

Public Document Pack

Simon Young, Solicitor
Head of Legal and Democratic Services



STRATEGY AND RESOURCES COMMITTEE

Tuesday 7 February 2017 at 7.30 pm

Town Hall

The members listed below are summoned to attend the Strategy and Resources Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

| | |
|---|-----------------------------|
| Councillor Eber Kington (Chairman) | Councillor Neil Dallen |
| Councillor Clive Woodbridge (Vice-Chairman) | Councillor Omer Kokou-Tchri |
| Councillor Tony Axelrod | Councillor Keith Partridge |
| Councillor Richard Baker | Councillor Mike Teasdale |
| Councillor Rekha Bansil | Councillor Tella Wormington |
| Councillor Kate Chinn | |

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Young', written over the printed name.

Head of Legal and Democratic Services

For further information, please contact Fiona Cotter, 01372 732124 or email:
fcotter@epsom-ewell.gov.uk

AGENDA

1. QUESTION TIME

To take any questions from members of the Public

Please Note: Members of the Public are requested to inform the Democratic Services Officer before the meeting begins if they wish to ask a verbal question at the meeting

2. DECLARATIONS OF INTEREST

Members are asked to declare the existence and nature of any Disclosable Pecuniary Interests in respect of any item of business to be considered at the meeting.

3. EXTERNAL AUDIT UPDATE, GRANT CERTIFICATION AND ANNUAL AUDIT LETTER (Pages 5 - 42)

This report covers three updates from Grant Thornton; who are the Council's external auditors.

There is an update on the Audit letter and an update Grant Certification letter for the year ended 31 March 2016. Both of these items have to be received by this Committee in accordance with the Audit regulations.

Finally there is general progress report on latest issues from Grant Thornton who will be attendance at the meeting to present this short item and the letters

4. ESTABLISHMENT OF A COMPANY (Pages 43 - 50)

This report outlines a proposal to establish a company or companies to acquire, hold and trade in property, seeks to establish a working group with member representation, and seeks authority for officers to incur such costs relating to necessary advice and assistance to enable proposals to be brought back for subsequent approval.

The report also outlines and recommends an increase to the Commercial Property Acquisition Fund with a further addition of £60m to be funded from Prudential Borrowing.

5. EPSOM & EWELL BOROUGH COUNCIL PAY AWARD 2017/18 (Pages 51 - 72)

This report provides background information on the budget implications of the Council's proposed pay award for 2017/18, and seeks a decision on the pay award.

6. REPLACEMENT OF BOURNE HALL AUDIO EQUIPMENT (Pages 73 - 78)

This report summarises the significant issues and failings of the current audio visual provision at Bourne Hall and outlines a proposal for improvement

7. CORPORATE PLAN: PERFORMANCE REPORT TWO 2016 TO 2017 (Pages 79 - 104)

This report provides an update against our Key Priority Performance Targets for 2016 to 2017, under our new Corporate Plan.

8. FEES AND CHARGES 2017/18 (Pages 105 - 110)

This report recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2017.

9. CAPITAL PROGRAMME 2017/18 (Pages 111 - 192)

This report proposes the 2017/18 capital programme and a provisional programme for 2018-20.

10. REVENUE BUDGET 2017/18 (Pages 193 - 200)

This report sets out estimates for income and expenditure on services in 2017/18

11. STREET SCENE CCTV (Pages 201 - 206)

This report sets out proposals in respect of arrangements for monitoring and maintaining the Street Scene CCTV cameras/system in our streets

12. MINUTES OF PREVIOUS MEETING (Pages 207 - 214)

The Committee is asked to confirm as a true record the Minutes of the meeting of the Strategy and Resources Committee held on 22 November 2016 and to authorise the Chairman to sign them.

13. EXCLUSION OF PRESS AND PUBLIC (Pages 215 - 216)

The Committee is asked to consider whether it wishes to pass a resolution to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involves the likely disclosure of exempt information as defined in paragraphs 1, 2, and 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

14. WRITE OFF OVER £20,000: NATIONAL NON DOMESTIC RATES (Pages 217 - 220)

This report has not been published because the meeting is likely to be closed to the press and public on the grounds that the nature of the business to be transacted/nature of the proceedings deals with information which relates to the financial or business affairs of the Council and a third party.

15. WRITE OFF OVER £20,000: UNILATERAL UNDERTAKING UNDER S106 (Pages 221 - 224)

This report has not been published because the meeting is likely to be closed to the press and public on the grounds that the nature of the business to be transacted/nature of the proceedings deals with information which relates to the financial or business affairs of the Council and a third party.

**16. MINUTES OF PREVIOUS MEETING - BOURNE HALL KITCHEN;
TRANSPORT FLEET CONTRACT (Pages 225 - 226)**

These Minutes from the meeting of the Strategy and Resources Committee held on 22 November 2016 (Annexe 1) have not been published because the meeting was closed to the press and public on the grounds that the nature of the business to be transacted/nature of the proceedings dealt with information which related to the financial or business affairs of the Council and a third party.

EXTERNAL AUDIT UPDATE, GRANT CERTIFICATION AND ANNUAL AUDIT LETTER

| | |
|---|--|
| <u>Report of the:</u> | Director of Finance and Resources |
| <u>Contact:</u> | Kathryn Beldon |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| <u>Annexes/Appendices</u> (attached): | Annexe 1 – Progress & Update Report Annexe 2 – Annual Audit Letter Annexe 3 – Grant certification letter |
| <u>Other available papers</u> (not attached): | None Stated |

REPORT SUMMARY

This report covers three updates from Grant Thornton; who are the Council's external auditors.

There is an update on the Audit letter and an update Grant Certification letter for the year ended 31 March 2016. Both of these items have to be received by this Committee in accordance with the Audit regulations.

Finally there is general progress report on latest issues from Grant Thornton who will be attendance at the meeting to present this short item and the letters.

RECOMMENDATION (S)

- (1) That the Committee receives the Progress and Update Report (Annexe 1) presented by Grant Thornton staff.**
- (2) That the Committee note the Annual Audit Letter for 2015/16 (Annexe 2).**
- (3) That the Committee note the Grant Certification Letter (Annexe 3).**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The annual audit is a key part of the arrangements for ensuring that the Council manages its resources appropriately so the Council's resources are used in the most efficient and effective way.
- 1.2 A progress report is attached on latest audit issues at **Annexe 1** and will be presented by Grant Thornton staff present at this meeting.

2 Background for audit issues for 2015/16

- 2.1 The final Annual Audit Letter has now been issued and this summarises the key findings from the audit work covering the Council's financial performance for 2015/16.
- 2.2 The Annual Audit Letter is attached as **Annexe 2** to this report and confirms the following initial findings following the audit of the accounts;
 - 2.2.1 An unqualified opinion on the accounts which give a true and fair view of the Council's financial opinion as at 31 March 2016 and its income and expenditure for the year;
 - 2.2.2 An unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - 2.2.3 Certification of grant claims and the letter outlined in the Grant Certification report which is attached as **Annexe 3**.

3 Proposals

- 3.1 The Committee is asked to receive and note the letters and receive the progress update report from Grant Thornton staff.

4 Financial and Manpower Implications

- 4.1 The audit has been completed within the budget as previously reported.
- 4.2 The 2016/17 will also be carried out by Grant Thornton and the audit fee will be £44,708 which is within budget for this year.
- 4.3 **Chief Finance Officer's comments:** *The annual audit letter is part of the overall external audit process for the Council. The Council has received an unqualified opinion from the external auditor for 2015/16.*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 **Monitoring Officer's comments:** *There are no legal implications arising directly from this report. External Audit reports and opinions, form a key part of the Council's governance arrangements.*

6 Sustainability Policy and Community Safety Implications

6.1 There are no implications for the purpose of this report.

7 Partnerships

7.1 There are no partnerships for the purpose of this report.

8 Risk Assessment

8.1 The external audit contributes towards the effective corporate governance of the Council.

9 Conclusion and Recommendations

9.1 There are no concerns from the issue of the Annual Audit Letter for 2015/16.

WARD(S) AFFECTED: (All Wards);

This page is intentionally left blank

Strategy and Resources Committee
Progress and Update Report for
Epsom and Ewell Borough Council
Year ended 31 March 2017

7 February 2017

Page 9

Liz Olive

Engagement Lead

T +44 (0)7880 456191

E elizabeth.l.olive@uk.gt.com

Ade Oyerinde

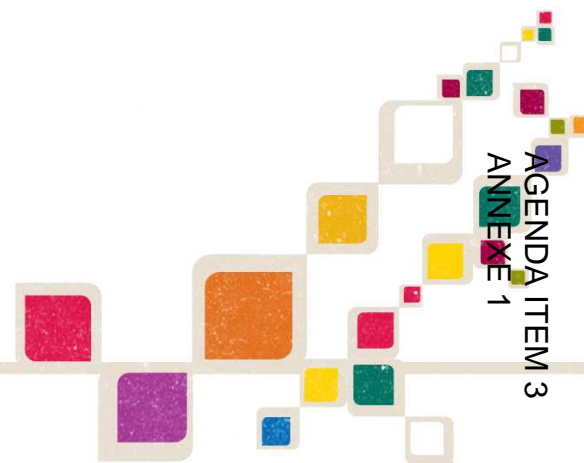
Audit Manager

T (0)20 7728 3293

E ade.o.oyerinde@uk.gt.com



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.



Introduction

This paper provides the Strategy and Resources Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Strategy and Resources Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

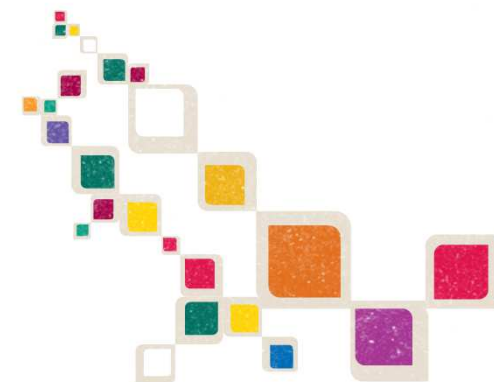
- Innovation in public financial management (December 2015); www.grantthornton.global/en/insights/articles/innovation-in-public-financial-management/
- Knowing the Ropes – Audit Committee; Effectiveness Review (October 2015); www.grantthornton.co.uk/en/insights/knowing-the-ropes--audit-committee-effectiveness-review-2015/
- Making devolution work: A practical guide for local leaders (October 2015) www.grantthornton.co.uk/en/insights/making-devolution-work/
- Reforging local government: Summary findings of financial health checks and governance reviews (December 2015) <http://www.grantthornton.co.uk/en/insights/reforging-local-government/>,

Members and officers may also be interested in our recent webinars:

Alternative delivery models: Interview with Helen Randall of Trowers and Hamlins, discussing LATCs and JVs in local government. <http://www.grantthornton.co.uk/en/insights/qa-on-local-authority-alternative-delivery-models/>

Cyber security in the public sector: Our short video outlines questions for public sector organisations to ask in defending against cyber crime <http://www.grantthornton.co.uk/en/insights/cyber-security-in-the-public-sector/>

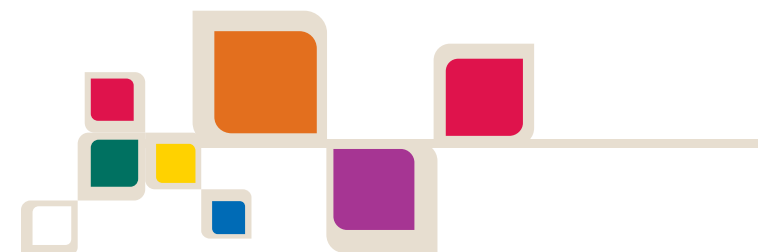
If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



Progress at 7 February 2017

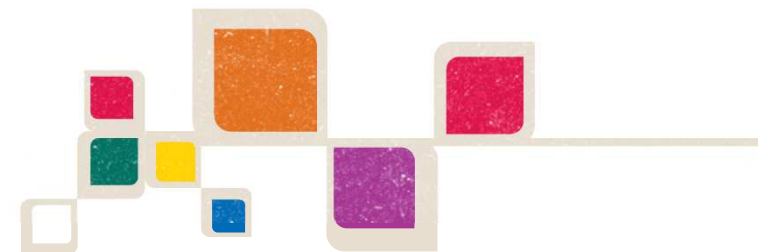
| 2015/16 work - conclusion | Completed | Comments |
|--|----------------------|---|
| <p>Annual Audit Letter We issued the 'Annual Audit Letter for 2015/16 in October 2016.</p> | <p>October 2016</p> | <p>The Letter summarises the key findings arising from the work that we have carried out at Epsom and Ewell Borough Council for the year ended 31 March 2016. The Letter was agreed with the Director of Finance and Resources and will made available to all members of the Council. A copy of the Letter is also be available on the Council's website.</p> |
| <p>Grant Certification We are required to certify certain claims and returns submitted by the Council. Certification arrangements are prescribed by PSAA Ltd.</p> | <p>November 2016</p> | <p>We completed the certification work on the Housing Benefit grant claim before the 30 November 2016 deadline. A copy of the claim report is included on today's agenda.</p> |

Progress at 7 February 2017



| 2016/17 work | Planned Date | Complete? | Comments |
|--|---|-------------|--|
| <p>Fee Letter</p> <p>We are required to issue a 'Planned fee letter for 2016/17 by the end of April 2016.</p> | April 2016 | Yes | The 2016/17 fee letter was issued in April 2016 and the fee set by PSAA is £44,708 (Fee: 2015/16 £44,708). |
| <p>Accounts Audit Plan</p> <p>We are required to issue a detailed accounts Audit Plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2016/17 financial statements.</p> | April 2017 | Not yet due | Our Audit Plan will be presented to the April 2017 committee. The Plan will be based on our regular liaison meetings with the finance team and from findings from our initial planning and risk assessment audit visits. |
| <p>Interim accounts audit</p> <p>Our interim fieldwork visit plan included:</p> <ul style="list-style-type: none"> • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment. | <p>Initial planning, risk assessment, early substantive testing</p> <p>Jan - Feb 2017</p> | Not yet due | We have planned regular audit visits throughout the financial year to ensure that we carry out as much early testing as possible before the accounts audit visit in July 2017. |
| <p>Final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2016/17 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 | July – Aug 2017 | Not yet due | The results of our audit work and the key messages arising will be reported in our Audit Findings Report. |

Progress at 7 February 2017



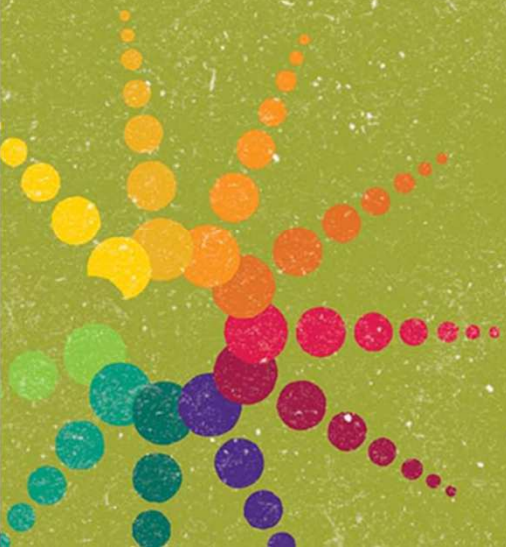
Page 14

| 2016/17 work | Planned Date | Complete? | Comments |
|---|---|--------------------|--|
| <p>Value for Money (VfM) conclusion</p> <p>The scope of our work changed and was set out in the final guidance issued by the National Audit Office in November 2015. The Code requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The guidance confirmed the overall criterion as; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • Informed decision making • Sustainable resource deployment • Working with partners and other third parties | <p>Initial planning and detailed assessment</p> <p>Feb – May 2017</p> | <p>Not yet due</p> | <p>We will set out the results of our risk assessment and the proposed focus of our work in the Audit Plan.</p> <p>The results of our VfM audit work and the key messages arising will be reported in our Audit Findings Report.</p> <p>We will include our conclusion as part of our report on your financial statements.</p> |
| <p>Other areas of work</p> <p>We have issued our LG financial health and governance review and Faster Close report.</p> | | | <p>Further information on the report is set out on page 17.</p> |

Grant Thornton Sector Issues

Page 15

AGENDA ITEM 3
ANNEXE 1



Brexit: What happens next and what does it mean for you?

The people of the UK have made a decision to leave the EU. What happens next - and the implications for businesses and organisations in the UK - is less clear.

We have produced an analysis of what we know about the mechanics of leaving the EU, our assessment of some of the external factors that may affect organisations over the coming months and years, and a summary of the different models for trading relationships outside the EU. This can be found on our website and we have attached copies to this report.

In thinking about the impact organisations will want to consider not only legal and regulatory changes but also market reactions, consumer and business behaviours, and the wider political and economic environment. The Council will have a role in both shaping its own response and in helping organisations respond to a changing environment. We can expect three broad phases of reaction to Brexit:

- initial volatility
- medium term uncertainty and instability
- longer term transition

The impact of this will be different for every organisation. In looking at the threats and opportunities these phases create, and planning how the Council can create and protect value, you may wish to consider the short, medium and long term implications for issues like people and talent, strategic ambitions, financing, risk, operations and protecting investment.

We believe that in the coming weeks and months, dynamic organisations have a critical role to play in helping to shape the future of Britain. Grant Thornton is leading a campaign which explores how we can build a vibrant economy. You can find out more here: <http://vibranteconomy.co.uk/>

We would welcome views on what the priorities should be for government and the UK to create a new economy outside the EU.

Emerging issues

Financial sustainability of local authorities: capital expenditure and resourcing

National Audit Office

According to the NAO, local authorities in England have maintained their overall capital spending levels but face pressure to meet debt servicing costs and to maintain investment levels in their existing asset bases.

The NAO's report, published on 15 June, found that authorities face a growing challenge to continue long-term investment in their existing assets. Total spending has remained stable, but increasingly capital activities are focused on 'invest to save' and growth schemes that cover their costs or have potential to deliver a revenue return. Many areas of authorities' asset management programmes do not meet these criteria and are now seen as a lower priority.

The report also notes that local authorities' debt servicing costs have grown as a proportion of revenue spending as revenue resources have fallen. A quarter of single-tier and county councils now spend the equivalent of 10 per cent or more of their revenue expenditure on debt servicing, with metropolitan district councils being particularly exposed.

According to the NAO, DCLG has rightly focused on revenue issues in the 2015 Spending Review but in future reviews will need to focus more on capital. The Department is confident from its engagement with authorities that revenue pressures are their main concern, however the NAO's analysis demonstrates that capital costs exert significant and growing pressure on revenue resources.

The full report is available at:

<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-capital-expenditure-and-resourcing/>

Since 2010-11, local authorities have faced less pressure on their resources to support capital expenditure as compared to revenue. Although local authorities' revenue spending power fell by over 25 per cent in real terms from 2010-11 to 2015-16, the NAO estimates that capital grants to authorities marginally increased from 2010-11 to 2014-15, (excluding education).

Capital spending by authorities increased by more than five per cent in real terms overall between 2010-11 and 2014-15, but this is uneven across local authorities and service areas. Almost half of authorities reduced their capital spending. Most service areas saw an increase in capital spend with the exception of culture and leisure: capital spending fell by 22 per cent overall in this area.

The changing face of Corporate Reporting

We have established a global network of public sector auditors and advisors to share good practice and to provide informed solutions to the corporate reporting challenges our clients face.

We were fortunate to have the CEO of the IIRC speak at our most recent meeting. Integrated Reporting, <IR>, is a new approach to corporate reporting and it is building a world-wide following in both the public and private sectors.

In the commercial sector, <IR> has led to improvements in business decision making, the understanding of risks and opportunities as well as better collaborative thinking by boards about goals and targets..

<IR> is based on integrated thinking that results in a report by an organisation about sustainable value creation. It requires a more cohesive and efficient approach to organisational reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organisation to create value over time.

By moving the focus away from only short-term, backward looking, financial reporting, <IR> encourages organisations to report on a broader range of measures that link their strategic objectives to their performance. The result is an overview of an organisation's activities and performance in a much wider, more holistic, context.

- <IR> encourages organisations to consider whether there are any gaps in the information that is currently available to them, so that integrated thinking becomes embedded in mainstream practice.
- <IR> is underpinned by the International <IR> Framework published in December 2013. It is principles- based, allowing organisations to innovate and develop their reporting in the context of their own regulatory framework, strategy, key drivers, goals and objectives.
- <IR> is consistent with the Strategic Reports required from UK companies, the Performance Reports that government departments, agencies and NHS bodies produce and the developing Narrative Reporting in local government.

The IIRC has established a Public Sector Pioneer Network to consider why and how the public sector can adopt <IR>, with the end goal of improving transparency and building trust. There is already a core of UK organisations within this.

<Integrated Reporting>

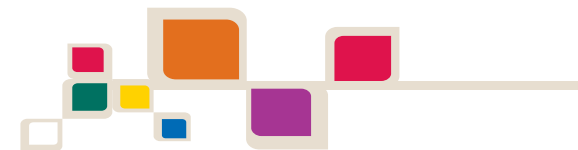
Further information is available on the IIRC's website

Grant Thornton Technical update

Page 19

AGENDA ITEM 3
ANNEXE 1





Accounting and audit issues

Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

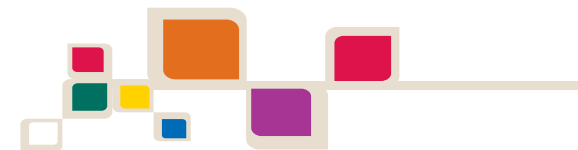
CIPFA/LASAAC has issued the Local Authority Accounting Code for 2016/17. The main changes to the Code include:

- the new measurement requirements at depreciated replacement cost for the Highways Network Asset (HNA) and
- the requirement for local authorities to report in the Comprehensive Income and Expenditure Statement on the same basis as they are organised and report in the year (ie. no longer following SERCOP). This is accompanied by the introduction of a new Expenditure and Funding Analysis which provides a reconciliation between the way local authorities budget and report during the year and the Comprehensive Income and Expenditure Statement.

In respect of HNA, the Accounting Code requires local authorities to comply with the CIPFA Code of Practice on Transport Infrastructure Assets issued in 2013. The Transport Infrastructure Code has been recently reissued as the Highways Network Asset Code (HNA Code). Whilst no major changes have been identified in the new Code to the basis of the accounting set out in the previous Code of Practice on Transport Infrastructure Assets, a small number of changes have been set out to clarify accounting for particular items.

The key challenge for local authorities is around the accuracy and completeness of supporting records for HNA inventory and condition at 1 April 2016 and effective arrangements for recording expenditure and other movements on HNA from that date.

UPDATE: On 14 November CIPFA/LASAAC announced a deferral of the move to measuring the Highways Network Asset at Depreciated Replacement Cost in local authority financial statements for 2016/17. This is due to delays in obtaining updated central rates for GRC valuations. CIPFA/LASAAC will issue an Update to the 2016/17 Code of Practice on Local Authority Accounting in the United Kingdom to confirm this decision once it has completed the full due process. We will share updates with management as further details are issued by CIPFA.



Accounting and audit issues

Flexible use of capital receipts

DCLG has issued a [Direction and Statutory Guidance](#) on the flexible use of capital receipts to fund the revenue costs of reform projects. The direction applies from 1 April 2016 to 31 March 2019.

The Direction sets out that expenditure which 'is incurred by the Authorities that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners' can be treated as capital expenditure.

Capital receipts can only be used from the disposals received in the years in which the flexibility is offered rather than those received in previous years.

Authorities must have regard to the Statutory Guidance when applying the Direction.

Grant Thornton Publications and events

Page 22



Website Relaunch

We have recently launched our new-look website. Our new homepage has been optimised for viewing across mobile devices, reflecting the increasing trend for how people choose to access information online. We wanted to make it easier to learn about us and the services we offer.

You can access the page using the link below – <http://www.grantthornton.co.uk/industries/public-sector/>



Better Together: Building a successful joint venture company

Local government is evolving as it looks for ways to protect front-line services. These changes are picking up pace as more councils introduce alternative delivery models to generate additional income and savings.

Page 24

'Better together' is the next report in our series looking at alternative delivery models and focuses on the key areas to consider when deciding to set up a joint venture (JV), setting it up and making it successful.

JVs have been in use for many years in local government and remain a common means of delivering services differently. This report draws on our research across a range of JVs to provide inspiring ideas from those that have been a success and the lessons learnt from those that have encountered challenges.

Key findings from the report:

- JVs continue to be a viable option – Where they have been successful they have supported councils to improve service delivery, reduce costs, bring investment and expertise and generate income
- There is reason to be cautious – Our research found a number of JVs between public and private bodies had mixed success in achieving outcomes for councils
- There is a new breed of JVs between public sector bodies – These JVs can be more successful at working and staying together. There are an increasing number being set up between councils and wholly-owned commercial subsidiaries that can provide both the commercialism required and the understanding of the public sector culture.

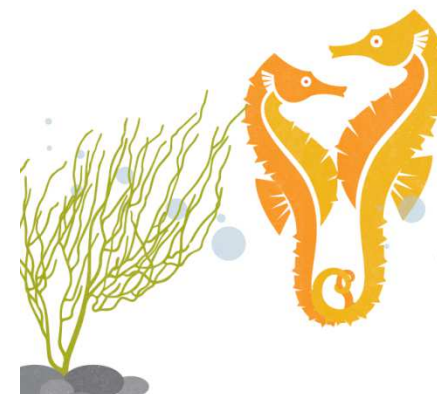
Our report, Better Together: Building a successful joint venture company, can be downloaded from our website: <http://www.grantthornton.co.uk/en/insights/building-a-successful-joint-venture-company/>

Grant Thornton reports

 Grant Thornton
An instinct for growth™

ALTERNATIVE SERVICE DELIVERY MODELS IN LOCAL GOVERNMENT

Better together
Building a successful
joint venture company



AGENDA ITEM 3
ANNEXE 1

Advancing closure: the benefits to local authorities

With new regulation bringing forward the required publishing date for accounts local authorities must consider the areas needed to accelerate financial reporting.

In February 2015, regulations were laid before parliament confirming proposals to bring forward the date by which local authority accounts must be published in England. From 2017-18, authorities will need to publish their audited financial statements by 31 July, with Wales seeking to follow a similar approach over the next few years.

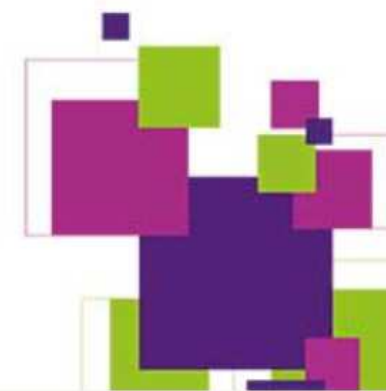
Many local government bodies are already experiencing the benefits of advancing their financial reporting processes and preparing their accounts early, including:

- raising the profile of the finance function within the organisation and transforming its role from a back office function to a key enabler of change and improvement across the organisation;
- high quality financial statements as a result of improved quality assurance arrangements;
- greater certainty over in-year monitoring arrangements and financial outturn position for the year, supporting members to make more informed financial decisions for the future;
- improved financial controls and accounting systems, resulting from more efficient and refined financial processes; and
- allowing finance officers more time to focus on forward looking medium term financial planning and transformational projects, to address future financial challenges.
- While there is no standard set of actions to achieve faster close there are a number of consistent key factors across the organisations successfully delivering accelerated closedown of their accounts, which our report explores in further details:
- Enabling sustainable change requires committed leadership underpinned by a culture for success
- Efficient and effective systems and processes are essential
- Auditors and other external parties need to be on board and kept informed throughout

Grant Thornton reports



Advancing closure
Transforming the financial reporting of
local authority accounts



AGENDA ITEM 3
ANNEXE 1

<http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/>



© 2016 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grantthornton.co.uk

GRT102468

The Annual Audit Letter

Epsom and Ewell Borough Council

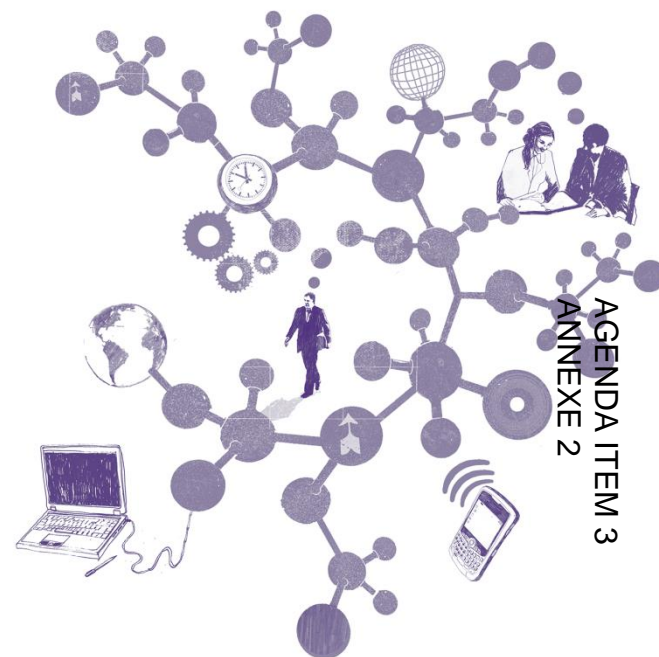
Year ended 31 March 2016

October 2016

Page 27

Elizabeth L Jackson
Engagement Lead
T 0207 728 3329
E elizabeth.l.jackson@uk.gt.com

Ade Oyerinde
Manager
T +44 (0)20 7728 3332
E ade.oyerinde@uk.gt.com



Contents

| Section | Page |
|-------------------------------|-------------|
| 1. Executive summary | 3 |
| 2. Audit of the accounts | 4 |
| 3. Value for Money conclusion | 8 |
| 4. Working with the Council | 10 |
| Appendices | |
| A Reports issued and fees | 11 |

Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Epsom and Ewell Borough Council (the Council) for the year ended 31 March 2016.

This Letter is intended to provide a commentary on the results of our work to the Council and its external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Strategy and Resources Committee as those charged with governance in our Audit Findings Report on 27 September 2016.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave an unqualified opinion on the Council's financial statements on 28 September 2016.

