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Legal and Democratic Services



AUDIT, CRIME & DISORDER AND SCRUTINY COMMITTEE

Thursday 3 February 2022 at 7.30 pm

Place: Council Chamber, EpsomTown Hall

Link for public online access to this meeting:

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The members listed below are summoned to attend the Audit, Crime & Disorder and Scrutiny Committee meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Councillor Steve Bridger (Chair)
Councillor Nigel Collin (Vice-Chair)
Councillor Arthur Abdulin
Councillor Liz Frost
Councillor Rob Geleit

Councillor David Gulland
Councillor Previn Jagutpal
Councillor Phil Neale
Councillor Alan Sursham
Councillor Chris Webb

Yours sincerely

Chief Executive

For further information, please contact Democratic Services, 01372 732000 or democraticservices@epsom-ewell.gov.uk

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No emergency drill is planned to take place during the meeting. If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions.

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move to the assembly point at Dullshot Green and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

Public information

Please note that this meeting will be held at the Town Hall, Epsom and will be available to observe live on the internet

This meeting will be open to the press and public to attend as an observer using free GoToWebinar software, or by telephone.

A link to the online address for this meeting is provided on the first page of this agenda and on the Council's website. A telephone connection number is also provided on the front page of this agenda as a way to observe the meeting, and will relay the full audio from the meeting as an alternative to online connection. A limited number of seats will also be available in the public gallery at the Town Hall. For further information please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Information about the terms of reference and membership of this Committee are available on the [Council's website](#). The website also provides copies of agendas, reports and minutes.

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Exclusion of the Press and the Public

There are no matters scheduled to be discussed at this meeting that would appear to disclose confidential or exempt information under the provisions Schedule 12A of the Local Government (Access to Information) Act 1985. Should any such matters arise during the course of discussion of the below items or should the Chairman agree to discuss any other such matters on the grounds of urgency, the Committee will wish to resolve to exclude the press and public by virtue of the private nature of the business to be transacted.

Questions from the Public

Questions from the public are permitted at meetings of the Committee. Any person wishing to ask a question at a meeting of the Committee must register to do so, as set out below.

Up to 30 minutes will be set aside for written or oral questions from any member of the public who lives, works, attends an educational establishment or owns or leases land in the Borough on matters within the Terms of Reference of the Audit, Crime & Disorder and Scrutiny Committee which may not include matters listed on a Committee Agenda.

All questions whether written or oral must consist of one question only, they cannot consist of multi parts or of a statement.

The question or topic may not relate to a specific planning application or decision under the Planning Acts, a specific application for a licence or permit of any kind, the personal affairs of an individual, or a matter which is exempt from disclosure or confidential under the Local Government Act 1972. Questions which in the view of the Chairman are vexatious or frivolous will not be accepted.

To register to ask a question at a meeting of the Committee, please contact Democratic Services, email: democraticservices@epsom-ewell.gov.uk, telephone: 01372 732000.

Written questions must be received by Democratic Services by noon on the tenth working day before the day of the meeting. For this meeting this is **Noon, 20 January 2022**

Registration for oral questions is open until noon on the second working day before the day of the meeting. For this meeting this is **Noon, 1 February 2022**

AGENDA

1. QUESTION TIME

To take any questions from members of the Public.

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. MINUTES OF THE PREVIOUS MEETING (Pages 5 - 10)

The Committee is asked to confirm as a true record the Minutes of the Meeting of the Committee held on 18 November 2021 (attached) and to authorise the Chair to sign them.

4. INTERNAL AUDIT PROGRESS REPORT (Pages 11 - 28)

This report summarises progress against the Internal Audit Plan.

5. ANNUAL GOVERNANCE STATEMENT PROGRESS REPORT (Pages 29 - 34)

This report sets out progress on the actions contained in the Council's Annual Governance Statement. 2020-2021.

6. REVENUE BUDGET MONITORING - QUARTER 3 (Pages 35 - 52)

This report presents the forecast revenue outturn position for the current financial year 2021/22, as at Quarter 3 (31 December).

7. CAPITAL BUDGET MONITORING - QUARTER 3 (Pages 53 - 68)

This report presents the capital monitoring position at Quarter 3 for the current financial year 2021/22.

8. WORK PROGRAMME 2021/22 (Pages 69 - 74)

This report presents the Committee with the work programme for 2021/22.

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**Minutes of the Meeting of the AUDIT, CRIME & DISORDER AND SCRUTINY
COMMITTEE held at the Council Chamber, Epsom Town Hall on 18 November
2021**

PRESENT -

Councillor Steve Bridger (Chair); Councillor Nigel Collin (Vice-Chair); Councillors Arthur Abdulin, Liz Frost, Rob Geleit, David Gulland, Phil Neale and Chris Webb

In Attendance: Neil Pitman (Head of Southern Internal Audit Partnership) (Southern Internal Audit Partnership (Internal Auditor)) and Natalie Jerams (Assistant Head of Partnership) (Southern Internal Audit Partnership (Internal Auditor))

Absent: Councillor Previn Jagutpal and Councillor Alan Sursham

Officers present: Gillian McTaggart (Head of Corporate Assurance), Rod Brown (Head of Housing and Community), Brendan Bradley (Head of Finance), Sue Emmons (Senior Accountant) and Stephanie Gray (Democratic Services Officer)

18 QUESTION TIME

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

19 DECLARATIONS OF INTEREST

No declarations of interest were made in relation to items of business to be discussed at the meeting.

20 MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting of the Audit, Crime & Disorder and Scrutiny Committee held on 1 September 2021 were agreed as a true record and signed by the Chair.

21 INTERNAL AUDIT PROGRESS REPORT

The Committee received a report summarising progress against the Internal Audit Plan.

The report was introduced by the Internal Auditor.

The following matters were considered by the Committee:

- a) The areas where there were overdue management actions, including the outstanding high priority recommendation given in respect of the Building Control account which was given an overall limited assurance. This is in

progress and is dependent upon the new partnership arrangement due to commence on 1 April 2022.

- b) It was also confirmed that the quantum of the outstanding fees on the Building Control account was not of a material nature.
- c) The Annual Governance Statement audit and the Service Delivery audit had both been concluded and a Reasonable Assurance has been given in respect of both.
- d) A Limited Assurance was given in respect of IT Business Continuity and Disaster Recovery which was carried forward from the 2020/21 audit plan. The Head of Corporate Governance gave a verbal update in this regard and it was noted that good progress had been made in implementing the recommendations. Of the six recommendations, five were completed including the two high priority items.
- e) The internal auditor confirmed that whilst there was still a lot of the audit plan for 2021/22 to deliver for the rest of the year, they (the internal audit partnership) are able to provide a reasonable assurance that these outstanding audits will all be resolved.

Having considered the above matters, it was unanimously resolved to:

- (1) Receive the internal audit progress report from Southern Internal Audit Partnership attached at Appendix 1 to the report.**

22 POST IMPLEMENTATION REVIEW OF THE USE OF DEFOE COURT, EPSOM

The Committee received a report setting out the findings following a post implementation review of the Council's use of Defoe Court in East Street Epsom for use as additional temporary accommodation.

The report was introduced by the Head of Housing and Community.

The following matters were raised by the Committee:

- a) The time taken from the Strategy & Resources Committee in November 2017 to the first households moving into Defoe Court in May 2021. It was noted that there was a long delay caused in respect of concluding the legal agreement following the agreement on the draft Heads of Terms. A further significant delay was caused by the submission of an incomplete Planning Application. This Application was ultimately withdrawn and resubmitted, resulting in a delay of 1 year and 11 months to obtain the necessary planning consents. The legal transfer of the units took place in March 2021, with the first households moving in in May 2021.

- b) The Key learning for the Council is to ensure that going forward, resource for the delivery of projects is factored in as part of the initial planning and included in requests for funding especially for “invest to save cases” where delays are costly to the Council. This learning should be extended to all other Council departments.
- c) The lease agreement with SHA is for a 5 year period, with a break clause after 3 years. It was noted that providing care to young people is a dynamic that changes, and that circumstances might be completely different in 3 years’ time.
- d) It was confirmed that Council will be liable for repairs to the building during the lease period.

The Committee having considered the above matters, it was unanimously resolved:

- (1) To note the conclusions from this review and that future projects should identify an accountable officer and adopt a suitable programme management approach.**

23 APPOINTMENT OF EXTERNAL AUDITORS FROM 2023/24

The Committee received a report setting out proposals for appointing the external auditor to the Council for the accounts for the five-year period from 2023/24.

The Committee received a verbal introduction from the Chief Accountant.

The following matters were raised by the Committee:

- a) The possibility of “keeping both options open”. It was confirmed that a firm decision on the chosen option is needed to be taken by March 2022 in order to meet the deadline of Public Sector Audit Appointments Ltd (PSAA).
- b) The advice of the LGA: this advice is overwhelmingly in favour of the national procurement scheme.
- c) There are a number of audit firms expected to bid for audit contracts through the government-appointed organisation (the PSAA). If a firm was appointed to perform the EEBC audit, and Council did not agree with the appointment, it should be possible to indicate as such, however reasons would have to be given.
- d) The issue of the audit fees: It was confirmed that by opting-in to the national PSAA-led procurement exercise, audit contracts and fees would be determined through a competitive tendering process that benefits from

national economies of scale, which ought to achieve best value for money for individual Councils.

Following consideration, it was resolved to:

- (1) Recommend to the Strategy & Resources Committee, and then to Full Council, that the Council accepts Public Sector Audit Appointments' invitation to opt into the sector-led option for the appointment of external auditors to principal local government bodies for five financial years from 1 April 2023.**

24 RISK MANAGEMENT FRAMEWORK ANNUAL REPORT

The Committee received a report providing it with an update on the Council's risk management arrangements and an update on the top risks being addressed by the Council as recorded in the Corporate Risk Register.

