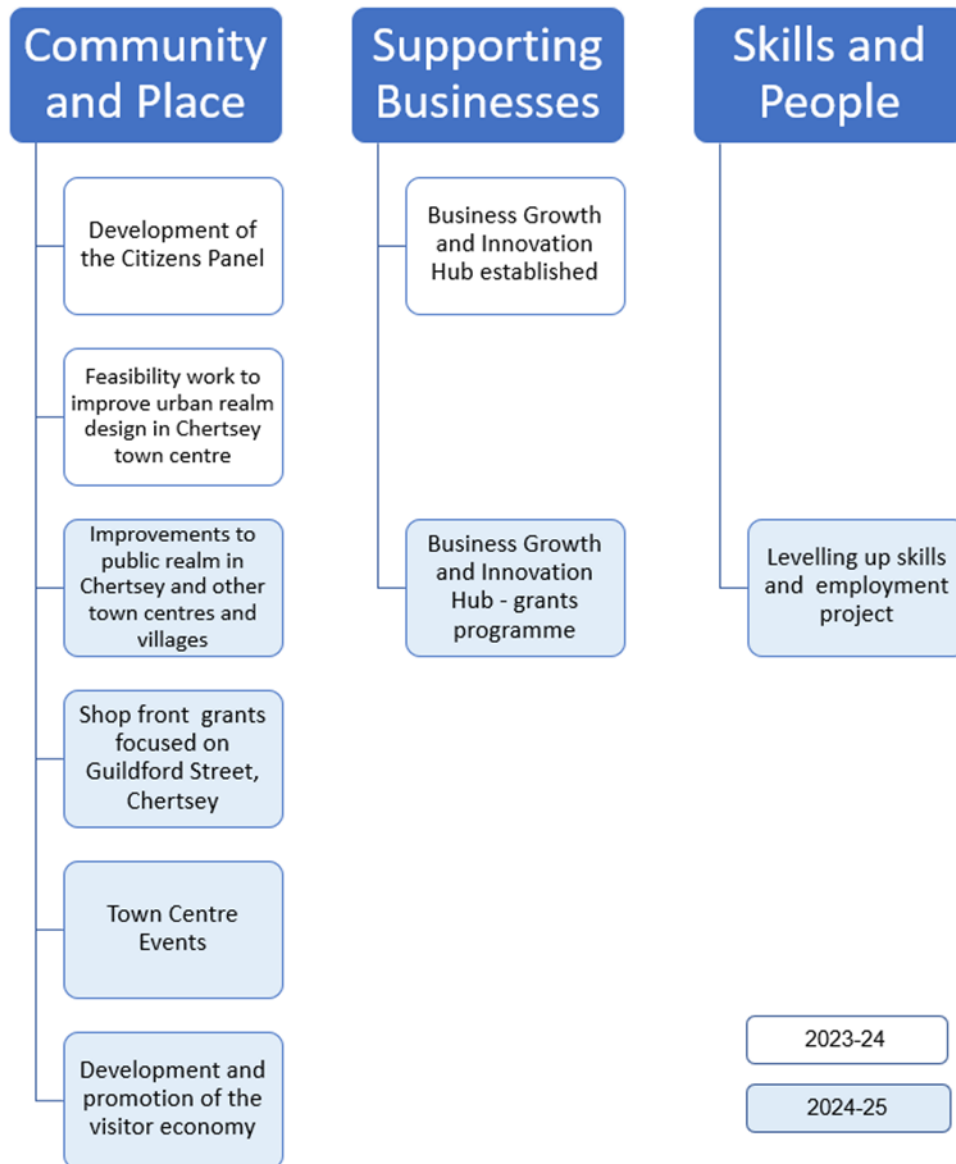
- 1.3 CMC agreed in July 2022 to delegate authority to the Chief Executive, in consultation with the Chairman and Vice-Chairman of the Committee to refine the SPF programme before submitting to the Department of Levelling Up, Housing and Communities (DLUHC). Ben Spencer MP was consulted on the proposals and several changes to the investment Plan were made to consolidate the programme.
- 1.4 The Investment Plan was submitted to the Department for Levelling Up, Housing and Communities (DLUHC) on the 30 August 2022. Approval from DLUHC had been expected in November. However, the decision by DLUHC was not received until 11 January 2023.

2 The SPF Investment Plan

- 2.1 The Investment Plan sets out the challenges and opportunities for SPF, the objectives and activities which will be supported by the funding, the budget, and how the activity will be measured against the SPF outcomes and outputs.
- 2.2 An MOU between DLUHC and Runnymede Borough Council was signed in January 2023. This sets out the terms of the agreement for the delivery of the SPF programme in the borough. It states that SPF funding should be used to deliver the interventions, outputs and outcomes detailed in the Investment Plan.
- 2.3 The budget for the investment plan was spread across three years. Over £916,000 (91%) of funding is allocated to 2024/25.

	2022-23	2023-24	2024-25	Total
Revenue	£25,144	£48,612	£732,950	£806,706
Capital	2,793	7,264	183,237	193,294
Total	£27,937	£55,876	£916,187	£1,000,000

- 2.4 The delays with the approval of the MOU caused slippage in the original timescales in the Investment Plan. A request was submitted to DLUHC for the funding and activity identified for 2022/23 to be moved into 2023/24. This was agreed by DLUHC on 26 June 2023.
- 2.5 The following provides a summary of the objectives and scheduling of activity over the next two years for each of the three SPF priorities in the Runnymede Investment Plan.



2.6 The tables below provide further details of projects and progress achieved to date.

Priority 1 Communities and place

- 2.7 The objectives for the Communities and Place priority are to level up Runnymede residents' pride in their places through improvements to the urban environment, a stronger social fabric and better life chances. Building on our £160 million investment into Addlestone and Egham town centres, our next place shaping objective is to deliver improvements to Chertsey Town Centre – our third major town. Chertsey is therefore the focus for the SPF investment in Community and Place. This funding will enable the Council to take some initial steps to improve the town centre environment.
- 2.8 A feasibility study will build on the high-level recommendations for improvements to the town centre which were developed following consultation with businesses and stakeholders in 2021. In particular, the study will drill down further into key elements

of this earlier work, which identifies Guildford Street as an area of main town centre activities. The feasibility study will identify:

- ideas for the widening of pavements,
- ideas for increasing seating areas,
- how the town centre improvement plans can best incorporate and respond to the LCWIP plans identified through Surrey County Council's walking and cycling strategy, which can be seen on the following website:
[Plans to improve walking and cycling - Surrey County Council \(surreycc.gov.uk\)](https://www.surreycc.gov.uk/plans-to-improve-walking-and-cycling)
- materials and costing breakdowns to support the allocated SPF funds to improve the Public Realm Works project, which will form part of the SPF project.

2.9 The feasibility work has £15,000 allocated from the SPF. The Service Plan 2023/24 for Planning Policy and Economic Development identified that an additional £20,000 was required as growth to fund this project. A business case has been completed by officers in Economic Development, in consultation with Finance and Project Management (attached as Appendix 1).

2.10 The delivery of improvements to Chertsey Town Centre will take account of town centre regeneration initiatives and the development of improvements to active travel infrastructure in the town identified in the Local Cycling and Walking Infrastructure Plan. Village improvements will also be considered where appropriate.

Priority 1 Communities and place		
Project	Progress to date	Budget
<p>Citizens Panel Set up a Citizens' Panel, made up of representatives from across our resident and business communities to enable Runnymede Borough Council to conduct both qualitative and quantitative market research and to reach all segments of the community, combining social media with face-to-face panels or paper-based questionnaires.</p>	<p>Royal Holloway University of London have completed a report setting out the benefits of a panel and recommendations on how it should be developed. CMC approved the development of the Citizens Panel on 13 July 2023. Electoral Services are leading on setting up the panel by March 2024.</p>	<p>£10,000</p>
<p>Levelling Up town centres and villages through retail and tourism Deliver improvements which will build pride in Chertsey Town Centre's heritage and identity and improve the vibrancy and vitality of the town. We will transform Guildford Street into a central community, social, cultural and entertainment hub, encouraging pedestrians, improving safety, air quality, health, and wellbeing to increase footfall and dwell time through investment in the historic environment and urban realm. The Communities and Place SPF programme will include the following:</p>	<p>A feasibility study to improve the urban realm design in Guildford Street in Chertsey will be completed by March 2024. The study will build on the recommendations for improving the town centre developed following consultation with businesses and stakeholders in 2021. A Business Case (see Appendix 1) has been completed to access an additional £20,000 of growth funding to top-up the £15,000 of SPF to undertake this feasibility work (making a total of £35,000). The study</p>	<p>£371,000</p>

<ul style="list-style-type: none"> • improved wayfinding and interpretation, planting, new street furniture. • improved accessibility through installation of bollards to enable pedestrianisation, and active travel improvements. • investment in the improvement of shop fronts • the establishment and development of innovative markets and arts, heritage and cultural events. 	<p>will produce an audit and recommendations for improvements for Guildford Street which will be funded utilising £356,000 of SPF in 2024/25.</p>	
	<p>Town Centre Wayfinding Improvements A business case has been completed to procure a contractor to carry out a wayfinding audit and to develop proposals and purchase new signage in the Boroughs three main town centres (see Appendix 2). The audit and report on recommendations for improving wayfinding will be completed by July 2024. The purchase and installation of new signage will be completed by March 2025.</p>	<p>£119,000</p>
	<p>Investment in the improvement of shop fronts The consultants who will be undertaking the feasibility work on improving the public realm in Guildford Street will also complete a guide for improving shop fronts on Guildford Street. The guide will inform the allocation of grants to businesses in 2024/25. The funding will</p>	<p>£165,000</p>

	support up to 20 businesses with grants of between £5,000 and £15,000.	
	Support to develop the tourism and visitor economy. In 2024/25 a strategic working group of stakeholders and businesses in the borough's tourism and visitor economy will be established. The group will help develop an action plan to support the sector.	£15,000
	Town Centre Events. A calendar of events in the three main Town Centres will be delivered in 2024/25.	£30,000

Priority 2 Supporting Business

- 2.11 The Runnymede Economic Development Strategy 2022-2026 identified an opportunity to accelerate business growth by focusing support to help scale up new, small and micro businesses, increase innovation, and support growth clusters in the tech sector, ie Cyber Security and Createch. The objective for the SPF priority Supporting Business is to establish a business growth and innovation service in the borough to encourage business start-ups, innovation, and growth.
- 2.12 On 15 December 2022 CMC approved the procurement of the Runnymede Business Growth and Innovation Service as part of a joint business support service with Spelthorne BC.
- 2.13 The service will target small and micro businesses based in Runnymede, which have been trading for one year, or have become incorporated. Support will focus on businesses with growth potential. The service is not aimed at businesses which are lifestyle businesses which do not have potential to grow or businesses which are struggling and are at risk of closing. These businesses will be signposted to other advice and information services.

Priority 2 Supporting Business		
Project	Progress to date	Budget
A Business Growth and Innovation Hub will be established to help entrepreneurs, business start-ups and small micro businesses to scale up. The hub will provide specialist advice, coaching and mentoring particularly for cybersecurity, creative/immersive technologies, and low carbon businesses. It will assist businesses	Following an open tender process Coast to Capital have been appointed to deliver the Runnymede Business Growth and Innovation Service. Coast to Capital have ten years' experience of delivering the Business Growth Hub in the Coast to Capital LEP area. The service will start in	£190,000

<p>with expert development of growth plans.</p> <p>A grants programme will provide small grants of up to £5,000 to business to support innovation and growth. Grants will be targeted at small and micro businesses based in Runnymede, which have been trading for one year, or have become incorporated. The grants programme will incorporate business support which will ensure that businesses are viable and have business growth plans in place.</p>	<p>September 2023 and end March 2025. The cost of running the service is £80,000. It will be based at the Enterprise Hub at Royal Holloway University of London. Most of the support will be delivered off site with small business owners. A programme of workshops and networking events will be held in partnership with the University and Business Runnymede.</p> <p>The service will provide mentoring and coaching to 48 businesses. Businesses will be able to access grants of up to £5,000 to help finance their growth plans. The total amount of grant funding is £110,000.</p>	
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Priority 3: People and Skills

- 2.14 The Runnymede Economic Development Strategy 2022 to 2026 includes the priority to ensure that residents have the appropriate qualifications and skills to access local employment opportunities. The objectives for the SPF investment in People and Skills is to upskill residents in the local areas of greatest deprivation, levelling up opportunities towards entering work, mitigating the current mismatch between skills and vacancies in the borough and supporting growth of the local economy.
- 2.15 The Elmbridge and Runnymede Youth Hub helps improve employment for 16 to 24-year-olds. It is delivered by Brooklands college and provides support with confidence building, CV writing and interview skills as well as work experience with local employers. The Hub supports 80 young people from Runnymede each year, helping 20 of these young people into employment and a further 20 into skills and education. The college has established strong partnership working with businesses and community organisations and specialist agencies that work with young people.
- 2.16 Funding of £71,000 p.a. was secured from the DWP's Flexible Support Fund to set up and develop the hub across both boroughs from September 2021 to September 2023. The SPF funding will be utilised to enable the Youth Hub to continue through to March 2025. Elmbridge BC have indicated that they will use their SPF to allow the Youth Hub to continue through to March 2025.

Priority 3: People and Skills		
Project	Progress to date	Budget
<p>We will deliver employment support to hard-to-reach groups. This will include employability skills, job search skills, understanding your skills and motivation, confidence building, presentation skills, interview techniques, networking skills, understanding self-employment, volunteering, and work experience. We will work with partners to provide specialist support with financial management, and support with housing and mental health and other barriers which prevent people from deprived communities progressing into employment. We will increase the number of local businesses investing in skills and employment and providing employer talks and visits to workplaces, work placements and apprenticeships.</p>	<p>Youth Hub The SPF will be used to extend the work of the Elmbridge and Runnymede Youth Hub to improve employment and skills of young people aged 16- to 24-year-old. The support will focus on young people with low education attainment and others who face barriers to employment.</p>	£40,000
	<p>Strengthening pathways to employment for people aged 25 and over. Support will be developed to strengthen referrals and partnership working between employment support providers, health services and housing providers, community originations and specialist support and employers.</p>	£60,000

3 Policy framework implications

- 3.1 The SPF is designed to help deliver the Government’s Levelling Up Agenda. The aim of the funding is that ‘By 2030, pride in place, such as people’s satisfaction with their town centre and engagement in local culture and community, will have risen in every area of the UK, with the gap between the top performing and other areas closing.’
- 3.2 The SPF Investment Plan supports the council’s Economic Development Strategy 2022 -2026, which aims *‘to build on the Borough’s economic strengths to support a resilient, productive, low carbon and high-value economy. The Council wants to ensure that Runnymede continues to be a leading economy, in Surrey, the wider sub-region, and the UK’.*
- 3.3 The SPF investment strategy will support the following priorities:
- Priority 2: Maintaining competitive advantage through business engagement, strengthening business networking.
 - Priority 3: Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy
 - Priority 4: A dynamic workforce for a high-tech, creative economy
- 3.4 The SPF Investment Plan supports the following Corporate Strategies:

- **The Empowering Communities Strategy 2022** , by improving engagement with residents through the development of the Citizens Panel.
- **The Climate Change Strategy 2022-2030** by supporting businesses to become more sustainable, supporting the development of businesses working in the green economy and by raising awareness amongst residents of skills and employment in the green economy.,
- **The Health and Wellbeing Strategy 2022-2026**, by supporting residents with health issues and poor mental health back into employment.

○

4 Resource implications

- 4.1 The SPF allocation for Runnymede is spread across 2003/24 and 2024/25 and is as follows:

	2023-24	2024-25	Total
Revenue	£73,756	£732,950	£806,706
Capital	10,057	183,237	193,294
Total	£83,813	£916,187	£1,000,000

- 4.2 The 2023/24 budget approved by Full Council in February 2023 included a provision of £20,000 for a feasibility study to review improvements to Chertsey Town Centre. This work is detailed in 2.8, - 2.10 above. Approval is subject to a future committee report, including the submission of a full business case for member approval. This business case is set out in Appendix 1.
- 4.3 If Members are content with the detail presented in this report and business case, and the costs presented are within the amount provided for in the growth provision, the Committee can provide their approval to proceed and for the budget provision to be released.
- 4.4 A business case has been completed to procure a contractor to carry out a wayfinding audit and to develop proposals and purchase new signage in the Boroughs three main town centres (see Appendix 2). The total cost is £119,000 which will be funded by the SPF.

5 Legal implications

- 5.1 A waiver has been permitted by the Procurement Board to use the consultants who completed a review of Chertsey Town Centre in 2021, to undertake the feasibility study for Chertsey Town Centre (as detailed in 2.8, - 2.10 above). It was considered that this approach represented best value for money based as the consultant possessed in-depth knowledge acquired through their previous work carried out in this area. The approach would therefore avoid the duplication of work that would be done by new consultants.

- 5.2 The consultants are also familiar with Surrey County Council's (SCC) town infrastructure strategy.
- 5.3 Legal will be consulted to form contracts for consultants and service providers.

6 Equality implications

- 6.1 The Council has a Public Sector Duty under the Equalities Act 2020 to have due regard to the need to:
 - a. Eliminate unlawful discrimination, harassment, or victimisation.
 - b. Advance equality of opportunity between persons who share a Protected Characteristic and persons who do not share it;
 - c. Foster good relations between those who share a relevant protected characteristic and persons who do not share those characteristics.
- 6.2 An equalities impact assessment was completed for the Economic Development Strategy in April 2022. This included an assessment of the work covered by the SPF Investment Plan.

7 Environmental/Sustainability/Biodiversity implications

- 7.1 The SPF Investment Plan will support Runnymede's Climate Change Strategy 2022-2030, by supporting businesses to become more sustainable, supporting the development of businesses working in the green economy and by raising awareness amongst residents of skills and employment in the green economy.
- 7.2 In line with some of the key corporate objectives, the feasibility study aims to unlock the potential for Guildford Street to create a greener environment and encourage a circular economy (a concept advocated by the Council's climate change strategy).
- 7.3 The feasibility study aims to facilitate changes to Chertsey Town Centre which would encourage localised events that people can cycle or walk to. This is in line with the 20-minute neighborhood concept which is supported by the Council's Climate Change Strategy, by bringing essential services within easy reach of local communities by walking, cycling and public transport.

8. Appendices

Appendix 1: The Business Case for the Feasibility Study on the public realm and accessibility improvements to Guildford Street.

Appendix 2: The Business Case to procure a contractor to carry out a wayfinding audit and to develop proposals and to purchase new signage in the Boroughs three main town centres

Project/Item Title	Feasibility Study focused on the public realm and accessibility improvements to Guildford Street		Version	1.0
Corporate Head	Ashley Smith	Service Area	Economic Development	
Service Committee to Approve Budget	TBC			
Anticipated Cost of Proposal (Capital) - Has external grant funding been considered for this project?	NIL.	Anticipated Cost Proposal (Revenue)	£35,000 in total (including SPF funding of £15K) £20,000 of growth is reqd	
To be completed for Projects only				
Type of Project	Improvement	Project Duration	03/04/2023 - 31/03/24	
Proposed Project Start Date	01/09/23	Proposed Project End Date	31/03/24	

Business Case Context

Background

Describe the purpose of the Business Case, what benefits are expected to be delivered or what problem will be solved (What is wrong with the status quo? What are the drivers for change?). Is the scheme a result of legal/statutory requirements or a stakeholder consultation? If contract management will be required during or after the project, who will do this and how will it be resourced?

The objectives for the Communities and Place priority for the Borough within the Shared Prosperity Fund is to level up Runnymede residents' pride in their places through improvements to the urban environment, to create a stronger social fabric and better life chances. Building on our £160 million investment into Addlestone and Egham town centres, our next place-shaping objective is to deliver improvements to Chertsey Town Centre, our third major town. Chertsey will therefore be the focus for the Shared Prosperity Fund to invest in Community and Place. A feasibility study is now proposed which will build on the high-level recommendations of the 2021 Chertsey Masterplan. In particular, the study will drill down further into key elements of the 2021 masterplan report, which identifies Guildford Street as an area of main town centre activities. The feasibility study will identify:

- ideas for the widening of pavements,
- ideas for increasing seating areas,
- how the town centre improvement plans can best incorporate and respond to the LCWIP plans from SCC for this part of the Borough
- materials and costing breakdowns to support the allocated SPF funds to improve the Public Realm works project, which will form part of the SPF project.

The feasibility work currently has £15k allocated from the SPF, which has been agreed by the leader and the deputy leader. It has also been agreed through CMC, & CLT. The Service Area Plan 23/24 for Planning Policy and Economic Development identified an additional £20k required as growth to fund this project. This growth item is currently provisional in the budget pending a full business case and Committee approval to release the funds. It is envisaged that the recommendations from the feasibility study will subsequently be delivered using other allocations from the SPF projects in Year 3.

The feasibility work will support the transformation of Guildford Street into a central community, social, cultural and entertainment hub, encouraging pedestrians, improving safety, air quality, health, and wellbeing to increase footfall and dwell time through investment in the historic environment and urban realm.

Strategic Links - relate this Business Case to RBC Corporate Priorities and Corporate Values

Corporate Themes	Describe how this Business Case meets / contributes to any relevant Corporate Priorities listed under each Corporate Theme. - Delete those not applicable Find out more about the Council's Corporate Business Plan here
Supporting Our Communities <i>Improving the quality of people's lives and future opportunities through developing healthier and safer communities, as well as listening to and representing local people.</i>	The wider 'pride in communities' SPF project has been informed by a number of the council's corporate strategies for 2022-2026. Empowering Communities Strategy, Economic Development Strategy, Climate Change Strategy, and Health and Wellbeing Strategy (copies of these strategies have been sent to UKSPF as background information to support the Borough's proposals for the SPF monies).
Enhancing Our Environment <i>Promoting a cleaner, healthier and greener borough and revitalising areas in need of physical improvement whilst preserving our heritage and open spaces.</i>	The Council's Corporate Business Plan 2022 - 2026 identifies five key objectives: climate change, empowering communities, health and wellbeing, economic development, and organisational development. In line with some of the key objectives, the feasibility study aims to unlock the potential for Guildford Street to create a greener environment and encourage a circular economy (a concept advocated by the Council's climate change strategy). Also the feasibility study aims to facilitate changes to Chertsey Town Centre which would encourage localised events that people can cycle or walk to. This is in line with the 20 minute neighbourhood concept which is supported in the Council's Climate Change Strategy and which supports schemes which bring essential services within easy reach of local communities by walking, cycling and public transport.
Improving Our Economy <i>Maintaining and developing prosperous and vibrant communities, attracting infrastructure improvements, and supporting our businesses to create opportunities for all.</i>	The feasibility study will also be aligned with priority 3 from the Economic Development Strategy 2022-2026 which is: developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy by providing a wider range of shopping experiences to the community. Specifically, the aim of the feasibility study is to identify proposals which will encourage visitors to increase dwell time and spending locally. Aligned with the Health & wellbeing strategy, this study will consider one of the Healthy Communities objectives: for all residents to be able to engage and participate in their community, and access services, facilities, amenities, leisure, and recreational opportunities locally, which in turn reduces loneliness and isolation.
Developing Our Organisation <i>Adapting internally to deliver our Corporate Priorities and seek continuous improvement.</i>	
Corporate Values	
People-focussed – we will put people at the heart of what we do and they will be able to deal with us easily.	This business case fits with the following Corporate values: People focused - responds to the needs and demands of the Borough's local communities, passionate and performance-driven - This business case demonstrates the Council's passion and commitment to improve Chertsey Town Centre for the benefit of our residents. By using expert consultancy advice, we will endeavour to achieve excellent results through the improvements which we make and which offer excellent value for money . Officers are also committed to engaging comprehensively with the community and key stakeholders during the course of the feasibility study in a way that promotes equality and diversity - all members of the community should be able to have their voices heard and we will endeavour to achieve this.
Passionate – we will empower our staff to be passionate about all we do.	
Performance driven – we will strive for excellence in all we do.	
Promoting equality and diversity – we believe in fairness as well as maintaining a diverse workforce so we can	
Delivering excellent value for money – we will strive to be as efficient and effective as possible.	
List your Business Case Objectives, ensuring they are Specific, Measurable, Achievable, Realistic and Timely	
To provide an attractive environment that encourages dwell time and localised spend in Chertsey town centre	
To increase business investment in Chertsey town centre	
To increase employment opportunities in Chertsey for local people	

All of the above objectives are considered to be specific, achievable and realistic and capable of being measured. In terms of being time bound, the feasibility study will be the pre cursor to making town centre improvements in Chertsey in line with the timeframe presented through the SPF criteria. In terms of how the above objectives will be measured, this will be via footfall data generated from car park numbers, from information provided by event organisers and through engagement and surveys with businesses in the town.

List the Constraints or Parameters in which this Business Case will operate

A total of £190,000 has been identified for the wider 'pride in communities' project from the Shared Prosperity Fund (SPF). This is included in the borough's SPF investment plan which was submitted at the end of August 2022. This is not a competitive bidding process. DLUCh are satisfied that the Investment Plan meets the SPF guidelines. In October 2022 DLUCh confirmed that the funding requested has now been agreed. Agreement was also sort through CMC & ESC & SLT.

The main SPF constraints are within the guidance. There is an expectation that the feasibility study will be delivered in the financial year 2023-24 (Year 2 of the SPF)

We will submit a waiver to Contract Standing Orders seeking approval to continue with the consultant that carried out the revised Chertsey Masterplan study as they have already completed a significant portion of the baseline work and stakeholder engagement (a direct award). Procuring new providers is likely to be less financially viable as we would have to spend additional resources on research, walkabout costs, and bringing new consultants up to speed on information that our current consultants are already familiar with. By continuing with our current contractor, we save both time and money.

List the Outcomes and Benefits (including efficiency gains) you expect the scheme to achieve

The feasibility study will allow for comprehensive, evidence driven proposals to be developed related to public realm works and the beautification of specific areas on Guildford Street. The feasibility study will also identify areas of improvement with the buy-in from businesses and residents through the engagement work in the study.

Continuity of engagement with the community as they will be familiar with previous engagements from the consultants during the course of the Chertsey Masterplan development.

Time spent on project outcomes will be delivered more efficiently if there are focused areas for development/improvement as evidenced through the feasibility study

Appraisal of Business Options (must include evaluation of a 'do nothing' option)

Option 1: Growth of £20,000 to support the SPF allocated £15,000 to deliver a feasibility study to focus on Guildford Street. The outcomes of this report will support the improvement work needed in Guildford Street to support the pride in communities objectives of the SPF

Option 2: (do-nothing): Event activity identified in the 'pride in community' funding will be impacted. Events are less likely to be successful in attracting significant footfall or increasing dwell time to improve the vitality and viability of Chertsey. Improving shop frontages and the public realm will be delivered as individual projects but without any underpinning evidence which could mean that improvements made are piecemeal in nature and not part of a wider vision/comprehensive strategy.

Benefits

Consider any tangible benefits of the Preferred Option, consider benefits such as income generation, savings, great efficiency, compliance with legislation / industry standards – soft benefits, reputation, residents' satisfaction, perception of Council.

Advantages (preferred option)	Disadvantages (preferred option)
The preferred option would see the £20,000 provisional growth released to appoint the Council's previous consultant-New Masterplanning to carry out the Feasibility Study. This is likely to result in cost savings, quicker delivery (as duplication of work would be avoided), better value for money, and would utilise the consultant's existing familiarity with Chertsey. The release of the additional funding sought will allow for the long-awaited improvements to Chertsey to be developed.	There is a risk of building expectations amongst the wider community and not meeting the demands of all stakeholders. This will add to years of disappointment for the Chertsey stakeholders and therefore the messaging given during the engagement with stakeholders needs to be carefully managed.
Costs (preferred option)	Benefits (preferred option)
	Cost savings arising from efficiencies in management, resources, and delivery. Getting more for your money in the short timelines as much of the work will have already been done. Less duplication of work, which would be the case if a new consultant was to be commissioned to the project. By utilising the previous consultant, the feasibility study can commence at pace due to the utilisation of knowledge and experience gained through the previous study.

Environmental Sustainability Benefits (direct and indirect benefits to support Climate Change Strategy)

Outline any direct and indirect benefits of the Preferred Option that aims to minimise negative and promote positive environmental impacts and/or reduce carbon emissions, where possible

Direct Environmental Sustainability Benefits (preferred option)	Indirect Environmental Sustainability Benefits (preferred option)
Less need for current consultants to travel as they are already familiar with the area. The town walkabout with stakeholders from previous studies will still apply to the current work. Consultants will be briefed on the Council's Net Zero by 2030 ambitions and will be encouraged to reflect this within the outcomes of the recommendations.	The outcomes of the feasibility study will influence the embedding of climate change avoidance in all relevant areas of the work. Drive biodiversity net gain and protect our natural assets within the conservation & heritage areas of the study's. The study is embedded in encouraging localisation i.e. walking/cycling to your towns, and shopping locally.

Negative Environmental Impacts

None identified

Resource Requirements

Staffing Appraisal (preferred option):

Outline the expected staffing / resourcing requirements for the preferred option in the table below, think about resources required in your team and others. This should include job titles, number of hours worked and salary.

Existing Staffing	New RBC Staff Requested	New External Staff Requested
0.1 of the Town Centre Manager	N/A	N/A
0.1 Planning Policy Officer		

FINANCIAL APPRAISAL

Finance Appraisal (preferred option) - To be completed with the Finance Department:

Describe the financial and resource implications of this option. See Financial Appraisal below to capture numbers.

How will it be financed? Is a Supplementary Revenue Estimate required? Can it be resourced via a Virement (including areas other than your own)?

Is there other funding available? Has funding been agreed? Demonstrate how the council can receive a return on investment, whether cashable, cost avoidance or quantifying tangible benefits – **Seek advice from your accountant. Business cases will not be considered by the Chief Executive unless a full financial appraisal has been agreed by the Accountancy Team.**

Explain how the cost estimate has been drawn up e.g. based on the costs of a similar project/item; based on quotes from suppliers etc:	£35K is the estimated amount to complete the feasibility study. This amount has been arrived at through informal discussions with the previous consultant about potential additional phases of work during the course of the Chertsey Masterplan work.
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Please explain how you have considered the VAT implications of the project/item:	VAT is not included in the costs.
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If this project involves building or refurbishment work within corporate assets has the project/work been consulted on and agreed by the Corporate Head of Strategic Land and Property Assets? Please give details.	N/A
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CAPITAL COSTS

Capital Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-

Capital Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL	-	-	-	-	-	-
Total Capital Income	-	-	-	-	-	-
Net Capital Outlay	-	-	-	-	-	-

Estimated Useful Life of the Asset: Where the expected lives of each significant component of the asset are different (i.e. buying a house with a flat roof) you must estimate both the useful live and cost of replacing each component part. Please only include components greater than £20,000 in cost or more than 20% of the total value of the asset.	Estimated Value (£)	Estimated Life (yrs)
Overall asset	(basis of estimation)	
Component 1 (specify):	N/A	
Component 2 (specify):		
Component 3 (specify):		

REVENUE COSTS

Revenue Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
£15,000 allocated from the SPF for the feasibility study, but in order to conduct a more comprehensive study on Guildford St., we require additional funding of £20k.	35,000	-	-	-	-	-
Interest rate automatically populates	-	-	-	-	-	-
Minimum Revenue Provision accountancy to complete						
Less: Savings to existing budget (Please specify)						
Total Revenue Expenditure	35,000	-	-	-	-	-

Revenue Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Shared Prosperity Fund (Yr1 2023/24)	15,000	-	-	-	-	-
Total Revenue Income	15,000	-	-	-	-	-
Net change to revenue budgets	20,000	0	0	0	0	0

ACCOUNTANCY USE ONLY

Implications for the Council Tax	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Loss of Investment Income automatically populates	-	-	-	-	-	-

Net Revenue costs /(savings)

automatically populates

20,000	20,000	20,000	20,000	20,000	20,000
0.59	0.59	0.59	0.59	0.59	0.59

Impact on Band D Council Tax

Cash Flow and Pay Back Calculations

	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Total Income/Savings	15,000	-	-	-	-	-
Total Costs/Investment	35,000	-	-	-	-	-
Net Income	- 20,000	-	-	-	-	-
Accumulative Cash Flow	- 20,000	- 20,000	- 20,000	- 20,000	- 20,000	- 20,000
Payback Period - Years	-					
Calculations allowing for the time cost of Money						
Discount Factor	1.000	0.971	0.971	0.915	0.889	0.838
Present Value	-	- 19,418	-	-	-	-
Discounted Acc. Cash Flow	-	- 19,418	- 19,418	- 19,418	- 19,418	- 19,418
Discounted Payback Period	-					
Net Present Value	-	19,418				

Business Case / Risks

Outline the risks (Managerial, Financial, Operational etc.) to RBC if delivering the preferred option. A risk summary only is required here.

Risk Description	Mitigation / Help needed
Work not being delivered before the end of the 2023/24 financial year as required by SPF	Appoint previous consultant by direct award through a waiver to CSOs will minimise this risk. Furthermore, regular reporting at each stage of the work will be required and close working relationship to limit risk of slippage.
the work setting expectations amongst the community and key stakeholders about what can be achieved in Chertsey and then feeling disillusioned if their ideas are not taken forward.	very clear messaging being agreed for the engagement events to manage expectations and limit reputational harm to the Council.
there being insufficient budget to deliver the improvements recommended in the feasibility study	The consultants be told the capital allocation is for the delivery of improvement for Guildford St, so that they can tailor their recommendations accordingly what the budget is for the improvements upfront and work within these parameters.

