

# Public Document Pack

Legal and Democratic Services



## AUDIT AND SCRUTINY COMMITTEE

Thursday 15 September 2022 at 7.30 pm

Place: Council Chamber, EpsomTown Hall

Link for public online access to this meeting:

<https://attendee.gotowebinar.com/register/9137331279502337549>

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The members listed below are summoned to attend the Audit 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 Rob Geleit  
Councillor David Gulland  
Councillor Christine Howells

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

Yours sincerely

Interim Chief Executive

For further information, please contact Democratic Services, 01372 732000 or [democraticservices@epsom-ewell.gov.uk](mailto:democraticservices@epsom-ewell.gov.uk)

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- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
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- 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](mailto: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.

Agendas, reports and minutes for this Committee are also available on the free Modern.Gov app for iPad, Android and Windows devices. For further information on how to access information regarding this Committee, please email us at [Democraticservices@epsom-ewell.gov.uk](mailto:Democraticservices@epsom-ewell.gov.uk).

## 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 this Committee. Any person wishing to ask a question at a meeting of this 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 and Scrutiny 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 this Committee, please contact Democratic Services, email: [democraticservices@epsom-ewell.gov.uk](mailto: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, Thursday 1 September 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, Tuesday 13 September 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 14 June 2022 (attached) and to authorise the Chair to sign them.

### **4. REVENUE BUDGET MONITORING - QUARTER 1 (Pages 11 - 20)**

This report presents the forecast revenue outturn position for the current financial year 2022/23, as at Quarter 1 (30 June).

### **5. CAPITAL BUDGET MONITORING - QUARTER 1 (Pages 21 - 32)**

This report presents the capital monitoring position at Quarter 1 for the current financial year 2022/23.

### **6. TREASURY MANAGEMENT YEAR-END PERFORMANCE 2021/22 (Pages 33 - 48)**

This report presents the Council's treasury management performance in 2021/22.

### **7. COUNTER FRAUD & WHISTLEBLOWING (Pages 49 - 56)**

This report provides the committee with an overview of the systems and processes the Council has in place to prevent, detect and address fraud.

### **8. EQUALITY, DIVERSITY & INCLUSION REPORT (Pages 57 - 66)**

The report provides an overview of the activities undertaken by the Council regarding equality, diversity and inclusion.

### **9. PERFORMANCE & RISK REPORT - SEPTEMBER 2022 (Pages 67 - 96)**

The appendix to this report provides an overview of the council's performance with respect to its annual plan objectives, key performance indicators and corporate risks.

**10. COMMITTEE WORK PROGRAMME 2022-2023** (Pages 97 - 102)

This report presents the Committee with the work programme for 2022-2023.

**Minutes of the Meeting of the AUDIT AND SCRUTINY COMMITTEE held at the Council Chamber, Epsom Town Hall on 14 June 2022**

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**PRESENT -**

Councillor Steve Bridger (Chair); Councillor Nigel Collin (Vice-Chair); Councillors Rob Geleit, David Gulland, Steven McCormick (as nominated substitute for Councillor David Reeve), Phil Neale, Alan Sursham and Chris Webb

In Attendance: Councillor Christine Howells (connected remotely); Neil Pitman (Head of Southern Internal Audit Partnership) (Southern Internal Audit Partnership (Internal Auditor)) (Items 8-9 only) (connected remotely) and Natalie Jerams (Assistant Head of Partnership) (Southern Internal Audit Partnership (Internal Auditor)) (Items 8-9 only) (connected remotely)

Absent: Councillor Previn Jagutpal and Councillor David Reeve

Officers present: Gillian McTaggart (Head of Corporate Assurance), Will Mace (Business Assurance Manager) and Tim Richardson (Democratic Services Manager)

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**1 QUESTION TIME**

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

**2 DECLARATIONS OF INTEREST**

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

**3 MINUTES OF THE PREVIOUS MEETING**

The Minutes of the previous meeting of the Audit and Scrutiny Committee held on 7 April 2022 were agreed as a true record and signed by the Chair.

**4 ANNUAL REPORT ON THE USE OF DELEGATED POWERS**

The Committee received a report setting out significant decisions taken by Officers in consultation with Committee Chairs for the period 29 May 2021 to 27 May 2022, in accordance with the Council's Scheme of Delegation to Officers.

The following matter was considered:

- a) **Definition of significant decisions.** A Member of the Committee suggested that the term “significant decision” (as referred to in paragraph 2.4 of the report) should be defined within the Constitution. The Head of Corporate Assurance informed the Committee that the scheme of Delegation to Officers was currently under review and that this suggestion would be passed to the Council’s Monitoring Officer for consideration.

Following consideration, the Committee resolved:

- (1) To note the significant decisions taken by Officers in consultation with relevant Chairman/Chair recorded using the delegated authority process from 29 May 2021 to 27 May 2022.**

## 5 ANNUAL GOVERNANCE STATEMENT 2021-2022

The Committee received a report seeking approval of the draft Annual Governance Statement 2021-2022.

The following matters were considered:

- a) **Chief Internal Auditor’s Annual Opinion.** Following a question from a Member, the Head of Corporate Assurance informed the Committee that the Chief Internal Auditor’s Annual Opinion was referenced within the report and was included as a later item on the agenda.
- b) **Demonstration of compliance with principles.** A Member of the Committee expressed the view that the documents listed on page 28 of the agenda pack set out the behavioural framework followed by the Council rather than providing evidence of how compliance with the principle had been achieved. It was noted that Officers would consider this matter for future reports.
- c) **Action dates for issues.** The Committee noted that recommendations from the Annual Governance Statement were included on an action tracker maintained by Officers. The Committee was informed that the ICT Strategy would be presented to the Strategy and Resources Committee in September 2022.
- d) **Attachment to Financial Statements.** The Committee noted that the Council’s External Auditor would review the Annual Governance Statement during their consideration of the Council’s annual financial statements.

Following consideration, the Committee resolved with 7 votes for and 1 vote against, to:

- (1) Approve the 2021-2022 draft Annual Governance Statement as set out at Appendix 1 to the report, prior to it being signed by the Chief Executive and the Chair of the Strategy & Resources Committee.**

- (2) **Give delegated authority to the Chief Finance Officer to make any required amendments to the Annual Governance Statement prior to its submission with the Statement of Accounts.**

6 FOUR YEAR PLAN: YEAR END PERFORMANCE REPORT 2021-2022

The Committee received a report presenting the end of year position for the objectives and key performance indicators (KPI's) from the Annual Plan 2021-2022.

The following matters were considered:

- a) **Status of AP7, Identify tree planting areas and a policy and procedure for tree planting.** A Member enquired why this target was Amber status. The Business Assurance Manager informed the Committee that whilst much of this work had been completed, additional actions had been identified in relation to the tree Planting Strategy which were yet to be completed.
- b) **Validation of data.** In response to a query from a Member, the Committee was informed that Performance data was validated by Head of Service Officers.
- c) **Status of AP14, Develop and adopt a Planning Enforcement Plan.** A Member of the Committee queried whether a Planning Enforcement Plan had been adopted by the Council. In response, the Business Assurance Manager informed the Committee that he would confirm the status of the action with the relevant Head of Service and provide an update to the Committee following the meeting.

Following consideration, the Committee resolved with 5 votes for and 3 abstentions to:

- (1) **Note the achievement of the individual key objectives and KPI's for 2021-2022 as set out in Appendix 1.**
- (2) **Consider the update on those targets not achieved as set out at Appendix 2.**

7 WORK PROGRAMME 2022-2023

The Committee received a report presenting its work programme for 2022-2023.

The following matter was considered:

- a) **ICT Strategy.** The Committee noted that a report on the ICT Strategy would be presented to the September 2022 meeting of the Strategy and Resources Committee. An update on the Strategy would be presented to the Audit & Scrutiny Committee in November 2022 following consideration by the Strategy and Resources Committee.

Following consideration, the Committee unanimously resolved to:

- (1) **Note and agree the on-going work programme for 2022-2023 as presented in Section 2 of the report.**

## 8 INTERNAL AUDIT PROGRESS REPORT 2021-2022

The Committee received a report summarising progress against the Internal Audit Plan 2021-2022.

The following matters were considered:

- a) **Actions to address limited assurance reports.** Following a question from a Member, the Internal Auditor informed the Committee that Officers were required to produce an action plan to address observations from internal audit reports. The Internal Auditor was content that the action plans produced by officers in response to the limited assurance reports were sufficient to address the matters identified and mitigate the future risk. The Internal Auditor assessed the target date and priority that had been given to actions and would follow them to completion.
- b) **Assurance opinion on audit reports.** Following a question from a Member, the Internal Auditor provided the Committee with a verbal summary of the nature of the assurance opinion issued on reports. It was noted that the assurance opinion related to the control framework in place and the appliance of those controls. The assurance opinion did not relate to the priority of the Audit or revisions to its due date.
- c) **Future work plan for Internal Auditor.** The Internal Auditor informed the Committee that she would discuss the future work plan with the Head of Corporate Assurance following the recent resignation of the Council's Chief Executive. This would include whether any additional reports relating to corporate governance were required.

Following consideration, the Committee unanimously resolved to:

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

## 9 ANNUAL INTERNAL AUDIT REPORT & OPINION 2021-2022

The Committee received a report presenting the Annual Internal Audit Report and Opinion 2021-2022.

The following matters were considered:

- a) **Comparison with other local authorities.** The Internal Auditor informed the Committee that it was difficult to compare the Council's Annual Internal Audit Report and Opinion with those of other local authorities, due to the specific nature of the work undertaken. It was also difficult to



compare the report with that of the council for previous years due to the same reason.

- b) **Risk Management.** Following a question from a Member, the Internal Auditor informed the Committee of the grounds by which the Council's Risk Management had been provided with a limited assurance rating. In response to a further question from the Member, the Internal Auditor undertook to confirm the testing arrangements in place with regard to service risks, and to inform the Councillor of these following the meeting.

Following consideration, the Committee agreed with 7 votes in favour and 1 abstention to:

- (1) Receive the Annual Internal Audit Report and Opinion 2021-2022 attached at Appendix 1 of the report.**

*The meeting began at 7.30 pm and ended at 9.01 pm*

COUNCILLOR STEVE BRIDGER (CHAIR)

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## REVENUE BUDGET MONITORING - QUARTER 1

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

### Summary

This report presents the forecast revenue outturn position for the current financial year 2022/23, as at Quarter 1 (30 June).

### Recommendation (s)

#### The Committee is asked to:

- (1) Receive the revenue budget monitoring report, which sets-out a projected budget deficit of £19,000 for 2022/23;**
- (2) Agree that a report should be prepared for Licensing & Planning Policy Committee to address reduced forecast planning income and identify mitigation options;**
- (3) Agree that the updated Quarter 2 position will be reported back to Audit and Scrutiny Committee in November.**

#### 1 Reason for Recommendation

- 1.1 To present the 2022/23 forecast revenue outturn position to members, as at Quarter 1.

#### 2 Background/Executive Summary

- 2.1 In February 2022, Full Council agreed a net expenditure budget of £8.626m for 2022/23. The budget included a central contingency of £600,000 to manage the long-term impact of Covid-19 on services and required the use of £1.476m from earmarked reserves to balance.

- 2.2 During budget setting, Omicron-related government restrictions continued to impact services such as car parks, venues and homelessness numbers.
- 2.3 As such, the February budget report informed members that, post-government restrictions, officers would review and rebase the Council's service budgets, to ensure budgets reflect new activity levels and apportion the contingency between services.
- 2.4 This budget rebasing exercise was undertaken as planned, with re-based 2022/23 budgets approved at [Strategy & Resources Committee in July](#).
- 2.5 The Quarter 1 forecasts in this report are measured against the agreed, re-based budgets.
- 2.6 At Quarter 1, the Council is expected to be within 0.2% of the overall budget at year-end, with a £19,000 deficit forecast. The projected deficit is mainly because place development (planning) income remains below budget, although this is partially offset by additional interest income on the Council's treasury investments, following recent rises in Bank of England's base rate.
- 2.7 It is important to acknowledge that uncertainty remains heightened around future projections, mainly due to the cost-of-living crisis and its potential impact on residents and utility costs. The quantum of government support for households and businesses over the winter is currently unknown. The scale of government support (or lack there-of) may materially impact numbers of vulnerable households requiring housing support later in the year.
- 2.8 The budget position will continue to be monitored closely, with forecasts updated and reported to members accordingly through the year.

### **3 Forecast Position**

- 3.1 A summary of the forecast outturn position by service area for 2022/23 is shown in the following table:

Forecast Outturn by Service	Original Budget	Re-Based (Current Approved) Budget*	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000
<u>Strategy &amp; Resources Committee</u>	-			
Democratic & Civic	688	688	688	0
Corporate Functions	571	597	597	0
Corp Financial Management	2,130	988	888	(100)
Tax Collection & Benefits	737	734	734	0
Land Charges	2	2	2	0
Land & Property	(2,955)	(3,198)	(3,198)	0
Economic Dev. & Prosperity	92	92	92	0
Employee and Support Services	1,054	732	700	(32)
<b>Subtotal Strategy &amp; Resources</b>	<b>2,319</b>	<b>635</b>	<b>503</b>	<b>(132)</b>
<u>Environment &amp; Safe Communities Committee</u>				
Car Parking	(2,215)	(1,415)	(1,415)	0
Contract Management	124	270	270	0
Countryside, Parks & Open Spaces	2,061	2,148	2,148	0
Environmental Services	3,341	3,433	3,433	0
Community Safety	93	95	95	0
Environmental Health	319	364	364	0
<b>Subtotal Environment &amp; Safe Communities</b>	<b>3,723</b>	<b>4,894</b>	<b>4,894</b>	<b>0</b>
<u>Community and Wellbeing Committee</u>				
Housing	1,815	2,080	2,080	0
Community Services (Route Call, Meals from Home, Community Alarm)	442	469	482	13
Support for Voluntary Orgs.	239	239	239	0
Community Centre	441	421	421	0
Health & Wellbeing	223	210	210	0
Sports, Leisure & Cultural	1,092	1,124	1,119	(5)
Precepting & Levying Bodies (NJMC & EWDC)	366	366	366	0
<b>Subtotal Community &amp; Wellbeing</b>	<b>4,617</b>	<b>4,909</b>	<b>4,917</b>	<b>8</b>
<u>Licensing &amp; Planning Policy Committee</u>				
Place Development	751	960	1,103	143
Licensing	(115)	(103)	(103)	0
<b>Subtotal Licensing &amp; Planning Policy</b>	<b>636</b>	<b>857</b>	<b>1,000</b>	<b>143</b>
Capital Charges	(2,669)	(2,669)	(2,669)	0
<b>Total General Fund</b>	<b>8,626</b>	<b>8,626</b>	<b>8,645</b>	<b>19</b>

\* includes budget changes following the re-basing exercise agreed at S&R in July and other agreed changes in accordance with the Council's virement policies.

- 3.2 The £19,000 projected budget deficit across services for 2022/23 would result in a contribution from the General Fund reserve at year-end, decreasing the balance from £2.853m to £2.834m.
- 3.3 The following section of the report details the individual budget variances that make up the projected deficit of £19,000 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
Corporate Financial Management	(100)	<p>Throughout most of 2021/22, the Bank of England's base interest rate remained at 0.1%, depressing returns on the Council's cash balances and treasury investments last year.</p> <p>In March, in an attempt to temper elevated inflation, the Bank commenced raising the base rate earlier than anticipated (even by its own official forecasts).</p> <p>Base rate increases tend to increase interest returns offered by banks and financial institutions on treasury deposits.</p> <p>Following base rate rises to 1.75% as at August 2022, officers expect to generate an additional £100,000 (in excess of the current budget) in treasury management income for 2022/23.</p> <p>Latest interest rates and treasury income forecasts will be factored into the Council's updated budget plans for 2023/24 and beyond.</p>
Employee & Support Services	(32)	<p>The Council is currently carrying a number of vacancies across its support services, resulting in a forecast underspend of £32k on employee costs over the year.</p>
<b>Total Strategy &amp; Resources Variance</b>	<b>(132)</b>	

<b>Licensing &amp; Planning Policy Committee</b>	<b>Adverse / (Favourable) Variance £'000</b>	<b>Detail</b>
Place Development	143	The adverse variance is due to a forecast under-recovery of income. £24k of this relates to planning applications, the balance relates to advisory services. Development Management is currently undergoing a process re-engineering exercise to improve processes to provide a more efficient service and free up resource for advisory services.
Other miscellaneous variances	0	
<b>Total Licensing &amp; Planning Policy Variance</b>	<b>143</b>	

<b>Community &amp; Wellbeing Committee</b>	<b>Adverse / (Favourable) Variance £'000</b>	<b>Detail</b>
Other miscellaneous variances	8	
<b>Total Community &amp; Wellbeing Variance</b>	<b>8</b>	

## 5 Employee Costs

- 5.1 At the end of Quarter 1, the Council is £294k under its year-to-date employee budget of £3.36m.
- 5.2 Following last year's restructure and transition to a new operating model, recruitment remains underway to fill vacant posts.
- 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.