The Committee considered the following matters:

- a) Since January 2021, Applied Resilience has been supporting the Council in delivering emergency planning. Applied Resilience also provides emergency planning support for several other Surrey boroughs. It is responsible for updating EEBC's plans, providing training and providing practical support during emergencies.
- b) The 2017-2021 Risk Management Strategy is due to expire and this provides an opportunity to review and reflect. A new Business Assurance Manager has been appointed and will commence duties in January 2022.
- c) The Climate Change Action Plan is currently with the Planning Team and an Environment and Sustainability Officer has recently been recruited.
- d) The new corporate Health and Safety Officer will be addressing the matter of the completion of a risk assessment by employees who work from home on certain days.

Following consideration, the Committee resolved unanimously:

- (1) To consider the arrangements in place for risk management as outlined in the report.**
- (2) To review the Corporate Risk Register and determine any risks they wish to raise with the Senior Management Team .**

25 CAPITAL BUDGET MONITORING QUARTER 2

The Committee received a report presenting the capital monitoring position at Quarter 2 for the current financial year 2021/22.

The report summarised the capital monitoring information at the end of the second quarter of 2021/22. It detailed actual capital expenditure and receipts against capital budgets and financing. The forecast outturn position and variances at year-end, were also provided.

Following consideration, it was unanimously resolved to:

- (1) Receive the capital monitoring position at Quarter 2, as set out in the report;**
- (2) Note the progress of capital projects as set out in Appendix 1 to the report.**

26 REVENUE BUDGET MONITORING - QUARTER 2

The Committee received a report presenting the forecast revenue outturn position for the current financial year 2021/22, as at Quarter 2 (30 September).

The Committee considered the following matters:

- a) Covid-19 has continued to have a major impact on the Council's services and the updated projection at Quarter 2 is for a budget deficit of £2.67m this year, largely unchanged from Quarter 1.
- b) The £0.04m increase in the projected deficit is mainly due to increased fuel and staffing costs within waste collection, as sectoral issues such as the petrol and HGV driver shortages impact this service.
- c) The projected £2.67m deficit assumes that no future government support will be forthcoming. The main reasons for the deficit remain increased expenditure to manage homelessness, combined with significant reductions in income from service areas such as car parks and the Council's venues.
- d) The deficit is currently being managed by means of the Council's reserves, however this is not a sustainable long-term solution.

Following consideration, it was unanimously resolved to:

- (1) Receive the revenue budget monitoring report, which projects a £2.67m budget deficit for 2021/22, along with provisional funding for the deficit;**
- (2) Note that a report will be prepared for the Community & Wellbeing Committee in the new year 2022, to present a Homelessness and Rough Sleeper Strategy with mitigation options for the budget pressures within the Housing service;**

- (3) Note that a report is being prepared for Community & Wellbeing Committee in the new year 2022, to present a recovery plan for the Venues;**
- (4) Note that the updated Quarter 3 position will be reported back to this Committee in February.**

27 WORK PROGRAMME 2021/22

The Committee received a report presenting it with the work programme for 2021/22.

Following consideration, it was resolved to:

- (1) Note and agree the ongoing work programme for 2021/22 attached at Appendix 1 to the report.**

The meeting began at 7.30 pm and ended at 8.24 pm

COUNCILLOR STEVE BRIDGER (CHAIR)

INTERNAL AUDIT PROGRESS REPORT

Head of Service:	Gillian McTaggart, Head of Corporate Assurance
Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1 – Internal Audit Progress Report – January 2022

Summary

This report summarises progress against the Internal Audit Plan

Recommendation (s)

The Committee is asked to:

- (1) Receive the internal audit progress report from Southern Internal Audit Partnership attached at Appendix 1

1 Reason for Recommendation

- 1.1 This Committee has overall responsibility for the audit and governance frameworks, including the functions of an audit committee.
- 1.2 The Committee receives regular internal audit progress reports which update the Committee on progress made against the audit plan and the outcomes of individual audits.

2 Background

- 2.1 Southern Internal Audit Partnership (SIAP) was appointed as the Council's internal auditors from April 2019 for a period of four years. SIAP is now in the third year of the contract. Although delivery of the audit plan in 2020-2021 was impacted by the Covid pandemic.

- 2.2 The Internal Audit Plan and Charter was endorsed by the Committee on 8th April 2021.

3 Audit Plan 2021-2022

- 3.1 The report attached as Appendix 1 outlines the progress made against the current annual audit plan and analysis of live audit reports and outstanding audit recommendations.
- 3.2 One audit has completed since the last progress report. This was the Treasury Management audit which received a “substantial” assurance opinion rating.
- 3.3 Appendix 1 also confirms the completion of the Annual Governance Statement audit (“reasonable”), which Members were made aware of at the previous meeting.
- 3.4 The audit plan will need to be delivered by June 2022 for the Head of Internal Audit to complete the End of Year Opinion. The remaining audits in the plan are expected to complete in Quarter 4.

4 Outstanding Management Actions

- 4.1 There are three high priority outstanding management actions, these are:
- 4.2 Building Control: Reconciliation to take place between Uniform and Civica.
- 4.3 Asset Management (Property Assets): (i) The Council can influence the sustainability of its own occupied buildings; and (ii) the use of national property performance indicators.
- 4.4 For further information see section Annex 1 in Appendix A
- 4.5 There are 27 overdue ‘Low & Medium Priority’ Management Actions. Narrative and revised dates for these actions are being follow-up at present, and will be available at the committee.

5 Risk Assessment

5.1 Impact Assessment

- 5.1.1 No formal equalities impact assessment for the purposes of this report.

5.2 Crime & Disorder

- 5.2.1 None for the purposes of this report.

5.3 Safeguarding

- 5.3.1 None for the purposes of this report.

5.4 Dependencies

5.4.1 The Head of Internal Audit (SIAP) will issue an annual Internal Audit Report and Opinion for 2021-22 on completion of the annual plan. This report is a critical document that will be used in preparing the Annual Governance Statement for 2021/22, which is included in the Statement of Accounts.

5.5 Other

5.5.1 None for the purposes of this report.

6 Financial Implications

6.1 There are no financial implications in this report.

6.2 Section 151 Officer's comments: None arising from the contents of this report.

7 Legal Implications

7.1 There are no legal implications arising from this report.

7.2 Legal Officer's comments: none arising from the contents of this report.

8 Policies, Plans & Partnerships

8.1 Council's Key Priorities: The following Key Priorities are engaged: Effective Council

8.2 Service Plans: The matter is not included within the current Service Delivery Plans.

8.3 Climate & Environmental Impact of recommendations: no relevance for the purpose of this report.

8.4 Sustainability Policy & Community Safety Implications: no relevance for the purpose of this report

8.5 Partnerships: not applicable

9 Background papers

9.1 The documents referred to in compiling this report are as follows:

Previous reports:

Annual Audit Plan: Audit, Crime & Disorder and Scrutiny Committee, 8 April 2021, *Internal Audit Plan 2021-22*.

Progress Report: Audit, Crime & Disorder and Scrutiny Committee - Thursday, 18th November, 2021, *Internal Audit Progress Report*.

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Internal Audit Progress Report 2021/22

January 2022

Epsom & Ewell Borough Council



**Southern Internal
Audit Partnership**

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

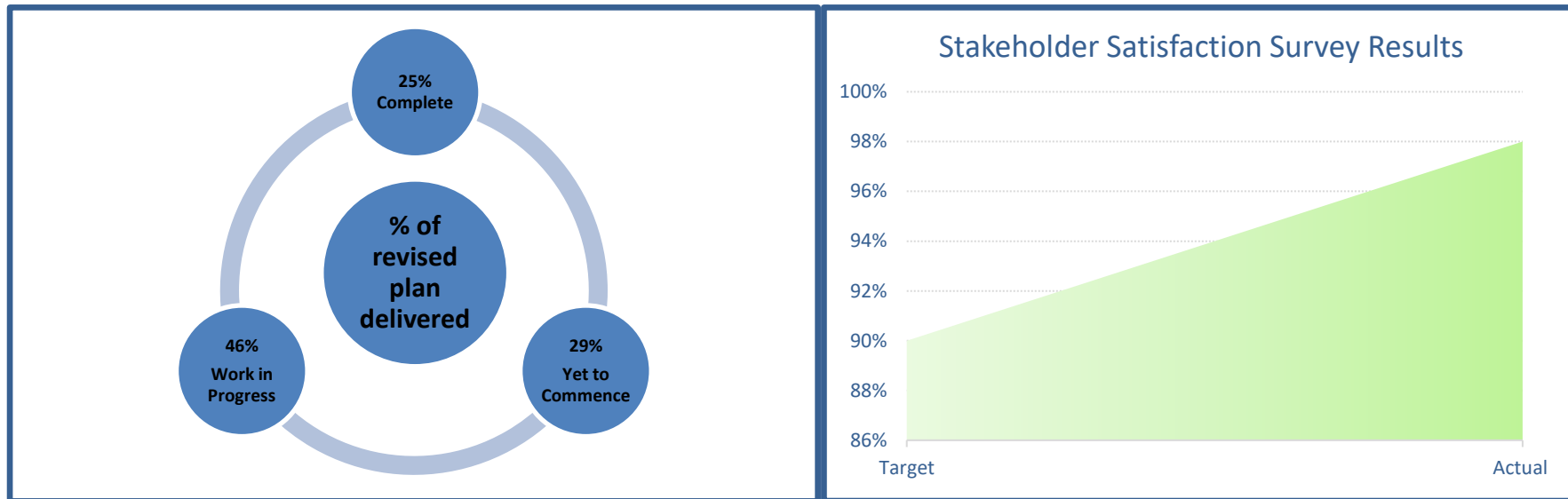
- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to adoption of the CIPFA standard definitions, reference is provided at Annex 1*

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles. We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Actions*	Not Yet Due	Complete	Overdue		
							L	M	H
Fraud and Irregularities	06/08/2019	HofPPG	Adequate	4(0)	0(0)	3(0)		1	
Building Control	17/12/2019	HofP	Limited	6(1)	0(0)	0(0)	4	1	1
Asset Management (Property Assets)	17/12/2019	HofP&R	Adequate	7(5)	0(0)	3(3)	2		2
Community and Wellbeing Centre	13/07/2020	HofOS	Limited	7(0)	0(0)	5(0)		2	
Information Governance	17/08/2020	HofPPG	Adequate	9(0)	0(0)	4(0)		5	
Development Management	03/03/2021	HofP	Reasonable	6(0)	0(0)	1(0)		5	
Housing Benefits	12/05/2021	HofH&C	Substantial	2(0)	0(0)	1(0)	1		
Accounts Payable	18/05/2021	CFO	Reasonable	6(0)	0(0)	5(0)	1		
Programme and Project Management	18/05/2021	HofPPG	Reasonable	3(0)	0(0)	0(0)		3	
Parking and Enforcement	27/07/2021	HofOS	Reasonable	3(0)	0(0)	1(0)		2	
Service Delivery Plans	30/09/2021	HofPPG	Reasonable	2(0)	2(0)	0(0)			
Annual Governance Statement	03/11/2021	HofPPG	Reasonable	3(0)	3(0)	0(0)			
Total				58(6)	5(0)	23(3)	8	19	3

*Total number of actions (total number of high priority actions)

Audit Sponsor			
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CFO	Chief Finance Officer	HofP	Head of Planning
HofD&ST	Head of Digital and Service Transformation	HofOS	Head of Operational Services
HofHR&OD	Head of HR and OD	HofP&R	Head of Property & Regeneration
HofPPG	Head of Policy, Performance & Governance	HofH&C	Head of Housing & Community
CLO	Chief Legal Officer		

5. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

There have been no new reports published concluding a "limited" or "no" assurance opinion since the last progress report in October 2021.