Impact

Consider the impact of the Business Case on the Organisation / Environment / Technology / Commercialisation / Cultural / HR.

The service will support low carbon and the adoption of new technologies to support the efficiencies and competitiveness of local businesses.

Option 2 (mandatory; do nothing option)

Currently

Include the consequence of the do-nothing option, such as loss of revenue, additional costs, loss of contract

Chertsey Town Centre is among the three primary town centres in the borough, and it is the only centre that has had little support for improvements despite being a key growth area for housing in the Runnymede 2030 Local Plan. Unfortunately, Chertsey also suffers from one of the highest levels of relative deprivation in the borough. Guildford St, which is within a conservation area and boasts numerous heritage shops and buildings, appears rundown and disconnected from the surrounding area of Windsor St and London Road. Failing to take action (**doing nothing**) will hinder any potential progress and sense of pride in the area. This project is crucial as it will direct the next stage of the SPF projects that will be developed based on the findings of this study. Without this study, there will be no coordination in the overall community pride project.

Advantages (do nothing option)	Disadvantages (do nothing option)
Saving internal resource and time on this project.	SPF funding may be lost for Year 2. The SPF Pride in Communities project depends on this study to provide underpinning evidence and rationale for the deliverables in phase 2
Costs (do nothing option)	Benefits (do nothing option)
The SPF funding must be spent on Runnymede SPF programme which support levelling up.	The resources allocated could be allocated to meet other Council objectives.

Authorisation

Approved by Corporate Head of Finance		Date	
Approved by Corporate Leadership Team		Date	Priority Score
Committee Report to be presented to:		Date	

Project/Item Title	Town Centre Wayfinding Improvements		Version	1
Corporate Head	Ashley Smith	Service Area	Planning, Economy, and Built Environment	
Service Committee to Approve Budget	Corporate Management Committee			
Anticipated Cost of Proposal (Capital)	£119,000	Anticipated Cost Proposal (Revenue)	N/A	

To be completed for Projects only			
Type of Project	Improvement	Project Duration	12 months
Proposed Project Start Date	01/04/2024	Proposed Project End Date	31/03/2025

Business Case Context

Background

Describe the purpose of the Business Case, what benefits are expected to be delivered or what problem will be solved (What is wrong with the status quo? What are the drivers for change?). Is the scheme a result of legal/statutory requirements or a stakeholder consultation?

In 2022, Runnymede Borough Council commissioned a consultancy firm, Blue Sail, to carry out an audit of the borough's visitor economy and make a series of recommendations on how Runnymede can grow and develop its placemaking potential.

The study found that Runnymede has a number of advantages as a destination, with strong attractions and town centres, and a rich history. However, it found that the borough and its local offerings were largely not visible to visitors. Despite Runnymede and its towns being steeped in history, surrounded by attractive green and blue spaces, and home to many businesses, hotels and attractions, visitors to the area are largely unaware of what the borough's towns have to offer.

For visitors to Runnymede's towns, particularly those arriving by train, there is very little physical indication of the amenities and attractions that exist in the surrounding area. As such, one of the key recommendations of Blue Sail's report was to make improvements to the wayfinding in the borough's three town centres.

At present, physical wayfinding in each of Runnymede's town centres is minimal and scarce. Bar a small number of dated fingerposts that exist in Chertsey and Egham, there is little physical infrastructure to allow visitors to know what exists in the borough's towns.

There is therefore a significant opportunity to improve wayfinding through the installation of new signage and interpretation boards in the three town centres which showcase what Runnymede's towns have to offer and build a unique brand for each of the towns, building on their rich heritage.

The need to improve wayfinding has previously been acknowledged by Runnymede Borough Council. In July 2022, Corporate Management Committee approved the draft investment plan for the £1 million of funding the council received as part of the UK Shared Prosperity Fund, of which a significant amount of funding was allocated to improving wayfinding and interpretation. Authority was delegated to the Chief Executive, in consultation with the Chairman and Vice-Chairman of the Committee to make any changes to the project package, and the final amount allocated to improving wayfinding and interpretation was £119,000. This project aims to implement wayfinding improvements in the borough's three town centres by utilising this agreed funding.

Strategic Links - relate this Business Case to RBC Corporate Strategies and Corporate Values

Corporate Strategies	Describe how this Business Case meets / contributes to the Corporate Business Plan through each of the Corporate Strategies. <i>- Delete those not applicable</i>
Climate Change Strategy <i>Reducing Carbon emissions from the Council's operations and the wider Runnymede community.</i>	Priority three of the Economic Development Strategy aims to develop the vitality and vibrancy of the Borough's town centres and grow the tourism and leisure economy. This project will significantly work towards this goal. The Visitor Economy Report conducted by Blue Sail made recommendations on how Runnymede can grow its tourism economy and improving wayfinding was a key element of this. This project therefore provides an opportunity to revitalise the Borough's town centres through attractive new signage, as well as raise awareness amongst tourists of the rich leisure options the Borough has to offer. By growing the visitor economy, this would have a knock-on effect on increasing the prosperity of local businesses and would improve the quality of life for residents.
Economic Development Strategy <i>Ensuring that the Borough continues to be a leading economy in Surrey and the wider sub-region.</i>	The project will also contribute to the Health and Wellbeing strategy as it will increase awareness amongst residents of local walking and cycling trails, which are presently poorly signed, allowing them to improve their physical health.
Health and Wellbeing Strategy <i>Support the delivery of a range of services and functions to improve outcomes for residents and their quality of life.</i>	By promoting walking and cycling, this will also work towards the goals of the Climate Change Strategy by encouraging behavioural change and active forms of transport. The project also aims to increase the community's pride in place through showcasing the heritage of their local town.
Corporate Values	Describe where this Business Case fits in our Corporate Values - Delete those not applicable
People-focused – we will put people at the heart of what we do and they will be able to deal with us easily.	This scheme will be people-focused as it will raise awareness amongst tourists and residents of the local amenities that exist.
Performance driven – we will strive for excellence in all we do.	It will be performance driven as the content of the signage will be based on an extensive wayfinding audit that draws upon best practice and the opinions of key stakeholders.
Innovative – we will aim to creatively improve our services and be open to new ways of providing services.	It will be innovative as it will provide completely new signage in most locations and replace existing dated signage in other locations with a product that is more up to date whilst remaining sympathetic to the local area.
Delivering excellent value for money – we will strive to be as efficient and effective as possible.	The scheme will provide the best value for money as a competitive tender process will take place before awarding the contract. It will also not unnecessarily replace existing signage where there is no need to do so.
Collaborative – we will work together and with others to deliver positive outcomes for our communities.	Collaboration will be ensured as the project involves engaging with a range of stakeholders such as residents, local businesses, Surrey County Council, Network Rail, and key tourist destinations.
Transparent – we will be open and honest to all about what we do.	Transparency will be maintained through frequent communication and engagement with stakeholders as well as an open tender process.

List your Business Case Objectives, ensuring they are Specific, Measurable, Achievable, Realistic and Timely

- To successfully procure a contractor to carry out the wayfinding audit and phase one of implementation in time for a contract start date of April 2024
- For the contractor to successfully carry out an audit of wayfinding signs in the Borough's three town centres and proposals for new signage by July 2024
- For planning permission (advertisement consent) to be obtained for the proposed phase one signs by January 2025
- For the contractor to complete phase one installation of wayfinding signage by April 2025

List the Constraints or Parameters in which this Business Case will operate

Compliance with Public Contract Regulations 2015 and the Council's Contract Standing Orders
 Must meet the funding conditions outlined under UK Shared Prosperity Fund
 Capacity of staff (particularly within procurement and law and governance)
 Requires the involvement and approval of Surrey County Council in their capacity as highway authority

List the Outcomes and Benefits (including efficiency gains) you expect the scheme to achieve

Enhances the look of the Borough's town centres by replacing dated signage with modern and attractive wayfinding, increasing local pride
 Improves the Borough's local tourism offering by increasing awareness of local attractions
 Promotes walking and cycling by better marking local trails
 Builds a strong brand for Runnymede's town centres and enhances heritage appeal
 Potential to benefit local businesses by directing customers their way

Appraisal of Business Options (must include evaluation of a 'do nothing' option)

Option 1 (preferred option):

Description

Describe the preferred option and why. Describe the current position and the consequences/reasons that do nothing is not a viable option.

It is proposed that there are three key stages to this project. The first stage will be commissioning a wayfinding consultant to produce a wayfinding audit and masterplan for each of the borough's town centres. This document will look at existing signage and map out key destinations, arrival points, assets, routes, and landmarks to understand what new signage needs to feature. It will also design the family of signs that should be implemented based on the audit, and map out where they should be located.

The second part of this project will be implementation of phase one of the signage. Due to the limited funding, it is highly unlikely that the £80,000 allocated for implementation will cover all the signs proposed to be installed by the audit and masterplan. As such, phase one of implementation will focus on the priority signs which are deemed to be the most important. The final part of the project, implementing phase two of the signage, will take place at a later date once funding is secured, most likely as part of a future funding round of the Shared Prosperity Fund. Approval for phase two implementation will be sought separately at a later date.

Doing nothing is not a viable option as this project uses external funding as part of the UK Shared Prosperity fund, and if this funding is not spent by April 2025 it risks being handed back to the UK Government. The council's investment plan for the funding has been agreed with the Department for Levelling Up, Housing and Communities, meaning the allocated funding to this project must be spent on wayfinding.

Provisionally, two different procurement routes have been identified for this project, with further research currently being undertaken to determine the preferred route based on which will provide the best value for money. The first option involves tendering for stage one and stage two together, meaning the successful tenderer will complete the audit and masterplan as well as implement, or subcontract the implementation, of phase one of the signage. The second procurement route involves tendering for the audit and the masterplan, and then awaiting the findings of these reports before tendering for a separate signmaker to implement the signage.

Benefits (comparison to other options considered)

Consider any tangible benefits of the Preferred Option, consider benefits such as income generation, savings, great efficiency, compliance with legislation / industry standards – soft benefits, reputation, residents' satisfaction, perception of Council

The conditions of Shared Prosperity fund require projects to take place in the specific financial year identified in the investment plan. As such, this means that there is a limited window for the project to take place, as funding cannot be awarded until the beginning of the financial year and the project must be completed by the close of the financial year. Conducting the project in the way specified above ensures that the project can meet the required timeframes.

Splitting the implementation into two phases acknowledges the limited funding for implementation and ensures that high quality wayfinding can be installed rather than attempting to thinly spread funds, which would be unrealistic.

Advantages to Service Area (preferred option)

The project works towards a major goal of the economic development business unit which is to improve the visitor economy in Runnymede and enhance the vibrancy of the borough's town centres, as set out in the Economic Development Strategy

Disadvantages to Service Area (preferred option)

Officer time is required to work on the project, although the audit and implementation is outsourced to a contractor so this will be minimal and is manageable within the business unit

Costs to Organisation (preferred option)

This project will be funded through the Shared Prosperity Fund meaning there are no direct costs the Council, other than officer time. Additional funding may be required to install phase two of the signs but this would likely only be when further external funding can be secured.

Benefits to Organisation (preferred option)

The project will demonstrate to residents that the Council is working to improve the vibrancy of the town centres as the outcomes (i.e new signage) will be highly visible.

Environmental Sustainability Benefits (direct and indirect benefits to support Climate Change Strategy)

Outline any direct and indirect benefits of the Preferred Option that aims to minimise negative and promote positive environmental impacts and/or reduce carbon emissions, where possible

Direct Environmental Sustainability Benefits (preferred option)

New signage will promote and encourage walking and cycling, potentially shifting users away from motor vehicles and encouraging behavioural change in line with the council's climate change goals.

Indirect Environmental Sustainability Benefits (preferred option)

Negative Environmental Impacts

There are no significant negative environmental impacts associated with this project.

Resource Requirements

Staffing Appraisal (preferred option):

Outline the expected staffing / resourcing requirements for the preferred option in the table below, think about resources required in your team and others. This should include job titles, number of hours worked and salary.

Existing Staffing	New RBC Staff Requested	New External Staff Requested
Some staff time will be required to put together the required documents to procure, and to monitor the project. It will also require input from procurement staff for the procurement exercise and law and governance to check and issue the contracts	None	Contractor to carry out (or sub-contract) installation of phase one signage

Add any costs into the financial appraisal table.

FINANCIAL APPRAISAL

Finance Appraisal (preferred option) - To be completed with the Finance Department:

Describe the financial and resource implications of this option. See Financial Appraisal below to capture numbers.

How will it be financed? Is a Supplementary Revenue Estimate required? Can it be resourced via a Virement (including areas other than your own)?

Is there other funding available? Has funding been agreed? Demonstrate how the council can receive a return on investment, whether cashable, cost avoidance or quantifying tangible benefits –

Seek advice from your accountant. Business cases will not be considered by the Chief Executive unless a full financial appraisal has been agreed by the Accountancy Team.

Explain how the cost estimate has been drawn up e.g. based on the costs of a similar project/item; based on quotes from suppliers etc:	Benchmarking exercise with other councils
Please explain how you have considered the VAT implications of the project/item:	
If this project involves building or refurbishment work within corporate assets has the project/work been consulted on and agreed by the Corporate Head of Strategic Land and Property Assets? Please give details.	N/A - signage will be installed on highways which are the remit of Surrey County Council, approval will be separately sought from them

CAPITAL COSTS

Capital Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Wayfinding Audit and Masterplan (design and mapping works)	39,000					
Phase One Implementation (purchase and installation of signage)	80,000					
(Funded by Shared Prosperity Fund)						
Total Capital Expenditure	119,000	-	-	-	-	-
Capital Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
N/A	-	-	-	-	-	-
Total Capital Income	-	-	-	-	-	-
Net Capital Outlay	119,000	-	-	-	-	-

Estimated Useful Life of the Asset: Where the expected lives of each significant component of the asset are different (i.e. buying a house with a flat roof) you must estimate both the useful live and cost of replacing each component part. Please only include components greater than £20,000 in cost or more than 20% of the total value of the asset.	Estimated Value (£)	Estimated Life (yrs)
Overall asset	(basis of estimation)	
Component 1 (specify): Signage	Current Market Value	80000
Component 2 (specify):		
Component 3 (specify):		

REVENUE COSTS

Revenue Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
N/A	-	-	-	-	-	-
Interest rate	3,570	3,570	3,570	3,570	3,570	3,570
Minimum Revenue Provision						
Less: Savings to existing budget (Please specify)	-	-	-	-	-	-
Total Revenue Expenditure	3,570	3,570	3,570	3,570	3,570	3,570
Revenue Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
N/A	-	-	-	-	-	-
Total Revenue Income	-	-	-	-	-	-
Net change to revenue budgets	3,570	3,570	3,570	3,570	3,570	3,570

ACCOUNTANCY USE ONLY

Implications for the Council Tax	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Loss of Investment Income	595	595	595	595	595	595
Net Revenue costs /(savings)	3,570	7,140	10,710	14,280	17,850	21,420
Impact on Band D Council Tax	0.12	0.23	0.33	0.44	0.54	0.65

Cash Flow and Pay Back Calculations

	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Total Income/Savings	-	-	-	-	-	-
Total Costs/Investment	122,570	3,570	3,570	3,570	3,570	3,570
Net Income	- 122,570	- 3,570	- 3,570	- 3,570	- 3,570	- 3,570
Accumulative Cash Flow	- 122,570	- 126,140	- 129,710	- 133,280	- 136,850	- 136,850
Payback Period - Years	-					
Calculations allowing for the time cost of Money						
Discount Factor	1.000	0.971	0.971	0.915	0.889	0.863
Present Value	-	- 119,003	- 3,466	- 3,267	- 3,172	- 3,079
Discounted Acc. Cash Flow	-	- 119,003	- 122,469	- 125,736	- 128,908	- 131,987
Discounted Payback Period	-					
Net Present Value	-	134,977				

Business Case / Risks

Outline the risks (Managerial, Financial, Operational etc.) to RBC if delivering the preferred option. A risk summary only is required here.

Risk Description	Mitigation / Help needed
Procurement exercise unsuccessful	We will engage with operators prior to procuring to gain an understanding of what would make a project viable for them to tender for.
Costs are underestimated	We are aware that £80k will not cover the installation of all proposed signs in all three town centres so we will ensure that the signs prioritised for phase one installation are the signs that are the most important, with other signs being installed at a later date once funding is secured
Work is not delivered by the end of the 2024/25 financial year, as required by Shared Prosperity Fund	We are planning for this project well in advance and are aiming to be able to commence the contract on the 1st April 2024, allowing us the maximum time to complete the project

Impact

Consider the impact of the Business Case on the Organisation / Environment / Technology / Commercialisation / Cultural / HR

Authorisation

Approved by Corporate Head of Finance		Date	
Approved by Corporate Leadership Team		Date	Priority Score
Corporate Leadership Team Feedback			
Committee Report to be presented to:		Date	

Report title	Equalities Objectives
Report author	Emmanuel Alozie/Mario Leo
Department	Law and Governance
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable.

Purpose of report:
To recommend to full Council

Synopsis of report:
To seek approval from the Full Council for the proposed updated and refreshed Equalities Objectives (Appendix 1) to be formally adopted and published on the Council's web pages.

Recommendation:
That the Full Council be invited to adopt the refreshed Equalities Objectives for the period 2023 – 2027.

1. Context and background of report

- 1.1 Runnymede has a strong and growing record on equalities shown in the work done in complying with its Public Sector Equality Duty (PSED) and in its approach to inclusion. Equality is part and parcel of the way in which the Council formulates, and delivers policies and takes action, pursuant to the services it provides.
- 1.2 This report sets out the reasons for reviewing the current equalities objectives which have and are considered able to continue to assist the Council to satisfy its PSED and the benefits that this refresh will bring. It also considers the legal requirement for reviewing and publishing objectives for the period 2023 to 2027.
- 1.3 At present, Runnymede has three equality objectives which are shown in the table on the next page.

Current Equality Objectives:

- The Council will take all necessary and reasonable steps to ensure that all of its services, facilities and publications are accessible by all;
- The Council will endeavour to employ a diverse workforce which reflects the community that it services and to treat all its staff equally and fairly;

- The Council will endeavour to improve its collection and collation of data relating to equality issues within the Borough.

1.4 While these equalities objectives have been in place for a number of years, it is still considered that they are both relevant to the services the Council provides today and based on the Council's experiences of service delivery through the pandemic and other changes stated below will continue to assist the Council in meeting its PSED. However, the Council has challenged itself as to how it can improve them to be even more relevant and tailored to the Runnymede community and its actions can reflect better the things that the Council can change at a local level.

1.5 Furthermore, the Council is required to comply with its specific duties under the Equality Act 2010 (as amended) (the Act) one of which is to produce and publish at least one equality objective which the Council considers will assist it in delivering one of the general duties stated under S149 of the Act. The requirement to comply with specific duties listed below relate to Public Authorities, as defined within Part 1 of Schedule 19 of the Act. The Council is a Public Authority and is therefore required to:

- a) Publish gender pay gap information regarding their employees; and
- b) Prepare and publish one or more equality objectives.

1.6 The starting point of the review was to consider whether the current objectives allow the Council to meet its PSED and whether an update of the current objectives is required to assist the Council moving forward or new objectives are required.

1.7 Having undertaken its review the Equalities Group considered that the positive approach taken in the current objectives which are drafted widely enough to cater for current and future changes are still required in order that the Council can meet its PSED. It was considered that the Steps the Council is required to take to achieve those objectives should be updated.

1.8 It was also clear that an additional equality objective should be included which requires the Council to seek ways of ensuring that those with protected characteristic have the information, opportunities and assistance to secure their general wellbeing.

1.9 To this end the proposal is to re-affirm the three Equalities Objectives with amendments made to the Steps and to add a fourth equality objective for a further four-year period with the caveat that the Equalities Group (this is a group of officers drawn from a range of service areas to consider equalities matters on behalf of the Council) will undertake a review within two years of its adoption to ensure that any changes may be considered and where required new objectives are brought to the Committee for consideration and adoption by the Council.

1.10 **Proposed Equality Objectives Moving Forward**

- The Council will take all necessary and reasonable steps to ensure that all of its services, facilities and publications are accessible by all.
- The Council will endeavour to employ a diverse workforce which reflects the community that it services and to treat all its staff equally and fairly.
- The Council will endeavour to improve its collection and collation of data relating to equality issues within the Borough.

- Empower people with protected characteristics to live safe, healthy and independent lives.

1.11 The equality objectives are deliberately generic in order to give as much future proofing and flexibility as possible. They can be readily adapted to reflect emerging Census 2021 outcomes and the manner in which the Council had to adapt the services provided to the local community and working arrangements to meet the challenges of the pandemic and embody future versions of the Council's Corporate Plan.

2. Policy Framework Implications

2.1 The Corporate Business Plan 2022-2026 aims to Promote Equality and Diversity as part of the foundation on which work is undertaken and employees conduct themselves.

2.2 It is considered that the Equality Objectives by supporting the Council's compliance with the PSED will continue to assist the Council in meeting its values.

3. Resource Implications

3.1 There are no resource implications arising from this report.

4. Legal Implications

4.1 Section 153 of the Equality Act 2010 makes provision for the Minister of the Crown to impose specific duties on a Public Authorities to enable them to better perform their PSED.

4.2 The Equality Act (Specific Duties) Regulations 2011 was enacted in 2011 and contained a requirement for a Public Authority to produce equalities objectives.

4.3 The 2011 Regulations were replaced by the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 which has retained the duty to produce and publish equality objectives.

4.4 The duty is to prepare and publish one or more equalities objectives which in the Council's view it should achieve in relation to one of the three general duties referred to in paragraph 5 below.

5. Equalities Implications

5.1 The Council has a duty under the Equality Act 2010 (as amended). Section 149 of the Act provides that we must have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation, and other conduct prohibited by the Act;
- b) to advance equality of opportunity;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share protected characteristics.

5.2 The Equality Objectives would assist the Council in meeting its PSED under the Act.

6. Environmental/Sustainability/Biodiversity implications

6.1 There are no environmental implications arising from this report.

7. Other implications

7.1 No other implications arise from this report.

8. Conclusion

8.1 Adopting the proposed equality objectives will assist the Council to:

- a) Comply with its legal duties which are set out in paragraph 4 of this report; and
- b) improve the delivery of the services the Council provides to the local community and beyond.

9. Background papers

None.

Appendix 1

RUNNYMEDE BOROUGH COUNCIL

EQUALITY OBJECTIVES

2023 – 2027

1 INTRODUCTION

- 1.1 Runnymede Borough Council recognises the importance of ensuring equality of opportunity and rights amongst all residents within its Borough, and within wider society.
- 1.2 The Council is conscious that individuals and groups can experience a range of barriers which may prevent them from enjoying the same quality of life as others. The Council's vision is to bridge any gaps there may be between its communities and to enhance the quality of life of its residents by ensuring that its services are accessible by all, regardless of age, disability, gender, race, religion, belief, sexual orientation, or any other characteristic that is protected under law.

2 EQUALITY ACT 2010

- 2.1 The Equality Act 2010 (as amended) (the 2010 Act) identifies 9 different 'protected characteristics' being:
- (i) age;
 - (ii) disability;
 - (iii) gender reassignment;
 - (iv) marriage and civil partnership;
 - (v) pregnancy and maternity;
 - (vi) race;
 - (vii) religion or belief;
 - (viii) sex; and
 - (ix) sexual orientation.
- 2.2 The 2010 Act prohibits the direct or indirect discrimination of any person or group who has or shares a particular protected characteristic, where such direct or indirect discrimination occurs because of that particular protected characteristic.
- 2.3 Section 149 of the 2010 Act sets down a general duty for all public authorities. This duty requires that the Council must, in the exercise of its functions, have 'due regard' to the need to:
- Eliminate unlawful discrimination;
 - Advance equality of opportunity between people who share a protected characteristic and people that do not share it; and
 - Foster good relations between people who share a protected characteristic and people who do not share it.
- 2.4 As well as the general duty described above, the Council also has two further specific legal duties (the respective aims of which are to help the Council comply with the general duty). The two specific duties are:
- (i) Publication of information which demonstrates the number / percentage of the Council's employees and other persons who are affected by its functions (the residents of the Borough) who share a protected characteristic, which must then be reviewed and republished annually. This information can be viewed via this link to the Council's relevant webpage:

(ii) Publication of one or more 'equality objectives', which must then be reviewed and republished no later than every four years. The Council's equality objectives for the period 2023 – 2027 are set out below.

3 THE OBJECTIVES

3.1 The Council had previously identified three key Equality Objectives for the period 2012 – 2016. These are:

Objective 1

The Council will take all necessary and reasonable steps to ensure that all its services, facilities and publications are accessible by all.

This will help towards achieving the Council's vision for:

- Integration in all sectors of the community;
- An inclusive and thriving Borough;
- The elimination of inequality and discrimination.

Objective 2

The Council will endeavour to employ a diverse workforce which reflects the community that it services and to treat all its staff equally and fairly.

This will help towards achieving the Council's vision for:

- A diverse and vibrant workforce;
- Equality of employment opportunity;
- Ensuring the Council is sensitive to the differing and various need of the Borough;

In certain circumstances, the doctrine of fairness and / or the Act may require the Council to treat certain staff members differently from others.

For example:

- A and B both work for the Council;
- A has a disability whilst B is not a disabled person;
- The Council makes such adjustments to A's workspace as it considers appropriate to accommodate their working needs in view of his disability, which includes providing him with a larger monitor screen than B.

Objective 3

The Council will endeavour to improve its collection and collation of data relating to equality issues within the Borough.

This will help towards achieving the Council's vision for:

- Ensuring that it remains informed about the make-up of its Borough;
- Ensuring that it remains aware of the various concerns and issues relating to equality matters amongst its residents;
- Delivering a more efficient and focused service.

The Council within the review of its Objectives has decided to retain and refresh the three Objectives stated above and to add a fourth Objective which is stated below.

Objective 4

The Council will endeavour through its policies and actions to create a local environment in which local residents with one or more protected characteristics are better able to assist themselves.

This will help towards achieving the Council's vision:- "To be a community leader, providing high quality services, enhancing the environment and advocating for our community's interests" as stated at page 9 of the Council's current Corporate Business Plan 2022-2026.

The Corporate Business Plan also states at page 10 that "Our overall objective is to provide high quality services which are accessible, relevant and inclusive of all parts of our community".

A link to the current Corporate Business Plan is set out below: -

[Corporate Business Plan 2022- 2026 \(runnymede.gov.uk\)](https://runnymede.gov.uk/corporate-business-plan-2022-2026)

Steps to be taken by the Council to meet the Objectives and how this will be measured.

- 3.2 Clearly, the Council will need to implement and undertake (or where appropriate continue to undertake) a number of procedures and / or steps, to ensure that it meets its four Equality Objectives, and will need to identify processes against which it can measure whether it has met the relevant objective. These procedures, steps and processes are set out in the table below.

	Objective 1	Objective 2	Objective 3	Objective 4
Description	All services, facilities and publications are accessible by all.	Employ a diverse and inclusive workforce which reflects the community that it services and treat all staff equally, professionally, and fairly.	Improve its collection and collation of data relating to equality issues within the Borough.	Empower more people with protected characteristics to live safe, healthy, and independent lives
Steps	<p>Steps taken to meet this objective will include:</p> <ul style="list-style-type: none"> • Ensuring that all Council buildings / facilities have been reasonably adjusted for those with accessibility issues including disabled or elderly residents; • Accounting for language barriers by, as far as reasonably possible, providing alternative language options / facilities in respect of its services and publications; • Providing publications in Braille and ensuring that as far as reasonably possible, its buildings, services and facilities are equipped to assist the deaf / hard of hearing. • Assisting those with mobility issues and that are therefore unable to 	<p>Steps taken to meet this objective will include:</p> <ul style="list-style-type: none"> • Continue to comply with all relevant equality and employment legislation; • Ensure that the Council's recruitment processes ensure equal treatment to candidates from all backgrounds, to allow for equality of opportunity, except where reasonable adjustments are justified for reasons such as disability or language barriers; • Ensure that the Council continues to provide a place to work which is sensitive to the needs of all employees, and where appropriate, make reasonable adjustments to cater for the differing needs of its staff; • Treat all staff equally and fairly, 	<p>Steps taken to meet this objective will include:</p> <ul style="list-style-type: none"> • Improved cross departmental information sharing of data that relates to equality issues / protected characteristics, subject to any legal limitations or restrictions that may apply to such data sharing; • Increased number of information collecting / public consultation exercises; • Improved internal procedures for information gathering, recording and storage; • Continue to undertake screening and full equality impact assessments where appropriate. 	<p>Steps taken to meet this objective will include:</p> <ul style="list-style-type: none"> • Continuing to comply with all relevant equality legislation; • Ensure that when decisions are made, participation is encouraged and facilitated for all protected characteristics including through the proposed Citizens Panel; • Continue to improve consultation and communication with other organisations and groups to engage with people with protected characteristics; • Seek to secure funding to assist with the delivery of this objective.

	<p>visit the Council offices / facilities in person by providing quality and efficient alternative options for those services such as by phone or internet; and where possible and reasonably necessary, provide home visits or liaising with other organisations to secure the assistance required.</p>	<p>irrespective of sex, sexual orientation, race, religion, disability, or any other protected characteristic that they may possess or share;</p> <ul style="list-style-type: none"> • Continue to undertake equality impact assessments of any proposed/amended policy or procedure or action; • Continue to undertake workplace Monitoring and publish the results on the Council's Website; • Continue to publish information on the Gender Pay Gap. 		
Measuring	<p>The extent to which the Council has met this objective will be measured through the regular review of its services, undertaking equalities impact assessments and through any complaints received</p>	<p>The extent to which the Council has met this objective will be measured through the regular review of its work force and statistics produced from these reviews, as well as from any feedback received from existing or former staff, or candidates for employment positions within the Council and identify any issues by undertaking an Equalities Impact Assessment and implementing any outcome identified.</p>	<p>The extent to which the Council has met this objective, will be measured through the regular review of its information gathering procedures, assessments using equalities impact assessments, made and through an assessment of the quality of its data when it comes to reviewing and updating its Equality Objectives in 2027.</p>	<p>The extent to which the Council has met this objective will be measured through the regular review of the sources through which information is gathered, continued use of equalities impact assessments, measuring level of assistance given by the Council to local residents with regard to obtaining funding or advice on where and how to obtain funding, for proposed community/ local residents lead projects.</p>

Report title	Alcohol, Drugs and Substance Misuse at Work Policy
Report author	Fiona Skene, Corporate Head of Human Resources and Organisational Development
Department	Human Resources and Organisational Development
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable.

Purpose of report:

To resolve

Synopsis of report:

To consider a proposed new employment policy on Alcohol, Drugs and Substance Misuse (Appendix 1).

Recommendation:

That the proposed policy be approved, subject to consultation with UNISON.

1. Introduction

1.1 As part of an initiative to modernise all our employment policies Human Resource have recently developed a new policy on how to deal with issues connected with the use of alcohol, drugs and substance misuse where this occurs within our workforce. This policy has been developed by the Council's Workforce Safety Lead within HR in liaison with the DSO's Health and Safety Officer. An older policy on Alcohol at Work has been circulated separately for Members to see the differences between the old and new policy. The main difference is that the new policy deals with Drugs and Substance Misuse and not simply Alcohol.

1.2 Why has this policy been developed?

There are various reasons. The use of alcohol and drugs on a recreational basis is part of our society but at times the misuse of alcohol and drugs can impact on employees' fitness to undertake their duties and can impinge on the health and safety of either themselves, their colleagues or members of the public. Consequently, we need to have a policy that sets out how we will deal with the various types of situations which can arise.

1.3 Sadly, there are also employees who become dependent on either alcohol or drugs. Employment law has a mixed approach to employees in this category, expecting that employers try to support employees to recover from such misuse while recognising that at times employees can place either themselves, their colleagues or the public at risk as a consequence. Therefore, this policy attempts to find a balance between these conflicting expectations. This proposed new policy is attached at Appendix One. Since the old policy was developed drugs and substance misuse have become more widespread, hence the new policy covers these aspects.

- 1.4 This policy is put forward for consideration by Members and will be subject to consultation with UNISON.

2. Policy Framework Implications

- 2.1 Updating employment policies meets one of the aims of the Organisational Development Strategy 2022-2026.

3. Equality Implications

- 3.1 An Equality Impact Assessment will be completed.

4. Legal Implications

- 4.1 The Council has a legal duty of care to employees to ensure health at work (Health and Safety at Work etc Act 1974) and an ethical responsibility to support employee well-being.