Value for money conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016. We reflected this in our audit opinion on 28 September 2016.

Certificate

We certified that we had completed the audit of the accounts of the Council in accordance with the requirements of the Code on 28 September 2016.

Certification of grants

We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2016. We will report the results of this work to the Strategy and Resources Committee in our Annual Certification Letter.

Working with the Council

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2016

AGENDA ITEM
ANNEXE 2

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we used the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We defined materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council's accounts to be £911k (being 2% of gross revenue expenditure). We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for cash and cash equivalents.

We set a lower threshold of £44k, above which we reported errors to the Strategy and Resources Committee in our Audit Findings Report.

The scope of our audit

Our audit involved obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they were free from material misstatement, whether caused by fraud or error.

This included assessing whether:

- the Council's accounting policies were appropriate, had been consistently applied and adequately disclosed;
- significant accounting estimates made by management were reasonable; and
- the overall presentation of the financial statements gave a true and fair view.

We also read the narrative report and annual governance statement to check they were consistent with our understanding of the Council and with the accounts on which we gave our opinion.

We carried out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we obtained was sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Table 1: Audit risks

| Risks identified in our Audit Plan | How we responded to the risk |
|---|--|
| <p>The revenue cycle includes fraudulent transactions</p> <p>Under ISA (UK&I) 240 there is a presumed risk that revenue may be misstated due to the improper recognition of revenue.</p> <p>This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud relating to revenue recognition.</p> | <p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at Epsom and Ewell Borough Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of local authorities, including Epsom and Ewell Borough Council, mean that all forms of fraud are seen as unacceptable. <p>We did not identify any material issues to report.</p> |
| <p>Management over-ride of controls</p> <p>Under ISA (UK&I) 240 it is presumed that the risk of management over-ride of controls is present in all entities.</p> | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • review of entity controls • testing of journal entries • review of accounting estimates, judgements and decisions made by management • review of unusual significant transactions. <p>We did not identify any material issues to report.</p> |

Audit of the accounts - continued

| Risks identified in our Audit Plan | How we responded to the risk |
|--|---|
| <p>Operating expenses Creditors understated or not recorded in the correct period</p> | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle; • undertook walkthrough of the key controls to assess whether the controls were in line with our documented understanding; • sample tested operating expenditure during the year • tested year end payables and manual accruals • tested for unrecorded liabilities. <p>We did not identify any material issues to report.</p> |
| <p>Employee remuneration Employee remuneration accruals understated</p> | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle • undertook walkthrough of the key controls to assess the whether those controls were in line with our documented understanding • reviewed reconciliations of the payroll to the ledger; • analytical review using trend analysis; • tested payroll transactions to payslips and HR contract of employment. <p>We did not identify any material issues to report.</p> |

Pages 33-34

AGENDA ITEM 3
ANNEXE 2

Audit of the accounts - continued

| Risks identified in our Audit Plan | How we responded to the risk |
|--|--|
| <p>Valuation of property, plant and equipment (PPE) including investment properties</p> <p>Assets are regularly revalued to ensure that their carrying amount is not materially different from their fair value at the year-end, but as a minimum every five years. Investment properties are re-valued annually.</p> | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle • reviewed management's processes and assumptions for the calculation of the estimate • reviewed competence, expertise and objectivity of any management experts used • reviewed instructions issued to valuation experts and the scope of their work • discussed with valuer the basis on which the valuation was carried out and challenged key assumptions • reviewed and challenged information used by the valuer to ensure it was robust and consistent with our understanding • tested revaluations made during the year to ensure they were input correctly into your asset register • evaluated the assumptions made by management for those assets not revalued during the year and how management satisfied themselves that these were not materially different to current value <p>We did not identify any material issues to report.</p> |
| <p>Valuation of pension fund net liability</p> <p>The Council's pension fund asset and liability as reflected in the balance sheet represent significant estimates in the financial statements.</p> | <p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> • documented our understanding of processes and key controls over the transaction cycle • undertook walkthrough of the key controls to assess the whether the controls were in line with our documented understanding • reviewed the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We gained an understanding of the basis on which the valuation was carried out • undertook procedures to confirm the reasonableness of the actuarial assumptions made • reviewed the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary. <p>We did not identify any material issues to report.</p> |

Page 33

AGENDA ITEM 3
ANNEXE 2

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts on 28 September 2016, in advance of the 30 September 2016 national deadline.

We received draft financial statements on 4 July 2016.

Key messages arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Council to the Strategy and Resources Committee on 27 September 2016.

In addition to the key audit risks reported above, we reported to the Committee:

- the draft accounts submitted for audit were of a good quality
- working papers were provided in a timely manner and supported the disclosures in the accounts. However, working papers for debtors, creditors and repayments in the rates system need to be improved to provide a detailed breakdown of the balance at an individual level
- officers were supportive to our audit requests and provided additional information throughout the audit
- made a recommendation to the Finance team to explore possible methods to generate a detailed listing report from the rates system.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

Other statutory duties

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We had no matters to report.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2015 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work.

The key risk we identified and the work we performed is set out in table 2 overleaf. We made one recommendation which is also set out in the table.

Overall VfM conclusion

We were satisfied that in all significant respects the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Value for Money

Table 2: Value for money risks

| Risk identified | Work carried out | Findings and conclusions |
|--|--|---|
| <p>Financial Health The Council was on course to achieve a planned budget for 2015/16 though you have had to take some difficult measures such as having a moratorium on spend. Going forward to 2016/17, the Local Government Finance Settlement reduced your funding assessment by 25% in 2016/17 and further savings of £1.6 million are required over the period 2017/18 to 2019/20.</p> | <p>We carried out the following work:</p> <ul style="list-style-type: none"> • reviewed your outturn position for 2015/16, including the delivery of savings targets • reviewed your plans to achieve the 2016/17 revenue budget • assessed your progress on the residual risk reported in our previous audit reports • met with key officers to discuss and review your arrangements to ensure medium term financial stability. | <p>The 2015/16 outturn was an improved position to that forecast during the year as the Council needed to £167k rather than planned £229k from the general fund working capital balance at year to deliver the balanced position. Although a deficit position occurred this was forecast consistently during the year so was not a surprise to officers or members. The Council maintained spending in line with plans and achieved a slightly better position than forecast.</p> <p>The Council had set a balanced budget for 2016/17 although there continues to be budget pressures with revenue support grant disappearing by 2017/18. The Council's medium term financial strategy was approved by the Council in February 2016 bringing together a number of the Council's strategies including procurement, ICT and workforce. The assumptions used in the plan are reasonable and with further government funding being eroded, the Council has identified an efficiency savings requirement of £3m to £3.5m over the next four years. Schemes have been identified for £2.3m and the Council recognises that a further savings of around £900k will need to be found between 2017 and 2020. The Council continues to be debt free and has aspirations for the situation to remain unchanged over the next 4 years. However, with the steady erosion of the capital reserves, it recognises the need to consider all options for funding capital expenditure including financing via borrowing.</p> <p>The Leadership Team has undergone a restructuring in the past few months and the new arrangements will need time to fully embed. However, with a relatively small Leadership Team which is in common with many districts, any unplanned long term absence at this level as that experienced over the summer months increases the pressure on a small number of individuals. The Leadership team and the committee members need to continue to ensure delegated arrangements can continue to operate with limited impact on the delivering of core services. We have not identified any issues with the governance arrangements or financial monitoring during the year but there is a risk arising for the 2016/17 year as a key member of the finance team who has been covering the senior finance role during the year is leaving the Council in October.</p> <p>On that basis we concluded that the risk was sufficiently mitigated and the Council had proper arrangements. However we have made a recommendation for on-going monitoring of the financial position with the capacity of the senior finance officers being stretched during the early part of 2016/17.</p> |

Working with the Council

Our work with you in 2015/16

We are really pleased to have worked with you over the past year. We have established a positive and constructive relationship. Together we have delivered some great outcomes.

Sharing our insight – we provided regular updates to the Council covering best practice. Areas we covered included our reports on Innovation in public financial management, Making devolution work, Reforging local government. We will continue to provide you with our insights.

Providing information – we provided you with access to CFO insights by introducing a member of the CFOi team and giving you information about the capabilities of the analysis tool.

Early closedown - we will also continue to work with you and support you over the next financial year to embed your production of your year-end accounts. From 2017/18 all councils in England will be required to publish their audited financial statements by 31st July (currently 30th September).

Regular liaison - we will continue to liaise closely with the senior finance team during 2016/17 on this important accounting development, with timely feedback on any emerging issues to improve the audit process. The audit risks associated with this new development and the work we plan to carry out to address them will be reflected in our 2016/17 Audit Plan.

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and fees for the provision of non audit services.

Fees

| | Per Audit plan £ | Actual fees £ |
|---|---------------------|------------------|
| Council audit | 44,708 | 44,708 |
| Grant certification on behalf of Public Sector Audit Appointments Limited (estimated) * | *8,976 | TBC |
| Total audit fees | 53,684 | TBC |

The proposed fees for the Council's audit were in line with the scale fees set by Public Sector Audit Appointments Limited (PSAA).

*Work still in progress – completion due in November 2016. Fee variations are subject to approval by PSAA.

Reports issued

| Report | Date issued |
|--------------------------------------|----------------|
| Audit Plan | April 2016 |
| Audit Findings Report | September 2016 |
| Auditor's opinion on accounts | September 2016 |
| Auditor's value for money conclusion | September 2016 |
| Annual Audit Letter | October 2016 |

Fees for other services

| Service | Fees £ |
|--------------|------------|
| None | nil |
| Total | Nil |

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.



© 2016 Grant Thornton UKLLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UKLLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grant-thornton.co.uk

This page is intentionally left blank

Kathryn Beldon
Director of Finance and Resources
Epsom and Ewell Borough Council
Town Hall
The Parade, Epsom
Surrey

KT18 5BY

29 November 2016

Dear Kathryn

Certification work for Epsom and Ewell Borough Council for year ended 31 March 2016

As you are aware, we are required to certify certain claims and returns submitted by the Council. Certification arrangements are prescribed by the Audit Commission, which agrees the scope of the work with each relevant government department or agency, and issues auditors with a Certification Instruction (CI) for each specific claim or return. The Audit Commission arrangements require us to report the outcome of certification work.

We certified one claim for the financial year 2015/16 relating to expenditure of £20.6 million on 29 November 2016 before the deadline.

We found the Council had put in place adequate arrangements to compile and complete, accurate and timely claims for audit certification. There are no amendments arising from our certification work which we wish to highlight for your attention.

However, one case was found where the annual maternity rate increase for 2015/16 had not been applied. We discussed our findings with the benefits team. Their investigation into the 16 cases who were also in receipt of maternity allowance showed that they had been correctly uprated and therefore none resulted in subsidy being under or overstated. We reviewed a sample of their findings and agreed with management that no amendment was required to the claim.

The indicative scale fee set by the Audit Commission for the Council for 2015/16 is £8,976. We are not proposing to make any changes to the indicative scale fee (see appendix).

Yours sincerely



For Grant Thornton UK LLP

Grant Thornton UK LLP
Melton Street,
Euston Square,
London,
NW1 2EP
T +44 (0) 207 383 5100

www.grant-thornton.co.uk

Appendix A - Details of claims and returns certified for 2015/16

| Claim or return | Value | Amended? | Amendment (£) | Qualified? | Comments |
|--------------------------------|-------------|----------|---------------|------------|----------|
| Housing benefits subsidy claim | £20,558,577 | No | n/a | No | None |

**ESTABLISHMENT OF A LOCAL AUTHORITY PROPERTY TRADING COMPANY
AND INCREASING THE COMMERCIAL PROPERTY ACQUISITION FUND**

| | |
|---|---|
| <u>Report of the:</u> | Chief Executive |
| <u>Contact:</u> | Kathryn Beldon, Rod Brown, Lee Duffy, Mark Shephard, Simon Young |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| <u>Annexes/Appendices</u> (attached): | None |
| <u>Other available papers</u> (not attached): | None stated |

REPORT SUMMARY

This report outlines a proposal to establish a company or companies to acquire, hold and trade in property, seeks to establish a working group with member representation, and seeks authority for officers to incur such costs relating to necessary advice and assistance to enable proposals to be brought back for subsequent approval.

The report also outlines and recommends an increase to the Commercial Property Acquisition Fund with a further addition of £60m to be funded from Prudential Borrowing.

RECOMMENDATION (S)

It is recommended that the Committee:

- (1) Notes and agrees in principle to the establishment of a company or companies to acquire, hold and trade in property.**
- (2) Agrees that a working group be established comprising the Chief Executive and other Officers listed at the top of this report together with the Chairman of the Strategy & Resources Committee and the Vice-Chairman of the Community & Wellbeing Committee for the purposes set out in the report below.**
- (3) Agrees that any of the Member appointed to the working group who is unable to attend a meeting of the working group shall be able to nominate another Member of the Council to substitute for them.**

Notes

- | | |
|--|--|
| <ul style="list-style-type: none">(4) Agrees that an initial budget of £50k be established to meet the costs of procuring specialist legal, financial and other necessary professional advice and set up costs.(5) Agrees to recommend that Council increase the Commercial Property Acquisition Fund by a further £60m to be funded by Prudential Borrowing.(6) Agrees to recommend to Council a supplementary capital expenditure estimate of £60m in financial year 2016/17 for (5) above.(7) Agrees to recommend to Council that the Council's Prudential Indicators be revised to reflect the additional £60m of Prudential Borrowing.(8) Notes that a mid-year appraisal update report will be made to the Committee on the strategy, portfolio performance and status of acquisitions made from the Commercial Property Acquisition Fund.(9) Notes that a new regular update report will be made to the Financial Policy Panel on the financial status of the investment property portfolio and rental income profile. | |
|--|--|

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 The Council's vision of making Epsom & Ewell an excellent place to live and work requires sufficient resource in order to deliver services. Managing our resources is a key priority. One of the ways we seek to do this is by maximising returns from our properties and other investments. This report proposes work towards the establishment of a company to do just that, as set out in the body of the report.

2 Background

2.1 The Council currently receives rental income streams from properties we lease to business and other organisations. It is considered that there is significant scope to grow this revenue income stream by using prudential borrowing to acquire further properties in line with the Council's property investment strategy which aligns with the social and economic needs of the Borough.

2.2 Acquisition of properties in the Borough can also help the Council to promote the local economy, by ensuring that sufficient opportunities remain for businesses to start-up and grow.

- 2.3 Revenue Support Grant funding from Central Government has reduced substantially in recent years, and the outlook is not promising in that regard. The Council's published Medium Term Financial Strategy and Efficiency Plan projects a current deficit position for the Council up to 2019/20. The Council can potentially generate additional funding from Business Rates, Council Tax and fees & charges, but the scope to do so is limited, and will not itself ensure financial stability. Whilst further savings can be made, again, the scope for this is considered to be fairly limited. We therefore need to look for other ways to support service delivery and generate on-going revenue streams.
- 2.4 On 21 November 2016, the Council agreed to create a £20million Commercial Property Acquisition Fund to enable the Council to acquire additional commercial investment properties located within the Borough, with a view to generating long term revenue streams. This will assist in supporting the delivery of Council services and strengthen the Council's long term financial stability.
- 2.5 As the Council's property holdings grow, there is a need to create a balanced portfolio, in order to better manage the risks associated with investment properties. The risks can include too great an exposure to a particular location or type of property, the risks of voids between leases, and risks relating to repair & maintenance of the structure and plant associated with specific buildings.
- 2.6 Purchasing commercial or residential investment property in areas outside the Borough is an acknowledged business activity i.e. trading in the property market for income – where there is no clear direct benefit to the Borough. The Council has the power to trade in this manner, but must essentially do so via a Local Authority Trading Company (LATC). This is a company that operates as a separate entity to the Council but is wholly owned by the Council.
- 2.7 As the Council is itself a local housing authority, and does not have its own housing stock, it cannot generally own and let residential properties except on secure tenancies, which carry with them certain rights, such as the right to buy (there are exceptions in the case of, for example, the sort of temporary accommodation for homeless persons we currently hold).
- 2.8 There is a significant shortage of affordable housing within the borough with approximately 120 households in a range of temporary accommodation within the borough and approximately 40 households living in out of borough bed and breakfast accommodation. The future supply of new affordable housing is limited and is not expected to meet future or current demand, resulting in continuing significant expenditure on homelessness.

- 2.9 It is also worth noting that, at the time of writing, there are over 2000 people on our housing needs register. Whilst we are currently going through an exercise to review all those on the register, it is expected that after the review we could possibly still have up to 800 people registered. This represents individuals and families all of whom are looking for and have a need for suitable affordable housing.
- 2.10 Where, as part of establishing our balanced property portfolio we may wish to consider holding residential properties for general market rent (as well as affordable properties), we would need to hold those properties via a LATC.
- 2.11 Depending on how they are established, LATCs can potentially operate free of many of the restrictions which can hamper the ability of the Council to react quickly to opportunities and procure works, goods and services. As the LATC is wholly owned by the Council it can also use borrowing available from the Public Works Loan Board but this would be charged by the Council to the LATC at “market rate” as otherwise this could be viewed as “state aid”. It should be noted however that any borrowing solely for Affordable Housing could be at less than market rate as this is not considered as an activity which is commercially related.
- 2.12 It is important to note that any support provided by the Council to the LATC could be viewed as anti-competitive under current EU rules and so the LATC is likely to be required to pay “commercial rates” for all staff time, premises, finance, payroll, I.T. support it received from the Council itself.
- 2.13 Whilst it is straightforward to register a company at Companies House, a great deal of work and due diligence is required before the Council can decide what sort of entity or entities to create, and establish the governance arrangements of such entities. We also need to decide how the LATCs will be financed and resourced again, loans at a commercial rate from the Council will be required, which in turn will require borrowing to invest decisions by the Council and consideration of the effects on the Medium Term Financial Strategy and Efficiency Plan.

3 Proposals

- 3.1 It is proposed that a working group be established comprising the Chief Executive, Director of Finance & Resources and the Heads of Legal & Democratic Services, Property and Housing & Environmental Services, together with the Chairman of Strategy & Resources Committee, and also the Vice-Chairman of the Community & Wellbeing Committee – the latter in particular because of likely proposals in respect of the provision of housing, which is within the remit of that Committee.
- 3.2 The working group will consider, for example,
- 3.2.1 The issues and options surrounding the creation of a LATC or group of LATCs

- 3.2.2 What structure will be established – single LATC or several independent LATCs or a group of LATCs
 - 3.2.3 What shareholder arrangements should be made;
 - 3.2.4 What the composition of the board of directors should be;
 - 3.2.5 The appropriate governance arrangements to ensure robust and efficient reporting between the LATC and the Council;
 - 3.2.6 How the LATC or LATC's will be financed (via loans from the Council and/or other public or private sources of funding);
 - 3.2.7 And all other issues which are identified
- 3.3 It is expected that the working group will obtain and consider all appropriate professional advice, and will agree a report with recommendations for the Strategy and Resources Committee to consider at a later date.
- 3.4 It will be important that a robust business case is made out before any companies are established, and, in order to ensure that all the necessary issues are considered, specialist advice will be required. This will comprise legal advice, financial advice and other specialist advice, depending on what is proposed.
- 3.5 In due course a further report will be brought to Committee seeking approval to the establishment of a company or companies, where it is considered to be in the best interests of the Council to do so.

4 Commercial Property Acquisition Fund

- 4.1 On 21 November 2016 Council agreed the Property Investment Strategy 2016-17 and the creation of a Commercial Property Acquisition Fund with a fund limit of £20m financed from Prudential Borrowing.
- 4.2 Since the creation of the fund, the Council has completed on the acquisition of an office building and is under offer on a further investment opportunity. It is therefore considered likely that the fund will be exhausted by February 2017 and well before the end of this financial year.
- 4.3 This leaves no working fund or flexibility to fund or even negotiate on future acquisitions and leaves the Council in a position where it cannot act quickly on property investment matters if it has to wait for further approvals of funding from this, or other Committees.
- 4.4 It is therefore proposed that a further amount of £60m be recommended to Council by this Committee to ensure the fund has sufficient financial standing for potential new acquisitions.

- 4.5 It is critical to note that any potential purchase will follow exactly the same robust scrutiny process that existed for the initial £20m as approved by Extraordinary Council on 21 November 2016. Each acquisition will be in compliance with the Property Investment Strategy 2016-17 and thereby subject to its investment criteria scoring matrix. A full supporting business case including risk, legal and financial analysis will be required and approved by the dedicated Investment Property Group (IPG) of the Council. The IPG comprises the Chairman and Vice-Chairman of the Strategy & Resources Committee together with the Chief Executive, Director of Finance & Resources and the Heads of Financial Services, Property and Legal & Democratic Services.
- 4.6 It is also proposed to provide this Committee with a new mid-year update report on the strategy, status, and portfolio performance of the Commercial Property Acquisition Fund which will also be available for scrutiny by the Council's auditors. This will further strengthen the governance and internal control arrangements around the fund and the processes for making acquisitions.
- 4.7 Similarly, it is proposed to introduce a new regular report to the Financial Policy Panel on overall property investment performance and rental income profile. This will also include updates on the provisions that the Council will be setting aside as a contingency against future voids and enhancement costs associated with the acquired properties. The funding of these provisions will be created by prudently setting aside an element of the net revenue streams that arises from the rental income from each property.
- 4.8 If an additional £60m is approved for the fund then this will increase the overall fund limit to a value of £80m and this would again be funded from Prudential borrowing by way of loans from the Public Works Loan Board.
- 4.9 It should be noted that although the limit has been increased to £80m this does not necessarily mean that the full £80m will be spent, it is a limit only and specific recommendations for any acquisition will follow the strict criteria outlined in 4.5. above. It is standard practice for Councils to ensure they have sufficient "headroom" limits for prudential borrowing to avoid having to make repeated requests to Council for smaller incremental increases, which could, for example slow down or lose a potential acquisition if a month say, is lost waiting for funding approval. To provide the additional borrowing of £60m it will be necessary to amend the Council's prudential indicators and this change can only be made by full Council. It is therefore proposed that this will be recommended to the next meeting of Full Council on 14 February 2017.
- 4.10 It is essential that any future borrowing is affordable and within the limits of Prudential Borrowing and parameters of the Medium Term Financial and Efficiency plan of the Council.

5 Financial and Manpower Implications

- 5.1 It is considered appropriate to establish an initial budget of £50k for the feasibility work required for establishing a potential LATC. This will be funded from a one off contribution from the rental income that has been accumulated from the purchase of properties within the Commercial Property Acquisition Fund to date in financial year 2016/17. This feasibility work will determine the costs versus benefits of operating a LATC for this Council.
- 5.2 The additional borrowing of £60m will be provided and funded by Prudential Borrowing. The Prudential Indicators for the Council determine whether this is affordable and prudent and revised Indicators will be presented to Council for final approval.
- 5.3 All Council property acquisitions are subject to a full business case to ensure financial viability before they are agreed by the Investment Property Group.
- 5.4 Borrowing rates are currently at historic lows and it is estimated that over the next two years the cumulative borrowing levels of all Surrey Councils will reach £2 billion. Due to reductions in Revenue Support Grant and New Homes Bonus, most Surrey Councils are actively seeking additional revenue income streams from capital property assets to help fund their budgets and projected gaps in funding.
- 5.5 **Chief Finance Officer's comments:** *The Council has taken advice from the Council's treasury advisors on the potential borrowing implications for the Commercial Property Acquisition Fund. Professional finance advice will be obtained in relation to the creation of any LATC and this will be reported to this Committee before any final decision is made to form a LATC. The Council's Medium Term Financial Strategy and Efficiency Plan reflects a deficit position to 2019/20 and net revenue streams generated from property rental income streams will help bridge the Councils negative funding position. There will be mid-year reports made to this Committee to appraise the position and performance of the Commercial Property Investment Fund.*

6 Legal Implications (including implications for matters relating to equality)

- 6.1 **Monitoring Officer's comments:** *The Council has power to trade, and to establish a Local Authority Trading Company to do so, under a range of legislation. There are no direct legal implications arising from this report – such issues will need to be identified and addressed as part of the work of the proposed Working Group.*

7 Sustainability Policy and Community Safety Implications

- 7.1 There are no sustainability or community safety implications arising from this report.

8 Partnerships

8.1 There are no implications for partnerships arising from this report.

9 Risk Assessment

9.1 There are no significant risks arising from this report. The risks relating to the establishment and operation of a company or companies will be considered as part of the work of the proposed Working Group and will be considered when the matter is brought back for a future decision.

10 Conclusion and Recommendations

10.1 In conclusion it is considered that the potential benefits of establishing a company or companies are considerable. This is something many other authorities have done to great effect, including Surrey County Council and several Boroughs and Districts in the County. Accordingly, it is considered worthwhile investing in exploring our options, in order to establish arrangements which will work to best effect for the residents of Epsom & Ewell and will support the Council in delivering valued services in future years.

10.2 It is expected that the Council will have committed the majority of the approved £20M borrowing before the end of this financial year. The commercial property market is fast moving, and there are opportunities to grow our investment property holdings. In accordance with the approved investment criteria matrix of the Property Investment Strategy 2016-17, we will only consider high scoring properties where the full business case favours acquisition. The sooner we make acquisitions, the sooner we will be able to reap the benefits of the accompanying rental income. It is therefore also proposed that we increase our borrowing ceiling, in order to facilitate further acquisitions.

WARD(S) AFFECTED: (All Wards);

EPSOM & EWELL BOROUGH COUNCIL PAY AWARD 2017-18

| | |
|---|---|
| <u>Report of the:</u> | Head of HR & Organisational Development |
| <u>Contact:</u> | Shona Mason |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| <u>Annexes/Appendices</u> (attached): | Annexe 1: Pay Award 2017/18 report to Joint Staff Committee Annexe 2: Staff Consultative Group Pay Claim (This Annexe is not for publication by virtue of paragraph 4 of part 1 and paragraph 10 of part 2 schedule 12A to the Local Government Act 1972 (as amended)) |
| <u>Other available papers</u> (not attached): | Pay Policy 2016/20 |

REPORT SUMMARY

This report provides background information on the budget implications of the Council's proposed pay award for 2017/18, and seeks a decision on the pay award.

RECOMMENDATION (S)

- (1) That the Committee receives and considers the recommendation of a 1.5% pay award for 2017/18 by the Joint Staff Committee.**
- (2) That the Committee determines an appropriate pay award for 2017/18 of 1.5% as recommended by Joint Staff Committee and approves the inclusion in the budget for 2017/18 of the additional cost required to fund the higher pay award.**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Council's employees are a key part of its efforts to meet the Council's ambition to make Epsom & Ewell an excellent place to live and work, and its policies on the pay of staff will be important in ensuring that the Council meets its key priorities. In particular, any policy about pay is relevant to the Council's key priority of "Managing Resources" – the Council aims to utilise its limited resources in the most efficient and effective way.

- 1.2 There are no implications arising from this report for the Sustainable Community Strategy.

2 Background

- 2.1 The background to the pay award for 2017/18 is outlined in the attached report that was considered at the Joint Staff Committee on 20 October 2016.
- 2.2 The Council's pay offer to staff was 1%. The Staff Consultative Group made a claim for 2% which was discussed at the JSC on 20 October 2016.
- 2.3 The JSC were keen to improve on the offer of 1% and have recommended 1.5%. The JSC wanted to recognise the views of staff on pay which had been collated during the consultation and the request from staff to better the 1% offer. The JSC were keen to acknowledge the commitment, hard work and dedication of the staff as well as the significant contribution staff make to the Council achieving its key priorities by upping the pay award to 1.5%
- 2.4 The Council's Pay Policy includes an across the board pay award for each year during the four year period.
- 2.5 We are currently undertaking a full review in conjunction with the Local Government Association (LGA) of the Council's pay structure along with the performance pay and appraisal scheme. Currently a job evaluation exercise is being undertaken to inform a revised pay structure. It is envisaged that the LGA will be able to make recommendations relating to a new pay structure by the end of the financial year. This will then be considered by the Leadership Team before consultation takes place with staff with the final recommendations being submitted to Joint Staff Committee and Strategy & Resources for approval during 2017/18.

3 Proposals

- 3.1 The Strategy & Resources Committee approve the proposal of 1.5% pay award for 2017/18.
- 3.2 The Strategy & Resources Committee approve the additional £56.5k to pay for the increased pay award above the original increase of 1%.
- 3.3 The Strategy & Resources Committee are directed to a report also on this agenda entitled "Revenue Estimates 2017/18" which explains how the additional pay award funding of £56.5k has been identified and funded within the Council's budget strategy for 2017/18.

4 Financial and Manpower Implications

- 4.1 The total pay bill inclusive of agency staff and employer salary on-costs is £11.3 million.
- 4.2 It is estimated that the cost of this proposal will be approximately £169.5k including on-costs.

- 4.3 It should be noted that an original budget of 1% at a cost of £113k had been identified and included within the Council's Medium Term Financial Strategy. If this Committee agree the improved and recommended pay award of 1.5%, then this will require additional funds of £56.5k to be identified to pay the extra element of award.
- 4.4 The funding of this additional £56.5k the funds is dealt with in a further report on this agenda called "Revenue Estimates 2017/18" which identifies how this has been funded as part of the overall Council Budget Strategy for 2017/18.
- 4.5 **Chief Finance Officer's comments:** *The Council's revenue estimates for financial year 2017/18 include a funding option to pay for the additional pay award element of £56.5k that will be required if the Committee decide to agree the overall 1.5% award. Specific details of the revenue estimates for 2017/18 and the funding of this are included on a separate report also on this agenda.*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 In 2015 the Council carried out a review of its Pay and Performance scheme which was undertaken by the LGA. The review identified areas that needed to be addressed such as too many grades, inadequate differentials between the spinal column points and a complex appraisal scheme. A full review of both the pay structure and appraisal scheme is being undertaken as outlined in 2.5.
- 5.2 There have been no equal pay claims in the last four years.
- 5.3 **Monitoring Officer's comments:** *There are no legal implications arising from the recommendation in this report. The Committee in making its decision is not constrained by the recommendation. The Committee should have regard to the Budget Targets previously approved by this Committee in September 2016, as well as the management recommendation, claim by staff representatives and the Joint Staff Committee recommendation, and is free to make such decision as it considers appropriate in all the circumstances.*

6 Sustainability Policy and Community Safety Implications

- 6.1 There are no implications for this report.