## **6 Utility Costs**

- 6.1 The Council's 2022/23 budget for gas and electricity totals £285,000 across all properties. Prior to 2022, the Council entered into fixed-rate utility contracts, which has significantly benefitted the Council so far in 2022. However, two fixed-rate electricity tariffs are due to expire in late 2022. Officers are taking appropriate advice and market testing to assess whether it will be more beneficial to persist with new fixed-rate tariffs or move to variable tariffs. However, under either option electricity costs are expected to significantly increase later in 2022.
- 6.2 Officers are working with suppliers to determine the likely cost increases and an update will be provided in the Quarter 2 monitoring report.
- 6.3 For 2023/24, the budget planning framework reported to July's S&R Committee assumed that energy costs would double next year in the neutral scenario, or potentially triple in a pessimistic scenario.
- 6.4 With the energy market remaining volatile, these assumptions for 2023/24 will remain under review and will be updated accordingly throughout the budget setting process, in line with latest market forecasts.
- 6.5 In the meantime, officers will consider what energy saving measures can be implemented across the Council's operations to mitigate elevated utility costs.

## **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 currently forecast to be on budget, with all rent to date collected from tenants.

## **8 Update on 2022/23 Savings Delivery**

- 8.1 The 2022/23 budget required £342k 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 - 2022/23	Committee	Achieved	In progress	Not Achievable
		£000	£000	£000
Bourne Hall	C&W	-	30	-
Review of Ewell Court House	C&W	10		-
Tattenham Corner Conveniences	EWDC/C&W	12		-
Income from Commercial Property	S&R	112		-
Review of Waste Collection	E&SC	-	100	-
Review of Grounds Maintenance	E&SC	-	67	-
Other Service Efficiencies	All	-	11	-
<b>Total Savings - £342k</b>		<b>134</b>	<b>208</b>	<b>0</b>

8.2 The majority of savings have either been already achieved or are on track to be delivered in the year.

8.3 At Bourne Hall, income generation initiatives are being progressed including a review of the café operation to generate additional income to meet the targeted saving.

8.4 For waste collection, it is currently expected that the £100,000 additional income from Surrey County Council will be achievable, however this depends on commercial market prices for recycling materials remaining stable over the remainder of the year. Should market prices deteriorate, there is a risk the full income would not be achieved (and vice versa). A further update will be provided in the Quarter 2 monitoring report.

## 9 Revenue Reserves

9.1 At Q1, the general fund balance is forecast to reduce marginally to £2.83m (from £2.85m) by the end of this year.

9.2 The provisional balance on strategic reserves including the collection fund account was £21.8m at 1 April 2022 (balances subject to audit). Uncommitted strategic reserve balances are forecast to be £11.8m at 31 March 2023, principally due to the following planned drawdowns in the current and future years:

9.2.1 £3.4m from the business rates equalisation reserve mainly to mitigate prior year deficit on the collection fund account;

9.2.2 £2.9m from the Property Income Equalisation Reserve mainly to mitigate reduced Parkside House income (as previously reported) and release the dilapidations receipt for refurbishment work;

9.2.3 £2.7m from the Corporate Projects Reserve mainly to fund future budget deficits (as savings are phased in, agreed at S&R in July) and previously-agreed Local Plan funding.

9.3 The Council holds other revenue reserves which are commuted sum receipts totalling £1.4m. Commuted sums are used to generate interest to fund on-going maintenance to specific parks and open spaces.

9.4 Summary of Revenue Reserves

	01 April 2022 Opening Balance  £'000	31 March 2023 Forecast Uncommitted Balance  £'000
General Fund	2,853	2,834
Strategic Reserves & Collection Fund Account	21,815	11,766
Committed Sums	1,439	1,439
<b>Total</b>	<b>26,107</b>	<b>16,039</b>

9.5 A full table of revenue reserves and commitments was reported to Strategy & Resources Committee in July 2022.

**10 Actions and Next Steps**

10.1 To address the projected budget deficit for 2022/23, the Council's senior management is progressing the following key initiatives:

10.1.1 The Head of Service will prepare a report to Licensing & Planning Policy Committee to address reduced forecast planning income and identify mitigation options;

10.1.2 Strategy & Resources Committee agreed in July 2022 a budget setting framework for 2023/24 which is being progressed by officers accordingly;

10.1.3 Finance officers will continue to monitor the funding landscape to ensure the Council is kept aware of any new government (or other external) funding opportunities.

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 updated quarter two forecasts to Audit & Scrutiny Committee in November 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.

11.1.2 A full budget risk assessment is presented to Full Council within February's budget report each year.

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:** For 2022/23, the Council currently expects to remain close to its overall budget.

12.3 However, principally owing to the long-term impact of Covid-19 on services, heightened inflation and unknown future government funding settlements, the Council anticipates budget pressures to increase in future years, as reported to Strategy & Resources Committee in July. A budget framework for 2023/24 budget setting was agreed by S&R, which officers are progressing accordingly.

12.4 Quarter 2 forecasts for 2022/23 will be brought back to Audit & Scrutiny Committee in November.

## 13 Legal Implications

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

13.2 **Monitoring 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:**

- Budget Report to Full Council – February 2022

**Other papers:**

- None

## **CAPITAL BUDGET MONITORING - QUARTER 1**

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

### **Summary**

This report presents the capital monitoring position at Quarter 1 for the current financial year 2022/23.

### **Recommendation (s)**

**The Committee is asked to:**

- (1) Receive the capital monitoring position at Quarter 1, 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 1 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 first quarter of 2022/23. 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	2022/23 Original Budget £'000	Carry forwards from 2021/22 £'000	Additions during 2022/23 £'000	2022/23 Current Approved Schemes £'000
Strategy & Resources	0	471	250	721
Environment & Safe Communities	37	1,006	0	1,043
Community & Wellbeing	675	1,087	185	1,947
<b>Total Core Capital Programme</b>	<b>712</b>	<b>2,564</b>	<b>435</b>	<b>3,711</b>

3.2 The 2022/23 budget was agreed by full Council in February 2022. The budgets carried forward from 2021/22 were approved at S&R Committee on 26 July 2022, as was an additional £185k for Disabled Facilities Grant projects to align with the grant provided by central government.

3.3 The additions also include £250k for the ICT Programme of Works for 2022/23 which was agreed by S&R Committee on 29 March 2022.

3.4 Actual expenditure on the core capital programme to the end of June 2022 and a full year forecast is summarised below:

Committee	2022/23 Current Approved £'000	YTD Expenditure £'000	Forecast Outturn £'000	Forecast Variance £'000
Strategy & Resources	721	45	466	(255)
Environment & Safe Communities	1,043	14	671	(372)
Community & Wellbeing	1,947	133	1,709	(238)
<b>Total Core Capital Programme</b>	<b>3,711</b>	<b>192</b>	<b>2,846</b>	<b>(865)</b>

3.5 On the core capital programme, projected expenditure for the full year is £2.846m, £865k less than the £3.71m budget. The main variances are Plan E (£335k) for which it is believed all works have been invoiced or accrued; Replacement of CRM and Data Warehouse (£255k) as the works span a number of years; the Playhouse Refurbishment Works (£128k) as the works are scheduled for August 2023; and Football Pitch Drainage System (£60k) where a cheaper resolution was implemented.

3.6 In addition to these schemes, works on the Ashley Centre Car Park Expansion Joints (£37k) and Wellbeing Centre Replacement of Boiler and Controls (£50k) have both been impacted by the recent hike in tenders which has been experienced across many local authorities. Global events and rising inflation have caused firms to significantly increase their quotes for works, which is having an impact on the ability to source contractors within budget. It is expected this will continue to impact Council projects for the foreseeable future.

3.7 An update on the progress of individual schemes is set out in Appendix 1.

#### 4 Financing of Capital Expenditure 2022/23

4.1 The provisional financing of the 2022/23 core capital programme is summarised below:

Financing of Core Capital Programme	2022/23 Current Approved Budget £'000
Capital Receipts Reserves	766
Capital Grants-DFG	1,574
Budgeted Revenue Contributions	400
Revenue Reserves	56
Section 106	106
Community Infrastructure Levy	804
External Grant	5
<b>Total</b>	<b>3,711</b>

#### 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.

- 5.3 The remaining balances on the Property Acquisition Funds are shown in the following table:

Property Acquisition Funds	Commercial Property (in-Borough) £000	Residential Property £000	Total £000
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)
Purchases during 2021/22	0	0	0
YTD purchases during 2022/23	0	(238)	(238)
Current commitments	0	(52)	(52)
<b>Fund balances at 30/06/2022</b>	<b>49,569</b>	<b>965</b>	<b>50,534</b>

- 5.4 The £52k commitment on 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. S106 Developer Contributions

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

	£'000	£'000
<b>Section 106 funds held as at 1 April 2022</b>		<b>2,311</b>
Section 106 net receipts to 30 June 2022		0
<b>Balance of S106 Funds held as 30 June 2022</b>		<b>2,311</b>
Less:		
Funds held due to SCC and other organisations	(130)	
Funds committed and approved for specific schemes	(400)	
Funds allocated to Horton Chapel Arts and Heritage Society (part of original grant award)	(187)	
Should the £145k at para 6.4 be shown here?		(717)
<b>Unallocated S106 funds as at 30 June 2022</b>		<b>1,594</b>



- 5.6 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:

<b>Breakdown of unallocated S106 balances</b>	<b>£'000</b>
Affordable Housing	1,574
Open Space - Park & Gardens	6
Environmental Improvements	14
<b>Total</b>	<b>1,594</b>

- 5.7 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.
- 5.8 The £400k funds allocated for specific schemes include £145k of Affordable Housing S106 funds have been earmarked for a Rough Sleeper accommodation project agreed at S&R Committee in September 2021 and £100k for the Football Pitch Drainage project.

## **6 Community Infrastructure Levy**

- 6.1 The Council generated £132k of Community Infrastructure Levy (CIL) for the period 1 April 2022 to 30 June 2022.
- 6.2 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
<b>CIL funds held at 1 April 2022</b>	<b>6,227</b>	<b>1,094</b>	<b>224</b>	<b>7,545</b>
CIL invoices raised to 30 Jun 2022	106	20	6	132
Invoices outstanding at 30 Jun 2022	-228	-43	-14	-285
Receipt held as charge against property	-1	0	0	-1
CIL Payments made to 30 June 2022	0	0	0	0
<b>CIL Funds held at 30 June 2022</b>	<b>6,104</b>	<b>1,071</b>	<b>216</b>	<b>7,391</b>
<i>Less commitments:</i>				
Plan E contribution	-335			-335
Stoneleigh Station	-500			-500
Replacement of EEBC Lamp Columns	-409			-409
Improvements to Great Dam	-60			-60
Borough Investment Fund		-71		-71
Civic Infrastructure Fund 2019/20		-32		-32
Civic Infrastructure Fund 2020/21		-52		-52
Civic Infrastructure Fund 2021/22		-154		-154
Civic Infrastructure Fund 2022/23		-250		-250
Monitoring CIL scheme in 2022/23			-80.6	-81
<b>Unallocated CIL funds at 30 June 2022</b>	<b>4,800</b>	<b>511</b>	<b>135</b>	<b>5,447</b>

6.3 Large sums are collected in instalments so not all the cash has been received at this date. Of the £285k 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 CIL Neighbourhood Scheme (15%)

7.1 Updates on CIL 15% Neighbourhood Scheme projects will be reported separately through the new Member News channel.

## 8 Capital Receipts

8.1 The expected balances of capital receipt reserves is shown below:

Capital Reserves	Capital Receipts Reserve £'000
<b>Balance brought forward at 1 April 2022</b>	<b>3,821</b>
Estimated use to fund the 2022/23 capital programme	(826)
Capital receipts received to 30 June 2022	340
<b>Estimated Balance at 31 March 2023</b>	<b>3,335</b>

- 8.2 During 2022/23, the Council has received a net receipt of £340k for properties at South Street transferred to Transform Housing Association.

## 9 Risk Assessment

Legal or other duties

### 9.1 Equality Impact Assessment

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

### 9.2 Crime & Disorder

- 9.2.1 None arising directly from the contents of this report.

### 9.3 Safeguarding

- 9.3.1 None arising directly from the contents of this report.

### 9.4 Dependencies

- 9.4.1 None arising directly from the contents of this report.

### 9.5 Other

- 9.5.1 As detailed in paragraph 3.6, global events and rising inflation have caused firms to significantly increase their quotes for works, having a major impact on the Council's ability to source contractors within budget. This is likely to impact on both current and future capital projects.

## 10 Financial Implications

- 10.1 Financial implications are set out in the body of the report.

- 10.2 **Section 151 Officer's comments:** If members have a detailed question(s) on particular capital projects, it is requested that these be submitted in advance where possible, to enable officers to investigate with the relevant scheme manager.

- 10.3 Updated capital projections at Quarter 2 will be brought to Audit and Scrutiny Committee in November.

## 11 Legal Implications

- 11.1 There are no direct legal implications arising from this report.

- 11.2 **Legal Officer's comments:** None for the purposes of this report.

## 12 Policies, Plans & Partnerships

- 12.1 **Council's Key Priorities:** The following Key Priorities are engaged:  
Effective Council.
- 12.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 12.3 **Climate & Environmental Impact of recommendations:** The impact of each scheme is assessed during the capital bidding process.
- 12.4 **Sustainability Policy & Community Safety Implications:** None arising directly from the contents of this report.
- 12.5 **Partnerships:** None arising directly from the contents of this report.

## 13 Background papers

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

### **Previous reports:**

- Budget Report to Full Council – 15 February 2022.

### **Other papers:**

- None.

Project	Current Approved Budget £	Actuals to Q1 2022/23 £	Year End Forecast 2022/23 £	Estimated Variance £	Comments from Manager	Original Target Completion
Disabled Facilities Grants and Small Repairs Grants	1,573,844	107,969	1,573,784	0	The DFG programme continues to support residents requiring adaptations to enable them to continue living in their own homes.	Ongoing
Ashley Centre Car Park Expansion Joints Phase 2	37,000	0	0	(37,000)	Due to price volatility this project is being delayed until the next financial year.	March 2023 <i>Revised date: March 2024</i>
Wellbeing Centre - Replacement of Boilers and Controls	50,000	0	50,000	0	Only one supplier submitted a tender for the works at a cost in excess of the original budget. A report is going to Strategy & Resources Committee in September 2022 to request additional budget for the project. The timescales of the project therefore depend on that decision.	March 2023
Wellbeing Centre - Walk-in freezer	25,000	0	25,000	0	The order has been placed and the equipment is being manufactured. Due to be installed by the end of September 2022.	September 2022
ICT Programme of Works	310,000	44,310	310,000	0	The security monitoring project has been completed and the SOC is fully operational. Civica Financials has been moved into the cloud. The remaining work on the roadmap is underway; including SharePoint, Website and WAN Resilience and Refresh.	March 2023

Project	Current Approved Budget £	Actuals to Q1 2022/23 £	Year End Forecast 2022/23 £	Estimated Variance £	Comments from Manager	Original Target Completion
Playhouse Refurbishment	128,000	0	0	(128,000)	The works were not scheduled initially whilst the situation with the pandemic was being monitored. Due to the passage of time, the works need to be retendered. The tender for the replacement of the seats has gone out, but there are concerns as to how successful this will be due to issues around the supply of raw materials.	March 2021– <i>Revised date:</i> Sept 2023
Hogs mill streams and horse pond repairs	261,214	14,390	261,214	0	Works are well underway but due to additional urgent requirements identified once the pond was emptied of water, a delegated decision was taken to increase the budget by £130k to enable the contractor who was onsite to undertake the essential works. As the decision to fund the additional budget was taken in August, the increased budget will be reflected in the quarter 2 monitoring report. The aim is to conclude the works by December 2022, depending on weather conditions.	September 2021 – <i>Revised date:</i> December 2022
Replacement of CRM and Data Warehouse	379,928	893	125,000	(254,928)	Phase 1 implementation is on-going, the Procurement for phase 2 has been completed and the build has commenced.	Phase 1 - March 2020 <i>Revised:</i> March 2023
Improvements to Great Dam - EC LNR	59,609	5,470	52,609	(7,000)	The works are now complete with some final defects to be rectified.	December 2022

Project	Current Approved Budget £	Actuals to Q1 2022/23 £	Year End Forecast 2022/23 £	Estimated Variance £	Comments from Manager	Original Target Completion
Replacement of EEBC Lamp Columns	409,400	0	109,400	300,000	The specification has been drawn up and tenders sent out, due back on 21 July 2022. Only one tender was received and the price was above the available budget. A report is going to Strategy & Resources Committee in September to request the additional budget to progress the scheme. Should the additional budget be approved, the works are expected to continue into the next financial year.	March 2022 – Revised date: March 2024
Football Pitch Drainage System	90,000	11,890	30,000	(60,000)	During investigative works, a broken pipe was discovered which had been the cause of the majority of flooding. This pipe has now been fixed, and additional soakaways have been added which is expected to solve the issue without needing the full works originally anticipated. Although revised completion date is September 2022, the site will need to be surveyed during the winter months to check the works undertaken are sufficient.	September 2021 – Revised date September 2022
Harrier Centre hammer cage repairs	21,028	0	21,028	0	The majority of the works have been undertaken, with some minor snagging tasks expected to be completed by the end of the summer.	Summer 2022
Council Chamber AV equipment	31,009	170	31,009	0	The majority of the equipment has been installed, but the final pieces, including the control panel, which had been delayed due to supply chain issues, are still awaited. Once the full system is installed some training will be provided.	Revised date: Autumn 2022

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## 2021-22 TREASURY MANAGEMENT YEAR-END PERFORMANCE

<b>Head of Service:</b>	Brendan Bradley, Head of Finance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 – Treasury Management Review Appendix 2 – Prudential Indicators

### Summary

This report presents the Council's treasury management performance in 2021/22.