Background Papers

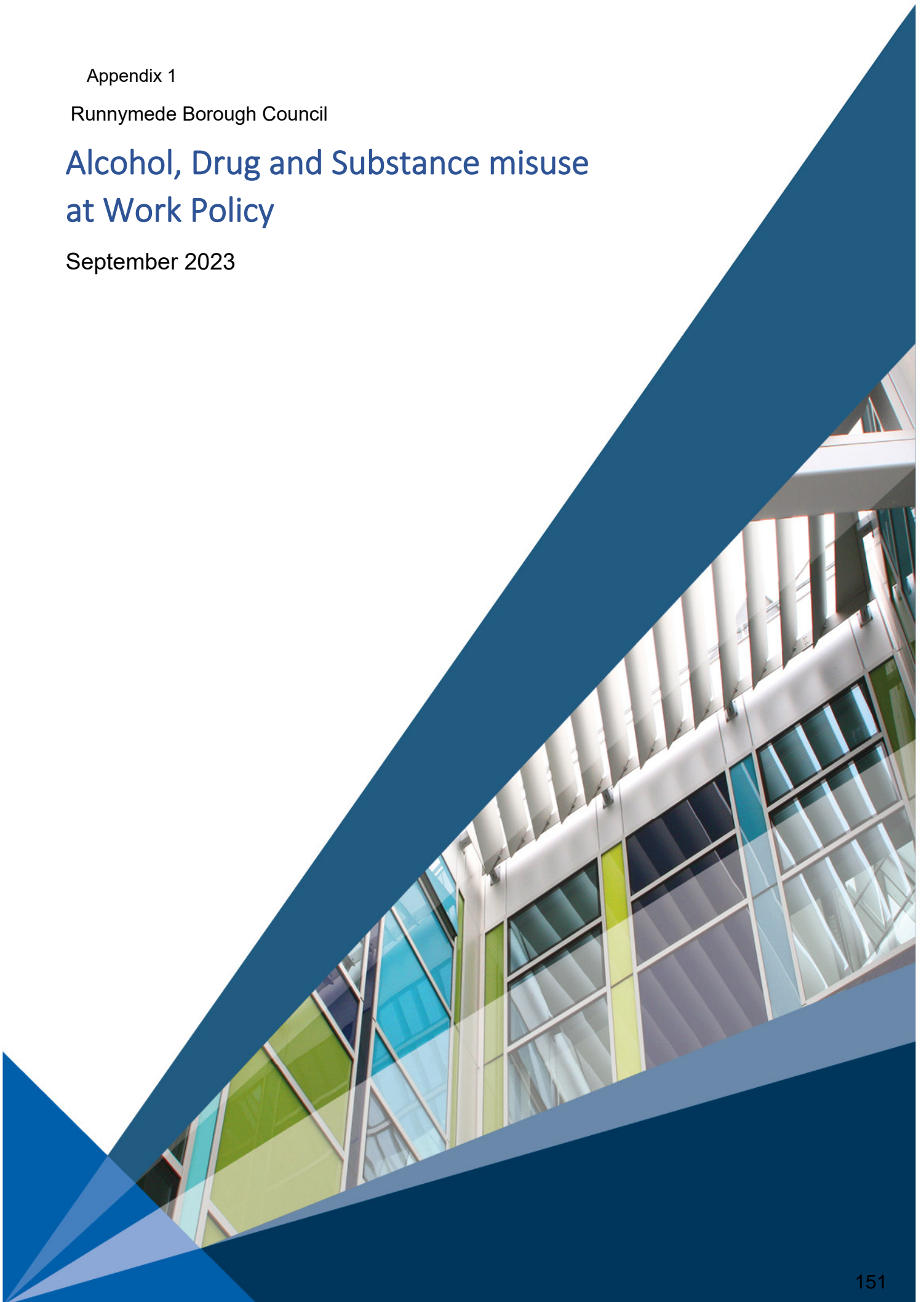
None stated.

Appendix 1

Runnymede Borough Council

Alcohol, Drug and Substance misuse at Work Policy

September 2023



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Introduction

Runnymede Borough Council is committed to providing a safe and healthy working environment for all its employees. The Council also has a responsibility to ensure the safety of the public when carrying out its duties.

The Council seeks to have an understanding and constructive attitude towards alcohol and/or drugs and substance misuse problems with its employees. However, as a good employer, the Council is also committed to enabling a safe, secure working environment free from risks of harm or loss of life to members of the public and colleagues.

This includes an obligation to take all reasonable steps to minimise the risk of accidents or injuries occurring at work because of employees affected by alcohol and/or drugs, or other substances. This policy seeks to balance both obligations.

It is illegal for anyone to produce, supply or be in possession of illegal drugs. The Council may be liable if it knowingly allows the dispensing, manufacturing, possession, using or selling of these on their premises.

The Council does not tolerate the use of illegal drugs and/or substances and being under the influence of alcohol in the workplace.

Alcohol and/or drugs, or other substance problems can affect or impact anyone. This policy applies equally to all employees.

Policy Definitions

Alcohol misuse is a level of drinking which interferes with a person's health and/or social functioning and/or work capability or conduct. Please note that this can be either persistently affecting a person's work or affecting it on a "one off" or occasional basis.

Substance misuse refers to:

- the use of illegal drugs (as defined by the Misuse of Drugs Act 1971) that has a negative impact on health or functioning, either dependant use or use as part of a wider spectrum of problematic or harmful behaviour
- prescribed or over the counter drugs (when not for a medical condition) whether deliberate or unintentional
- new psychoactive substances (formerly known as 'legal highs') solvents such as glue, butane etc.

Illegal drugs are classified into three main categories under the Misuse of Drugs Act 1971 based on the harm they are considered to cause.

- Class A: including ecstasy, cocaine, heroin, LSD, mescaline, methadone, morphine, opium, and injectable forms of class B drugs
- Class B: including cannabis, cannabis resin, oral preparations of amphetamines, barbiturates, codeine, and methaqualone (Mandrax)
- Class C: including most benzodiazepine (for example, Temazepam, Valium), other drugs of the amphetamine group, and anabolic steroids.

Alcohol or drug dependency refers to impaired control over the use of substances. Those who have developed a long-term dependency / addiction that requires specialist help and support.

Safety Critical roles refers to work that contain any safety critical elements where drug or alcohol misuse could have a serious outcome, for example:

- using machinery
- using electrical equipment or ladders
- driving Council vehicles (e.g., refuse trucks, buses, tractors, ride on mowers)
- operating heavy lifting equipment.

Scope of the policy

This policy applies to all persons working for or on behalf of the Council including:

- employees at all levels
- agency or casual staff
- persons employed as consultants/contractors
- work experience placements
- volunteers.

It is applicable to all premises that are owned, occupied, or shared by the Council.

Purpose of the Policy

The aim of the policy is to give guidance to Line Managers on how to handle situations where employees/workers are in possession of, or under the influence of, alcohol and/or drugs whilst carrying out duties of their role.

The policy also complies with the following legislation:

Health and Safety at Work Act 1974	Misuse of Drugs Act 1971
Road Traffic Act 1988	Management of Health and Safety at Work Regulations 1999

The Council commits:

- to provide a consistent framework for the management of alcohol and/or drugs and substance misuse at work by introducing 'with cause' testing
- to ensure that employees' use of alcohol and/or drugs does not impair the safe and efficient running of the Council, or result in risks to the Health and Safety of themselves, other employees, customers and the public
- to prioritise the Health and Safety of the public and employees, where there is a conflict between the needs of the employee with alcohol or drugs misuse issues and the health and safety of others.
- to ensure all employees are treated consistently and fairly in the testing for alcohol and/or drugs
- comply with all relevant legislation in this area
- to enable all employees to identify problems related to the influence of alcohol and/or drugs or other substances which may affect their performance within the workplace and to encourage those with a problem to seek help.

Confidentiality

The Council's intention is to ensure that the confidentiality of all employees experiencing alcohol and/or drug problems is maintained by the appropriate people (e.g., Line Managers and Human Resources). There may be circumstances when it is necessary for others to be informed, on a need-to-know basis, (e.g., if the safety of the person concerned, or others would be compromised by not doing so).

Details of tests carried out and the results shall be recorded and kept securely by Human Resources for a period of six years in line with the Council's retention and disposal schedule.

The Council will process data in accordance with the [Health and Safety Privacy notice](#).

Employees' responsibilities

As well as the general responsibilities of employees under the Health and Safety policy, it is also the responsibility of all employees to:

- read and understand the responsibilities in this policy and to report suspected breaches
- cooperate with requests for alcohol and/or drug testing as requested to ensure a safe place of work
- report for work, and remain throughout the working day, in a fit and safe condition to undertake your duties and not be under the influence of alcohol and/or drugs or substances
- maintain sensible and safe alcohol drinking levels outside of work in the knowledge of your role and responsibilities and the residual effects
- know the risks of driving whilst under the influence of alcohol, new psychoactive substances (NPS), legal/prescription medicines, or illegal recreational drugs
- know the possible side effects or impaired performance from, over the counter or prescribed drugs which you are taking for a health condition. If you experience side effects as a result of taking prescribed or over the counter medicines that impair your ability to perform your duties safely and satisfactorily, you must notify your Line Manager immediately
- co-operate with any support and assistance provided by the Council to address an alcohol and/or drug or substance misuse problem
- discuss with the Line Manager or Human Resources at the earliest opportunity alcohol and/or drug dependency issues. While the Council regards alcohol and/or drug misuse as a treatable illness, it is also the employee's responsibility to seek assistance if required
- be willing to undertake the recommended treatment by your GP/Specialist, including participation in a rehabilitation programme leading to abstinence, in order to overcome an alcohol and/or drug misuse problem
- not attempt to 'cover up' for a colleague with an alcohol and/or drug or substance related problem but instead should encourage the individual to seek help.

Line Managers' responsibilities

Line Managers should be aware that under the Health & Safety at Work Act 1974, if they knowingly allow an employee under the influence of excess alcohol and/or drugs to continue working and this places the employee or others at risk, they could be individually prosecuted.

As well as the responsibilities of Line Management in the Health and Safety policy they also have responsibility to:

- ensure that all employees, volunteers, contractors, agency and work experience students are made aware of the terms of the policy in relation to their work and the potential consequences regarding the use of alcohol and/or drugs and other substances
- ensure the overall safety and welfare of employees and other people they meet
- take suitable action if an employee is suspected of alcohol and/or drugs and substances whilst carrying out their duties
- administer alcohol and drug test in line with the procedure and training
- know the signs of alcohol and/or drugs misuse, the effect on performance, attendance and health
- intervene at an early stage and seek support from Human Resources, where changes in performance, behaviour, sickness levels, attendance patterns are identified to establish whether alcohol and/or drugs misuse is an underlying cause
- instigate disciplinary measures where appropriate to do so including the consideration of suspension where necessary
- provide support and assistance, where appropriate and for a reasonable period, to employees who are dependent upon intoxicating substances during their recovery.

All Managers have a specific responsibility to operate within the boundaries of this policy, to ensure employees understand the standards of behaviour expected of them and to act when behaviour falls below the Council's requirements.

Expected Workplace conduct in relation to alcohol and/or drugs consumption

Employees who drive a Council vehicle and/or operate machinery, as part of their job, must not consume alcohol, take illegal drugs and/or be under the influence of medicated drugs which have advisements, at any time during the working day.

Employees who carry out their role under the influence of alcohol and/or drugs may impair their ability to drive or use machinery responsibly, thus posing a danger to themselves, colleagues and the public.

If you have been prescribed medication which impairs your ability to carry out your role safely you must inform your Line Manager who will discuss alternative options, with support from Human Resources.

Employees and persons working on or on behalf of the Council in non-safety critical roles must also understand that drinking even small amounts of alcohol or misusing drugs before and/or during work may increase the risk of an accident.

An employee who is a regular driver on Council business, who loses their licence due to a conviction for driving whilst over the legal alcohol limit, or other drink offences will have their individual circumstances considered and a decision taken according to the requirements of their job.

If an employee is involved in Court proceedings arising from committing an alcohol and/or drug related offence, drives and/or operates machinery as part of their role, they must report the matter immediately to their Line Manager or supervisor.

Identifying a problem

Alcohol and/or drugs and substance misuse can result in problematic behaviour, which affects work performance, including the ability to work safely. There may be problems with health, work performance or behaviour, or other signs, for example the following, particularly in combination, may result in a problem being suspected:

- persistent short-term absence
- unauthorised absence
- erratic/unacceptable behaviour
- deterioration in work performance
- mood swings
- unkempt appearance/deterioration in physical appearance
- accident/injury.

These are only some of the signs of a potential problem and symptoms may vary significantly. Similarly, these and other symptoms may occur but be wholly unconnected with alcohol and/or drugs or substance misuse, e.g., an indication that the employee is suffering from stress-related problems instead. See appendix A to identify signs.

Identifying potential problems 'earlier' rather than 'later' increases the chances of successfully resolving the matter, with less harm to an employee and the public.

Identifying the right action

Reporting for work under the influence of alcohol and/or drugs and substances

A manager will assess whether the person is fit to be on duty. This is particularly the case where there is a risk to the person, or to other people and/or public who might be affected by their condition. Refer to **Appendix B** on how to approach the conversation.

Where an employee or person working on or on behalf of the Council is suspected of being under the influence of alcohol and/or drugs whilst performing, or with intent to perform their duties, they will be removed to a private place. Concerns will be raised with them in a confidential and sensitive manner and a test will be carried out with their consent.

Failure to consent to an alcohol and/or drug test may lead to disciplinary action.

There may be circumstances when an employee or worker arrives at work, and prior to beginning their duties, informs you of their inability to perform their role safely. In these circumstances a manager may decide as a first occurrence to send the employee home offering the option of unpaid leave or annual leave (if available). The Line Manager must carefully monitor the situation for any repercussions in the future.

It may be necessary to consider urgently whether the person has committed a criminal offence, for example employees found in possession of illegal drugs, using illegal drugs or supplying illegal drugs whilst at work may be reported to the police. Advice should be sought from Human Resources.

Employees exhibiting signs of addiction

The Council will, where feasible, and without risk of harm to colleagues and the public, support employees who have alcohol and/or drugs or substance misuse problems. If an employee is perceived to have such problems, they will be encouraged to seek assistance from their Doctor, Alcoholic or Narcotics Anonymous, their Line Manager or Human Resources.

Where a dependence on alcohol and/or drugs has become apparent through deterioration in work performance, the employee will have to demonstrate satisfactory completion of a performance improvement plan or action may be taken in accordance with the Council's Capability Procedure, unless the dependency is deemed to be a risk to colleagues and the public. In this case please contact Human Resources.

Where an employee has been diagnosed as having an alcohol and/or drugs problem, reasonable time off with pay will be allowed for counselling and employees will be given the opportunity of attending treatment within work time, where feasible. Alternatively, if employees require to be absent from duty normal sick pay arrangements will apply.

Any information in relation to the employee's condition will remain confidential unless they fail to comply with advice, which may put others in danger. In such cases disclosure will be made on a strict 'need to know' basis with the employee's prior knowledge.

Voluntary referral for support

Employees who suspect or know they have a drug and/or alcohol problem are encouraged to seek support at an early stage. Sources of support are outlined in Appendix C.

Relapse

The Council must consider the risk to the employee, colleagues and the public in the work they carry out, and whether a person can stay in their current post and work safely.

It acknowledges that relapse is common with alcohol and/or drug problems. If an employee has successfully completed a course of counselling or other treatment and later relapses, the Council will consider whether to consider another period of treatment or to invoke the Disciplinary or Capability Procedures.

Alcohol and Drug Testing

The Council operate a testing of alcohol and/or drugs on persons working for on or behalf of the Council if there is reasonable belief that they are under the influence of alcohol and/or drugs. That is classed as 'with cause' and 'voluntary'. Examples of reasonable belief are referenced in Appendix A.

'With Cause' Testing

Whenever a manager or supervisor has reasonable cause to suspect that a worker is impaired and unfit to continue working due to alcohol and/or drug ingestion, then a 'with cause' test may be instigated.

Voluntary Testing

Whilst employees should never report for duty under the influence of alcohol, there may be occasions when an employee is unsure of their condition. Under certain circumstances the employee may request to be tested before commencing duty.

Employees should be aware that opting for voluntary testing on a regular basis may indicate to their manager that there may be an alcohol-related issue which needs addressing.

The Council will automatically test persons working for on or behalf of the Council if an incident occurs. For example:

- A crash whilst operating a Council vehicle and/or machine
- A near miss in a safety critical role
- Any incident that is reportable to the insurers or RIDDOR.

A positive alcohol test is two consecutive breath tests giving results equal to or greater than the cut-off level. The cut-off level applied is the UK drink driving limit: 35mg per 100ml breath (80mg per 100ml of blood).

In these incidents Line Managers are to follow the Council Alcohol and Drugs Testing Procedure for full details of how it is administered.

In the event of a negative alcohol and/or drug test, no action may be taken. In cases where the person is visibly unable to carry out their work due to medicated or over the counter drugs the employee can take sick leave.

In the event of a positive in-house alcohol and/or drug test the employee may be suspended and invited to attend an investigatory meeting in line with the Council's Disciplinary Procedure.

The outcome of the investigatory meeting will depend on the circumstances of the case but could lead to disciplinary action. The level of seriousness of this action will depend on the facts of the case.

An employee who receives a disciplinary warning will be tested at least three times randomly over a six-month period.

Misconduct

This policy provides support to employees with ongoing alcohol and/or drugs problems, where feasible. Where the problem impacts on the person's ability to do their job these are normally classed as Capability issues.

Where employees refuse to accept that they have a problem with alcohol and/or drugs or refuse advice from their GP on treatment or the treatment fails, disciplinary action may be taken, which could lead to dismissal.

If a medical referral is made, it is possible that a decision about disciplinary proceedings may be deferred until the medical report has been received and considered, but this may not always be the case.

In instances of serious misconduct where the employee subsequently admits to having an alcohol and/or drug problem, the support route, if feasible, and the disciplinary route may be implemented in tandem.

Where the employee's contract stipulates the need to maintain an appropriate full driving licence as a fundamental part of their job is disqualified from driving due to a conviction for driving whilst over the legal alcohol limit (or under the influence of other substances), redeployment would be considered, if not potential dismissal may occur.

Suspension should only occur following advice from a Senior Manager or Human Resources. If they are not available, the person is to be kept off critical duties in the service location until advice can be sought. Care should be taken to ensure that the individual does not drive, and they will need to find an alternative means of travelling home.

Other factors that need to be taken into account include:

- whether or not the employee is in charge of vehicles, machinery, or is involved in other safety critical work
- whether or not the employee has direct contact with members of the public
- what the impact is on work performance, colleagues and the use of Council resources (including computer equipment)
- whether or not the individual has confided in their Line Manager and acknowledged that they have a problem and need help. The Council would view this as a positive step.

The Disciplinary Procedure will be instigated with an investigation into the misconduct to establish the facts of the case.

The following incidents are normally considered to be gross misconduct which may warrant suspension and a full investigation:

- a positive drug and/or alcohol test result
- acts of aggression
- any accident or incident at work caused by the employee due to an alcohol and/or drug or substance dependency
- possessing, using or selling illegal drugs in the workplace
- being convicted of any criminal offence connected with drugs, regardless of whether the offence took place inside or outside the workplace.

Any disciplinary hearing which follows will taken into account all the facts of the case including mitigating factors.

Sickness Management and Return to Work

All sickness absences will be managed in accordance with the Sickness Management Policy. This includes referrals to Occupational Health, return to work meetings and monitoring.

Continued failure to attend work due to being under the influence of alcohol and/or drugs may lead to the Sickness Management Procedure being instigated.

Where, following return to work after treatment, the employee's work performance continues to suffer because of alcohol and/or drug related problems, the individual circumstances of the case will be considered. Where this is assessed as no longer appropriate, the employee will be managed in accordance with the Council's Capability or Disciplinary Procedure.

An employee whose problems are suspected to be alcohol and/or drug related and who refuses the offer of referral for diagnosis and/or help and treatment, or who discontinues a course of treatment before its satisfactory completion and whose conduct remains unsatisfactory, will be subject to action in accordance with the Council's Disciplinary Procedure.

If an employee's work responsibilities are seen to be an obstacle to their recovery, then redeployment will be considered upon advice received by Occupational Health.

A minimum of three random tests will be carried out if the employee continues in a safety critical role to ensure the safety of themselves, colleagues and the public over 6 months.

Having accepted help or treatment and resolved the alcohol and/or drug related problem, the employee's normal promotional prospects will not be affected.

Monitoring and Review

The policy is aiming to ensure fairness and consistency in relation to alcohol and/or drugs at work.

The Council will, in consultation with Unison, the Safety Committee and Managers, monitor the effectiveness of the Policy and will review its provisions as circumstances require and at least once every two years or earlier if appropriate.

Linked Policies

- Capability Policy
- Employee Code of Conduct
- Sickness Management Policy
- Disciplinary Policy
- Health & Safety Policy
- Whistleblowing Policy

Appendix A - Guidelines for managers in identifying signs

It is important to remember that the earlier an individual's problem can be identified, the more likely it is that they can be successfully helped to overcome it.

Work related problems often caused by alcohol and/or drug or other substance misuse may include the following:

Absenteeism

Multiple instances of unauthorised absence	Frequent and excessive sick leave	Unexplained absences
Short term and frequent absences that show a pattern	Peculiar and increasingly improbable excuses for absence	Unusually high absenteeism rate for colds, flu, diarrhoea and vomiting etc.
Frequently late for work	Frequent trips to the toilet	Overlong breaks.

High Accident Rate

Accidents at work	Accidents out of work e.g., at home, travelling to or from work etc.
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Appearance

Flushed face, 'bleary' eyes	Smell of alcohol	Hand tremors, unsteady movements
Increasingly unkempt appearance/lack of personal hygiene	Physical incapacity	Sleepiness
Slurred speech	Cold, sweaty palms	Dilated pupils
Red eyes	Suspicious attitude toward others	Excessive talkativeness.

Deteriorating Efficiency

Change of behaviour	Unexplained dips in productivity
Jobs taking more time	Mistakes due to inattention or poor judgement
Missed deadlines	Increasingly unreliability and unpredictability
Difficulty in recalling instructions etc.	

Poor Employee Relations

Performance or conduct issues	Over reaction to real or imagined criticism	Irritability and/or aggression
Complaints from colleagues	Avoidance of manager or colleagues	

It is important to remember that some of these features can also be signs of other things, like stress or illness.

Each case should be considered individually, depending on the previous pattern of behaviour and the nature of the incident. Human Resources should always be consulted in these circumstances.

Appendix B - How to approach a person/employee

You should approach the person/employee as soon as is practicable and appropriate, being mindful of privacy. Consider any potential difficulties that may prevent your efforts from being effective, for example:

- Personal friendship with the individual
- A poor relationship with the individual
- Feeling insufficiently informed about this Policy or misuse problems in general.

Where these or other circumstances exist that make approaching the employee difficult or inappropriate, you need to contact a suitable colleague to come as soon as possible.

Under the Influence on duty

If it is suspected that a person/employee is intoxicated or dependent on a drug and/or substance whilst on duty the Line Manager should ensure the individual is taken away into a private space away from other employees or members of the public.

If available at short notice it is advisable for the Line Manager to be accompanied by a colleague and for the employee to be accompanied by a workplace colleague or Union Representative.

The Manager should make a record of any signs which may be indicative of the employee being under the influence. Clear and factual notes must be made documenting all the reasons, signs and behaviours observed that led to the point that concerns were raised and what action was taken.

The Manager should highlight to the individual the reasons for them having a suspicion that they are under the influence. If the Manager believes that the employee is under the influence of alcohol and/or drugs or substances, they should make arrangements for the employee to be removed from duty and a test carried out as soon as possible.

Based on the test results the Manager should liaise with the Senior Manager and/or Human Resources to take the decision whether to suspend in accordance with the Council's Disciplinary Procedure whilst an investigation is undertaken.

Dependency

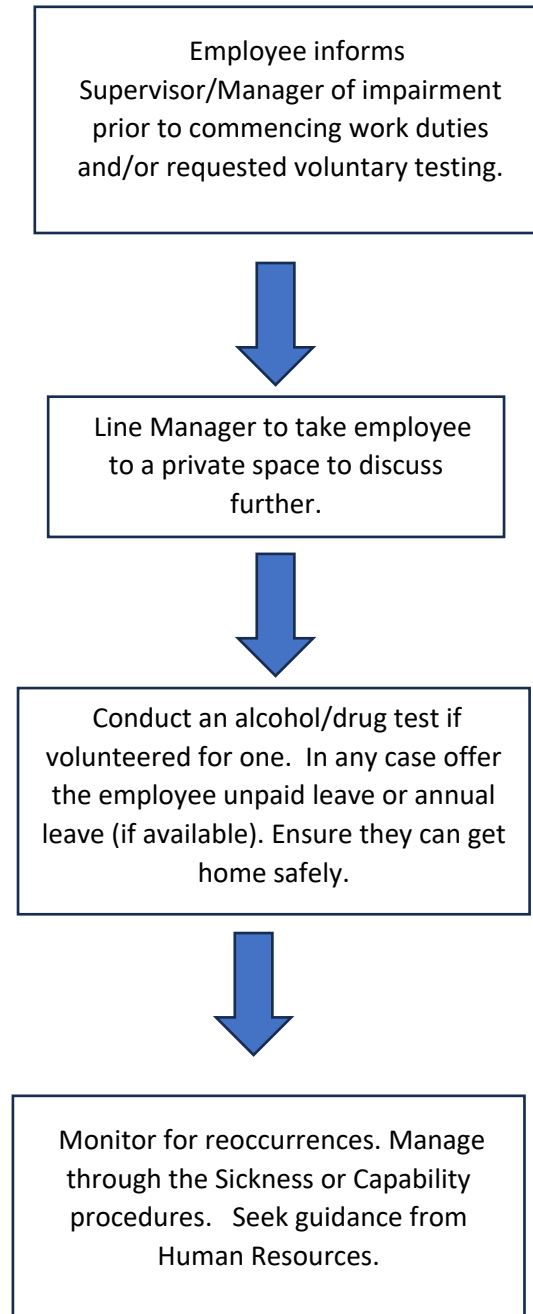
The manager should carefully monitor the situation and keep confidential records of work performance (attendance times, etc.) and all signs and symptoms of misuse (all records must be kept in accordance with the Council's data protection policy).

Appendix C - Useful contacts

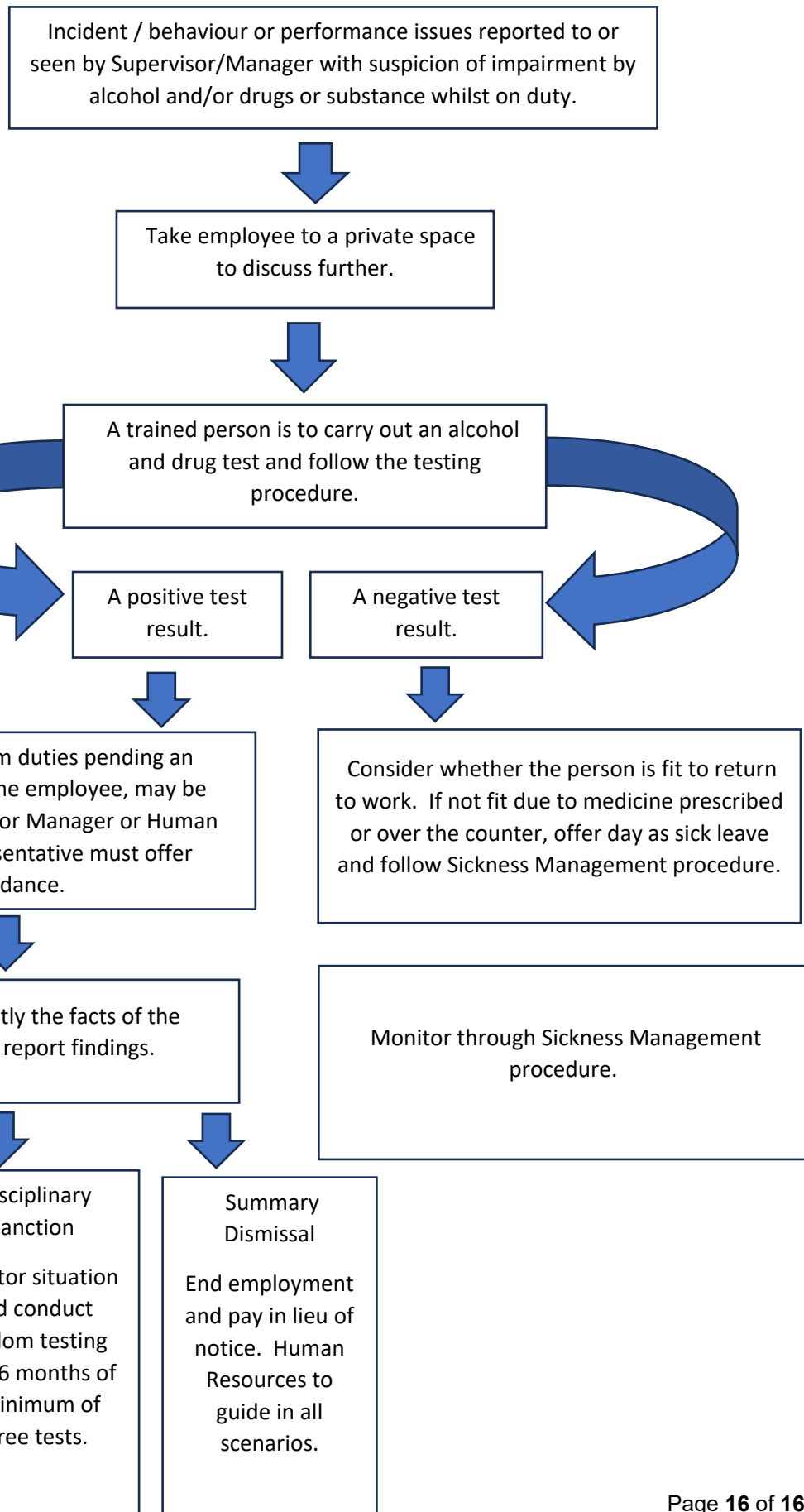
<p>Counselling The employee may well need support and counselling depending on the circumstances. Telephone and/or face to face counselling can be obtained through Wellbeing advice – Staff pages (runnymede.gov.uk).</p>	<p>Al-Anon Self-help group for people affected by the drinking problem of family or friends. Al-Anon's youth group, Alateen, offers support for people aged between 12-20 affected by a problem drinker. Tel: 0800 0086 811, 10am-10pm, 365 days a year. Website: http://www.al-anonuk.org.uk/</p>
<p>Alcoholics Anonymous (AA) International Fellowship of recovering alcoholics with meetings and local groups nationwide. Tel: 0800 9177 650, email help@aamail.org Website: www.alcoholics-anonymous.org.uk/</p>	<p>DrugScope Comprehensive and searchable research library on drugs. Tel: 020 7234 9730. www.drugscope.org.uk/</p>
<p>NHS Online health advice and information on alcohol misuse. https://www.nhs.uk/conditions/alcohol-misuse/</p>	<p>Public Health England http://www.nta.nhs.uk/</p>
<p>Addaction A UK wide treatment agency, helping individuals, families and communities to manage the effects of drug and alcohol misuse. www.wearewithyou.org.uk</p>	<p>ADFAM Support group for families affected by drug use. Will listen, give support, provide information & respect confidentiality. www.adfam.org.uk</p>
<p>Cocaine Anonymous Is a fellowship of men and women who share their experience, strength and hope with each other so that they may solve their common problem and help others to recover from their addiction. www.cocaineanonymous.org.uk. Tel: 0800 612 0225, 10.00 – 22.00, 7 days</p>	<p>Drinkline The national alcohol helpline is a free confidential telephone helpline which offers information and advice on alcohol to anyone concerned or worried about their own drinking. It also offers advice to family and friends by providing information on the support available. Tel: 0300 123 1100. Opening Hours: Weekdays 9am - 8pm, Weekends 11.00am - 4pm</p>
<p>Narcotics Anonymous (NA) for recovering addicts who meet regularly to help each other stay clean. There is only one requirement for membership - the desire to stop using. Tel: 0300 999 1212. 10am to midnight. www.ukna.org/</p>	<p>Talk to Frank Confidential advice and information service about drugs and solvents. Trained advisors can provide information about local services and give you support if you are concerned about a drug problem. Tel: 0300 123 6600. Text: 82111. www.talktofrank.com</p>
<p>NHS Online health advice and information on drugs misuse. https://www.nhs.uk/live-well/healthy-body/drug-addiction-getting-help/</p>	<p>Turning Point Range of alcohol and drug services to help people to recover from addiction and gain control of their lives. www.turning-point.co.uk</p>
<p>The Mix Non-judgmental advice and facts on drink and drugs for the under 25s Tel: 0808 808 4994 from 4pm – 11pm every day. Text: THEMIX to 85258 24/7 crisis line www.themix.org.uk</p>	

Appendix D - Guidance for Managers - flowchart

Employee voluntarily informs of alcohol and/or drug use.



Employee suspected or visibly affected by alcohol and/or drugs.



Report title	Approach to Financial Sustainability – Savings, income generation and efficiency process
Report author	Amanda Fahey
Department	Assistant Chief Executive (s151)
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:
To recommend to Full Council

Synopsis of report:
This report follows on from the consideration at Full Council in July of a process for the identification and delivery of savings, income generation opportunities and efficiencies, designed to underpin the Council’s financial sustainability. The report proposes an amended process that includes the relevant Service Committee when considering the output from Service Reviews.