6. Planning & Resourcing

The internal audit plan for 2021-22 was presented to the Senior Management Team and the Audit, Crime & Disorder and Scrutiny Committee in April 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2020/21 reviews								
IT Business Continuity & Disaster Recovery	HofD&ST	✓	✓	✓	✓	✓	Limited	
Parking & Enforcement	HofOS	✓	✓	✓	✓	✓	Reasonable	
2021/22 reviews								
Corporate Cross Cutting								
Financial Resilience	CFO							Scoping meeting booked for 23/2/2022
Corporate Governance								
HR – Performance Management	HofHR&OD	✓	✓	✓				
Risk Management	HofPPG	✓	✓	✓				
Health & Safety	HofPPG	✓						
Information Governance	HofPPG/ HofD&ST	✓						
Annual Governance Statement	HofPPG	✓	✓	✓	✓	✓	Reasonable	
Financial Management								
Council Tax	HofD&ST	✓						
Treasury Management	CFO	✓	✓	✓	✓	✓	Substantial	
Income Collection	CFO	✓	✓	✓				
Compliance & Enforcement Grant	CFO	✓	✓	✓	n/a	✓	n/a	
Local Government Compensation Scheme	CFO	✓	✓	✓	n/a	✓	n/a	
Information Technology								
Data Management	HofD&ST	✓	✓	✓				
Information Security	HofD&ST							Scoping meeting booked for 27/1/2022

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2020/21 reviews								
Corporate Priorities								
Operational Services (Refuse/Recycling/Street Cleansing)	HofOS	✓	✓	✓				
Environmental Health	HofH&C							Scoping meeting booked for 20/1/2022
Climate Change	HofPPG	✓	✓	✓	✓			
Housing (Inc Affordable Hsg)	HofH&C							Q4 – Scoping meeting to be arranged
Local Plan	HofP							Scoping meeting booked for 25/1/2022
Community Health & Wellbeing	HofH&C	✓	✓	✓				
Licensing	HofH&C							Q4 – Scoping meeting to be arranged
Service Delivery Plans	HofPPG	✓	✓	✓	✓	✓	Reasonable	
Fees and Charges	CFO	✓	✓	✓				
Grants/Non-Assurance Work								
EWDC Conservators Account	CFO	✓	✓	✓	✓	✓	n/a	
Follow up	CFO/HofPPG							Q4 – scoping meeting to be arranged

8. Adjustment to the Internal Audit Plan

There have been the following amendments to the plan:

Plan Variations	
Added to the plan	Reason
COVID-19: Local Government Compensation Scheme	A number of days are included in the Annual Plan to allow for work in relation to Covid. This area of work has now been confirmed and will make use of an element of the agreed allowance and has consequently been added into the plan.
Compliance and Enforcement Grant	A number of days are included in the Annual Plan to allow for work in relation to Covid. This area of work has now been confirmed and will make use of an element of the agreed allowance and has consequently been added into the plan.
Removed from the plan	Reason
NNDR (National Non-Domestic [Business] Rates)	Due to capacity within the Revenues Team, it was agreed that NNDR will be picked up early in 2022/23.

Annex 1

Overdue 'High Priority' Management Actions

Building Control – Limited Assurance

Observation: Testing of fee income due, (as recorded on Uniform), for 12 Building Control Applications found:

- Three, where a letter to remind applicants that there fees were due had been issued (13 June, 25 June and 4 July 2019) but no follow up on these in terms of raising an invoice had been undertaken. Fees due from these applicants remained outstanding at the time of the audit (August 2019).
- One, where it is incorrectly recorded that fees have been paid (£400). There is no evidence on Civica that an invoice has been raised
- Eight where the income information recorded on Uniform agrees to Civica.

There is a risk that the Council are unable to demonstrate income has been received and accurately accounted for.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Reconciliation to take place between Uniform and Civica.	31.05.2020	01.04.2022	In line with the S & R recommendation for Sept 2021, the Council is progressing a partnership with EBC commencing 1 April 2022 and through the partnership agreement will ensure that necessary controls, risk management and governance are implemented, this will include reconciliation of data for the handover of open cases.

Asset Management (Property Assets) – Adequate Assurance			
Observation: Strategic ambition and objectives in respect of sustainability are set out in the Asset Management Plan. However, an up-to-date Sustainability Plan is not in place to support this. There is a risk that strategic objectives and targets may not be realised.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
The Council can influence the sustainability of its own occupied buildings. Sustainability actions are being identified and costed to support the Asset Management Plan.	31.12.2021	TBC	Update pending
Observation: On a strategic level the current Asset Management Plan makes reference to the proposed use of National Property Performance Indicators, ('NaPPMI') to gauge the effectiveness of the asset strategy in a number of defined areas such as condition, cost of maintenance and utilisation. Audit testing identified that these indicators are not being compiled. Discussions with staff indicated that this is due to resourcing.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
National Property Performance Indicators will be used from 1 October 2021 to monitor performance.	01.10.2021	TBC	Update pending

Annex 2

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Fraud and Irregularities	06/08/2019	Adequate	Medium	31.03.2020	31.12.2021
Building Control	17/12/2019	Limited	Medium	31.07.2020	TBC
			Low	31.10.2020	TBC
			Low	31.10.2020	TBC
			Low	31.05.2020	01.04.2022
			Low	31.10.2020	TBC
Asset Management (Property Assets)	17/12/2019	Adequate	Low	31.03.2021	TBC
			Low	31.03.2021	TBC
Community and Wellbeing Centre	13/07/2020	Limited	Medium	31.03.2021	TBC
			Medium	31.03.2021	TBC
Information Governance	17/08/2020	Adequate	Medium	30.11.2020	31.03.2022
			Medium	30.11.2020	31.03.2022
			Medium	30.11.2020	31.03.2022
			Medium	30.11.2020	31.03.2022
			Medium	30.11.2020	31.03.2022
Development Management	03/03/2021	Reasonable	Medium	30.04.2021	TBC
			Medium	30.06.2021	TBC
			Medium	30.06.2021	TBC
			Medium	30.04.2021	TBC
			Medium	31.12.2021	TBC
Housing Benefits	12/05/2021	Substantial	Low	01.10.2021	TBC
Accounts Payable	18/05/2021	Reasonable	Low	31.12.2021	30.09.2022
Programme and Project Management	18/05/2021	Reasonable	Medium	31.10.2021	TBC
			Medium	31.12.2021	TBC
			Medium	31.12.2021	TBC
Parking and Enforcement	27/07/2021	Reasonable	Medium	30.09.2021	31.03.2022
			Medium	30.09.2021	30.04.2022

Annex 3

Epsom & Ewell Borough Council Assurance Opinions (Pre 2020-21)

Substantial	A sound framework of internal control is in place and is operating effectively. No risks to the achievement of system objectives have been identified.
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified.
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk.
No	Fundamental weakness identified in the framework of internal control or the framework is ineffective or absent with significant risks to the achievement of system objectives.

ANNUAL GOVERNANCE STATEMENT PROGRESS REPORT

Head of Service:	Gillian McTaggart, Head of Corporate Assurance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
Appendices (attached):	Appendix 1 – Annual Governance Statement – 2020-21 update on progress

Summary

This report sets out progress on the actions contained in the Council's Annual Governance Statement. 2020-2021

Recommendation (s)

The Committee is asked to:

- (1) Receive the update on progress in implementing the Action Plan contained within the Annual Governance Statement 2020-21.**

1 Reason for Recommendation

- 1.1 The Annual Governance Statement (AGS) is prepared by the Council each year and it is published as part of the Financial statements. The AGS is compiled following a review of the effectiveness of the Council's systems of internal control and is reviewed by this Committee prior to being reported to the Strategy & Resources Committee..
- 1.2 This Committee monitors both the recommendations from External Audit and the recommendations contained within the AGS. A separate report will be brought to this Committee on progress in implementing the recommendations contained in External Auditor's Annual Report at a later stage.

2 Background

- 2.1 The Council is required to produce an Annual Governance Statement and present it alongside its financial statements. The AGS identifies key risks to the Council's governance and systems of internal control at the end of the financial year, and the actions being taken to address them. This process ensures that the Council's governance arrangements are fit for purpose, which is an ongoing process. This report provides an update on the four actions identified in the 2021-2022 AGS.
- 2.2 The AGS was presented to this Committee on 15 June 2021 and then to Strategy & Resources Committee on 21 September 2021 as part of the financial statements. The AGS considers all significant operational events in 2020-2021 and reflected on the governance challenges that arose from the ongoing impact of Covid 19. The 2020-2021 AGS identified significant governance issues, and Appendix 1 provides an update on progress in implementing the corrective actions.