### Recommendation (s)

#### The Committee is asked to:

- (1) Receive the report on the Council's treasury management performance 2021/22;
- (2) Approve the 2021/22 prudential indicators.

### 1 Reason for Recommendation

- 1.1 Prior to 2022, treasury management performance was reported to Financial Policy Panel (mid-year position) and Strategy & Resources Committee (outturn position). However, following the LGA Finance Peer Review in 2021, Full Council agreed updated Financial Regulations (in February 2022) that require treasury management performance to be reported to Audit and Scrutiny Committee instead.
- 1.2 The Council's prudential indicators must also be approved by a Committee of members, in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Sector.
- 1.3 Approving the recommendations will enable the Council to meet the above requirements.

## 2 Background & Executive Summary

- 2.1 Income earned from investments is used to help finance the Council's services and contributes to the key priority 'Effective Council'.
- 2.2 The Treasury Management Strategy, approved annually by Council in February, sets out the strategy and procedures for managing the investment of reserves, provisions and cash flow.
- 2.3 A review of treasury management performance and activity is prepared on an annual basis. This is completed in line with Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Sector and the Treasury Management Strategy approved by Council.
- 2.4 The reporting requirements of the annual performance review meet the requirements of the CIPFA Prudential Code.
- 2.5 The Council maintains revenue reserves, provisions and capital reserves as part of its financial strategy. Since March 2020 when pandemic restrictions were first introduced, the Council's cash balances have principally been invested in secure, liquid money market funds, to ensure security of the Council's funds amid heightened global market and economic volatility, and to ensure maximum liquidity for the Council to meet all cashflow commitments.
- 2.6 Internally managed balances can also be invested in long term gilts or deposits with a balance retained to meet short term cash flows invested in temporary loans or money market funds. At the end of March 2022 the Council held £25.0 million in money market funds (£18.7m March 2021) and £10.0m in fixed term deposits (£0m March 2021).
- 2.7 In total at 31 March 2022, the Council's treasury investments were £35.0m (£18.7m March 2021).
- 2.8 At the same reporting date, the Council had external debt with the Public Works Loans Board of £64.4m (unchanged from March 2021).
- 2.9 The Committee will note that the Pension Fund does not form part of the Council's investments and is managed on our behalf by Surrey County Council.
- 2.10 The aim of treasury management is to ensure that funds are invested with institutions that balance the need to maximise investment returns with that of minimising risk on the monies invested. This means not investing in banks/building societies/institutions that offer high investment returns but are at high risk of defaulting.

- 2.11 During 2021/22, the Council generated £26,000 net interest on its treasury investments, compared to £30,000 generated in 2020/21. With the Bank of England base rate at 0.1% until December 2021, returns remained at a historically low level during 2021/22. However, as interest rates rise, investment income is expected to increase substantially during the current year 2022/23.
- 2.12 The Council's prudential indicators, disclosed at Appendix 2, must also be approved by a Committee of members, in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management in the Public Sector.
- 2.13 The Council's external treasury management advisors – Link Asset Services, Treasury Solutions – are scheduled to provide Audit & Scrutiny members with treasury management training on 17 November 2022 (immediately prior to the Committee meeting of the same date).

### **3 Full Performance Review**

- 3.1 A report on Treasury Management performance for 2021/22 is attached at Appendix 1.
- 3.2 The 2021/22 figures in this report are not expected to change, however, should there be any material amendments following completion of the external audit, these will be reported back to Committee members.
- 3.3 No temporary borrowings were required in 2021/22 except occasional use of the Council's bank overdraft facility to manage daily cash flow.
- 3.4 The average gross return achieved for 2021/22 of 0.24% (0.29% in 2020/21) compares favourably with the benchmark seven day London Interbank Bid (LIBID) rate of -0.07% (minus 0.07%). This amounted to total gross interest income for the year of £68,900 generated on reserves, working balances and cash flow. After deducting fees, net interest income for the year amounted to £26,000.
- 3.5 The LIBID rate was abolished from 1 January 2022, therefore the quoted -0.07% benchmark relates to the period 1 April to 31 December 2021.
- 3.6 Going forward from 1 April 2022, the Council's external treasury advisors recommend that treasury management performance is benchmarked against the Sterling Overnight Index Average (known as SONIA).

- 3.7 The net outturn position exceeded the mid-year forecast reported Financial Policy Panel in November 2021, when it was anticipated that net income from investments would be £8,000 at the end of the year. Returns in the second half of the year were higher than expected, because fixed term deposit rates started to gradually increase, in response to the wider market starting to anticipate earlier interest rate rises by the Bank of England to tackle rising inflation.
- 3.8 The performance for 2021/22 on the Council's investments was as follows;

	Average Investment £'m	Net Interest Received £'000	Net Average Rate of Return %
<b>Internally Managed Funds</b>			
Money Market Funds	19.9	12.2	0.06
Fixed Rate Deposits	3.8	13.3	0.36
Interest Bearing Account	5.0	0.5	0.01
<b>Total Internally Managed</b>	<b>28.6</b>	<b>26.0</b>	<b>0.09</b>
<b>Externally Managed Funds</b>			
Aberdeen Asset Management	0.0	0.0	0.00
<b>Grand Total</b>	<b>28.6</b>	<b>26.0</b>	<b>0.09</b>

- 3.9 Returns on 2021/22 investments were £89,000 lower than the budgeted income for the year and the average net annualised return on investments was 0.09% (0.14% in 2020/21).
- 3.10 This performance has been impacted by the economic environment following the pandemic, as interest rates fell in March 2020. The Bank of England Base rate remained at 0.1% until December 2021, when it increased to 0.25% for the final three months of 2021/22.

#### 4 Internally Managed Funds

##### Money Market Funds

- 4.1 Money market funds are pooled investments that allow instant access to withdraw monies. The benefit of MMFs is that the risk on the investment is very low as the money invested in the fund is spread across a range of counterparties, which limits the exposure of a significant sum being invested with a defaulting counterparty.

- 4.2 The net return on money market funds of 0.06% compared favourably to the LIBID benchmark of -0.07%. Investment in money market funds has meant that cash balances could be called back with no notice required.

#### **Interest Bearing Accounts**

- 4.3 Interest bearing accounts offer the same instant access as the money market funds and deliver a rate of return linked to base rate set by the Bank of England.
- 4.4 The risk on these investments may be higher than the money market funds as money is deposited with one counterparty. Funds invested in this type of investment tend to be surpluses of daily cash flows which need to be called back at short notice.
- 4.5 The return made on interest bearing accounts of 0.01% compared favourably to the benchmark of -0.07%. Typically, this account was used when limits with other counterparties were reached.

#### **Fixed Interest Investments**

- 4.6 In 2021/22, the Council placed two fixed term deposits in October and December 2021, to take advantage of increased expectations for interest rate rises. Over the year 2021/22, the amount invested in fixed term deposits averaged £3.75m. The average return made on this investment was 0.36% compared to the benchmark of -0.07%.
- 4.7 The current strategy and guidance obtained from our independent advisors is to limit fixed term investments to a period of one year.

### **5 Externally Managed Funds**

- 5.1 The main benefit to the Council of using external fund managers is to minimise the Council's risk, as the funds invested are spread across a wide portfolio of financial institutions. This results in the overall exposure to a potential defaulting bank being limited to a small percentage of the overall holding.
- 5.2 Abrdn (formerly Aberdeen Asset Management) has been the Council's external fund manager since October 2007.
- 5.3 During the pandemic, officers have used money market funds to hold cash balances instead of the external fund manager, as the money market funds allow the Council to access cash balances more quickly if needed in the current uncertain environment.
- 5.4 Beyond the pandemic, due to its reliable performance over the past fifteen years, officers will continue to utilise Abrdn as the external fund manager when required.

## 6 Risk Assessment

Legal or other duties

### 6.1 Impact Assessment

6.1.1 The Council approved the Treasury Management Strategy for 2021/22, which includes a risk management approach to investment of funds and returns.

### 6.2 Crime & Disorder

6.2.1 None.

### 6.3 Safeguarding

6.3.1 None.

### 6.4 Dependencies

6.4.1 None.

### 6.5 Other

6.5.1 None.

## 7 Financial Implications

7.1 Financial implications are set out in the body of the report. The net interest income of £26,000 was used to fund the Council's budget requirement during the year.

7.2 **Section 151 Officer's comments:** Effective Treasury Management is essential to ensuring the security of the Council's funds. Interest earned from the investments contributes towards the delivery of services to residents.

7.3 Any Councillors who have any questions on the detail of treasury management performance for 2021/22 are requested to contact the Head of Finance prior to the meeting.

7.4 The 2022/23 mid-year position will be reported to this Committee on 17 November 2022, along with treasury management training to be provided by the Council's external advisors Link Asset Services, Treasury Solutions. Investment returns in 2022/23 are expected to be substantially higher than in 2021/22, owing to recent increases in the Bank of England base interest rate.

## 8 Legal Implications

- 8.1 The legal issues around treasury management have been addressed within the report. The key issue is to appropriately manage the risks around investment, and to ensure that all decisions are taken in accordance with the governance arrangements.
- 8.2 **Legal Officer's comments:** None arising from the contents of this report.

## 9 Policies, Plans & Partnerships

- 9.1 **Council's Key Priorities:** The following Key Priorities are engaged:  
Effective Council
- 9.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 9.3 **Climate & Environmental Impact of recommendations:** None
- 9.4 **Sustainability Policy & Community Safety Implications:** None
- 9.5 **Partnerships:** None

## 10 Background papers

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

### **Previous reports:**

- Treasury Management Strategy - Appendix 11 of the Budget Report to Full Council on 16 February 2021
- Treasury Management Interim Report 2020/21 to Financial Policy Panel on 30 November 2021

### **Other papers:**

- Final Accounts Working Papers 2021/22

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**TREASURY MANAGEMENT – PERFORMANCE REVIEW 2021/22**

**1. Internally Managed Funds**

Internally managed funds comprised the following fixed term deposit balances at 31 March:

<b>Fixed Term Deposits</b>	<b>Balance at 31 March 22 £'000</b>	<b>Balance at 31 March 21 £'000</b>	<b>Difference £'000</b>
Short Term Investments (less than 1 year)	10,000	0	10,000

The Council also used four money market funds and one special interest bearing account for liquid short term investments during 2021/22. Performance of the five funds is summarised as follows:

<b>Money Market Funds</b>	<b>Average balance held in fund £'000</b>	<b>Fund Performance</b>	
		<b>% Annual gross return</b>	<b>% Annual return net of fees</b>
Goldman Sachs	5,000	0.20	0.05
Deutsche Bank	5,000	0.19	0.04
State Street Bank	4,895	0.22	0.07
UBS	5,000	0.23	0.08
RBS Special Interest Bearing Account (SIBA)	4,984	0.16	0.01
<b>Total</b>	<b>24,879</b>	<b>0.20</b>	<b>0.05</b>

The total interest received on internally managed fixed term deposits in 2021/22 was as follows:

<b>Fixed Term Deposits</b>	<b>Average Value of Funds Invested £'000</b>	<b>Gross Interest Earned £'000</b>	<b>% Return Gross of Fees</b>	<b>% Return Net of Fees</b>
Short Term Investments	3,750	19	0.51%	0.36%

The average gross rate of return achieved on money market funds and fixed term deposits was 0.24%, which exceeded the average seven day deposit rate of -0.07% by 0.31%. This compares to performance of 0.36% above the average seven day rate in 2020/21.

**2. Externally Managed Funds**

The Council did not hold any externally managed funds during 2021/22.

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## **Actual Treasury Position and Prudential Indicators 2021/22**

### **1. Introduction**

The Local Government Act 2003 introduced a new system of capital controls for Local Authorities. The key principle of the system of controls is that local authorities have the freedom to borrow for capital investment purposes providing that they can demonstrate that borrowing is affordable, sustainable and prudent.

The Act requires all local authorities to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code. The Code is a professional code that sets out a framework for self-regulation of capital spending. It sets out the approach that all authorities must take in undertaking integrated medium-term revenue and capital budget planning and a set of indicators that must be considered and/or approved in order to demonstrate that annual capital investment and treasury management decisions are affordable, sustainable and prudent.

Members' involvement through the process is essential in order that the Council can demonstrate that capital expenditure plans are affordable, external borrowing is prudent and sustainable and that treasury decisions are taken in accordance with good practice. The structure and content of the treasury management report complies with the requirements of the Code for 2021/22.

To facilitate the decision-making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators. These indicators are mandatory but can be supplemented with local indicators if this aids interpretation and many will cover three years forward. The indicators cover affordability, prudence, capital expenditure, external debt and treasury management. These indicators will also form the basis of in year monitoring and reporting.

The indicators are purely for internal use by the Council and are not to be used as comparators between councils, as any comparisons will not take account of local factors and so will be meaningless. In addition, the indicators should not be taken individually; rather the benefit from monitoring will arise from following the movement in indicators over time and the year-on-year changes.

This appendix provides a commentary on each prudential indicator relevant to the Council and sets out the actual 2021/22 prudential indicators for approval as part of the Council's requirement to comply with the Prudential Code.

### **2. Affordability Prudential Indicator**

Prudential indicators are required to assess the affordability of the capital investment plans. These indicators provide an indication of the impact of the capital investment plans on the overall Council finances.

#### Actual and Estimates of the Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of capital expenditure by identifying the proportion of the net revenue budget required to meet financing costs, net of investment income.

**Actual Treasury Position and Prudential Indicators 2021/22**

Ratio of Financing Costs to Net Revenue Streams	2020/21 Actual	2021/22 Estimated	2021/22 Actual
General Fund	9%	8%	12%

The ratios above reflect the net cost of borrowing after allowing for investment income. 2021/22's ratio is higher than 2020/21 principally because 2020/21's net revenue streams were higher due to increased government support provided during the height of the pandemic, which reduced during 2021/22. In practice, the financing costs are fully funded by further income generated from both the Council's and Epsom & Ewell Property Investment Company's investment property acquisitions.

**3. Capital Expenditure and the Capital Financing Requirement**

The Prudential Code requires the calculation of the Council's Capital Financing Requirement (CFR). This figure represents the Council's underlying need to borrow for capital purposes. The year-on-year change is influenced by the capital expenditure incurred and how it is financed. The expected movement in the CFR over the next three years is dependent on the level of supported and unsupported capital expenditure decisions taken during the budgeting cycle.

The CFR forms one of the required prudential indicators. It includes the related capital expenditure and financing figures for each year, and the external debt for each year, which are mandatory prudential indicators.

In 2016/17 the Council agreed to borrow up to £80m to finance the acquisition of commercial properties within the Borough. In 2017/18, the Council agreed to borrow up to a further £300m to finance property investments through Epsom & Ewell Property Investment Company Limited. To date, the Council has acquired four investment properties for a combined £30m in-borough and two investment properties for a combined £60m out-of-Borough, all funded from borrowing. As a result, the CFR has increased substantially since 2015/16, when it had been nil.

Following statutory investment guidance in April 2018, Council agreed in February 2020 to cease any further out-of-Borough investment property acquisitions, where the main purpose is purely to profit, in order to meet the statutory guidance.

The Committee is asked to receive the actual CFR and actual debt figures set out below:

**Actual Treasury Position and Prudential Indicators 2021/22**

Capital Financing Requirement	2020/21 Actual	2021/22 Estimated	2021/22 Actual
	£'000	£'000	£'000
<b><u>Capital Expenditure:</u></b>			
Capital programme expenditure	2,886	4,260	1,735
Assets acquired under finance leases	0	0	34
<b>Total Capital Expenditure</b>	<b>2,886</b>	<b>4,260</b>	<b>1,769</b>
<b><u>Capital Financing:</u></b>			
Capital receipts	257	896	229
Capital grants	734	1,249	455
Capital reserves	1,600	1,791	653
Revenue	295	324	398
<b>Total Capital Financing</b>	<b>2,886</b>	<b>4,260</b>	<b>1,735</b>
Minimum revenue provision	1,359	1,412	1,416
<b>Capital Financing Requirement at 31 March</b>	<b>90,277</b>	<b>88,865</b>	<b>88,895</b>
<b><u>External Debt:</u></b>			
External borrowing	64,427	64,427	64,427
Other short/long term liabilities	2,666	3,401	2,287
<b>Total External Debt at 31 March</b>	<b>67,093</b>	<b>67,828</b>	<b>66,714</b>
Internal borrowing	23,184	21,037	22,181
<b>Capital Financing Requirement at 31 March</b>	<b>90,277</b>	<b>88,865</b>	<b>88,895</b>

**4. External Debt**

A key control over the Council's activity is to ensure that over the medium term net borrowing will only be for a capital purpose. The Council needs to ensure that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of additional capital financing requirement for 2021/22 and next two financial years.

The following table sets out the actual levels of borrowing and investment for 2021/22:

	2020/21 Actual	2021/22 Estimated	2021/22 Actual
	£'000	£'000	£'000
Gross Borrowing at 31 March	67,093	67,828	66,714
Investments at 31 March	18,700	15,454	35,000
Net Borrowing at 31 March	48,393	52,374	31,714
<b>Capital Financing Requirement Movement</b>	<b>90,277</b>	<b>(1,412)</b>	<b>(1,382)</b>

## Actual Treasury Position and Prudential Indicators 2021/22

The Chief Finance Officer reports that the Council complied with the requirement to keep net borrowing below the CFR in 2021/22, and no difficulties are envisaged for the current or future years. This view takes into account current commitments and plans in the budget report.