Recommendation:
That Corporate Management Committee recommend to Full Council the amended approach set out in the report for the identification and delivery of savings, income generation and efficiencies.

1. Context and background of report

- 1.1 In July 2023, a report was considered by the Corporate Management Committee that provided an update to the actions set out in the Medium-Term Financial Strategy approved by Full Council in February 2023. The aim of these measures over the medium term being to reduce reliance on working balances to meet budget shortfalls and build capacity within the general revenue fund to support capital spending, enabling the Council to meet its strategic objectives.
- 1.2 As part of this update, the report set out a process for the identification and delivery of savings, income generation opportunities and efficiencies alongside proposals to increase the level of transfers to existing earmarked reserves and to create two new reserves, designed to underpin the Council’s financial sustainability.
- 1.3 The proposed changes to Reserves were approved in principle, subject to the outturn position for 2022/23 and are referred to in the Provisional Outturn Report elsewhere on the September Corporate Management Committee agenda. The process for savings identification and delivery, which included proposals for a series of Service

Reviews, was recommended to Full Council for consideration on 20th July, where further debate took place. Some Members felt that due to the potential impact on services, greater scrutiny of any proposals coming forward from the Service Reviews would be better provided by the Service Committees, who would have an in-depth understanding of services falling within their remit. Although it was confirmed at the meeting that all information would be shared with the relevant Service Committees, and additionally that Members of those committees could attend the Service Review, Communications and Transformation Member Working Party to provide their input, the recommendation was not agreed. This report therefore sets out an amended process for consideration and onward recommendation to Full Council, so that the essential work of addressing the Council's financial sustainability can move forward.

2. Savings, income generation and efficiencies

- 2.1 Previous reports have set out the necessity for a programme to be implemented to drive forward net savings to the Council's Revenue budget. The first quarter Budget Monitoring Report, also on this agenda, reinforces the need to take action to address the future, anticipated budget shortfall.
- 2.2 The bulk of the recommended process remains unchanged from that presented to July's Corporate Management Committee and to Full Council (links to both reports are included at the end of this report). The key change, however, is that any recommendations flowing from the consideration by the Service Review, Communications and Transformation Member Working Party of the data and evidence produced following a Service Review, will be made in the first instance to the relevant Service Committee who have responsibility for that service. Following this, the recommendation will progress to the Corporate Management Committee, given the essential part these Reviews are expected to play in improving the long-term financial health of the Council.
- 2.3 As previously noted, all Members will be made aware of the agenda items for all Working Parties and will be able to join those meetings should they wish to learn more and to participate in those discussions. Service Chairs, who all sit on the Corporate Management Committee, will also be able to fully reflect the discussions held at other Service Committees on individual service reviews, and provide that Service Committee's feedback. A map of the process is set out at Appendix 1.
- 2.4 The process above relates to the outcomes of Service Reviews. This is only one part of the overall savings programme, which also includes a raft of individual measures designed to reduce net budget costs. These will be progressed in a number of ways:
 - Simple budget amendments not affecting service delivery will be incorporated as part of the budget setting exercise or implemented throughout the year and reported within regular budget monitoring reporting
 - More complex proposals will come forward with associated business cases to be considered either alongside the budget setting process or taken through the relevant Service Committees for consideration, before being referred to Corporate Management Committee
- 2.5 While an initial capture of net savings ideas has been undertaken with Corporate Heads of Service, it is important to provide both staff and Members with the opportunity to feed in suggestions to the programme. It is intended that a session will be set up in the near future for all Members to contribute to this discussion, while a tool to capture staff ideas is to be developed. It is important to note that this will need

to be an iterative process, to ensure that net budget reductions are achieved, and that a rolling programme of reviews is maintained, in order to deliver best value for Runnymede residents.

3. Policy framework implications

- 3.1 The Medium-Term Financial Strategy (MTFS), which is required to be adopted by Full Council, is an important part of the budgetary framework of the Council, highlighting financial risks, and providing a framework to deliver a sustainable financial position to enable the Council to achieve its strategic objectives. This report builds on the previous update to the actions contained within the MTFS and provides an amended approach to the scrutiny and delivery of outcomes from a programme of Service Reviews, to be rolled out over the life of the MTFS.

4 Resource implications/Value for Money

- 4.1 A robust financial strategy is essential for the delivery of the Council's objectives over the medium term, ensuring that decision-making takes due regard of the financial consequences. The previous financial forecast identified an underlying budget gap that needs to be addressed to ensure the Council is financially sustainable over time and can continue to deliver its corporate priorities, as set out in the Corporate Business Plan. This requires a managed programme of service and budget reviews.
- 4.2 The recommendations of each Review will be supported by full business cases including the expected cost and benefits (financial and non-financial) and a timescale for realising those benefits. Where there is a requirement for pump-priming to support a change to service provision, the business case may include a request to draw down funding from the Service Transformation Reserve which is to be set aside to support the overall savings programme.

5. Legal implications

- 5.1 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs.

6. Equality implications

- 6.1 Equality Impact Assessments will be undertaken, where appropriate, for any new schemes considered as part of these Reviews to enable comprehensive assessments to be undertaken of the impact on Service users.

7. Environmental/Sustainability/Biodiversity implications

- 7.1 Any environmental, sustainability or bio-diversity implications will be considered as part of each Review.

8. Risk

- 8.1 These measures are designed to mitigate financial risk to the Council and assist in the efficient, effective and economic delivery of its Services. If the process is delayed, there is a risk that the Council will not achieve the net budget reductions required to ensure its longer-term financial stability and sustainability.

9. Timetable for Implementation

- 9.1 Meetings of the Service Review, Communications and Transformation Working Group commence in September. The first reviews will commence shortly thereafter with regular feedback on progress to the Working Party. Once Reviews are completed, and any recommendations have been through the approval process outlined above, the financial implications will be built into updates of the Medium–Term Financial Forecast. Progress will be monitored via the Overview and Scrutiny Select Committee. Timing will depend on the agreed scope of the Reviews, the resources available to carry out the reviews, and the Committee timetable.
- 9.2 Implementation timescales for the output of Reviews will be included in their individual business cases when considered for approval.

10. Background papers

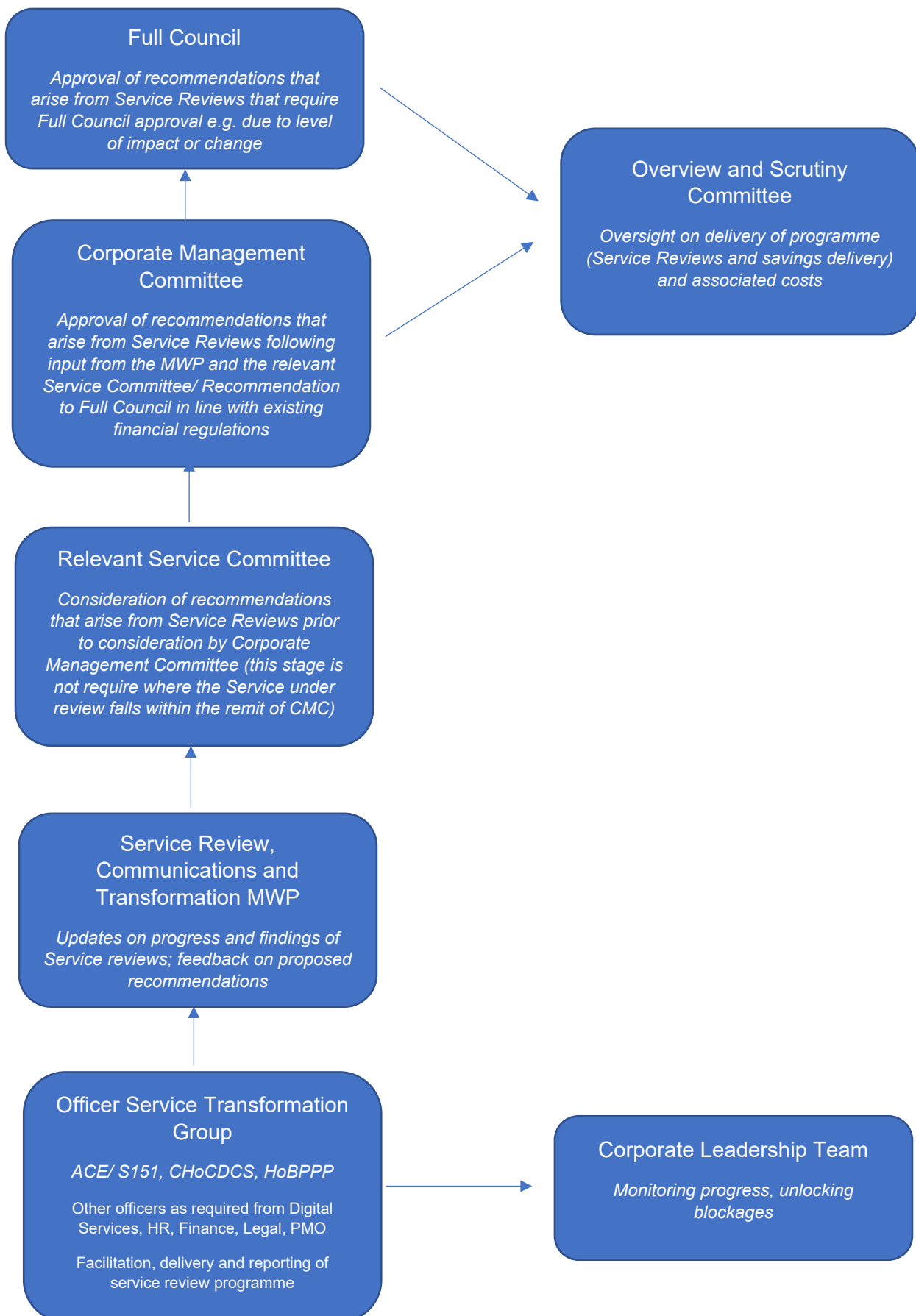
[Agenda Supplement for Full Council, 20/07/2023](#)

[Agenda Supplement for Corporate Management Committee, 13/07/2023](#)

11. Appendices

Appendix 1 – Service Review Programme Governance

SERVICE REVIEW PROGRAMME GOVERNANCE



Report title	Treasury Management Annual Report 2022/23
Report author	A Ismailov - Senior Accountant
Department	Finance
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:

For information

Synopsis of report:

This is the annual report on Council’s treasury management activity and performance for the 2022/23 financial year covering financing and liquidity, cash management and risk management associated with these activities.

Recommendation(s):

None, this report is for information

1 Background Information

- 1.1 The Council’s treasury management activity is underpinned by CIPFA’s (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management (“the Code”), and the CIPFA Prudential Code for Capital Finance in Local Authorities (“the Prudential Code”). These require local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities quarterly from 2023/24.
- 1.2 The Council’s Treasury Management Strategy for 2022/23 was approved at Full Council on 09 February 2022. This report sets out the Council’s performance against the criteria in this report for 2022/23.
- 1.3 Treasury management is defined 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.”
- 1.4 No treasury management activity is without risk; The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities focuses on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.5 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council’s policies previously approved by the members.

- 1.6 In its oversight role, the Overview and Scrutiny Select Committee will consider this report on 05 October 2023.

2 Prudential and Treasury Indicators and Compliance

- 2.1 In compliance with the requirements of the Code this report provides members with a summary report of the treasury management activity during 2022/23. Officers can confirm that during the year, the Council complied with all its legislative and regulatory requirements and its Treasury Management Statement and Treasury Management Practices.
- 2.2 During the year the Council operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy and in compliance with the Council's Treasury Management Practices with the exception of the item set out in 2.3 below, and a prudent approach was taken in relation to all investment activity with priority being given to security and liquidity over yield.

Breach of Counterparty limits

- 2.3 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 the counterparty was not removed 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.
- 2.4 Since this error was picked up, officers have been in contact with the Treasury Management System provider to see what, if any, amendments could be made to the system and new preventive controls and procedures were introduced to ensure that this does not happen again.
- 2.5 A full set of prudential and treasury indicators for 2022/23 are set out in Appendix A

3 Risk management

- 3.1 The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. The Treasury Management Strategy Statement ("TMSS") for 2022/23, which includes the Annual Investment Strategy, sets out the Council's investment priorities as being:

Credit risk

Counterparty credit quality is assessed and monitored with reference to credit ratings; credit default swaps; GDP of the country in which the institution operates; the country's net debt as a percentage of GDP; any potential support mechanisms and share price.

Liquidity risk

In keeping with the DLUHC Guidance on Investments, the Council maintains a sufficient level of liquidity through the use of Money Market Funds and call accounts.

Yield

The Council seeks to optimise returns commensurate with its objectives of security and liquidity.

4 Economic background

- 4.1 The following section was provided by the Council's Treasury Advisors, Link Group and reflects the market position in April 2023:

- 4.2 Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.
- 4.3 Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, Eurozone and US 10-year yields all rising by over 200 basis points (2%) in 2022.
- 4.4 Quarter 2 of 2022 saw UK GDP deliver growth of +0.1% quarter on quarter, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Quarter 4 GDP was positive at 0.1% quarter on quarter. Most recently, January saw a 0.3% month on month increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% quarter on quarter rise in real household disposable incomes. A big part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.
- 4.5 Nevertheless, CPI inflation picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. On balance, most commentators expect the CPI measure of inflation to drop back towards 4% by the end of 2023. As of February 2023, CPI was 10.4%.
- 4.6 The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of circa. 500k. The fact remains, however, that with many economic participants registered as long-term sick, the UK labour force shrunk by circa 500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food (up 18.3% year on year in February 2023) and energy that have endured since Russia's invasion of Ukraine on 22 February 2022.
- 4.7 Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.
- 4.8 In the interim, following a Conservative Party leadership contest, Liz Truss became Prime Minister for seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their Government lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of the 17th of November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have reversed the increases seen under the previous tenants of No10/11 Downing Street, although they remain elevated in line with developed economies generally.
- 4.9 As noted above, GDP has been tepid throughout 2022/23, although the most recent composite Purchasing Manager Indices for the UK, US, EU and China have all surprised to the upside, registering survey scores just above 50 (below suggests economies are contracting, and above suggests expansion). Whether that means a shallow recession, or worse, will be avoided is still unclear. Ultimately, the MPC will want to see material evidence of a reduction in inflationary pressures and a loosening in labour markets. Realistically, that is an unlikely outcome without unemployment rising and wage settlements falling from their current levels. At present, the bigger rise in employment kept the ILO unemployment rate unchanged at 3.7% in January. Also, while the number of job vacancies fell for the ninth consecutive month in February, they remained around 40% above pre-pandemic levels.
- 4.10 Our economic analysts, Capital Economics, expect real GDP to contract by around 0.2% quarter on quarter in Q1 and forecast a recession this year involving a 1.0% peak-to-trough fall in real GDP.

- 4.11 The £ (GBP) has remained resilient of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.23. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 4.5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.
- 4.12 As for equity markets, the FTSE 100 started 2023 strongly, rising to a record high of 8,014 on 20th February, as resilient data and falling inflation boosted earnings. But global equities fell sharply after concerns over the health of the global banking system emerged early in March. The fall in the FTSE 100 was bigger than the drop in the US S&P 500. Indeed, at around 7,600 now, the FTSE is 5.2% below its record high on 20th February, while the S&P 500 is only 1.9% lower over the same period. That’s despite UK banks having been less exposed and equity prices in the UK’s financial sector not falling as far. It may be due to the smaller decline in UK interest rate expectations and bond yields, which raise the discounted value of future earnings, compared to the US.
- 4.13 In the meantime in the US, the flurry of comments from Fed officials over recent months suggest there is still an underlying hawkish theme to their outlook for interest rates. Markets are pricing in a further interest rate increases of 25-50bps, on top of the current interest rate range of 4.75% - 5%. In addition, the Fed is expected to continue to run down its balance sheet.
- 4.14 As for the US inflation, it is currently at ca 6% but with the economy expected to weaken during 2023, and wage data already falling back, there is the prospect that should the economy slide into a recession of any kind there will be scope for rates to be cut at the backend of 2023 or shortly after.
- 4.15 Although the Eurozone inflation rate has fallen below 7%, the ECB will still be mindful that it has further work to do to dampen inflation expectations and it seems destined to raise rates to 4% in order to do so. Similar to the UK, growth has remained more robust than anticipated but a recession in 2023 is still seen as likely by most commentators.

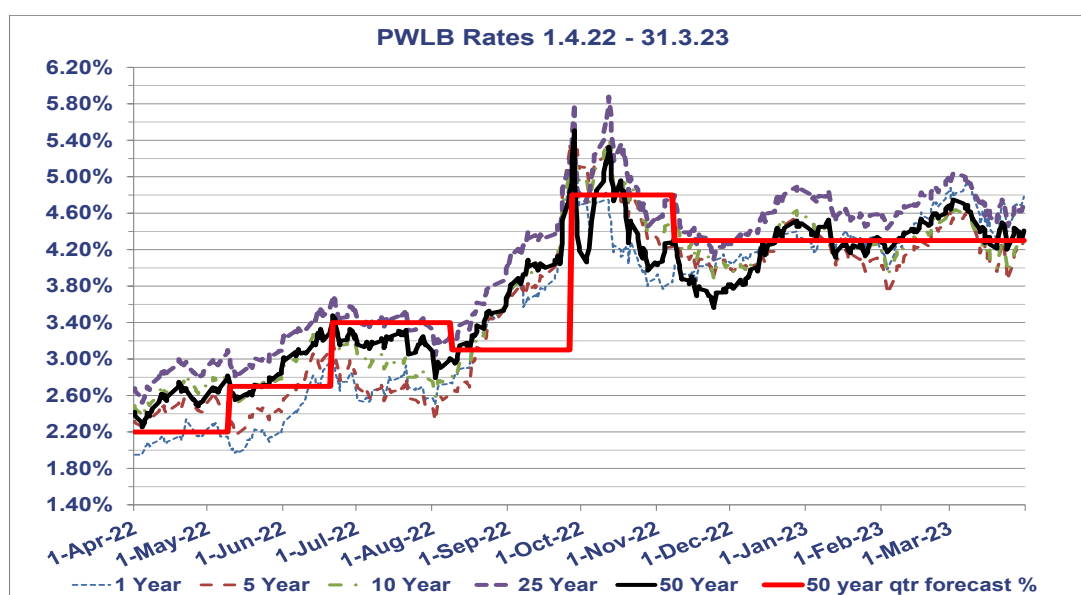
5 Borrowing Activity in 2022/23

- 5.1 The Council’s underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (“CFR”). This figure is a gauge of the Council’s indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2022/23 unfinanced capital expenditure, and prior years’ net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 5.2 Part of the Council’s treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council’s cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, such as the Government, through the Public Works Loan Board (“PWLB”), or the money markets, or utilising temporary cash resources within the Council.
- 5.3 During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, the CFR, 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 strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 5.4 Table 1 sets out the borrowing activity for the year.

	Opening Balance £’000	New borrowing £’000	Borrowings repaid £’000	Closing balance £’000
HRA – PWLB	100,000	0	0	100,000

General Fund - PWLB	499,000	0	0	499,000
General Fund – Other	54,731	0	10,550	44,181
	653,731	0	10,550	643,181

- 5.5 PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers.
- 5.6 However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the Federal Reserve, European Central Bank and Bank of England are all being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.
- 5.7 The actual PWLB rates during the year were as follows:



- 5.8 Gilt yields have been on a continual rise since the start of 2021, peaking in the autumn of 2022. Currently, yields are broadly range bound between 3% and 4.25% and are expected to stay high over the course of next one to two years.
- 5.9 The Bank of England is also embarking on a process of Quantitative Tightening, but the scale and pace of this has already been affected by the Truss/Kwarteng government in the autumn of 2022 and more recently by the financial market unease with some US (e.g., Silicon Valley Bank) and European banks (e.g., Credit Suisse). The impact of the policy is yet to be seen.
- 5.10 There are strict criteria set out that forbid councils from borrowing more than, or in advance of, their needs purely in order to profit from the investment of the extra sums borrowed. The Council has undertaken no such borrowing.

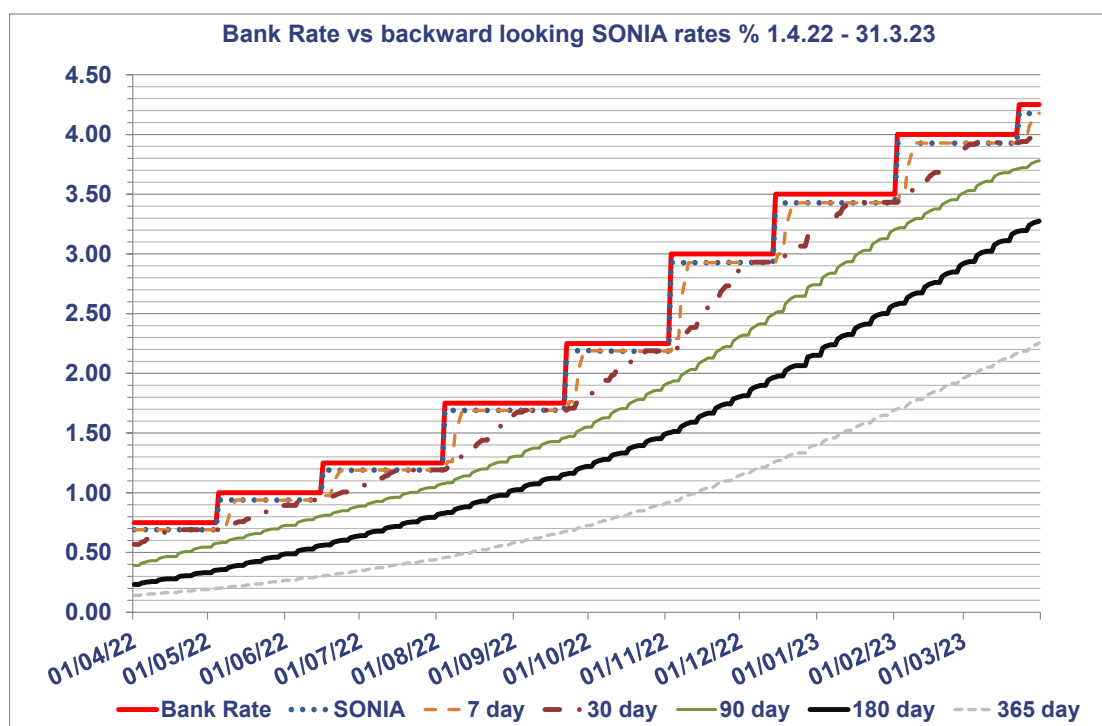
6 Interest rates in 2022/23

- 6.1 Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for. Starting April at 0.75%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with the potential for a further one or two increases in 2023/24.

- 6.2 The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 6.2% in February).
- 6.3 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 6.4 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing counterparty risk exposure, by having fewer investments placed in the financial markets.

Interest rate benchmark

- 6.5 LIBOR (the London Inter-bank Offered Rate) a globally accepted key benchmark interest rate for over 35 years, was replaced by the reformed Sterling Overnight Index Average (SONIA) from 31 December 2021. SONIA is published daily and measures the cost of overnight borrowing on a backward looking basis.
- 6.6 The SONIA (backward-looking) rates during the period were as follows:



FINANCIAL YEAR TO QUARTER ENDED 31/03/2023							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	4.25	4.18	4.18	4.00	3.78	3.27	2.25
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023	31/03/2023
Low	0.75	0.69	0.69	0.57	0.39	0.23	0.14
Low Date	01/04/2022	28/04/2022	29/04/2022	01/04/2022	01/04/2022	01/04/2022	01/04/2022
Average	2.30	2.24	2.20	2.09	1.81	1.42	0.90
Spread	3.50	3.49	3.49	3.43	3.39	3.04	2.11

- 6.7 The Council's actual annualised interest rate performance during the year was 2.16%. The Council's overall performance compares favourably with the new average SONIA rates as can be seen in the above table.
- 6.8 The Council's Treasury Management Strategy sets out a lower rate of interest for the Housing Revenue Account based on the risk free nature of the account. This lower rate is achieved by deducting the credit risk margin from the actual rate achieved by the Council. The resulting interest rate applicable to the HRA during 2022/23 was 1.84%.
- 6.9 The Council invests in two Pooled Funds (operated by CCLA (Churches, Charities and Local Authorities) Investment Management Limited). 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 relatively strong levels of interest (in the form of dividends). However, the capital values of these assets can be subject to large fluctuations (both up and down) over relatively short time frames.
- 6.10 The movement of the Council's two CCLA pooled funds is as follows:

Table 2 – Pooled Funds in 2022/23				
	Original Investment	Value 31 March 2022	Value 31 March 2023	Annual Return
	£	£	£	%
CCLA Property Fund	2,000,000	2,710,240	2,263,467	5.6
CCLA Diversified Income Fund	2,000,000	2,079,227	1,894,514	2.9

The differences between the Original Sums invested and the Values at 31 March 2023 are held on the Council's Balance Sheet in the Pooled Investments Adjustment Account.

7 Investment Outturn for 2022/23

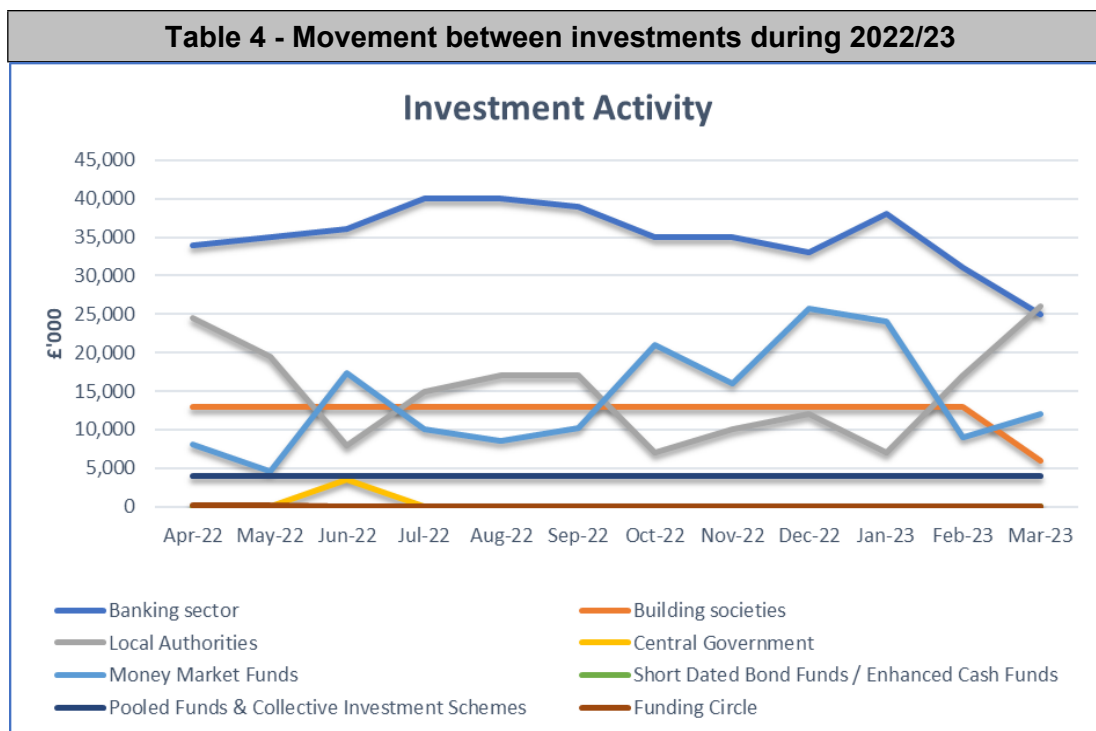
- 7.1 The Council's investment policy is governed by DLUHC investment guidance and is reflected in the Annual Investment Strategy approved by the Council each year. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.). The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.
- 7.2 Investments of £73.0million were held by the Council at 31 March 2023 with investment turnover principally driven by the availability of counterparties that meet the criteria set out in the Annual Investment Strategy. Table 3 summarises investment activity during the course of the year, split between the sectors of the counterparties that the funds were invested with.

Table 3 - Investment activity in 2022/23

	Opening Balance	New Investments	Investments Recalled	Closing Balance
	£000	£000	£000	£000
Specified Investments				

Banking sector	23,000	81,000	79,000	25,000
Building societies	16,000	41,000	51,000	6,000
Local Authorities	24,500	45,000	43,500	26,000
Central Government	0	3,500	3,500	0
Money Market Funds	9,820	116,950	114,770	12,000
Unspecified Investments				
Short Dated Bond Funds & Cash Funds	0	0	0	0
Pooled Funds & Investment Schemes	4,000	0	0	4,000
Funding Circle	104	0	62	42
	77,424	287,450	291,832	73,042

- 7.3 The monthly movement in balances between these categories is set out in Table 4 below and reflects the available counterparties and investment rates at that time.



- 7.4 A full list of investments held at 31 March 2023 is set out in Appendix C.

- 7.5 In addition to the normal money markets, the Council also invests in its own companies by way of loans provided to them for the purchase of assets from the Council (that the Council cannot hold itself) and via working capital loans. All such Loan Agreements have been approved by Full Council at rates set in accordance with competition rules. The table below sets out these loans and the income to the Council.

Loan Type	Original Investment £	Annual Interest £	Interest Rate %
Development Loans - AddlestoneOne	25,326,054	1,276,433	5.04
Development Loans – Magna Square	11,837,595	320,430	4.22
Development Loans - Other	1,000,000	48,600	4.86
Working Capital Loans	445,000	33,553	7.54
Working Capital Loans	300,000	22,080	7.36
Working Capital Loans	2,100,000	137,153	7.40
Totals	41,008,649	1,838,249	

- 7.6 The Council's cash balances comprise revenue and capital resources and cash flow monies (creditors etc). Interest earned on these balances is derived from in-house managed investments. The table below shows gross investment income achieved in 2022/23 alongside the interest paid on borrowings:

Table 7 – Net investment income / Debt interest 2022/23			
	Original Estimate £'000	Revised Estimate £'000	Outturn £'000
Investment income earned	443	2,907	1,646
Dividend income earned	120	120	171
Interest on loans to RBC companies	1,862	1,806	1,859
Gross investment income	2,425	4,833	3,676
Management expenses	(27)	(28)	(22)
Interest paid on deposits and other balances	(1)	(6)	(10)
Debt interest	(16,859)	(16,848)	(16,283)
Net Investment Income / (Debt interest)	(14,462)	(12,049)	(12,638)

This is broken down between services as follows:

General Fund	(11,179)	(9,408)	(9,920)
Housing Revenue Account	(3,283)	(2,641)	(2,718)
Net Investment Income / (Debt interest)	(14,462)	(12,049)	(12,638)

- 7.7 The revised estimate for investment income assumed a higher level of interest rates over the last 6 months of the year than actually materialised. Officers also decided not to take out replacement borrowing for a maturity, instead choosing to run down investment balances to generate a net betterment for the Council. It should be noted that this is only a temporary measure until such time that the current high borrowing rates return to levels in line with medium term market predictions.

- 7.8 Aside from the parameters set in the Annual Investment Strategy, the main factors that determine the amount of investment income 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.

8 Legal Implications

- 8.1 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, the Government Investments Guidance and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out their treasury management functions.

9 Environmental/Sustainability/Biodiversity implications

- 9.1 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.
- 9.2 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>

10 Council Policy

- 10.1 This is set out in the Treasury Management Policy Statement, the Annual Investment Strategy, and associated Practices and Schedules.
- 10.2 The Council’s treasury management policy statement states:
- “The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.”
- 10.3 It is the security of investments that has always been the main emphasis of our treasury strategy. In balancing risk against return, Officers continue to place emphasis on the control of risk over yield.

11 Conclusions

- 11.1 The financial year continued the challenging investment environment of previous years. The management of counterparty risk remains our primary treasury management priority. The criteria in the Annual Investment Strategy are continuously reviewed to minimise risk as far as reasonably possible whilst retaining the ability to invest with secure institutions.

FOR INFORMATION

12 Appendices

- Appendix A – Treasury Indicators 2022/23
- Appendix B – Borrowings as at 31 March 2023
- Appendix C – Investments as at 31 March 2023

Treasury Indicators 2022/23

Capital Expenditure – This prudential indicator is a summary of the Council’s capital expenditure plans, and financing requirements. Any shortfall of resources results in a funding borrowing need.

Capital Expenditure	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
HRA	5,696	15,350	9,187	6,459
General Fund	29,688	19,088	19,213	18,048
Non-Financial Investments				
- Investment Properties	0	0	0	0
- Capital Loans	0	6,200	11,838	11,838
Total	35,384	40,638	40,238	36,345
Financed by:				
Capital Receipts	2,279	14,943	20,654	13,949
Earmarked Reserves	331	1,374	9,872	355
Capital Grants & Contributions	1,203	652	4,105	3,838
Revenue	5,029	14,830	607	5,908
Total	8,842	31,799	35,238	24,089
Net financing need for the year	26,542	8,839	5,000	12,256

The net financing need for non-financial investments included in the above table against expenditure is shown below:

	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
Capital expenditure	0	6,200	11,838	11,838
Financing costs met	0	6,200	11,838	11,838
Net financing need for the year	0	0	0	0
Percentage of total net financing need	0%	0%	0%	0%

The Council’s borrowing need (the Capital Financing Requirement) - The Council’s Capital Financing Requirement (CFR), is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council’s underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR.