3 Progress made to-date

- 3.1 Four improvement actions were identified in the 2020-2021 AGS:
 - 3.1.1 Action 1 – funding shortfall being addressed and monitored: action on-track, yet some asset reviews will continue into 2022-2023 as part of the Annual Plan.
 - 3.1.2 Action 2 – delivering the Covid Recovery Plan: on track and assessed within the annual planning process.
 - 3.1.3 Action 3 – ICT road map: ongoing work and carried forward into 2022-2023 as part of the approved Annual Plan.
 - 3.1.4 Action 4 - data management: on track, audit recommendations will be actioned and tracked via our Internal Audit processes.
- 3.2 See Appendix 1 for further details.

4 Risk Assessment

Legal or other duties

4.1 Impact Assessment

- 4.1.1 The Annual Governance Statement is a statutory document which assesses the processes and procedures in place to enable the Council to carry out its functions effectively. There are no specific equality impacts.

4.2 Crime & Disorder

4.2.1 None.

4.3 Safeguarding

4.3.1 None

4.4 Dependencies

4.4.1 None

4.5 Other

4.5.1 None

5 Financial Implications

5.1 There are no specific implications for the purposes of this report but the AGS forms part of the Statement of Accounts.

5.2 **Section 151 Officer's comments:** None arising from the contents of this report.

6 Legal Implications

6.1 There are no specific implications for the purposes of this report

6.2 **Legal Officer's comments:** None arising from this report

7 Policies, Plans & Partnerships

7.1 **Council's Key Priorities:** The AGS underpins all Key Priorities within the Four Year Plan 2020 - 2024.

7.2 **Service Plans:** The matter is not specifically included within the current Service Delivery Plan; however the SDP does include the , Strategic Asset Reviews, delivery of the ICT Road Map and the delivery of a balanced budget and a five year capital programme.

7.3 **Climate & Environmental Impact of recommendations:** None

7.4 **Sustainability Policy & Community Safety Implications:** None

7.5 **Partnerships:** The Council joined the Southern Internal Audit Partnership (SIAP) hosted by Hampshire County Council for the provision of internal audit services in April 2019. The processes for the production of the AGS was audited in 2021

8 Background papers

8.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Annual Governance Statement 2020/21 – Audit Crime & Disorder and Scrutiny Committee – 15 June 2021

Other papers:

Annual Governance Statement: Significant Governance Issues

No.	Issue	Agreed Action	Progress to date (February 2022)
1.	<p>Funding shortfall caused by sustained losses to income and increased costs due to the long-term impact of Covid 19 on Council Services</p> <p>Potential reduced funding from New Homes Bonus Grant and further losses in future years depending on the outcome and timing of government reviews into Fair Funding and Business Rates</p>	<p>The Council is undertaking budget monitoring and utilisation of govt financial support schemes for local authorities</p> <p>Delivery of existing MTFS planned services savings and new savings identified in January 2021.</p> <p>Strategic Asset Reviews undertaken in 2021/22.</p> <p>Production of a new budget for 2022/23 to factor in updated income and expenditure levels following Covid-19.</p>	<p>The Chief Finance Officer has identified the budget shortfall for 22/23. The budget targets were reported to Strategy & Resources on 27th January 2022 identifying any growth and how the budget gap will be funded.</p> <p>Several strategic asset reviews are currently being undertaken including a review of the Town Hall with further work to implement in 22/23.</p>
2.	<p>The full impact of the pandemic is unlikely to be clear until out of current national lockdown and all restrictions lifted. The Covid 19 Recovery Plan will need to assess both the medium- and longer-term impact on the economy and the community</p>	<p>The service delivery plan and annual plan need to be flexible to reflect the recovery plans, new and adapted services and backlogs and new demands created because of the pandemic. These will be monitored and reviewed regularly.</p> <p>The Recovery Plan will be monitored and regularly updated by Senior Leadership Team</p>	<p>The Annual Plan for 21/22 was approved by Council in September 2021 to reflect both impact of pandemic and new structure. As part of this a new corporate planning process was agreed to combine budget setting with the process for setting priorities.</p> <p>The Annual Plan for 22/23 will be set in February 2022 and aligned with the budget. This takes into account the Covid 19 Recovery Plan.</p>

Annual Governance Statement: Significant Governance Issues (Cont)

No.	Issue	Agreed Action	Progress to date (February 2022)
3.	The Council need to build upon the digital improvement and opportunities resulting from the pandemic	The ICT Road Map will be updated and developed to ensure digital progress.	A key priority for 2022/23 is the development of an ICT Strategy with a funding schedule to inform and support delivery of the ICT road map.
4	There are challenges in delivering effective data security management	A health check of the arrangements for data management should be undertaken and training provided.	The Council's arrangements for data management and data security have been audited and a range of recommendations have since been implemented to enhance arrangements.

REVENUE BUDGET MONITORING - QUARTER 3

Head of Service:	Brendan Bradley, Head of Finance
Wards affected:	(All Wards);
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	None

Summary

This report presents the forecast revenue outturn position for the current financial year 2021/22, as at Quarter 3 (31 December).

Recommendation (s)

The Committee is asked to:

- (1) Receive the revenue budget monitoring report, which projects a £2.38m budget deficit for 2021/22, along with provisional funding for the deficit;
- (2) Note that the provisional outturn position will be reported back to this Committee in July.

1 Reason for Recommendation

- 1.1 To present the 2021/22 forecast revenue outturn position to members, as at Quarter 3.

2 Background

- 2.1 In February 2021, Full Council agreed a total net expenditure budget of £8.61m for 2021/22. The budget anticipated no use of general fund working balances, which stand at £3.38m. Under the Medium Term Financial Strategy, the Council maintains a minimum general fund working balance threshold of £2.5m.

- 2.2 On 18 November, this Committee received the Quarter 2 revenue budget monitoring report, which projected a £2.67m deficit against the 2021/22 budget, as Covid-19 has continued to have a major impact on the Council's services.
- 2.3 The updated projection at Quarter 3 is for a budget deficit of £2.38m this year, a decrease of £290k from the position reported at Q2.
- 2.4 The £290k improvement in the projected deficit is mainly due to an increase of £135k in the favourable variance of employee costs; £100k income expected from Surrey County Council for the higher price of recycling materials achieved; and a £55k more favourable forecast in Playhouse income.
- 2.5 The projected £2.38m deficit assumes that no further government support will be forthcoming. The main reasons for the deficit remain increased expenditure incurred to manage homelessness, combined with significant reductions in income from service areas such as car parks and the Council's venues.
- 2.6 To partially address the projected deficit, the Council's budget contains a £950,000 contingency that can be deployed. In addition, officers have submitted a claim to DLUHC (formerly MHCLG) for eligible lost income, which is expected to result in compensation for the Council of £506,000.
- 2.7 Uncertainty remains heightened around future projections, and any further government restrictions to manage Covid-19 would likely impact the extent to which demand levels for services and income levels recover in the near term. The budget position will continue to be monitored closely.

3 Forecast Position

- 3.1 A summary of the forecast outturn position by service area for 2021/22 is shown in the following table:

Forecast Outturn by Service	Current Approved Budget	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000
<u>Strategy & Resources Committee</u>			
Democratic & Civic	688	688	0
Corporate Functions	579	559	(20)
Corp Financial Management	1,805	1,821	15
Tax Collection & Benefits	984	969	(15)
Land Charges	(1)	(6)	(5)
Land & Property	(2,333)	(2,333)	0
Economic Dev. & Prosperity	92	92	0
Employee and Support Services	456	133	(322)
Subtotal Strategy & Resources	2,271	1,923	(347)
<u>Environment & Safe Communities Committee</u>			
Car Parking	(2,095)	(1,039)	1,056
Environmental Services	3,604	3,610	7
Planning & Building Control	774	1,141	367
Community Safety	92	91	(2)
Environmental Health	208	180	(28)
Subtotal Environment & Safe Communities	2,583	3,983	1,400
<u>Community and Wellbeing Committee</u>			
Housing	1,653	2,172	519
Personal Social Services	411	483	72
Support for Voluntary Orgs.	237	237	0
Social Centres	525	584	59
Health & Wellbeing	88	88	0
Countryside, Parks & Open Spaces	1,909	1,967	58
Sports, Leisure & Cultural	1,240	1,856	617
Precepting & Levying Bodies (NJMC & EWDC)	365	365	0
Subtotal Community & Wellbeing	6,427	7,752	1,324
Capital Charges	(2,669)	(2,669)	0
Total General Fund	8,612	10,989	2,377

3.2 The projected budget deficit across services for 2021/22 is £2.38m, which can be provisionally funded as set out in the following table:

2021/22	£'000
Projected Deficit, Pre-Government Support	2,377
Less Government Income Protection Scheme	(506)
Projected Deficit, Post-Government Support	1,871
<u>Provisional Funding</u>	
Corporate Contingency for Covid-19	(950)
Corporate Projects Reserve	(38)
General Fund Balance	(883)
Subtotal Funding	(1,871)
Total	0

- 3.3 The Council should be able to claim £506k in lost income compensation from DLUHC to partially offset the deficit. The Council's budgeted contingency of £950k, plus unbudgeted contributions of £38k from the Corporate Projects Reserve (note - this is in addition to the budgeted contribution of £306k from this reserve) and £883k from the General Fund balance, can also be provisionally earmarked to fund the projected deficit. Deficit funding will remain under review throughout the year and will only be finalised at year-end when the actual outturn position is known.
- 3.4 The following section of the report details the individual budget variances that make up the projected deficit of £2.38m within services.