A further two Prudential Indicators control the overall level of borrowing. These are:

### The Authorised Limit

The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the absolute maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

### The Operational Boundary

The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring.

The Committee is asked to receive the authorised and operational limits set out below:

<b>External Debt Boundaries</b>	<b>2020/21 Actual</b>	<b>2021/22 Estimated</b>	<b>2021/22 Actual</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Authorised Limit for External Debt</u></b>			
Borrowing for commercial properties	64,427	145,000	64,427
Other short/long term liabilities (finance leases)*	2,666	3,000	2,287
<b>Total Authorised Limit for External Debt</b>	<b>67,093</b>	<b>148,000</b>	<b>66,714</b>
<b><u>Operational Boundary for External Debt</u></b>			
Borrowing for commercial properties	64,427	139,846	64,427
Other short/long term liabilities (finance leases)*	2,666	2,257	2,287
<b>Total Operational Boundary for External Debt</b>	<b>67,093</b>	<b>142,103</b>	<b>66,714</b>

## 5. Treasury Management Indicators

The purpose of the treasury management prudential indicators is to contain the activity of the treasury function within certain limits, thereby reducing the risk or likelihood of an adverse movement in interest rates or borrowing decisions impacting negatively on the Council's overall financial position. However, if these are set to be too restrictive they will impair the opportunities to reduce costs or maximise investment income.

The treasury management service is an important part of the overall financial management of the Council's affairs. Its importance has increased as a result of the freedoms provided by the Prudential Code. It covers the borrowing and investment activities and the effective management of associated risks. Its activities are strictly regulated by statutory requirements

## **Actual Treasury Position and Prudential Indicators 2021/22**

and a professional code of practice, the CIPFA Code of Practice for Treasury Management in Local Authorities.

The Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice at its meeting in April 2012 and Council approved the latest treasury management strategy and procedures in February 2021.

The treasury management policy requires an annual strategy to be reported to Members outlining the expected treasury activity for the forthcoming year. A further report is produced after the year end to report on actual activity for the year.

The treasury management strategy identifies four prudential indicators in respect of treasury management:

### Upper Limits on Fixed Rate Exposure

This indicator identifies a maximum limit for the Council's exposure to fixed interest rates for borrowing based upon the debt position net of investments.

### Upper Limits on Variable Rate Exposure

This indicator identifies a maximum limit for the Council's exposure to variable interest rates for borrowing based upon the debt position net of investments. The Council has no plans to enter into any variable rate borrowing arrangements.

### Maturity Structures of Borrowing

This indicator sets out the gross limits on borrowing which are set to limit the Council's exposure to large fixed rate sums falling due for refinancing.

### Total Principal Funds Invested for Periods Longer Than 364 Days

This indicator limits the amount of long-term investments which can be sold in each year, to reduce the need for early sale of an investment.

Actual Treasury Position and Prudential Indicators 2021/22

Figures are for the financial year unless otherwise titled in italics	2020/21	2021/22	2021/22
	Actual	Estimated	Actual
	£'000	£'000	£'000
<b>Capital Expenditure</b>	2,886	4,260	1,769
<b>Capital Financing Requirement (CFR) at 31 March</b>	90,277	88,865	88,895
<b>Treasury Position at 31 March</b>			
External borrowing	64,427	64,427	64,427
Other short/long term liabilities	2,666	3,401	2,287
<b>Total Debt</b>	<b>67,093</b>	<b>67,828</b>	<b>66,714</b>
Investments	18,700	15,454	35,000
<b>Net Borrowing</b>	<b>48,393</b>	<b>52,374</b>	<b>31,714</b>
<b>Maximum Debt (Actual) compared to Authorised Limit (Original Indicator)</b>	67,093	67,828	66,714
<b>Average Debt compared to Operational Boundary (Original Indicator)</b>	67,093	67,828	66,714
<b>Ratio of financing costs to net revenue stream</b>	9%	8%	12%
<b>Upper limits on fixed interest rates (against maximum position) as above</b>	67,093	67,828	66,714
<b>Upper limits on variable interest rates (against maximum position) as above</b>	0	0	0
<b>Maturity structure fixed rate borrowing (%)</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2021/22</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Actual</b>
Under 12 months	0%	0%	0%
12 months to 2 years	0%	0%	0%
2 years to 5 years	0%	0%	0%
5 years to 10 years	8%	8%	8%
10 years and above	92%	92%	92%
<b>Maximum principal funds invested over 364 days (against maximum position)</b>	0	£10m	0



## COUNTER FRAUD & WHISTLEBLOWING

<b>Head of Service:</b>	Gillian McTaggart, Head of Corporate Assurance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	None

### Summary

This report provides the committee with an overview of the systems and processes the Council has in place to prevent, detect and address fraud.

### Recommendation (s)

#### The Committee is asked to:

- (1) The Committee is asked to note and comment on the contents of the report, the measures in place and the work being undertaken to prevent and detect fraud.**

#### 1 Reason for Recommendation

- 1.1 To ensure effective monitoring of fraud, corruption and whistleblowing is undertaken.

#### 2 Background

- 2.1 In common with all other public bodies, the Council is potentially vulnerable to fraud. This is a new report identified through the updated terms of reference for this Committee, and will be brought on an annual basis.
- 2.2 As stated by the Local Government Association, “[a]ll councils have a duty to protect the public purse and a major part of this is by limiting exposure to fraud and corruption and reducing risk through effective prevention and detection.” Fraud can reduce the money available to support local communities.<sup>1</sup>

- 2.3 Fraud can be defined as “any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain.”<sup>2</sup> The main legislation covering fraud is the Fraud Act 2006,<sup>3</sup> however there are other specific pieces of legislation which cover particular Council activities. Within the Act there are three core sections: fraud by false representation, fraud by failing to disclose information, and fraud by abuse of position. There are other types of fraud that can fall within these definitions, such as corruption, bribery, theft and money laundering.<sup>4</sup>
- 2.4 Fighting Fraud and Corruption Locally, a strategy for the 2020’s, provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities.<sup>5</sup> The previous two strategies focused upon three pillars of activities or strategic objectives, namely: Acknowledge, Prevent and Pursue. The latest version of the strategy includes new areas of activity: “Govern” and “Protect”. Govern focuses on those charged with leadership to ensure robust arrangements are in place and that senior leadership and members support antifraud, bribery and corruption measures, and their embeddedness throughout the organisation. Protect is a new overarching responsibility to protect the public from fraud. In light of these changes, the Council’s Anti-Fraud & Corruption Strategy will be updated.
- 2.5 Nonetheless it remains the case that “[t]he Council has a zero tolerance attitude to fraud and is totally opposed to any form of fraud and corruption.”<sup>6</sup>
- 2.6 The Audit and Scrutiny Committee has “[o]verall responsibility for audit and governance frameworks”, which includes fraud, corruption and whistleblowing policies.<sup>7</sup> Therefore this report has been brought to the committee to help it fulfil these responsibilities.

### 3 What the Council has in place

- 3.1 The Chartered Institute of Public Finance & Accountancy (CIPFA) published a code of practice in “managing the risk of fraud and corruption” in 2014, which sets out the following principles that embody good governance and effective management regarding fraud.<sup>8</sup> These principles can be used to demonstrate what activities the Council has in place to manage the risk of fraud.

A. Acknowledge responsibility.	<ul style="list-style-type: none"> <li>Responsibility acknowledged within statements and policies published on a dedicated fraud webpage.<sup>9</sup></li> </ul>
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	<ul style="list-style-type: none"> <li>• Member’s and officer’s codes of conduct incorporated into the Council’s constitution. Codes include reference to principles such as the seven principles of public life, declaration of interests, gifts and hospitality and political neutrality (for officers).<sup>10</sup></li> <li>• Whistleblowing policy incorporated into the Council’s constitution.<sup>11</sup></li> <li>• Annual report brought to Audit &amp; Scrutiny Committee.</li> <li>• Specific goal for fraud: listed in Service Delivery Plan 2022-2023 – ‘Review Corporate Fraud Arrangements’.</li> </ul>
B. Identify risks.	<ul style="list-style-type: none"> <li>• Fraud risk register in place with agreed mitigation measures (reviewed: no red / high risks).</li> </ul>
C. Develop a strategy.	<ul style="list-style-type: none"> <li>• Anti-Fraud and Anti-Corruption Strategy &amp; Fraud Response Plan.</li> <li>• Mandatory fraud awareness e-learning for staff.</li> </ul>
D. Provide resources.	<ul style="list-style-type: none"> <li>• National Anti-Fraud Network (NAFN) member.</li> <li>• National Fraud Initiative.</li> <li>• Environmental health enforcement and PACE interview equipment.</li> </ul>
E. Take action.	<ul style="list-style-type: none"> <li>• Anti-Fraud and Anti-Corruption Strategy &amp; Fraud Response Plan.</li> <li>• Anti-Bribery Policy.</li> <li>• Anti-Money Laundering Policy.</li> <li>• Code of Conduct for Members.</li> <li>• Officers’ Code of Conduct.</li> <li>• Gifts and hospitality policy and register.</li> <li>• Pecuniary interest and conflicts of interest policies and register for Members.</li> <li>• Whistleblowing Policy.</li> <li>• ICT Security &amp; Acceptable Use Policy (inc. cyber).</li> <li>• Password policy.</li> <li>• Segregation of duties for financial transactions.</li> <li>• Cyber: ICT mitigations tested and in place.</li> <li>• PCN Compliance.</li> <li>• External Audit, including financial fraud risk assessments.<sup>12</sup></li> <li>• Internal Audit.</li> </ul>

	<ul style="list-style-type: none"><li>• National Fraud Initiative data matching.</li><li>• Revenues and benefits: in-house reviews undertaken, partnership with Department of Work &amp; Pensions, ICT-based checks and balances,</li><li>• Government grant post-assurance checks completed.</li><li>• Procurement: Strategy, contract standing orders anti-collusion clauses in contracts, and access to credit safe.</li><li>• Divisional assurance statements.</li><li>• Homelessness assessments and eligibility checks, and multi-agency networks.</li><li>• Housing Allocation Policy and criteria; applications involve supporting documents and ID checks.</li><li>• Commissioning neighbouring Borough council to undertake housing fraud reviews/investigations.</li><li>• Pre-employment checks undertaken, e.g.: right to work, references, DBS checks as appropriate.</li><li>• Ongoing fraud action plan.</li><li>• Cases of reported fraud and/or whistleblowing in the last year: None.</li></ul>
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3.2 As part of its business as usual operations, the Council has the following counter fraud relevant activities underway at present:

- Officers and Members Code of Conduct that outline the seven principles of public life as the foundation. The seven Nolan principles are Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership.
- Planning enforcement underway as part of planning transformation project.
- Heads of Service complete annual divisional assurance statements confirming that they are empowered to operate control procedures and take responsibility for their effective operation throughout the year. Further, they confirm that they are aware of their responsibilities to report upwards any unresolved matters of concern about internal control or fraud, and to deal with any matters reported to them in an expeditious manner.

3.3 During 2022-2023 an action plan for enhancing our arrangements, following a self-assessment, includes:

- Updating the Anti-Fraud and Anti-Corruption Strategy & Fraud Response Plan, in line with the Fighting Fraud Locally Strategy, and publicising on EHub and 'Members News' with associated policies. This suite of policies will be taken to Strategy & Resources Committee for approval.
- Issue refresher e-learning training to officers and members.
- Scoping work being undertaken to explore how we could use data and publicise fraud information to strengthen our corporate approach to fraud.
- Internal Audit of Ethical Governance.
- Review of officers' declarations of interest forms and processes.

#### 4 Risk Assessment

Legal or other duties

##### 4.1 Equality Impact Assessment

4.1.1 No implications for the purposes of this report.

##### 4.2 Crime & Disorder

4.2.1 The report provides an overview of the Council's counter fraud activities.

##### 4.3 Safeguarding

4.3.1 No implications for the purposes of this report.

##### 4.4 Dependencies

4.4.1 No implications for the purposes of this report.

##### 4.5 Other

4.5.1 None.

#### 5 Financial Implications

5.1 None for the purposes of this report.

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

#### 6 Legal Implications

6.1 None for the purposes of this report.

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

## 7 Policies, Plans & Partnerships

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

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

7.3 **Climate & Environmental Impact of recommendations:** Not applicable.

7.4 **Sustainability Policy & Community Safety Implications:** Not applicable.

7.5 **Partnerships:** as stated in the main body of the report.

## 8 Background papers

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

### Previous reports:

- Not applicable.

### Other papers:

<sup>1</sup> Local Government Association [LGA] (2017) *A councillor's workbook on bribery and fraud prevention*, p. 4. Online available: <https://www.local.gov.uk/publications/councillor-workbook-bribery-and-fraud-prevention> [last accessed 18/07/2022].

<sup>2</sup> The Institute of Internal Auditors et al. (no date) *Managing the Business Risk of Fraud: A Practical Guide*, p. 6. Online available: [https://www.iaa.org.uk/media/158775/managing\\_the\\_business\\_risk\\_of\\_fraud.pdf](https://www.iaa.org.uk/media/158775/managing_the_business_risk_of_fraud.pdf) [last accessed 18/07/2022].

<sup>3</sup> HM Government (2006) *Fraud Act 2006*. Online available: <https://www.legislation.gov.uk/ukpga/2006/35/contents> [last accessed 18/07/2022].

<sup>4</sup> Ibid., LGA (2017).

<sup>5</sup> CIFAS (2020) *Fighting Fraud and Corruption Locally*. Online available: <https://www.cifas.org.uk/insight/public-affairs-policy/fighting-fraud-corruption-local-authorities/ffcl-strategy-2020> [last accessed 22/08/2022].

<sup>6</sup> Epsom & Ewell Borough Council [EEBC]a (2022) *Anti-fraud and anti-corruption strategy*. Online available: <https://www.epsom-ewell.gov.uk/council/about-council/anti-fraud-and-corruption-strategy> [last accessed 18/07/2022].

<sup>7</sup> Epsom & Ewell Borough Council (2022) *Constitution: Part 3*, pp. 18-20. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s23990/Part%203%20-%20Responsibility%20for%20Functions%204052022%20Constitution%20of%20Epsom%20and%20Ewell%20Borough%20Council.pdf> [last accessed: 11/07/2022].

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<sup>8</sup> CIPFA (2014) *Code of practice on managing the risk of fraud and corruption*. Online available: <https://www.cipfa.org/policy-and-guidance/reports/code-of-practice-on-managing-the-risk-of-fraud-and-corruption> [last accessed 18/07/2022].

<sup>9</sup> Epsom & Ewell Borough Council [EEBC]a (2022) *Anti-fraud and anti-corruption strategy*. Online available: <https://www.epsom-ewell.gov.uk/council/about-council/anti-fraud-and-corruption-strategy> [last accessed 18/07/2022].

<sup>10</sup> EEBCb (2022) *Constitution of Epsom and Ewell Borough Council: Part 5 – Codes and Protocols*. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s23992/Part%205%20-%20Codes%20and%20Protocols%2020042019%20Constitution%20of%20Epsom%20and%20Ewell%20Borough%20Council.pdf> [last accessed 18/07/2022].

<sup>11</sup> Ibid., EEBCb (2022).

<sup>12</sup> Grant Thornton (2022) *Informing the audit risk assessment for Epsom & Ewell Borough Council 2021/22*, Audit & Scrutiny Committee 7 April 2022. Online available: <https://democracy.epsom-ewell.gov.uk/documents/s23311/External%20Audit%20Plan%20Appendix%202.pdf> [last accessed 19/07/2022].

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## EQUALITY, DIVERSITY & INCLUSION REPORT

<b>Head of Service:</b>	Gillian McTaggart, Head of Corporate Assurance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	N/A

### Summary

The report provides an overview of the activities undertaken by the Council regarding equality, diversity and inclusion.

### Recommendation (s)

#### The Committee is asked to:

- (1) Note and comment on the activities undertaken by the Council regarding equality, diversity and inclusion.**

#### 1 Reason for Recommendation

- 1.1 To provide members of the Audit and Scrutiny Committee details of the actions undertaken in respect of the public sector equality duty.

#### 2 Background

- 2.1 As a public body, we have a specific duty under the public sector equality duty to publish equality objectives that demonstrate how we are meeting our responsibilities.<sup>1</sup>
- 2.2 Section 149 of the Equality Act 2010,<sup>2</sup> places a general equality duty on the Council to have due regard to the need to:

- “Eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations between people who share a protected characteristic and people who do not share it.”<sup>3</sup>

2.3 The characteristics protected under the Act are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and civil partnership

2.4 Guidance on the public sector equality duty puts forward that compliance with the duty will result in:

- better-informed decision making and policy development
- more effective targeting of policy, resources and the use of regulatory powers
- a more effective use of talent in the workforce
- a clearer understanding of the needs of service users, resulting in better quality services which meet varied needs
- better results and greater confidence in, and satisfaction with, public services
- a reduction in instances of discrimination and resulting claims.<sup>4</sup>

2.5 The Council has a number of activities in place to demonstrate its compliance with the public sector equality duty.

### 3 What the Council is doing to meet the public sector equality duty

3.1 In March 2021, the Council adopted its ‘Diversity, Equity and Inclusion Framework 2021-2024’.<sup>5</sup> The framework sets out the equality principles and themes that the Council works towards.