7 Partnerships

- 7.1 There are no implications for this report.

8 Risk Assessment

- 8.1 Failure to agree a pay award and to review of the Council's pay structure and performance pay scheme is likely to lead to increased turnover and difficulties in recruitment and retention of staff, as well as contribute to low staff morale.

9 Conclusion and Recommendations

- 9.1 The approved budget available would allow the Committee to provide the original recommended pay award of 1%.
- 9.2 The Committee is requested to endorse the Joint Staff Committees recommendation of the 1.5% pay award and agree to the additional funds to increase the award.

WARD(S) AFFECTED: None

JOINT STAFF COMMITTEE
20 OCTOBER 2016

EPSOM & EWELL BOROUGH COUNCIL PAY AWARD 2017-18

Report of the: Head of HR & Organisational Development
Contact: Shona Mason
Urgent Decision?(yes/no) No
If yes, reason urgent decision required:
Annexes/Appendices (attached): Appendix 1 Management Pay Offer
Appendix 2 Staff Consultative Group Pay Claim
Other available papers (not attached): Council's Pay Policy 2016 - 2020

REPORT SUMMARY

This report provides background information on the budget implications of the Council's proposed pay award for 2017/18

| <u>RECOMMENDATION (S)</u> | <i>Notes</i> |
|--|--------------|
| <p>That the Committee:</p> <p>(1) Receives a report on the pay implications for staff from the budget target set for the financial year 2017/18;</p> <p>(2) Receives and consider the Staff Consultative Group request for 2%;</p> <p>(3) Notes the proposed pay award for 2017/18 of 1% across the board and recommend it to the Strategy and Resources Committee for approval.</p> | |

1 Implications for the delivery of the Council's Key Priorities

- 1.1 The Council's employees are a key requirement to meet the Council's ambition to make Epsom & Ewell an excellent place to live and work, and its policies on the pay of staff will be important in ensuring that the Council meets its key priorities. In particular, any policy about pay is relevant to the Council's key priority of "Managing Resources" – the Council aims to utilise its limited resources in the most efficient and effective way.

JOINT STAFF COMMITTEE
20 OCTOBER 2016

2 Background

- 2.1 The Council's Pay Policy 2016 - 2020 sets out the Council's intention in relation to pay for this period. Within the pay policy the Council will seek to make an annual across the board pay award.
- 2.2 On 6 July 2016 Management made a pay offer of 1% to the Staff Consultative Group (SCG) for them to undertake meaningful consultation with all staff. They were provided with three months to undertake the consultation and requested to make any pay claim by 30 September 2016.
- 2.3 The SCG and wider staff have been consulted at length and have made a claim of 2%. Appendix 2 highlights staff views regarding the pay offer and consultation that has taken place over the summer.
- 2.4 Management would like to thank the SCG and especially the Chair and Vice Chair for their commitment and hard work in dealing with the pay offer.

3 External and Internal Market Data Points

- 3.1 The following information is provided to give economic context to the Council's pay offer and provide benchmarking information for comparison purposes.
- 3.2 Consumer Prices Index for July 2016 was 0.6%. Over the previous 12 months the rate of annual change has varied between -0.1% and 0.6%.
- 3.3 Retail Prices Index for July 2016 was 1.9%. Over the previous 12 months the rate of annual change has varied between 0.7% and 1.9%.
- 3.4 The latest UK average weekly earnings growth rate for the whole economy for July 2016 was 2.1% and 1.5% for the public sector.
- 3.5 Information on pay awards within our benchmark group and in the South East, National Pay settlement and the IRS Pay and Benefits pay levels indicate that awards being considered range from 1 – 1.5%
- 3.6 Central Government in its 2015 statement recommended a 1% pay award for public sector workers for the next 4 years.
- 3.7 Central Government has now introduced the National Living Wage for employees over the age of 25 of £7.20 per hour, replacing the minimum wage.
- 3.8 The staff turnover for 2015-16 was 15.3% (9.9% resignations only). This is a rise from the previous year (14.2% of which 9.8% were resignations only) which indicates that as the market recovers, albeit slowly, there is a likelihood that the Council would lose good skilled staff to other organisations offering competitive salaries unless we keep up and offer equally competitive salaries and attractive working conditions.

JOINT STAFF COMMITTEE
20 OCTOBER 2016

4 Proposal

- 4.1 The draft budget 2017/18 includes a provision for a pay award of 1% for staff.
- 4.2 On the basis of the above it is recommended that the Committee consider a 1% pay award to staff.
- 4.3 The proposed budget, if approved, would allow the Committee to consider the recommended pay award of 1%. This proposal will need to be considered in the light of the external and internal market data, turnover figures and the comparative information that is available. Any award below 1% is likely to make us less competitive in relation to our neighbours. An award above 1% will require the identification of additional savings from elsewhere to fund an increase over 1%.

5 Financial and Manpower Implications

- 5.1 The total pay bill inclusive of agency staff and employer salary on-costs is £11.3 million.
- 5.2 Provision for the cost of this proposal at an estimated cost of £113k including on-costs has been included in the draft budget and Medium Term Financial Strategy and Efficiency Plan for 2017/18.
- 5.3 The Council is currently undertaking a review of its Pay and Performance scheme in conjunction with the Local Government Association (LGA). The LGA is undertaking job evaluation, benchmarking and developing a revised pay structure which will be brought to Committee in due course for consideration.

6 Legal Implications (including implications for matters relating to equality)

- 6.1 There have been no equal pay claims in the last four years.
- 6.2 ***Monitoring Officer's comments:*** *There are no legal issues arising from this report.*

7 Sustainability Policy and Community Safety Implications

- 7.1 There are no implications for this report.

8 Partnerships

- 8.1 There are no implications for this report.

9 Risk Assessment

- 9.1 Failure to agree a pay award for staff in line with central government recommendations is likely to lead to increased turnover and difficulties in recruitment and retention of staff, as well as contribute to low staff morale.

JOINT STAFF COMMITTEE
20 OCTOBER 2016

10 Conclusion and Recommendations

- 10.1 The Committee is requested to endorse the recommendation of the 1% pay award and recommend it to the Strategy & Resources Committee for approval.

WARD(S) AFFECTED: None

Document is Restricted

This page is intentionally left blank

REPLACEMENT OF BOURNE HALL AUDIO EQUIPMENT

| | |
|---|---|
| <u>Report of the:</u> | Head of Venues and Facilities |
| <u>Contact:</u> | Andrew Lunt |
| <u>Urgent Decision?(yes/no)</u> | no |
| <u>If yes, reason urgent decision required:</u> | |
| <u>Annexes/Appendices (attached):</u> | Annexe 1: List of hirers requiring the use of audio visual equipment (This Annexe is not for publication by virtue of paragraph 3 of part 1 and paragraph 10 of part 2 schedule 12A to the Local Government Act 1972 (as amended)) |
| <u>Other available papers (not attached):</u> | Bourne Hall Main Hall Re-instatement Report, Leisure Committee June 2014. |

REPORT SUMMARY

This report summarises the significant issues and failings of the current audio visual provision at Bourne Hall and outlines a proposal for improvement.

RECOMMENDATION (S)

That the Committee support the improvement work to the audio visual equipment at Bourne Hall and authorises the release of £16,687 from the repairs and renewals fund.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The use of the Main Hall and Banqueting Suite of Bourne Hall by community groups and businesses contribute to the Council's Key Priority of "Supporting our Community"
- 1.2 Should the proposed improvement work not be carried out, the number of community groups using Bourne Hall is likely to decrease.

2 Background

- 2.1 Bourne Hall has a sound system in the Main Hall and the Banqueting Suite. This system was installed over ten years ago and is no longer fit for purpose. Many of our regular hirers are experiencing constant audio related issues during their bookings and the manager is regularly fielding

complaints from both hirers and staff. Income derived from hirers who also use the audio visual equipment is circa £85,000 and is detailed in **Restricted Annexe 1** to this report (**please note: this Annexe is not for publication by virtue of paragraph 3 of part 1 and paragraph 10 of part 2 schedule 12A to the Local Government Act 1972 (as amended)**).

- 2.2 The speakers at the venue are of a very basic specification and are unable to deal with large outputs of sound which is a requirement of many of our current hirers.
- 2.3 The sound output is distorted; this is a frequent complaint from hirers using both rooms.
- 2.4 The sound system interferes with the hearing loop system in the banqueting suite, users wearing hearing aids regularly report humming and hissing from their hearing aids. A number of hirers regularly complain about the sound quality hearing aid users are experiencing during their events.
- 2.5 The sound systems in both the Main Hall and Banqueting Suite are also inter-linked. This means that if there is a problem with the sound in one of the rooms, the whole system is affected.
- 2.6 On numerous occasions, officers have set up and checked the equipment prior to an event. During the event, the system has stopped working. This causes disruption to the hirer during their booking and officer's time is taken up trying to resolve the issue, meaning they are unable to meet other demands required of them.
- 2.7 The numerous difficulties Bourne Hall has experienced with the sound system means that customers and staff no longer have confidence with the system. Venues staff are not qualified technicians and their ability to troubleshoot problems is limited. In most cases, there is no solution; this leaves hirers with a negative opinion of the venue.
- 2.8 In order to protect the above income it is proposed to upgrade the current Audio Visual equipment and this work will entail the following:
 - 2.8.1 The sound system needs to be split into two independent units. One unit to service the Banqueting Suite; controls to be accessible from the upper bar, the other unit to service the Main Hall. By making the systems independent of each other means that should an issue arise with one part of the system, it will not affect the other room.
 - 2.8.2 All wiring needs to be updated as the current wiring has deteriorated over time.
 - 2.8.3 Professional wireless microphone systems need to be installed within the Banqueting Suite and Main Hall, the receivers will have a unique channel which will avoid interference. This will also save officers a lot of set up time which will enable them to be able to

undertake other duties.

- 2.9 Giving hirers the ability to be able to play sound through the sound system using their own device and be satisfied with the quality of audio output will improve our current hirers' experiences at the venue and will assist officers to attract new hirers. This is a requirement for many customers wishing to be able to provide their own music for weddings and parties.
- 2.10 The speakers need to be upgraded as they are currently unable to handle the sound requirements many of our hirers require.
- 2.11 With proposed changes to the catering provision at Bourne Hall, we will have the ability to be able to bring in more hirers which will result in more income for the venue. Having a fit for purpose sound system will enable officers to retain our current hirers and attract new business.
- 2.12 After receiving three quotations the above necessary work is estimated to cost £16,900.

3 Proposals

- 3.1 In order to prevent hirers from leaving Bourne Hall and the resulting increase in subsidy it is proposed to carry out a much need upgrade to the audio visual equipment.

4 Financial and Manpower Implications

- 4.1 In order to facilitate the improvements to the audio visual equipment £16,687 will need to be released from the repairs and renewals reserve. This money can be made available due to an underspend that occurred on the Bourne Hall main hall refurbishment project. During the specification process of the main hall project it was identified that the audio visual equipment would need to be replaced, however this element of work was not carried forward to ensure that project did not go over budget.
- 4.2 **Chief Finance Officer's comments:** There is a balance of £16,687 currently on the repairs and renewals reserve that could be used to fund these works, subject to approval by S&R Committee. Any cost above this would need to be funded from revenue budgets.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 **Monitoring Officer's comments:** *There are no legal implications arising from this report – it is important that any purchase is undertaken in accordance with contract standing orders.*

6 Sustainability Policy and Community Safety Implications

- 6.1 There are no identified sustainability and community safety implications

7 Partnerships

- 7.1 Bourne Hall is a well used facility utilised by a large number of community groups. A significant number of these groups rely on the availability of an efficient and working audio visual provision in the building.
- 7.2 Should this work not be carried out relationships with these groups will be detrimentally affected.

8 Risk Assessment

- 8.1 If the sound system is not upgraded and we continue to experience high levels of breakdown, it is likely that our hirers will leave and seek alternative venues. This will result in the building subsidy increasing.

9 Conclusion and Recommendations

- 9.1 That the strategy and Resources Committee support the upgrade of the audio visual equipment at Bourne Hall and authorise the use of £16,900 from the repairs and renewals fund for this work.

WARD(S) AFFECTED: (All Wards);

Document is Restricted

This page is intentionally left blank

CORPORATE PLAN: PERFORMANCE REPORT TWO 2016 TO 2017

| | |
|---|---|
| <u>Report of the:</u> | Chief Executive |
| <u>Contact:</u> | Adama Roberts |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| <u>Annexes/Appendices</u> (attached): | Annexe 1 – Performance Report Two 2016 to 2017 |
| <u>Other available papers</u> (not attached): | None |

REPORT SUMMARY

This report provides an update against our Key Priority Performance Targets for 2016 to 2017, under our new Corporate Plan.

RECOMMENDATION (S)

Notes




- (1) That the Committee considers the performance reported in Annexe 1 to this report and identifies any areas of concern;**
- (2) That the Committee considers the actions that have been proposed or taken where performance is currently a concern as shown in table 3.1.**

1 Background

- 1.1 The Council has a four-year Corporate Plan for the period 2016-2010.
- 1.2 The Corporate Plan sets out the Council's vision together with its four Key Priorities. The four Key Priorities are underpinned by 19 Key Priority Objectives and measured against 57 Key Priority Performance Targets.
- 1.3 The delivery of the Corporate Plan will be captured in the performance reports, which are based around Committee cycles and detail what will be done, what the Key Priority Performance Targets are and how these will be measured. The desired key outcomes have also been outlined in the Corporate Plan. An annual year-end report will be produced to highlight delivery against the Corporate Plan.

2 Corporate Plan: Delivery against Key Priority Performance Targets set

2.1 This report tracks the progress against the Key Priority Performance Targets previously agreed by the Committee. On the whole performance is good as shown in the table below.

| Performance status | | |
|---|---|-----------|
| Key to reporting status | | Number |
|  | On track | 12 |
|  | Slightly off track not a major concern or slippage | 3 |
|  | Off track or unlikely to be achieved for projected year | 6 |
| Total | | 21 |

3 Actions identified for the Key Priority Performance Targets where performance is currently a concern

3.1 Red Key Priority Performance Target and remedial actions identified

| Off track / not achieved | Actions identified to achieve targets |
|---|--|
| <p>Managing our Resources Process new Housing Benefit claims within an average time of 22 days</p> | <p>A steady improvement in clearing the backlog continues as noted in the downward trend when compared to the beginning of the year it is now at 34 days from 42 days in April.</p> <p>This target will not be achieved by year-end because the recruitment campaign was unsuccessful. However, the team have been granted an extra resource to cover the enquiry counter and this is proving very helpful. New opening times are in place with an appointment only system.</p> <p>Since introducing these opening hours for the enquiry counter we have reduced the outstanding backlog by 40%.</p> <p>Additional support has been agreed for offsite processing for a period of three months which will further reduce the backlog and improve processing times.</p> |
| <p>At least three business cases which will generate long term income streams to be</p> | <p>The three business cases are: the business hub, the Commercial Property Acquisition Fund and a</p> |

| Off track / not achieved | Actions identified to achieve targets |
|--|--|
| submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process | third case is being developed. The Commercial Property Acquisition Fund is now in place. The capital bid for the business hub was submitted, however it was not possible to progress this due to timescales as additional information was required, which is being obtained. |
| Revenue and benefits self-serve functionality available | Due to delays with the website and issues with the availability of the self-service consultants it is not possible to begin the work on self-service until March. It's anticipated that this target will be implemented by December 2017. |
| Review and implement a performance pay and staff appraisal scheme | The LGA has recommended undertaking job evaluation and benchmarking prior to developing a revised pay structure. The job evaluations are partially completed. The LGA will have designed a revised pay structure by February 2017 which will be reported to the Leadership Team by the end of March 2017. However, the implementation of a revised scheme will fall into 2017/18. |
| LGA "light touch" Decision Making Accountability (DMA) review to be undertaken | As a result of the Chief Executive (CEO) resigning, this target will be reviewed and implemented when the new CEO joins the Council along with the Leadership Team. |
| Supporting Businesses and our Local Economy Prepare a draft business plan for the proposed BID for consideration in January 2017 | Although the achievement of this target by the end of this financial year is likely, the team cannot guarantee that the draft Business Plan will be ready for consideration by the Committee by 31 March 2017. Council Officers will continue to work closely with the new BID consultant to ensure that good progress is made and that the necessary momentum is not lost. |

4 Financial and Manpower Implications

4.1 **Chief Finance Officer's comments:** *No direct financial implications, however any financial commentary is included within the actions update above if relevant.*

5 Legal Implications (including implications for matters relating to equality)

5.1 **Monitoring Officer's comments:** *There are no legal implications arising from this report. The implications of each individual action are considered as those actions are being undertaken.*

6 Sustainability Policy and Community Safety Implications

6.1 There are no particular community safety implications for the purpose of this report.

7 Risk Assessment

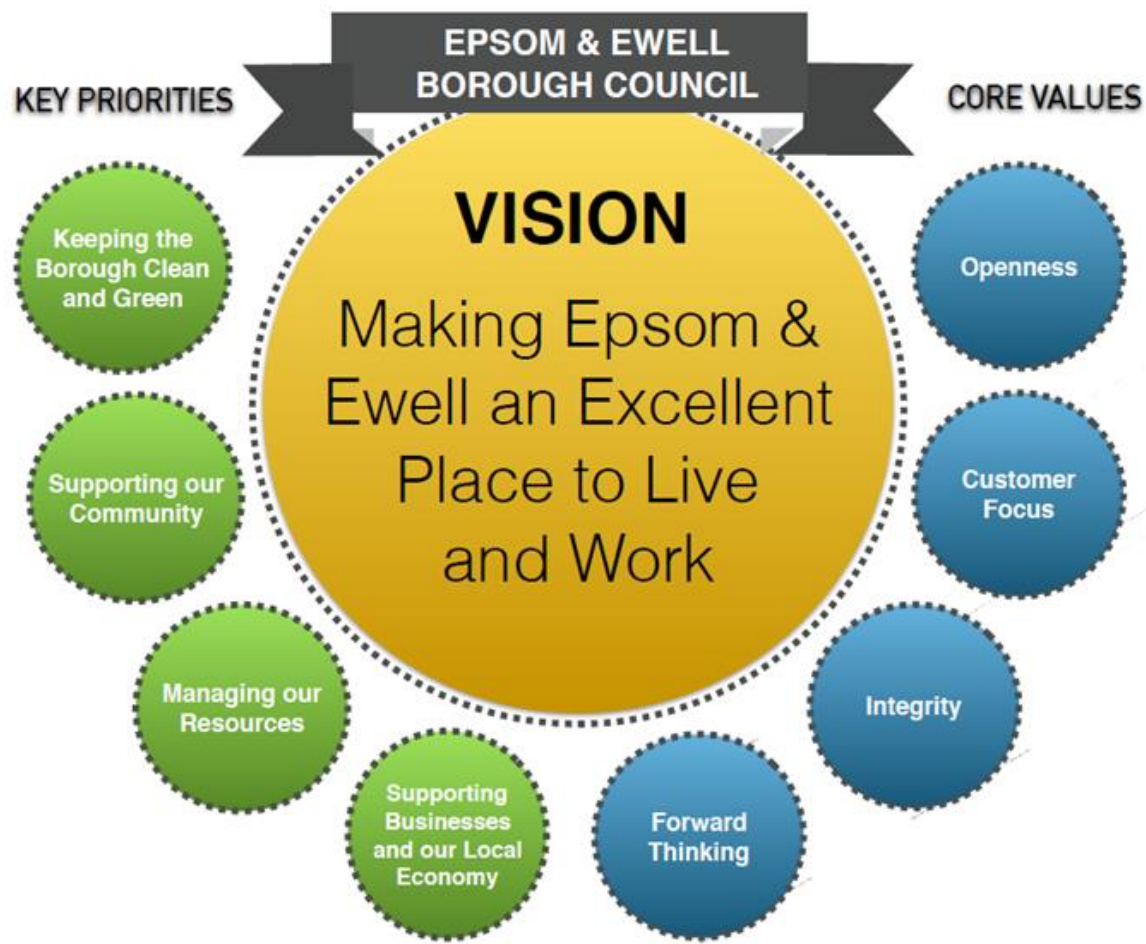
7.1 Actions have been identified for the Key Priority Performance Target where performance is currently a concern.

8 Conclusion and Recommendations

8.1 The Committee is requested to consider the performance reported and identify any areas of concern.

8.2 The Committee is requested to consider the actions that have been proposed or taken for the Key Priority Performance Target where performance is currently of concern.




WARD(S) AFFECTED: N/A




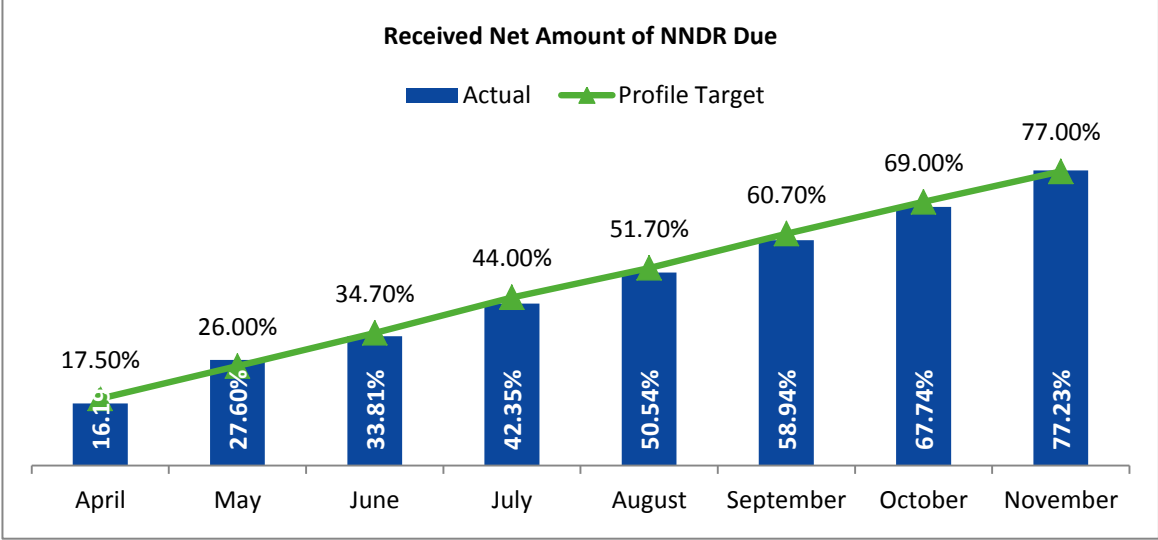
Corporate Plan: Key Priority Performance Targets
Strategy & Resources Committee – Performance Report Two 2016/2017




| KEY OUTCOMES | KEY SUCCESS MEASURES |
|--|--|
| An Organisational Development Strategy which drives culture change, build capacity and delivers a skilled workforce for the future | Core values embedded into our performance management framework |
| A new improved website enabling services to be delivered digitally | Increase digital accessibility of our services |
| Asset Management Plan for major assets | Return generated from property and other investments |
| Balanced budget each year | Agreed savings delivered |

| Performance status | | |
|---|---|-----------|
| Key to reporting target status | | Number |
|  | On track | 12 |
|  | Slightly off track not a major concern or slippage | 3 |
|  | Off track or unlikely to be achieved for projected year | 6 |
| Total | | 21 |


| Managing our resources – Key priority | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---------------|---|--|-------|------------|--------------------|-------|--------|--------|-----|--------|--------|------|--------|--------|------|--------|--------|--------|--------|--------|-----------|--------|--------|---------|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: | | | | | | | | | | | | | | | | | | | | | | |
| Identifying new sources of revenue and maximising our existing income | <ul style="list-style-type: none"> At least 98.4% of Council Tax collected | Judith Doney Head of Revenues & Benefits | 31 March 2017 | April to Sept: The cumulative target for September is 61.20%, we've collected 61.70%. We are expecting to achieve this target by year end. | <div style="background-color: #90EE90; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> G </div> | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Oct to Dec: The cumulative profile target for November is 80.80%, we've collected 80.80%. | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Jan to March: | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <table border="1"> <caption>Received Net Amount of Council Tax Due</caption> <thead> <tr> <th>Month</th> <th>Actual (%)</th> <th>Profile Target (%)</th> </tr> </thead> <tbody> <tr><td>April</td><td>13.90%</td><td>14.10%</td></tr> <tr><td>May</td><td>23.50%</td><td>24.10%</td></tr> <tr><td>June</td><td>33.20%</td><td>33.50%</td></tr> <tr><td>July</td><td>42.80%</td><td>42.80%</td></tr> <tr><td>August</td><td>51.50%</td><td>52.20%</td></tr> <tr><td>September</td><td>61.20%</td><td>61.70%</td></tr> <tr><td>October</td><td>71.40%</td><td>71.40%</td></tr> <tr><td>November</td><td>80.80%</td><td>80.80%</td></tr> </tbody> </table> | | Month | Actual (%) | Profile Target (%) | April | 13.90% | 14.10% | May | 23.50% | 24.10% | June | 33.20% | 33.50% | July | 42.80% | 42.80% | August | 51.50% | 52.20% | September | 61.20% | 61.70% | October |
| Month | Actual (%) | Profile Target (%) | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 13.90% | 14.10% | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 23.50% | 24.10% | | | | | | | | | | | | | | | | | | | | | | | | | |
| June | 33.20% | 33.50% | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 42.80% | 42.80% | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 51.50% | 52.20% | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 61.20% | 61.70% | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 71.40% | 71.40% | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 80.80% | 80.80% | | | | | | | | | | | | | | | | | | | | | | | | | |

| Managing our resources – Key priority | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|---------------|--|---|-------|------------|--------------------|-------|-------|--------|-----|--------|--------|------|--------|--------|------|--------|--------|--------|--------|--------|-----------|--------|--------|---------|--------|--------|----------|--------|--------|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Identifying new sources of revenue and maximising our existing income | <ul style="list-style-type: none"> At least 99.0% of Business Rates to be collected | Judith Doney Head of Revenues & Benefits | 31 March 2017 | April to Sept: We are anticipating achieving this target by year end. We are slightly off track by 1.8%. This is due to the amount of NNDR Payers who make BACS on the 1 st , this then has to be allocated and does not appear on the system in time for the reports which are run on the 1 st of the month as well. |  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Oct to Dec: The cumulative profile target for November is 77%, we've collected 77.23%. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Jan to March: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  <table border="1" style="margin: 10px auto;"> <caption>Received Net Amount of NNDR Due</caption> <thead> <tr> <th>Month</th> <th>Actual (%)</th> <th>Profile Target (%)</th> </tr> </thead> <tbody> <tr> <td>April</td> <td>16.1%</td> <td>17.50%</td> </tr> <tr> <td>May</td> <td>27.60%</td> <td>26.00%</td> </tr> <tr> <td>June</td> <td>33.81%</td> <td>34.70%</td> </tr> <tr> <td>July</td> <td>42.35%</td> <td>44.00%</td> </tr> <tr> <td>August</td> <td>50.54%</td> <td>51.70%</td> </tr> <tr> <td>September</td> <td>58.94%</td> <td>60.70%</td> </tr> <tr> <td>October</td> <td>67.74%</td> <td>69.00%</td> </tr> <tr> <td>November</td> <td>77.23%</td> <td>77.00%</td> </tr> </tbody> </table> | | | | | | Month | Actual (%) | Profile Target (%) | April | 16.1% | 17.50% | May | 27.60% | 26.00% | June | 33.81% | 34.70% | July | 42.35% | 44.00% | August | 50.54% | 51.70% | September | 58.94% | 60.70% | October | 67.74% | 69.00% | November | 77.23% | 77.00% |
| Month | Actual (%) | Profile Target (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 16.1% | 17.50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 27.60% | 26.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June | 33.81% | 34.70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 42.35% | 44.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 50.54% | 51.70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 58.94% | 60.70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 67.74% | 69.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 77.23% | 77.00% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| Managing our resources – Key priority | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|---------------|---|---|-------|---------------|---------------|-------|----|----|-----|----|----|------|----|----|------|----|----|--------|----|----|-----------|----|----|---------|----|----|----------|----|----|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Identifying new sources of revenue and maximising our existing income | <ul style="list-style-type: none"> Process new Housing Benefit claims within an average time of 22 days | Judith Doney Head of Revenues & Benefits | 31 March 2017 | <p>April to Sept: The gradual clearing of a backlog of work skews initial results but improvements through the year are expected. The September figures are missing due to an unresolved software issue. This will be solved by next month.</p> | <div style="background-color: red; color: black; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">R</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <p>Oct to Dec: Resources required for the New Benefit Cap. The November 2016 change to the Benefit Cap has trebled the number of customers affected by this Welfare Reform measure and we have seen an increase in contact from these customers. This target will not be achieved by year-end.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | <p>Jan to March:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Time Taken to Process Housing Benefit Claims</p> <table border="1" style="margin: 10px auto; border-collapse: collapse;"> <caption>Actual vs Target Processing Times (Days)</caption> <thead> <tr> <th>Month</th> <th>Actual (Days)</th> <th>Target (Days)</th> </tr> </thead> <tbody> <tr><td>April</td><td>42</td><td>22</td></tr> <tr><td>May</td><td>47</td><td>22</td></tr> <tr><td>June</td><td>41</td><td>22</td></tr> <tr><td>July</td><td>38</td><td>22</td></tr> <tr><td>August</td><td>36</td><td>22</td></tr> <tr><td>September</td><td>35</td><td>22</td></tr> <tr><td>October</td><td>33</td><td>22</td></tr> <tr><td>November</td><td>34</td><td>22</td></tr> </tbody> </table> | | | | | | Month | Actual (Days) | Target (Days) | April | 42 | 22 | May | 47 | 22 | June | 41 | 22 | July | 38 | 22 | August | 36 | 22 | September | 35 | 22 | October | 33 | 22 | November | 34 | 22 |
| Month | Actual (Days) | Target (Days) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 42 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 47 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June | 41 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 38 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 36 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 35 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 33 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 34 | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| Managing our resources – Key priority | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|---------------|---|---|-------|---------------|---------------|-------|---|----|-----|---|----|------|----|----|------|----|----|--------|----|----|-----------|----|----|---------|----|----|----------|----|----|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Identifying new sources of revenue and maximising our existing income | <ul style="list-style-type: none"> Process Housing Benefit change of circumstances within an average time 11 days | Judith Doney Head of Revenues & Benefits | 31 March 2017 | April to Sept: Year to date as illustrated on the graph below, target has been met bar June and July. It is anticipated that this target will be achieved by year end. |  | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Oct to Dec: Target slightly missed due to resources being diverted for the New Benefits Cap. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Jan to March: | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Time Taken to Process Housing Benefit Change Events</p> <table border="1" style="margin: 10px auto;"> <caption>Data for Time Taken to Process Housing Benefit Change Events</caption> <thead> <tr> <th>Month</th> <th>Actual (Days)</th> <th>Target (Days)</th> </tr> </thead> <tbody> <tr><td>April</td><td>7</td><td>11</td></tr> <tr><td>May</td><td>9</td><td>11</td></tr> <tr><td>June</td><td>12</td><td>11</td></tr> <tr><td>July</td><td>11</td><td>11</td></tr> <tr><td>August</td><td>11</td><td>11</td></tr> <tr><td>September</td><td>11</td><td>11</td></tr> <tr><td>October</td><td>12</td><td>11</td></tr> <tr><td>November</td><td>12</td><td>11</td></tr> </tbody> </table> | | | | | | Month | Actual (Days) | Target (Days) | April | 7 | 11 | May | 9 | 11 | June | 12 | 11 | July | 11 | 11 | August | 11 | 11 | September | 11 | 11 | October | 12 | 11 | November | 12 | 11 |
| Month | Actual (Days) | Target (Days) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | 7 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | 9 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June | 12 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| July | 11 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| August | 11 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | 11 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | 12 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | 12 | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |


| Managing our resources – Key priority | | | | | |
|---|--|--|---------------|--|----------|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Identifying new sources of revenue and maximising our existing income | <ul style="list-style-type: none"> At least three business cases which will generate long term income streams to be submitted to the Capital Member Group for prioritisation as part of the 2017/18 capital bid process | Mark Berry Head of Place Development | 31 March 2017 | <p>April to Sept: Capital BID for a Business Hub in the Town Hall submitted but deemed to require further work. No other business cases have been brought forward for prioritisation in the 2017/2018 capital bid process, though there are a number of projects seeking to reduce costs and protect existing income. There are also other projects to be brought forward outside of the normal capital bid process which will, if agreed, generate a long term income for the Council.</p> | R |
| | | Simon Young Head of Legal & Democratic Services | | <p>Oct to Dec: The target as worded cannot now be met due to missing the capital BID timetable. However, the Commercial Property Acquisition Fund was approved by the committee in November and external advisors have been appointed to undertake further feasibility studies to generate additional income.</p> | |
| | | Rod Brown Head of Housing & Environmental Services | | <p>Regarding the Business Hub, options are being explored whether to utilise the Town Hall building or acquire a new floor space. Both proposals will be considered on the basis of revenue generation as well as delivering against other Corporate Plan priorities.</p> | |
| | | | | Jan to March: | |



| Managing our resources – Key priority | | | | | |
|---|--|---|---------------|--|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Identifying new sources of revenue and maximising our existing income | <ul style="list-style-type: none"> Collect £2.3 million of receivable rents | Mark Shephard Head of Property Andrew Lunt Head of Venues & Facilities | 31 March 2017 | April to Sept: Year to date lettings income at each of the venues is on target with the exclusion of the Ebbisham Centre which currently has a projected outturn of £125k against £130k budget. Bourne Hall has a projected outturn of £185k against a £205k budget. The Longmead Centre has a projected out turn of £38k against a £44k budget. Bourne Hall was the subject of a recent service review and recommendations from this review will be discussed at the November S&R meeting. There are no significant rent arrears in the investment property portfolio and we are therefore on target to receive the vast majority of rents receivable this financial year. |  |
| | | | | Oct to Dec: Year to date we've collected £1.6m receivable rents and this includes venues as well. There are no significant rent arrears in the investment property portfolio and we are on target to achieving this target by year-end. | |
| | | | | Jan to March: | |


| Managing our resources – Key priority | | | | | |
|--|---|---|---------------|---|----------|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Maximising returns from properties and other investments | <ul style="list-style-type: none"> To procure at least two residential units generating no less than 6% return on investment | Rod Brown Head of Housing & Environmental Services | 31 March 2017 | April to Sept: Two offers made on 2 x 2 bed flats in Nimbus Road and Mables Way in Tadworth. Completion on both properties currently expected to be before end of March 2017. Returns will be realised once the properties are rented; at present 0% return received and the 6% anticipated will not be achieved within this financial year. | G |
| | | | | Oct to Dec: Contracts exchanged for Mables Way in November with completion expected in January 2017. Exchange of contracts on Crane Court expected January 2017. It is anticipated that once rented a 6% return on investment could be achieved. | |
| | | | | Jan to March: | |
| | <ul style="list-style-type: none"> At least an additional £50,000 income to be generated from investment properties | Mark Shephard Head of Property | 31 March 2017 | April to Sept: Rent reviews are being undertaken as they arise and other opportunities are being explored. After carrying a number of vacancies in the property team for much of this period, the new Head of Property started on 22 August 2016 and is already in the process of developing a number of projects which, if agreed, will generate additional income in excess of the target. | G |
| Oct to Dec: We anticipate achieving this target by year-end. Commercial Property Acquisition Fund established with approval of full Council on 21 November 2016, following report of the Head of Property. The property in East Street was acquired on 25 November 2016, generating additional net income of over £120K per year. | | | | | |
| Jan to March: | | | | | |


| Managing our resources – Key priority | | | | | |
|---|--|--|---------------|--|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Delivering further efficiency savings and cost reductions | <ul style="list-style-type: none"> Development and implementation of a new procurement strategy, revised contract standing orders and implementation of e-tendering package | Gillian McTaggart Corporate Risk and Governance Manager | 31 March 2017 | <p>April to Sept: As agreed by Strategy & Resources Committee in January, we are restructuring the procurement function through joint working to ensure compliance with legislation. An implementation plan is in place, although is behind schedule due to the project team being under resourced. The updated Contract Standing Orders were approved in July and the e-tendering system has been tested and is ready to be used once standardised terms, and conditions and guidance notes are agreed. Use of the system will be rolled out in stages to minimise disruption and will commence with ICT. Training was provided earlier in the year, but additional support and training will be made available. A new Procurement Strategy and Contract Register are currently being produced. The new post of Contract and Procurement Officer will provide operational support for procurement and this should be advertised shortly.</p> |  |
| | | | | <p>Oct to Dec: A consultant has been appointed to support the implementation and has agreed an action plan to ensure the new procurement arrangements are in place by the end of March. The new post of Contract & Procurement Officer will be advertised in January and the new e-tendering system will also be rolled out in January and refresher training arranged.</p> | |
| | | | | <p>Jan to March:</p> | |


| Managing our resources – Key priority | | | | | |
|---|---|----------------------------|---------------|--|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Delivering further efficiency savings and cost reductions | <ul style="list-style-type: none"> Implementation of the agreed ICT proposals for partnership working with Elmbridge Borough Council and undertake progress review | Mark Lumley Head of ICT | 31 March 2017 | April to Sept: Structure for the Shared Service has been approved by Strategy & Resources Committee with staff at both sites being set up on the various systems. The new Management structure has commenced with shared managers undertaking one to ones, appraisals etc. The Shared team is using skills across the team and we have benefited from AntiVirus, Citrix and iPad upgrades. Started to build the shared service desk across the two sites. Review expected to be undertaken by year end. |  |
| | | | | Oct to Dec: The teams are working to finalise the new working arrangements for the Shared Service Desk and system to improve service delivery. Strategy and Resources has agreed the Shared Service Datacentre and the team has procured the hardware, services, network and datacentre itself. Currently undertaking design workshops to plan and implement the project. S&R has also approved the ICT Digital Strategy for 2016-20. | |
| | | | | Jan to March: | |

| Managing our resources – Key priority | | | | | |
|---|--|--------------------------------|---------------|--|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Delivering further efficiency savings and cost reductions | <ul style="list-style-type: none"> Review and implement alternative options for delivery of payroll service | Shona Mason Head of HR & OD | 31 March 2017 | <p>April to Sept: A full review of options has been undertaken with agreement now reached to outsource EEBC Payroll and Bureau Services to MidlandHR (MHR) by March 2017. Employees affected have been involved in the review and will be consulted formally on the changes in the coming months. A communications plan is also being developed to inform staff of the changes. Contracts are due to be signed by the end of Oct 2016 with a payroll due diligence exercise scheduled to take place in Nov/Dec 2016.</p> <p>We are working in partnership with six other authorities (Tandridge DC, Mole Valley DC, Waverley BC, Spelthorne BC, Reigate & Banstead BC and Elmbridge BC) to review licencing, hosting and payroll arrangements on iTrent system.</p> |  |
| | | | | <p>Oct to Dec: Contracts were signed on 31 October with all partners signing up to transfer hosting and payroll services to MHR. MHR has been working with Tandridge District Council (TDC) to move hosting arrangements from TDC to MHR. This has now been completed with testing being undertaken during December. Due diligence on each of the four payrolls has commenced with the current payroll team and MHR to identify all relevant processes and procedures that need to be replicated. Project Plan has been agreed with timelines for parallel runs due to be undertaken in Feb and Mar.</p> | |
| | | | | <p>Jan to March:</p> | |

| Managing our resources – Key priority | | | | | |
|--|--|---|------------------|--|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Providing services digitally | <ul style="list-style-type: none"> New and improved website to go live | Judith Doney Head of Revenues & Benefits and Mark Lumley Head of ICT | 31 October 2016 | April to Sept: A supplier has been procured and the system installed is based on a copy of the Surrey Heath Website. The Website Project Team and Reference Group have been busy updating and amending the content following the agreement of the Digital Service Guide. Technical elements, and links to systems and the Playhouse Website have been progressing well. Currently Staff, Councillors and Residents are testing the website and then we are looking at going live in November with phase one depending on testing. |  |
| | | | | Oct to Dec: Playhouse website went live w/c 14/11/16 and main Council website went live w/c 21/11/16. Phase 2 of the website and the venues microsites will commence from 01/01/17. | |
| | | | | Jan to March: | |
| Providing services digitally | <ul style="list-style-type: none"> At least 30% of housing clients to complete applications digitally | Rod Brown Head of Housing & Environmental Services | 30 November 2016 | April to Sept: New on-line system procured, and has been developed and tested. The next step is for 2220 requests to be sent out to everyone on our current register on a phased basis, to request previous applicants to reapply on-line. It is anticipated that the 30% digital applications will be achieved by November. |  |
| | | | | Oct to Dec: The majority of people are applying online (not on paper), but some groups need more help in filling parts of the form. Reapplication process will be complete by March 2017. Overall, 250 online applications have been submitted. At present, parallel systems are being operated and it's anticipated that the Housing Needs Register will have 850 applicants once all applications are sent giving us a predicted 29% (n=250/850) to date. | |
| | | | | Jan to March: | |

| Managing our resources – Key priority | | | | | |
|--|--|---|------------------|---|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| | <ul style="list-style-type: none"> Revenues and benefits self-serve functionality available | Judith Doney Head of Revenues & Benefits | 30 November 2016 | <p>April to Sept: Self-serve software has been installed. The next stage of implementation is dependent on the new website going live depending on testing in November.</p> <p>Oct to Dec: Due to the delay in the website going live and securing the Capita resource to undertake the work on self-service this will now be implemented as part of phase 2 of the website in the new year. It is expected that this will be completed and launched by 30 December 2017.</p> <p>Jan to March:</p> |  |

| Managing our resources – Key priority | | | | | | |
|--|---|--------------------------------|---------------|------------------|---|--|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: | |
| Developing multi-skilled & motivated staff | <ul style="list-style-type: none"> Review and implement a performance pay and staff appraisal scheme | Shona Mason Head of HR & OD | 31 March 2017 | (see below) |  | |
| | <p>April to Sept: Local Government Association (LGA) commenced review in April 2016 providing an initial report and recommendations in May highlighting which aspect of EEBC Pay & Performance scheme that needed to be reviewed. These included the number of salary bandings and overlaps, complexity of the system and value of progression pay being insufficient. LGA has recommended the introduction of job evaluation, based on the national single status scheme. However, they recommended the benchmarking of key roles as a first stage. As a result the roles for benchmarking have been identified along with a job benchmarking working group. This group is due to undergo training on 3 Nov 2016.</p> <p>The review of our performance pay and staff appraisal scheme will be completed within this financial year however it will not be implemented within 2016/17.</p> | | | | | |
| | <p>Oct to Dec: Training of the job evaluation working group was postponed as the training was identified as being too generic and not bespoke enough for EEBC needs. Further advice was sought from LGA on job evaluation and more detailed analysis of the process provided to give greater assurances that undertaking such an exercise would be valuable. The LGA are supporting an initial job evaluation process while further investigation is undertaken into setting up generic role profiles and alternative pay modelling. The LGA are due to come back on 5 Jan to review the work completed so far on job evaluation and advise on next steps. Consideration will be given to training a wider group should it be necessary moving forward. Upon completion of the initial job evaluation process the LGA will develop a proposed pay structure for consideration.</p> | | | | | |
| | <p>Jan to March:</p> | | | | | |

| Managing our resources – Key priority | | | | | |
|--|--|----------------------------|------------------------|---|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| | <ul style="list-style-type: none"> LGA “light touch” Decision Making Accountability (DMA) review to be undertaken | Frances Rutter CEO EEBC | 30 November 2016 | April to Sept: Light touch review successfully completed at end of May 16. Outcomes to be reported Autumn/Winter 16. |  |
| | | | | Oct to Dec: This will be reviewed and implemented from April 2017 once a new Chief Executive is appointed. | |
| | | | | Jan to March: | |

**Supporting Businesses and our
Local Economy**

We will do this by:

Supporting a comprehensive retail,
commercial and social offer

Maintaining strong links with local business leaders
and representative organisations

Supporting developers to bring forward the
development of town centre sites

Delivering an affordable Economic Strategy

Promoting our Borough as an
excellent place to do business

KEY OUTCOMES

High quality/innovative
building design

Improved transport infrastructure

Visual appearance of the town/
shopping centres enhanced



KEY SUCCESS MEASURES


Businesses attending the
Business Leaders' meetings


Delivery of Plan E to improve traffic flow
into Epsom Town Centre


Delivery of the Economic Development
Strategy Action Plan

Space for start-up/incubator businesses
to grow and expand

| Supporting Businesses and our Local Economy – Key priority | | | | | |
|---|---|--|---------------|---|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Maintaining strong links with local business leaders and representative organisations | <ul style="list-style-type: none"> To hold at least three business breakfasts | Mark Berry Head of Place Development / Frances Rutter CEO | 31 March 2017 | April to Sept: Successful business breakfast held on 28 September 2016 and another planned for 23 November 2016. A third business breakfast is being considered in February 2017. |  |
| | | | | Oct to Dec: Successful breakfasts held on 28 September and 23 November. One more has been scheduled for 22 February 2017. | |
| | | | | Jan to March: | |
| | <ul style="list-style-type: none"> At least three additional businesses represented at the business breakfast meetings | Frances Rutter CEO EEBC | 31 March 2017 | April to Sept: Fifty separate business leaders invited to the relaunch of our business breakfasts since the last one held on 15 November 2016. More than half of these attended. We are looking at approaching new businesses to encourage them to attend using our current business network. |  |
| Oct to Dec: Overall, 64 business leaders were invited to the November breakfast and more than 30 attended. | | | | | |
| Four new attendees were at the September breakfast and further businesses were represented for the first time at the November breakfast. This target has been achieved and hopefully more new businesses will attend the 22 February event. | | | | | |
| | | | | Jan to March: | |

| Supporting Businesses and our Local Economy – Key priority | | | | | |
|--|---|---|--------------|--|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Supporting a comprehensive retail, commercial and social offer | <ul style="list-style-type: none"> Prepare a draft business plan for the proposed BID for consideration by Members in January 2017 | Mark Berry Head of Place Development | 31 Jan 2017 | <p>April to Sept: Survey of town centre businesses undertaken during September 2016. This will feed into the business plan which is still on target. The Plan is due to be considered in the November S&R Committee meeting.</p> |  |
| | | | | <p>Oct to Dec: An up-date report was presented to the November S&R meeting and well received. The Town Centres Manager has since resigned and a specialist BID consultant has therefore been appointed to take the BID forward with the local business community. As a result of this, the BID timetable will need to be reviewed and any revisions to the published timetable will be communicated early in the New Year once the BID consultant has been able to discuss it with the steering group known as Epsom Town Business Partnership. There is a risk of some slippage and, therefore the business plan will not be reported to members in January.</p> | |
| | | | | <p>Jan to March:</p> | |

| Supporting Businesses and our Local Economy – Key priority | | | | | |
|--|--|---|---------------|------------------|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Delivering an affordable Economic Development Strategy | <ul style="list-style-type: none"> Commence the delivery of the agreed public realm improvements as part of the phase 1 highway works within Epsom town centre | Mark Berry Head of Place Development | 31 March 2017 | (see below) | |
| | <p>April to Sept: Detailed work is now in hand for a start on site in early January 2017. There will be some preliminary work in Ashley Avenue before Christmas, to facilitate the construction of a new bus stand and construction will start in January with the creation of the new bus stand and remodelling work on the Spread Eagle junction. A joint communications plan between Surrey County Council and EEBC is emerging. A website has been launched and a first newsletter has been distributed (available on the website). This website contains all the latest information on the planned implementation of this scheme. Many details still have to be agreed and the Borough Council's Place Development team are working closely with County Council Officers on these. In particular, meetings have been held with various representatives from the taxi trade to inform them of the final placement of the taxi rank and emphasise the benefits of Plan E to the vitality of the town centre.</p> | | | |  |
| | <p>Oct to Dec: Work will start on the bus stand in Ashley Avenue in January 2017. Delivery of the rest of the road scheme and public realm improvements will ensue through 2017.</p> | | | | |
| <p>Jan to March:</p> | | | | | |

| Supporting Businesses and our Local Economy – Key priority | | | | | |
|---|---|---|---------------|---|---|
| Key priority objective. We will do this by... | Key priority performance target for 2016/17 | Responsible officer | Achieved by: | Latest progress: | Status: |
| Promoting our Borough as an excellent place to do business: | <ul style="list-style-type: none"> Develop business content for Epsom and Ewell and other stakeholder websites | Mark Berry Head of Place Development | 31 March 2017 | April to Sept: Our new website includes new business content and links to other relevant stakeholder websites. |  |
| | | | | Oct to Dec: The business content on the website is now complete and includes links to other stakeholder websites. (Target achieved) | |
| | | | | Jan to March: | |

This page is intentionally left blank

FEES AND CHARGES 2017/18

Report of the: Director of Finance & Resources
Contact: Jo-Anne Chang-Rogers/Joy Stevens/
Andrew Lunt
Urgent Decision?(yes/no) No
If yes, reason urgent decision required: N/A
Annexes/Appendices (attached): **Annexe 1 – Fees and Charges 17/18**
Other available papers: None stated

REPORT SUMMARY

This report recommends fees and charges for which this Committee is responsible, with the new charges being effective from 1 April 2017.

RECOMMENDATION (S)

That, subject to the approval of Council, the Committee agrees the fees and charges for 2017/18 as set out at Annexe 1.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 As set out in the revenue estimates report on this agenda.

2 Background

2.1 The Council will meet to agree the budget, including estimates of income and expenditure, on 14 February 2017. To enable the budget to be finalised, the Policy Committees are being asked to recommend fees and charges covering the services for which they are responsible.

2.2 The fees and charges presented in this report are discretionary charges only. For discretionary charges there is scope to generate additional income, to reduce the subsidy of the service or to contribute to an improved budget position.

2.3 There are a number of charges that are set externally of which the Council has no control or power to alter. This restricts the Council's ability to raise additional income and therefore the fees and charges set by statute are not presented to this Committee for approval.

- 2.4 The budget guidelines agreed by Strategy and Resources included an overall increase in revenue from discretionary fees and charges of 3%. The guidelines also anticipate that additional income may be generated to contribute to the required savings target.
- 2.5 When preparing estimates, fees and charges have been reviewed by service managers and any negative impact on demand anticipated by increased charges has been considered.
- 2.6 Members should refer to the estimates report on this agenda for an overview of the Committee's budget position.
- 2.7 In January 2013 the Committee agreed that the Director of Finance and Resources should have delegated authority to vary fees and charges for items generating income under £1,000 per annum. The Committee also agreed that the Director of Finance and Resources be permitted to set charges for one off services or items not included in the fees and charges schedule under delegated authority.

3 Proposals

- 3.1 There are a limited number of services provided by the Committee for which fees and charges are levied. Income from rents and investments is covered in the revenue estimates report.
- 3.2 Charges at the Town Hall for room hire and associated officer time fees have been raised by between 4.02% and 4.83% and the budget for this service is £485.
- 3.3 Selected land charge fees are proposed to remain unchanged. LLC1 remains at £22 and Personal searches (including public access) remain at 50p. The fees relating to all CON29 based searches are required to have standard rate VAT added to them with effect from 1 April 2017. The increases shown on these relate the 20% VAT inclusion plus an additional uplift to the base exclusive of VAT charge. Therefore, some of these show as increases of greater than 20%. The annual budget for land charges is £120,000.
- 3.4 There is no change proposed to the percentage charged on credit card fees

4 Financial and Manpower Implications

- 4.1 The charges proposed for this Committee will produce negligible additional income compared with 2016/17 estimates.
- 4.2 ***Chief Finance Officer's comments: All financial implications are included within this report.***

5 Legal Implications (including implications for matters relating to equality)

5.1 There are no specific issues arising from this report but the Council's resources will need to be applied to ensure that it fulfils its statutory obligations and delivers its policy on equalities.

5.2 *Monitoring Officer's comments: there are no legal issues arising from this report.*

6 Sustainability Policy and Community Safety Implications

6.1 None for the purposes of this report.

7 Partnerships

7.1 None for the purposes of this report.

8 Risk Assessment

8.1 Income from services remains at risk due to the state of the economy. Charges have been set taking into account market conditions.

8.2 The continued delivery of Council services is dependent upon income generation, creating a risk to service delivery if charges are not set at levels that make a significant contribution to the Council's finances.

9 Conclusion and Recommendations

9.1 This report proposes new fees and charges for services with effect from 1 April 2017.

9.2 The impact of changes in fees and charges has been estimated and incorporated in the Committee's budget estimates 2017/18. If lower charges are agreed the Committee will be required to identify cost savings to enable the Council to meet its overall budget target.

WARD(S) AFFECTED: N/A

This page is intentionally left blank

Service: Town Hall
 Service Manager: Andrew Lunt

| Service | Charged At | Description | Unit | 2016/17 | 2017/18 | % Change |
|------------------|-------------------|---|----------|---------|---------|----------|
| Town Hall | | | | | | |
| | Room Hire | | | | | |
| | | Atrium (Evening 18:00 to 24:00) | Per hour | 72.25 | 75.5 | 4.50% |
| | | Committee Room 1 (Mon-Fri 08:00 to 24:00) | Per hour | 43.5 | 45.25 | 4.02% |
| | | Committee Room 2 (Mon-Fri 08:00 to 24:00) | Per hour | 36.25 | 38 | 4.83% |
| | | Council Chamber (Mon-Fri 08:00 to 24:00) | Per hour | 72.25 | 75.5 | 4.50% |
| | | Atrium (Evening 18:00 to 24:00) | Per hour | 145.5 | 152 | 4.47% |
| | | Committee Room 1 (Mon-Fri 08:00 to 24:00) | Per hour | 87 | 91 | 4.60% |
| | | Committee Room 2 (Mon-Fri 08:00 to 24:00) | Per hour | 68 | 71 | 4.41% |
| | | Council Chamber (Mon-Fri 08:00 to 24:00) | Per hour | 145.25 | 152 | 4.65% |
| | | Atrium (Evening 18:00 to 24:00) | Per hour | 36.25 | 38 | 4.83% |
| | | Committee Room 1 (Mon-Fri 08:00 to 24:00) | Per hour | 21.25 | 22.25 | 4.71% |
| | | Committee Room 2 (Mon-Fri 08:00 to 24:00) | Per hour | 18.25 | 19 | 4.11% |
| | | Council Chamber (Mon-Fri 08:00 to 24:00) | Per hour | 36.25 | 38 | 4.83% |
| | Staff Hire | | | | | |
| | | Staff hire | Per hour | 49 | 51 | 4.10% |
| | | Staff hire (Commercial) | Per hour | 49 | 51 | 4.10% |
| | | Staff hire (Community) | Per hour | 49 | 51 | 4.10% |

Service: Land Charges
Service Manager: Joy Stevens

| Service | Charged At | Description | Unit | 2016/17 | 2017/18 | % Change |
|---------------------|------------|---|--------------------------|---------|---------|----------|
| Land charges | | | | | | |
| | | Land charges | | | | |
| | | Additional enquiries: Covering 1 hour's work | Per enquiry | 25 | 26 | 4.00% |
| | | Additional enquiries: each additional hour's work or part thereof | Per hour or part thereof | 25 | 26 | 4.00% |
| | | Con29O Optional - highway enquiries | Per enquiry | 14 | 16.8 | 4.50% |
| | | Con29R component (Paper) | Per question | 2.25 | 2.8 | 24.40% |
| | | Con29R component (Public Access) | Per question | 1.5 | 1.8 | 20.00% |
| | | LLC1 | Per search | 22 | 22 | 0.00% |
| | | LLC1 Commercial (Paper) | Per search | 22 | 22 | 0.00% |
| | | LLC1 Commercial (Public Access) | Per search | 22 | 22 | 0.00% |
| | | LLC1 Commercial NLIS (INTERNAL USE ONLY) | Per search | 22 | 22 | 0.00% |
| | | LLC1 Residential (Paper) | Per search | 22 | 22 | 0.00% |
| | | LLC1 Residential (Public access) | Per search | 22 | 22 | 0.00% |
| | | LLC1 Residentail NLIS (INTERNAL USE ONLY) | Per search | 22 | 22 | 0.00% |
| | | Parcel Fee (LLC1) | Per parcel | 8 | 8.35 | 0.00% |
| | | Con29R Commercial (Paper) | Per search | 138 | 175 | 26.80% |
| | | Con29R Commercial (Public Access) | Per search | 98 | 124 | 26.50% |
| | | Con29R Commercial NLIS (INTERNAL USE ONLY) | Per search | 138 | 175 | 26.80% |
| | | Con29R Residential (Paper) | Per search | 118 | 150 | 27.10% |
| | | Con29R Residential (Public access) | Per search | 78 | 99 | 26.90% |
| | | Con29R Residentail NLIS (INTERNAL USE ONLY) | Per search | 118 | 150 | 27.10% |
| | | Parcel Fee (Con29R) | Per parcel | 17 | 21.18 | 24.60% |
| | | Personal Search/LLCR (Public Access) | Per search | 0.5 | 0.5 | 0.00% |

CAPITAL PROGRAMME 2017/18

| | |
|---|--|
| <u>Report of the:</u> | Director of Finance & Resources |
| <u>Contact:</u> | Lee Duffy |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| <u>Annexes/Appendices</u> (attached): | Annexe 1: Proposed Capital Programme Annexe 2 & 3: Capital Appraisal forms for Bid 1 Annexe 4, 5, 6 & 7: Capital Appraisal forms for Bid 2 Annexe 8 & 9: Capital Appraisal forms for Bid 3 Annexe 10: Capital Appraisal forms for Bid 5 Annexe 11, 12 & 13: Capital Appraisal forms for Bid 6 |
| <u>Other available papers</u> (not attached): | Financial Policy Panel papers 6 December 2016 |

REPORT SUMMARY

This report proposes the 2017/18 capital programme and a provisional programme for 2018-20.

RECOMMENDATION (S)

- (1) Submits the Capital Programme for 2017/18 as identified in section 4 of this report to the Council for approval on 14 February 2017;
- (2) Confirms that it supports all of the schemes included in the provisional programme for 2018-20 as identified in section 6 of this report;
- (3) Notes that schemes for 2018-20 are provisional pending an annual review of funds available for capital investment.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 The Council's Medium Term Financial Strategy includes the following in regards to investment in services:-

- Prioritise capital investment to ensure retained property is fit for purpose.
- Maximise the use of external funding opportunities to deliver improvements to the community infrastructure, including affordable housing.
- Maintain a minimum uncommitted level of capital reserves of £1 million.

2 Background

2.1 The Capital Strategy was last agreed by the Council on 11 February 2016 at which time the capital programme was approved for 2016/17. Schemes for 2017-2019 were provisional pending the annual budget review and an annual assessment of funds for capital investment.

2.2 The Financial Policy Panel provided the Capital Member Group (CMG) with a remit to guide the preparation of a capital programme for 2017-18. The Panel received details of capital bids on 6 December 2016 following an assessment of investment options by the CMG.

2.3 The Panel were advised that the proposed level of investment of £2.8 million over three years 2017/18 to 2019/20 would reduce the available capital reserves to £1.5 million at the end of this period. The proposed capital programme assumes funding from capital and revenue reserves, and government grants. Specific schemes may also be funded from other grants where successful bids are made.

2.4 The Panel's guidance relevant to this policy committee's recommendations was as follows:-

2.4.1 Priority schemes identified by the Capital Member Group should be presented with project appraisals to the policy committees in January to establish whether there is support for the individual projects, with any projects not supported being removed from the draft programme.

2.4.2 Schemes identified in section 4 of this report, totalling £291,000, requiring £291,000 use of capital reserves, should be included in the capital programme, subject to support for the project appraisal by this Committee and subject to external funding being received before expenditure is committed.

3 Proposals

- 3.1 The Policy Committee is asked:-
- 3.1.1 To approve the proposed capital programme for 2017/18;
- 3.1.2 To agree the provisional programme for 2018-20.
- 3.2 The timing of the programme should be based on the ability to deliver with a realistic number of projects in any one year.
- 3.3 The budget assumes that interest earned on capital reserves will be used to help finance the revenue budget.
- 3.4 If all schemes in the proposed corporate capital programme for 2017/18 were to progress this would reduce the capital reserves to around £2.0 million and as a result there will be reduced funding available for service delivery. This is reflected in next year's estimates and the financial forecasts.