4 Budget Variances

- 4.1 The main variances to budget are shown by Committee in the following tables:

Strategy & Resources Committee	Adverse / (Favourable) Variance £'000	Detail
Employee and Support Services	(322)	Employee costs are now forecast to be £369k under the overall budget. The favourable variance has increased compared to the Quarter 2 forecast due to unfilled roles in the new structure, which are still being recruited to. The favourable variance is partially offset by additional HR costs such as recruitment advertising fees associated with the restructure, totalling £32k, and increased cleaning costs at Town Hall, which are expected to exceed the budget by £15k.
Land & Property	0	<p>Although the overall variance within Land and Property is nil, there are compensating variances to report.</p> <p>A number of rent reviews have been successfully completed, resulting in additional income of £836k for back rent at industrial estate sites. This one-off income is expected be transferred to the Property Income Equalisation Reserve, subject to Committee approval at year-end. The reserve currently holds a balance of £5.496m and is held to mitigate the potential impact of any tenants choosing to exercise break clauses and end their tenancies, as reported to Strategy & Resources Committee on 21 September 2021.</p> <p>The rent reviews have also resulted in uplifts to underlying annual rental income. Combined with a further review due later in the year, this should substantially achieve the £225k additional annual income target in the Medium Term Financial Strategy.</p>
Corporate Functions	(20)	The central training budget is forecast to be £20k underspent this year. This is because of the knock-on effects of Covid and is a one-off saving as training expenditure is expected to return to normal levels in 2022/23.

Other miscellaneous variances	(5)	<p>The treasury management function is expected to underachieve the £115k budgeted income from investments, as interest rates remain at historic lows and continue to limit returns.</p> <p>Notwithstanding, the performance of the Council's investments does continue to beat the LIBID benchmark, and any interest shortfall can be met from the Interest Equalisation Reserve, resulting in minimal adverse variance to budget overall.</p> <p>The residual balance on the Interest Equalisation Reserve is expected to be incorporated into the Corporate Projects Reserve at year-end.</p> <p>A separate report on the Council's investment returns has been taken to Financial Policy Panel on 30 November 2021.</p>
Total Strategy & Resources Variance	(347)	

Environment & Safe Communities Committee	Adverse / (Favourable) Variance £'000	Detail
Car Parking	1,056	<p>Car park visitor numbers have yet to recover to pre-Covid levels. The latest net under-recovery of income is forecast at £1.056m.</p> <p>The loss of income to 30 June forms part of our Income Compensation Scheme claim to DLUHC. Officers continue to explore further opportunities to generate additional income through offering car park spaces to businesses.</p>
Environmental Health	(28)	<p>Environmental Health is forecasting a favourable variance of £50k as a result of a number of vacant posts within the service. This is offset by an under recovery of income in the cemetery of £22k.</p>
Borough Cleansing (Environmental Services)	(33)	<p>Borough Cleansing is forecasting a favourable variance on employee costs following new posts created by the organisational restructure being vacant while recruitment takes place.</p>
Domestic Waste (Environmental Services)	55	<p>Domestic Waste is forecasting a £155k adverse variance caused by both elevated fuel costs and increased agency costs, to cover long-term sickness and several vacancies within the team.</p> <p>These areas of spend are being monitored by the Service Manager and mitigating action taken to minimise spend wherever possible. The long-term sickness cases are being managed in line with HR policies.</p> <p>These adverse variances are offset by a favourable variance of £100k relating to income gains achieved by Surrey County Council for the price of recycling materials</p>

		<p>due to higher demand for packaging fuelled by online purchases during the pandemic.</p> <p>The 2022/23 revenue budget includes a provision to cover increased inflationary pressures within the service.</p>
<p>Bulky Waste (Environmental Services)</p>	(23)	<p>As a result of increased demand for the service, the year-end forecast for income represents a favourable variance of £23k.</p>
<p>Building Control (Planning & Building Control)</p>	137	<p>The service is being transferred to Elmbridge Borough Council following the retirement of two staff members and difficulties recruiting new staff, resulting in a projected net loss of income to EEBC of £137k for the year.</p> <p>Following the establishment of a new service delivery model, the updated service costs are factored into the Council's future budget plans.</p>
<p>Development Control (Planning & Building Control)</p>	229	<p>Since the pandemic began, the service has seen a decrease in income, projected as a £185k adverse variance in 2021/22.</p> <p>In December 2020, S&R agreed £96,000 funding from reserves to cover the cost of responding to planning appeals. However, following one appeal progressing to a public enquiry, costs are expected to exceed this funding by £34k. A further adverse variance of £10k is forecast for legal and consultancy fees relating to applications.</p>
<p>Other Miscellaneous Variances</p>	7	
<p>Total Environment and Safe Communities Variance</p>	1,400	

Community & Wellbeing Committee	Adverse / (Favourable) Variance £'000	Detail
Housing	519	<p>The number of households in nightly paid accommodation reduced during Q2 and the full year forecast assumes 70 households are supported, resulting in a projected £564k adverse variance.</p> <p>This adverse variance is partially offset by additional net rental income from purchased properties of £26k. Private Sector Housing is also forecasting a net favourable outturn of £21k.</p> <p>To minimise numbers in expensive nightly paid accommodation, Defoe Court continues to be brought into use, and officers are collaborating with Rosebery Housing Association to identify alternative accommodation options. In addition, funding for two one-bed flats was approved at Strategy and Resources in September 2021. The Homelessness Working Party including senior officers meets monthly to manage the Council's response and to capitalise on any funding opportunities.</p>
Personal Social Services – Route Call, Community Alarm, Higher Needs Service and Disabled Facilities Grant	72	<p>Routecall passengers continue to be at low levels, resulting in a £35k forecast adverse variance to budget.</p> <p>Within the Higher Needs Service, there have been some clients returning to the service but numbers have not increased as steadily as initially expected, resulting in a £51k adverse variance.</p> <p>Partially offset against these adverse budget pressures is a favourable £15k transfer from the Home Improvement Agency reserve to fund the costs of administering the Disabled Facilities Grant scheme.</p>

Social Centre	59	<p>Members and hirers have been returning to the Community & Wellbeing Centre, although numbers are not yet back to pre-Covid levels. An adverse variance to budget of £39k is forecast for year end.</p> <p>In addition, reduced income from lettings and the loss of some regular hirers is expected to result in a £20k adverse variance to budget.</p>
Parks and Open Spaces	58	<p>Sports activities and BBQs at parks have been lower than pre-Covid, resulting in a £40k adverse variance to budget.</p> <p>There have been fewer bookings at the Harrier Centre, resulting in an £18k adverse variance. This is partially offset by new lease at the Centre (£5k favourable)</p> <p>Based on bookings to date, income at Hook Road Arena will also be under budget by £25k.</p> <p>Statutory reports on the Great Pond Dam are £2k above budget.</p> <p>A new lease at Horton Country Park and lettings to cafes in parks has increased income by £22k, partially mitigating the above adverse variances.</p>
Sports, Leisure and Cultural	617	<p>At Bourne Hall, lettings and café income remain below net budget targets, resulting in a £180k forecast adverse variance, partially offset by increased recharges to SCC (£10k favourable).</p> <p>At the Playhouse, there are fewer shows than pre-Covid but pantomime ticket sales have been consistently higher than expected. Net income is anticipated to be £56k higher than reported at Q2, resulting in a £303k adverse variance to budget.</p> <p>Ewell Court House is not expected to re-open for events during 2021/22 (£63k adverse variance).</p>

		<p>No income is expected on the GLL contract at the Rainbow Centre for the first quarter 2021/22 (£81k adverse variance) but subsequent periods have been charged as per contract.</p> <p>The income losses to 30 June have formed part of the Council's Income Compensation claim to DLUHC.</p>
Total Community & Wellbeing Variance	1,324	

5 Employee Costs

- 5.1 At the end of December, the Council is £411k under its year-to-date employee budget of £9.97m, mainly as non-essential recruitment had been paused to manage the adverse financial impact of Covid-19.
- 5.2 In addition, following the Council's restructure and transition to a new operating model, recruitment is underway to fill vacant posts. This favourable variance has been factored into the service forecasts presented above.
- 5.3 Employee costs are monitored monthly to ensure any adverse variances are flagged promptly to Heads of Service, thereby enabling prompt mitigating action to be taken.
- 5.4 To support the planning service with additional staffing resources, £190,000 of one-off funding was agreed at S&R Committee on 27 July, to be funded from the Corporate Projects Reserve.

6 Pension Contributions to Surrey Pension Fund

- 6.1 Pensions' administration had previously been outsourced by Surrey County Council to a company called Orbis. Earlier this year, SCC transferred responsibility for pension administration back 'in-house' to Surrey Pension Fund (SPF).
- 6.2 Since November 2014, Orbis had ceased invoicing districts and boroughs for the cost of 'compensatory added years', which are historic, additional discretionary pension commitments and typically cost this Council c£100,000 per annum.

- 6.3 New awards are typically no longer made, with all exits managed in accordance with the Local Government Pension Scheme Discretions Policy. However, historic awards still need to be paid for.
- 6.4 Despite Orbis ceasing to invoice for these costs since 2014, each year EEBC has set-aside, in the Corporate Projects Reserve, the expected annual cost, in anticipation that one day Surrey Pension Fund or Orbis would complete the necessary reconciliations and resume invoicing. The total amount set-aside by EEBC since 2014 is £727,847.
- 6.5 In November 2021, Surrey Pension Fund contacted all Surrey districts and boroughs to confirm that SPF had completed the necessary reconciliations and will invoice authorities for sums back to 2014. The sum invoiced for this Council for the period November 2014 to 2020/21 is £701,916, plus £100,600 for 2021/22. These amounts will be funded by the amounts already set-aside in the Corporate Projects Reserve, with the balance to be met from corporate contingency budgets.
- 6.6 Going forward, the current annual cost is £100,600, which the Council has included in the revenue budget from 2022/23. In future years, as the number of recipients reduce, it is expected that this cost will gradually diminish.

7 Epsom & Ewell Property Investment Company (EEPIC)

- 7.1 The Council's budget includes £0.6m expected dividend income from Epsom and Ewell Property Investment Company, generated from its two commercial properties. Income from EEPIC is forecast to be on budget, with rent to date on track from tenants.