### **Our principles**

- To be a learning organisation, working to make improvements
- Engage with communities, partners and stakeholders
- To learn from our mistakes and experience
- Fulfil our duty under the Equalities Act 2010
- Require our contractors to abide by the Equalities Act 2010

### **Workplan themes**

- Theme 1 - Developing Inclusive Communities and creating Community Cohesion
  - Tacking health inequalities in the Borough.
  - Community Engagement.
  - Encouraging and promoting greater participation from BAME populations in the Borough.
  - Encourage share and promote events that celebrate diversity
  - Support vulnerable members of the community to tackle crime against protected characteristics.
- Theme 2 - Engagement and Accessible Services:
  - Equality considerations are clearly presented as part of the Council's formal decision making process.
  - Improved accessibility of residents to information, services and activities.
  - Introduction of My Council Services to enhance access to digital services.
  - Improved communication to businesses on equality matters.
  - Developing meaningful relationships and creating better understanding within our community.
  - Information about residents and service users including those with protected characteristics is used to inform service improvement in a manner that is compliant with data protection legislation.

- Theme 3 - Workforce Inclusivity:
    - Having a diverse workforce.
    - Employees, councillors and contractors are aware of and actively uphold the Equality Duty and their equality responsibilities and training resources are available.
    - Ensure the People Framework supports employees in addressing inclusion and diversity.
    - Treat employees fairly and equally.
    - Developing the workforce to recognise bias. Acknowledge that prejudice exists and provide a platform for discussion.
- 3.2 For the Annual Plan 2021-2022, the Council sought to enhance its focus on policy priorities by incorporating its standalone action plans into the annual planning process. Therefore, the framework's themes and associated objectives are now considered as part of the annual planning process, and included in the Council's annual plans.
- 3.3 In 2021-2022 the Council delivered twelve actions which related to equality, diversity and inclusion, such as developing a programme to address mental health, loneliness, domestic abuse and digital exclusion, establishing a community and voluntary sector forum, and setting up a youth hub and food pantry.<sup>6</sup>
- 3.4 For this year (2022-2023), the Council has fourteen equality, diversity and inclusion activities planned, such as holding a series of community conversations, working with partners to increase housing solutions, and identifying barriers for digital inclusion.<sup>7</sup> Progress on the annual plan is included in the corporate performance report, which is brought to this committee on a regular basis. The latest report features on this meeting's agenda.<sup>8</sup> The Annual Plan for 2022-2023 supersedes all other action plans.
- 3.5 This is the first update to be reported to this committee on the Diversity, Equity and Inclusion Framework. The framework was approved by the Strategy & Resources Committee in March 2021, and due to the changes to the committees' terms of reference, as agreed at full Council on 15<sup>th</sup> February 2022,<sup>9</sup> it will now be reported to this committee.
- 3.6 The report to Strategy & Resources Committee provided a one year action plan with a further action plan to be brought for years two and three of the framework. This report and the Annual Plan (referenced above) provide updates on the framework's action plan.
- 3.7 The council also conducts several other equality, diversity and inclusion related activities across its departments, as follows:

Team	Examples of EDI activity
Human resources	<ul style="list-style-type: none"> <li>• Whistleblowing policy.</li> </ul>

	<ul style="list-style-type: none"> <li>• Diversity, equality and discrimination e-learning for all staff.</li> <li>• My Performance Conversations – employees.</li> <li>• Disability confident employer.</li> <li>• People Framework (policies and procedures): Part 1 and Part 2.</li> <li>• Workforce diversity information, including representation of Borough demographics, provided to the Human Resources Panel.<sup>10</sup></li> <li>• Employee Assistance Programme in place.</li> <li>• Diversity statements included in job adverts.</li> <li>• Blind shortlisting in interviews.</li> <li>• Apprenticeships.</li> <li>• Signposting to support services - such as domestic abuse, Surrey LGBT community, health services - published on staff intranet.</li> <li>• Mental health first aiders.</li> <li>• Mandatory elearning in the induction programme.</li> </ul>
<p>Committees and Members</p>	<ul style="list-style-type: none"> <li>• Equality impacts assessment included in the committee report template.</li> <li>• Member and Officers codes of conduct embodied in Council constitution.</li> </ul>
<p>Housing and Communities</p>	<ul style="list-style-type: none"> <li>• Member of Epsom &amp; Ewell Community Safety Partnership, which covers topics such as domestic abuse, PREVENT, modern day slavery and violence against women and girls.</li> <li>• Community development team supporting health inequalities and other specific areas including Syrian and Ukrainian refugees during 2022.</li> <li>• Community Safety &amp; Enforcement Officer.</li> <li>• Social prescribing service supporting community wellbeing.</li> <li>• Homelessness service.</li> <li>• Home Improvement Agency.</li> <li>• Vulnerable persons support.</li> <li>• Provision of the Youth Hub in conjunction with the DWP.</li> <li>• Consultation on Rough Sleepers and Homelessness Strategy.</li> </ul>
<p>Operational Services</p>	<ul style="list-style-type: none"> <li>• Assisted waste collections service.</li> <li>• Community and Wellbeing Centre, and wellbeing daycare.</li> <li>• Community alarm service.</li> </ul>

	<ul style="list-style-type: none"> <li>• Meals at home service.</li> <li>• Transport from home service.</li> <li>• Shopping service.</li> <li>• Assisted bathing service.</li> </ul>
Communications	<ul style="list-style-type: none"> <li>• Equality and diversity page on website, including gender pay gap data.</li> <li>• Website accessibility and transparency.</li> <li>• Communications strategy.</li> </ul>
Corporate Assurance and Procurement	<ul style="list-style-type: none"> <li>• Corporate Equality Impact Assessment template.</li> <li>• Contract Standing Orders in place. <ul style="list-style-type: none"> <li>○ Provision for modern day slavery: procurements within threshold 3 require mandatory use of the standard supplier questionnaire, which includes a section on the supplier's approach to the Modern Slavery Act and slavery and human trafficking in the supply chain.</li> <li>○ Stated responsibility for procuring officers to consider equality and diversity implications.</li> </ul> </li> <li>• Emergency planning team.</li> </ul>
IT	<ul style="list-style-type: none"> <li>• Staff working from home enabled.</li> <li>• Website accessibility score monitored (96.6/100 – May 2022), and 'accessibility fixer guide' published on staff intranet.</li> <li>• Role out of My Council Services to access digital information.</li> </ul>
Planning	<ul style="list-style-type: none"> <li>• Local Plan consultations.</li> </ul>
Business Support	<ul style="list-style-type: none"> <li>• On going review of Citizens Panel and community consultations as part of Annual Plan.</li> </ul>

3.8 As part of its business as usual operations, the Council has the following equality relevant activities underway:

- Relaunch of the staff inclusion and diversity group (once the new Head of HR & OD is in post).
- People Framework: Part 3, including equalities policies (once the new Head of HR & OD is in post).

- Refresher mandatory e-learning safeguarding training for staff and Members, and unconscious bias training.
- Maintain watching brief on the staged release of Census 2021 data, and update Borough Profile once information is available.
- Ongoing support of refugees.
- Production of corporate modern day slavery statement.
- Review of the Diversity, Equity and Inclusion Framework in line with the corporate planning process.

#### **4 Risk Assessment**

Legal or other duties

##### 4.1 Equality Impact Assessment

4.1.1 Not applicable.

##### 4.2 Crime & Disorder

4.2.1 Not applicable.

##### 4.3 Safeguarding

4.3.1 Not applicable.

##### 4.4 Dependencies

4.4.1 Not applicable.

##### 4.5 Other

4.5.1 Not applicable.

#### **5 Financial Implications**

5.1 No implications for the purposes of this report.

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

#### **6 Legal Implications**

6.1 No implications for the purposes of this report.

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

#### **7 Policies, Plans & Partnerships**

7.1 **Council's Key Priorities:** The following Key Priorities are engaged: All.

- 7.2 **Service Plans:** The matter is included within the current Service Delivery Plan.
- 7.3 **Climate & Environmental Impact of recommendations:** No implications for the purposes of this report.
- 7.4 **Sustainability Policy & Community Safety Implications:** No implications for the purposes of this report.
- 7.5 **Partnerships:** Ongoing partnership with the Epsom & Ewell Community Safety Partnership.

## 8 Background papers

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

### Previous reports:

- Strategy and Resources Committee, 30th March 2021, 7.00 pm, Epsom & Ewell Borough Council's Diversity, Equity and Inclusion Framework 2021-2024, no. 79. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=970> [last accessed 14/07/22].
- Strategy and Resources Committee, 22nd September 2020, 7.00 pm, Epsom & Ewell Borough Council's Diversity, Equity and Inclusion Framework 2021-2024, no. 79. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=967> [last accessed 22/08/2022].

### Other papers:



<sup>1</sup> For more information see: HM Government, *Public sector equality duty*, 6 July 2012. Online available: <https://www.gov.uk/government/publications/public-sector-equality-duty> [last accessed 15/07/2022]; and, Equality and Human Rights Commission, *Public sector equality duty FAQs*, 3 March 2021. Online available: <https://www.equalityhumanrights.com/en/public-sector-equality-duty-scotland/public-sector-equality-duty-faqs#:~:text=The%20public%20sector%20equality%20duty%20was%20created%20by%20the%20Equality,belief%2C%20sex%20and%20sexual%20orientation.> [last accessed 15/07/2022].

<sup>2</sup> HM Government, *Equality Act 2010*, 14 July 2022. Online available: <https://www.legislation.gov.uk/ukpga/2010/15/contents> [last accessed 15/07/2022].

<sup>3</sup> Equality and Human Rights Commission (EHR), *Technical Guidance on the Public Sector Equality Duty: England*, February 2021, p. 15. Online available: <https://www.equalityhumanrights.com/en/publication-download/technical-guidance-public-sector-equality-duty-england> [Last accessed 15/07/2022].

<sup>4</sup> Ibid., EHR: *Technical Guidance on the Public Sector Equality Duty: England*, p.21.

<sup>5</sup> Strategy and Resources Committee, 30th March 2021, 7.00 pm, Epsom & Ewell Borough Council's Diversity, Equity and Inclusion Framework 2021-2024, no. 79. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=132&MId=970> [Last accessed 14/07/22].

<sup>6</sup> See actions (AP): 1, 3, 8-9, 11-13, 18, 20, 22, 23b and 24 in *Four Year Plan: Year End Performance Report 2021-2022, Appendix 1: Key Objectives for 2021-2022*, Audit & Scrutiny Committee, 14 June 2022, no.6. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1250&Ver=4> [last accessed 15/07/2022].

<sup>7</sup> See actions: 1-3, 6, 9-10, 13-18 and 27-28 in *Annual Plan 2022-2023: Appendix 1*, Council, 15 February 2022, no. 43. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1112> [last accessed 15/07/2022].

<sup>8</sup> Audit & Scrutiny Committee (2022) *Performance and Risk Report – September 2022*, 15<sup>th</sup> September, 7.30pm. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1251> [due for publication W/E 11/09/2022].

<sup>9</sup> Council (2022) *Committee Terms of Reference*, 15<sup>th</sup> February, 7.30pm. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=146&MId=1112> [last accessed 22/08/2022].

<sup>10</sup> Human Resources Panel meetings available online at: <https://democracy.epsom-ewell.gov.uk/mgCommitteeDetails.aspx?ID=149> [last accessed 22/08/2022].

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## PERFORMANCE & RISK REPORT - SEPTEMBER 2022

<b>Head of Service:</b>	Gillian McTaggart, Head of Corporate Assurance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 – Performance Report: September 2022

### Summary

The appendix to this report provides an overview of the council's performance with respect to its annual plan objectives, key performance indicators and corporate risks.

### Recommendation (s)

#### The Committee is asked to:

- (1) Note and comment on the performance and risk information located at Appendix 1.
- (2) Note and comment on the format of the Appendix 1.

## 1 Reason for Recommendations

- 1.1 The terms of reference for this committee includes the responsibility for reviewing the performance of the council, and evaluating and monitoring progress on whether expected outcomes are being achieved in accordance with the Council's strategic plans.<sup>1</sup>
- 1.2 This report has been brought to the committee to aid its members in meeting these objectives. The format of the report has changed from previous additions. Therefore, the committee's feedback on its format would be appreciated.

## 2 Background

- 2.1 In February 2020 the Council agreed a Four Year Plan for the period 2020 to 2024. The six themes are:

- Green & Vibrant - A better place to live where people enjoy their surroundings.
- Safe & Well - A place where people feel safe, secure, and lead healthy, fulfilling lives.
- Opportunity & Prosperity - A successful place with a strong, dynamic local economy where people can thrive.
- Smart & Connected - Alive and connected socially, economically, geographically, and digitally.
- Cultural & Creative - A centre for cultural and creative excellence and inspiration.
- Effective Council - Engaging, responsive and resilient Council.

2.2 Each year since the Four Year Plan's inception, annual plans have been developed to outline how each theme will be delivered. Progress reports on the annual plans, as well as information on key priority targets and risk information, have been regularly brought to this committee.

2.3 Following the end of year report on last year's annual plan being reviewed by this committee at its last meeting, and the updates to the council's risk management strategy being approved by Strategy & Resources Committee in July, it is timely to review the contents and format of the corporate performance report.

### **3 Performance Report – September 2022**

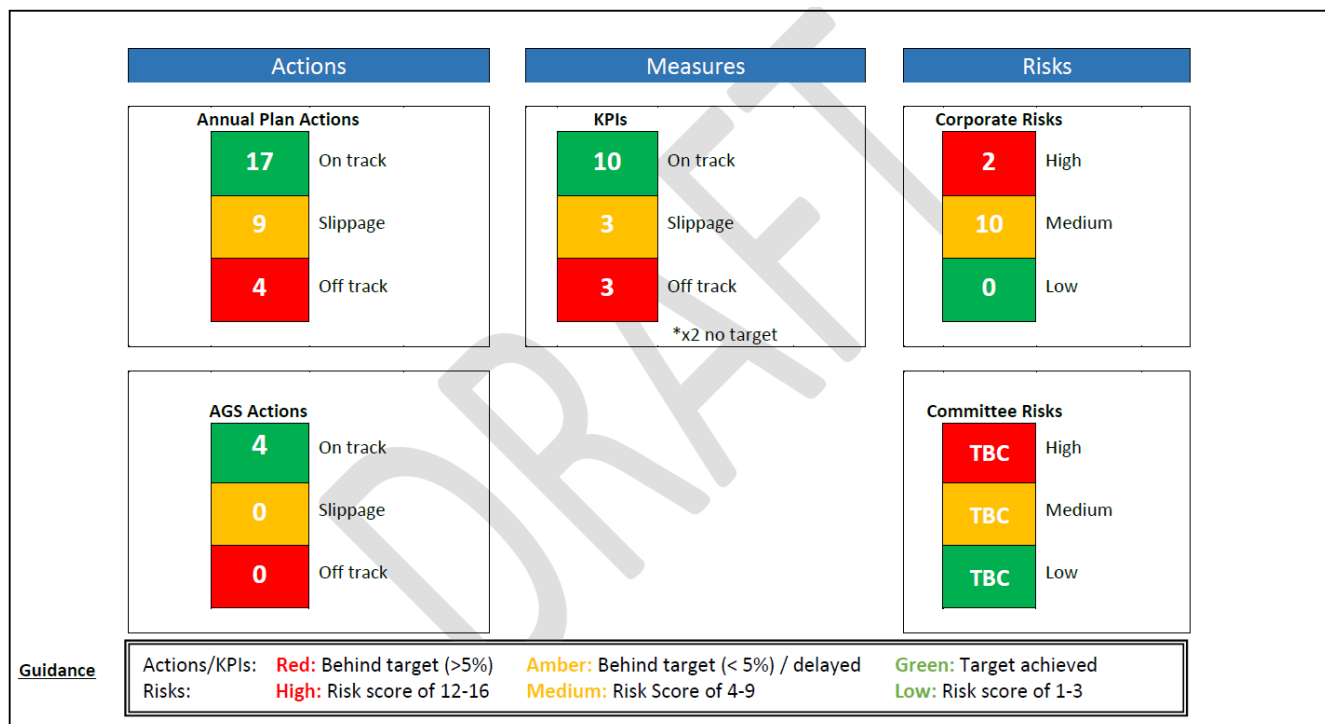
3.1 Appendix 1 comprises an updated corporate performance report for the council. Alongside progress updates for the Annual Plan 2022-2023, the report includes refreshed key performance indicators, the corporate risk register, and progress on the annual governance statement actions.

3.2 A key aim of the updated report is to provide a concise overview of how the council is performing, in a single document, regarding its strategic objectives, service delivery, and risks that may hinder its ability to deliver these.

3.3 Given the report has been produced following recent updates as mentioned in 3.1, some sections are still in development at the time of writing. This mainly applies to Section 5, which sets out the policy committees risk registers. The registers are being progressed, and meetings have been arranged / undertaken since the risk management strategy was approved in July. However there has not been sufficient time to finalise the registers for this meeting.

3.4 In addition, as the performance report is produced to aid the committee's oversight of council performance, feedback on the new format is welcome and can be incorporated as the report develops.

3.5 The table below presents the summary dashboard from Appendix 1. Please note that key performance indicator information is provided on a quarterly basis, unless stated otherwise in Appendix 1. The other performance and risk information is the latest update at the time of this report's writing. Further details can be found in Appendix 1.