4 Core Programme 2017/18 Funded from Capital Reserves

- 4.1 The Financial Policy Panel recommended that the following schemes should be considered by this Committee for inclusion in the capital programme in 2017/18, subject to the Committee approving the project appraisals and the identification, where appropriate, of revenue funding.
- 4.2 The proposed core programme for 2017/18 funded from capital reserves is as follows:-

| Capital Appraisal form reference | Scheme | Estimate 2017/18 (£'000) |
|---|---|---------------------------------|
| S&R Bid 1 | Installation of LED Lighting Bourne Hall | 21 |
| S&R Bid 2 | ICT Programme of Work | 250 |
| S&R Bid 3 | ICT - Legal Case Management System | 20 |
| | Total schemes funded from capital reserves | 291 |

- 4.3 The CMG agreed that the replacement of Wyse boxes (£70,000) submitted as part of the £250,000 ICT Programme of work should be subject to an option appraisal by the Leadership Team. The outcome of that review will be reported back to CMG in time for the Council meeting in February 2017.

5 Proposed Capital Programme 2018/19 to 2019/20

5.1 The provisional programme proposed for 2018-20 is:-

| Bid Ref: | Scheme | 2018/19 (£'000) | 2019/20 (£'000) | Funding |
|-----------|--|--------------------|--------------------|------------------|
| S&R Bid 5 | ICT - Financial Management System Upgrade | 67 | 0 | Capital Reserves |
| S&R Bid 6 | Epsom Business Hub | 30 | 0 | Capital Reserves |
| | Total proposed capital programme 2017/18 to 2018/19 | 97 | 0 | |

5.2 Bids for these schemes will be prepared and submitted to future Capital Member Group meetings for their support to be included within the capital programme for 2018/19 and 2019/20.

6 Financial and Manpower Implications

6.1 As highlighted in this report, any scheme not attracting full external funding will have a revenue budget impact.

6.2 The Committee will wish to ensure that the Council has the capacity to deliver the recommended schemes.

6.3 **Chief Finance Officer's comments:** *All financial implications are included in the body of the report.*

7 Legal Implications (including implications for matters relating to equality)

7.1 A baseline criteria for schemes is 'Investment required to meet Health and Safety or other new legislative requirements' as identified in the project appraisals.

7.2 **Monitoring Officer's comments:** *There are no significant legal implications arising from this report. It is important when considering whether to approve capital schemes that the Council's legal obligations are considered, including in relation to the management of data. This appears to have been done in the preparation of the Capital Programme.*

8 Sustainability Policy and Community Safety Implications

8.1 None for the purpose of this report.

9 Partnerships

9.1 There are no schemes dependent upon partnership agreement or funding. Schemes may, subject to evaluation, involve partnership for procurement or service delivery.

10 Risk Assessment

10.1 The CMG have used the Capital Strategy to balance the need for prioritised investment against a reducing level of capital reserves.

10.2 To help manage risks to the General Fund revenue account business case investment has been prioritised where it demonstrates a payback within 5 years or 7 years for renewable energy projects.

10.3 Funding has been identified to enable the delivery of the capital programme for 2017/18 and officers believe that there should be sufficient capacity to deliver these projects.

11 Conclusion and Recommendations

11.1 A programme of £291,000, excluding any carry forward provisions from 2016/17, is recommended for this committee in 2017/18.

11.2 To agree the provisional programme for 2018 - 2020.

WARD(S) AFFECTED: N/A

This page is intentionally left blank

Strategy and Resources Committee Proposed Capital Programme 2017/18 - 2019/20

| | Original Budget 2017/18 £'000 | Proposed Budget 2018/19 £'000 | Proposed Budget 2019/20 £'000 | Total Provision 2017/18- 2019/20 £'000 |
|---|--|--|--|--|
| Installation of LED Lighting Bourne Hall | 21 | 0 | 0 | 21 |
| ICT Programme of Work | 250 | 0 | 0 | 250 |
| ICT - Legal Case Management System | 20 | 0 | 0 | 20 |
| Epsom Business Hub | 0 | 30 | 0 | 30 |
| ICT - Financial Management System Upgrade | 0 | 67 | 0 | 67 |
| Total Strategy & Resources | 291 | 97 | 0 | 388 |

This page is intentionally left blank

Capital Programme Review 2017-18 Project Appraisal Form

**COMMITTEE & BID
NUMBER**

Strategy & Resources Bid 1

PROJECT TITLE

Installation of LED Lighting Various Sites

ACCOUNTABLE OFFICER

Officer responsible for project planning and delivery of the scheme. Accountable officers are also responsible for post project review.

Tony Foxwell

DETAILS OF PROJECT

Project scope, what is included/excluded in the scheme

All but one of the projects included are being put forward as a business continuity case. Only one, Bourne Hall, meets the spend-to-save criteria.

In the past some quick wins have been achieved from areas where lights were of high wattage and excessive running hours.

The LED schemes implemented in Council properties (i.e. LED retrofit in multi-storey car parks, indoor lighting at the Town Hall) have been a success.

Extra funding is required to continue to further improve lighting in our buildings which also result in energy reduction and financial savings.

This is not only energy reduction but replacement of old defective fittings that are passed their lifetime, and where replacement parts can no longer be obtained. New LED lighting in dark unsafe areas can improve light colour shade providing safer environment

Further inspections have been carried out to provide data for calculations as listed on attached spreadsheet

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|--------------------------------------|--|
| | <p>Discussions with manufactures of lighting products such as Design Plan, Phillips and CRE have enabled rough costings to be included in calculation.</p> <p>Discussions with FM contractor and other electrical contractors has enabled rates to be included for labour and plant within the calculation.</p> <p>The attached spread sheet in annex 1 includes payback calculations and costings for the following Locations:</p> <ul style="list-style-type: none"> • Hudson House Car Park – payback 39 years • Bourne Hall – Payback 6 years • Longmead Centre – Payback 19 years • Clock Tower – Payback 12 years • Town Hall – Payback 17 years • Ashley Centre – No payback <p>There are still more locations yet to be investigated: i.e. Court rec for main flood lights, Ashley centre Level 4B & C and others etc.</p> <p>The results of calculations do not provide the 7 year payback but in most instances they do provide business continuity.</p> <p>The works intended will upgrade our facilities for the public and our users, the existing fittings are over 20 years old in most cases and if capital monies are not given, failure may still occur at these locations and works will still be required.</p> <p>Both Hudson House car park and Bourne Hall high level lighting remain problematic to maintain, with vandalism at Hudson House occurring regularly and access difficulties for bulb change at Bourne Hall.</p> <p>Approval is requested for the budget of £50,000 this year to be spent in priority basis and £50,000 next year to be agreed with similar calculations.</p> |
| <p>Project outcomes and benefits</p> | <p>New improved energy efficient lighting, with less risk of health and safety issues.</p> |

Capital Programme Review 2017-18 Project Appraisal Form

FINANCIAL SUMMARY

| | | Cost of Project £ | Comments and detail where necessary. Provide appendices where relevant. Examples of business cases spreadsheets can be found in the Finance Handbook |
|---|---|----------------------|---|
| a | Estimated cost of purchase, works and/or equipment | 100,000 | Over two years |
| b | Consultancy or other fees | 0 | |
| c | Total Scheme Capital Costs (a+b) | 100,000 | Over two years |
| d | External Funding Identified (e.g. s106, grants etc.) Please give details, including any unsuccessful funding enquiries you may have made. | 0 | |
| e | Net Costs to Council (c-d) | 100,000 | Over two years |
| f | Internal Sources of Capital Funds Identified (e.g. repairs & renewals reserve etc.) | 0 | |
| g | Capital Reserves Needed to Finance Bid (e-f) | 100,000 | 50,000 in 2017/18, 50,000 in 2018/19 |
| h | Annual Ongoing Revenue Additional Savings as a Direct Result of the Project | 3,428 | There will be savings in revenue costs as indicated in annex 1. This shows current revenue spend on areas of lighting and future revenue spend. Each location is different. |
| i | Annual Ongoing Revenue Additional Costs as a Direct Result of the Project | tbc | Dependent on schemes- see annex 1. Ashley centre project would incur an extra £2.990 pa in energy costs |

Capital Programme Review 2017-18 Project Appraisal Form

| Year | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|--------------|--------------|--------------|
| Spend Profile of Scheme – please identify which year (s) the scheme spend will fall into | 50,000 | 50,000 | 0 |

REVENUE IMPACT

| | |
|--|---|
| Can Revenue Implications Be Funded From the Committee Base Budget? – Please give details | These works will reduce revenue costs for energy at the sites |
|--|---|

CORPORATE PLAN 2016/20

| | |
|--|----|
| Is this investment linked to EEBC's Key Priorities? If so, say which ones and evidence how. How does project fit within service objectives? | No |
|--|----|

TIMESCALES

What is the proposed timetable for completion of the project? Give estimated start and finish dates for each stage of the project. These dates will be used as milestones during quarterly budget monitoring to assess performance of project delivery.

| | | Target Start Date | Target Finish Date |
|---|--------------------------|-------------------|--------------------|
| 1 | Design & Planning | April 2017 | April 2017 |
| 2 | Further Approvals Needed | tbc | tbc |
| 3 | Tendering (if necessary) | June 2017 | July 2017 |
| 4 | Project start date | August 2017 | |
| 5 | Project Finish Date | | September 2017 |

BASELINE CRITERIA

All capital schemes are assessed against criteria set by the Capital Member Group annually. Bids should meet at least one of these criteria. State which capital criteria(s) for assessing bids are met and why. Leave blank any which are not met.

Capital Programme Review 2017-18 Project Appraisal Form

Spend to Save schemes should meet the following criteria;

- Payback of the amount capital invested within the project within 5 years (7 years for renewable energy projects).
- The return required on capital employed should be linked to the potential cost of borrowing (MRP) rather than potential loss of investment income.
- Risk of not achieving return on investment is low.
- Clear definition of financial cost/benefits of the scheme.

Members may consider schemes with longer paybacks on major spend to save projects going forward, especially those that incur borrowing.

| | |
|---|--|
| <p>Is there a guarantee of the scheme being fully externally funded and is it classed as a high priority? Please give details of funding streams, including any restrictions on the funding.</p> | |
| <p>Is the Scheme a Spend to Save Project? Will investment improve service efficiency including cost savings or income generation? What is the payback in years?</p> | |
| <p>It is mandatory for the Council to provide the scheme? Is investment required to meet Health and Safety or other legislative requirements? If so state which requirements.</p> | <p>Yes, will have a legal requirement to light buildings and car parks to appropriate CIBSE recommended lighting levels.</p> |

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|---|---|
| <p>Is this project the minimum scheme required to continue to deliver the services of the Council? - Is investment required for the business continuity of the Council? If so say how.</p> | <p>Yes difficult to operate buildings with substandard lighting</p> |
|---|---|

ASSET MANAGEMENT PLAN

| | |
|---|------------|
| <p>Is investment identified in the Council's Asset Management Plan?</p> | <p>Yes</p> |
|---|------------|

PRIORITISATION

State which **one** of the four prioritisation categories are met and why.

| | | |
|---|---|---|
| 1 | <p>Investment essential to meet statutory obligation.</p> | <p>Yes, lighting levels need to be maintained in strict accordance with regulations</p> |
| 2 | <p>Investment Important to achieve Key Priorities.</p> | |
| 3 | <p>Investment important to secure service continuity and improvement.</p> | |
| 4 | <p>Investment will assist but is not required to meet one of the baseline criteria.</p> | |

RISKS ASSOCIATED WITH SCHEME

| | | |
|---|--|---|
| 1 | <p>Outline the risks of delivering this project to timetable and budget. (Please do not include risks to the service or asset if project is not approved.)</p> | <p>Risks are dependent on the number of additional projects the team has to deliver with the existing resource within the team. These lighting projects are not difficult to deliver if planned correctly</p> |
|---|--|---|

Capital Programme Review 2017-18 Project Appraisal Form

| | | |
|---|--|--|
| 2 | Are there any risks relating to the availability of resources internally to deliver this project | No |
| 3 | Consequences of not undertaking this project | Lighting continues to fail, health and safety issues can be raised by the staff and the public. |
| 4 | Alternative Solutions (Other solutions considered – cost and implications) | If not funded under Capital, will have to carry out under revenue budgets – FM or Planned maintenance, but be advised these budgets are extremely stretched and other schemes will have to be cut. |

| | |
|--|----|
| Is consultation required for this project? Please give details of the who with and when by. | No |
|--|----|

| | |
|---------------------------------------|---------|
| Ward(s) affected by the scheme | Various |
|---------------------------------------|---------|

Accountable Officer Responsible for Delivery of the Scheme

Name and Signature Date

Whole life revenue costs of capital project

Where savings or budget virements are being used to part fund a project, the relevant budget manager must sign the appraisal form.

**Capital Programme Review 2017-18
Project Appraisal Form**

Accountable Officers for the revenue implications of the project

Project Manager Name and Signature Date
.....

Revenue Budget Holder Name and Signature Date
.....

Service Accountant Name and Signature Date
.....

Installation of LED Lighting - various sites

Hudson House Car Park - Pay back calculation

| Existing Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year |
|--------------------------------------|---|--------------------|--------------------|----------------|--------|--------|------------------|-----------------|
| Existing fittings in area 1 & area 2 | 5ft florescent twins 70 watts per tube plus losing 10 watts per fitting through energy loss in starters | 14.00 | 34 | 160.00 | 76.16 | 533.12 | 27,722.24 | £ 767.44 |
| Existing fittings communal walkway | Angled fluorescents 28 watts twin fitting | 24.00 | 12 | 76.00 | 21.89 | 153.22 | 7,967.23 | £ 220.56 |
| Total | | | | | | | 35,689.47 | £ 988.00 |

Annual Saving

| Proposed Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Fitting unit cost | New fittings | Labour to install | Total cost | Payback in Years |
|--|---|--------------------|--------------------|----------------|--------|-------|-----------------|-----------------|-------------------|--------------|-------------------|--------------------|------------------|
| Proposed fittings area 1 | Parkalux, textured white, LED Opal, 2000lm, 21 watts | 14.00 | 9 | 35.00 | 4.41 | 30.87 | 1,605.24 | £ 169.55 | | £ 2,205.00 | £ 315.00 | £ 2,520.00 | |
| | Emergency lights | 14.00 | 3 | 35.00 | 1.47 | 10.29 | 535.08 | £ 56.52 | | £ 960.00 | £ 105.00 | £ 1,065.00 | |
| Proposed fittings area 2 | Parkalux, textured white, LED Opal, 2000lm, 21 watts | 14.00 | 18 | 21.00 | 5.29 | 37.04 | 1,926.29 | £ 203.45 | | £ 5,390.00 | £ 630.00 | £ 6,020.00 | |
| | Emergency lights | 14.00 | 7 | 21.00 | 2.06 | 14.41 | 749.11 | £ 79.12 | | £ 2,240.00 | £ 245.00 | £ 2,485.00 | |
| Proposed fitting area 3 communal walkway | Parkalux angled, textured white, LED Opal, 2000lm, 21 watts | 24.00 | 4 | 21.00 | 2.02 | 14.11 | 733.82 | £ 77.51 | £ 255.00 | £ 1,020.00 | £ 280.00 | £ 1,300.00 | |
| | | 24.00 | 2 | 21.00 | 1.01 | 7.06 | 366.91 | £ 38.75 | £ 330.00 | £ 660.00 | £ 105.00 | £ 765.00 | |
| Total | | | | | | | 5,916.46 | £ 624.90 | | | | £ 14,155.00 | 39 |

£ 363.10

Factors to consider, the existing fittings are vandalised regularly(there is currently less than half of the lights working). They are not fit for purpose and produce very poor light, this is an income generating car park and should be maintained to a decent standard. We have antisocial behaviour and drug taking and requests by the police to upgrade security and lighting. The new fittings are robust vandal resistant by Design Plan lighting, they are double the cost but as proved in Ashley centre car park and Hook road car park, very durable & can last for over 10 years.

Bourne Hall - Pay back calculation

| Existing Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | | | | | | |
|------------------------------------|--|--------------------|--------------------|----------------|--------|--------|-----------|------------|-------------------|--------------|-------------------|-----------------------------|-------------|------------------|
| Existing High level Ceiling lights | Existing units with 2 triphos. Lamps @ 70 watts each | 14.00 | 49 | 200.00 | 137.20 | 960.40 | 49,940.80 | £ 5,274.75 | | | | | | |
| Proposed Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Fitting unit cost | New fittings | Labour to install | Hire of Cherry picker/tower | Total cost | Payback in Years |
| Proposed High level ceiling lights | Replace with LED. Fitting will need to be purpose made to fit existing opening | 14.00 | 49 | 70.00 | 48.02 | 336.14 | 17,479.28 | £ 1,846.16 | | £ 14,700.00 | £ 4,900.00 | £ 1,200.00 | £ 20,800.00 | 6 |

3,428.59

Banqueting suites calculation for spotlights and existing 2 D fittings does not work as the lights are not on long enough to equate a pay back situation, but under business continuity it would be wise to replace them at some point as they are tired looking and do not produce much light. No calculation carried out as lights are not on long enough

High Level Lights to reception area, foyer, café, museum and library are difficult to access and maintain. Works require tower scaffold or cherry picker. The pay back calculation does not equate but consideration must be given to the fact that the lights are 20 years old are not efficient, do not produce a good quality light and due to difficult access/height maintenance many lights are often out. This would be argued as business continuity rather than payback

Longmead Centre - Payback calculation

| Existing Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year |
|---|--|--------------------|--------------------|----------------|--------|-------|-----------------|-----------------|
| Existing Dining Room Ceiling lights | 600x600mm fluorescents with 4 tubes of 18 watts each | 6.50 | 10 | 80.00 | 5.20 | 36.40 | 1,892.80 | £ 199.92 |
| Existing Dining Room Ceiling lights | 600x600mm fluorescents with 4 tubes of 18 watts each | 6.50 | 4 | 80.00 | 2.08 | 14.56 | 757.12 | £ 79.97 |
| Existing Dining Room Ceiling lights | 300x600mm fluorescents with 2 tubes of 18 watts each | 6.50 | 5 | 42.00 | 1.37 | 9.56 | 496.86 | £ 52.48 |
| Existing Dining Room Ceiling lights | 3 5ft single fluorescents | 8.00 | 3 | 67.00 | 1.61 | 11.26 | 585.31 | £ 61.82 |
| Corridor lights | 600x600mm fluorescents with 4 tubes of 18 watts each | 8.00 | 6 | 80.00 | 3.84 | 26.88 | 1,397.76 | £ 147.63 |
| Existing High level ceiling lights in main Hall | 8ft twin fluorescents | 4.00 | 8 | 120.00 | 3.84 | 26.88 | 1,397.76 | £ 147.63 |
| Total | | | | | | | 6,527.61 | £ 689.45 |

| Proposed Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Fitting unit cost | New fittings | Labour to install | Total cost | Payback in Years |
|---|-----------------------------|--------------------|--------------------|----------------|--------|-------|----------|-----------------|-------------------|--------------|-------------------|-------------------|------------------|
| Proposed Dining Room Ceiling lights | New 600x600mm led lights | 6.50 | 14 | 34.00 | 3.09 | 21.66 | 1,126.22 | £ 118.95 | £ 170.00 | £ 2,380.00 | £ 490.00 | £ 2,870.00 | |
| Proposed corridor lighting | New 600x600mm led lights | 8.00 | 6 | 34.00 | 1.63 | 11.42 | 594.05 | £ 62.74 | £ 170.00 | £ 1,020.00 | £ 210.00 | £ 1,230.00 | |
| Dining Room 5ft replacements Ceiling lights | replace with 4ft single led | 6.50 | 3 | 36.00 | 0.70 | 4.91 | 255.53 | £ 26.99 | £ 142.00 | £ 426.00 | £ 105.00 | £ 531.00 | |
| Proposed High level lights in main hall | replace with 4ft single led | 4.00 | 16 | 36.00 | 2.30 | 16.13 | 838.66 | £ 88.58 | £ 142.00 | £ 2,272.00 | £ 560.00 | £ 2,832.00 | |
| Total | | | | | | | | £ 297.26 | | | | £ 7,463.00 | 19 |

£ 392.18

The lights in general areas at Longmead centre does not equate for recommended 7 years payback under business case but consideration must be given to the fact that the lights are 20 years old are not efficient, do not produce a good quality light and due to maintenance many lights are often out. This would be argued as business continuity rather than payback.

Clocktower

| Existing | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year |
|------------|---------------------------------------|--------------------|--------------------|----------------|--------|-------|----------|----------|
| Clocktower | Clocktower Existing large floodlights | 6.00 | 4 | 250.00 | 6.00 | 42.00 | 2,184.00 | £ 230.67 |

| Proposed Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Fitting unit cost | New fittings | Labour to install | Total cost | Payback in Years |
|-------------------|---------------------------------------|--------------------|--------------------|----------------|--------|-------|---------|---------|-------------------|--------------|-------------------|------------|------------------|
| Clocktower | Clocktower Existing large floodlights | 6.00 | 4 | 50.00 | 1.20 | 8.40 | 436.80 | £ 46.13 | | £ 1,900.00 | £ 256.00 | £ 2,156.00 | 12 |

£ 184.54

Clocktower flood lights are close to a 7 year payback, may be some more efficiencies by negotiation with manufactures and contractors.

Town Hall External Lights

| Existing | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year |
|---------------------------------|--|--------------------|--------------------|----------------|--------|-------|-----------------|-----------------|
| Existing fittings New Town Hall | Small square bulkhead lights(cover white) 20 watt socs | 8.00 | 4 | 20.00 | 0.64 | 4.48 | 232.96 | £ 24.61 |
| Existing fittings New Town Hall | Big square bulkheads(cover black) | 8.00 | 12 | 80.00 | 7.68 | 53.76 | 2,795.52 | £ 295.26 |
| Existing fitting Old Town Hall | Big lights(white covers) | 8.00 | 3 | 250.00 | 6.00 | 42.00 | 2,184.00 | £ 230.67 |
| Existing fitting Old Town Hall | Small square bulkhead lights(cover white) 20 watt socs | 8.00 | 7 | 20.00 | 1.12 | 7.84 | 407.68 | £ 43.06 |
| Total | | | | | | | 5,620.16 | £ 593.60 |

| Proposed Lighting | Type of fittings | Light on hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Fitting unit cost | New fittings | Labour to install | Total cost | Payback in Years |
|-------------------|---|--------------------|--------------------|----------------|--------|-------|-----------------|-----------------|-------------------|--------------|-------------------|-------------------|------------------|
| Proposed lights | Talos design plan fitting 2000lm | 8.00 | 23 | 15.00 | 2.76 | 19.32 | 1,004.64 | £ 106.11 | | £ 5,980.00 | £ 805.00 | £ 6,785.00 | |
| Proposed lights | Talos design plan 3000lm for high level areas | 8.00 | 3 | 29.00 | 0.70 | 4.87 | 253.34 | £ 26.76 | | £ 780.00 | £ 105.00 | £ 885.00 | |
| Total | | | | | | | 1,257.98 | £ 132.87 | | | | £ 7,670.00 | 17 |

£ 460.73

Town Hall lights are a mixture of Soc & Son lighting, these are no longer manufactured and require replacing. New LED lights will last longer with better quality light and provide added security and safety for the staff and public around the Town

Ashley Centre Car Park

| Existing Lighting | Type of Fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Fitting cost | Labour to install | Total cost |
|--|--|--------------------|--------------------|----------------|--------|--------|-----------|------------|--------------|-------------------|-------------|
| Existing Roof level lighting - Levels 5B, 5A, & 4C | Existing column lights Twin Son 80 watts | 12.00 | 9 | 200.00 | 21.60 | 151.20 | 78,624.00 | £ 8,304.27 | £ 8,500.00 | £ 4,500.00 | £ 13,000.00 |

Existing lighting no longer made, parts difficult to obtain.

| Proposed Lighting | Type of fittings | Light On hours/day | Number of Fittings | Watts per Hour | kw/day | kw/wk | kw/year | £/year | Columns, arms & brackets | New fittings | Labour to install | Lifting equipment | Total Cost |
|--|--|--------------------|--------------------|----------------|--------|--------|------------|-------------|--------------------------|--------------|-------------------|-------------------|-------------|
| Proposed Roof level lighting - Levels 5B, 5A, & 4C | New metal tubular columns 168/114mm with 0.5m double arm bracket, single door, flange plated. With new XSPC024Mef40k+24 sv | 12.00 | 9 | 272.00 | 29.38 | 205.63 | 106,928.64 | £ 11,293.80 | £ 26,185.71 | £ 5,101.38 | £ 7,729.50 | £ 8,500.00 | £ 47,516.59 |

-£ 2,989.54

| Type of fittings | Cost of fittings |
|-------------------------------|--------------------|
| Metro tube double arm bracket | £ 3,229.50 |
| LED light x 18 | £ 5,101.38 |
| Columns x 9 | £ 22,956.21 |
| Total | £ 31,287.09 |

Ashley car park - This project has been carefully designed to meet the lighting levels required at the top of the car park by CRE lighting company. The proposal is to remove the old Sodium lighting which is over 20 years old. The replacement columns have to be of increased height to provide the correct spread and lumination levels. This will mean planning permission is required for columns, lighting equipment will be required to get the columns up to the top level and fixed in place. There is limited lifetime left in these old fittings, the Facilities contractor has advised that they may last for another two years, but do need replacing before parts are unavailable.

| | | |
|---------------|--------------|-------------------|
| Contingency @ | Cost | 99,760.59 |
| | 0% | 239.41 |
| | Total | 100,000.00 |

| | Cost | Payback - Years | Annual Saving |
|------------------------------|------------------|-----------------|-----------------|
| Hudson Hse | 14,155.00 | 38.98 | 363.10 |
| Bourne Hall | 20,800.00 | 6.07 | 3,428.59 |
| Longmead Social Centre | 7,463.00 | 19.03 | 392.18 |
| Clocktower | 2,156.00 | 11.68 | 184.54 |
| Town Hall External Lights | 7,670.00 | 16.65 | 460.73 |
| Ashley Centre Car Park | 47,516.59 | n/a | 2,989.54 |
| | 99,760.59 | | 1,839.61 |
| Projects that payback | 20,800.00 | 6.07 | 3,428.59 |

This page is intentionally left blank

Capital Programme Review 2017-18 Project Appraisal Form

**COMMITTEE &
BID NUMBER**

Strategy & Resources Bid 2

PROJECT TITLE

ICT Programme of Work

ACCOUNTABLE OFFICER

Officer responsible for project planning and delivery of the scheme. Accountable officers are also responsible for post project review.

Mark Lumley

DETAILS OF PROJECT

Project scope, what is included/excluded in the scheme

Phone system (see Annex 2)

Upgraded and flexible telephony system integrated with the Microsoft office for collaboration and flexible working.

A number of options have been reviewed as part of the project and the Business Case for the Phone System is attached.

Uniform System

Upgraded core database to oracle and latest upgrade to system Uniform v 10.

Hardware Replacement

General and Monitors – replacement and upgrades to dual screens and monitors that function correctly.

Wyse Boxes (See Annex 3) – replacement of the Wyse boxes to supported and upgraded models.

A number of options have been reviewed as part of the project and the Business Case for the Replacement of Wyse boxes is attached.

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|-------------------------------|---|
| | <p>Firewall and Routers – the Council operates a number of firewalls and routers to secure the network, infrastructure and data in the Council. This project is to fund the replacement of the Firewall and routers to supported versions.</p> |
| Project outcomes and benefits | <p>Phone – More flexible workforce, resilience in the network and incoming phone lines in the Council.</p> <p>Please see attached business case for further details.</p> <p>Uniform – Upgraded and supported system to enable the business area to continue to provide services</p> <p>Hardware Replacement Wyse – faster response times Firewall/Routers – supported and secure.</p> |

FINANCIAL SUMMARY

| | | Cost of Project £ | Comments and detail where necessary. Provide appendices where relevant. Examples of business cases spreadsheets can be found in the Finance Handbook |
|---|---|----------------------|--|
| a | Estimated cost of purchase, works and/or equipment | 250,000 | Please see the attached annexes that detail the breakdown of the bid. |
| b | Consultancy or other fees | 0 | |
| c | Total Scheme Capital Costs (a+b) | 250,000 | |
| d | External Funding Identified (e.g. s106, grants etc.) Please give details, including any unsuccessful funding enquiries you may have made. | 0 | |
| e | Net Costs to Council (c-d) | 250,000 | |

Capital Programme Review 2017-18 Project Appraisal Form

| | | | |
|---|---|----------------|--|
| f | Internal Sources of Capital Funds Identified (e.g. repairs & renewals reserve etc.) | 0 | |
| g | Capital Reserves Needed to Finance Bid (e-f) | 250,000 | |
| h | Annual Ongoing Revenue Additional Savings as a Direct Result of the Project | 0 | |
| i | Annual Ongoing Revenue Additional Costs as a Direct Result of the Project | 0 | |

| Year | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|--------------|--------------|--------------|
| Spend Profile of Scheme – please identify which year (s) the scheme spend will fall into | 250,000 | 0 | 0 |

REVENUE IMPACT

| | |
|---|---|
| <p>Can Revenue Implications Be Funded From the Committee Base Budget? – Please give details</p> | <p>There are support and maintenance costs for most elements of the systems that are being replaced, but as these are systems that the Council already has in existence they are within existing budgets.</p> |
|---|---|

CORPORATE PLAN 2016/20

| | |
|---|---|
| <p>Is this investment linked to EEBC's Key Priorities? If so, say which ones and evidence how. How does project fit within service objectives?</p> | <p>ICT core infrastructure enables the Council to deliver on all the Key Priorities</p> |
|---|---|

Capital Programme Review 2017-18 Project Appraisal Form

TIMESCALES

What is the proposed timetable for completion of the project? Give estimated start and finish dates for each stage of the project. These dates will be used as milestones during quarterly budget monitoring to assess performance of project delivery.

| | | Target Start Date | Target Finish Date |
|---|--------------------------|--|--|
| 1 | Design & Planning | Already underway | 31 March 2017 |
| 2 | Further Approvals Needed | tbc | tbc |
| 3 | Tendering (if necessary) | 1 April 2017 for all projects | 30 April 2017 |
| 4 | Project start date | Allowing a month for procurement for these projects – May 2017 | |
| 5 | Project Finish Date | | Wyse Boxes – August 2017 Uniform – dependent on supplier Phones – March 2018 |

BASELINE CRITERIA

All capital schemes are assessed against criteria set by the Capital Member Group annually. Bids should meet at least one of these criteria. State which capital criteria(s) for assessing bids are met and why. Leave blank any which are not met.