8 Update on 2021/22 Savings Delivery

- 8.1 The 2021/22 budget required £317k of new savings to be delivered during the year. The delivery status of these savings is summarised in the following table:

Summary of Budgeted Savings - 2021/22	Committee	Achieved	In progress or deferred	Not Achievable
		£000	£000	£000
Review of Commercial Estate	S&R	113	-	-
Reduce Training Budget	S&R	6	-	-
Review of Town Hall	S&R	15	-	-
Review of Facilities Maintenance	S&R	19	-	-
Review of Parking	E&SC	-	24	-
Review of Community & Wellbeing Centre	C&W	-	23	-
Review of Parks/Ranger Service	C&W	17	-	-
Reduction in Service Contingencies	S&R	41	-	-
Building Control savings	E&SC	-	-	10
Treasury Management Income	S&R	-	20	-
Trade Waste Additional Income	E&SC	-	5	-
Review of Borough Insight	S&R	24	-	-
Total Savings - £317k		235	72	10

8.2 The majority of savings, totalling £235k, have been achieved to date. Savings totalling £72k have all been impacted in some way by Covid-19 and consequently either remain in progress or have been temporarily deferred due to the current economic environment. These savings will need to be reviewed and progressed at the appropriate time once uncertainty clears.

8.3 The £10k saving within building control is no longer deliverable, following the decision to transfer the service to Elmbridge Building Control Service. This has been factored into the Council's budget planning for 2022/23.

9 Revenue Reserves

9.1 At Q3, the general fund balance remains forecast to reduce to £2.5m (from £3.383m) by the end of this year, as per the provisional funding of the projected deficit in the following table:

9.2

2021/22	£'000
Projected Deficit, Pre-Government Support	2,377
Less Government Income Protection Scheme	(506)
Projected Deficit, Post-Government Support	1,871
<u>Provisional Funding</u>	
Corporate Contingency for Covid-19	(950)
Corporate Projects Reserve	(38)
General Fund Balance	(883)
Subtotal Funding	(1,871)
Total	0

- 9.3 The opening balance of strategic earmarked revenue reserves was £25.2m at 1 April 2021. Existing commitments against these reserves total £11.1m, leaving a forecast uncommitted balance of £14.1m. A significant proportion of these reserves are held as contingencies to mitigate known risks, or are ringfenced funds, as set-out in the following table:

Summary of Revenue Reserves	Balance at 01 April 2021 £'000	Commitments £'000	Forecast Uncommitted Balance at 31 March 2022 £'000
General Fund	3,383	-883	2,500
<u>Strategic Earmarked Reserves</u>			
Contingencies unavailable for general use	17,828	-7,416	10,412
Ringfenced funds for specific use	2,251	-915	1,336
Unringfenced funds available for general use	5,073	-2,767	2,306
Subtotal Strategic Earmarked Reserves	25,152	-11,098	14,054
Total Revenue Reserves	28,535	-11,981	16,554

- 9.4 The £11.1m commitments include £6.6m of central government grants held in the Business Rates Equalisation Reserve to fund the prior year business rates deficit in accordance with statutory collection fund rules, £2.5m commitments from the Corporate Projects Reserve (this includes previously agreed funding for the Local Plan and planning resources), £1.1m to fund 2022/23's projected revenue budget deficit and £385k from the Flexible Housing Support Grant reserve to mitigate homelessness.
- 9.5 Please note that commitments only include agreed items and do not include potential future pressures, for example should additional resourcing requirements arise (and be agreed) for the Local Plan, planning or other services in future.
- 9.6 The table shows that the uncommitted balance of unringfenced strategic reserves is forecast at £2.3m.
- 9.7 The Council's reserves may come under significant pressure in the coming years due to the long-term financial impact of Covid-19.

- 9.8 To provide some context to reserve balances, it should be noted that the Council also has external debt of £64.4m owed to the Public Works Loans Board, repayable by 2067. The Council incurred this debt to fund the agreed acquisition of commercial properties in previous years. The Council has an annual provision in the revenue budget, funded by rental income from the properties, to cover interest payments and eventual repayment of the loans by 2067.
- 9.9 A full review of individual revenue reserves including a breakdown of commitments was recently presented to Financial Policy Panel on 30 November 2021.

10 Actions and Next Steps

- 10.1 To mitigate the projected budget deficit, the Council's senior management continues to progress the following key initiatives:
- 10.1.1 Measures to mitigate increased expenditure within homelessness, including bringing Defoe Court into use. Officers are also collaborating with Rosebery Housing Association to identify alternative accommodation options, to reduce the numbers in expensive nightly paid accommodation. In addition, funding for two one-bed flats was approved at Strategy and Resources in September 2021. The Homelessness Working Party including senior officers meets monthly to manage the Council's response and to capitalise on any funding opportunities.
- 10.1.2 Officers have submitted a claim to DLUHC for lost income to 30 June 2021, totalling £506,000.
- 10.1.3 For the venues, the Head of Operational Services will prepare a report to Community & Wellbeing Committee setting-out a recovery plan.
- 10.1.4 The Head of Service for Housing will prepare a report to Community & Wellbeing Committee to present a Homelessness and Rough Sleeper Strategy with mitigation options for the budget pressures within the Housing service.
- 10.1.5 Finance officers will continue to monitor the funding landscape to ensure the Council is kept aware of any new government funding announcements (if there are any).
- 10.2 The Council's budget position is continuously monitored by the finance team and budget managers. It is expected that the next budget monitoring report to members will be the provisional outturn position in July 2022.

11 Risk Assessment

Legal or other duties

11.1 Impact Assessment

11.1.1 Ultimately, all services will be impacted in some way by the Council's overall budget position over the long term.

11.2 Crime & Disorder

11.2.1 None arising directly from the contents of this report.

11.3 Safeguarding

11.3.1 None arising directly from the contents of this report.

11.4 Dependencies

11.4.1 None arising directly from the contents of this report.

11.5 Other

11.5.1 None arising directly from the contents of this report.

12 Financial Implications

12.1 Financial implications are set out in the body of the report.

12.2 **Section 151 Officer's comments:** Even in the near term, there remains uncertainty around future demand levels for the Council's services and income streams, principally due to Covid-19. For 2021/22, contingency budgets and reserves can provisionally mitigate the overall projected deficit. Officers will continue to monitor the position and ultimately, longer term should income streams not recover or increased expenditure pressures not be mitigated, budget plans for future years will need to be adjusted accordingly.

12.3 The provisional outturn position for 2021/22 will be brought back to Audit Crime & Disorder and Scrutiny Committee in July 2022.

13 Legal Implications

13.1 There are no direct legal implications arising from this report.

13.2 **Legal Officer's comments:** None arising from the contents of this report.

14 Policies, Plans & Partnerships

14.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.

14.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

14.3 **Climate & Environmental Impact of recommendations:** None arising directly from the contents of this report.

14.4 **Sustainability Policy & Community Safety Implications:** None arising directly from the contents of this report.

14.5 **Partnerships:** None arising directly from the contents of this report.

15 Background papers

15.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Revenue Budget Monitoring Report – Quarter 2 to Audit Crime & Disorder Committee, 18 November 2021
- Revenue Budget Monitoring Report – Quarter 1 to Audit Crime & Disorder Committee, 1 September 2021.
- Budget Report to Full Council – 16 February 2021.

Other papers:

- None.

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CAPITAL BUDGET MONITORING - QUARTER 3

Head of Service:	Brendan Bradley, Head of Finance
Wards affected:	(All Wards);
Urgent Decision?	No
If yes, reason urgent decision required:	N/A
Appendices (attached):	Appendix 1: Update of Capital Project Progress

Summary

This report presents the capital monitoring position at Quarter 3 for the current financial year 2021/22.

Recommendation (s)

The Committee is asked to:

- (1) Receive the capital monitoring position at Quarter 3, as set out in the report;**
- (2) Note the progress of capital projects as set out in Appendix 1.**

1 Reason for Recommendation

- 1.1 To present the capital budget monitoring position to members for Quarter 3 and to provide an update on the progress of individual capital projects.

2 Background

- 2.1 This report summarises the capital monitoring information at the end of the third quarter of 2021/22. It details actual capital expenditure and receipts against capital budgets and financing. The report also provides the forecast outturn position and variances at year-end.
- 2.2 The core capital programme does not include investments made through the property acquisition funds; this activity is summarised within section 5.

3 Core Capital Programme

- 3.1 The expenditure budget per Committee for the core capital programme is shown below:

Committee	2021/22 Original Budget £'000	Carry forwards from 2020/21 £'000	Additions during 2021/22 £'000	2021/22 Current Approved Schemes £'000
Strategy & Resources	225	536	0	761
Environment & Safe Communities	455	1,419	9	1,883
Community & Wellbeing	805	609	202	1,616
Total Core Capital Programme	1,485	2,564	211	4,260

- 3.2 The 2021/22 budget was agreed by full Council in February 2021. The budgets carried forward from 2020/21 were approved at S&R Committee on 27 July 2021, as were the following new budget additions during the year:
- 3.2.1 an additional £185k for Disabled Facilities Grant projects to align with the grant provided by central government;
 - 3.2.2 an additional £8.5k for the Ashley Centre car park expansion joints project;
 - 3.2.3 an additional £21k for repairs to the Harrier Centre hammer cage, as agreed at Strategy & Resources Committee in November 2021, funded by a £5k external grant and £16k of S106 funds, £4k of which has been vired from the Harrier Centre track repairs project which is forecast to underspend by this amount.
- 3.3 The carry forward figure for Community & Wellbeing Committee has been updated to include £93k of additional Disabled Facilities Grant funding brought forward from 2020/21.
- 3.4 Actual expenditure on the core capital programme to the end of December 2021 and a full year forecast is summarised below:

Committee	2021/22 Current Approved £'000	YTD Expenditure £'000	Forecast Outturn £'000	Forecast Variance £'000
Strategy & Resources	761	187	331	(430)
Environment & Safe Communities	1,883	166	1,212	(671)
Community & Wellbeing	1,616	307	600	(1,016)
Total Core Capital Programme	4,260	660	2,143	(2,117)

- 3.5 On the core capital programme, projected expenditure for the full year is £2.143m, £2.117m less than the £4.26m budget. The main variances are: the DFG programme (£744k) which was hampered by Covid and resourcing issues earlier in the year; the replacement of EEBC street lamp columns project (£415k) which has been delayed to 2022 due to limited resources; the Replacement of CRM and Data Warehouse project (£380k) which is subject to a procurement exercise; the Hogsmill streams repairs (£252k) the works for which are reliant on suitable weather conditions; the football pitch draining project (£90k) which is on hold whilst further investigations take place; and the Playhouse works (£128k), which are scheduled for August 2022. An update on progress of individual schemes is set out in Appendix 1.

4 Financing of Capital Expenditure 2021/22

- 4.1 The provisional financing of the 2021/22 core capital programme is summarised below:

Financing of Core Capital Programme	2021/22 Current Approved Budget £'000
Capital Receipts Reserves	922
Capital Grants-DFG	1,243
Budgeted Revenue Contributions	264
Revenue Reserves	34
Section 106	165
Community Infrastructure Levy	1,627
External Grant	5
Total	4,260

5 Property Acquisition Funds

Commercial Property

- 5.1 The Council retains one in-Borough commercial property acquisition fund, which has a remaining balance of £49.6m available for investment. Please note, this is not a reserve that the Council holds; it is a limit (approved by Full Council) up to which borrowing could be undertaken.

Residential Property

- 5.2 In 2016/17, the Council established a £3m fund to purchase residential property, principally to assist the Council to manage homelessness and reduce associated costs. To date, no new purchases have been identified during 2021/22.
- 5.3 The remaining balances on the Property Acquisition Funds are shown in the following table:

Property Acquisition Funds	Commercial Property (in- Borough) £0	Residential Property £0	Total £0
Opening fund balance	80,000	3,000	83,000
Purchases during 2016/17	-19,206	-811	-20,017
Purchases during 2017/18	-5,148	-562	-5,710
Purchases during 2018/19	0	-257	-257
Purchases during 2019/20	-6,077	-20	-6,097
Purchases during 2020/21	0	-95	-95
YTD purchases during 2021/22	0	0	0
Current commitments	0	-290	-290
Uncommitted balance at 31/12/2021	49,569	965	50,534

- 5.4 Of the Residential Property Acquisition Fund balance, £10.5k is earmarked to fund the remaining modifications required to 87 East Street (Defoe Court) to make it suitable for use as temporary accommodation, as agreed at S&R Committee in December 2018.
- 5.5 A further £280k of the Residential Property Acquisition Fund is earmarked for a scheme to provide temporary accommodation at 24 South Street, as agreed by S&R Committee in March 2021.

6 S106 Developer Contributions

6.1 The balance of S106 funds held by the authority are set out in the following table:

	£'000	£'000
Section 106 funds held as at 1 April 2021		2,668
Section 106 net receipts to 31 December 2021		4
Balance of S106 Funds held as 31 December 2021		2,672
Less:		
Funds held due to SCC and other organisations	(130)	
Funds committed and approved for specific schemes	(402)	
Funds held for Horton Chapel	(482)	
		(1,014)
Unallocated S106 funds as at 31 December 2021		1,658

6.2 S106 agreements specify for what purpose the funds may be spent. The breakdown of current unallocated balances against the different categories is detailed in the following table:

Breakdown of unallocated S106 balances	£'000
Open Spaces	30
Affordable Housing	1,574
Open Space - Park & Gardens	7
Environmental Improvements	37
Community Facilities	4
Monitoring Charge	6
Total	1,658

6.3 The majority of S106 balances are within Affordable Housing; this funding is used to facilitate provision within the Borough where the development is not financially viable without additional funding. Planning officers work with providers to identify schemes where the affordable housing would not be deliverable without the additional support.

6.4 £145k of Affordable Housing S106 funds have been earmarked for a Rough Sleeper accommodation project agreed at S&R Committee in September 2021.

7 Community Infrastructure Levy

- 7.1 The Council generated £2.016m of Community Infrastructure Levy (CIL) for the period 1 April 2021 to 31 December 2021. This includes one sum for £1.27m for the Woodcote Grove site development.
- 7.2 Large sums are collected in instalments so not all the cash has been received at this date. Of the £363k of invoices raised but not yet collected, only £15k relates to financial years prior to 2020/21 and is being pursued by the Legal department.
- 7.3 5% is used for administering the scheme and 15% is ring fenced for a local spending fund comprising two schemes, a CIL Neighbourhood Scheme and a Borough Investment Fund. CIL balances are set out in the following table:

	Main Fund (80%) £'000	Community Fund (15%) £'000	Admin Fee (5%) £'000	Total £'000
CIL funds held at 1 April 2021	6,809	1,382	227	8,418
CIL invoices raised to 31 Dec 2021	1,613	302	101	2,016
Invoices outstanding at 31 Dec 2021	-290	-55	-18	-363
Receipt held as charge against property	-1	0	0	-1
CIL Payments made to 31 Dec 2021	-116	-179	0	-295
CIL Funds held at 31 December 2021	8,015	1,450	310	9,775
<i>Less commitments:</i>				
Plan E contribution	-1,011	0	0	-1,011
Stoneleigh Station	-500	0	0	-500
Replacement of EEBC Lamp Columns	-425	0	0	-425
Improvements to Great Dam	-75	0	0	-75
Borough Investment Fund	0	-71	0	-71
CIL Neighbourhood Scheme 2019/20	0	-34	0	-34
CIL Neighbourhood Scheme 2020/21	0	-92	0	-92
CIL Neighbourhood Scheme 2021/22	0	-250	0	-250
Monitoring CIL scheme in 2021/22	0	0	-59	-59
Unallocated CIL funds at 31 Dec 2021	6,004	1,003	251	7,258

8 CIL Neighbourhood Scheme (15%)

- 8.1 A report to S&R Committee in April 2018 agreed a sum of £100k for a Borough Investment Fund. No bids for the Borough Investment Fund have been received in 2021/22 to date. There is still £71k of the original £100k allocation remaining.
- 8.2 The 2021/22 scheme has now been decided and funding allocated to successful schemes. A breakdown of the individual projects for 2021/22, along with expenditure and progress on all years of the CIL Neighbourhood Scheme (15%) is detailed in Appendix 1.

9 Capital Receipts

- 9.1 The expected balances of capital receipt reserves is shown below:

Capital Reserves	Capital Receipts Reserve £'000
Balance brought forward at 1 April 2021	4,050
Estimated use to fund the 2021/22 capital programme	(922)
Earmarked for Residential Property Programme	(189)
Capital receipts received to 31 December 2021	0
Estimated Balance at 31 March 2022	2,939

- 9.2 The Council's Medium Term Financial Strategy states the aim of maintaining a minimum uncommitted level of capital reserves of £1m.

10 Risk Assessment

Legal or other duties

10.1 Impact Assessment

10.1.1 The impact of each scheme is assessed during the capital bidding process.

10.2 Crime & Disorder

10.2.1 None arising directly from the contents of this report.

10.3 Safeguarding

10.3.1 None arising directly from the contents of this report.

10.4 Dependencies

10.4.1 None arising directly from the contents of this report.

10.5 Other

10.5.1 None arising directly from the contents of this report.

11 Financial Implications

11.1 Financial implications are set out in the body of the report.

11.2 **Section 151 Officer's comments:** The provisional outturn position for 2021/22 will be brought back to Audit Crime & Disorder and Scrutiny Committee in July 2022.

11.3 The Policy Committees will have considered proposed capital schemes for the 2022/23 programme at their January meetings, and the final programme will be presented to Full Council at its meeting in February.

11.4 Any questions relating to the practical progress of any of the capital projects should be directed to the relevant Head of Service or Director.

12 Legal Implications

12.1 There are no direct legal implications arising from this report.

12.2 **Legal Officer's comments:** None arising directly from the contents of this report.

13 Policies, Plans & Partnerships

13.1 **Council's Key Priorities:** The following Key Priorities are engaged: Effective Council.

13.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

13.3 **Climate & Environmental Impact of recommendations:** The impact of each scheme is assessed during the capital bidding process.

13.4 **Sustainability Policy & Community Safety Implications:** None arising directly from the contents of this report.

13.5 **Partnerships:** None arising directly from the contents of this report.

14 Background papers

14.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Capital Budget Monitoring - Quarter 1 to this committee on 1 September 2021
- Capital Budget Monitoring - Quarter 2 to this committee on 18 November 2021.
- Budget Report to Full Council – 16 February 2021.

Other papers:

- None.

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Project	Current Approved Budget £	Actuals to Q3 2021/22 £	Year End Forecast 2021/22 £	Estimated Variance £	Comments from Manager	Original Target Completion
Plan E	1,126,506	0	1,126,506	0	The majority of works on the Marketplace are now complete and the invoice was paid in Q2. Phase 2 installation of new bus shelters with live-time transport information starts in October.	May 2020 – <i>revised date:</i>
Disabled Facilities Grants and Small Repairs Grants	1,150,489	257,050	500,000	(650,489)	The DFG programme continues to be hindered from Covid 19 effects, such as contractor availability and the sourcing of certain materials. The DFG team have been working at a 25% reduced capacity since December 2020. We have recruited a new member of staff who has been in post for a few months which has contributed significantly in reducing our wait list to 0. Most of our referrals come from SCC Occupational Therapist team who currently have an extensive waiting list of their own. We are currently working with them to resolve this by potentially using Private OT's. The intention is to promote the Home Improvement Agency and grant programme in springtime, subject to staff resources.	Ongoing
ICT Programme of Works	275,000	77,230	225,000	(50,000)	To ensure resilience, the replacement Town Hall UPS unit order has been placed. To simplify and add resilience to the network, the order for new routers and connections has been placed. The work to reduce the risk of a successful cyber attack through using dedicated Security Incident and Event monitoring is still in the proof of concept phase. Stage 2 of the Office 365 project to add resilience and improve ways of managing documents is being progressed by the newly recruited Digital Officer.	March 2022