## 4 Risk Assessment

### Legal or other duties

#### 4.1 Equality Impact Assessment

4.1.1 No direct risks; equality related objectives are contained with the Annual Plan 2022-2023, Section 2 within Appendix 1.

#### 4.2 Crime & Disorder

4.2.1 No direct risks; crime and disorder related objectives are contained with the Annual Plan 2022-2023, Section 2 within Appendix 1.

#### 4.3 Safeguarding

4.3.1 None for the purposes of this report.

#### 4.4 Dependencies

4.4.1 The production of this report is dependent on the capacity of other service areas and committees to consider and contribute to its content.

4.5 Other

4.5.1 None: corporate risks are included in Appendix 1.

**5 Financial Implications**

5.1 No financial implications for the purposes of this report.

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

**6 Legal Implications**

6.1 No legal implications for the purposes of this report.

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

**7 Policies, Plans & Partnerships**

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

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

7.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report.

7.4 **Sustainability Policy & Community Safety Implications:** None for the purposes of this report.

7.5 **Partnerships:** None for the purposes of this report.

**8 Background papers**

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

**Previous reports:**

- Epsom and Ewell Borough Council (2022) *Four Year Plan: Year End Performance Report 2021-2022*, Audit & Scrutiny Committee, Tuesday 14<sup>th</sup> June 7.30pm. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1250&Ver=4> [last accessed 11/08/2022].

**Other papers:**

- Epsom and Ewell Borough Council (2022) *Constitution of Epsom and Ewell Borough Council: Part 3 – Responsibilities for Functions*, pp. 18-20. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=205&MId=1404&Ver=4&Info=1> [last accessed 11/08/2022].

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## Corporate Performance Report

Date: September 2022

# Contents

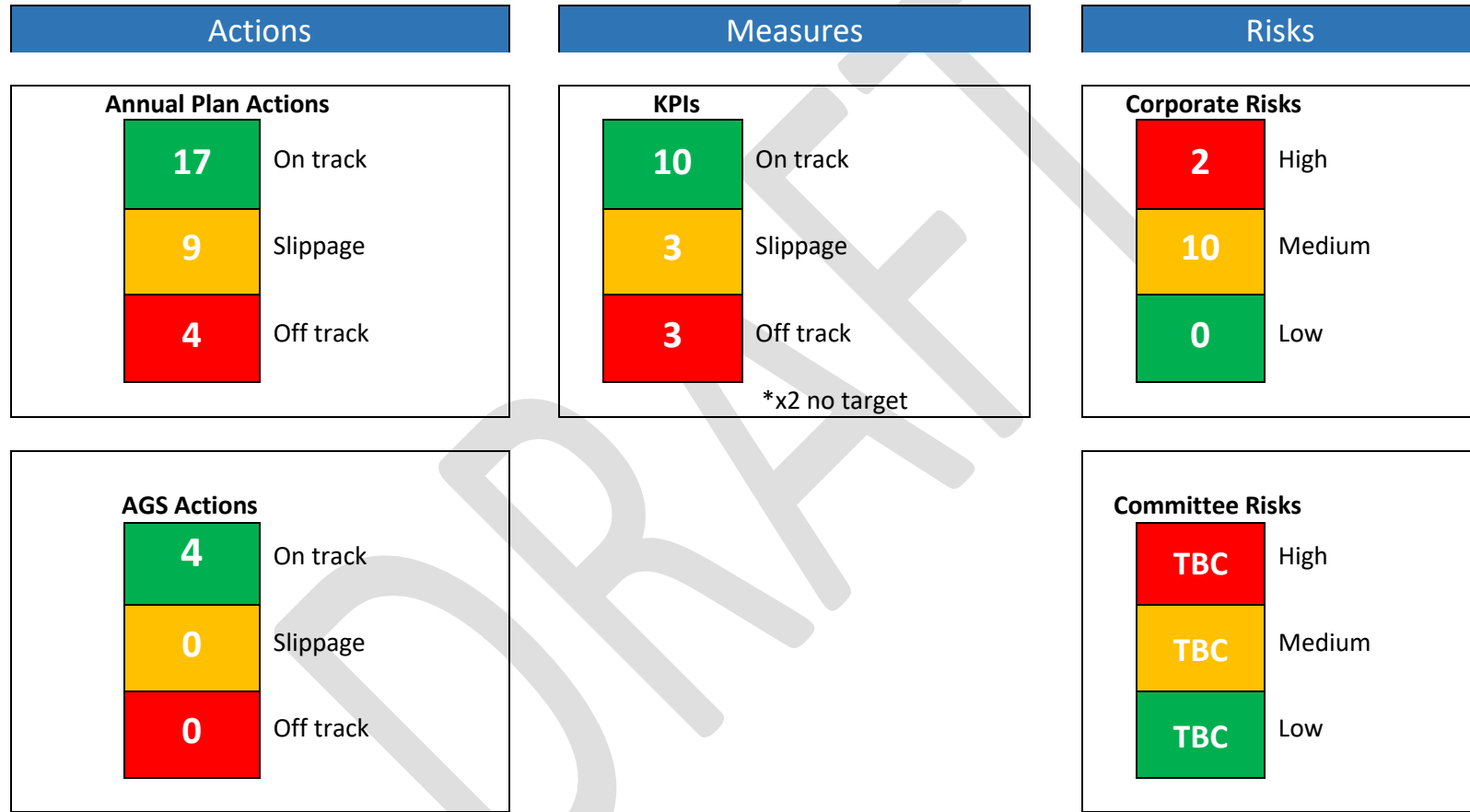
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# 1. Summary

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**Guidance**

Actions/KPIs: **Red:** Behind target (>5%)    **Amber:** Behind target (< 5%) / delayed    **Green:** Target achieved  
 Risks:        **High:** Risk score of 12-16    **Medium:** Risk Score of 4-9    **Low:** Risk score of 1-3

Agenda Item 9  
 Appendix 1

## 2. Annual Plan Progress

Each year we prepare an Annual Plan, which contains objectives and actions that will deliver on the themes outlined in our [Four Year Plan](#).

No.	Ctte	Key Deliverables	Responsible Officer	Dates / Key Milestones	RAG Status	Narrative for Ambers and Reds.
1	S&R	Proposals for providing "Pop Up" opportunities within the Borough.	Head of Property and Regeneration	30-Jun-22	Green	
2	S&R	Proposals for delivering flexible work space within the Borough.	Head of Property and Regeneration	30-Jun-22	Green	
3	S&R	Feasibility study to install WIFI capability across the Borough at key identified sites.	Head of Place Development	31-Oct-22	Red	* Action being reviewed by members. It is being considered as part of the Infrastructure Delivery Plan to support the Local Plan.
4	S&R	Enhance engagement activities with businesses to facilitate networking and understand of their needs.	Head of Place Development	31-Oct-22	Green	* July business breakfast held. Local Enterprise Partnership commissioned to undertake work on behalf of the Council.
5	S&R	An ICT Strategy to further improve resident's access to services and support future working requirements.	Head of IT	30-Sep-22	Green	* Strategy due to Strategy & Resources Committee in September 2022.
6	S&R	A Communication Plan to support delivery of the Annual Plan and champion the work of the Council.	Head of Digital and Service Transformation	01-Apr-22 01-Apr-22 30-June-22	Amber	* Draft communications plan finalised. * Members update revamp completed. * Review of social media awaiting arrival of new Communications Manager in October.
7	S&R	Implementation of the recommendations arising from the Strategic Asset Reviews.	Head of Property and Regeneration	30-Apr-22 30-Jun-22	Amber	* Ongoing stakeholder discussions to explore options.

8	S&R	Business cases to be prepared which will generate additional income.	Head of Operational Services	Initial report 01-Apr-22 Business cases & implementation Ongoing to 31-Mar-23	Amber	* Considering ideas around sponsorship, for the Playhouse and Bourne Hall. Project team being set up for Bourne Hall to discuss possibilities which will include sponsorship of rooms, possibly in exchange for decoration.
9	C&W	Create an identity for creative and cultural excellence which connects with a new generation of creatives.	Director of Corporate Services	Programme developed 30-Jun-22 Delivery via items 10, 11 & 12	Amber	* First stakeholder group meeting held Sept 22. Outcomes will be used to develop a collaborative Strategy for the Borough. This will drive the programme of events and activities.
Page 10 77	C&W	Work with partners to deliver an enhanced programme of cultural and creative events across the Borough and within council venues.	Head of Operational Services	31-Oct-22	Green	* Programme of events in place, this will be the starting off point for the council. Officers have also discussed with Epsom BID management the programme of events they will supply to the town centre. The Community and Wellbeing Centre has arranged, in conjunction with the museum staff, some excursions for its members to include the historic areas within Epsom and Ewell.
11	C&W	Deliver a programme of activities focused on heritage assets which include the delivery of heritage tours across the Borough.	Head of Operational Services	31-Oct-22 31-Mar-23	Green	* As above, Community and Wellbeing excursion tours and planned countryside and Epsom Downs walks.
12	C&W	Develop proposals to explore the use of digital media to promote our heritage	Head of Operational Services	30-Jun-22	Green	* A funding bid has been submitted for the development of digital tours under the Arts, culture and Heritage Strategy work.

13	C&W	Identify the barriers for digital inclusion and deliver the initiatives to address them.	Head of Housing and Communities	Identify barriers 30-Sep-22  Delivery of initiatives Ongoing to 30-Mar-23(+)	Amber	* Amber due to increased service pressures due to the council's refugee and asylum response.
14	C&W	Homelessness and Rough Sleepers Strategy.	Head of Housing and Communities	Strategy 01-Apr-22  Delivery of initiatives Ongoing to 31-Mar-23(+)	Green	* Scheduled for Community & Wellbeing committee in October.
15	C&W	Working with partners to increase housing solutions.	Head of Housing and Communities	Work programme commenced 30-Apr-22 and ongoing to 31-Mar-23(+)	Green	* Strategic housing group looking at additional affordable housing capacity. * Strategic Housing Manager due to start in Quarter 3.
16	C&W	A programme of events which address activity levels, social isolation, domestic abuse and mental health.	Head of Housing and Communities	Programme of events 30-Jun-22  Delivery 31-Mar-23(+)	Amber	* Delayed due to service pressures, expect to action later in the year.
17	C&W	A Community Panel which reflects the diverse nature of our Borough.	* Head of Housing and Communities * Head of Digital and Service Transformation	Proposal 30-Apr-22  Implementation 30-Jun-22	Red	* Delayed due to service pressures. Mitigations include a new post being recruited to in the Community Development team, and activities underway to increase internal capacity, and capacity of our partners via commissioning, to reduce service pressures.

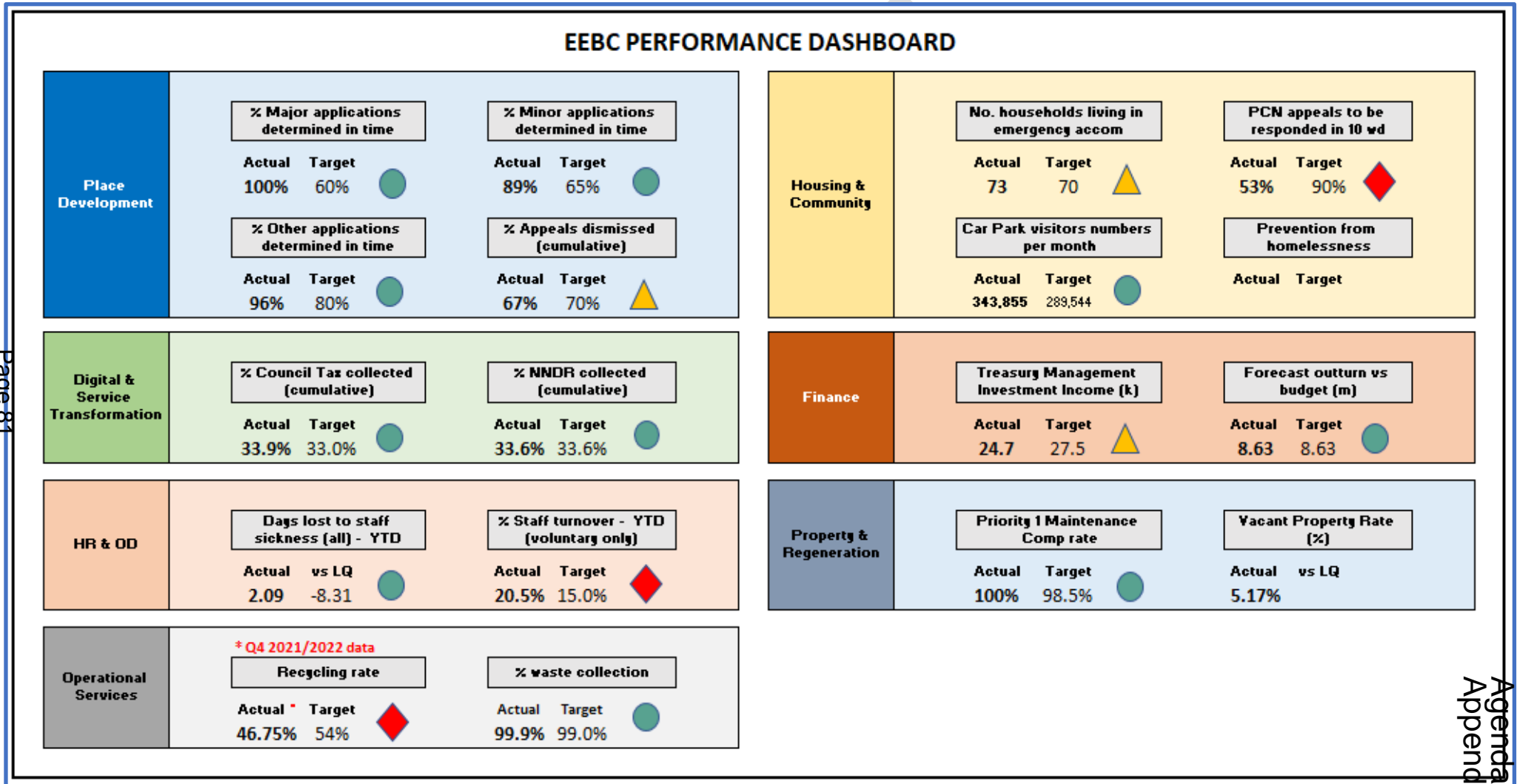
18	C&W	A series of community conversations to be held with an emphasis on listening to the seldom heard.	Head of Housing and Communities	Programme 30-Jun-22  Conversations 31-Mar-23(+)	Amber	* Due to service pressures.
19	E&SC	Markets operated at additional sites within the Borough.	Head of Operational Services	30-Sep-22	Amber	* New Ewell Market opened last Saturday and was well received. The cost of fuel seems to be causing a difficulty in attracting traders in additional markets whether that is street trading in Stoneleigh or trading in Ewell Village, there is a need to promote this more.
Page 20 79	E&SC	A feasibility report for providing a pet crematorium and/or cemetery.	Head of Operational Services	1-Oct-22	Green	* Investigations into pet crematorium have started, in early conversations with companies who supply this type of equipment to understand costs and accommodation needs.
21	E&SC	A feasibility report for building a crematorium within the Borough.	* Head of Operational Services * Head of Housing and Communities	30-Jun-22	Red	* Delayed due to service pressures. Report to Strategy & Resources Committee in November.
22	E&SC	Working with partners to deliver the Climate Change Action Plan.	Head of Place Development	Working group consider plan 01-April-22  Agree costed plan action plan 31-Jul-22	Green	* Ready, going to October as agreed by the Chair of Environment & Safe Communities Committee.

23	E&SC	Seasonal awareness campaigns to promote greener more sustainable living.	Head of Place Development	Communications plan 30-Apr-22  Delivery 31-Mar-23(+)	Green	* Event attended. * Communications campaign underway, promoting available schemes to residents and businesses.
24	E&SC	Visible patrols across the Borough promoting behavioural change to maintain our clean and attractive streets and open spaces.	Head of Housing and Communities	31-Jul-22	Green	* Recruitment undertaken and patrols initiated.
25	E&SC	Tree Planting Strategy with accompanying programme of tree planting.	Head of Place Development	Strategy 30-Apr-22  Planting programme 31-Mar-23	Green	* Ready, going to October as agreed by the Chair of Environment & Safe Communities Committee.
26	E&SC	Review of current CCTV arrangements.	Head of Housing and Communities	31-Aug-22	Green	* Successful safer streets bid, future report due to come to committee.
27	E&SC	Key areas of concern addressed through the Community Safety Partnership and working with partners.	Head of Housing and Communities	Action plan prepared 31-May-22  Issues addressed 01-Jun-22 to 31-Mar-23	Green	
28	LPP	Regulation 18 Consultation undertaken.	Head of Place Development	31-Mar-23	Green	* Going to October Licensing and Planning Policy Committee.
29	LPP	Adoption of a local Heritage List including buildings and objects.	Head of Place Development	30-Sep-22	Amber	* Waiting on response from Surrey County Council.
30	LPP	Proposal for a plan and budget to review TPOs.	Head of Place Development	30-Sep-22	Red	* Other priorities have taken precedence such as Local Plan, tree strategy, tree maintenance contract, will monitor priority status.



### 3. Key Performance Indicators

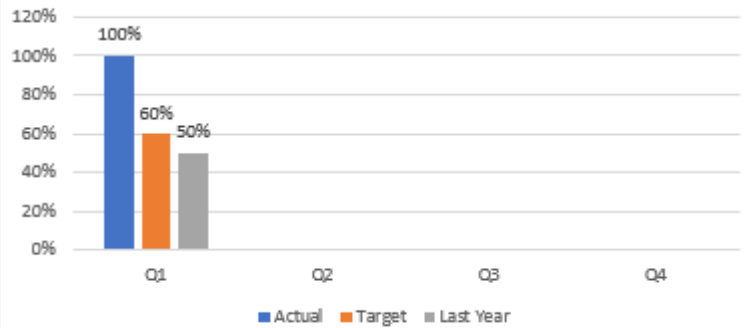
The table below contains a summary of our performance against a set of indicators. Further detail is provided in the following individual graphs and commentaries.



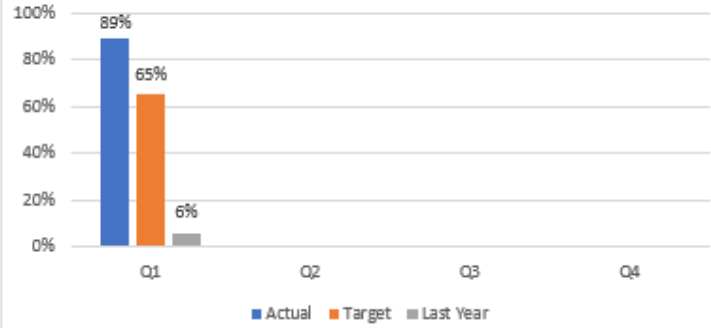


# PLACE DEVELOPMENT

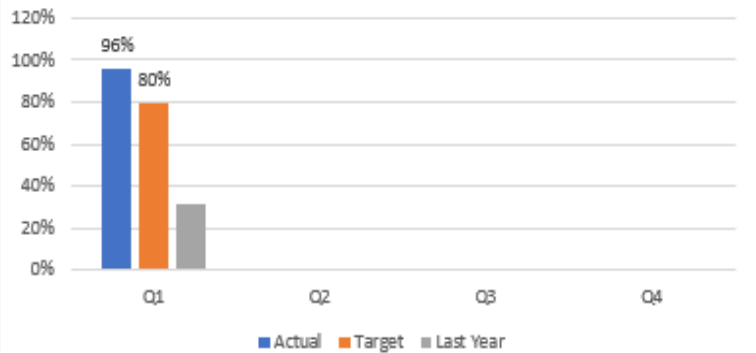
**% of Major applications determined in time**



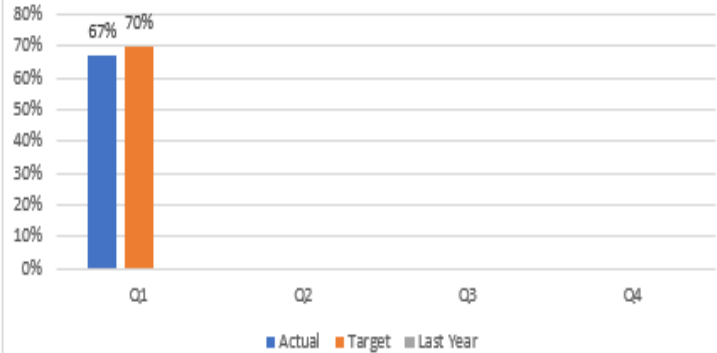
**% of Minor applications determined in time**



**% of Other applications determined in time**



**% of Appeals dismissed against Council's refusal of planning**



Commentary

**% of Major, Minor and Other applications**

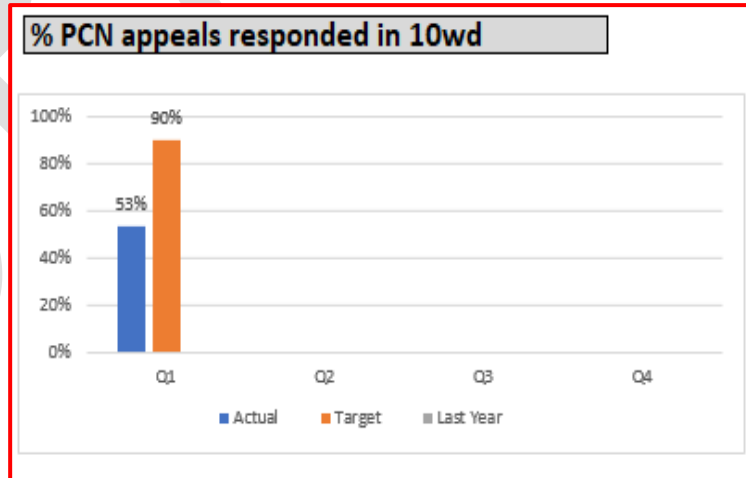
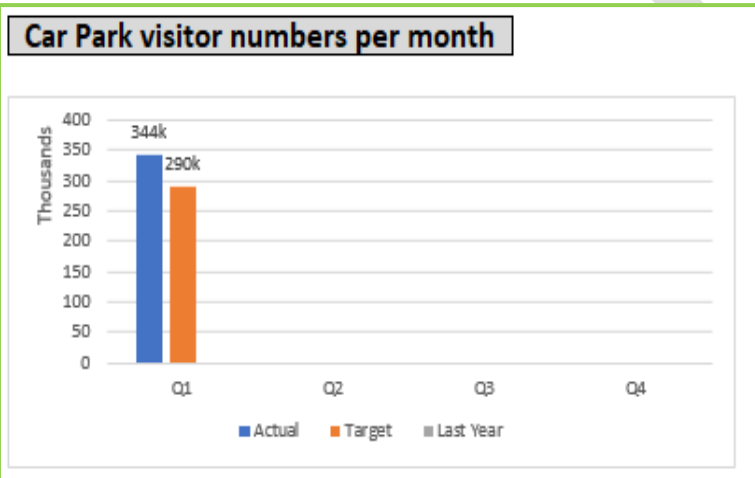
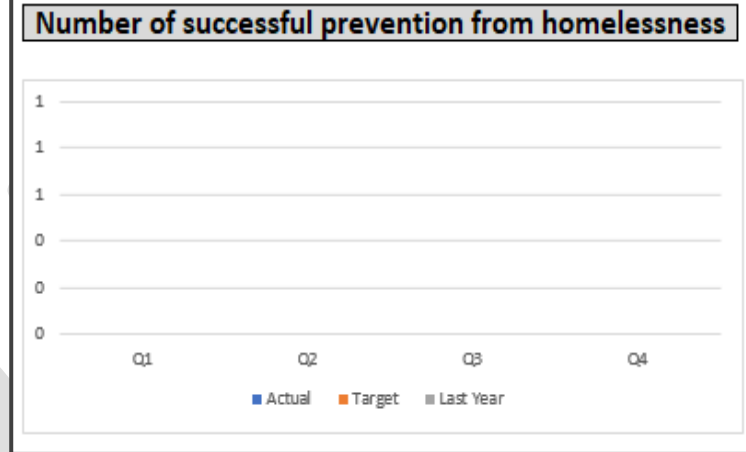
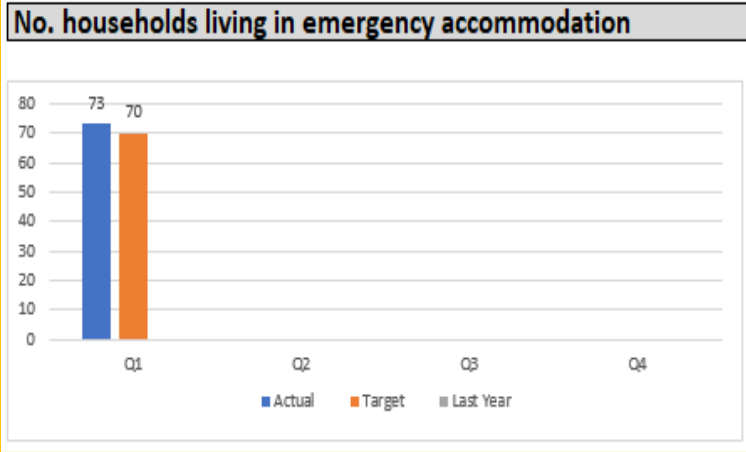
Performance of Major, Minor and Other applications decided in time has improved significantly since the beginning of the year.

**Appeals dismissed**

Performance generally consistent with the national average of approximately 70% of appeals being dismissed.



# HOUSING & COMMUNITY



**Commentary**

**No of households living in emergency accommodation**  
 An additional 14 homeless households are in Defoe Court and 156 are in temporary accommodation with Housing Association/Council managed or owned temporary accommodation.

**Prevention from homelessness**  
 Data will be available for the next report.

**Car park visitors**  
 Limited data for Hook Road April 2022 due to power outage. Visitor numbers up on last year but still partial Covid restrictions in Apr/May 2021.

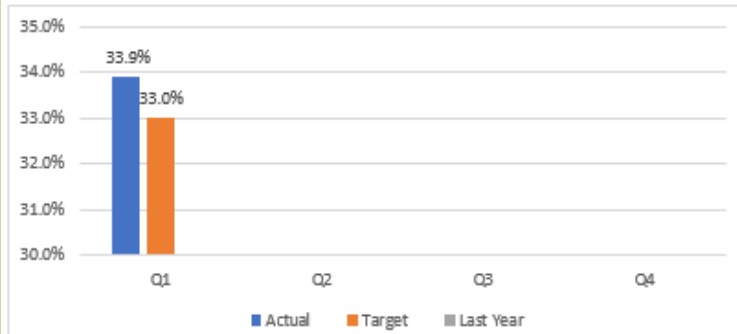
**PCN appeals response time**  
 Behind internal target due to end of year renewal process and staff leave, still in line with government policy requirements of 56 days.

Agenda Item 9 Appendix 1

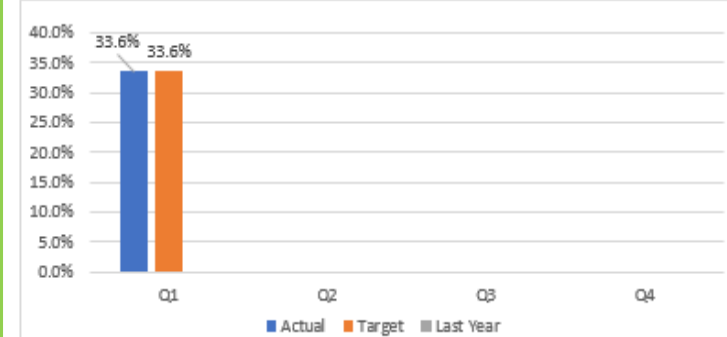


# DIGITAL SERVICE & TRANSFORMATION

### % of Council Tax Collected



### % of Non-Domestic Rates Collected



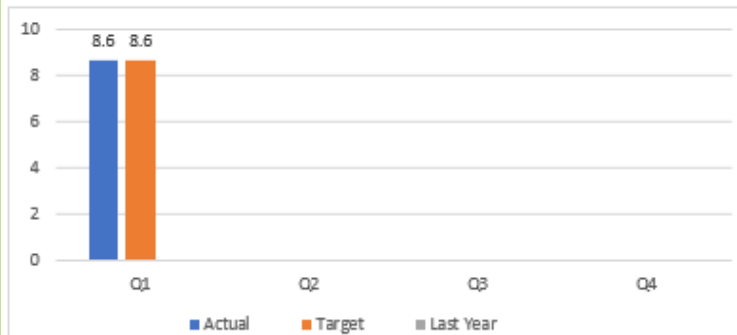
#### Commentary

Both KPIs achieved target, collection figures as of 01/07/2022.

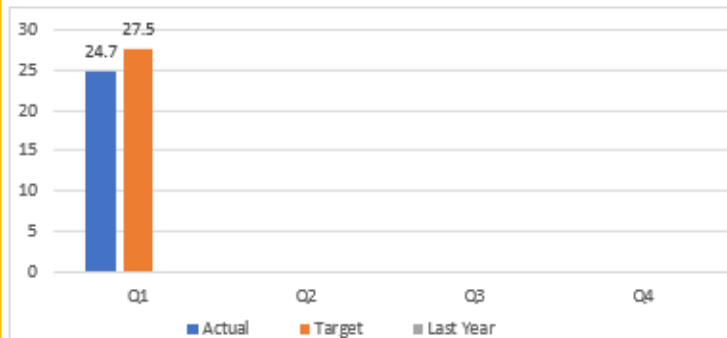


# FINANCE

### Forecast outturn vs budget (m)



### Treasury Management Investment Income (k)



#### Commentary

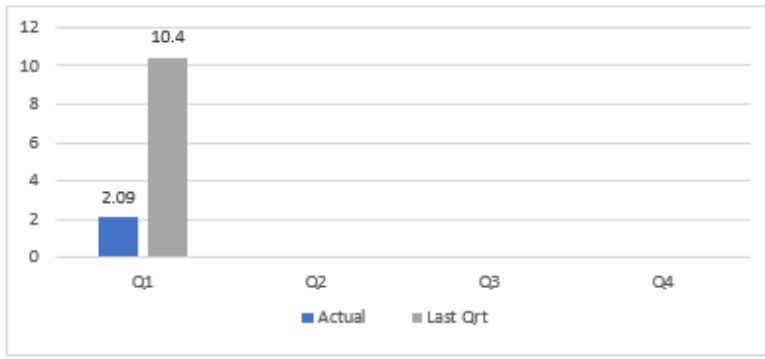
**Forecast outturn vs budget**  
Currently forecast on budget, although an updated Q1 figure will become available in late August/early September.

**Treasury management investment income**  
Unadjusted for interest due on maturity of investments.

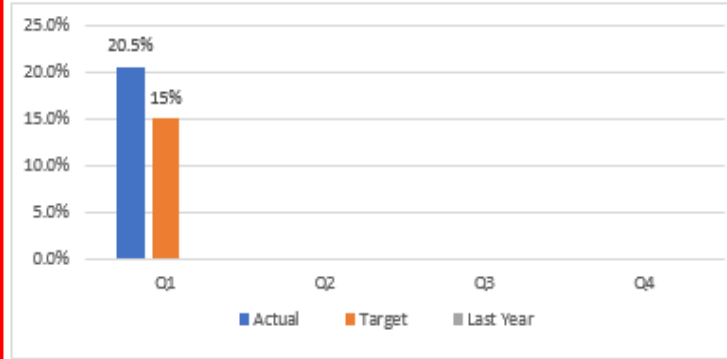


# HUMAN RESOURCES

### Days lost to staff sickness (long+short term)



### % of Staff turnover (voluntary reasons)



#### Commentary

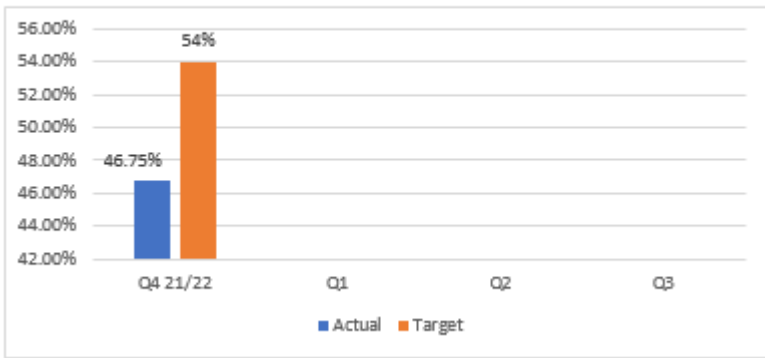
**Days lost to staff sickness**  
Top 3 reasons: Stress, Covid-19, muscle pain / sprain.

**Turnover**  
We continue to see a higher than normal turnover rate, in common with the national trend. Reasons include: lifestyle changes, personal reasons, higher salaries and career development. Positively, we are filling vacancies at a good rate.

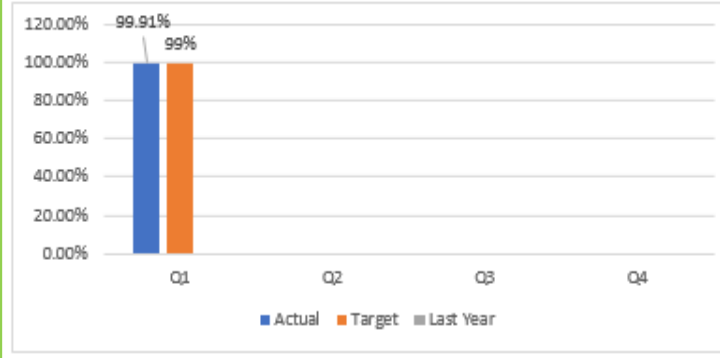


# OPERATIONAL SERVICES

### Recycling rate (%)



### Waste collection (%)



#### Commentary

**Recycling rate**  
Q1 not yet available.  
Q4 21/22 was 2.58% down on Q4 20/21 largely due to high contamination.  
Q4 typically lower than average due to low garden waste tonnages in winter.