	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
CFR:				
- HRA	101,956	100,000	100,000	100,000
- General Fund	144,322	191,122	157,221	157,221
- Non-Financial Investments	432,661	429,740	442,178	442,178
CFR at 1 April	678,939	720,862	699,399	699,399
Net financing need for the year	26,542	8,839	5,000	12,256
Less MRP/VRP and other financing movements	(6,082)	(4,586)	(4,324)	(4,291)
CFR at 31 March	699,399	725,115	700,075	707,364

The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes.

Current Portfolio Position - The Council's treasury portfolio position is summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
External Debt at 1 April	-	673,827	654,084	-
Expected change in Debt	-	6,883	-6,009	-
Actual gross debt at 31 March	654,084	680,710	648,075	643,573
Capital Financing Requirement	699,399	725,115	700,075	707,364
Under / (over) borrowing	45,315	44,405	52,000	63,791

The under borrowed position is due to internal borrowing. This is temporary funding of capital expenditure using positive cash flows and internal balances. A small part of this difference (approximately £450,000) represents the value of balances held on behalf of local trusts (e.g. Cabrera Recreation Ground Trust, Runnymede Pleasure Ground Trust etc). This gives the Trusts certainty of income and quick access if needed.

Within the Actual gross debt at 31 March figures shown above, the level of debt relating to non-financial investments is:

	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
Debt at 31 March	442,178	429,740	433,724	433,724
Percentage of total external debt	68%	64%	67%	67%

The Operational Boundary – This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher

depending on the levels of actual debt. **The authorised limit for external borrowing.** – A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils’ plans, or those of a specific Council, although this power has not yet been exercised.

	2022/23 £000s
Operational Boundary	695,710
Authorised Limit	720,710
Actual Borrowings	643,573

This limit includes a “cushion” to allow for the non repayment of any borrowing at the required time and headroom for rescheduling of debts (i.e. borrowing new money in advance of repayment of existing). This was not required during the year.

Interest Rate exposure - The upper limits on variable interest rate exposure indicator is set to control the Council’s net exposure (taking borrowings and investments together) to interest rate risk. Its intention is to ensure that the Council is not exposed to interest rate rises which could adversely impact the revenue budget.

	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
Upper limits on fixed interest rates based on net debt	585,488	693,570	632,109	643,181
Upper limits on variable interest rates based on net debt	0	0	0	(73,042)

The Upper Limit on fixed interest rates is calculated using the maximum allowed debt (The Authorised Borrowing Limit/Actual borrowing) less Fixed Term investments.

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, GBP73.0mln are classed as variable rate investments. The Council has no variable rate borrowings to offset these against, hence the negative figure in the table above.

Investment Treasury Indicator and Limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

	2021/22 Actual £000s	2022/23 Estimate £000s	2022/23 Revised £000s	2022/23 Actual £000s
Upper limits on Principal sums invested for over 365 days	0	3,000	3,000	0

There were no investments made for a period of greater than 365 days at the 31 March 2023.

Maturity structure of fixed interest rate borrowing (Upper Limit)

	2021/22 Actual %	2022/23 Estimate %	2022/23 Revised %	2022/23 Actual %
Under 12 months	2	25	25	2.42
12 months to 2 years	2	25	25	1.65
2 years to 5 years	5	25	25	4.95
5 years to 10 years	12	50	50	12.20
10 years and above	79	100	100	78.78

As the Council does not borrow at variable rates of interest, the upper limit on this type of debt will always be nil, therefore no table has been produced for variable interest rate borrowing.

Appendix B

Borrowings as at 31 Mar 2023

	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					
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%
PhoenixLife Limited	39,181	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%
	543,181		12,689,030	Average Rate:	2.34%
Total Borrowings	643,181		16,068,030	Annual Interest	2.50%

Appendix C

Investments as at 31 Mar 2023					
	£'000		ORIGINAL TERM	MATURITY	%
Banks					
<u>Term Deposits</u>					
Goldman Sachs International Bank	5,000		6 mth	11 Apr 2023	4.320
SMBC	3,000		3 mth	23 May 2023	4.120
National Bank of Kuwait	4,000		3 mth	29 Jun 2023	4.400
Handelsbanken	5,000		6 mth	17 Jul 2023	4.200
DBS Bank	1,000		9 mth	20 Nov 2023	4.450
<u>Certificates of Deposit</u>					
Nordea Bank Abp	1,000		3 mth	12 Apr 2023	3.800
Standard Chartered Bank	5,000		1 yr	13 Apr 2023	1.910
NatWest Bank	1,000		9 mth	17 Nov 2023	4.340
Total Banks	25,000	34%			
Building Societies					
Coventry BS	3,000		3 mth	24 Apr 2023	3.580
Yorkshire BS	3,000		3 mth	04 May 2023	3.850
Total Building Society	6,000	8%	(50% Limit)		
Local Authorities					
Derby City Council	3,000		1 mth	24 Apr 2023	4.600
Sandwell Metropolitan BC	5,000		2 mth	30 May 2023	4.500
North Lanarkshire	5,000		11 mth	12 Jun 2023	1.900
Gloucestershire Police	3,000		3 mth	21 Jun 2023	4.600
Suffolk County Council	5,000		5 mth	28 Jul 2023	4.250
London Borough of Newham	5,000		6 mth	17 Aug 2023	4.300
Total Local Authorities	26,000	36%			
Money Market Funds					
Aberdeen Liquidity Sterling Fund	-		***** On Call *****		Variable
Aviva Investors Sterling Liquidity Fund - Class 3	10,000		***** On Call *****		Variable
CCLA - Public Sector Deposit Fund	2,000		***** On Call *****		Variable
Deutsche Global Liquidity Managed GBP - Class B	-		***** On Call *****		Variable
Goldman Sachs Sterling Liquid Reserves Institutional	-		***** On Call *****		Variable
Insight Liquidity Fund PLC	-		***** On Call *****		Variable
Total Money Market Funds	12,000	16%			
Pooled Funds & Collective Investment Schemes					
CCLA Property Fund	2,000		**** 3 mth settlement ****		Variable
CCLA Diversified Income Fund	2,000		**** 3 mth settlement ****		Variable
Total Pooled Funds	4,000	5%			
Funding Circle					
Lending to small and medium sized companies	42		**** up to 5 years ****		Variable
Total Other Investments	42	0%	(w ith the ability to sell loans)		
Total Investments	73,042				

Report title	Treasury Management Report – First Quarter of 2023/24
Report author	A Ismailov - Senior Accountant
Department	Finance
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:
For information

Synopsis of report:
This is the report on Council’s treasury management activity and performance in the first quarter of the 2023/24 financial year focusing on financing and liquidity, cash management and risk management.

Recommendation(s):
None, this report is for information

1. Background Information

- 1.1. The Council’s treasury management activity is underpinned by CIPFA’s (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management (“the Code”), and the CIPFA Prudential Code for Capital Finance in Local Authorities (“the Prudential Code”). These require local authorities to produce annually Prudential Indicators and a Treasury Management Strategy Statement on the likely financing and investment activity. The Code also recommends that members are informed of treasury management activities quarterly from 2023/24.
- 1.2. The Council’s Treasury Management Strategy for 2023/24 was approved at Full Council on 09 February 2023. This report sets out the Council’s performance against the criteria in this report in first quarter of 2023/24.
- 1.3. Treasury management is defined 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.”
- 1.4. No treasury management activity is without risk; The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities focuses on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

- 1.5. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report, therefore, provides details of the treasury activities and highlights compliance with the Council's policies previously approved by the members.
- 1.6. In its oversight role, the Overview and Scrutiny Select Committee will consider this report on 05 October 2023.

2. Prudential and Treasury Indicators and Compliance

- 2.1. In compliance with the requirements of the Code this report provides members with a summary report of the treasury management activity during first quarter of financial year of 2023/24 ("Q1 2023/24"). Officers can confirm that during the quarter, the Council complied with all its legislative and regulatory requirements and its Treasury Management Statement and Treasury Management Practices.
- 2.2. During the quarter the Council operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy and in compliance with the Council's Treasury Management Practices and a prudent approach was taken in relation to all investment activity with priority being given to security and liquidity over yield.
- 2.3. A full set of prudential and treasury indicators for Q1 2023/24 are set out in Appendix A

3. Risk management

- 3.1. The Council aims to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. The Treasury Management Strategy Statement ("TMSS") for 2023/24, which includes the Annual Investment Strategy, sets out the Council's investment priorities as being:

Credit risk

Counterparty credit quality is assessed and monitored with reference to credit ratings including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Liquidity risk

In keeping with the DLUHC Guidance on Investments, the Council maintains a sufficient level of liquidity using Money Market Funds and call accounts.

Yield

The Council seeks to optimise returns commensurate with its objectives of security and liquidity.

4. Economic update

- 4.1. The following section was provided by the Council's Treasury Advisors, Link Group and reflects the market position in July 2023:
- 4.2. The first quarter of 2023/24 saw:
 - a 0.2% month on month rise in real GDP in April, partly due to fewer strikes;
 - CPI inflation falling from 10.1% to 8.7% in April, before remaining at 8.7% in May. This was the highest reading in the G7;
 - core CPI inflation rise in both April and May, reaching a new 31-year high of 7.1%;
 - a tighter labour market in April, as the 3-month year on year growth of average earnings rose from 6.1% to 6.5%;
 - interest rates rise by a further 0.75% over the quarter, taking Bank of England' base rate from 4.25% to 5.0%;

- 10-year gilt yields nearing the “mini-Budget” peaks, as inflation surprised to the upside.
- 4.3. The economy has weathered the drag from higher inflation better than was widely expected. The 0.2% month on month rise in real GDP in April, following March’s 0.3% month on month contraction will further raise hopes that the economy will escape a recession this year. Strikes by junior doctors and civil servants contributed to the fall in health output (0.9% month on month) and the meagre 0.1% month on month increase in public administration.
 - 4.4. The fall in the composite Purchasing Managers Index (PMI) from 54.0 in May to a three-month low of 52.8 in June (>50 points to expansion in the economy, <50 points to contraction) was worse than the consensus forecast of 53.6. Both the services and manufacturing PMIs fell. The decline in the services PMI was bigger (from 55.2 to 53.7), but it remains consistent with services activity expanding by an annualised 2%. The fall in the manufacturing PMI was smaller (from 47.1 to 46.2), but it is consistent with the annual rate of manufacturing output falling from -0.8% in April to around -5.0%. At face value, the composite PMI points to the 0.1% quarter on quarter rise in GDP in Q1 2023 being followed by a 0.2% quarter on quarter gain in Q2 2023.
 - 4.5. Meanwhile, the 0.3% month on month rise in retail sales volumes in May was far better than the consensus forecast of a 0.2% decline and followed the robust 0.5% rise in April. Some of the rise was due to the warmer weather. Indeed, the largest move was a 2.7% month on month jump in non-store sales, due to people stocking up on outdoor-related goods. But department stores also managed to squeeze out a 0.6% rise in sales and the household goods sub-sector enjoyed a reasonable performance too. Overall, the figures were far better than analysts had expected. In addition, the GfK measure of consumer confidence rebounded from -27 to a 17-month high of -24 in June.
 - 4.6. The recent resilience of the economy has been due to a confluence of factors including the continued rebound in activity after the pandemic, households spending some of their pandemic savings, and the tight labour market and government handouts both supporting household incomes. That said, as government support fades, real household incomes are unlikely to grow rapidly. Furthermore, higher interest rates will mean GDP is likely to contract later this year. Our central assumption is that inflation will drop to the 2.0% target only if the Bank triggers a recession by raising rates from 5.00% now to at least 5.5% and keeps rates there until at least mid-2024. Our colleagues at Capital Economics estimate that around 60% of the drag on real activity from the rise in rates has yet to bite, and the drag on the quarterly rate of real GDP growth over the next year may be about 0.2percentage points bigger than over the past year.
 - 4.7. The labour market became tighter over the quarter and wage growth reaccelerated. Labour demand was stronger than the consensus had expected. The three-month change in employment rose from +182,000 in March to +250,000 in April. Meanwhile, labour supply continued to recover as the size of the labour force grew by 303,000 in the three months to April. That was supported by a further 140,000 decline in inactivity as people returned to work from retirement and caring responsibilities (while inactivity due to long-term sick continued to rise). But it was not enough to offset the big rise in employment, which meant the unemployment rate fell from 3.9% to 3.8%
 - 4.8. The tighter labour market supported wage growth in April, although the 9.7% rise in the National Living Wage on 1st April (compared to the 6.6% increase in April last year) probably had a lot to do with it too. The 3-month (year on year) rate of average earnings growth reaccelerated from 6.1% to 6.5% (consensus 6.1%) and UK wage growth remains much faster than in the US and the Euro-zone. In addition, private sector wage growth increased from 7.1% to 7.6%, which left it well above the Bank of England’s forecast for it to fall below 7.0%. Overall, the loosening in the labour market appears to have stalled in April and regular private sector wage growth was well above the Bank’s forecast.

- 4.9. CPI inflation stayed at 8.7% in May (consensus 8.4%) and, perhaps more worryingly, core CPI inflation rose again, from 6.8% to a new 31-year high of 7.1%. The rise in core inflation built on the leap from 6.2% in March to 6.8% and means it is accelerating in the UK while it is slowing in the US and the Euro-zone (both fell to 5.3%). A further decline in fuel inflation, from -8.9% to -13.1%, and the second fall in food inflation in as many months, from 19.3% to 18.7%, explained why overall CPI inflation didn't rise. And the scheduled fall in the average annual utility price from £2,500 to £2,074 on 1st July means overall CPI inflation will probably ease in the coming months. But the problem is that the recent surge in core inflation and the reacceleration in wage growth shows that domestic inflationary pressures are still strengthening.
- 4.10. This suggests the Bank of England may have more work to do. Indeed, the Bank sounded somewhat hawkish in the June meeting. This came through most in the decision to step up the pace of hiking from the 0.25% at the previous two meetings. The 7-2 vote, with only two members voting to leave rates unchanged at 4.50%, revealed support for stepping up the fight against high inflation.
- 4.11. That said, the Bank has not committed to raising rates again or suggested that 0.5% rises are now the norm. What it did say was that "the scale of the recent upside surprises in official estimates of wage growth and services CPI inflation suggested a 0.5 percentage point increase in interest rates was required at this particular meeting". Moreover, the Committee did not strengthen its forward guidance that any further rate hikes would be conditional on the data. However, it looks highly probable, given the on-going strength of inflation and employment data, that the Bank will need to raise rates to at least 5.5% and to keep rates at their peak until the mid-point of 2024. We still think it is only a matter of time before the rise in rates weakens the economy sufficiently to push it into recession. That is why instead of rising to between 6.00%-6.25%, as is currently priced in by markets, we think rates are more likely to peak between 5.50-6.00%. Our forecast is also for rates to be cut in the second half of 2024, and we expect rates to then fall further than markets are pricing in.
- 4.12. Growing evidence that UK price pressures are becoming increasingly domestically generated has driven up market interest rate expectations and at one point pushed the 10-year gilt yield up to 4.49% in late June, very close to its peak seen after the "mini-budget". Yields have since fallen slightly back to 4.38%. But growing expectations that rates in the UK will remain higher for longer than say in the US. While higher interest rates are priced into the markets, the likely dent to the real economy from the high level of interest rates is not. That's why we think there is scope for market rate expectations to fall back in 2024 and why we expect the 10-year PWLB Certainty Rate to drop back from ca.5.20% to 5.00% by the end of 2023 and to 4.20% by the end of 2024.
- 4.13. The pound sterling strengthened from \$1.24 at the start of April to a one-year high at \$1.26 in early May, which was partly due to the risks from the global banking issues being seen as a bigger problem for the US than the UK. The pound then fell back to \$1.23 at the end of May, before rising again to \$1.28 in the middle of June as the strong core CPI inflation data released in June suggested the Bank of England was going to have to raise rates more than the US Federal Reserve or European Central Bank in order to tame domestic inflation. However, sterling's strong run may falter because more hikes in the near term to combat high inflation are likely to weaken growth (and, hopefully, at some point inflation too) to such a degree that the policy rate will probably be brought back down, potentially quite quickly, as the economic cycle trends downwards decisively. This suggests that additional rate hikes are unlikely to do much to boost the pound.
- 4.14. In early April, investors turned more optimistic about global GDP growth, pushing up UK equity prices. But this period of optimism appears to have been short-lived. The FTSE 100 has fallen by 4.8% since 21st April, from around 7,914 to 7,553, reversing part of the 7.9% rise since 17th March. Despite the recent resilience of economic activity, expectations for

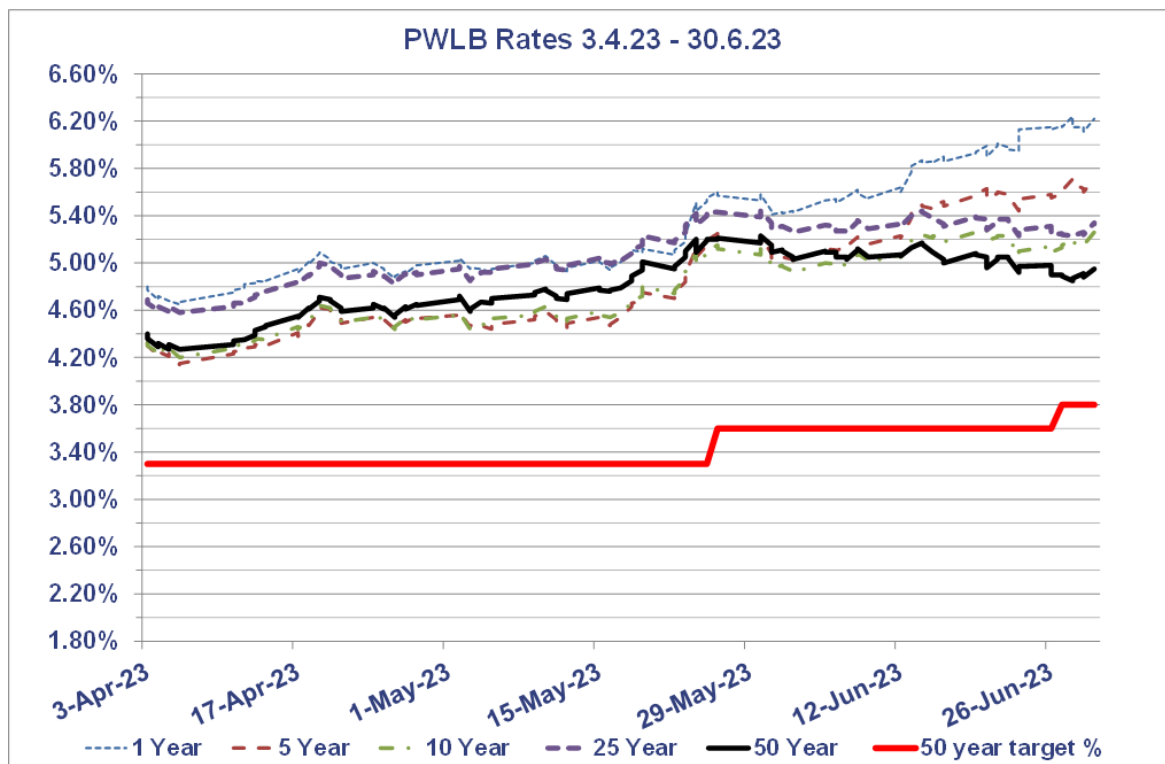
equity earnings have become a bit more downbeat. Nonetheless, further down the track, more rate cuts than markets anticipate should help the FTSE 100 rally.

5. Borrowing Activity in Q1 2023/24

- 5.1. The Council’s underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (“CFR”). This figure is a gauge of the Council’s indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the Q1 2023/24 unfinanced capital expenditure, and prior years’ net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.
- 5.2. Part of the Council’s treasury activities is to monitor cash position and organise financing against the borrowing needs. Financing sourced through combination of external borrowing from external bodies, such as the Government, through the Public Works Loan Board (“PWLB”), or the money markets, or utilising temporary cash resources within the Council.
- 5.3. During Q1 2023/24, the Council continued to maintain an under-borrowed position. This meant that the capital borrowing need, the CFR, was not fully funded with loan debt, as cash supporting the Council’s reserves, balances and cash flow was used as an interim measure in the sharply rising interest rates environment and the period of relatively low capital spend.
- 5.4. Table 1 sets out the borrowing activity in Q1 2023/24.

Table 1 – Borrowing activity in Q1 2023/24				
	Opening Balance £'000	New borrowing £'000	Borrowings repaid £'000	Closing balance £'000
HRA – PWLB	100,000	0	0	100,000
General Fund - PWLB	499,000	0	0	499,000
General Fund – Other	44,181	0	281	43,900
	643,181	0	281	642,900

- 5.5. PWLB rates are based on gilt (UK Government bonds) yields through HM Treasury determining a specified margin to add to gilt yields. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Hence, gilt yields and PWLB rates were on a rising trend between 1st April and 30th June.
- 5.6. The 50-year PWLB Certainty Rate target for new long-term borrowing started 2023/24 at 3.30% before increasing to a peak of 3.80% in June. As can be seen, with rates elevated across the whole of the curve, it is advised to not borrow long-term unless the Authority wants certainty of rate and judges the cost to be affordable. (Please also note that from 15th June, HRA borrowing is 0.4% lower than the Certainty Rate). The actual PWLB rates during the year were as follows:



6. Interest rates in Q1 2023/24

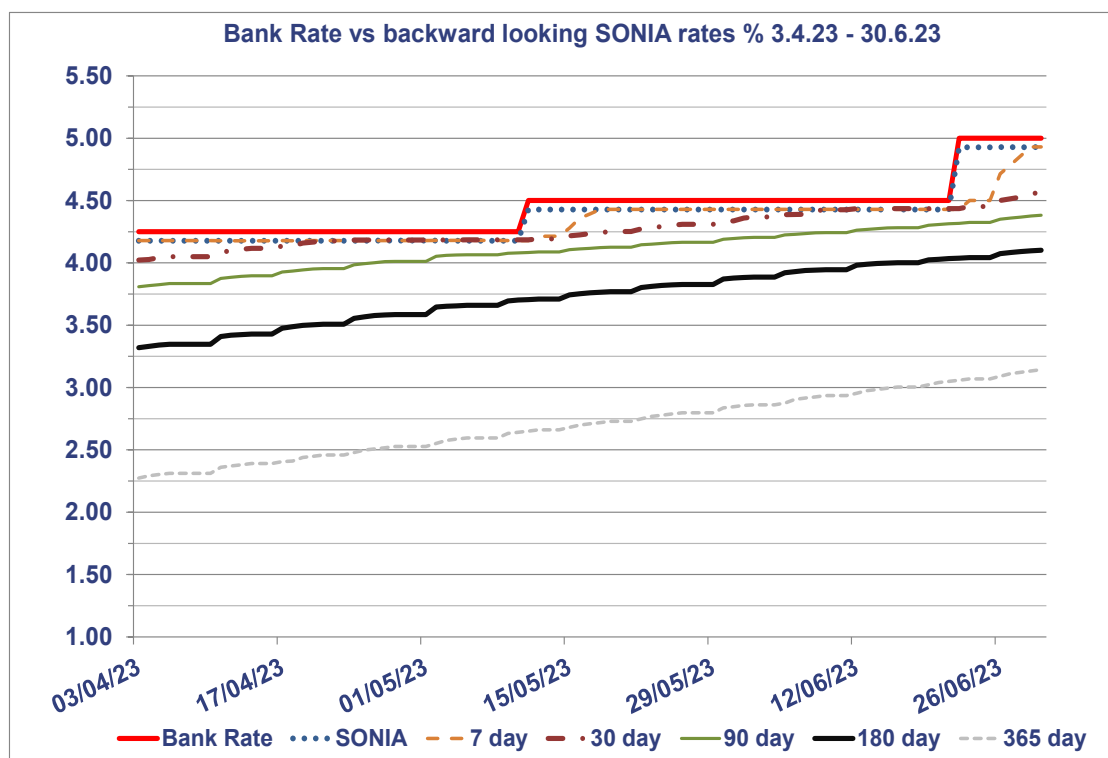
- 6.1. Bank rates continued to increase during Q1 2023/24. On 11th May, the Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 25 basis points to 4.50%, and on 22nd June moved rates up a further 50 basis points to 5.00%.
- 6.2. Nonetheless, the Bank of England will have a difficult task in convincing investors that they will be able to dampen inflation pressures anytime soon. Talk of the Bank's inflation models being "broken" is perhaps another reason why gilt investors are demanding a premium relative to US and Euro-zone bonds, for example.
- 6.3. Of course, what happens outside of the UK is also critical to movement in gilt yields. The US Federal Reserve has already hiked short-term rates to a range of 5.00%-5.25% (with more to come), whilst the European Central Bank looks likely to raise its Deposit rate at least once more to 3.75%, with upside risk of higher to come.
- 6.4. While the Council continues to take a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
- 6.5. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. This also provides benefits of reducing counterparty risk exposure, by fewer investments in the financial markets.

Interest rate benchmark

- 6.6. LIBOR (the London Inter-bank Offered Rate) a benchmark interest rate was replaced by the reformed Sterling Overnight Index Average ("SONIA") from 31 December 2021.

SONIA is published daily and measures the cost of overnight borrowing on a backward-looking basis.

6.7. The SONIA (backward-looking) rates during the Q1 2023/24 were as follows:



FINANCIAL YEAR TO QUARTER ENDED 30/06/2023							
	Bank Rate	SONIA	7 day	30 day	90 day	180 day	365 day
High	5.00	4.93	4.93	4.57	4.38	4.10	3.14
High Date	22/06/2023	30/06/2023	30/06/2023	30/06/2023	30/06/2023	30/06/2023	30/06/2023
Low	4.25	4.18	4.18	4.02	3.81	3.32	2.27
Low Date	03/04/2023	04/04/2023	11/04/2023	03/04/2023	03/04/2023	03/04/2023	03/04/2023
Average	4.44	4.37	4.34	4.27	4.11	3.74	2.70
Spread	0.75	0.75	0.75	0.55	0.57	0.78	0.87

6.8. The Council's actual interest rate performance during Q1 2023/24 was 4.31%. The Council's overall performance compares favourably with the new average SONIA rates (given the current environment of continuous bank rate increases) as can be seen in the above table.

6.9. The Council's Treasury Management Strategy sets out a lower rate of interest for the Housing Revenue Account based on the risk-free nature of the account. This lower rate is achieved by deducting the credit risk margin from the actual rate achieved by the Council. The resulting interest rate applicable to the HRA during Q1 2023/24 was 4.11%.

6.10. The Council invests in two Pooled Funds (operated by CCLA (Churches, Charities and Local Authorities) Investment Management Limited). 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 relatively strong levels of interest (in the form of dividends). However, the capital values of these assets can be subject to large fluctuations (both up and down) over relatively short time frames.

6.11. The movement of the Council's two CCLA pooled funds is as follows:

Table 2 – Pooled Funds in Q1 2023/24				
	Original Investment £	Value 31 Mar 2023 £	Value 30 Jun 2023 £	Annualised Return %
CCLA Property Fund	2,000,000	2,263,467	2,260,326	5.26
CCLA Diversified Income Fund	2,000,000	1,894,514	1,884,849	4.13

The differences between the Original Sums invested and the Values at 30 Jun 2023 are held on the Council's Balance Sheet in the Pooled Investments Adjustment Account.

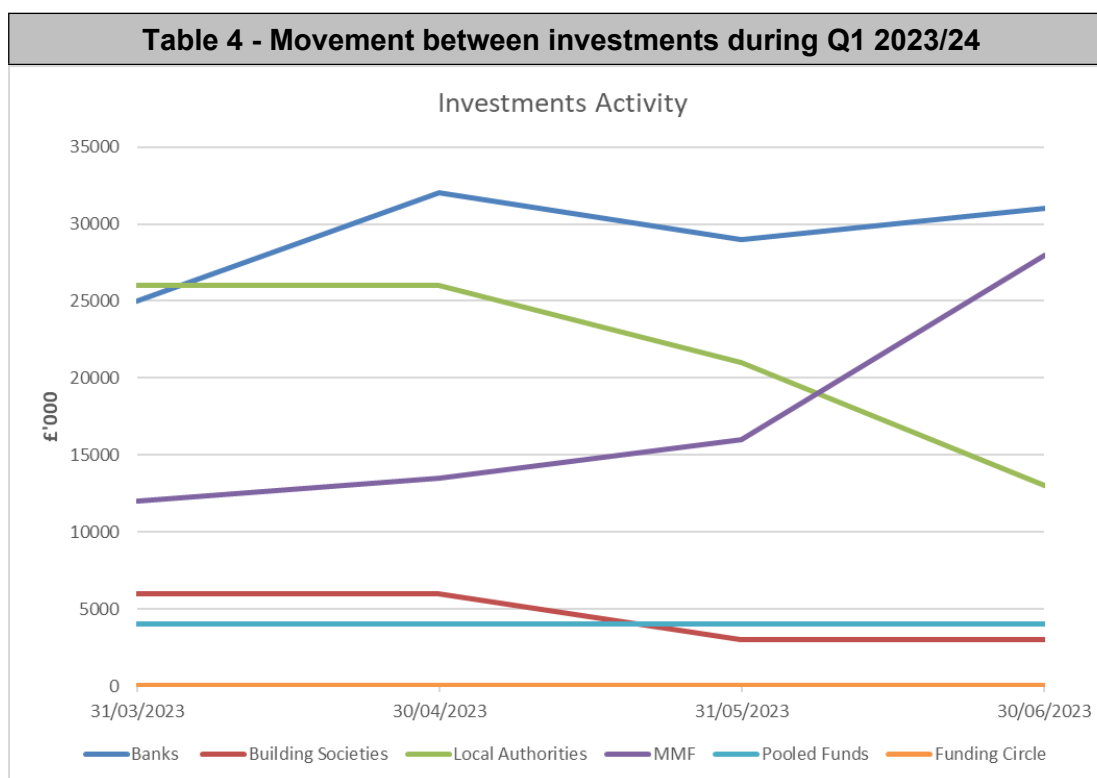
7. Investments in Q1 2023/24

- 7.1. 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.). The investment activity during the first quarter of financial year of 2023/24 conformed to the approved strategy, and the Council had no liquidity difficulties.
- 7.2. Investments of £79.0million were held by the Council as of 30 June 2023 with investment turnover principally driven by the availability of counterparties that meet the criteria set out in the Annual Investment Strategy. Table 3 below summarises investment activity during this quarter, split between the sectors of the counterparties that the funds were invested with.

Table 3 - Investment activity in Q1 2023/24				
	Opening Balance £000	New Investments £000	Investments Recalled £000	Closing Balance £000
Specified Investments				
Banking sector	25,000	24,000	18,000	31,000
Building societies	6,000	3,000	6,000	3,000
Local Authorities	26,000	3,000	16,000	13,000
Central Government	0	0	0	0
Money Market Funds	12,000	41,500	25,500	28,000
Unspecified Investments				
Short Dated Bond Funds & Cash Funds	0	0	0	0
Pooled Funds & Investment Schemes	4,000	0	0	4,000
Funding Circle	42	0	0	42
	73,042	71,500	65,500	79,042

- 7.3. Aside from the parameters set in the Annual Investment Strategy, the main factors that determine the amount of investment income 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.

7.4. The monthly movement in balances between these categories during Q1 2023/24 is set out in Table 4 below and reflects the available counterparties and investment rates at that time.



7.5. A full list of investments held as of 30 June 2023 is set out in Appendix C.

8. Non-treasury Investments

8.1. The Prudential Code, TM Code and DLUHC regulations include guidance on what is termed “non-treasury” investments. These are predominantly investments for commercial return such as:

- commercial loans to companies and other organisations, and
- holding property for a financial return (investment property).

The Council owns a significant investment property portfolio which is now managed through its developing Asset Management Strategy and provided loans to its wholly owned companies and local community groups.

Commercial Loans

8.2. The Council has funded its three wholly owned companies via Loan Facilities (that have been approved by the Full Council at rates set in accordance with the competition rules) which enabled them to buy some of the properties resulting from the Council’s regeneration schemes. There are no plans in the current Capital Programme to increase investments in these areas. The table below sets out the list of loan facilities and movements in their balances in Q1 2023-24.

Loan Type	31/03/2023 Investment £'000	Q1 2023/24 Movement £'000	30/06/2023 Investment £'000	Interest Rate %
Development Loans - AddlestoneOne	25,326		25,326	5.04
Development Loans – Magna Square	11,838		11,838	4.22
Development Loans - Other	1,000		1,000	4.86

Working Capital Loans	445		445	7.54
Working Capital Loans	300		300	7.36
Working Capital Loans	2,100	400	2,500	7.40
Totals	41,009	400	41,409	

- 8.3. The Working Capital Loan Facilities Agreement approved in October 2020 allowed a sum of £3m available to draw down as required. Of this amount £500,000 is still available to drawdown. It is anticipated that this will be required before the end of this financial year.