Project	Current Approved Budget £	Actuals to Q3 2021/22 £	Year End Forecast 2021/22 £	Estimated Variance £	Comments from Manager	Original Target Completion
Ashley Centre Car Park Expansion Joints	38,525	35,524	35,525	(3,000)	The works are now complete and the contingency of £3,000 was not required.	December 2021
Playhouse Refurbishment	128,000	0	0	(128,000)	Expected to be scheduled in August 2022 when the theatre is quiet. The works were not scheduled prior to this whilst the situation with the pandemic was being monitored.	March 2021– <i>Revised date: Sept 2022</i>
Outdoor gym equipment in Chessington Road	23,000	23,000	23,000	0	The project has now completed.	March 2021
Hogs mill streams and horse pond repairs	292,000	14,590	40,000	(252,000)	Surveys have taken place and the removal of vegetation prior to the main construction works is due to take place shortly. The main works will be dependent on good weather conditions, but are anticipated to take place in June or July 2022.	September 2021 – <i>Revised date: December 2022</i>
Replacement of CRM and Data Warehouse	410,048	29,670	30,048	(380,000)	Phase 1 implementation is on-going and we will shortly be commencing on the procurement for phase 2. It is likely that the majority of outstanding budget for this project will be rolled forward to FY 2022/23.	Phase 1 - March 2020 Phase 2 – March 2023
Renewal of Town Hall lift controls	76,248	79,611	76,248	3,363	The works are now complete.	January 2019 – <i>Revised date: Sept 2021</i>

Project	Current Approved Budget £	Actuals to Q3 2021/22 £	Year End Forecast 2021/22 £	Estimated Variance £	Comments from Manager	Original Target Completion
Football Pitch Drainage System	90,000	0	0	(90,000)	A pitch condition desktop study was required as part of the grant funding application, which has delayed progress. The funding application was unsuccessful. The window for undertaking these works this year has now passed, so the works will be scheduled for 2022/23.	September 2022 – <i>Revised date September 2023</i>
Harrier Centre Track Repairs	40,000	27,140	35,700	(4,300)	The majority of the work has been done, but bad weather has delayed the final tasks of track markings and remedial repairs, which are anticipated for mid to late March.	October 2021 – <i>Revised date: March 2022</i>
Replacement of EEBC Lamp Columns	425,000	0	10,000	(415,000)	This project has had to be delayed to the 2022/23 financial year due lack of engagement from the main contractor. A specialist M&E contractor has been appointed and is working on the specification of the works. The next stage will be a tendering exercise with the aim to undertake the works in summer 2022.	March 2022 – <i>Revised date: March 2023</i>
Improvement to Great Dam – Epsom Common	75,000	0	20,000	(55,000)	A revised professional services quotation has been negotiated to an acceptable level. An order has been placed and a specification is being prepared. Timescales to be determined by weather conditions.	March 2022 – <i>Revised date: autumn 2022</i>

CIL 15% Neighbourhood Scheme Projects

Project	Current Approved Budget £	Actuals to Q3 2021/22 £	Year End Forecast 2021/22 £	Estimated Variance £	Comments from Manager
2019/20 Schemes					
Epsom Common Facilities (Total budget £26,000*)	10,055	4,020	5,722	(4,333)	Partially complete – noticeboard and boulders still to be installed.
2nd Epsom Scouts Refurbishment of HQ	27,000	0	0	(27,000)	Project did not proceed.
Defibrillators across Epsom	28,800	28,081	28,081	(719)	In progress – six defibrillators installed and five are due to be installed in April 2022.
2020/21 Schemes					
Drinking Water Fountains	25,740	24,540	25,740	0	Project completed.
London Road Rec (replacement playground)	33,000	30,000	30,000	(3,000)	Project complete.
Longmead MUGA	15,440	15,440	15,440	0	Project completed.
Rifle Butts Alley (resurfacing)	63,000	0	63,000	0	Work was due to commence 01/09/21, but a local resident has raised concerns. The work is now expected to commence in the Spring.
Girl Guiding Epsom (trench)	22,658	0	22,658	0	Applicant has been contacted to provide a project update, no further information at present.

* The original budget of £26,000 included VAT which can be reclaimed for this project. Some costs were incurred in the previous financial year.

Project	Current Approved Budget £	Actuals to Q3 2021/22 £	Year End Forecast 2021/22 £	Estimated Variance £	Comments from Manager
2021/22 Schemes					
Horton Country Park (Footpaths)	65,000	0	65,000	0	No update yet.
Shadbolt Park (Swift Tower)	13,365	0	13,365	0	No update yet.
Auriol Park (Additional playground equipment)	22,750	8,646	22,750	0	Deposit paid, works to be commenced in the next couple of months.
Bourne Hall (Outdoor Gym)	36,368	0	36,368	0	Purchase order raised.
West Park Farm (Road & lighting improvements)	50,650	0	50,650	0	No update yet.
Epsom BMX Trails (Fencing)	34,243	31,518	34,243	0	Materials + 50% labour paid for. Work to commence in the next few months.
Borough Covid Memorial	19,700	0	19,700	0	No update yet.

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WORK PROGRAMME 2021/22

Head of Service: Gillian McTaggart, Head of Corporate Assurance

Wards affected: (All Wards);

Urgent Decision?(yes/no)

If yes, reason urgent decision required:

Appendices (attached): Appendix 1 – Work Programme 2021/22

Summary

This report presents the Committee with the work programme for 2021/22.

Recommendation (s)

The Committee is asked to:

- (1) Note and agree the on-going work programme for 2021/22 attached at Appendix 1**
- (2) To consider the request for a post implementation review of the Council restructure to be added to the current work programme of the Strategy & Resources Committee.**

1 Reason for Recommendation

- 1.1 Paragraph 1.2(d) of the Overview and Scrutiny Procedure Rules states that the Committee is responsible for approving an annual Overview and Scrutiny Work Programme, including the programme of any subcommittees or panels. The recommendation enables the Committee to maintain oversight of its work programme 2021/22 and make any additions or adjustments it may wish.

2 Work Programme

- 2.1 The Committee work programme for 2021/22 was agreed at its April 2021 meeting . Appendix 1 shows the current position of the work programme . Previously, two additional items were added to the work programme and were reported to the meeting in November , this included a post implementation review of Defoe Court and a report on the appointment of a new external auditor .
- 2.2 Two reports have been deferred from this meeting due to the current pressures on officers to deliver priorities and additional workload relating to the Covid 19 pandemic. These are a report to update the Committee on Compliance with the Surveillance Camera Code of Practice and a monitoring report on progress against the priorities for 2021/22. Both reports have been pushed back to April 2022. Two additional reports have been added to the work programme, namely reporting on Ombudsman decisions and the publication of Gifts & Hospitality Registers.
- 2.3 The Scrutiny Officer has received a request that this Committee consider a review of the Council wide staffing restructure, to realign resources, which was implemented on 1st September 2021.

3 Risk Assessment

Legal or other duties

3.1 Impact Assessment

- 3.1.1 No implications for the purposes of this report.

3.2 Crime & Disorder

- 3.2.1 The Crime & Disorder Committee has a responsibility to review the actions and decisions of the local Community Safety Partnership on an annual basis. The work programme enables the Committee to meet this responsibility.

3.3 Safeguarding

- 3.3.1 No implications for the purposes of this report

3.4 Dependencies

- 3.4.1 Completion of the Council's financial accounts for 2021/22 are dependent upon consideration of the Annual Internal Audit Report and Opinion

3.5 Other

- 3.5.1 No implications for the purposes of this report.

4 Financial Implications

- 4.1 None for the purposes of this report.
- 4.2 **Section 151 Officer's comments:** None arising from the contents of this report.

5 Legal Implications

- 5.1 None for the purposes of this report.
- 5.2 **Legal Officer's comments:** none arising from the contents of this report.

6 Policies, Plans & Partnerships

- 6.1 **Council's Key Priorities:** The following Key Priorities are engaged:
- 6.1.1 All priorities
- 6.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.
- 6.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report.
- 6.4 **Sustainability Policy & Community Safety Implications:** the work programme includes the scrutiny of the actions and decisions of the community Safety Partnership.
- 6.5 **Partnerships:** None for the purposes of this report

7 Background papers

- 7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Annual Report 2020/21, Audit, Crime & Disorder and Scrutiny Committee, 19 November 2020
- Work Programme 2020/21, Audit, Crime & Disorder and Scrutiny Committee 8 April 2021
- Work Programme 2021/22; Audit, Crime & Disorder and Scrutiny Committee 18 November 2021

Other papers:

- None

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**Audit, Crime & Disorder and Scrutiny Committee
Work Programme 2021/22**

MEETING	ITEMS FOR CONSIDERATION BY FULL COMMITTEE
<i>June 2021</i>	<ul style="list-style-type: none"> • Internal Audit Progress Report 2020/21 • Annual Internal Audit Report & Opinion 2020/21 • Annual Governance Statement 2020/21 • Four Year Plan: Year End Performance Report 2020/21 • Use of Delegated Powers Annual Report • Annual Report on the Regulation of Investigatory Powers Act 2000 • Annual Report 2020/21 (To be presented to Full Council) • Work Programme 2021/22
<i>November 2021</i>	<ul style="list-style-type: none"> • Internal Audit Progress Report 2021/22 • Post Implementation Review of Defoe Court • Revenue Budget Monitoring Report Qtr 2 • Capital Budget Monitoring Report Qtr 2 • Public Sector Audit Appointments Opt in • Risk Management Framework Annual Report • Work Programme 2021/22
<i>February 2022</i>	<ul style="list-style-type: none"> • Internal Audit Progress Report 2021/22 • Revenue Budget Monitoring Report 2021/22 Qtr 3 • Capital Budget Monitoring Report 2021/22 Qtr 3 • Annual Governance Statement , Progress Against Action Plan • Work Programme 2021/22
<i>April 2022</i>	<ul style="list-style-type: none"> • Internal Audit Progress Report 2021/22 • Internal Audit Plan 2022/23 and Internal Audit Charter 2022/23 • Annual Report on the Community Safety Partnership • Four Year Plan: Quarter Three Performance Report 2021/22- (deferred from Feb 2022) • Update on Compliance with the Surveillance Camera Code of Practice (deferred from Feb 2022) • Reporting on Ombudsman decisions (new) • Publication of Gifts & Hospitality Registers (new) • External Audit Progress Against Action Plan • Work Programme 22/23

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