**Waste collection**  
This is approx. our normal performance.

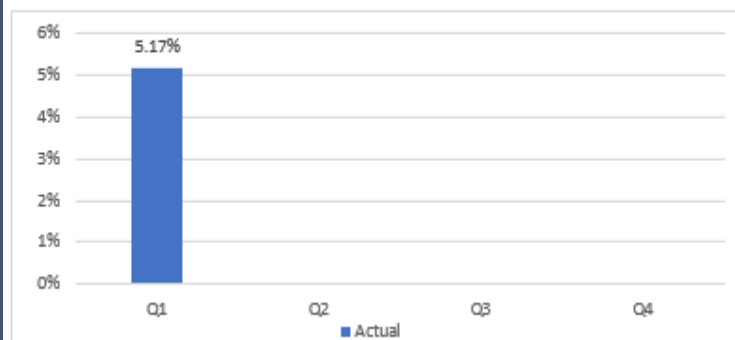


# PROPERTY & REGENERATION

### Priority 1 Maintenance Completion Rate



### Vacant Property Rate (%)



### Commentary

**Priority 1 maintenance completion rate**  
Target achieved.

**Vacant property rate**  
Namely due to one property which is being considered for refurbishment. Report to S&R Committee in September.

## 4. Corporate Risk Register

Our corporate risk register contains our most strategic risks, those that may have a significantly detrimental effect on our ability to achieve our key objectives and delivery of core services. We assess our risks as follows:

**Step 1:** Score the **inherent** risk using the matrix below = the expected **impact** of the risk **multiplied** by the **likelihood** of the risk occurring (with no mitigations or controls).

**Step 2:** Consider how we mitigate the risk and any controls in place.

**Step 3:** Score the **residual** risk = impact x likelihood (taking into account the controls and mitigations we have in place).

**Step 4:** Review final risk score against the **risk tolerance boundary** (yellow line). If High (red), seek to further mitigate the risk to reduce it to Medium (amber) or Low (green); or acknowledge why it cannot be lowered at this time.

Likelihood Multiplier	4 Very likely	4	8	12	16
	3 Likely	3	6	9	12
	2 Possible	2	4	6	8
	1 Remote	1	2	3	4
		1	2	3	4
		Insignificant	Medium	High	Severe
		<b>Impact</b>			

Red	High risks
Amber	Medium risks
Green	Low risks
Yellow	Risk tolerance boundary

ID.	Category	Risk Identified <i>Risk that...</i> <i>Risk of...</i>	Potential Risk Consequences	Risk Owner	Likelihood	Impact	Inherent Risk	Mitigations & Controls	Likelihood (2)	Impact (2)	Residual Risk	Direction of Travel	Future Actions to Further Mitigate & Control Risk
CRR-89 Page 88	Strategic	Non-delivery of annual plan objectives, Housing and Community Service, due to our response to refugee crisis' (syrian, afgan, ukrainian)	* Unable to deliver strategic objectives in the annual plan / Four Year Plan.	Head of Housing & Community	4	4	16	<ul style="list-style-type: none"> <li>* Recruitment: we have filled a vacant post, having recruited a new and experienced community development worker. In addition, grant funding has been used to recruit a new refugee coordinator (temporary post).</li> <li>* Framework in place for monitoring the annual plan.</li> <li>* Working with partners to share the workload, although they are reaching capacity too.</li> </ul>	4	3	12	N/A	* Currently tolerating residual risk at present, as the team is working at full capacity and our response requires immediate attention. However once the new officers join the risk will be re-assessed.



CRR-107	Financial	Reduced central government funding for homelessness activities.	* Unbudgeted expenditure.	Head of Housing & Community	3	4	12	<ul style="list-style-type: none"> <li>* Responded to government consultation and proposed new funding model.</li> <li>* Business process review of housing.</li> <li>* Fraud investigations.</li> <li>* New strategic housing manager recruited (due in post in September).</li> </ul>	3	4	12	N/A	* Council working group developing mitigation measures. Yet as the final funding outcome is unknown at present, the risk remains high.
Page 68 CRR-6	Financial	Property portfolio fails to generate expected financial revenue due to loss of commercial tenant	<ul style="list-style-type: none"> <li>* Significant loss of income.</li> <li>* Costs associated with replacing a tenant.</li> <li>* Budgetary pressures.</li> </ul>	Head of Property & Regeneration	3	4	12	<ul style="list-style-type: none"> <li>* Tenant sustainability checks undertaken before lease awarded.</li> <li>* Commercial properties chosen on criteria that mitigates risk of lack of high-quality commercial tenants.</li> <li>* Reporting to members - including options appraisals.</li> </ul>	2	4	8	N/A	

Page 06 CRR-29	CRR-8	Financial	Significant rise in oil, gas and electricity prices	* Additional budget requirement for utilities reduces other budgets available for service delivery.	Chief Finance Officer	4	4	16	* Quarterly budget monitoring. * Competitive procurement of utilities - take advantage of fixed terms deals if demonstrate value for money. * Inflationary pressures being reflected in future budget plans.	4	2	8	N/A	* Consider energy reduction options.
	CRR-97	Financial	Increasing EPC requirements	* Potential increased costs due to investment required to meet changing EPC requirements.	Head of Property & Regeneration	4	4	16	* Asset reviews being undertaken at present.	4	2	8	N/A	
	CRR-29	Project	Failing to deliver the climate change strategy	* Unable to achieve Council's climate change ambitions. * Fail to reduce the Council's carbon emissions.	Planning Policy Manager	4	4	16	* Climate Change Action Plan. * Environment and sustainability Officer in post. * Capital bids submitted to reduce the council's carbon emissions.	2	2	4	N/A	

Page 91	CRR-46	Project	Failing to deliver a local plan (e.g. due to budget, staffing, legislative changes)	<ul style="list-style-type: none"> <li>* Unable to provide robust planning policy for development in the Borough.</li> <li>* Impact on other council activities that link to the local plan, e.g. housing.</li> <li>* Unable to demonstrate value for money on investment in developing the plan.</li> <li>* Government intervention.</li> </ul>	Head of Place Development	4	4	16	<ul style="list-style-type: none"> <li>* Local plan project risk register in place.</li> <li>* Regular reporting to key stakeholders.</li> <li>* Project plan funding arrangements.</li> <li>* Resourcing arrangements.</li> </ul>	2	4	8	N/A	
	CRR-48	Operational	Issues with ICT infrastructure resilience, security and capacity	<ul style="list-style-type: none"> <li>* Business continuity.</li> <li>* Data breach.</li> <li>* Service delays and other associated impacts.</li> <li>* Reputational damage.</li> <li>* Staff satisfaction.</li> </ul>	Head of IT	4	4	16	<ul style="list-style-type: none"> <li>* Back-ups tested.</li> <li>* Annual penetration tests.</li> <li>* Annual business continuity exercise.</li> <li>* Servers in good condition and supported.</li> </ul>	2	2	4	N/A	* Move infrastructure to the cloud [underway].

CRR-51	Finance	Fail to balance the budget annually (inc. mitigating the ongoing financial impacts of Covid-19) & MTFS	<ul style="list-style-type: none"> <li>* Fail to perform statutory duty</li> <li>* Reduced assurance over the Council's financial sustainability.</li> <li>* Threat to service delivery.</li> </ul>	Head of Finance	4	4	16	<ul style="list-style-type: none"> <li>* Budget setting framework agreed by S&amp;R Committee.</li> <li>* Budget reports scheduled on committee forward plan at regular intervals, which includes budget forecasting.</li> <li>* Reserves proactively managed.</li> <li>* Savings targets are set to deliver balanced budget.</li> </ul>	2	4	8	N/A	* New MTFS for 24-28 to be produced.
Page 92 CRR-56	Operational	Cyber attack	<ul style="list-style-type: none"> <li>* Ransomware attack and lost data.</li> <li>* Data breach.</li> <li>* ICT systems unusable.</li> <li>* Reputational damage.</li> </ul>	Head of IT	3	4	12	<ul style="list-style-type: none"> <li>* Business continuity plans in place.</li> <li>* ICT security procedures and processes in place.</li> <li>* Able to restore from back-ups, inc. cloud.</li> <li>* Security operation centre monitoring systems 24/7.</li> </ul>	2	3	6	N/A	* ICT Strategy: detection and response system implemented, cyber training for employees, laptops with approved software for employees [over next two years].

CRR-63	Operational	Unsupported legacy applications	<ul style="list-style-type: none"> <li>* CRM system becomes inoperative.</li> <li>* Increased resources required to manage.</li> <li>* Weaker security due to lack of up to date patches.</li> <li>* Increased costs.</li> </ul>	Head of IT	4	4	16	<ul style="list-style-type: none"> <li>* Business continuity via MS 365 for emails/communications.</li> <li>* Support contract in place with CRM experts who can address issues that arise.</li> </ul>	4	2	8	N/A	* Move CRM to new platform [project underway].
CRR-86 Page 93	Operational	Failing to recruit to vacant positions promptly with quality candidates, and retain existing talent	<ul style="list-style-type: none"> <li>* Increased workload for existing staff.</li> <li>* Delays to delivering corporate and service objectives.</li> </ul>	Head of HR & OD	4	3	12	<ul style="list-style-type: none"> <li>* All vacant positions advertised in multiple platforms.</li> <li>* ICT based recruitment system in place.</li> <li>* Succession planning.</li> <li>* CPD.</li> <li>* Exit interviews.</li> <li>* My performance conversations.</li> </ul>	2	2	4	N/A	* Although we are experiencing higher than average turnover in common with the national trend, we continue to fill vacancies at a good rate.

## 5. Committee Risk Registers

Our committee registers are currently in development. Officers are meeting with all policy committee Chairs at present, to produce their risk registers. The format will be the same as in Section 4.

DRAFT

## 6. Annual Governance Statement Actions

Every year we publish our Annual Governance Statement, which outlines our assurance on our systems of internal control. As part of this review, we identify several key actions which we feel will improve our corporate governance. In this section we have provided an progress update on those actions.

Issues identified	Action taken	RAG Status
Uncertainty regarding local government funding which will impact on the current Medium Term Financial Strategy financial stability	A rebasing exercise of the budget for 2022/23 was undertaken in Spring 2022 to ensure budgets are re-aligned to post-Covid service demand levels.	GREEN
Existing strategies in relation to changes in risk relating to investment properties may need reviewed	A number of strategic asset reviews are being undertaken to assess if operational assets remain fit for purpose and continue to provide value for money.	GREEN
The arrangements for Information Governance and data protection need to be reviewed to ensure they are fully compliant with legislation and ICO guidance	Complete the recruitment of a new Data Protection officer who will bring together and progress our information governance improvements.	GREEN
Strengthening and updating the Constitution	The Member Working Group has agreed a programme of work to update the Constitution supported by the Monitoring Officer and this will be reported to the Standards Committee.	GREEN

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## COMMITTEE WORK PROGRAMME 2022-2023

<b>Head of Service:</b>	Gillian McTaggart, Head of Corporate Assurance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	None

### Summary

This report presents the Committee with the work programme for 2022-2023.

### Recommendation (s)

#### The Committee is asked to:

- (1) **Note and agree the on-going work programme for 2022-2023 as presented in Section 2.**

## 1 Reason for Recommendation

- 1.1 Article 6 (paragraph 6.7) of the Constitution states that the Committee “will exercise overall responsibility for the work programme of those officers whose function is wholly to support its work”.<sup>1</sup> Therefore the recommendation enables the Committee to maintain oversight of its work programme 2022-2023 and make any additions or adjustments it may wish.

## 2 Work Programme 2022-2023

- 2.1 The committee work programme for 2022-2023 is presented in Section 2.3 below.

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<sup>1</sup> See *Constitution of Epsom and Ewell Borough Council*, p. 13. Online available: <https://democracy.epsom-ewell.gov.uk/documents/g1309/Public%20reports%20pack%2028th-Jan-2022%20Constitution%20of%20Epsom%20and%20Ewell%20Borough%20Council.pdf?T=10&Info=1> [Last accessed 15/03/22].

2.2 The plan includes reports that relate to the committee's areas of responsibility as stipulated in its terms of reference.<sup>2</sup> New items added / amended to the programme since the last report appear in **bold**.

2.3 Work Programme 2022-2023:

Meeting		Agenda
Past	<b>April 2022</b>	<ul style="list-style-type: none"> <li>Internal Audit Progress Report 2021-2022 (Apr 2022)</li> <li>Internal Audit Plan 2022-2023 &amp; Internal Audit Charter</li> <li>Annual Report on the Community Safety Partnership</li> <li>Four Year Plan: Performance Report 2021-2022 (deferred from Feb 2022)</li> <li>External Audit Update</li> <li>Committee Annual Report 2022-2023 (to be presented to Full Council)</li> <li>Work Programme 2022-2023</li> </ul>
	<b>June 2022</b>	<ul style="list-style-type: none"> <li>Annual Internal Audit Report &amp; Opinion 2021-2022</li> <li>Internal Audit Progress Report - June 2022</li> <li>Annual Governance Statement 2021-2022</li> <li>Four Year Plan: Year End Report 2021-2022</li> <li>Use of Delegated Powers Annual Report</li> <li>Work Programme 2022-2023</li> </ul>
Present	<b>September 2022</b>	<ul style="list-style-type: none"> <li>Revenue Budget Monitoring – Quarter 1 (2022-2023)</li> <li>Capital Budget Monitoring – Quarter 1 (2022-2023)</li> <li>2021-2022 Treasury Management Outturn Report</li> <li>Counter-Fraud and Whistleblowing Annual Report (inc. gifts and hospitality)</li> <li>Equality &amp; Diversity (inc. modern slavery) Annual Report</li> <li>Performance &amp; Risk Report - September 2022</li> <li>Work Programme 2022-2023</li> </ul>
Future	<b>November 2022</b>	<ul style="list-style-type: none"> <li>Internal Audit Progress Report - November 2022</li> <li><b>2021-2022 Statement of Accounts and Audit Findings Report (subject to external audit progress).</b></li> <li>Revenue Budget Monitoring – Quarter 2 (2022-2023)</li> <li>Capital Budget Monitoring – Quarter 2 (2022-2023)</li> <li>2022-2023 Treasury Management Interim Report, including associated training.</li> <li><b>IT Strategy (placeholder)</b></li> <li>Update on Compliance with the Surveillance Camera Code of Practice</li> </ul>

<sup>2</sup> See *Committee Terms of Reference*, Full Council, 15 February 2022, pp. 22-24. Online available: <https://democracy.ewell.gov.uk/documents/s22823/Committee%20Terms%20of%20Reference%20Appendix%201.pdf> [Last accessed 15/03/22].

		<ul style="list-style-type: none"> <li>• Regulation of Investigatory Powers Act (2000) Annual Report</li> <li>• Code of Corporate Governance</li> <li>• <del>Annual Plan pro-scrutiny</del></li> <li>• Work Programme 2022-2023</li> </ul>
	<b>February 2023</b>	<ul style="list-style-type: none"> <li>• Revenue Budget Monitoring – Quarter 3 (2022-2023)</li> <li>• Capital Budget Monitoring – Quarter 3 (2022-2023)</li> <li>• Performance and Risk Report – February 2022</li> <li>• Work Programme 2022-2023</li> <li>• External Audit Update (if required)</li> </ul>
	<b>April 2023</b>	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report - April 2023</li> <li>• Internal Audit Plan 2023-2024 &amp; Internal Audit Charter</li> <li>• External Audit Update (if required)</li> <li>• Committee Annual Report 2022-2023 (to be presented to Full Council)</li> <li>• Work Programme 2023-2024</li> </ul>

### 3 Local Government and Social Care Ombudsman

- 3.1 When the Council receives its annual letter from the Local Government and Social Care ombudsman, we will note here whether any recommendations have been put to the Council by the ombudsman.
- 3.2 Further details on the complaints the Ombudsman have received and assessed, as well as copies of the annual letters they send to the Council, can be accessed on their public website at this address:  
<https://www.lgo.org.uk/your-councils-performance> [last accessed 23/03/2022].

### 4 Risk Assessment

Legal or other duties

#### 4.1 Impact Assessment

- 4.1.1 No implications for the purposes of this report.

#### 4.2 Crime & Disorder

- 4.2.1 The annual report on the Community Safety Partnership will be taken to the Crime and Disorder sub committee in the next municipal year.

#### 4.3 Safeguarding

- 4.3.1 No implications for the purposes of this report.

4.4 Dependencies

4.4.1 Completion of the Council's financial accounts for 2022-2023 are dependent upon consideration of the Annual Internal Audit Report and Opinion.

4.5 Other

4.5.1 No implications for the purposes of this report.

**5 Financial Implications**

5.1 None for the purposes of this report.

5.2 **Section 151 Officer's comments:** The proposed work programme would meet statutory deadlines for the external audit of the Statement of Accounts.

**6 Legal Implications**

6.1 None for the purposes of this report.

6.2 **Legal Officer's comments:** The Committee needs to be effective in its role. By preparing a planned Work Programme, the Committee can ensure that it has adequate time to properly consider those key areas where it can add greatest value. In turn, this will enable the Council to demonstrate that it has effective scrutiny arrangements in place.

**7 Policies, Plans & Partnerships**

7.1 **Council's Key Priorities:** All key priorities are engaged.

7.2 **Service Plans:** The matter is not included within the current Service Delivery Plan.

7.3 **Climate & Environmental Impact of recommendations:** None for the purposes of this report.

7.4 **Sustainability Policy & Community Safety Implications:** As per Section 4.2.

7.5 **Partnerships:** None for the purposes of this report.

**8 Background papers**

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

**Previous reports:**

*Committee Work Programme 2022-2023*, Audit and Scrutiny Committee, Tuesday 14 June 2022. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1250&Ver=4> [Last accessed 11/08/22].

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