Property performance measurement

- 8.4. As part of both the Annual Asset Management Strategy and the Capital & Investment Strategy, a set of performance reporting measures were approved.
- 8.5. To better describe the role the investment property portfolio plays in the Council's capital and revenue strategies, the following table sets out the key performance indicators in Q1 2023-24:

KPI	Metric Description	YTD 30/06/2023
Investment Property Income	Variance from target income	£0
Investment Property Rent Arrears	As a percentage of the total portfolio income – taken prior to Quarterly due dates	3.31%
Vacancy Rates	As a percentage of the total portfolio area in SQ FT	5.87%
Tenant Retention	Number of renewals completed and tenant breaks not exercised	91%
Income Return (Proportionality)	Investment income as a percentage of all general fund income (excluding Taxation)	42%
Capital Value	Difference in Capital Balance Sheet Values, annually. (March 2022 – March 2023)	-£24.8m

These measures and KPIs will be further developed in 2023-24 using benchmarking analysis relative to the broader market, based on frequent data via a subscription to MSCI Analytics. Work on uploading data to MSCI is currently being undertaken.

- 8.6 With regard to the Capital values; the figures of -£24.8M reflects the fact that our investment property portfolio is heavily weighted in the office sector (approximately 64%), the majority of which have a shortening income profile which in turn leads to a yield swing affecting the capital return. The office sector has undergone a significant shift since October 2022 with persistent high inflation, interest rate hikes and volatility in the financial sector causing investor caution which adds to cautious valuations. In addition to the challenging market conditions particularly in the south east office sector, occupation activity remains sensitive to economic headwinds which include rising energy costs, the new rates revaluation, and ongoing build-cost inflation which have impacted the all-in occupational cost of space which has resulted in occupiers taking less space.
- 8.7 As with the treasury information, the provision of economic data helps to put some of the above metrics into perspective. An update on property related economic matters provided by local agents Vail Williams reflecting the market position in July 2023 is set out in Appendix D.

9. Legal Implications

- 9.1. 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, the Government Investments Guidance and the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out their treasury management functions.

10. Environmental/Sustainability/Biodiversity implications

- 10.1. 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.
- 10.2. 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:

11. Council Policy

- 11.1. This is set out in the Treasury Management Policy Statement, the Annual Investment Strategy, and associated Practices and Schedules.
- 11.2. The Council's treasury management policy statement states:

“The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.”

- 11.3. It is the security of investments that has always been the main emphasis of our treasury strategy. In balancing risk against return, Officers continue to place emphasis on the control of risk over yield.

12. Conclusions

- 12.1. The first quarter of 2023/24 continued the challenging investment environment with counterparty risk remaining our primary treasury management priority. The criteria in the Annual Investment Strategy are continuously reviewed to minimise risk as much as practicable whilst retaining the ability to invest with secure institutions.

13. Appendices

- Appendix A – Treasury and Prudential Indicators 2023/24 as of 30 June 2023
- Appendix B – Borrowings as of 30 June 2023
- Appendix C – Investments as of 30 June 2023

- Appendix D – Economic commentary for property as of 30 June 2023

Treasury and Prudential Indicators 2023/24 as of 30 June 2023

Treasury Indicators	2023/24 Budget (Year End) £'000	30.06.23 Actual £'000
Authorised limit for external debt	700,613	700,613
Operational boundary for external debt	675,613	675,613
Gross external debt	650,613	642,900
Investments	53,756	79,042
Net borrowing	596,857	563,858
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	25%	2.42%
12 months to 2 years	25%	3.20%
2 years to 5 years	25%	4.03%
5 years to 10 years	50%	11.59%
10 years to 20 years	100%	10.69%
20 years to 30 years	100%	3.36%
30 years to 40 years	100%	17.42%
40 years to 50 years	100%	47.29%
Upper limit for principal sums invested over 365 days (<i>split by financial years beyond current year end</i>):		
Year 1	5,000	0

The Operational Boundary – This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

The authorised limit for external borrowing. – A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under Section 3(1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.

This limit includes a “cushion” to allow for the non-repayment of any borrowing at the required time and headroom for rescheduling of debts (i.e. borrowing new money in advance of repayment of existing). This was not required during the quarter.

Maturity structure of fixed interest rate borrowing (Upper Limit). The table above relates to fixed rate borrowing only. As the Council does not borrow at variable rates of interest, the upper limit on variable debt will always be nil, therefore no table has been produced for variable interest rate borrowing.

Investment Treasury Indicator and Limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council’s liquidity requirements and to reduce the need for early sale of an investment and are based on the availability of funds after each year-end.

There were no investments made for a period of greater than 365 days as of 30 June 2023.

Prudential Indicators	2023/24 Budget £'000	30.06.23 Actual £'000
Capital expenditure	46,479	1,178
Capital Financing Requirement (CFR)	703,066	703,066
In-year borrowing requirement	7,603	7,603

Capital Expenditure – This prudential indicator is a summary of the Council’s capital expenditure plans, and financing requirements. Any shortfall of resources results in a funding borrowing need.

The Council’s borrowing need (the Capital Financing Requirement) - The Council’s Capital Financing Requirement (CFR), is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council’s underlying borrowing need. Any capital expenditure, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset’s life and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council’s borrowing requirement, these types of schemes include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes.

In-year borrowing requirement for non-financial investments is any capital expenditure that has not been financed in the year.

Borrowings as at 30 Jun 2023

	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					
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%
Phoenix Life Limited	38,900	40	1,125,858	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%
	542,900		12,673,058	Average Rate:	2.33%
Total Borrowings	642,900		16,052,058	Annual Interest	2.50%

Investments as at 30 Jun 2023					
	£'000		ORIGINAL TERM	MATURITY	%
Banks					
<u>Term Deposits</u>					
Santander UK Plc	5,000		3 mth	06 Jul 2023	4.370
Handelsbanken	5,000		6 mth	17 Jul 2023	4.200
First Abu Dhabi Bank	1,000		3 mth	28 Sep 2023	5.380
National Bank of Kuwait	5,000		3 mth	29 Sep 2023	5.450
Qatar National Bank	1,000		6 mth	06 Oct 2023	5.020
Goldman Sachs International Bank	5,000		6 mth	11 Oct 2023	4.700
DBS Bank	1,000		9 mth	20 Nov 2023	4.450
<u>Certificates of Deposit</u>					
NatWest Bank	1,000		9 mth	17 Nov 2023	4.340
Toronto Dominion Bank	2,000		1 yr	12 Apr 2024	5.100
Standard Chartered Bank	3,000		1 yr	12 Apr 2024	5.040
Skandinaviska Enskilda Banken (SEB)	2,000		1 yr	12 Apr 2024	5.040
Total Banks	31,000	39%			
Building Societies					
Leeds BS	3,000		3 mth	01 Aug 2023	4.340
Total Building Society	3,000	4%	(50% Limit)		
Local Authorities					
Lancashire County Council	3,000		3 mth	24 Jul 2023	4.350
Suffolk County Council	5,000		5 mth	28 Jul 2023	4.250
London Borough of Newham	5,000		6 mth	17 Aug 2023	4.300
Total Local Authorities	13,000	16%			
Money Market Funds					
Aberdeen Liquidity Sterling Fund	10,000		***** On Call *****		Variable
Aviva Investors Sterling Liquidity Fund - Class 3	10,000		***** On Call *****		Variable
CCLA - Public Sector Deposit Fund	2,000		***** On Call *****		Variable
Deutsche Global Liquidity Managed GBP - Class B	-		***** On Call *****		Variable
Goldman Sachs Sterling Liquid Reserves Institutional	-		***** On Call *****		Variable
Insight Liquidity Fund PLC	6,000		***** On Call *****		Variable
Total Money Market Funds	28,000	35%			
Pooled Funds & Collective Investment Schemes					
CCLA Property Fund	2,000		**** 3 mth settlement ****		Variable
CCLA Diversified Income Fund	2,000		**** 3 mth settlement ****		Variable
Total Pooled Funds	4,000	5%			
Funding Circle					
Lending to small and medium sized companies	42		**** up to 5 years ****		Variable
Total Other Investments	42	0%	(with the ability to sell loans)		
Total Investments	79,042				

Economic Commentary provided by local agents Vail Williams

Office Commentary

Receding pandemic restrictions and more employees returning to offices have helped bring about a steady rebound in office leasing in recent quarters. Office take-up reached its highest level in four years in November 2022 and then jumped again in March 2023, following a brief winter lull. Markets like London, Oxford and Cambridge have driven the rebound, while notable deals have been signed in Birmingham, Milton Keynes and Leeds in recent months. The overall demand picture remains subdued, however.

National net absorption remained negative over the past year, as firms continue to release space onto the market. While demand losses were lighter than in 2021, weak demand and rising net deliveries continue to push the national office vacancy rate upwards. It currently stands at 7.6%, its highest level in nearly a decade.

There is 30.3 million SF of new office space under construction nationally, which is a decade high. Much of this space is due to deliver over the next 12 months, which, allied to ongoing subdued demand, should cause the national office vacancy rate to increase further. London's vacancy rate will likely rise more sharply than the national average, given the capital accounts for more than half of office construction underway nationally.

Average asking rents have remained relatively resilient since the pandemic began, supported by continued rent growth at the prime end of the market and by landlords offering more generous incentive packages. Prime buildings should outperform secondary ones in the coming years as firms continue to pivot to better-quality space — to attract staff, welcome clients and meet growing environmental commitments — even as many take less space overall amid a pivot to hybrid working. This should lead to the accelerated removal of older stock. New energy performance regulations that come into force from April 2023 could do likewise.

Supply-constrained markets with a strong TMT, life science or professional services demand base and a highly educated workforce have outperformed during the pandemic and should continue to do well over the forecast. The likes of Bristol, Cambridge and Edinburgh fall into this category, with markets such as Milton Keynes, Brighton and Leeds also likely to fare relatively well.

UK office investment slumped to its lowest level in more than a decade in Q4 2022 and picked up only mildly in Q1 2023. Rising interest rates and market volatility have cooled momentum built up in the opening months of the year, when a host of blockbuster deals in London, Cambridge and the “Big Six” regional cities threatened to make 2022 a record year.

Prime yields for major regional cities (single let, 15 years) currently stand at 5.75%, a softening from May 2022 where they were between 4.50% - 5.00%. Multi-let offices with a WAULT of 5 years are attracting yields of between 6.50% - 7.00%, whereas good secondary office investments in regional cities are attracting yields of 9.50%.

Deteriorating sentiment, higher borrowing costs and weakening fundamentals are likely to continue to weigh on office prices in the coming months, although the market should be cushioned to an extent by the relative lack of debt when compared with the 2008 crisis.

Industrial Commentary

The main driver for the UK industrial and logistics property market is the rapid rise of e-commerce, which fuels demand for warehousing and distribution accommodation and for regional and local delivery centres. The Coronavirus pandemic placed an even greater focus on home shopping/home delivery and the supply chain for food and other key goods.

Despite a decline in UK manufacturing over the last 40 years, the UK manufacturing sector remains a significant and important part of the economy and a major factor in the industrial/logistics market. The UK is the ninth largest manufacturing nation in the world, employing 2.7m workers and accounting for 11% of UK GVA.

Flash UK manufacturing purchasing managers' index (PMI) dropped to 46.9 in May 2023 from 47.8 in the previous month, and below market expectations of 48, a preliminary estimate showed. The latest reading

pointed to the steepest deterioration in the manufacturing sector for five months, as output declined for a third consecutive period due in part to subdued order books and customer destocking. New orders fell at a faster pace, with exports declining the most in four months, amid subdued global demand, Brexit-related trade headwinds, and intensifying competition for new orders in overseas markets.

The value of goods imports decreased by £1.4 billion (2.8%) in March 2023; after removing the effect of inflation, imports of goods fell by £0.8 billion (2.1%). The value of goods exports decreased by £0.7 billion (2.3%) in March 2023; after removing the effect of inflation, exports of goods fell by £0.7 billion (2.7%). The monthly falls in both imports and exports of goods were primarily because of decreases in trade with non-EU countries, while trade with the EU remained stable.

According to the latest monthly Confederation of British Industry industrial trends survey Manufacturing output volumes fell modestly in the three months to May (weighted balance of -10%, from -15% in the three months to April) and are expected to fall moderately again in the three months to August (-5%), ending four consecutive months of positive expectations. Output fell in 9 out of 17 sub-sectors in the three months to May. The decrease was driven by the motor vehicles & transport equipment, chemicals, and food, drink & tobacco sub-sectors. Total order books were reported as below “normal” in May, to a broadly similar extent as in April (-17% from -20%) and were marginally weaker than the long-run average (-13%). Export order books were also seen as below normal, but to a greater extent than last month (-26% from -9%) and were also below average (-18%).

Anna Leach, CBI Deputy Chief Economist, said: Our latest survey suggests the recent pressures on manufacturing activity have so far persisted through the second quarter. Sentiment continues to deteriorate and expectations for output growth in the coming three months have turned negative, which doesn't suggest UK manufacturing is poised to recover any significant momentum in the near-term. “With demand subdued and the outlook for costs improving, manufacturers expect growth in their selling prices to slow, which should feed through to measures of inflation over time”.

The full impact of the increase in tighter border controls as result of Brexit is still unfolding but indications so far are that there are longer delays at UK entry points. It is possible that these delays, if they become permanent will impact upon supply chains and therefore also affect the locational requirements of logistics operators.

The UK Commercial Property Market Survey published by the RICS for Q1 2023 The results of the Q1 2023 RICS UK Commercial Property Monitor remain generally subdued as the market continues to contend with higher borrowing costs and a sluggish economic growth outlook. That said, the overall tone to the latest feedback is not as downbeat as last quarter. Indeed, the industrial sector in particular has shown renewed momentum, evidenced by near-term capital value expectations turning marginally positive following the sharp downward adjustment seen at the end of last year as bond yields jumped higher. Overall, although 50% of respondents feel conditions are consistent with a downturn phase of the property cycle, respective shares of 25% and 21% now feel the market has either reached a floor or has begun to turn up (9% and 5% in Q4). The industrial sector saw a pick-up in occupier demand, registering a net balance of +16% vs +6% in Q4. During the quarter current availability dipped marginally for industrials.

Whilst there remains a good level of demand and of activity in many local industrial markets there has been an adjustment to prime yields, which will feed through to the other segments of the market. The continuing impact of external factors, in particular interest rate uncertainty, rising energy prices, cost of living and the impact of a European war, will continue to affect the market through changes in consumer demand, rises in production costs and a squeeze on profits. Commentators are predicting that the peak of the market has been passed and that there is an expectation that yields will continue to move upwards over the coming months.

Report title	Provisional Outturn report 2022/23
Report author	Amanda Fahey - Assistant Chief Executive (s151)
Department	
Exempt?	No
Exemption type	not applicable
Reasons for exemption	not applicable

Purpose of report:

To resolve

Synopsis of report:

This report provides an overview of the financial position of the Council for the year ending 31 March 2023.

Recommendation(s):

The Corporate Management Committee is recommended to:

- i) Note the provisional financial outturn for 2022/23, and**
- ii) Approve the transfers to and from reserves as set out in the General Fund Summary**

1. Context and background of report

- 1.1 This report sets out the provisional outturn position for the Council’s finances for the year 2022/23, covering Revenue and Capital expenditure and income, and the level of reserves.
- 1.2 The purpose of the report is to provide an overview of the financial position, with an explanation of the main reasons for differences between actual expenditure and income for the year and the Council’s original spending plans, in order to understand the financial performance of the Council during the year.
- 1.3 This financial performance should be considered in light of the wider economic context and environment in which the Council is operating.
- 1.4 The outturn should not be considered in isolation as the performance in-year will have an effect on future financial planning. For example, it will affect the level of reserves available to be called upon over the medium term, may highlight areas for action in terms of large budget variances or the necessity to carry forward work to the following year where it was not possible to be delivered within planned timescales.

- 1.5 It should be noted that the financial information contained in this report is provisional, as at the time of writing this report, the draft (pre-audited) Statement of Accounts is yet to be published. However, the remaining outstanding items to be finalised before publication are the Group Accounts and the Narrative introduction, which will not affect the figures reported here.
- 1.6 The delay in publishing the draft 2022/23 Accounts is due to a number of factors including staff vacancies in the Finance team, which have now been filled, additional complexity in the accounts and from the continued delays in the external audit of prior-year accounts. Should the audit of the accounts for any of the outstanding years or the eventual audit of the 2022/23 Accounts raise any issues, subsequent changes may need to be made to these figures.

2 Revenue Outturn

- 2.1 The provisional General Fund Summary is set out at Appendix 1.
- 2.2 The Summary shows the costs of the day-to-day running of Council services, split between net expenditure on service provision in the top section of the table, followed by various accounting adjustments, transfers to and from reserves, income from investing surplus cash alongside the cost of any borrowing, and income from Council Tax, Business Rates and central government grants. The balance of this expenditure and income results in either a contribution to the Council's General Fund balance (where income exceeds expenditure) or a reduction in the balance, where funding is required to meet a gap due to expenditure exceeding income.
- 2.3 The original budget for 2022/23 anticipated the need to use around £0.25m of balances to support the revenue budget, which was subsequently revised to show a contribution to balances of almost £0.5m, as budgets were monitored during the year. By the close of 2022/23, further significant in-year underspends resulted in surplus funds of just over £4.9m being available to be set aside to support future pressures and to increase the level of contingency available to mitigate risk.
- 2.4 As set out in the report to July Corporate Management Committee, which outlines the Council's approach to achieving financial sustainability, a proportion of this in-year underspend is to be set aside to increase the earmarked reserves that were put in place to provide risk mitigation for the fluctuations in income that may occur due to the Council's investment in commercial property. The Council has prudently set up two earmarked reserves to both maintain assets in a lettable condition, and to smooth out fluctuations in income as leases come to an end, due to void costs incurred should premises remain empty for any period of time or the granting of incentives to new tenants such as rent-free periods. While annual transfers to these reserves are included in the current Medium-Term Financial Strategy (MTFS), it is proposed as part of the annual review of the MTFS, to develop a robust model for determining the appropriate level of funds to be held for these purposes. In the meantime, whilst agreed in principle in the report noted above, approval is now expressly sought to transfer £1.005m of the total underspend to these reserves.
- 2.5 The July report to this Committee also approved the principle of the creation of a Service Transformation Reserve to hold funds to be ring-fenced to pump-prime invest-to-save initiatives, making it easier to monitor and report on the spend over time, alongside the benefits achieved.
- 2.6 It was agreed that the reserve would support set up costs or short-term resources such as consultancy costs, ICT equipment, vehicle purchase etc. but not on-going

costs. Expenditure over £10k would not be released without approval of the full business case by Members, whereas funds below £10k could be released with the approval of the Assistant Chief Executive (s151), aligned with normal virement rules within the Financial Regulations. Use of the Reserve will be scrutinised by the Overview and Scrutiny Select Committee alongside delivery of the savings programme.

- 2.7 It is proposed to ring-fence £1m for this purpose. This is anticipated to cover initiatives over the medium term and will be regularly reviewed as set out above. Should the programme not require this level of resource then funds would simply be released back to working balances.
- 2.8 The final adjustment to reserves approved in the July report, was the creation of a Planned Underspend Reserve to improve the monitoring of spend against budgets that are requested to be carried forward from one year to the next, due to works being unable to take place during 2022/23 but which are still required. An earmarked reserve has been set up to hold these budget carry forwards. Once works have been carried out the funding will be released from the reserve, smoothing the effect of these timing differences between years. Appendix 2 sets out a list of the planned underspends for carry forward to 2023/24.
- 2.9 Following these transfers, £2.1m will still be available to flow into the General Fund working balance (an increase of £1.6m above the £0.5m previously anticipated). This will see balances increase to £20.3m, which is comfortably above the revised minimum threshold of £5m, set in the last MTFS.
- 2.10 The table below provides a high-level summary of the variances on the General Fund.

Summary of major variances against Probable outturn		£000s
Probable Contribution to working balance		(478)
Less:		
	Variations in service budgets (see Appendix 3)	(4,852)
	Lower than anticipated increase to the provision for credit loss	(1,392)
Plus:		
	Additional transfers to reserves to support the Council's property portfolio	1,005
	Transfer to Service Transformation Reserve	1,000
	Change in financing and investing income	955
	Transfer to Planned Underspend Reserve	819
	Set aside of funds to support car park improvements, tennis courts, equipment repair and renewals	602
	Other accounting adjustments	229
	Reduction in grant funding	22
Actual Contribution to working balance		(2,090)

- 2.11 A table of the key variances at service level, between budgeted and actual revenue outturn, is included in Appendix 3 of this report. This figure includes the Planned underspends previously referred to, which are then transferred to a reserve for future draw down.
- 2.12 Other variances of note in the table at 2.10 are the reduction in the provision for credit losses, which fell by nearly £1.4m, and the fall in financing costs and

investment income of £0.95m. The former is due to a lower bad debt provision being required, specifically for commercial property, where the anticipated level of additional bad debts has not materialised. The latter is due to a reduction in investment income as rates were slower to rise than first estimated and balances held for investment were reduced as funds were used instead to defer additional and replacement borrowing.

- 2.13 A £4.1m reduction in net returns for the operation of the Business Rate Retention Scheme has been offset by a draw down from the Business Rates Equalisation Reserve which has previously been set aside to manage major fluctuations in business rates income due to timing differences between receipt and payment of funds which has increased in complexity due to the addition of various rate reliefs which are reimbursed via government grants. The final outturn from business rates can vary significantly over time as businesses become eligible for mandatory or discretionary reliefs and as the tax base alters as businesses open and close.

3 Housing Revenue Account (HRA)

- 3.1 The Council also maintains a Housing Revenue Account (HRA), a ring-fenced account which contains all income and expenditure relating to the management of a stock of around 2,900 dwellings. Appendix 4 of this report sets out the variances in income and expenditure against budget, and the movement in HRA balances during the year.
- 3.2 The HRA produced a surplus for the year of £4.7m, compared to the probable £2.6m deficit reported earlier in the year, largely due to a £6.7m reduction in contributions to top up the Major Repairs Reserve (MRR) which now stands at just under £1m. The original budget assumed that progress on repairs work would have been further along its journey than actually occurred therefore the extra call on the MRR was not required.
- 3.3 The overall working balances for the HRA have increased to £37.7m from an anticipated £34.1m, due to the in-year surplus generated, partially offset by the fall in the MRR.

4 Capital Outturn

- 4.1 The Council's Capital Programme includes all expenditure on the purchase or creation of assets with an economic life of more than one year, or on enhancements to existing assets. Capital spending is funded by the sale of assets, by capital grants and donations, contributions from developers, use of earmarked reserves or via contributions from the Council's Revenue Account.
- 4.2 Where there is a gap in funding, the Council may borrow to support capital spending; this can be through the use of internal borrowing (using cash reserves until they are needed elsewhere) or through external borrowing (in the private sector or via the Public Works Loan Board). More detail on the Council's borrowing position is contained in the Treasury Management Outturn Report which is reported elsewhere on this agenda.
- 4.3 Appendix 5 of this report sets out the Capital spending for the year 2022/23 and commentary on key variances. In total the Council has expended £36.4m in capital resources during the year against an original budget of £40.2m. The timing of capital spending, particularly for large projects, is difficult to predict with accuracy and often leads to significant expenditure being slipped to the following year. This is particularly

the case where a project is expected to span a number of years as it is not always possible to accurately predict the level of costs that will fall into each period.

- 4.4 Other major variances have occurred due to projects no longer being progressed or where provisional sums have been set aside but have not been utilised in the year.
- 4.5 The following table provides a summary of the Capital Programme for 2023/24 and how it has been funded.

Capital Expenditure and Financing Summary	Gross Spend	Funded by:					
		Grants & Contributions	Capital Receipts	Earmarked Reserves	HRA Revenue Reserves	Major Repairs Reserve	Internal / External Borrowing
	£000	£000	£000	£000	£000	£000	£000
Housing Services							
Private Sector Improvement grants	574	574					
Private Sector Housing Improvement Loans	8		8				
Capitalisation of Improvement Works	5,330					5,330	
St Georges Development, Addlestone	70		25		45		
Investment in Energy Efficiency	898	527			371		
Housing Northgate System upgrade	160				160		
Environment & Sustainability							
Depot Vehicle fleet replacement programme:	105			105			
Green Homes - raising energy efficiency	2,777	2,777					
Replacement car parking vehicles							
Grounds Maintenance Vehicles	347		347				
Community Development							
CCTV Equipment Replacement	115			115			
Grants to Local Organisations	2		2				
Corporate & Business Services							
Development Loans to RBCI (Egham Gateway)	11,838		11,838				
ICT Hardware Replacement	135			135			
Telephony system	14		14				
Runnymede Regeneration Programme							
Egham Business Park	- 112		- 112				
Magna Square regeneration scheme	12,256						12,256
Addlestone One refurbishment	1,828		1,828				
Total	36,345	3,878	13,949	355	577	5,330	12,256

5 Policy Framework

- 5.1 The provisional outturn report forms part of the budgetary review framework of the Council and its financial and performance management processes. The report will inform the production of the MTFS.

6 Resource Implications

- 6.1 This report outlines the Council's financial position at the close of 2022/23.
- 6.2 In terms of its net Revenue expenditure, the Council has, once again, underspent significantly against its budget. In previous years, this was in part due to the impact of Covid-19 and subsequently to the "living with Covid" phase of the pandemic which resulted in resources being diverted from planned service delivery. The Council now has a new Corporate Business Plan and has set out to align its work programme against the priorities within the plan. It may be however that it was too ambitious in its expectations for delivery in the first year of this plan, as evidenced by the amount of budget carry forward to 2023/24 and the extent of underspend or slippage occurring during the year. As noted in last year's outturn report, it may take time to fully align budgets with the activity set out in the Plan, and within individual Service Area Plans.

- 6.3 The Council has faced difficulties with recruitment and retention of staff, again in part due to the “great resignation” stemming from the pandemic, which has seen people re-evaluate their work/life balance. Fewer staffing resources, or continued high turnover, will likely cause delays to projects and impact on the spending plans of the Council. It is notable that the largest variance reported in the General Fund is an underspend on salary and wages and further investigation is to be undertaken, as set out in the MTFS, to improve understanding of the reasons for long-term vacancies, and to assess the cost of any alternative arrangements that have been put in place, e.g., agency staff/consultancy. Budgets will be re-aligned to a refreshed establishment list to ensure services are not carrying posts that are no longer required for delivery of the service.
- 6.4 While the ability to increase both unallocated and earmarked reserves, to mitigate against known risks and to take forward invest-to-save initiatives, is welcome, the Council should not be complacent that this increase in reserves is sufficient to weather the financial challenges likely to be faced over the next few years.
- 6.5 High levels of inflation, for example, will continue to put pressure on the Council’s budget over the medium term and anticipated increases in pay awards, energy costs and general inflation that were previously incorporated into the last Medium-Term Financial Forecast (MTFF), may well require upward revision.
- 6.6 Other significant on-going pressures and risks will shape the next iteration of the MTFF and while this additional contingency may be used to support short-term increases in costs or reductions in income, it cannot be used to meet an on-going budget gap. This will require structural changes to the budget in order to make permanent reductions in costs or to increase income streams. Stronger balances will provide the Council with a buffer that will allow time to put these measures in place.
- 6.7 The HRA produced a surplus at the year-end due largely to reduced spending on repairs. What will be critical moving forward is whether those anticipated repairs were simply not required or whether it is the timing of works that has slipped back. If the latter, then the resources will still need to be spent in the future. The HRA 30-year business plan demonstrates a reduction in balances to around £2.8m over the next few years, which will be in some part alleviated by the additional surplus produced in 2022/23. Given the necessity to ensure the Council’s Housing stock reaches Decent Homes standards, plans for Social Housing Decarbonisation, replacement of aging stock and ambitions to increase stock, it will be essential moving forward to maximise use of external grant funding and to work with partners where possible, to adequately resource these major works.
- 6.8 The Capital Programme ran slightly below budget during 2022/23 but will be constrained in future by the lack of available capital receipts, potential restrictions on borrowing as the Capital Financing framework is tightened by government, and the lack of headroom in the General Fund to support borrowing costs or direct capital contributions.
- 6.9 In summary, the underspend in all areas of the Council’s budget is welcome news, in that it provides an additional buffer against scarcity of resources. The Council recognises the financial risks that it faces and has made good progress in defining actions to mitigate this risk, which will feed into the next MTFS.

7 Legal Implications

- 7.1 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 overspending or shortfalls in income emerge. The provisional outturn report is a summarised version of the information produced for the Statement of Accounts which is governed by the Accounts and Audit Regulations 2015, as amended.

8 Equality Implications

- 8.1 There are no specific equality implications of this report, other than an acknowledgement of the importance of equality matters and how they are addressed when service provision is changed, new services are provided, or new capital schemes are assessed.

9 Environmental/Sustainability/Biodiversity implications

- 9.1 Again, while there are no specific environmental, sustainability or biodiversity implications contained within this report, the delivery of sustainable outcomes lies at the core of the Council's vision and the next iteration of the Medium-Term Financial Strategy, and future budgets, will be aligned with the Corporate Business Plan, which includes the Council's Climate Change Strategy.