Spend to Save schemes should meet the following criteria;

- Payback of the amount capital invested within the project within 5 years (7 years for renewable energy projects).
- The return required on capital employed should be linked to the potential cost of borrowing (MRP) rather than potential loss of investment income.
- Risk of not achieving return on investment is low.
- Clear definition of financial cost/benefits of the scheme.

Capital Programme Review 2017-18 Project Appraisal Form

Members may consider schemes with longer paybacks on major spend to save projects going forward, especially those that incur borrowing.

| | |
|---|---|
| <p>Is there a guarantee of the scheme being fully externally funded and is it classed as a high priority? Please give details of funding streams, including any restrictions on the funding.</p> | <p>No external funding available but it a high priority as the Council needs these core systems to be able to provide services.</p> |
| <p>Is the Scheme a Spend to Save Project? Will investment improve service efficiency including cost savings or income generation? What is the payback in years?</p> | <p>Generally, not spend to save, and replacement of existing hardware. Telephone system will enable any Smarter Working that that Council may investigate further.</p> |
| <p>It is mandatory for the Council to provide the scheme? Is investment required to meet Health and Safety or other legislative requirements? If so state which requirements.</p> | <p>It is essential that the Council implements these projects to ensure that the Council is able to deliver services on a day to day basis.</p> |
| <p>Is this project the minimum scheme required to continue to deliver the services of the Council? - Is investment required for the business continuity of the Council? If so say how.</p> | <p>See above</p> |

ASSET MANAGEMENT PLAN

| | |
|---|-----------|
| <p>Is investment identified in the Council's Asset Management Plan?</p> | <p>No</p> |
|---|-----------|

Capital Programme Review 2017-18 Project Appraisal Form

PRIORITISATION

State which **one** of the four prioritisation categories are met and why.

| | | |
|---|--|--|
| 1 | Investment essential to meet statutory obligation. | |
| 2 | Investment Important to achieve Key Priorities. | |
| 3 | Investment important to secure service continuity and improvement. | It is essential that these projects are progressed to enable the Council to continue with service delivery |
| 4 | Investment will assist but is not required to meet one of the baseline criteria. | |

RISKS ASSOCIATED WITH SCHEME

| | | |
|---|---|--|
| 1 | Outline the risks of delivering this project to timetable and budget. (Please do not include risks to the service or asset if project is not approved.) | Will need to procure all the elements so some risk of price change and fluctuations of the dollar post Brexit but will review these. Timetable for all projects where a simple hardware replacement is straightforward and would be OK. Uniform upgrades and Phone systems dates will be dependent on the suppliers. |
| 2 | Are there any risks relating to the availability of resources internally to deliver this project | The ICT Shared Service is working well and has allowed recruitment to a number of posts that will be in place by the end of 2016. These application posts will manage the Uniform Project. The majority of the other projects are hardware replacements and can be completed in a straightforward manner. |
| 3 | Consequences of not undertaking this project | The Council has an increased amount of frustrations and issues with service delivery and more service disruption to the users providing service. |
| 4 | Alternative Solutions (Other solutions considered – cost and implications) | Alternatives have been considered as part of the business cases. |

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|--|--|
| Is consultation required for this project? Please give details of the who with and when by. | No formal consultation needed but consultation will take place internally through the ICT Customer Focus Group |
|--|--|

| | |
|---------------------------------------|-----|
| Ward(s) affected by the scheme | All |
|---------------------------------------|-----|

Accountable Officer Responsible for Delivery of the Scheme

Name and Signature ...Mark Lumley..... Date 28/9/16

Whole life revenue costs of capital project

Where savings or budget virements are being used to part fund a project, the relevant budget manager must sign the appraisal form.

Accountable Officers for the revenue implications of the project

Project Manager Name and Signature Date
.....

Revenue Budget Holder Name and Signature Date
.....

Service Accountant Name and Signature Date
.....

This page is intentionally left blank

Capital Budgets Bid 2017/18 for ICT Digital Programme of Work

ICT Capital Programme 15114

£ 000's

Resources

| | | |
|--|------------|---------------------|
| ICT Digital c/forward/rephasing from 2016/17 | 103 | estimate at 30/9/16 |
| ICT Digital Initiative 2017/18 | 250 | |
| Total Budget 2017/18 | 353 | |

TOTAL

| Budgets | Code | Priority | 2017/18 Capital | 2017/18 TOTAL FUNDS | NOTES |
|---------------------------------------|---------------|----------|--------------------|---------------------------|--|
| KEY CORPORATE PROJECTS | | | | | |
| Telephone Switch Replacement | COR004 | | | | |
| Skype, remote sites, flexible working | | 1 | 90 | 90 | Upgrade of the core telephone system to use MS Skype for business, enabling flexible working and supported version. 50k Setup, 40k Head/handsets |
| ONGOING | | | | | |
| Uniform System | COR101 | 1 | 20 | 20 | Essential upgrades to the Planning, Building Control and Environmental Health systems for the Core Database and Online Access |
| ICT Hardware Replacement | COR103 | | | 140 | |
| General - monitors etc | | 1 | 20 | | Replacement of monitors and ICT equipment as needed |
| Replacement of Wyse Boxes | | 1 | 70 | | Replacement of wyseboxes at end of supported life |
| Firewall and router replacement | | 1 | 50 | | Replacement of firewalls at end of supported life |
| Misc. | COR000 | | | | |
| | | - | | | |
| TOTAL | | | 250 | 250 | |

This page is intentionally left blank



Annex 2 Business Case

Telephony Replacement

| | |
|----------------|-----------------------|
| Release | Draft |
| Date | September 2016 |

| | |
|------------------------|---------------------------|
| Author | Mark Lumley |
| Owner | Hd of Service Area |
| Project Sponsor | Service Area Lead |

Business Case History

Document Location

The source of the document will be found in location:

Revision History

Date of this revision: <date>

Date of Next revision: <if known>

| Revision Date | Last Revision Date | Summary of Changes |
|---------------|--------------------|---|
| | | Add rows as required, first version is version 0.1, increment drafts as 0.2, 0.3 etc, when agreed published (non draft version is 1.0, and any further changes increment from here) |

Approvals

This document requires the following approvals:

| Name | Signature | Title | Date | Version |
|--------------------------|-----------|-------|------|---------|
| ICT Customer Focus Group | | | | |

Distribution

This document has been distributed to:

| Name | Title | Date | Version |
|------|-------|------|---------|
| | | | |

Business Case

1. Purpose of Document

The purpose of this document is to set out the justification for the undertaking of a project based on the estimated cost of development and the anticipated benefits to be gained.

The business case is used to say why the forecast effort and time will be worth the expenditure. The on-going viability of the project will be monitored by the Project Board against the benefits identified in this business case.

2. Background

The Council installed the Mitel Phone System in 2009, together with a number of supporting applications such as call logging, customer contact centre and call recording.

3. Reasons for the Project

Document any compelling reasons for this project.

- To provide a more flexible workforce
- To provide a supported system
- To enable staff to answer phones at home
- Remove reliance on physical telephony hardware moving to a Cloud based approach
- Instant messaging and presence information for staff, other local authorities and external companies
- Improved business continuity and disaster recovery arrangements
- Conferencing facilities
- Video calling

4. Objectives

- To replace the Mitel telephony system with Skype for business to deliver voice and collaboration functionality for the Council
- To replace the handsets on the desktops with headsets.
- Enable flexible working by taking your phone extension home, remote office or mobile.

5. Success

- An improvement in the Customer experience and users usage of the systems in the Council to enable staff to be able to deliver services.

6. Scope

- Included in the project:
 - Hardware replacement of the telephone hardware
- What is NOT included in the project
 - Any reviews of the Customer Services systems
 - Any review or change of the Remote access arrangements
 - Any upgrades to the Citrix environment

7. Stakeholders

The key stakeholders of the project with an analysis of their potential role on the project;

- ICT Customer Focus Group
- Epsom and Ewell users
- Leadership Team

8. Benefits

8.1. Benefits

- To enable the Council to be able to continue to provide services
- More flexible staff, options to be able to take your phone number with you at any desk in the office, remote device or from home.
- Support any Smart Working arrangements that the Head of Property is looking at
- Greater integration with office and instant messaging.

8.2. Adverse effects

Would need further investigation into Customer Services systems as these are reliant on the current Mitel arrangements – would need to think about as part of the project. Potential scope to replace as part of this project but would need wider external advice.

9. Options

- Identify options for the project
 - **Option 1 – Do nothing**
 - The Council could do nothing but this will to an increased level of frustrations in the Council as user experience will not be positive.
 - Unable to communicate as effectively with other local authorities and businesses
 - Not being able to exploit modern ways of working

○ **Option 2 – Replace with Skype for Business**

- Skype for business is for telephone calls is being used at a number of authorities in Surrey including: Elmbridge, Spelthorne, Reigate and Banstead, and Woking.
- The cost to replace the Skype for Business is as per the table.
- The Council has the experience and infrastructure to support the Skype for Business environment as its already being used for internal instant messaging, therefore fewer users and administration training is required.
- Provide headsets to all staff requiring a phone.
- Decommissioning of the Mitel handsets.

○ **Option 3 – Replace with an alternative telephone system**

- ICT could investigate an alternative hardware supplier for the telephone system, this would then need to go to full tender process to review all the options available.

8.1 Summary of costs for each option

A summary of each option and the relative additional costs to the Council are shown in the table below:

| Option | Project costs | Annual on-going costs | Return on investment |
|---------------|---|-------------------------------|-----------------------------|
| Option 1 | 0 – however devices are failing and there would be some cost needed | 20,000 support within budgets | No cashable savings |
| Option 2 | 90,000 | 20,000 (within budgets) | No cashable savings |
| Option 3 | Would need to cost further | Would need to cost further | |

9. Costs and timescales of recommended option

9.1 Recommended Option

Option 2 – Migrating the telephone system to Skype for Business will modernise the Councils communication by introducing new tools such as instant messaging, video and conferencing. As Epsom and other local Councils are using this technology its proven and administration skills are readily available. Skype for Business is built into the Microsoft product portfolio which the Council has invested in, therefore can integrate alongside systems such as CRM, Intranet, and Office products.

9.2 Project Implementation Costs – Recommended Option

The tables below show a summary of the (new and additional) costs of implementing the recommended option.

Total project implementation costs

| | 2017/8 | 2018/9 | 2019/0 | 2020/1 | 2021/2 | Total |
|---|-----------|----------|----------|----------|----------|-----------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Project implementation costs - Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Project implementation costs - Capital | 90 | 0 | 0 | 0 | 0 | 90 |
| HARDWARE FUNDING REQUIREMENT (ICT CAPITAL) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL NEW PROJECT IMPLEMENTATION COSTS | 90 | 0 | 0 | 0 | 0 | 90 |

Detailed Breakdown of Budget

| Description | Quantity | Unit Cost | Cost £ |
|---------------------------|----------|-----------|---------------|
| Resource Costs | | | |
| Project Management | - | - | - |
| Other Costs | - | - | 90,000 |
| Annual Costs | - | - | - |
| Total Project Cost | - | - | 90,000 |

9.3 Timescales

The project can be broken into *n* stages.

- Stage 1 – Procurement
- Stage 2 – Installation

It is proposed that the following timescales will be achievable:

| Milestone | Dates |
|--------------|---------------|
| Procurement | From April 17 |
| Installation | From June 17 |
| | |
| | |

10. Risks

Risks are potential threats to the Council that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

In summary the main risks are as follows.

10.1 Risks of not going ahead with the project

- Unable to benefit from modernised communication methods
- Unable to utilise flexible working
- Failure of existing aging equipment

10.2 Risks that will need to be addressed if the recommended option goes ahead

- Project Management
- Links to the Mitel systems for Contact Centre
- Allocation of headsets
- Smarter Working arrangements

This page is intentionally left blank



Annex 3 Business Case

Wyse Hardware Replacement

| | |
|----------------|-----------------------|
| Release | Draft |
| Date | September 2016 |

| | |
|------------------------|---------------------------|
| Author | Mark Lumley |
| Owner | Hd of Service Area |
| Project Sponsor | Service Area Lead |

Business Case History

Document Location

The source of the document will be found in location:

Revision History

Date of this revision: <date>

Date of Next revision: <if known>

| Revision Date | Last Revision Date | Summary of Changes |
|---------------|--------------------|---|
| | | Add rows as required, first version is version 0.1, increment drafts as 0.2, 0.3 etc, when agreed published (non draft version is 1.0, and any further changes increment from here) |

Approvals

This document requires the following approvals:

| Name | Signature | Title | Date | Version |
|--------------------------|-----------|-------|------|---------|
| ICT Customer Focus Group | | | | |

Distribution

This document has been distributed to:

| Name | Title | Date | Version |
|------|-------|------|---------|
| | | | |

Business Case

1. Purpose of Document

The purpose of this document is to set out the justification for the undertaking of a project based on the estimated cost of development and the anticipated benefits to be gained.

The business case is used to say why the forecast effort and time will be worth the expenditure. The on-going viability of the project will be monitored by the Project Board against the benefits identified in this business case.

2. Background

The Council installed Citrix and Wyse boxes in 2010 to enable a more flexible workforce, home working and better control over the security and management of the ICT desktop environment.

The Wyse boxes are now out of support and starting to cause operational issues for the Council. A number of the devices are starting to fail and the performance of the devices are not matching user expectations and starting to cause a poor customer experience.

It should be noted that the Council also operates a Bring Your Own Device policy for homeworking and flexible working and the project does not prevent any further work or expansion on this.

3. Reasons for the Project

Document any compelling reasons for this project.

- To ensure the Council is running supported hardware
- To ensure that the end user experience is a positive one
- To improve the Business Continuity arrangements for the Council
- Support for future software and hardware (Citrix updates, monitors, usb devices)

4. Objectives

- To replace the existing Wyse boxes in the Council.

5. Success

- An improvement in the Customer experience and users usage of the systems in the Council to enable staff to be able to deliver services.
- Improved reliability of hardware ensuring continuation of service

6. Scope

- Included in the project:
 - Hardware replacement of the thin client hardware
- What is NOT included in the project
 - Any reviews of the Citrix environment or arrangements
 - Any review or change of the Remote access arrangements
 - Any upgrades to the Citrix environment

7. Stakeholders

The key stakeholders of the project with an analysis of their potential role on the project;

- ICT Customer Focus Group
- Epsom and Ewell users
- Leadership Team

8. Benefits

8.1. Benefits

- To enable the Council to be able to continue to provide services
- Improved experience of using and navigating Citrix
- Ability to play video and audio

8.2. Adverse effects

None

9. Options

- Identify options for the project
 - **Option 1 – Do nothing**
 - The Council could do nothing but this will to an increased level of frustrations in the Council as user experience will not be positive.
 - **Option 2 – Replace with new Wyse Boxes**
 - The Council has consulted with the current supplier of the Wyse boxes, Dell to determine the optimum next step for the Council with the Wyse boxes and have reviewed the requirements for applications, internet usage and video.
 - The cost to replace the Wyse boxes with newer devices is as per the table.

- The Council has the experience and existing infrastructure to support the Wyse devices so the council would benefit from this.
- **Option 3 – Replace with an alternative thin client box**
- ICT could investigate an alternative hardware supplier for the thin client environment.

8.1 Summary of costs for each option

A summary of each option and the relative additional costs to the Council are shown in the table below:

| Option | Project costs | Annual on-going costs | Return on investment |
|----------|---|-----------------------------|----------------------|
| Option 1 | 0 – however devices are failing and there would be some cost needed | 2000 support within budgets | No cashable savings |
| Option 2 | 70,000 | 2000 (within budgets) | No cashable savings |
| Option 3 | Would need to cost further | Would need to cost further | |

9. Costs and timescales of recommended option

9.1 Recommended Option

Option 2 – There is a need to improve the user experience to reduce frustration and improve productivity. By replacing the Wyse boxes with a newer model there are minimal changes to the core Infrastructure and no additional training required for ICT staff and users. The technology is also proven and no need for extensive testing.

9.2 Project Implementation Costs – Recommended Option

The tables below show a summary of the (new and additional) costs of implementing the recommended option.

Total project implementation costs

| | 2017/8 | 2018/9 | 2019/0 | 2020/1 | 2021/2 | Total |
|---|-----------|----------|----------|----------|----------|-----------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Project implementation costs - Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Project implementation costs - Capital | 70 | 0 | 0 | 0 | 0 | 70 |
| HARDWARE FUNDING REQUIREMENT (ICT CAPITAL) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL NEW PROJECT IMPLEMENTATION COSTS | 70 | 0 | 0 | 0 | 0 | 70 |

Detailed Breakdown of Budget

| Description | Quantity | Unit Cost | Cost £ |
|---------------------------|----------|-----------|---------------|
| Resource Costs | | | |
| Project Management | - | - | - |
| Other Costs | - | - | 70,000 |
| Annual Costs | - | - | - |
| Total Project Cost | - | - | 70,000 |

9.3 Timescales

The project can be broken into *n* stages.

- Stage 1 – Procurement
- Stage 2 – Installation

It is proposed that the following timescales will be achievable:

| Milestone | Dates |
|--------------|---------------|
| Procurement | From April 17 |
| Installation | From May 17 |
| | |
| | |

10. Risks

Risks are potential threats to the Council that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

In summary the main risks are as follows.

10.1 Risks of not going ahead with the project

- Performance will suffer with the core ICT infrastructure
- Failure of existing devices which will need to be replaced.

10.2 Risks that will need to be addressed if the recommended option goes ahead

- Older keyboards may not be compatible and require replacement

Capital Programme Review 2017-18 Project Appraisal Form

**COMMITTEE &
BID NUMBER**

Strategy & Resources Bid 3

PROJECT TITLE

ICT - Legal Case Management System

ACCOUNTABLE OFFICER

| | |
|--|--|
| <p>Officer responsible for project planning and delivery of the scheme. Accountable officers are also responsible for post project review.</p> | <p style="text-align: center;">Simon Young / Mark Lumley</p> |
|--|--|

DETAILS OF PROJECT

| | |
|---|--|
| <p>Project scope, what is included/excluded in the scheme</p> | <p>Legal Services operate in a traditional paper based way, which is to say everything the service does is captured on printed paper which is held on paper files which are physically stored when completed for a minimum of six years.</p> <p>Legal case management systems have been extensively introduced and used in solicitor's practices over the past 25 years. The majority of private solicitors practice operating today will be using a case management system. To those who have used such a system the main reason is to save time while at the same time assisting the provision of a high quality service minimising the risks involved in providing the service.</p> <p>The Head of ICT, as part of the ICT Shared Service has been working with Elmbridge Council on a similar project and they are currently out to Tender for a similar system. The Elmbridge business case has been updated for Epsom and Ewell and is attached.</p> |
| <p>Project outcomes and benefits</p> | <p>Faster handling of enquiries with information always to hand in order to answer phone calls or emails concerning cases, regardless of who is in the office;</p> <ul style="list-style-type: none"> • Improved case throughput by greatly reducing the amount of time for fee-earners need to spend on |

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|--|--|
| | <p>background tasks, cases may be handled more quickly. Furthermore, the shared information repository and electronic workflows make it easier for fee-earners to process the work;</p> <ul style="list-style-type: none"> • Standardisation of workflows to streamline regularly received instruction types by use of templates and standard letters etc. • Greater resilience to peaks of workload and staff holidays or absences; • Staff skill-sets are better utilised because the electronic case management system will carry the burden of much of the administrative work creating opportunities to more fully utilise professional skills; • Enhanced risk management by using proactive case management processes. Flexible reporting enables managers to quickly identify potential conflicts, scheduling issues and workload problems; • Improved working environment through reducing the strain and stress on staff members. • Savings in paper storage and archiving - all documents (including emails) are stored in appropriate case files, and paper-based correspondence can also be scanned into the system. This saves money on archive and also through the use of emails rather than surface mail for instructions and even court documents. |
|--|--|

FINANCIAL SUMMARY

| | | Cost of Project £ | Comments and detail where necessary. Provide appendices where relevant. Examples of business cases spreadsheets can be found in the Finance Handbook |
|---|--|------------------------------|---|
| a | Estimated cost of purchase, works and/or equipment | 20,000 | Purchase and installation of the new system – see Annex 1 |
| b | Consultancy or other fees | 0 | Included in above |
| c | Total Scheme Capital Costs (a+b) | 20,000 | |

Capital Programme Review 2017-18 Project Appraisal Form

| | | | |
|---|---|---------------|---|
| d | External Funding Identified (e.g. s106, grants etc.) Please give details, including any unsuccessful funding enquiries you may have made. | 0 | |
| e | Net Costs to Council (c-d) | 20,000 | |
| f | Internal Sources of Capital Funds Identified (e.g. repairs & renewals reserve etc.) | 0 | |
| g | Capital Reserves Needed to Finance Bid (e-f) | 20,000 | |
| h | Annual Ongoing Revenue Additional Savings as a Direct Result of the Project | 0 | No cashable savings likely with this project but will enable the Legal team to be more flexible |
| i | Annual Ongoing Revenue Additional Costs as a Direct Result of the Project | 5,000 | There will be some annual support and maintenance of the system |

| Year | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|--------------|--------------|--------------|
| Spend Profile of Scheme – please identify which year (s) the scheme spend will fall into | 20,000 | 0 | 0 |

REVENUE IMPACT

| | |
|--|---|
| Can Revenue Implications Be Funded From the Committee Base Budget? – Please give details | No - Would need an increase in the base ICT budget to fund the annual support and maintenance of the new system |
|--|---|

Capital Programme Review 2017-18 Project Appraisal Form

CORPORATE PLAN 2016/20

| | |
|--|---|
| Is this investment linked to EEBC's Key Priorities? If so, say which ones and evidence how. How does project fit within service objectives? | Not directly although a more efficient Legal service may support the delivery of some of the project involved in the Corporate Plan |
|--|---|

TIMESCALES

What is the proposed timetable for completion of the project? Give estimated start and finish dates for each stage of the project. These dates will be used as milestones during quarterly budget monitoring to assess performance of project delivery.

| | | Target Start Date | Target Finish Date |
|---|--------------------------|-------------------|--------------------|
| 1 | Design & Planning | April 2017 | May 2017 |
| 2 | Further Approvals Needed | n/a | n/a |
| 3 | Tendering (if necessary) | June 2017 | July 2017 |
| 4 | Project start date | August 2017 | |
| 5 | Project Finish Date | | March 2018 |

BASELINE CRITERIA

All capital schemes are assessed against criteria set by the Capital Member Group annually. Bids should meet at least one of these criteria. State which capital criteria(s) for assessing bids are met and why. Leave blank any which are not met.

Spend to Save schemes should meet the following criteria;

- Payback of the amount capital invested within the project within 5 years (7 years for renewable energy projects).
- The return required on capital employed should be linked to the potential cost of borrowing (MRP) rather than potential loss of investment income.
- Risk of not achieving return on investment is low.

Capital Programme Review 2017-18 Project Appraisal Form

- Clear definition of financial cost/benefits of the scheme.

Members may consider schemes with longer paybacks on major spend to save projects going forward, especially those that incur borrowing.

| | |
|---|---|
| <p>Is there a guarantee of the scheme being fully externally funded and is it classed as a high priority? Please give details of funding streams, including any restrictions on the funding.</p> | <p>No</p> |
| <p>Is the Scheme a Spend to Save Project? Will investment improve service efficiency including cost savings or income generation? What is the payback in years?</p> | <p>No</p> |
| <p>It is mandatory for the Council to provide the scheme? Is investment required to meet Health and Safety or other legislative requirements? If so state which requirements.</p> | <p>No</p> |
| <p>Is this project the minimum scheme required to continue to deliver the services of the Council? - Is investment required for the business continuity of the Council? If so say how.</p> | <p>Yes – in order for the Legal Team to continue to provide an effective and efficient service the new system is necessary for the Council to be able to do this.</p> |

ASSET MANAGEMENT PLAN

| | |
|---|-----------|
| <p>Is investment identified in the Council's Asset Management Plan?</p> | <p>No</p> |
|---|-----------|

Capital Programme Review 2017-18 Project Appraisal Form

PRIORITISATION

State which **one** of the four prioritisation categories are met and why.

| | | |
|---|--|--|
| 1 | Investment essential to meet statutory obligation. | |
| 2 | Investment Important to achieve Key Priorities. | |
| 3 | Investment important to secure service continuity and improvement. | The project will ensure that the Legal department are able to continue to provide effective services |
| 4 | Investment will assist but is not required to meet one of the baseline criteria. | |

RISKS ASSOCIATED WITH SCHEME

| | | |
|---|---|---|
| 1 | Outline the risks of delivering this project to timetable and budget. (Please do not include risks to the service or asset if project is not approved.) | Would just delay the ability of the Legal team to be more effective, there would not be any adverse impact or costs |
| 2 | Are there any risks relating to the availability of resources internally to deliver this project | Would need to ensure that the timetable with the supplier is something that Legal and ICT resources are able to meet. |
| 3 | Consequences of not undertaking this project | Legal services not able to gain efficiencies. |
| 4 | Alternative Solutions (Other solutions considered – cost and implications) | None |

**Capital Programme Review 2017-18
Project Appraisal Form**

| | |
|--|----|
| Is consultation required for this project? Please give details of the who with and when by. | No |
|--|----|

| | |
|---------------------------------------|-----|
| Ward(s) affected by the scheme | All |
|---------------------------------------|-----|

Accountable Officer Responsible for Delivery of the Scheme

Name and Signature Date

Whole life revenue costs of capital project

Where savings or budget virements are being used to part fund a project, the relevant budget manager must sign the appraisal form.

Accountable Officers for the revenue implications of the project

Project Manager Name and Signature Date
.....

Revenue Budget Holder Name and Signature Date
.....

Service Accountant Name and Signature Date
.....

This page is intentionally left blank



Annex 1 Business Case

Integrated Case Management and Time Recording

| | |
|----------------|--------------------|
| Release | Draft |
| Date | August 2016 |

| | |
|----------------------|---------------------------|
| Author | Mark Lumley/EBC |
| Owner | Hd of Service Area |
| Client | Service Area Lead |
| Project Ref # | |

Business Case History

Document Location

This document is only valid on the day it was printed.
The source of the document will be found in location :

Revision History

Date of this revision: <date>

Date of Next revision: <if known>

| Revision Date | Last Revision Date | Summary of Changes |
|---------------|--------------------|--------------------|
| | | |

Approvals

This document requires the following approvals:

| Name | Signature | Title | Date | Version |
|-------------|-----------|-------|------|---------|
| Simon Young | | | | |

Distribution

This document has been distributed to:

| Name | Title | Date | Version |
|-------------|---------------------------------------|------|---------|
| Simon Young | Head of Legal and Democratic Services | | |
| Mark Lumley | Head of Information Systems | | |

Business Case

1. Purpose of Document

The purpose of this document is to set out the justification for the undertaking of a project based on the estimated cost of development and the anticipated benefits to be gained.

The business case is used to say why the forecast effort and time will be worth the expenditure. The on-going viability of the project will be monitored by the Project Board against the benefits identified in this business case.

2. Background

Legal Services operate in a traditional paper based way, which is to say everything the service does is captured on printed paper which is held on paper files which are physically stored when completed for a minimum of six years.

Legal case management systems have been extensively introduced and used in solicitor's practices over the past 25 years. It would be a struggle to find any private solicitors practice operating today that is not using a case management system. Case management systems save user's time while at the same time assisting the provision of a high quality service minimising the risks involved in providing the service.

3. Reasons for the Project

Document any compelling reasons for this project.

- The biggest expense of the council's legal service is its staffing cost. Trained lawyers are expensive staff members. It makes sense to allow these staff members to work in ways that makes the best use of time. Case management systems can save lawyers enormous amounts of time particularly in some areas of practice. Local government work is varied and diverse but the introduction of case management can save up to 20% of staff time while enhancing service levels to clients.
- Compliance with the Law Society practice management standard Lexcel requires that legal files should at all times be capable of being understood by a fee earner who is not familiar with the file. This requires communications such as emails to be printed and saved on the file in date order. Legal case management systems creates electronic case files for matters that are Lexcel compliant. Case Management Systems works with outlook, word and excel but adds value by populating common field such as reference numbers, names, address and the title of matters and automatically indexes emails and documents created through it making retrieval simple. A Lexcel compliant diary manages risks associated with key dates; time critical performance monitoring and bring forward dates. Using a case management system, the majority of legal files can be entirely electronic saving on the space required for the storage of current and archived files.

- Electronic files are accessible by any fee earner who is given access rights from their desktop or where permitted through remote access. Providing the server the system is run on is backed up electronic files are safe from loss or destruction unlike paper based files.
- Standard local authority workflows are included with the case management system. Workflows are one way of minimising the risks of providing the service while greatly enhancing the ability of the service to provide it. For example Tandridge District Council use the debt collection workflow to collect the Council's debts using students on placement at the Council.
- The system is delivered with a wide range of management reports that allow managers to identify when management intervention might be desirable. On line review of work in progress facilitates effective supervision, response to client enquiries, complaints management, aversion of risk, and reallocation of work when people are away.
- Integrated Time Recording provides accurate monitoring of activity, reporting and (if required) billing.
- Court and document bundling allow court papers to be produced electronically saving time for the fee earner who would otherwise be copying papers and freeing up the MDF's for other users.

4. Objectives

- Legal case management system software installed and rolled out
- Training of staff
- Business process reengineering to ensure system is utilised effectively.
- Post implementation training

5. Success

- Full use of the case management system by legal services with electronic files and developed workflows that assist lawyers saving time and enhancing the capacity of the service.

6. Scope

- What is included: Legal case management systems for legal team.
- What is NOT included in the project hardware on which to run the system. Existing paper files will in the main not be loaded to the system the intention being to move forward with electronic files only. There would be an additional cost if we wanted to back scan historic files.