10. Background papers

- Approach to Financial Sustainability – Savings, Income Generation and Efficiency - Corporate Management Committee July 2023
- Medium-Term Financial Strategy – Corporate Management Committee – December 2022
- HRA Business Plan - Housing Committee – March 2023

11. Appendices

- Appendix 1 – General Fund Summary – Revenue Account
- Appendix 2 – Planned Underspends
- Appendix 3 – Variations in Service Budgets
- Appendix 4 – HRA Balances, Planned Underspends and Budget variances
- Appendix 5 – Capital Expenditure 2022/23

General Fund Summary Revenue Account

Actual for the Year Ending 31 March 2023

	<u>2022/23</u> Estimate £	<u>2022/23</u> Revised £	<u>2022/23</u> Actual £
<u>Expenditure on Services</u>			
Housing Committee	2,229,070	2,292,734	1,773,340
Community Services Committee	4,870,489	5,386,244	4,900,937
Environmental and Sustainability Committee	4,453,171	4,965,037	3,901,773
Licensing Committee	25,429	25,429	25,757
Regulatory Committee	105,325	101,089	99,913
Planning Committee	2,047,735	2,072,301	1,672,416
Corporate Management Committee	(20,201,379)	(18,741,591)	(21,125,488)
Net Expenditure on Services	(6,470,160)	(3,898,757)	(8,751,352)
<u>Transfers and Financing Adjustments</u>			
Accounting and Other Adjustments:			
Reversal of Depreciation Charge	(2,178,067)	(2,178,067)	(1,858,433)
Cost of Capital Charge to HRA	(43,000)	(43,000)	(43,000)
Other accounting adjustments:			
Change in provision for credit losses	2,549,419	1,550,615	159,017
Pension Adjustments	0	0	(102,000)
Accrued Leave adjustments	0	0	11,800
Transfer to/(from) Reserves:			
Business Rates Equalisation Reserve	(3,147,000)	(2,225,000)	(6,361,000)
Car Park reserve	0	0	170,000
Equipment repairs and renewals reserve	750,000	750,000	972,581
Infrastructure Feasibility Study Reserve	(162,000)	(162,000)	0
Investment Property income equalisation reserve	750,000	750,000	1,250,000
Planned Underspend reserve	0	0	819,495
Property repairs and renewals reserve	1,345,000	1,345,000	1,850,000
Service Transformation reserve	0	0	1,000,000
Tennis Court Replacement reserve	0	0	47,200
Financing and Investment Income:			
Investment Income	(440,000)	(2,300,000)	(1,115,092)
Interest on loans to RBC companies	(1,862,000)	(1,812,000)	(1,858,595)
Capital financing costs	13,480,000	13,044,000	12,893,696
Minimum Revenue Provision	4,586,000	4,324,000	4,290,996
Taxation and Non-Specific Grant Income:			
Council Tax income	(6,198,784)	(6,198,784)	(6,198,784)
Council Tax surplus/deficit	(165,770)	(121,000)	(109,442)
Business Rates Retention (net)	(1,383,000)	(2,105,000)	2,031,181
New Homes Bonus	(907,260)	(907,260)	(907,260)
Services Grant	(127,777)	(127,777)	(127,777)
Lower Tier Services Grant	(125,888)	(125,888)	(125,888)
Revenue Support Grant	0	(295)	(295)
Other Grants	0	(37,084)	(26,909)
Use of / (Contribution to) Working Balance	249,713	(478,297)	(2,089,861)

GF Working balance @ 1 April	(18,194,718)	(18,194,717)	(18,194,717)
Movement in the year	249,713	(478,297)	(2,089,861)
GF Working balance @ 31 March	<u>(17,945,005)</u>	<u>(18,673,014)</u>	<u>(20,284,578)</u>

SCHEDULE OF PLANNED REVENUE UNDERSPENDS 2022/23 - GENERAL FUND		
Service / Activity Area	Amount £	Reason for carry forward
Community Services Committee		
Community Safety	37,084	Domestic Abuse grant received and allocated to support Woking Women's Centre in 2023/24
Parks General	10,000	Replacement security fencing at the Orchard
Parks Development	192,740	Parks health and safety remedial work as agreed by Committee in January 2023.
Parks Development	20,000	Agreed at Committee in January 2003 to carry forward the balance to 2023/24
Environmental and Sustainability Committee		
Flood Mitigation - grounds maintenance	5,770	Necessary drainage works not completed due to contractor staff shortages, works will be completed 2023/24
Energy Management/Climate Change	1,500	To carry forward budget for promotion of events
Energy Management/Climate Change	16,254	Ongoing Climate change study project not completed until 2023/24
Car Parks - professional fees	10,000	Stock Condition surveys of carparks to evaluate requirements for ANPR and EV charging points
Borough Highways - street naming & numbering	4,250	Replacement street signage
Planning Committee		
Policy Implementation - Other Professional	9,500	Required for Supplementary Planning Document adoption
Neighbourhood Planning Grants	25,000	Amounts allocated to the Neighbourhood Fora to assist them with procuring Consultancy support. Due to delays in the work being undertaken they need to be carried forward to 2023/24
Corporate Management Committee		
Salaries - Apprenticeship provision	57,700	Recruitment of apprentices and graduates on going. Balance of provision required to finance the programme
Corporate training	27,800	Essential Training events and courses re updated Health and Safety Policy and new Employee Wellbeing Strategy as per the Organisational Development Strategy 2022-2026
Corporate Management training	10,720	To fund ongoing Management Dev programme including Carbon Literacy Training for tier 3 Senior Managers (CMC - Apr23) and training for 1st and 2nd tier Managers in 2023/24
Corporate Management - recruitment	39,700	Funding for senior post recruitment as approved at Corporate Management Committee Feb 2023
External Audit - External Audit Fees	194,592	Delay in Audit process requires carry forward of audit fees from 2018/19 onwards
Internal Audit Services - Internal Audit	1,290	Overlap of 2022/23 Internal Audit plan into 2023/24
Corporate Management Committee - Property related		
Corp Properties Egham Gateway - Legal/Solicitors fees	20,000	Fees for residential sales at Magna Square to be carried forward as sales delayed
Corp Properties Landlord Costs - Legal/Solicitors fees	33,700	Carry forward of fees for various tenant disputes and lease issues
Corp Properties Landlord Costs - Barristers fees	5,000	Carry forward of fees for various tenant disputes and lease issues
Corp Properties Landlord Costs - Surveyors fees	25,000	Carry forward of fees for various tenant disputes and lease issues
Corp Properties AddlestoneOne - Counsel/Barristers	12,395	Balance of funding for legal advice to be carried forward pending completion of project
Corp Properties Magna Square - Other Professional fees	15,000	For other professional fees such as completion of Travel plan survey in line with planning permission
Corp Properties Laser House - Legal/solicitors fees - leases	17,000	Legal fees for asset sale required to be carried forward for sale completion
Corp Properties Laser House - Surveyors fees	2,500	Other fees dependent on final sale of property in 2023/24
Corp Properties General - Legal fees	25,000	Carry forward of legal fees for work previously agreed by Community Services Committee in March 2023
Total General Fund	819,495	

Variance analysis for Actual v Probable 2022/2023

APPENDIX 3

Analysis of significant changes shown in the Net Expenditure on Services

	Increase in Cost or reduced income £000	Reduction in costs or increased income £000
General		
Planned underspends - Money unspent in the year to be spent in 2023/24		819
Salaries & Wages - additional turnover/vacancy savings		2,599
Pensions - overprovision of past years pension unwinding		405
Utilities - costs higher then estimated	117	
Recharges to HRA - reduced	124	
Housing Services		
Increase in temporary accommodation	161	
Additional grant income applied - Homelessness		206
Increase in fees collected - Care & Repair & HMO licences		137
Benefits - increased incentive area subsidy		48
Decrease in depreciation charge		41
Community Services		
Community meals - increase in food costs, under recovery of income	60	
Community Transport - reduction in salaries and wages. Reduction in income recovered.		
Community Alarm - reduction in the cost of wages	48	53
Community Safety - grant received	22	50
Leisure - reduced salary costs, reclass of Egham Orbit revenue as a bad debt, virements fro	297	
Day Centres - over budget on salaries, wages and maintenance	34	
Halls - overspend on maintenance	56	
Museums - reduction in wage costs, and increase in income from talks	8	26
Grants - reduction in grants given/requested		67
Parks - general underspend	245	347
Cemeteries - Additional income received offset by additiional salary costs	32	196
Environmental and Sustainability Services		
Recycling - reduced spend on recycling initiatives and equipment		16
Recycling - increased income - gate fee saving 2021/22 & 2022/23		71
Additional refuse tipping away compensation received		92
Energy management & climate change - charge to capital scheme		50
Car parks – net increase in income		83
On street parking - account in surplus		60
Environmental maintenance RBC - in bloom budget savings		23
Borough Highways - Infrastructure budget unspent		161
Planning Services		
Planning Application Fees - Income lower than anticipated	55	
Development Management - Planning Appeals costs were higher then anticipated	69	
Development Management - Consultancy costs were higher then anticipated	28	
Development Management - Planning Applications Fees - income higher then expected		136
Development Management - Advice to Public - income higher then expected		57
Corporate Management		
Civic Centre - cleaning contract overspent	41	
Civic Centre - service recharges overestimated/adjustments	111	
Corporate Management - Property		
Premises related savings - town centre developments		420
Premises remedial works not chargeable to capital	198	
Premises related sales costs not chargeable to capital	122	
Services related savings - provisions for professional fees not utilised		537
Additional costs from RBC companies for work transferred from Civic Centre	108	
Rent increases/new lettings		220
Total Significant changes	1,936	6,920
Other variances	132	
Net change against Probable budget		4,852

Housing Revenue Account			
Actual for the year ending 31 March 2023			
	<u>2022/23</u> Estimate £	<u>2022/23</u> Probable £	<u>2022/23</u> Actual £
<u>Expenditure</u>			
General management	2,264,889	3,355,539	2,259,127
Special services management	927,538	927,768	747,099
Supporting people for Council tenants	181,800	181,800	130,102
Mobile home site (Net)	(169,050)	(179,050)	(142,726)
Housing repairs	15,201,080	12,157,430	9,688,510
Less funded from major repairs reserve	(11,720,000)	(8,020,000)	(5,329,913)
Sale of Council houses administration	0	0	100
Other HRA Expenditure	518,000	532,300	551,260
Debt charges	3,379,000	3,379,000	3,379,000
Depreciation charges	1,963,241	1,963,241	2,228,015
<u>Transfers to Reserves</u>			
Additional Revenue contribution to Major Repairs reserve	6,737,054	6,737,054	0
Total expenditure	19,283,552	21,035,082	13,510,573
<u>Income</u>			
Rent from dwellings	17,390,800	17,390,800	17,357,839
Non-dwelling rents and income	187,200	202,700	219,079
Interest on balances	95,800	849,000	661,221
Total income	17,673,800	18,442,500	18,238,139
Surplus (deficit) in the year	(1,609,752)	(2,592,582)	4,727,566

Housing revenue account working balance			
	<u>2022/23</u> Estimate £	<u>2022/23</u> Probable £	<u>2022/23</u> Actual £
Balance brought forward	26,945,596	32,632,179	32,632,179
Add surplus (less deficit) in the year	(1,609,752)	(2,592,582)	4,727,566
Less transfer to Planned Underspends reserve	0	0	(19,200)
Capital expenditure - new purchases	(780,000)	0	0
Capital expenditure - new build programme	(1,430,000)	(48,000)	(45,315)
Capital expenditure - further potential schemes	(5,000,000)	0	0
Capital expenditure - IT Schemes	0	(188,797)	(160,461)
Capital expenditure - Green Homes	0	(370,667)	(370,849)
Balance carried forward	18,125,844	29,432,133	36,763,920
Major Repairs Reserve balance	0	4,683,719	901,526
Planned Underspend earmarked reserve	0	0	19,200
Total balances	18,125,844	34,115,852	37,684,645

Variance analysis for Actual v Probable 2022/2023 - HRA

	Increase in Cost or reduced income £000	Reduction in costs or increased income £000
Planned underspends - Money unspent in the year to be spent in 2023/24		19
Salaries/staffing - net savings - controlled centrally		91
Utilities - costs higher than estimated	84	
Management General - Supplies & Services (misc)		22
Management General - increased void property costs	63	
Management General - Pre-development costs - delayed		1,016
Management Special - Premises costs		70
Management Special - External grants		39
Management Special - Premises costs		
Supporting People - additional income		25
Mobile home site - Reduced premises costs		
Housing Repairs - Planned Maintenance		
Housing Repairs - Major Works funded from revenue	159	
Housing Repairs - Voids / Disabled adaptations		
Housing Repairs - Demand and other minor items		
Other - Bad Debt Provision		
Other - Reduction in contribution to MRR due to reduction in repairs spend		6,737
Other - Increase in Depreciation charge	256	
Net Rental income - increased cost of voids	76	
Non rental income - lower than expected interest on balances	188	
	826	8,019
Other variances		127
Net reduction in HRA costs		7,320

SCHEDULE OF PLANNED REVENUE UNDERSPENDS 2022/23 - HRA		
Service / Activity Area	Amount £	Reason for carry forward
Housing Management	14,200	Due to the recent government announcement that Housing Professionals need to be suitably trained, it is requested that the Housing training budget underspend in 2022/23 is carried over into 2023/24. Three staff members have recently been signed up to undertake Chartered Institute of Housing courses
Tenants Participation	5,000	A full industry-standard satisfaction survey of tenants was planned for 2022/23. Following a successful corporate bid for government "PropTech" funding for a number of Council projects, a digital survey of tenants was completed in line with the requirements of the grant funding. This provided the necessary base line findings but a full, regulatory compliant survey needs to be undertaken in 2023/24. A carry forward of £5,000 will be used for this purpose.
Total Housing Revenue Acc	19,200	

Expenditure 2022/23				
Year End Budget	Spend	Variance	Comments	
£	£	£		
Housing Services				
<u>Improvement Grants/Loans (private sector properties)</u>				
Private Sector Improvement grants	581,946	604,446	-22,500	Annual provision
Private Sector Housing Improvement Loans	69,561	7,500	62,061	Annual provision
<u>Capital Schemes (non-council housing)</u>				
Purchase of 3 properties for rough sleepers	32,542	-	32,542	No longer required
<u>Capital Schemes (HRA Housing)</u>				
Capitalisation of Improvement Works	8,020,000	5,329,913	2,690,087	Slippage expected next year - no carry fwd
St Georges Development, Addlestone	80,000	70,201	9,799	Retention only to come
Investment in Energy Efficiency	898,113	898,113	0	
Housing Northgate system upgrade	188,797	160,461	28,336	
Environment & Sustainability				
<u>Environmental Services</u>				
Depot Vehicle fleet replacement programme:	100,070	105,285	-5,215	Scheme complete
Green Homes Grant to raise energy ratings	2,726,690	2,776,872	-50,182	Scheme complete - includes associated admin costs
Replacement car parking vehicles	50,000	-	50,000	Review pending
Community Development				
<u>Community Transport</u>				
Community Transport vehicle replacements	132,000	-	132,000	Fleet review being undertaken in 2023/24
<u>Safer Runnymede</u>				
CCTV Equipment Replacement	150,000	114,503	35,497	Contract issues have resulted in delay to programme
<u>Grant Aid to Sporting and Community Organisations</u>				
Grants to Local Organisations	20,000	1,500	18,500	Annual provision
<u>Parks and Open Spaces</u>				
Grounds Maintenance Contract Vehicles	420,000	347,160	72,840	Carry forward items agreed with H Clark 16-3-23
Tennis Court Refurbishment	168,000	-	168,000	Scheme not yet started
<u>General schemes</u>				
1st Chertsey Scout Hut	14,728	-	14,728	Scheme complete
Corporate & Business Services				
<u>General Schemes</u>				
Provision for Asset Management	455,000	-	455,000	Annual provision
Depot Refurbishment works	100,000	-	100,000	Scheme delayed
Development Loans to RBCI (Egham Gateway)	11,837,595	11,837,595	0	Scheme complete
Chertsey Museum Lift replacement	45,000	-	45,000	Agreed 23/3/2023
ICT Hardware Replacement	200,000	135,060	64,940	Annual provision
ICT Upgrades & Developments	200,000	-	200,000	Annual provision
Bartec upgrade	10,000	-	10,000	Upgrade delayed
Network and Infrastructure update	14,950	-	14,950	Not required
Telephony system	32,011	14,236	17,775	Only £5k needed in 2023/24
Parking Services system	25,000	-	25,000	Scheme delayed
<u>RRP - Runnymede Regeneration Programme</u>				
Addlestone ONE Project	2,148,031	-	2,148,031	Roll forward - Capital Contributions in 2023/24
Addlestone One cladding refurbishment	1,520,000	1,827,681	-307,681	Roll forward - Ongoing scheme
Addlestone One Internet upgrade	-	-	-	
Egham Business Park	-	112,000	112,000	Scheme Complete. Commitment not required
Egham Regeneration - Phase 1	10,000,000	12,256,397	-2,256,397	Roll forward - Final payments and Retention
40,240,034	36,374,923	3,865,111		

Report title	Budget Monitoring Report - April 2023 to June 2023
Report author	Paul French – Corporate Head of Finance
Department	Finance
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Synopsis of report:

To report the financial projections for the 2023/24 financial year as at 30 June 2023 for the 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 2023/24 were approved by the Corporate Management Committee on 19 January 2023 and subsequently by Full Council on 09 February 2023.
- 1.2 The detailed HRA budget for 2023/24 was approved by the Housing Committee on 12 January 2023 and subsequently by Full Council in February 2023.
- 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). Managers also have access to these reports in real time throughout the year via the Council’s Financial Management System. 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 manager’s best estimates as at 30 June 2023.

2 General Fund Revenue Budget

- 2.1 The detailed General Fund budget for 2023/24 was approved in February 2023 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 Annex 1 and is explored in more detail in the following paragraphs.

2.2 Two changes have been made to the General Fund Summary page set out in Annex 1 to that reported when the original budget was set. In May, Members agreed to transfer the reporting responsibility for Green Spaces (Parks, Allotments and Cemeteries) from the Community Services Committee to the Environmental & Sustainability Committee. This change has been reported in the Cttee Transfers column to ensure the Forecast budget reflects the new responsibilities.

2.3 The second change is to move the Council's Investment Properties – those properties held solely for rental income or capital appreciation - out of the Corporate Management Committee (CMC) line and down to the Financing and Investment section of the summary. This has been done:

1. To make the net costs of the CMC and Investment property income more obvious and easily obtainable
2. To follow the format now being used on most Government data collection forms and in the Statement of Accounts
3. To adhere to the anticipated requirements of Government and CIPFA to make the Investment Property net costs more transparent in our reporting

It should be noted that the staffing and management costs relating to these properties is still shown under the Corporate Management Committee as the team manage all the Council's operational, non-operational and investment properties.

2.4 The General Fund Summary is set out in Annex 1 and shows the net expenditure for each service area against the forecast outturn as at 30 June 2023. The forecast outturn is made up of the original budget amended for any anticipated changes (including the adjustments set out above). A summary of the more significant changes (over £5,000) at the Net Expenditure on Services level is set out in Annex 2.

2.5 Members will be aware from the recent Savings and Efficiencies Process and Service Reviews report that was presented to this committee on 13 July, that the process for Planned Underspends has changed this year. Instead of all approved underspends from last year being added to this year's budgets, Planned Underspends, (totalling approximately £820,000) are now held in a central reserve and are released to services as and when the works begin. This was done to smooth out the variances during the year and to ensure that the underspends were not then vired elsewhere should schemes not progress.

2.6 Annex 2 shows that the adjusted net deficit on services is forecast to be £28.097m, an increase in the deficit of £428,000 on the original budget. This increase can be summarised as follows:

Table 2

Analysis of budget changes in Net Expenditure on Services		£000
Increased Expenditure:		
- Planned Underspends carried forward from 2022/23 (out of £820,000)		292
- Approved supplementary estimates		194
- Other cost pressures		428
Reduced Expenditure		(516)
Increased Income		(60)
Reduced Income		90
		428

- 2.7 On the assumption that all the Planned Underspend requests approved at the end of the last financial year are utilised during the current year, this will increase the predicted additional net spend on services in the year to £956,000.
- 2.8 Included in the above figures are £194,000 of additional supplementary estimates approved by members by the end of June. These approvals, along with some of the other variances highlighted in Annex 2 also have a knock on effect on future years expenditure. In total, an additional £312,000 will be needed in a full year to offset these additional costs, placing an additional burden on the Council's bottom line and increasing the already difficult to achieve savings & efficiencies target. Of this, £229,000 have been approved through supplementary estimates as follows:

Table 3

	2023/24 £'000	2024/25 £'000	2025/26 £'000	
Approved Supplementary Estimates				
Meals at Home - Vehicle procurement additional lease costs	16	16	16	(CMC - 23 Mar 2023)
Internal Audit - increase in charges	10	10	10	(CMC - 23 Mar 2023)
Law & Governance - Additional staff agency costs	37	-	-	(CMC - 20 Apr 2023)
Increase in Insurance costs (following tendering exercise)	144	144	144	(CMC - 25 May 2023)
Less rechargeable to third parties	(54)	(54)	(54)	
Regrade of Corporate Head of HR&OD post	7	15	15	(SO42 No.1022 - 22 May 23) & (CMC - 23 June 2023)
Reopening Addlestone Day Centre	28	28	28	(CSC - 15 June 2023) & (CMC - 23 June 2023)
Developing Capacity in Open Space Development	(3)	(4)	5	(CSC - 15 June 2023) & (CMC - 23 June 2023)
Student FM Services contract (following tendering exercise)	(65)	59	59	(CMC - 23 June 2023)
Occupational Health contract (anticipated tendering increase)	-	6	6	(CMC - 23 June 2023)
Total of approved budgetary changes	120	220	229	

Accounting & Other Adjustments

- 2.9 The changes in this area relate to virements of budgets to fund capital expenditure. Members will be aware that you are not allowed to use capital income to finance revenue, but you can finance capital expenditure from revenue reserves. So far, the following changes have been approved:

Table 4

	£'000	
Tennis Court refurbishment	47	CMC - March 23
Tennis Court refurbishment	2	CMC - Virement from Community Services
EV Charging points for Meals at Home	15	CMC - March 23
Grounds Maintenance Vehicles	33	CMC - May 23
	97	

The corresponding increase in the Capital budgets can be seen in the appropriate Capital Expenditure lines in Annex 6.

Financing and investment income

- 2.10 By far the biggest income generator for the Council is our rental income from Investment property. In the 2023/24 financial year the Council anticipates receiving rent (net of voids and bad debts) of £25.5m from various businesses across its portfolio. To aid transparency, Investment property changes have been stripped out of the Corporate Management Committee line of Annex 2 and now form Annex 3.
- 2.11 Although there is very little predicted change to this year's budgeted figures, there is still a need to be wary in regard to:
- the ability to relet properties at current rental levels
 - the on-going cost-of-living crisis caused by high inflation and energy costs
 - potential costs coming out of the Asset Management Plan surveys
 - sustainability issues ensuring that the portfolio is compliant with energy regulations
 - potential measures coming out of the Levelling up and Regeneration Bill once enacted
 - any actions arising from the Building Safety Act 2022
- 2.12 To mitigate these issues, the Council continues to build up earmarked reserves to maintain properties to ensure they remain in a lettable standard and also to cover for loss of rent and rent-free periods.
- 2.13 As at the end of June, officers were not anticipating any significant changes in the Council's treasury income and expenditure. A report on the first quarters treasury management operations, including the Investment property metrics, as set out elsewhere on this agenda.

General Fund balance

- 2.14 Members will be well aware that the last set of the Council's Statement of Accounts to have been signed off by the external auditors are for 2018/19, meaning that the Council's reserve balances as reported in the budget and MTFs could be subject to change should the auditors find any issues. With that caveat in place, the unaudited accounts for 2022/23 indicate that the General Fund balance at the start of April this year was £20.2m.
- 2.15 The MTFs, as updated and reported alongside the budget report for 2023/24, showed a potential budget shortfall by the close of 2025/26 of £5.2m. Taking all the changes set out in Annex's 1-3, the effect on the General Fund Working Balance over the next 3 years is now anticipated to be as follows:

Table 5

	Current Yr	MTFS	MTFS	MTFS
	2023/24	2024/25	2025/26	2026/27
	£'000	£'000	£'000	£'000
General Fund Working Balance:				
Assumed GF Working Balance at 1 April	18,673	15,546	13,547	7,997
In year movement	(3,930)	(1,696)	(5,238)	(5,238)
Increased Balance at start of the year	1,611			
Changes as at 30 June 2023	(280)	(303)	(312)	(312)
Additional planned underspends yet to be utilised	(528)			
Assumed GF Working Balance at 31 March	15,546	13,547	7,997	2,447
Note: Minimum Working Balance £5m				

2.16 This sees the Council with balances **below the £5m Minimum level** set at full Council in February 2023 and with an ongoing annual budget deficit of circa £5.5m. This deficit does not account for any future growth which will inevitably come further down the line though legislative or other requirements.

2.17 Whilst the Council currently has sufficient balances to maintain a balanced budget over the medium term it clearly cannot continue to rely on these reserves into the future without taking corrective action. For this reason it is imperative that the issues surrounding the proposed Savings and Efficiencies Process and Service Reviews reported to this committee on 13 July are resolved as soon as possible.

Housing Revenue Account (HRA)

3.1 The detailed HRA budget for 2023/24 was approved in February 2023. Since then, various changes have occurred and an updated HRA summary (in the Budget Book format) setting out these changes is set out at Annex 4. This summary sets out the net expenditure for each service area against the forecast outturn as at 30 June 2023. 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 Annex 5.

3.2 There are very few changes to the HRA budget during the first quarter of the year. The surplus for the year shown in Annex 4 is expected to increase by £58,000 from £1.005m to £1.063m, however adjustments to the timing of proposed maintenance works, some of which will have been delayed from last year, were still to be analysed as at 30 June. These will be developed over the summer and any adjustments will be reported in the second quarterly report to be submitted to members later in the year.

3.3 Delays in the maintenance and capital programme schemes funded by the HRA working balance has meant that, like the General Fund, the HRA started the year with increased balances. The HRA working balance at the start of the year stood at £36.7m, however this will reduce significantly over the next few years as we catch up with the deferred works programme and the capital schemes begin in earnest.

4 Capital Expenditure and Receipts

Capital receipts and expenditure

- 4.1 The Capital Strategy and detailed Capital budget for 2023/24 was approved in February 2023. 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. Annex 6 summarises the capital spend on **the approved** schemes in the programme for the current year to the end of June 2023 and the capital receipts against the programme for the same period.
- 4.2 Annex 6 focuses on approved to proceed schemes only. The approved Capital Programme also includes a selection of provisional schemes that are subject to future committee reports and approval. These have been left out of this report to provide a clearer focus on those schemes currently with the finances and authority to progress. Should Members wish to see the full Capital Programme, this can be found in the [Budget Book](#) on the Council's website.
- 4.3 The Council started the year with £12.9m in capital receipts which can be used to fund future acquisition of assets. However, £4.3m 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
- 4.4 The financing of the Capital Programme remains heavily reliant on income from the sale of development properties. The Capital Programme assumes that we will generate £13.9m of capital receipts during the year. As at 30 June we had only amassed £0.9m. Should sales activity not be forthcoming over the next year, it will 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 Monitoring the first quarter's net expenditure position is always difficult as adjustments are still being made for transactions received in the current year relating to the prior year, and officers in general are more optimistic about the level of income they will receive and assume that they will complete all planned work within the timescales set. Prior year history tells us this is not always the case.
- 6.2 The Council's General Fund started the year a lot healthier than originally predicted. However, the underlying deficit at the start of the year of £5.2 by 2025/26 has now grown to £5.5m due to additional unforeseen growth approvals. Likewise, whilst the HRA started with much healthier balances this year, once the delayed works have caught up, the HRA will be back to the average closing balance of £3m by 2026/27 as set out in the HRA Business Plan presented to the Housing Committee in March.

- 6.3 It is now more important than ever to progress the Savings and Efficiencies Process and Service Reviews to start making inroads into these falling balances as soon as possible. Whatever the outcome of these reviews, the programme will take time to deliver and will mean that the Council may have to make some tough decisions in the short-term to bring the Council's balances back into order.

General Fund Financial Monitoring Statement

30 June 2023

Service Area	Original Budget £000	Cttee Transfers £000	Forecast Outturn £000	Variance £000
Housing Committee	2,352		2,352	0
Community Services Committee	5,115	(1,573)	3,869	327
Environment & Sustainability Committee	5,419	1,573	6,968	(24)
Licensing Committee	26		26	0
Regulatory Committee	115		115	0
Planning Committee	2,300		2,330	30
Corporate and Business Services	(14,717)	25,487	10,912	142
Growth bids to be agreed	1,572		1,525	(47)
Net expenditure/(surplus) on services	2,182	25,487	28,097	428
Accounting and other adjustments:				
Reversal of depreciation charges	(2,178)		(2,178)	0
Cost of capital charge to HRA	(43)		(43)	0
Revenue contribution to Capital Expenditure	0		97	97
Transfer to/(from) reserves:				
Car Parks Reserve	(180)		(180)	0
Equipment Repairs and renewals reserve	750		750	0
Property repairs and renewals reserve	750		750	0
Investment property income equalisation reserve	750		750	0
Planned Underspend reserve	0		(292)	(292)
Tennis Court replacement reserve	14		(33)	(47)
Financing and investment income				
Investment income (net) - Investment Properties	0	(25,487)	(25,393)	94
Investment income (net) - General	(3,600)		(3,600)	0
Dividends and Loan interest	(2,036)		(2,036)	0
Capital financing costs	13,351		13,351	0
Minimum Revenue Provision	4,612		4,612	0
Taxation and Non-specific grant income:				
Council Tax	(6,447)		(6,447)	0
Council Tax surplus/deficit	(228)		(228)	0
Business rates retention	(2,497)		(2,497)	0
New Homes Bonus	(610)		(610)	0
Services Grant	(72)		(72)	0
Revenue Support Grant	(82)		(82)	0
Other Grants	(506)		(506)	0
(Contribution to) / Use of Working Balance	3,930	0	4,210	280

General Fund Working Balance:			
Assumed GF Working Balance at 1 April	18,673		20,284
2023/24 in year movement (from above)	(3,930)		(4,210)
Assumed GF Working Balance at 31 March	14,743	0	16,073
Note: Minimum Working Balance £5m			

Key:

Original Budget - Approved at Full Council on 9 February 2023

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 June 2023

() = 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 2024/25 £'000	MTFS 2025/26 £'000	MTFS 2026/27 £'000
	P/U C/fwd £'000	Supp Est £'000	Vired Growth £'000	Virement £'000	Other £'000							
Housing Committee									0			
None reported									0			
									0			
									0			
Community Services Committee									0			
Community Services									0			
Day Centres - Reopening Addlestone Day Centre (CSC - 15 June 2023) & (CMC - 23 June 2023)		28							28	28	28	28
Day Centres - Special works budget reduced and moved to fund additional works to Park Tennis Court improvements						(2)			(2)			
Day Centres - Woodham Day Centre loss of income from departing group booking. Assume income will recover next year.								(13)	(13)			
Meals at Home - Vehicle procurement additional lease costs (CMC - 23 Mar 2023)		16							16	16	16	16
Safer Runnymede - Increased costs if new CCTV maintenance contract on call outs									37	37	37	37
Community Safety - Domestic Abuse grant received late in 2022/23 and carried forward to use in current year.	37								37	37	37	37
Grant Aid - Increase in core grants (CMC - 23 Mar 2023).			14						14			
Leisure Development - Developing Capacity in Open Space Development (CSC - 15 June 2023) & (CMC - 23 June 2023)		(3)							(3)	(4)	5	5
Leisure Development - Play area Health and Safety works (Agreed at Jan 23 CS Cttee)	213								213			
									0			
Environment and Sustainability Committee									0			
Environmental and Regulatory Services									0			
Recycling initiatives - virement for maintenance works at the Orchard depot					(3)				(3)			
Trade waste - price per tonne in 2023/24 higher than estimated						7			7			
Trade waste - income lower than estimated								30	30			
Energy Management - promotion of events	2								2			
									0			
Green Spaces									0			
Contribution to a Surrey-wide Traveller site removed to pay for Capital expenditure (CMC - May 2023)								(33)	(33)			
Orchard Depot - maintenance works - vired from Recycling Initiatives					3				3			
									0			
Highways and Transport Services									0			
Car Parks - P&D income - income higher than estimated. Potential overestimation of lost income from car parks								(60)	(60)	(60)	(60)	(60)
Car Parks - PCN income lower than estimated								30	30	30	30	30
									0			
									0			
Licensing Committee									0			
None reported									0			
									0			
Regulatory Committee									0			
None reported									0			
									0			
Planning Services									0			
Development Management - Additional 0.5FTE post (Planning - 22 March 23)			30						30			
									0			
									0			
Corporate Management Committee									0			
Corporate, Democratic and Central Services									0			
Corporate Management - Recruitment costs for new CEO	40								40			
Corporate Management - Virement of budget from CEO Community Fund					(7)				(7)			
Democratic Representation & Management - Mayors Allowance					5				5			
Elections/Registration of Electors - Increased salary costs			3						3			
Contingencies Planning - Training					2				2			
									0			
Control & Establishment									0			
Salaries - Underspend over the allocated vacancy factor (including on costs) for the period April - June								(459)	(459)			
Salaries - Apprenticeships - delay in appointment to posts (potential planned underspend)									0			
Salaries - Regrade of Corporate Head of HR&OD post (SO42 No.1022 - 22 May 23) & (CMC - 23 June 2023)		7							7	15	15	15
Employers Costs - Occupational Health contract (anticipated tendering increase) (CMC - 23 June 2023)		0							0	6	6	6
Internal Audit - increase in charges (CMC - 23 Mar 2023)		10							10	10	10	10
Civic Centre - overestimation of recoverable costs from partner organisations								35	35	35	35	35
Civic Centre - business rates more than estimated						31			31	31	31	31
Depot - business rates more than estimated						34			34	34	34	34
Accountancy - agency staff savings vired to Payroll and Payments					(5)				(5)			
Payroll and Payments - salary reallocation (overtime) vired from Accountancy					5				5			
Digital Services - Mini restructure savings								(22)	(22)	(22)	(22)	(22)
Human Resources 2022/23 costs recovered less than accrued for								8	8			

GENERAL FUND - Changes in Investment Property Net Expenditure as at 30 June 2023

() = reduced expend or increased income

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

	Increased Expenditure					Reduced Expend £'000	Increased Income £'000	Reduced Income £'000	Total £'000
	P/U C/fwd £'000	Supp Est £'000	Vired Growth £'000	Virement £'000	Other £'000				
Investment Property variations									0
									0
Parish Halls - Student FM Services contract (following tendering exercise) (CMC - 23 June 2023) - saving in year 1		(65)							(65)
Abbey Groves - void NNDR costs in excess of budget					125				125
Various Landlord Costs - Legal/Solicitors fees	34								34
									0
									0
Total changes in net expenditure	34	(65)	0	0	125	0	0	0	94

MTFS 2024/25 £'000	MTFS 2025/26 £'000	MTFS 2026/27 £'000
59	59	59
59	59	59

	£'000
Original Net Surplus (as per the 2023/24 Budget Book)	(25,487)
Total changes in net income	94
Forecast Net Surplus	(25,393)

HRA Financial Monitoring Statement

30 June 2023

Service Area	Original Budget	Forecast Outturn	Variance
	£000	£000	£000
Expenditure			
General management	3,396	3,484	88
Special services management	984	989	5
Supporting people for Council tenants	178	162	(16)
Mobile home site (Net)	(186)	(186)	0
Housing repairs	15,194	15,194	0
Less funded from major repairs reserve	(10,565)	(10,565)	0
Other HRA Expenditure	556	556	0
Debt charges	3,379	3,379	0
Depreciation charges	1,963	1,963	0
Repairs reserve	3,918	3,918	0
Growth bids to be agreed	250	115	(135)
	19,067	19,009	(58)
Income			
Rent from dwellings	18,617	18,617	0
Non-dwelling rents and income	216	216	0
Interest on balances	1,239	1,239	0
	20,072	20,072	0
Revenue Surplus / (deficit) in the year	1,005	1,063	58

HRA Working Balance:			
Assumed HRA Working Balance at 1 April	29,432	36,764	7,332
In year movement	1,005	1,063	58
Less Capital Contributions			
Strategic purchases	(780)	(780)	0
New Build programme	(5,294)	(5,294)	0
Further potential schemes (not yet approved)	(750)	(750)	0
Assumed HRA Balance at 31 March	23,613	31,003	7,390

Key:

Original Budget - Approved at Full Council on 9 February 2023

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

Capital Programme 2023-24 - APPROVED SCHEMES ONLY

Cost Centre	Scheme	Committee	Budget Manager	Approval Date	2023/24 Budget Only			Whole Scheme budget					Comments
					2023/24 Budget	2023/24 Committed Spend	23/24 Budget Remaining	Scheme Budget	Spend to 31 Mar 2023	2023/24 Committed Spend	Total Scheme Spend	Scheme Budget remaining	
					£	£	£	£	£	£	£	£	
Approved Schemes													
CGAG	CCTV Equipment Replacement	Community	Les Bygrave	-	135,497		135,497	135,497		0	0	135,497	Annual provision available to draw down
CGAR	Heathervale Skate Park (Aviator Park Replacement)	Community	Darren Williams	CMC - Sep 2022	210,000		210,000	210,000		0	0	210,000	
CGBQ	Grants to Local Organisations	Community	Gary Lelliot	-	20,000	817	19,183	20,000		817	817	19,183	Annual provision available to draw down
CGEL	Depot vehicle fleet replacement programme	Environmental	Shaun Barnes	-	292,205		292,205	292,205		0	0	292,205	
CGJW	ICT Hardware Replacement (Incl Members)	Corporate	Linda Norman	-	100,000	3,759	96,241	100,000		3,759	3,759	96,241	Annual provision available to draw down
CGJZ	ICT Upgrades & Developments	Corporate	Linda Norman	-	100,000	13,405	86,595	100,000		13,405	13,405	86,595	Annual provision available to draw down
CGKS	Community Transport - Approved purchases	Community	Darren Williams	-	132,000		132,000	132,000		0	0	132,000	Provision available to draw down based on replacement schedule
CGMA	Addlestone ONE Project	Corporate	Alex Williams	CMC - Sept 2014	2,148,031	70,595	2,077,436	80,000,000	77,851,969	70,595	77,922,564	2,077,436	
CGNQ	Egham Gateway West (Magna Square) Regeneration	Corporate	Alex Williams	Council - Nov 2016	5,346,934	-8,213,900	13,560,834	90,000,000	84,653,066	-8,213,900	76,439,166	13,560,834	Credit relates to outstanding Commitment
TBA	River Thames Flooding Scheme	Environmental	Marcel Steward	CMC - Oct 2017	0		0	5,000,000		0	0	5,000,000	Split over 3 years from 2024/25
CGRH	Grounds Maintenance Contract Vehicles	Community	Helen Clark	CMC - June 2023	133,840	34,744	99,096	481,000	347,160	34,744	381,904	99,096	Budget increased June 2023
CGRN	Depot Refurbishment works	Corporate	Alex Williams	CMC - June 2022	300,000		300,000	300,000		0	0	300,000	
CGSG	ICT - Combined HR & Payroll system	Corporate	Linda Norman	CMC - Oct 2022	235,000		235,000	235,000		0	0	235,000	
CGSH	ICT - Telephony system	Corporate	Linda Norman	CMC - May 2020	5,000		5,000	87,225	82,225	0	82,225	5,000	
CGST	ICT - Parking Services system	Corporate	Linda Norman	CMC - Sept 2021	25,000		25,000	25,000		0	0	25,000	
CGSW	ICT - Northgate Housing System Upgrade	Corporate	Linda Norman	CMC - Sept 2021	28,336	11,517	16,819	28,336	218,046	11,517	229,563	-201,227	
CGSY	Addlestone One refurbishment (Cladding)	Corporate	Alex Williams	CMC - July 2021	2,692,319	873,237	1,819,082	4,520,000	1,827,681	873,237	2,700,918	1,819,082	
CGTH	Parks Tennis Court Refurbishments	Community	Darren Williams	CMC - Sept 2022	217,200	119,488	97,712	217,200		119,488	119,488	97,712	
CHAA	Improvement Grants (private sector properties)	Housing	Darren Williams	CMC - Jan 2015	581,946	57,139	524,807	581,946		57,139	57,139	524,807	Annual provision available to draw down
CHAB	Improvement Loans (private sector properties)	Housing	Darren Williams	CMC - Jan 2015	69,561		69,561	69,561		0	0	69,561	Annual provision available to draw down
CHAI	Capitalisation of HRA improvement works	Housing	Simon Allen	HRA Business Plan	10,565,000		10,565,000	10,565,000		0	0	10,565,000	Year end transfer from Revenue
CHBF	Purchase of HRA Property (LAHF)	Housing	Maggie Ward	Hsg - Sept 2016	3,186,752		3,186,752	3,186,752		0	0	3,186,752	
CHBL	St Georges Development, Addlestone	Housing	Maggie Ward	CMC - Sept 2017	0	-35,987	35,987	2,004,415	1,958,629	-35,987	1,922,642	81,773	Credit relates to outstanding Commitment
TBA	IT enhancements - NEC Housing	Housing	Andy Vincent	CMC - June 2023	50,000		50,000	50,000		0	0	50,000	
CGTI	Chertsey Museum Lift replacement	Corporate	Alex Williams	CMC - March 2023	45,000		45,000	45,000		0	0	45,000	
CGTJ	Chertsey Depot EV Charging points (Meals at Home vehicles)	Corporate	Alex Williams	CMC - March 2024	15,000		15,000	15,000		0	0	15,000	
TBA	A320 North of Woking HIF Scheme	Planning	Ashley Smith	SO42 - May 2020	2,000,000		2,000,000	2,000,000		0	0	2,000,000	
TBA	SPF - R&D Grants supporting innovative product and service development	Corporate	Ashley Smith	CMC - Dec 2022	10,000		10,000	10,000		0	0	10,000	
TBA	SPF -Improvements to town centres and high streets	Corporate	Ashley Smith	CMC - Dec 2022	2,938		2,938	2,938		0	0	2,938	
CHBY	HRA Property Purchase	Housing	Mark Bawden	Council - Mar 2022	3,186,752	6,585	3,180,167	3,186,752		6,585	6,585	3,180,167	
TOTAL					31,834,311	-7,058,601	38,892,912	203,600,827	166,938,776	-7,058,601	159,880,175	43,720,652	
Capital Receipts													
CRAA	SOCH	Housing	Maggie Ward	-	-1,000,000	-660,800	-339,200	-1,000,000		-660,800	-660,800	-339,200	Budget based on 4 sales at £250,000
CRAI	DIYSO Sales	Housing	Maggie Ward	-	-300,000	12	-300,012	-300,000		12	12	-300,012	
CRER	Repayment of Improvement Grant Loans	Housing	Maggie Ward	-	-5,000	-150	-4,850	-5,000		-150	-150	-4,850	
CRFG	Addlestone ONE Sales	Corporate	Alex Williams	-	-8,460,000		-8,460,000	-26,869,631	-18,409,631	0	-18,409,631	-8,460,000	Budget includes Witley House sale to Hsg Assoc.
CRFR	Virginia Water Scout Loan Repayment	Corporate	Amanda Fahey	CMC - May 2017	-4,500	-750	-3,750	-4,500		-750	-750	-3,750	
CRFY	Sale of Ashdene House / Barbara Clark House	Corporate	Alex Williams	CMC - Jun 2021	-1,275,000		-1,275,000	-1,275,000		0	0	-1,275,000	
CRGC	Addlestone Canoe Club loan repayment	Corporate	Amanda Fahey	Council - Mar 2020	-10,715		-10,715	-10,715		0	0	-10,715	
CRGF	Magna Square (Egham Gateway) Sales	Corporate	Alex Williams	CMC - Feb 2020	-2,900,000	-308,000	-2,592,000	-7,281,000	-1,481,000	-308,000	-1,789,000	-5,492,000	Sales forecast to go into 2024/25
TOTAL					-13,955,215	-969,688	-12,985,527	-36,745,846	-19,890,631	-969,688	-20,860,319	-15,885,527	

Report title	Land Charges Migration
Report author	Mario Leo
Department	Law and Governance
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	Not applicable

Purpose of report:
To resolve

Synopsis of report:
To advise of the ongoing work with His Majesty’s Land Registry (HMLR) in connection with the migration of part of Council’s Local Land Charges service to the HMLR. The report also seeks approval as to the allocation of the HMLR Transitional Payment made to the Council.

Recommendation(s):

- 1) Note the requirement for the migration of Land Charges to HM Land Registry**
- 2) Gives approval to allocation of the external funding to support the costs of data cleansing and other migration costs**
- 3) To note that the loss of income from 2024/25 will be added to the MTFS and future savings targets**

1. Context and background of report

1.1 Every local authority is required to migrate its Local Land Charges register service to His Majesty’s Land Registry (HMLR). This is part of the Government’s commitment to make the home buying process simpler, faster and cheaper. HMLR has escalated its migration programme and has allocated Runnymede for migration in 2024/2025.

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

2.1 A Local Land Charge is a restriction on a piece of land or property that can limit its use or bind the owner to a payment of a sum of money. Charges can include:

- planning decisions
- road agreements
- tree preservation orders
- conservation areas and listed buildings notices

- environmental health notices
 - charges or objections made against previous owners
- 2.2 The Infrastructure Act 2015 provides for the transfer of responsibility for Local Land Charges in England and Wales from local authorities to HMLR. Under these provisions, HMLR will provide a single, digital Local Land Charges register for England and Wales.
- 2.3 There are three parts to Local Land Charges. Once migration has taken place, the Council will cease to provide Local Land Charges searches (Part 1- LLC1 searches, (the register)) and customers will carry out and obtain instant local searches from HMLR via a national portal. Part 1, the LLC1 holds information about the property such as restrictions, prohibitions, Conditional Planning Consents, Enforcement and financial requirements.
- 2.4 The Council will however continue to provide CON 29 enquiries (Parts 2 and 3) which relate to a wider range of enquiries, including Planning and Building Control and are usually made when buying the property. These include matters that may affect the property such as major road proposals, traffic schemes, and road adoption status.
- 2.5 The migration is a complex issue. The Council has been required to enter into a Collaboration Agreement and Development Plan with HMLR. This establishes a framework to govern each parties rights and obligations under the Local Land Charges Programme. In particular, the parties agree to:
- Discuss the authority data with the other
 - Share and discuss the results of collaboration
 - Analyse the data and take remedial action in relation to incorrect entries
 - Act in good faith to support the migration process
- 2.6 Under the Collaboration Agreement the Council is required to appoint a Senior Responsible Officer (Corporate Head of Law and Governance) for the Migration to provide overall strategic oversight and direction and an Operational Leader (Local Land Charges Manager) accountable for day-to-day delivery of the migration. The Council will also agree a Delivery Plan for the project.
- 2.7 The Delivery Plan sets out the timetable for the migration process and commits the Council to deliver the migration of Local Land Charges by a specified date. For Runnymede this is still to be agreed but is the 24/25 Financial Year with a more specific timeline to be agreed. The Council will receive a burdens payment within 3 months of migration that covers the cost of:
- extraction of data from current digital systems
 - data preparation
 - providing updates to the register during migration
 - resolution of enquiries arising during the migration process
 - payment for the one-off activities and first 3 years of additional work to add, vary and cancel charges will be made at the same time
- 2.8 Once the migration process is complete, the Chief Land Registrar issues a formal notice to the Council informing it of the date on which the Registrar will assume the Local Land Charges function for the borough. After migration, the Council will continue to provide replies to CON 29 enquiry searches, which relate to a range of departmental and highways enquiries. In addition, the Council will still be required to

apply new registrations, internal and from external organisations and amend, update and cancel charges in the new register. All further enquiries following on from a HMLR search are the responsibility of the Council to respond to and any discrepancies will still be the responsibility of the Council, hence the Council's insurance in respect of Local Land Charges will still be required.

- 2.9 The migration of the Local Land Charges service will have financial implications for the Council as set out below. Once the Chief Land Registrar has assumed the Local Land Charges function for the borough, the Council will no longer carry out all Local Land Charges searches (Part 1 searches) with a resultant loss of income.
- 2.10 Customers will access the new service via an online portal created by HMLR. This is aimed at speeding up delivery and there will be a uniform charge across the country.
- 2.11 The financial impact on the Council of this exercise is as follows. There are 3 parts to a Local Authority Land Charges official search. Part 1 known as LLC1 (Land Charges Register) and Parts 2 and 3 (CON 29). Once the migration has been complete, HMLR will provide replies to Part 1(LLC1). The current fee the Council charges is £50.00 no VAT on this section, and this will instead go to HMLR.
- 2.12 The Council will continue to provide replies to Part 2 and 3 (CON 29 enquiries). The fee varies for Part 2 (the standard CON 29 enquiries) from £205 incl VAT to £260 incl VAT per search. For Part 3 (CON 29 Optional enquiries) £21.00 incl VAT to £399.00 incl VAT depending on how many are requested. This payment will still be made to the Council. Officers will review the Part 2 and 3 fees and charges to ensure full cost recovery.
- 2.13 The Council's budgeted income for Local Land Charges is currently £254,900 per annum. In 2022/23 the Council generated £214,841 income for Part 1 and Part 2 & 3 searches combined. It is estimated that the migration of Part 1 Local Land Charges to HMLR will result in a loss of approximately £49,600 budgeted income to the Council in 2024/25.
- 2.14 To support the Council, a transition payment will be given to address any practical challenges to undertaking the work to migrate the data. The Council has been allocated to receive a total payment of £60K divided into 2 payments. The 2 separate payments are made when two key milestones are met. The first payment (£20K) will be issued when the Delivery Plan is agreed and signed. After the service goes live and the register is migrated, the Council will receive the second final payment (£40K). If the agreed go live date is not met there will be a deduction of 2.5% of the second payment each week until the service goes live officially.

3. Policy framework implications

- 3.1 There are none as this measure is mandated by legislation and the Council cannot prevent the exercise.

4 Resource implications/Value for Money

- 4.1 The migration of Part 1 Local Land Charges to HMLR will result in a loss of income of approximately £49,600 from 2024/25 onwards. The Government has indicated that local authorities may receive additional funding for the first three years after their service is migrated to cover:

- additional activities undertaken in the period immediately after a local authority goes live
- work in applying to add, vary and cancel charges that is additional to that required under the previous process

4.2 The one off transition payment of £60,000 should cover the Council's migration costs but will not cover the first year's loss of income. As set out above, at this time further amounts and duration of any other funding is unknown. Officers will seek further information during the migration process, however, without additional funding this change will mean the Council will lose £49,000 in income putting further strain on the Council's finances.

5. Legal implications

5.1 In 2015, HMLR was given authority under the Infrastructure Act 2015 to create a single, national, digital register of Local Land Charges across England and Wales. The Local Land Charges Register whether operated by the Council or HMLR is a statutory duty function and data must therefore be registered in a specific way. Whilst there are no legal implications as such, incorrectly registered data could expose the Council to claims from customers of the HMLR, therefore it is important to maintain adequate insurance cover.

6. Equality implications

6.1 An assisted digital process will be available for anyone who cannot access the HMLR GOV.UK Service. Essentially customers will contact their HMLR LLC Processing Team and they will undertake the search on their behalf. As the Council moves towards a go live date, all relevant customers will be informed of the change. At this point possible targeted solutions will be considered for any customers who might be digitally excluded.

7. Environmental/Sustainability/Biodiversity implications

7.1 None from this report.

8. Other implications

8.1 The Council has a small team dedicated to delivering this service and staffing needs will be reviewed once the volume of work left with the Council is better understood. This exercise does not involve a transfer of staff from the Council to the HMLR.

8.2 The report illustrates that the transfer of key parts of the Local Land Charges service (the LLC Register) is set down in legislation, therefore no alternative course of action is available to the Council.

The risks are:

- i. loss of transition funds if migration is delayed.
- ii. loss of income, as set out.
- iii. retain responsibility for data and associated liabilities for any material errors in the data.

9. Timetable for Implementation

9.1 Once the Collaboration Agreement and Development Plan is executed work will progress on agreeing a timetable with HMLR. As advised above this exercise is scheduled to be completed during the Financial Year 2024/25

10. Background papers

None

11. Appendices

None

Report title	Town Centre Events
Report author	Azra Mukadam -Town Centre & Events Manager
Department	Economic Development and Planning Policy
Exempt?	No
Exemption type	Not applicable
Reasons for exemption	There are no specific legal implications associated with this report. Actions which flow from the measures referred to in the body of the report may require legal advice which will be provided when they are progressed.

Purpose of report:

To resolve :
 The release of the provision set aside in the 2023/24 Economic Development Budget to support Town centre events.

Synopsis of report:
 This report provides further detail on the delivery method and costs associated with events for the three town centres in the borough supported by the release of the £15,000 provision set aside in the 2023/24 Budget.

Recommendation(s):

- i) Committee approves the business case (see Appendix 1) for the release of the growth budget to support town centre events in 2023/24 financial period.
- ii) Committee approves the release of £15,000 provision set aside in the General Fund Revenue Budget and Business Plan for this purpose.

1. Context and background

- 1.1. One of the six priorities in the Runnymede Economic Development Strategy for 2022 to 2026 is “Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy”.
- 1.2. Drawing from previous reports and feasibility studies carried out over the last two years, there is key evidence that suggests that businesses in the town centres are being significantly impacted by a lack of footfall to the town centres.
- 1.3. The reports demonstrate evidence that an increase in footfall and dwell time through improvements to the vitality and vibrancy of the town centres benefits businesses within the immediate vicinity.

- 1.4. Evidence from the following feasibility studies and resident and business surveys suggests that a calendar of regular events and markets throughout the year will benefit the businesses and the wider community: (documents provided on request)
- Retail and Main Town Centre Uses Study (2022)
 - Business Survey on Markets & Events (2021)
 - Chertsey Masterplan Review (2022)
 - Visitor Economy Report (2022)
- 1.5. To date, ad hoc external funding sources (such as Welcome Back Funding) and a one-off budget to support the Jubilee have been used to put on events in the Borough's centres including several very successful events which have attracted large numbers of people to our towns.
- 1.6. However, these sources of funding cannot be guaranteed year on year, and there is currently no baseline budget within the economic development team to assist with planning and organising a regular calendar of events for our town centres.
- 1.7. Money has been allocated in RBC's Shared Prosperity Fund investment plan to support events, but due to the funding profile for SPF, this is for 2024/25 only. The Town Centre Manager (TCM) is working hard to develop town teams in the three town centres and is engaging with our larger retailers/town centre businesses regarding organising and sponsoring events.
- 1.8. Until a secure sponsorship revenue stream is established to enable a planned calendar of activities to be provided, an upfront budget is required. Delivery of a regular calendar of successful events over the next few years should help demonstrate to local businesses the benefits for the town centres and their own businesses and encourage future sponsorship.
- 1.9. Although the TCM's immediate priority for 2023/24 is to focus on developing an events calendar in the Borough's three town centres, a small additional amount of funding is requested for 2024/25 to help support local communities to put on events in their local centres.
- 1.10. The current Economic Development team budget includes funding to support the delivery of other priorities within the EDS. This additional growth request has been made as various consultation exercises undertaken over the last year (as detailed above) have identified a real need for additional support for our town centres, and over the next year there is no identified source of grant funding available to support this activity.

2. Town Centre Events

- 2.1 Evidence from the following feasibility studies and resident and business surveys suggests that a calendar of regular events and markets throughout the year will benefit the businesses and the wider community (refer to point 1.4).
- 2.2 Consideration for regular events for the three towns could potentially be presented as per the table below:

Towns	Current activities	Potential additional events
Addlestone	Christmas (Addlestone ONE)	Summer event & Christmas Crafts market
Chertsey	Goose Fayre, Black Cherry Fayre	May Day event
Egham	Markets, Christmas, Magna Carta	Street Food, Freshers event

2.3 Currently, the council only financially supports the Addlestone ONE event, which is funded by service charge fees. All other towns centres have localised events that are run by volunteers and charity groups from the town communities.

3. Policy framework implications

3.1 Support for Town Centre Events aligns with priority three of the Economic Development Strategy 2022-2026 which is “developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy by providing a wider range of shopping experiences to the community”. Specifically, the aim of the town centre events is aimed at encouraging visitors to the town centres to increase dwell time and spending locally.

3.2 Aligned with the Health & Wellbeing Strategy, this item considers one of the Healthy Communities objectives: “for all residents to be able to engage and participate in their community, and access services, facilities, amenities, leisure, and recreational opportunities locally, which in turn reduces loneliness and isolation”.

4 Resource implications

4.1 The 2023/24 budget, approved by Full Council in February 2023, included a provision of £30,000 for town centre events, subject to a future committee report, including the submission of a full business case for member approval. Due to the passing of time, only £15,000 is now required in the current year which matches the future annual commitment being requested. This business case is set out in Appendix 1.

4.2 If Members are content with the detail presented in the report and business case, and the costs presented are within the amount provided for in the growth provision, the Committee can provide their approval to proceed and for the budget provision to be released.

5. Legal implications

5.1 There are no specific legal implications associated with this report. Actions which flow from the measures referred to in the body of the report may require legal advice which will be provided when they are progressed.

6. Equality implications

6.1 An equalities impact assessment was completed for the Economic Development Strategy in April 2022. This included an assessment of the work covered by the Town Centre activities that encourage the vibrancy and vitality of the town.

7. Environmental/Sustainability/Biodiversity implications

7.1 In line with some of the key corporate objectives, town events will promote and support a greener environment and encourage a circular economy (a concept advocated by the Council's Climate Change Strategy).

7.2 The town centre events budget will facilitate changes to town centres which would encourage localised events that people can cycle or walk to. This is in line with the 20-minute neighbourhood concept which is supported by the Council's Climate Change Strategy, by bringing essential services within easy reach of local communities by walking, cycling and public transport.

8. Background papers (provided on request)
Retail and Main Town Centre Uses Study (2022)
Business Survey on Markets & Events (2021)
Chertsey Masterplan Review (2022)
Visitor Economy Report (2022)

9. Appendices
Business Case (2023)

Appendix 1 - Business Case – ED009 Increased budget for Town Centre events



Project Initiation Stage

Project/Item Title	Town Centre Events		Version	1.3
Corporate Head	CHPP&ED	Service Area	Economic Development	
Service Committee to Approve Budget	CMC			
Anticipated Cost of Proposal (Capital)		Anticipated Cost Proposal (Revenue)	£110,000 over 6 years (£30,000 SPF allocated in 24/25) aim in future years to achieve sponsorship to cover 50% of the cost.	
To be completed for Projects only (ED009)				
Type of Project	Improvement	Project Duration	6 years +	
Proposed Project Start Date	Apr-23	Proposed Project End Date	Ongoing	

Business Case Context

Background

Describe the purpose of the Business Case, what benefits are expected to be delivered or what problem will be solved (What is wrong with the status quo? What are the drivers for change?). Is the scheme a result of legal/statutory requirements or a stakeholder consultation?

One of the six priorities in the Runnymede Economic Development Strategy for 2022 to 2026 is 'Developing the vitality and vibrancy of our town centres and growing the tourism and leisure economy'.

This priority seeks to address significant issues faced by businesses in our town centres.

There is strong evidence from the following feasibility studies and resident and business surveys that to increase footfall and dwell time in our town centres to help improve vitality and viability, there needs to be a calendar of regular events and markets throughout the year:

- Retail and Main Town Centre Uses Study (2022)
- Business Survey on Markets & Events (2021)
- Chertsey Masterplan Review (2022)
- Visitor Economy Report (2022)

To date, ad hoc funding sources (such as Welcome Back Funding) and a one-off budget to support the Jubilee have been used to put on events in the Borough's centres including several very successful events that have attracted large numbers of people to our towns. However, these sources of funding cannot be guaranteed year on year, and there is currently no baseline budget within the economic development team to assist with planning and organising a regular calendar of events for our town centres.

We note that a dedicated budget derived from service charges exists specifically to support Addlestone One and Magna Square, however this is locationally specific to these areas. The TCM is working constructively with Assets and Regeneration to try and maximise the benefit of budgets where possible.

Money has been allocated in RBC's Shared Prosperity Fund investment plan to support events, but due to the funding profile for SPF, this is for 2024/25 only. The Town Centre Manager is working hard to develop town teams in the three town centres and is engaging with our larger retailers/town centre businesses regarding organising and sponsoring events. However, until a secure sponsorship revenue stream is established to enable a planned calendar of activities to be provided an upfront budget is required. Delivery of a regular calendar of successful events over the next few years should help demonstrate to local businesses the benefits for the town centres and their own businesses and encourage future sponsorship.

The TCM aims to obtain at least 50% of the cost of such activity from sponsorship by 2025/26, however even if this growth bid is approved, every effort will be made to obtain sponsorship to recoup costs where possible in the short as well as longer term.

Although the TCM's immediate priority for 2023/24 is to focus on developing an events calendar in the Borough's three town centres, a small additional amount of funding is requested for 2024/25 to help support local communities to put on events in their local centres.

The current Economic Development team budget includes funding to support delivery of other priorities within the EDS. This additional growth request has been made as various consultation exercises undertaken over the last year (as detailed above) have identified a real need for additional support for our town centres and over the next year there is no identified source of grant funding available to support this activity.

Strategic Links - relate this Business Case to RBC Corporate Strategies and Corporate Values

Corporate Strategies	Describe how this Business Case meets / contributes to the Corporate Business Plan through each of the Corporate Strategies. - Delete those not applicable
Climate Change Strategy <i>Reducing Carbon emissions from the Council's operations and the wider Runnymede community.</i>	This business case supports the Council's Economic Development Strategy through supporting the town centres to increase footfall and dwell time as well as pride in place, and the Health and Wellbeing Strategy through access to free local entertainment to improve residents wellbeing.
Organisational Development Strategy <i>Enable Officers and Members to perform their duties to the best of their ability and make Runnymede Borough Council the employer of choice for local people.</i>	
Economic Development Strategy <i>Ensuring that the Borough continues to be a leading economy in Surrey and the wider sub-region.</i>	
Empowering the Community Strategy <i>Evidence Based Decision Making, Listening to residents, Enabling Communities to help themselves and to take control of services or plans for their areas, Working effectively with partner organisations, Dealing with inequalities.</i>	
Health and Wellbeing Strategy <i>Support the delivery of a range of services and functions to improve outcomes for residents and their quality of life.</i>	
Corporate Values	Describe where this Business Case fits in our Corporate Values - Delete those not applicable
People-focused – we will put people at the heart of what we do and they will be able to deal with us easily.	This business case fits with the following Corporate values: People focused - responds to the needs and demands of the Borough's local communities, passionate and performance-driven - every effort will be made by staff to set up and run successful events/markets, promoting equality and diversity - all members of the community should be able to benefit, delivering excellent value for money - through appropriate procurement processes and collaborative - the TCM will work with relevant community and other stakeholders. Working collaboratively through engagement with the Town Teams to deliver events for their towns that meet the area's residents' and visitors needs.
Passionate – we will empower our staff to be passionate about all we do.	
Performance driven – we will strive for excellence in all we do.	

Appendix 1 - Business Case – ED009 Increased budget for Town Centre events



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Innovative – we will aim to creatively improve our services and be open to new ways of providing services.	
Promoting equality and diversity – we believe in fairness as well as maintaining a diverse workforce so we can draw upon a wide range of views and experiences to meet the changing needs of our communities.	
Delivering excellent value for money – we will strive to be as efficient and effective as possible.	
Collaborative – we will work together and with others to deliver positive outcomes for our communities.	
Transparent – we will be open and honest to all about what we do.	

List your Business Case Objectives, ensuring they are Specific, Measurable, Achievable, Realistic and Timely. Increase footfall and dwell time

A growth request for £15,000 is made to help organise professional and engaging events in the Borough's three town centres to increase footfall and help develop pride in place. The success of this investment will be measured by monitoring car parking data/footfall estimates and through business surveys and visitor surveys.

List the Constraints or Parameters in which this Business Case will operate

Event organisation will need to take into account relevant licensing and health and safety legislation.

List the Outcomes and Benefits (including efficiency gains) you expect the scheme to achieve

Increased footfall and dwell time, increased pride in place, access to free local entertainment to improve residents wellbeing.

Appraisal of Business Options (must include evaluation of a 'do nothing' option)

Option 1 (preferred option):
Growth of £15,000 (year 1) to help support a calendar of engaging events in the three town centres to help increase footfall and dwell time.

Option 2 (do-nothing): Event activity will be limited and quality impacted. Such events are unlikely to be successful in attracting significant footfall or increasing dwell time to improve the vitality and viability of the Boroughs towns.

Benefits (comparison to other options considered)

Consider any tangible benefits of the Preferred Option, consider benefits such as income generation, savings, great efficiency, compliance with legislation / industry standards – soft benefits, reputation, residents' satisfaction, perception of Council

The preferred option will provide reputational benefits and should increase resident satisfaction of their local towns and improve the perception that the Council is supporting town centres from town centre businesses . It may also bring in some increased revenue through car parking receipts.

Advantages to Service Area (preferred option)	Disadvantages to Service Area (preferred option)
See above	None
Costs to Organisation (preferred option)	Benefits to Organisation (preferred option)
£15,000 in 2023/24, £5,000 in 2024/25 and £15,000 in future years (unless increased sponsorship is achieved). The TCM post will provide staffing to help organise events. There may be some service impacts for street cleaning etc., but these are likely to be minimal and differ between locations. There will be a service impact on communications but this should also be fairly minimal. For any activities in the vicinity of AddlestoneONE and Magna Square there may also be some demand on staff time from with the Assets and Regeneration department.	see above

Environmental Sustainability Benefits (direct and indirect benefits to support Climate Change Strategy)

Outline any direct and indirect benefits of the Preferred Option that aims to minimise negative and promote positive environmental impacts and/or reduce carbon emissions, where possible

Direct Environmental Sustainability Benefits (preferred option)	Indirect Environmental Sustainability Benefits (preferred option)
Drawing on input from local stakeholders, the events calendar will aim to use suppliers and voluntary groups that support the environment and sustainability (E&S) agenda. Suppliers of entertainment and activities will be encouraged to provide their own strategies that demonstrate their understanding of the E&S agenda. Officers will be mindful of the types of entertainment and activities that support sustainability through the types of materials used to provide the activities before procuring services. Promotion of the circular economy will be encouraged when looking at activities.	Through localised events and activities, residents are less likely to travel by car to entertain their families, reducing emissions. Local events encourage people to walk or cycle to the activity. Local events will be cheaper to attend but will support the local ecosystem to put money back into the local economy

Negative Environmental Impacts

If the events become popular, they could attract visitors from wider areas. This could impact the local road traffic and car parks in the towns.

Resource Requirements

Staffing Appraisal (preferred option):

Outline the expected staffing / resourcing requirements for the preferred option in the table below, think about resources required in your team and others. This should include job titles, number of hours worked and salary.

Existing Staffing	New RBC Staff Requested	New External Staff Requested
TCM/Depot staff/communications	None	None
Assets & Regen staff resources for events at AddlestoneOne or Magna Square		

Add any costs into the financial appraisal table.

FINANCIAL APPRAISAL

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Finance Appraisal (preferred option) - To be completed with the Finance Department:

Describe the financial and resource implications of this option. See Financial Appraisal below to capture numbers.

How will it be financed? Is a Supplementary Revenue Estimate required? Can it be resourced via a Virement (including areas other than your own)?

Is there other funding available? Has funding been agreed? Demonstrate how the council can receive a return on investment, whether cashable, cost avoidance or quantifying tangible benefits – **Seek advice from your accountant. Business cases will not be considered by the Chief Executive unless a full financial appraisal has been agreed by the Accountancy Team.**

Explain how the cost estimate has been drawn up e.g. based on the costs of a similar project/item; based on quotes from suppliers etc:	Based on previous costs
Please explain how you have considered the VAT implications of the project/item:	VAT should be reclaimable
If this project involves building or refurbishment work within corporate assets has the project/work been consulted on and agreed by the Corporate Head of Strategic Land and Property Assets? Please give details.	

CAPITAL COSTS

Capital Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL	-	-	-	-	-	-
Total Capital Expenditure	-	-	-	-	-	-

Capital Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
NIL	-	-	-	-	-	-
Total Capital Income	-	-	-	-	-	-
Net Capital Outlay	-	-	-	-	-	-

REVENUE COSTS

Revenue Expenditure (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
Town Centre Events budget RCMR 1808 (Figure for year 2 based on successful draw down of SPF)	15,000	35,000	15,000	15,000	15,000	15,000
Less: Savings to existing budget (Please specify)						
Total Revenue Expenditure	15,000	35,000	15,000	15,000	15,000	15,000

Revenue Income (specify codes required)	Year 1 (£)	Year 2 (£)	Year 3 (£)	Year 4 (£)	Year 5 (£)	Year 6 (£)
SPF grant		30,000	TBC	TBC	TBC	TBC
Total Revenue Income	-	30,000	-	-	-	-
Net change to revenue budgets	15,000	5,000	15,000	15,000	15,000	15,000

Business Case / Risks

Outline the risks (Managerial, Financial, Operational etc.) to RBC if delivering the preferred option. A risk summary only is required here.

Risk Description	Mitigation / Help needed
Health and Safety at events	Adequate liaison with SAG, the police and local businesses and production of appropriate risk assessments
Event performers/entertainment providers fail to turn up	Procuring professional organisations from reputable providers
Cancellation due to adverse weather etc.	Contingency plans in risk assessment either to move event or cancel. Preparation of relevant communications.

Impact

Consider the impact of the Business Case on the Organisation / Environment / Technology / Commercialisation / Cultural / HR

Option 3 (rejected option)

Description

What else have you considered and rejected? Why were they rejected?

Option 3 (introduce BIDs: There is a considerable resource requirement to set up a BID. If there is not enough support to set the BID up then this resource is wasted. Given the current trading environment faced by retailers, many of which in Runnymede are small businesses, there is unlikely to be appetite among the business community for the establishment of BIDs at the current time. Thus the risks of trying to set up a BID are significant

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community for the establishment of BIDs at the current time. Thus the risks of trying to set up a BID are significant.

Authorisation

Approved by Corporate Head of Finance	Paul French	Date	18/08/23
Approved by Corporate Leadership Team	YES	Date	19/10/22
		Priority Score	SHOULD
Committee Report to be presented to:		Date	

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