7. Stakeholders

The key stakeholders of the project with an analysis of their potential role on the project;

- Head of Legal
- Legal Team
- Users - All Legal Services

8. Benefits

8.1. Benefits

- Projected productivity gain with associated capacity freed up to assimilate new work streams and potential for future generation revenue when capacity allows
- Faster handling of enquiries with information always to hand in order to answer phone calls or emails concerning cases, regardless of who is in the office;
- Superior service to Clients, Members and third parties on the other side of matters being handled in legal;
- Improved case throughput by greatly reducing the amount of time for fee-earners need to spend on background tasks, cases may be handled more quickly. Furthermore, the shared information repository and electronic workflows make it easier for fee-earners to process the work;
- Standardisation of workflows to streamline regularly received instruction types by use of templates and standard letters etc.
- Greater resilience to peaks of workload and staff holidays or absences;
- Staff skill-sets are better utilised because the electronic case management system will carry the burden of much of the administrative work creating opportunities to more fully utilise professional skills;
- Enhanced risk management by reducing internal legal team mistakes and by using proactive case management processes. Flexible reporting enables managers to quickly identify potential conflicts, scheduling issues and workload problems;
- Improved working environment through reducing the strain and stress on staff members.
- Savings in paper storage and archiving - all documents (including emails) are stored in appropriate case files, and paper-based correspondence can also be scanned into the system. This saves money on archive and also through the use of emails rather than surface mail for instructions and even court documents.

8.2 Adverse Effects

There are none

9. Options

- Identify options for the project
 - **Option 1: Tender for Software and Services for Case Management System**
 - The Council would be able to utilise the documentation and specification that Elmbridge Council have produced in order to cut the cost of the procurement and the time to get a solution.
 - **Option 2: Do Nothing**
 - The Council could continue as they are currently but this would not lead to any efficiencies.

9.1 Summary of costs for each option

A summary of each option and the relative additional costs to the Council are shown in the table below:

| Option | Project costs | Annual on-going costs | Return on investment | Benefits (Income/Staff time) |
|----------|---------------|-----------------------|--|------------------------------|
| Option 1 | £20,000 | £5,000 | Non cashable efficiencies | Greater management control |
| Option 2 | nil | nil | Decrease in productivity with paper files in continued use | |

10. Costs and timescales of recommended option

10.1 Recommended Option

Progress the implementation of Case Management

10.2 Project Implementation Costs – Recommended Option

The table below shows a summary of the (new and additional) costs of implementing the recommended option.

Total project implementation costs

| | 2017/ 8 | 2018/ 9 | 2019/ 0 | 2020/ 1 | 202 1/2 | Total |
|---|------------|------------|------------|------------|------------|-------|
| | £000 | £000 | £000 | £000 | £00 0 | £000 |
| 1+ 2 Project implementation costs - Revenue | 0 | 5000 | 5000 | 5000 | 500 0 | 20000 |
| 3 Project implementation costs - Capital | 20000 | 0 | 0 | 0 | 0 | 20000 |
| 5 TOTAL FUNDING REQUEST TO ICT Stratgy Board | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 HARDWARE FUNDING REQUIREMENT (ICT CAPITAL) | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 TOTAL NEW PROJECT IMPLEMENTATION COSTS – 5 years | 0 | 0 | 0 | 0 | 0 | 40000 |

10.3 Detailed Breakdown of Budget

| Description | Quantity | Unit Cost | Cost £ |
|---------------------------|----------|-----------|--------|
| Resource Costs | | | |
| Project Management | | | |
| Hardware Costs | - | | |
| Networking Costs | - | | |
| Software Costs | - | | |
| Other Costs | - | | |
| Annual Costs | - | | |
| Total Project Cost | - | | |

10.4 Timescales

As soon as possible:

| Milestone | Dates |
|--------------------------|-------------|
| Design & Planning | April 2017 |
| Further Approvals Needed | n/a |
| Tendering (if necessary) | June 2017 |
| Project start date | August 2017 |
| Project Finish Date | March 2018 |

11. Risks

Risks are potential threats to the Council that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

In summary the main risks are as follows.

11.1 Risks of not going ahead with the project Using paper based files is inefficient and the work product is not backed up in any way and would be hard to replace in the event of a fire or water leak affecting the paper.

11.2 Risks that will need to be addressed if the recommended option goes ahead

| Risk | Date Identified | Identified by | Impact | Probability | Risk Man Plan | Current Status |
|----------------------|-----------------|---------------|--------|-------------|---------------|----------------|
| No significant Risks | dd/mm/yy | | High | High | | Active |
| | dd/mm/yy | | Medium | Medium | | Active |
| | | | Low | Low | | |

12. Issues

The recommended system is well proven and there should be no significant issues in implementing the system.

13. Dependencies

13.1 The project is not dependent on other factors.

Capital Programme 2017/18 - Potential Bid Project Appraisal Form

| | |
|----------------------------|---|
| COMMITTEE | Strategy and Resources Bid 5 |
| ACCOUNTABLE OFFICER | Lee Duffy / Mark Lumley |
| PROJECT TITLE | <p>Financial Management System Upgrade</p> <p>This Project Appraisal form is a potential bid for 2018/19.</p> <p>The Council uses CIVICA Financials as it core financial system, this provides an Account Payable, Accounts Receivable, Purchase Ordering and General Ledger for the Council.</p> <p>Parity 2014 is a licensing agreement which provides Epsom & Ewell Borough Council access to all the system modules and latest facilities available under a new, single license fee.</p> <p>Some of the new modules that would become available to Epsom and Ewell would be:</p> <ul style="list-style-type: none"> • WEB Channel • WEB e-Budgeting • WEB Contract Monitoring • WEB Supplier Portal • WEB Fixed Asset • XML Channel • WEB Debtors Portal • Transparency Reporting • Web Archiving (AV) • Generic Purchasing Hub • Expenses Portal • Lodged Card • Scanning of Invoices <p>By implementing a number of these modules the Council would potentially be able to make improvements in a number of financial processes. This would need further investigation.</p> |
| DETAILS OF PROJECT | |

Capital Programme 2017/18 - Potential Bid Project Appraisal Form

**BENEFITS OF
CARRYING
OUT PROJECT**

Parity 2014 would enable the Council to uplift to the latest Civica Financials developments and functionality, enhance your working practices, deliver savings on licence fees and improve operational efficiency, all working within your timelines and resource capabilities.

It would enable some process reviews for a number of areas of finance in the Council including electronic scanning of invoices. Further business case would be needed to progress.

**FINANCIAL
SUMMARY**

| | Cost of Project £ | Comments |
|---|-------------------------------------|---|
| Total Scheme Capital Expenditure | 67,000 | 35,000 - Parity licensing 10,000 – estimate for a number of days for installation of key modules. 17,000 – scanning licensing and estimate of install days 5,000 - scanning hardware |
| Internal Funds Identified | 0 | |
| External Funds Identified | 0 | |
| Capital Reserves Needed to Finance Bid | 67,000 | |
| Annual Ongoing Revenue (Savings) as a Direct Result of the Project | Needs Business Case in 17/18 | This would need further review in 17/18 to review the process and investigate whether savings can be made |
| Annual Ongoing Revenue Additional Costs as a Direct Result of the Project | 10,000 | |

**Capital Programme 2017/18 - Potential Bid
Project Appraisal Form**

| | | |
|----------------------|---|--|
| KEY QUESTIONS | Is investment required to meet Health and Safety or other legislative requirements? If yes justify. | No |
| | Will services be affected if this project does not get approval? If so how? | No-However ability to deliver increased savings and efficiencies will be impaired going forwards |
| RISK | Risks of not delivering project to timetable and/or budget | Not able to have the resources to implement the new modules from the Council or the third party |

This page is intentionally left blank

Capital Programme Review 2017-18 Project Appraisal Form

COMMITTEE & BID NUMBER

Strategy & Resources Bid 6

PROJECT TITLE

Epsom Business Hub

ACCOUNTABLE OFFICER

Officer responsible for project planning and delivery of the scheme. Accountable officers are also responsible for post project review.

Mark Berry

DETAILS OF PROJECT

Project scope, what is included/excluded in the scheme

The business hub is a project to create a flexible and affordable shared working space within the town centre for entrepreneurs, freelancers and homeworkers from the Epsom and Ewell area. The delivery of the proposed hub meets an objective set out in the Economic Development Action Plan adopted by the Council in April 2016 and referenced as a key priority in the Corporate Plan 2016/20.

This proposal is for a first phase project to mitigate potential risk and expenditure by initially optimising office floor space located within the Old Town Hall. Evidence suggests that this is a deliverable and economically viable model. Success would allow for the project to be extended within the Town Hall and possibly to other Borough Council assets located in and around the Town Centre.

Just over 100sq m of underutilised office space has been identified in the Old Town Hall as potential accommodation for around 15 desks and locker storage (subject to some internal relocation of EEBC staff and existing tenants); with two adjoining rooms for meeting space and the bottom of the main staircase that could be used as an informal meeting area. Business users would enter the building via the Old Town Hall entrance and further controlled access points would need to be put in place to restrict movement to the business hub area, kitchen and toilets.

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|--------------------------------------|---|
| | <p>The project would be established and delivered in partnership with a private sector business hub operator. The Council would be responsible for preparing the contract, lease and other legal documentation; providing the initial capital funding to set up the hub to cover broadband installation, redecoration; controlled access points; furnishings and marketing and ensuring as landlord that the general fabric of the accommodation is 'fit for purpose' in terms of meeting necessary requirements for its use for hub users.</p> <p>The operator would be responsible for the day to day running of the hub; appointing and overseeing a hub manager; entering into relevant contractual arrangements with occupants; ensuring that occupants comply with provisions of the lease; establishing financial systems and procedures to record and monitor all cost / expenditure and revenue income and preparing the necessary accounts.</p> |
| <p>Project outcomes and benefits</p> | <p>The main objectives of providing the space is to strengthen small business growth and job creation by addressing the shortage of flexible and affordable small business space in the town centre; improving access to innovation, skills and services for existing local organisations. Increasing and intensifying commercial / economic activity also contributes to town centre economic vitality and viability.</p> <p>Some existing employment / office space has recently been lost under changes to the Permitted Development Regime and other local managed office centres are almost fully occupied. Businesses may look to locate in neighbouring areas if no space is available in the Borough. The hub will open up opportunities for very small businesses to set up, expand and progress into larger office footprints in the Borough.</p> <p>A number of economic outputs would be agreed with the provider over a five year period, This would need to be agreed with a provider as part of the contract but it is envisaged that in Year 1 the project could support 10 local businesses, creating 2-3 jobs and 1 potential apprenticeship.</p> |

Capital Programme Review 2017-18 Project Appraisal Form

FINANCIAL SUMMARY

| | | Cost of Project £ | Comments and detail where necessary. Provide appendices where relevant. Examples of business cases spreadsheets can be found in the Finance Handbook |
|---|---|----------------------|--|
| a | Estimated cost of purchase, works and/or equipment | 30,000 | See annex1 for breakdown of costs |
| b | Consultancy or other fees | 0 | |
| c | Total Scheme Capital Costs (a+b) | 30,000 | |
| d | External Funding Identified (e.g. s106, grants etc.) Please give details, including any unsuccessful funding enquiries you may have made. | 0 | |
| e | Net Costs to Council (c-d) | 30,000 | |
| f | Internal Sources of Capital Funds Identified (e.g. repairs & renewals reserve etc.) | 0 | |
| g | Capital Reserves Needed to Finance Bid (e-f) | 30,000 | |
| h | Annual Ongoing Revenue Additional Savings as a Direct Result of the Project | tbc | |
| i | Annual Ongoing Revenue Additional Costs as a Direct Result of the Project | tbc | |

Capital Programme Review 2017-18 Project Appraisal Form

| Year | 2017/18 £ | 2018/19 £ | 2019/20 £ |
|---|--------------|--------------|--------------|
| Spend Profile of Scheme – please identify which year (s) the scheme spend will fall into | 30,000 | 0 | 0 |

REVENUE IMPACT

| | |
|--|-----|
| Can Revenue Implications Be Funded From the Committee Base Budget? – Please give details | tbc |
|--|-----|

CORPORATE PLAN 2016/20

| | |
|--|--|
| Is this investment linked to EEBC's Key Priorities? If so, say which ones and evidence how. How does project fit within service objectives? | Yes – referenced in 'Supporting Businesses' and the Local Economy Priorities includes the objective to create 'space for startup incubator businesses to grow and expand'. |
|--|--|

TIMESCALES

What is the proposed timetable for completion of the project? Give estimated start and finish dates for each stage of the project. These dates will be used as milestones during quarterly budget monitoring to assess performance of project delivery.

| | | Target Start Date | Target Finish Date |
|---|--------------------------|-------------------|--------------------|
| 1 | Design & Planning | October 2016 | November 2016 |
| 2 | Further Approvals Needed | tbc | tbc |
| 3 | Tendering (if necessary) | November 2016 | January 2017 |
| 4 | Project start date | April 2017 | |
| 5 | Project Finish Date | | September 2017 |

Capital Programme Review 2017-18 Project Appraisal Form

BASELINE CRITERIA

All capital schemes are assessed against criteria set by the Capital Member Group annually. Bids should meet at least one of these criteria. State which capital criteria(s) for assessing bids are met and why. Leave blank any which are not met.

Spend to Save schemes should meet the following criteria;

- Payback of the amount capital invested within the project within 5 years (7 years for renewable energy projects).
- The return required on capital employed should be linked to the potential cost of borrowing (MRP) rather than potential loss of investment income.
- Risk of not achieving return on investment is low.
- Clear definition of financial cost/benefits of the scheme.

Members may consider schemes with longer paybacks on major spend to save projects going forward, especially those that incur borrowing.

| | |
|---|-----|
| <p>Is there a guarantee of the scheme being fully externally funded and is it classed as a high priority? Please give details of funding streams, including any restrictions on the funding.</p> | No |
| <p>Is the Scheme a Spend to Save Project? Will investment improve service efficiency including cost savings or income generation? What is the payback in years?</p> | tbc |

Capital Programme Review 2017-18 Project Appraisal Form

| | |
|---|----|
| <p>It is mandatory for the Council to provide the scheme? Is investment required to meet Health and Safety or other legislative requirements? If so state which requirements.</p> | No |
| <p>Is this project the minimum scheme required to continue to deliver the services of the Council? - Is investment required for the business continuity of the Council? If so say how.</p> | No |

ASSET MANAGEMENT PLAN

| | |
|--|----|
| Is investment identified in the Council's Asset Management Plan? | No |
|--|----|

PRIORITISATION

State which **one** of the four prioritisation categories are met and why.

| | | |
|---|--|--|
| 1 | Investment essential to meet statutory obligation. | |
| 2 | Investment Important to achieve Key Priorities. | Space for start-up incubator businesses to grow and expand is a key success measure outlined in the Corporate Plan 2016/20 |
| 3 | Investment important to secure service continuity and improvement. | |
| 4 | Investment will assist but is not required to meet one of the baseline criteria. | |

RISKS ASSOCIATED WITH SCHEME

Capital Programme Review 2017-18 Project Appraisal Form

| | | |
|---|---|---|
| 1 | Outline the risks of delivering this project to timetable and budget. (Please do not include risks to the service or asset if project is not approved.) | <p>The level of take up and income generation for the business hub is below expectation.</p> <p>Expenditure invested into the business bub is not recovered.</p> |
| 2 | Are there any risks relating to the availability of resources internally to deliver this project | Yes |
| 3 | Consequences of not undertaking this project | <p>The Council's objectives and priorities in relation to economic development in the Economic Development Strategy and Corporate Plan would not be achieved.</p> <p>The provision of small business space will continue to fail to meet demand and will act as a barrier to business growth in the Borough. As well as the negative impact on the growth of existing businesses located in the area, opportunities for high value inward investment will be lost.</p> <p>Missed opportunity to create a viable long term revenue stream for the Council.</p> |
| 4 | Alternative Solutions (Other solutions considered – cost and implications) | |

| | |
|--|---------------------------------------|
| Is consultation required for this project? Please give details of the who with and when by. | Yes – some current users of Town Hall |
|--|---------------------------------------|

| | |
|---------------------------------------|-----------|
| Ward(s) affected by the scheme | Town ward |
|---------------------------------------|-----------|

Capital Programme Review 2017-18 Project Appraisal Form

Accountable Officer Responsible for Delivery of the Scheme

Name and Signature Date

Whole life revenue costs of capital project

Where savings or budget virements are being used to part fund a project, the relevant budget manager must sign the appraisal form.

Accountable Officers for the revenue implications of the project

Project Manager Name and Signature Date
.....

Revenue Budget Holder Name and Signature Date
.....

Service Accountant Name and Signature Date
.....

Project Description

Epsom Business Hub

S & R Bid 6
2017/18

| | Number of Items | Cost Per Item £ | Capital One-off £ | Revenue Annual £ | Revenue Cost/Savings in Year of Purchase £ | Annual Cost of Replacement at End of Life £ | Comment |
|---|-----------------|-----------------|-------------------|------------------|--|---|---|
| Town Hall | | | | | | | |
| Decorating / installation | | | 10,000.00 | | | | Decorating and refurbishment of the main room for hub and other shared space in the vicinity. Broadband installation kettle, microwave, coffee machine, toaster, cups, plates, cutlery etc Desks, chairs, lockers Soft seating, tables for informal meeting spaces inside and outside multi-plugs; lamps etc Estimate that three additional access control points will be needed to be installed and potentially two new sets of doors Alterations might be necessary to other town hall accommodation as part of relocation, for example, Audit may require additional security improvements to be made to the Finance office (costs unknown) |
| Kitchen facilities | | | 300.00 | | | | |
| Office furniture | | | 5,000.00 | | | | |
| General furnishings | | | 1,500.00 | | | | |
| Other - electrical | | | 200.00 | | | | |
| Access control points | | | 6,000.00 | | | | |
| Repair, reconfigure and reline. | | | 4,000.00 | | | | |
| | | | 27,000.00 | - | - | - | |
| Contingency | 10% | | 3,000.00 | | | | |
| | | | 30,000.00 | - | - | - | |
| Ongoing Additional Revenue Expenditure | | | | | | | |
| Consumables | | | | 500.00 | 291.67 | | Tea, coffee, milk etc |
| | | | - | 500.00 | 291.67 | - | |
| Ongoing Additional Revenue Savings | | | | | | | |
| Income from Business Hub | | | | | | | |
| | | | - | 0.00 | 0.00 | 0.00 | |
| Net Cost | | | 30,000.00 | 500.00 | 291.67 | 0.00 | |

Date Asset Will be Operational 30/05/2017 Date used to calculate budgets above

Is this:

- New Asset No
- Replacement of an old asset No
- Enhancement to an existing asset Yes

How long will the asset last (years) 5

Officer Responsible for BID Mark Berry

Date 13/01/2017

This page is intentionally left blank

STRATEGY AND RESOURCES BID 6 2017/18

EPSOM BUSINESS HUB PROJECT

1. Summary

- 1.1 Epsom Business Hub is a project to create a shared work space for entrepreneurs, freelancers and homeworkers from the Epsom and Ewell area. This report sets out further details of a proposal, based on desk research and initial discussions with 'Wimbletech', a Community Interest Company, to run and manage the Hub within Epsom Town Hall.

Capital Member Group on 7 September 2016 was generally supportive of the initial capital bid to develop a Business Hub but wanted more information including robust costings both capital and revenue, along with an indication of possible income streams.

2. Details

- 2.1 An outline proposal has been prepared to set out further detail including:

- The key objectives of the project
- The governance structures the parties will put in place
- The respective roles and responsibilities the parties will have
- Outline costings.

Key objectives

- 2.2 The main objectives of Wimbletech model are to:

- Generate sustainable, new revenue and income generation for host buildings
- Increase footfall and awareness of existing/new services
- Invest into buildings and to improve access to shared space
- Provide flexible, affordable working space for a diverse set of entrepreneurs
- Improve local employment opportunities and spending in the area
- Improve access to innovation, skills and services for existing local organisations
- Deliver free community events to young and old to share skills and knowledge.

- 2.3 It is envisaged that the Council and Hub Operator (Wimbletech or another operator) would develop similar objectives in establishing and running of the Epsom Business Hub (name to be agreed). The Hub will provide flexible and affordable co-working space and start-ups, software developers and other supporting small specialist services such as accountants, business angels and intellectual property specialists.

2.4 Space has been identified within the Old Town Hall for co-working and meeting space. Hub users would have shared access with other Town Hall tenants to toilets and kitchen facilities. Access would be restricted to certain hours (i.e. 9am- 5pm Mon- Fri) and not at all on Saturday and Sunday. This would be controlled by swipe card systems.

2.5 A number of economic ‘outputs’ would be agreed over a five year period including:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------------------------|--------|--------|--------|--------|--------|
| Members supported | | | | | |
| Businesses supported | | | | | |
| New jobs created | | | | | |
| Apprenticeships | | | | | |
| Community events | | | | | |

Principles of Collaboration

2.6 The parties will agree to collaborate and co-operate using a governance structure (see below) and to ensure that activities are delivered and actions taken as required. This will entail communicating openly with each other, sharing information, experience, materials and skills as appropriate, adhering to statutory requirements such as data protection and freedom of information and best practice and managing stakeholders effectively.

Governance

2.7 A high level Steering Group would be created to provide overall strategic oversight and direction to the project. It would monitor progress and outputs and make strategic decisions for programme delivery and direction. Representatives from the Council could be co-opted onto the Group in an advisory role.

Roles and Responsibilities

2.8 The Council will be responsible for:

- Preparing the contract, lease and other legal documentation
- Providing the initial capital funding (£30,000) to set up the Hub to cover

broadband installation, redecoration and marketing

- Ensure as landlord that the general fabric of the buildings is 'fit for purpose' in terms of meeting necessary requirements for its use by Hub users.

2.9 Hub operator will be responsible for:

- The day to day running of the Hub
- Appointing and overseeing a "Community Manager"
- Entering into relevant contractual arrangements with occupants
- Ensuring that occupants comply with provisions of the lease
- Establishing robust financial systems and procedures to record and monitor all cost/expenditure and revenue/income and preparing the necessary accounts.

2.10 Both parties will establish:

- Criteria for selecting the start-ups/businesses wishing to take up space (with the Council having a right of veto over all appointments)
- A complaints (and escalation) procedure for Hub users.

Lease

2.11 A lease would need to be drawn up between the parties to protect the Council's interests and covering the following aspects to ensure that:

- Hub operator pay the Council an agreed rental income for the premises over five years, with regular review
- The premises are maintained in a good state of repair and decoration and are kept clean and tidy

- Entry is regulated during the agreed hours of operation for the premises
- The premises are only used for Hub purposes including flexible and affordable co-working space for business start-ups and information technology and related businesses and for no other purpose or use
- That as far as reasonably possible the Business Hub serves residents and small businesses from the Epsom & Ewell Borough or is able to demonstrate a significant economic benefit to the area
- No structural alterations are made to the premises
- No part of the premises are assigned to any other party
- Allocated parking spaces are used appropriately
- The Council is indemnified against all future legal actions, proceedings, costs and claims
- The Council will maintain the exterior, main structure and common areas of the premises in good order
- The Council is able to obtain vacant possession of the premises in the event that rent is not paid or of a serious breach of the lease covenant
- No occupier is granted possession of any area of the premises
- The lease can be terminated at any time by either party upon three months notice being served, with vacant possession given back to the Council.

Project timetable

2.12 An outline sequence of events is proposed:

- **March 2017**- soft marketing and advertising of space and community manager role
- **April 2017**- Lease/contract to be mutually agreed and signed, start up funding released to Hub Operator, Steering Group formed. All the key operational works will be carried out including broadband installation, furnishings and fittings installed, community manager appointed, member sign up and operating systems in place
- **May 2017**- first member occupation of Hub and further recruitment of partners/volunteers to run community events
- **May 2017- Dec 2017**- Monitoring of the operation via quarterly Steering Group meetings. Consider future growth of Hub to other Council assets as demand/occupancy for Town Hall increases.

Project costs

- 2.13 The Council would provide a one-off capital sum of £30,000 that will contribute towards the total costs of setting up in Year 1 including furnishings, furniture and broadband as well as for operations and marketing. The Hub operator would also be expected to invest in Year 1 to cover managerial and financial support including the community manager, together with branding, advertising and web site costs.
- 2.14 The project aim is that it should be cost neutral to the Council. This means that that the day to day running costs (excluding capital investment and landlord responsibilities for the maintenance of the fabric of the buildings) should be recovered in full from the income generated by the project over the five year cycle.
- 2.16 The contract with a Hub provider would likely need to include provision for a rent and rate free period in Year 1 in order for the Hub to set up and become established. The contract and lease would include provisions to enable the rent/rates to be reviewed on an annual basis, taking into account factors such as occupancy, performance and meeting of economic outputs and community obligations as set out in paragraph 2.5 above. The Council, via its representation on the Steering Group, would also have access to the accounts and will be able to monitor the overall performance of the operation.

Initial Works required for Old Town Hall

- 2.18 In addition to the set up costs, works will be required to re-locate existing staff and tenants from the accommodation identified for the Hub.

This could include :

Minor internal and external repairs/redecoration

- Additional security improvements to be made to the finance office
- Programming of swipe card system

- 2.19 The total costs of these works are not yet known as options have not been sufficiently developed and agreed. However any expenditure will need to be met from the capital funding for the Business Hub. A proposed budget of £4k has been included in the bid.

- 2.20 In taking this project forward, the Council, as landlord, would continue to maintain the fabric of the building, as presently. In view of the age of the building there is likely to be further on-going works that will need to be carried out and equipment installed in future, some of which may be necessary over the lifetime of the project, i.e. over the next five years.

Broadband connection

- 2.21 Separate connections from the Council network for the Hub will be needed for Public Service Network (PSN) compliance. It is likely that the

Hub operator would arrange for the installation of a dedicated broadband line and Wi-Fi. Set up costs would come from the Council's capital funding, running costs would be met by the operator.

Parking

- 2.22 It is anticipated that many Hub users will live in the local area and will fairly easily be able to get to Epsom town centre on foot or by cycle, bus or train. However as part of the lease Hub users could be offered the opportunity to purchase business permits for nearby car parks.

Furniture and Equipment

- 2.23 Some budget has been allocated for furniture and equipment. It may be possible to utilise some existing desks, chairs, filing cabinets and IT equipment. A full inventory of furniture and equipment would need to be undertaken to establish Council furnishing is good working order and any furniture or equipment that is not needed.

3. Options/Reasons for Proposal

- 3.1 The key benefits of a Wimbletech (or similar) proposal are that it offers a relatively low investment/low risk to the Council, it can be started off quickly on a small scale and can grow organically over time, it uses a tried and tested model which is working elsewhere with other councils and there is potentially a significant amount of community gain.
- 3.2 The proposal would be in line with the Council's Economic Development Strategy and a key priority in the Corporate Plan 2016/20.

REVENUE BUDGET 2017/18

| | |
|---|--|
| <u>Report of the:</u> | Director of Finance and Resources |
| <u>Contact:</u> | Lee Duffy |
| Urgent Decision?(yes/no) | No |
| If yes, reason urgent decision required: | N/A |
| <u>Annexes/Appendices</u> (attached): | None |
| <u>Other available papers</u> (not attached): | Budget Target Report 27 September 2016 |

REPORT SUMMARY

This report sets out estimates for income and expenditure on services in 2017/18.

RECOMMENDATION (S)

That the Committee recommends the 2017/18 service estimates for approval at the budget meeting of the Full Council on 14 February 2016.

That the Committee agrees not to revise the current discretionary rate relief scheme for 2017/18, which the budget proposals in this report reflect.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Medium Term Financial Strategy and Efficiency Plan aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 1.2 The Service Plan for the Corporate Priority "Managing Resources" includes service targets designed to maintain a balanced budget.

2 Background

- 2.1 Government reductions in revenue support grant, welfare benefit changes and the long term impacts of a weak economy continue to create pressure on Council finances and are likely to do so for the foreseeable future. The Council's budget strategy has been, as far as practical, to make operational and efficiency savings to minimise service reduction affecting residents.

- 2.2 The recommendation in this report is consistent with the Council's four year Medium Term Financial Strategy and Efficiency Plan for 2016/17 to 2019/20.
- 2.3 The overall Council revenue budget target for 2017/18 was agreed by Strategy & Resources Committee on 27 September 2016 as follows:-
- Estimates are prepared including options to reduce organisational costs organisational costs by £556,000 to minimise the use of working balances and maintain a minimum working balance of £2.5m in accordance with the medium term financial strategy;
 - That at least £200,000 in additional revenue is generated from an increase in discretionary fees and charges, based on minimum overall increase in yield of 3% in 2017/18;
 - That a provision for 2017/18 pay award is made of £180,000 which represents 1% pay increase and 0.6% progression;
 - That further efficiencies be identified to address the budget shortfalls of £220,000 in 17/18, £374,000 in 18/19 and £688,000 in 19/20;
 - That the Capital Member Group seeks to limit schemes included within the capital expenditure programme that enable the retention of agreed minimum level of capital reserves.
- 2.4 The figures in this report are final and are representative of the local government finance settlement. Any changes to the service estimates should either be self-financing or produce a saving within the Committee's overall recommended budget.
- 2.5 The service estimates for this Committee are to be included in the draft Budget Book 2017/18 that will be distributed to all Councillors.

3 Proposals

- 3.1 Estimates have been prepared on the basis that all existing services to residents are maintained.
- 3.2 No general allowance for price inflation has been included for the revenue estimates 2017/18 as price inflation has been at a historic low. However, any price inflation that has to be included in embedded contracts has been allowed.
- 3.3 For pay inflation, a budgeted increase of 1.0% representing £113,000 was allowed for within the Medium Term Financial Strategy as agreed by this Committee on 27 September 2016. Members are advised that there is a separate report on this agenda entitled "Pay Award 2017/18" which proposes a 0.5% higher pay award at 1.5% with a resulting additional cost (above the 1%) of £56,500. Members are advised that the extra £56,500 has been included within the Councils revenue budgets for 2017/18 and is

funded from compensating efficiency and income savings. However, if the Committee decide not to agree the additional pay award of £56,500 then it will result in a saving of £56,500 to the Council and this would have to be adjusted for and reflected in the final budget report to Council on 14 February 2017.

- 3.4 The Council agreed a target to increase overall income from locally set fees and charges by a minimum of 3%, after making allowance for any further changes in service. Proposals have been included in a separate report on this agenda. Certain charges for Committees are being proposed at above-inflation levels, either to reduce service subsidy levels or to enable the Council to achieve a balanced budget.
- 3.5 To allow the Council to determine the budget and Council Tax in February, the Committee estimates have been presented as follows:-
- The Budget Book contains the service estimates for 2017/18.
 - All unavoidable cost increases and income reductions are reflected in the estimates.
 - All operational savings identified to date are reflected in the base estimates.
 - Recommended increases to fees and charges have been included within the Budget Book and the income estimates.
 - All increases in charges are subject to approval by the Council.

4 Revised Estimates 2016/17

- 4.1 Before considering the revenue estimates for 2017/18, this section provides a summary of the forecast outturn for the current financial year. Variations identified with on-going effects have been taken into account in preparing next year's budget.
- 4.2 The Council's probable revenue outturn for all Committees in 2016/17 anticipates an underspend of £96,000. This would effectively mean a contribution to working balances at year end of £96,000, assuming that this level of underspend continues through to the end of the financial year at 31 March 2017. The Council's working balance currently stands at £3,171,000 before any further contribution is made.
- 4.3 The probable outturn specifically for the S&R Committee only for 2016/17 is an underspend of £167,000 and this is highlighted in the table below in paragraph 4.6. The key reasons for the major variances are explained in the paragraphs that follow.

- 4.4 For Corporate Financial Management an underspend of £229,000 is forecast due to better than expected performance on treasury management income and interest on overall Council balances. This higher than expected income level has been previously reported to the Financial Policy Panel as part of the recent mid-term update.
- 4.5 Land Charges income is projecting an adverse variance of £52,000 due to the general economic downturn and reduction in searches required. It should be noted that a Council provision exists for anticipated drops in income and this will be utilised in 2017/18 to compensate for the loss of income. The Land Charges provision will stand at £65,000 after allowing for this.
- 4.6 There is an adverse variance for Other Accounts of £34,000 and this exists due to an overspend on recruitment and advertising costs due to high turnover of staffing and also some adjustments required to Business Rates for Council owned properties.
- 4.7 As can be seen from the table below, the remaining variances are favourable or minor and relate to general flows and fluctuations of spend with nothing outstanding as a significant concern.
- 4.8 The Committee's probable outturn (estimated net expenditure) for 2016/17 is included in the draft Budget Book on each cost centre page, with a detailed analysis on variations to original budget. The outturn forecasts are all based on the quarter three budget monitoring reports used by all Managers.
- 4.9 A summary of probable outturn for each service group is as follows:

| Service group | Published budget 2016/17 £'000 | Current approved budget 2016/17 £'000 | Probable outturn 2016/17 £'000 | Variation from current budget £'000 |
|-----------------------------------|-----------------------------------|--|-----------------------------------|--|
| Democratic & Civic | 681 | 680 | 684 | 4 |
| Corporate Functions | 726 | 722 | 722 | 0 |
| Corp Financial Management | 121 | 218 | (11) | (229) |
| Tax Collection & Benefits | 1229 | 1201 | 1179 | (22) |
| Land Charges | (68) | (59) | (7) | 52 |
| Land & Property | (788) | (821) | (834) | (13) |
| Economic Development & Prosperity | 128 | 128 | 145 | 17 |
| Community Wellbeing | 146 | 141 | 131 | (10) |
| Other Accounts | 173 | 192 | 226 | 34 |
| Total | 2,348 | 2,402 | 2,235 | (167) |

4.10 The current approved budget in the table above represents the published budget updated with authorised transfers of funds since the budget was approved in February 2016.

4.11 This Committee's probable outturn for 2016/17 is £167,000 less than the current approved budget and contributes to the Council's overall probable outturn of a favourable £96,000 underspend.

5 Budget Proposals 2017/18

5.1 The service estimates are included in the draft Budget Book 2017/18, circulated to Councillors in January.

5.2 A summary of the Committee's revenue estimates for 2017/18 is set out below:

| SERVICE GROUP | PUBLISHED BUDGET 2016/17 £'000 | BASE POSITION 2017/18 £'000 |
|-----------------------------------|--------------------------------|-----------------------------|
| Democratic & Civic | 681 | 694 |
| Corporate Functions | 726 | 722 |
| Corp Financial Management | 121 | 471 |
| Tax Collection & Benefits | 1229 | 1,298 |
| Land Charges | (68) | (67) |
| Land & Property | (788) | (1076) |
| Economic Development & Prosperity | 128 | 135 |
| Community Wellbeing | 146 | 140 |
| Other Accounts | 173 | 86 |
| Total | 2,348 | 2,403 |

5.3 The following table comprises a summary of the main changes to the Committee's proposed budget 2017/18 compared with the published budget for 2016/17.

| STRATEGY AND COMMITTEE | BUDGET £'000 |
|--|--------------|
| Published Budget 2016/17 | 2,348 |
| Variation in pay, pension (IAS19) & support service recharges * | (119) |
| Net change to interest receipts and application | (20) |
| Additional rents from investment properties | (281) |
| Additional costs re investment properties : Business rates & Council Tax | 24 |
| Net contract changes (tree maintenance (£66), transport £20 Kier £10) | (36) |

| STRATEGY AND COMMITTEE | BUDGET £'000 |
|--|-------------------------|
| Increase in property maintenance provision | 50 |
| Change to administration grant Local tax support | 25 |
| Bid Business Rates provision | 18 |
| Loss of Surrey County Council recycling credits | 75 |
| Provision for potential impact of Benefit changes | 100 |
| Reduction in contribution to Business Equalisation Reserve | 41 |
| Remove proposed change to Discretionary Rate Relief ** | 22 |
| Increase in contribution to corporate project reserve | 133 |
| Other changes | 23 |
| Base Position 2017/18 | 2,403 |

** Pay and pension costs include all charges for employees, including pension fund liabilities under International Accounting Standard 19, for this Committee. Support service recharges are for the provision of statutory and administrative services carried out by back office departments of the Council.*

*** There are no changes proposed to the discretionary rate relief scheme for 2017/18 and this results in a variation of £22,000 as detailed in the table above. Also there is a recommendation within this report that requires this committee to agree no change in this policy.*

- 5.4 Further information on the detailed budget changes are also shown in the Budget Book pages which will be available for Council Members.
- 5.5 Operational / efficiency savings towards the Medium Term Financial Strategy and Efficiency Plan that were agreed by this Committee on 27 September 2016 have been included within the base position. The base position also includes changes identified by officers to reduce organisation costs.
- 5.6 There is a separate fees and charges report also on this agenda which identifies areas where extra income can be generated for this Committee, however it should be noted that the overall level of fees and charges for this Committee is very limited and and there are only minor increases in comparison to the current year.

6 Financial and Manpower Implications

- 6.1 Consultation processes will be progressed should operational changes affect staffing levels or staff duties.
- 6.2 Any questions or queries with the Budget Book 2017/18 should be sent to relevant Officers in advance of this Committee meeting.

6.3 **Chief Finance Officer's comments:** *Financial implications are contained within the body of this report.*

7 Legal Implications (including implications for matters relating to equality)

7.1 The Council will fulfil its statutory obligations and comply with its policy on equalities.

7.2 **Monitoring Officer's comments:** *There are no direct legal implications arising from this report. However, decisions taken about the budget will impact the services which can be delivered. It is important that statutory services are appropriately funded, which the recommended budget seeks to achieve.*

8 Sustainability Policy and Community Safety Implications

8.1 Whilst there are no particular implications for the Sustainability Policy or the Community Safety Strategy arising out of this report, the allocation of resources by the relevant policy committees will be needed to deliver actions in these areas of work.

9 Partnerships

9.1 Many services are provided by the Council without the direct involvement of other agencies. There is, however, an increasing role for partnership working with others to achieve mutually agreed objectives. The benefits and risks need to be assessed in each specific case to ensure that value for money is secured and the Council's priorities are delivered in the most efficient and effective manner.

10 Risk Assessment

10.1 In preparing the revenue budget estimates officers have identified the main risks facing the Committee in delivering services within the budget. These budgets will require careful management during the year.

| Service | Risk | Budget Estimate 2017/18 £'000 | Risk Management |
|----------------|---|-------------------------------------|---|
| Employee costs | Medium : Not achieving budgeted staff savings to meet the vacancy provision | 5,334 | Recruitment management Salaries monitoring |

| Service | Risk | Budget Estimate 2017/18 £'000 | Risk Management |
|--|---|-------------------------------------|---|
| Treasury management – income from interest on balances | Medium: Achievement of budgeted return | 168 | Prudent budgeting Treasury Management Policy including use of specialist external advisers and fund managers Use of Interest Equalisation Reserve |
| Land and property | Medium : Loss of tenants and commercial rentals | 1,602 | Asset Management Plan – property and rent reviews |

11 Conclusion and Recommendations

11.1 The Committee is asked to agree the service revenue estimates as set out in the draft Budget Book 2017/18

11.2 The Council will consider the budget at its meeting on 14 February 2017.

WARD(S) AFFECTED: All

STREET SCENE CCTV

| | |
|---|-----------------------------|
| <u>Report of the:</u> | Chief Executive |
| <u>Contact:</u> | Kelvin Shooter, Simon Young |
| <u>Urgent Decision?(yes/no)</u> | No |
| <u>If yes, reason urgent decision required:</u> | N/A |
| <u>Annexes/Appendices (attached):</u> | None |
| <u>Other available papers (not attached):</u> | None stated |

REPORT SUMMARY

This report sets out proposals in respect of arrangements for monitoring and maintaining the Street Scene CCTV cameras/system in our streets.

RECOMMENDATION (S)

That the Chief Executive be authorised to conclude arrangements for monitoring and maintaining the Street Scene CCTV cameras in the Borough in such way as she thinks fit, but with a view to implementing the proposals in section 3 of this report.

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 Whilst this report does not directly impact any of the actions agreed under the Corporate Plan, it does have implications for the Council's Key Priorities of Managing Resources, Supporting our Community and Supporting Businesses and our Local Economy.

2 Background

- 2.1 This report focusses purely on the CCTV cameras in streets, not any other CCTV systems which the Council operates.
- 2.2 The Council currently operates 20 Street Scene CCTV cameras. Most of these are located in Epsom Town Centre (16), with two cameras in Ewell Village, and two in Stoneleigh Broadway.
- 2.3 The Street Scene cameras are currently monitored by the control centre operated by Runnymede Borough Council under contracts between Elmbridge Borough Council, Epsom & Ewell Borough Council, Runnymede Borough Council and Surrey Police. The cameras are

maintained by a private contractor via an arrangement with Elmbridge Borough Council. Surrey Police currently contribute to the Council's costs under the various agreements.

- 2.4 The current arrangements will come to an end at the end of March 2017, at which point new arrangements need to be made. Elmbridge Borough Council have indicated their intention to enter into new arrangements for monitoring and maintenance of their CCTV cameras, so we will need to make alternative arrangements or the system would need to be decommissioned.
- 2.5 Surrey Police have indicated that they are not prepared to contribute towards the costs of monitoring or maintenance of the system. However, they have suggested an alternative arrangement in respect of monitoring (see below).
- 2.6 Without the Surrey Police financial contribution, it is not considered that an alternative solution can be found which would allow the service to remain within the current approved budget.
- 2.7 The system is principally used by Surrey Police in order to provide evidence for incidents of crime and disorder, but, even so, the system has been used in a relatively small number of cases in recent years. There is also the deterrent effect to consider, though experience indicates that the deterrent effect of CCTV is minimal in reality.
- 2.8 It has come to light that the system is also used by Surrey County Council for the purposes of highway monitoring, with a data feed from the system being routed to the County's own CCTV control room. The County Council has not so far contributed to the costs of maintenance of the system.
- 2.9 It is understood that Surrey Police has commissioned a review of CCTV across the 11 Surrey Districts and Boroughs. It is anticipated that any outcomes of this Surrey wide review will not be available until at the earliest 2017/18. However, the contractual issue and potential for revenue savings is such that it is not considered that we should wait until the outcome of the review before making changes.

3 Proposals

- 3.1 Surrey Police have indicated a willingness to monitor the camera system free of charge from their Reigate control room. Final details will need to be agreed. There will be costs in transferring the data lines from Runnymede to Reigate, and there will be a need for some additional hardware to be purchased for use at Reigate (including monitors and hard-drives).
- 3.2 Officers have had discussions about the one-off costs associated with the move. It is hoped that contributions will be received from Surrey Police

and/or Surrey County Council, but it is considered that we should probably meet the associated costs if agreement cannot be reached.

- 3.3 It has been made clear to Surrey County Council that if they do not in future contribute towards the costs of operating and maintaining the cameras, they will not be permitted to access the data from those cameras.
- 3.4 It is important that matters are progressed at the earliest opportunity, as there will clearly be a lead-in time for completion of the hardware/line moves. It is intended that we liaise with Runnymede BC to hopefully agree to extend their monitoring or recording, until the alternative arrangements are in place, but it is possible there might be an unavoidable break in service.
- 3.5 New maintenance arrangements will also need to be put in place and initial discussions have been had by officers with a view to procuring a suitable contractor. At this stage there is some uncertainty about what those arrangements will be or what the cost will be, but officers will seek to ensure that the maintenance costs are within the current budget.

4 Financial and Manpower Implications

- 4.1 The current budget for Epsom & Ewell Borough Council associated with Street Scene CCTV is £75,500 and can be broken down approximately as follows:

| | Approximate Cost 2016/2017 |
|-------------------------|-----------------------------------|
| | £ |
| Monitoring | 46,000 |
| Utilities (electricity) | 4,500 |
| Data (BT) | 15,000 |
| Maintenance | 10,000 |
| Total | 75,500 |

- 4.2 The Epsom town centre CCTV cameras are owned by this council and under the proposals outlined above would continue to be owned by this council. Therefore any direct running costs would need to continue to be funded. Unless other contributors can be found, this council would need to retain £29,500 of the current budget. However there are future potential savings within the CCTV monitoring budget of £46,000.
- 4.3 Under the proposals outlined in section 3, the costs of hardware and moving the BT lines are expected to be around £30,000. It is hoped that BT would undertake the work in the current financial year, which would mean that unbudgeted one off costs of £30,000 would have to be funded. It is proposed that these costs be met from the Corporate Property

Maintenance Provision, unless any partner contributions are secured. If the works are undertaken in the next financial year, the unbudgeted £30,000 could be funded from the potential saving of the current £46,000 monitoring budget.

- 4.4 The CCTV cameras have been in operation for a number of years. It is considered that on an ongoing basis around £10,000 should be retained of the current £46,000 budget to buy some spare cameras, to guard against breaks in service where cameras need to be removed for repair/replacement.
- 4.5 This means that there is potential to save a net £36,000 in a full year in terms of monitoring costs. There is also the potential to save on the operation/maintenance costs if Surrey CC with to continue to retain a feed from the CCTV system.
- 4.6 If the maintenance costs cannot be contained within the current budget, the scope for savings will be consequently reduced.
- 4.7 **Chief Finance Officer's comments:** *The budgetary implications detailed in the report are included in the Council's revenue estimates and Medium Term Financial and Efficiency Plan.*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 The council is not legally required to provide a CCTV monitoring and recording service but where it does it is required to comply with the relevant data protection and CCTV codes of compliance. The alternative monitoring regime of the streetscene CCTV will meet all legal requirements of providing such a service.
- 5.2 **Monitoring Officer's comments:** *Under section 17 of the Crime & Disorder Act 1998, the Council has a duty to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent:*
 - (a) *crime and disorder in the Borough (including anti-social and other behaviour adversely affecting the local environment); and*
 - (b) *the misuse of drugs, alcohol and other substances in the Borough ;*

and

 - (c) *re-offending in the Borough.*
- 5.3 *It will be important to have regard to the crime & disorder implications of any proposed change to CCTV arrangements, which adds weight to the proposal to wait until Surrey Police complete their county-wide review, before making any changes to the CCTV service.*

6 Sustainability Policy and Community Safety Implications

- 6.1 The streetscene CCTV service, having been established since the 1990s, is valued by the Surrey Police in stopping and detecting Anti-Social Behaviour and crime. They have stated they wish the service to remain at its current level.

7 Partnerships

- 7.1 The provision of streetscene CCTV has been a partnership between the Borough Council and Surrey Police. The proposed changes to the source of monitoring to maintain the service at its current level will continue that partnership.

8 Risk Assessment

- 8.1 At present Surrey Police are not proposing to enter into a contract to oblige them to monitor the CCTV, so it is possible they could stop doing so. Should the Surrey Police decide to end their monitoring arrangement following its implementation post March 2017 it would not be possible to maintain the service within the resources currently available. If Surrey Police subsequently seek a contribution to the monitoring costs, a further decision will be required.
- 8.2 There are potential risks in relation to crime and disorder if the system is not maintained, though the data previously obtained indicates that the direct effect would be minimal. There is also a risk to the reputation of the Council and potential for harm to our relationship with both Surrey Police and Surrey County Council if the matter is not concluded by mutual agreement.

9 Conclusion and Recommendations

- 9.1 The ending of the existing streetscene CCTV contracts in March 2017 and the removal of Police funding necessitates some change being made. Either the budgeted expenditure would need to be increased, or changes to arrangements would have been required – for example, a change to the level of service under a contract with the existing monitoring contractor.
- 9.2 The arrangements proposed in terms of the monitoring streetscene CCTV at Reigate Police Station will hopefully allow the service to be continued at its current levels within financial resources allocated to the provision of CCTV.
- 9.3 Following the results of the county wide review of CCTV by Surrey Police the Council may need to re-evaluate the provision of CCTV within this Borough.
- 9.4 On balance, it is considered that this matter should be approached with a view to making the savings indicated above at the earliest opportunity.

WARD(S) AFFECTED: (All Wards);

This page is intentionally left blank

**Minutes of the Meeting of the STRATEGY AND RESOURCES COMMITTEE held on
22 November 2016**

PRESENT -

Councillor Eber Kington (Chairman); Councillor Neil Dallen (Vice-Chairman); Councillors Richard Baker, Steve Bridger (as nominated substitute for Councillor Rekha Bansil), Kate Chinn, Omer Kokou-Tchri, Keith Partridge, Mike Teasdale, Clive Woodbridge and Tella Wormington

Absent: Councillor Rekha Bansil

Officers present: Frances Rutter (Chief Executive), Kathryn Beldon (Director of Finance and Resources), Simon Young (Head of Legal and Democratic Services), Mark Berry (Head of Place Development) (For items 116 to 125), Rod Brown (Head of Housing & Environmental Services) (For items 116 to 125), Ian Dyer (Head of Operational Services), Andrew Lunt (Head of Venues & Facilities), Mark Lumley (Head of ICT) (For items 116 to 121) and Fiona Cotter (Democratic Services Manager)

116 QUESTION TIME

No questions were asked or had been submitted by members of the public.

117 DECLARATIONS OF INTEREST

In the interests of openness and transparency, Councillor Neil Dallen declared non-pecuniary interest in Item 9 on the Agenda (Land at Ormonde Avenue, Epsom). Councillor Dallen was a member of the Board of Rosebery Housing Association.

118 BUSINESS IMPROVEMENT DISTRICT FOR EPSOM - PROGRESS REPORT

Note: This item was moved up the running order with the agreement of the Committee, representatives of local business interests being in attendance.

The Committee received short verbal presentations in support of the proposals in the report from Ms. Kim Eden (Chair of the Epsom Town Business Partnership and manager of M&S in Epsom) and Mr. Tony Cave (partnership member and manager of Wetherspoons in Epsom).

The report set out progress made by the Epsom Town Business Partnership (ETBP) in creating a Business Improvement District (BID) for Epsom Town Centre and the likely timetable for future action. The report highlighted the statutory duties of a local authority in a BID process and the contribution the Council was making to plans for one in Epsom. The report also highlighted the

estimated annual levy for 2017/18 onwards that would be due on its hereditaments (property) should a BID be created in the Town Centre. It was stressed that any increases in business rates due to revaluation should not be conflated with the introduction of a BID levy should a BID be successfully established. However, in relation to the BID, this was a risk that needed to be managed as any increase in business rates would affect the amount of the levy. The report also highlighted that at present, there were no funds other than officer time allocated to support its creation or the potential payment of the levy by the Council.

The Committee:

- (1) Noted the progress of the Epsom Town Business Partnership (ETBP) in creating a Business Improvement District (BID) for the Town Centre;
- (2) Noted the statutory role of the local authority in the process of creating a BID;
- (3) Provided a commitment to the ETBP that Epsom and Ewell Borough Council will continue to encourage the creation of a BID

119 MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Strategy and Resources Committee held on 27 September 2016 were agreed as a true record subject to the following amendments:

- On opening the meeting: on behalf of the Committee, the Chairman had thanked Michael Smith for his work in undertaking additional responsibilities during the previous few months of staff absence and had wished him well in his new job;
- Minute 105 (Audit Findings Report 2015/16), final paragraph: Add a final sentence: *“In response to a question in regard to the level of understanding and depth of enquiry required of Members when scrutinising the Audit Report, the Auditors had confirmed that the role of Members was to question the Auditors on their work and judgments rather than to engage in detail on the auditing process itself”*.

120 CORPORATE PLAN: PERFORMANCE REPORT ONE 2016 TO 2017

A report was presented to Committee which provided an update against its Key Performance Targets for 2016/17 under the Corporate Plan.

The report highlighted that the following targets were “off track/not achieved” and the actions identified to achieve them:

- To process new Housing Benefit claims within an average time of 22 days

- To submit at least three business cases which would generate long term income streams to the Capital Member Group for prioritisation as part of the 2017/18 Capital bid process;
- To procure at least to residential units generating no less than 6% return on investment
- To review and implement a performance pay and staff appraisal scheme.

In respect of processing Housing Benefit claims, The Director of Finance and Resources stated that the issue here was not necessarily financial resource but rather around the transfer to universal credit and the struggle to keep staff: the Council was looking at options around service delivery.

In respect of the purchase of the residential units, it was confirmed that offers had been accepted but completion was dependent on the conveyancing process which could take some time. The target was therefore off track in that it would not be possible to achieve the anticipated return of 6% on the investment in the current financial year.

It was queried whether the target of collecting £2.3 million of receivable rents ought to be recorded as “on track”. It was confirmed that this was correct: this element of the target related to rents in relation to commercial properties. Lettings income in relation to the Council’s venues was reported to the Community and Wellbeing Committee.

Accordingly, having considered the performance reported in Annexe 1 to the report, the Committee:

- (1) did not identify any areas of concern;
- (2) noted the actions that had been proposed or taken where performance was currently a concern as set out in paragraph 3.1 of the report.

121 ICT DIGITAL STRATEGY

The Committee received and considered a report which sought approval of the ICT Digital Strategy for 2016-2020.

The report concluded that digital processes would continue to ensure that the Council was flexible and agile in providing services: the ability of staff to work in a more flexible and mobile manner and for customers to access services via mobile devices was becoming increasingly important. However, Officers recognised that it was about appropriate channels of communication and, with the support of partners, assisting and enabling access information.

Having a secure, resilient and reliable infrastructure was essential for the Council to ensure that it was able to provide services for residents. ICT would use externally hosted or “cloud” services where appropriate to enable this but members were assured that no confidential data would be stored on the “cloud”. Cyber security was at the core of everything and another key element of the

Strategy was to improve the Business Continuity and Disaster recovery arrangements whilst reducing day to day risks.

The Chairman commended the Head of ICT on the format of the new Strategy and the Committee congratulated him and the team on the implementation of upgraded website which went live on 22 November. Accordingly, subject to minor amendments, the Committee approved the ICT Digital Strategy 2016-20 set out in the Annexes to the report.

122 SYRIAN VULNERABLE PERSONS RESETTLEMENT PROGRAMME

The Committee received and considered a report which set out the issues around the Government's invitation to participate in the Syrian Vulnerable Persons Resettlement Scheme (SVPRS).

Three options were presented to the Committee with a recommendation to support Option 3. The three options were:

- Option 1: Not to participate in the SVPRS
- Option 2: To participate in the SVPRS to assist up to 5 Syrian refugee households over five years
- Option 3: To participate in the SVPRS to assist up to 5 Syrian refugee households over five years, only using properties specifically identified for housing those under the scheme and to avoid the use of accommodation that would otherwise be available to local households looking to the Council to assist them with their housing needs.

It was noted that the Housing Needs Register was currently being reviewed as part of the new Housing Allocation Policy agreed by the former Social Committee. There were currently 2200 applicants on the register but this was anticipated to drop in the light of the tighter criteria and the fact that many applications were "cold cases" and could now be removed for the Register.

Given the intention by the Government to reimburse local authorities for the majority, if not all, of the costs associated with the scheme, the financial risk to the Council appeared to be low. Officers were seeking to minimise the financial risk by recommending that assistance be limited to one family a year for five years, and in Option 3, by using accommodation that would not negatively impact on temporary accommodation or bed and breakfast expenditure.

An amendment was proposed by Councillor Chinn, seconded by Councillor Kokou-Tchri, that the Council participate in the SVPRS to assist up to 10 Syrian refugee households over five years. This amendment was lost.

Having discussed the pros and cons of Options 2 and 3 and the implications of increasing the number of households it was proposed to help, a further amendment was proposed by Councillor Clive Woodbridge, seconded by Councillor Neil Dallen that the Council participate in the SVPRS to assist up to 10 Syrian refugee households over five years, avoiding the use of

accommodation that would otherwise be available to local households looking to the Council to assist them with their housing needs. This amendment was carried.

Option 2 presented the risk of reputational damage by diverting accommodation away from those in local housing need members were conscious of the significant pressures on local housing stock. Assisting more households would attract more funding but the experience of other authorities had demonstrated that such households required a lot of support and assisting more than one household per year could increase the risks associated with expenses incurred not being recoverable from Home Office funding which the Council was less likely to be able to manage within existing resources.

Accordingly, the Committee:

- (1) Agreed that the Council should participate in the Syrian Vulnerable Persons Resettlement Scheme (SVPRS) to assist up to 10 Syrian refugee households over 5 years only using suitable properties provided for this specific purpose as set out in Option 3 in the report;
- (2) Noted, and in principle, supported the intention of Epsom and Ewell Refugee Network to apply and become a Community Sponsor and authorised the Chief Executive, following consultation with the Chairman and Vice-Chairman of the Committee to endorse their application if she thinks it appropriate to do so.

123 COMMUNITY INFRASTRUCTURE LEVY (CIL) GOVERNANCE ARRANGEMENTS - REPORT FROM JOINT INFRASTRUCTURE GROUP

The Committee received and considered a report which provided an overview of the Joint Infrastructure Group's inaugural meeting and which sought ratification of the Group's Terms of Reference.

The Council had introduced the Community Infrastructure Levy (CIL) in July 2014 and was responsible for its collection, distribution and spend. A Joint Infrastructure Group had been set up by the Council comprising Borough Council and Surrey County Council members, Borough Council Officers and representatives from the Council's infrastructure partners to help determine how funds collected through CIL should be distributed.

It was noted that a significant amount of money had already accumulated in the CIL fund but that equally a significant amount of it had been committed to the implementation of Plan E. The JIG was still considering how best to administer the community element of CIL. However, it was stressed that it was for the Borough Council to ultimately determine how the funds were to be spent. The inclusion of Surrey Local Committee members and Officers of Surrey County Council on the JIG was commended and it was hoped this reflected an appreciation that the County Council had a significant stake in the matter.

Accordingly, the Committee:

- (1) Noted the issues discussed during the Joint Infrastructure Group's (JIG) inaugural meeting; and
- (2) Ratified the JIG's Terms of Reference.

124 LAND AT ORMONDE AVENUE, EPSOM

A report was presented to the Committee which proposed that a small piece of land be transferred to Rosebery Housing Association to facilitate residential development of its adjacent site.

The Chairman highlighted that the Council's current Asset Management Plan was under review but that the report helpfully listed the disposal criteria which currently applied to property.

The report concluded that, whilst it would not normally be in the Council's best interests to dispose of land for nil consideration, it was considered that, when taken in the round, this was a disposal which could be recommended. The positive points included the provision of more much needed new affordable housing in the Borough, an increase in the number of properties to which the Council could nominate households and the strengthening of good relations between the Council and Rosebery Housing Association.

Accordingly, the Committee agreed that the Head of Property, following consultation with the Chairman of the Strategy and Resources Committee, the Director of Finance and Resources, the Head of Housing and Environmental Services and the Head of Legal and Democratic Services, be authorised to transfer the land shown hatched black on the plan attached to the report to Rosebery Housing Association, on such terms as he considered appropriate.

125 EXCLUSION OF PRESS AND PUBLIC

The Committee resolved to exclude the Press and Public from the meeting in accordance with Section 100A (4) of the Local Government Act 1972 on the grounds that the business involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Note: Members of the Committee were reminded of the need for confidentiality in respect of those items not considered in public

126 BOURNE HALL KITCHEN

The Committee agreed to the allocation of an additional sum from reserves to enable the refurbishment of the kitchen at Bourne Hall to be carried out.

Note: The details are considered officially sensitive at this time and the Minute for this item will be exempt from publication.

127 TRANSPORT FLEET CONTRACT AWARD

The Committee agreed a way forward as set out in the Minutes

Note: The details are considered officially sensitive at this time and the Minute for this item will be exempt from publication

The meeting began at 7.30 pm and ended at 9.16 pm

COUNCILLOR EBER KINGTON (CHAIRMAN)

This page is intentionally left blank

EXCLUSION OF PRESS AND PUBLIC

Under Section 100(A)(4) of the Local Government Act 1972, the Committee may pass a resolution to exclude the public from the Meeting for Part Two of the Agenda on the grounds that the business involves the likely disclosure of exempt information as defined in paragraph (s) 3 of Part 1 of Schedule 12A to the Act (as amended) and that pursuant to paragraph 10 of Part 2 of the said Schedule 12A the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

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

AGENDA ITEM 15
ANNEXE 1

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank