

To: All Members of the EXECUTIVE

When calling please ask for:

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Date: 29 January 2021

Membership of the Executive

Cllr John Ward (Chairman)
Cllr Paul Follows (Vice Chairman)
Cllr Peter Clark
Cllr Andy MacLeod
Cllr Michaela Martin

Cllr Mark Merryweather
Cllr Nick Palmer
Cllr Anne-Marie Rosoman
Cllr Liz Townsend
Cllr Steve Williams

Dear Councillors

A meeting of the EXECUTIVE will be held as follows:

DATE: TUESDAY, 9 FEBRUARY 2021

TIME: 6.00 PM

PLACE: ZOOM MEETING - VIRTUAL MEETING

The Agenda for the Meeting is set out below.

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

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NOTES FOR MEMBERS

Contact Officers are shown at the end of each report and members are welcome to raise questions, make observations etc. in advance of the meeting with the appropriate officer.

Prior to the commencement of the meeting, the Leader, Deputy Leader or an appropriate Portfolio Holder to respond to any informal questions from members of the public, for a maximum of 15 minutes.

[Questions will be taken in the order in which questioners register with the Democratic Services Officer on committees@waverley.gov.uk by midday on Tuesday 9 February, to be sent details of how to join the Zoom meeting. When read out, each question must be concluded within 2 minutes. In the event that it is not possible to give a verbal response, a written response will be provided following the meeting.]

AGENDA

1. **APOLOGIES FOR ABSENCE**

To receive apologies for absence.

2. **MINUTES**

To confirm the Minutes of the Meeting held on 1 December 2020.

3. **DECLARATIONS OF INTERESTS**

To receive from members, declarations of interest in relation to any items included on the agenda for this meeting, in accordance with the Waverley Code of Local Government Conduct.

4. **QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Chairman to respond to any questions received from members of the public for which notice has been given in accordance with Procedure Rule 10.

The deadline for receipt of questions is 5pm on Tuesday 2 February 2021.

5. **QUESTIONS FROM MEMBERS OF THE COUNCIL**

The Chairman to respond to any questions received from Members in accordance with Procedure Rule 11.

The deadline for receipt of questions is 5pm on Tuesday 2 February 2021.

6. LEADER'S AND PORTFOLIO HOLDERS' UPDATES

7. GENERAL FUND BUDGET 2021/22 AND MTFP 2021/22 - 23/24 (Pages 9 - 74)

[Portfolio Holder: Cllr Mark Merryweather]
[Wards Affected: All Wards]

This report sets out in detail the draft General Fund Budget for 2021/22 and the latest Medium Term Financial Plan. The Financial Plan sets out the key work streams for the Council to focus on which, collectively, aim to address the significant shortfall in annual budget projected over the medium term.

This report contains the following Annexes:

- Annexe 1 – draft Medium Term Financial Plan
- Annexe 2 - draft General Fund Budget Summary 2021/22
- Annexe 3 – statement of key variations from 2020/21 base budget
- Annexe 4 – draft Fees & Charges for 2021/22
- Annexe 5 – draft Capital Programme
- Annexe 6 – schedule of projected reserves and provisions

Recommendation

It is recommended that the Executive, after considering comments from the Value for Money Overview & Scrutiny Committee, makes the following recommendations to Council, to:

1. agree a £5 increase in Waverley's Band D Council Tax Charge for 2021/22 with resultant increases to the other council tax bands;
2. agree to make no change to the Council's existing Council Tax Support Scheme and continue to allocate additional Government support to help those council taxpayers most financially affected by the pandemic;
3. agree the proposed Fees and Charges for 2021/22;
4. approve the General Fund Budget for 2021/22 as summarised in Annexe 2, incorporating the baseline net service cost variations included at Annexe 3 and the staff pay award;
5. approve the specific use of reserves to mitigate the Covid-19 uncertainty risk and the estimated reduction in retained business rate funding over the Medium Term Finance Plan period, and the other reserve movements as set out in the annexe 6;
6. approve the General Fund Capital Programme; and,
7. agrees to extend the 2020/21 Capital Strategy to cover the period up to the Council meeting in April 2021.

8. HRA BUSINESS PLAN 2021/22 - 2023/24 (Pages 75 - 96)
[Portfolio Holder: Cllr Anne-Marie Rosoman]
[Wards Affected: All Wards]

The is report sets out the proposed Housing Revenue Account (HRA) Business Plan, Revenue Budget and Capital Programme for 2021/22.

Recommendation

It is recommended that the Executive, after considering the comments from the Housing Overview and Scrutiny Committee, make the following recommendations to Council, that:

1. the rent level for Council dwellings be increased by 1.25% from the 20/21 level with effect from 1 April 2021 within the permitted guidelines contained within the Government's rent setting policy;
2. the average weekly charge for garages rented by both Council and non-Council tenants be increased by 50 pence per week excluding VAT from 1 April 2021;
3. the service charges in senior living accommodation be increased by 30 pence per week from 1 April 2021 to £19.80;
4. the recharge for energy costs in senior living accommodation be increased by 50 pence per week from 1 April 2021;
5. the revised HRA Business Plan for 2021/22 to 2024/25 as set out in Annexe 1 be approved;
6. the approval change for the fees and charges as set out in Annexe 2 is noted;
7. the Housing Revenue Account Capital Programmes as shown in Annexe 3 be approved;
8. the financing of the capital programmes be approved in line with the resources shown in Annexe 4.

9. ANNUAL PAY POLICY STATEMENT 2021/22 (Pages 97 - 108)
[Portfolio Holder: Cllr John Ward]
[Wards Affected: All Wards]

The Localism Act 2011 (Section 39) requires all public authorities to publish an Annual Pay Policy Statement. The Council is required to adopt the Annual Pay Policy Statement each year and the Council is not legally permitted to depart from the policies set out in that statement when it considers actual decisions in relation to individuals' remuneration, including redundancy and/or severance.

The Annual Pay Policy Statement for the 2021/22 financial year is attached at Annexe 1. It has been updated in line with the requirements of the Localism Act 2011, resulting in minimal adjustments from last year which are shown as

tracked changes.

Recommendation

That the Executive recommend to Council that the Pay Policy Statement for the 2021/22 financial year, attached at Annexe 1, be approved.

10. LOCAL GOVERNMENT BOUNDARY COMMISSION - COUNCIL SIZE SUBMISSION

[Portfolio Holder: Cllr John Ward]
[Wards Affected: All Wards]

This report is to follow.

11. LOCAL GOVERNMENT COLLABORATION IN SURREY (Pages 109 - 180)

[Portfolio Holder: Cllr John Ward]
[Wards Affected: All Wards]

The purpose of this report is to update the Executive, councillors and the public on progress on local government collaboration since the Council and Executive discussions of 22 July and 8 September 2020 respectively, and to seek endorsement to develop an options appraisal for further collaboration with Guildford Borough Council.

Recommendation

It is recommended that the Executive:

1. Notes the KPMG report on future opportunities for local government in Surrey;
2. Endorses the development of an initial options appraisal for collaboration with Guildford Borough Council;
3. Allocates the remaining £15,000 budget previously approved for “a unitary council proposal” to “exploring collaboration opportunities with other councils”; and
4. Recommends to the Council that it debate opportunities for future collaboration among local authorities in the light of the KPMG report and this report.

12. AFFORDABLE HOUSING SPD (Pages 181 - 248)

[Portfolio Holder: Councillor Anne-Marie Rosoman, Councillor Andy MacLeod]
[Wards Affected: All Wards]

The purpose of this report is to seek the Executive’s approval of the Affordable Housing Supplementary Planning Document (SPD), and to recommend that it is formally adopted by the Council.

The proposed SPD sets out the Council’s approach for securing affordable housing in accordance with the application of relevant planning policies contained in Local Plan Part 1. It follows consultation on the draft SPD, which took place in two phases, 9th November – 14th December 2018 and 1st July – 16th August 2019.

Recommendation

It is recommended that the Executive recommends to the Council that the affordable Housing Supplementary Planning Document (SPD) be approved.

13. ICT STRATEGY 2021-2024 (Pages 249 - 274)

[Portfolio Holder: Councillor Peter Clark]
[Wards Affected: All Wards]

To seek approval of the draft ICT Strategy 2021-2024.

Recommendation

That the Executive recommend to Council that the ICT Strategy 2021-2024 be approved.

14. SERVICE LEVEL AGREEMENTS (SLAS) WITH COMMUNITY ORGANISATIONS, 2021-2022 (Pages 275 - 284)

[Portfolio Holder: Councillor Michaela Martin]
[Wards Affected: Not applicable]

The purpose of this report is to seek Executive approval for the renewal of the current Service Level Agreement (SLA) 12 organisations for one year only, in order to give organisations some certainty for budgeting, staffing and service delivery purposes. Several have been a vital part of the Covid response at significant cost to themselves, committed to continuing to support vulnerable residents and their local community.

Recommendation

It is recommended that the Executive:

- i) approve the renewal of the current SLAs with the 12 partner organisations for one year only, 2021/22 at the proposed levels of funding as shown in Annexe 1 and as part of the budget setting process.
- ii) approve the withdrawal of funding to Brightwells Gostrey for the higher needs service and divert these funds to Haslewey to support services for older people and contribute towards running cost as shown in Annexe 1.
- iii) agree the establishment of an Executive Working Group to review the councils funding mechanism to voluntary sector organisation from 1 April 2022.

15. EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation on the motion of the Chairman, if required:

Recommendation

That, pursuant to Procedure Rule 20, and in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item(s) on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified at the meeting in the revised Part 1 of Schedule 12A to the Local Government Act 1972.

**For further information or assistance, please telephone
Fiona Cameron, Democratic Services Manager & Deputy Monitoring
Officer, on 01483 523226 or by email at
fiona.cameron@waverley.gov.uk**

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 9 FEBRUARY 2021

Title:

GENERAL FUND BUDGET 2021/22
MEDIUM TERM FINANCIAL PLAN 2021/22 – 2024/25

Portfolio Holder: Cllr Mark Merryweather , Portfolio Holder for Finance, Assets & Commercial Services

Head of Service: Peter Vickers, Head of Finance and Property

Key decision: Yes

Access: Public

1 Purpose and summary

This report sets out in detail the draft General Fund Budget for 2021/22 and the latest Medium Term Financial Plan. The Financial Plan sets out the key work streams for the Council to focus on which, collectively, aim to address the significant shortfall in annual budget projected over the medium term.

This report contains the following Annexes:

- Annexe 1 – draft Medium Term Financial Plan
- Annexe 2 - draft General Fund Budget Summary 2021/22
- Annexe 3 – statement of key variations from 2020/21 base budget
- Annexe 4 – draft Fees & Charges for 2021/22
- Annexe 5 – draft Capital Programme
- Annexe 6 – schedule of projected reserves and provisions

2. Recommendation

2.1 It is recommended that the Executive, after considering comments from the Value for Money Overview & Scrutiny Committee, makes the following recommendations to Council, to:

1. agree a £5 increase in Waverley's Band D Council Tax Charge for 2021/22 with resultant increases to the other council tax bands;
2. agree to make no change to the Council's existing Council Tax Support Scheme and continue to allocate additional Government support to help those council taxpayers most financially affected by the pandemic;
3. agree the proposed Fees and Charges for 2021/22;
4. approve the General Fund Budget for 2021/22 as summarised in Annexe 2, incorporating the baseline net service cost variations included at Annexe 3 and the staff pay award;

5. approve the specific use of reserves to mitigate the Covid-19 uncertainty risk and the estimated reduction in retained business rate funding over the Medium Term Finance Plan period, and the other reserve movements as set out in the annexe 6,
6. approve the General Fund Capital Programme; and,
7. agrees to extend the 2020/21 Capital Strategy to cover the period up to the Council meeting in April 2021.

3. Reason for the recommendation(s)

- 3.1 The Budget is a major decision for the Council and setting a balanced budget is a statutory requirement. Scrutiny of the financial plan and budget proposals demonstrate transparency and good governance. As a result of the sudden and unexpected Covid-19 impact, the Council had to act quickly to take steps to address the significant projected net budget shortfall so that the Council can continue to function. A revised budget for 2020/21 was set in August and Council asked that the medium term financial projections be updated in February 2021 alongside the budget setting report for 2021/22. The Medium Term Financial Plan projects future financial pressures and opportunities to enable the Council to take action to ensure sufficient funding is in place to deliver services.

4. Waverley's Medium Term Financial Plan (MTFP)

- 4.1 The Medium Term Financial Plan (MTFP) is Waverley's key financial planning document which takes account of all the currently known various factors and influences that may impact on Waverley for the next few years. These factors include: economic conditions, Government restrictions, current expenditure patterns, inflation, planned changes to service delivery, changing demand for services, sources of income etc. It also includes an assessment of the risks faced by Waverley. The draft 2021/22 budget is set in the context of the latest MTFP.
- 4.2 The MTFP includes a forward look over the next four years to anticipate the spending pressures faced by Waverley. Planning now to meet known changes in the future provides greater opportunity to mitigate the impact. Good preparation will mean that Waverley has sufficient funds to meet unexpected costs and that limited financial resources are targeted to Waverley's residents' highest priorities.
- 4.3 The purpose of the Medium Term Financial Plan is to:
 - Provide a framework for managing resources in the medium term to deliver the corporate plan.
 - Demonstrate that sufficient resources will be available to meet Waverley's objectives and priorities, particularly in the delivery of value for money.
 - Look ahead to the longer term to protect and help plan sustainable services within an extremely challenging external economic and funding environment.
 - Strengthen Waverley's financial resilience and manage volatility and risk, including maintaining an adequate level of reserves.

- Anticipate financial pressures and identify potential ways to balance Waverley's budget including through efficiency measures.
- 4.4 Following on from the Contingency Revised Budget approved by Council in August, an update to the Medium Term Financial Plan including a review of the longer-term effect of the pandemic on the Council's future financial resilience was reported to Council at its December meeting. In December, Council agreed that a further review of the Plan be reported in February alongside the 2021/22 draft budget.
- 4.5 The Council's MTFP has been updated to include the latest General Fund projections, including the reserves earmarked for specific purposes, that may have to be drawn upon to meet the budget shortfall. This report sets out the ongoing material financial pressures, risks and uncertainty which are on a scale never previously experienced. The report develops existing strategies for addressing the financial challenges to protect vital services and put the council in a more sustainable financial position, but also highlights the significant residual budget shortfall projected over the next four years.
- 4.6 The updated MTFP projection is included in **Annexe 1** which details the revised projections and assumptions for the four year period (This is further illustrated with graphs also at **Annexe 1**). The changes from the balanced February 2020 position are based on a review of the ongoing impact of the items identified in the Contingency Revised Budget, new emerging issues and cost pressures. The latest MTFP projections shows a £7.9m increase in the projected net budget shortfall for the four year medium term compared to last February, and it is now estimated that the total cumulative gross budget shortfall, before compensating measures, over the four year period is £20.5million. Currently a cumulative total of £12.6m of compensating measures have been identified. If Government funding continues to fall short of meeting the full impact of Covid-19 on the Council's finances, this will remain as the key direct driver of this budget shortfall. This projection, and similar in other local authorities, represents the greatest financial challenge faced by local public services in recent times.
- 4.7 The principal aim of the revised MTFP is to protect core services. In the light of this, it is proposed in this draft budget that the principle agreed by Council in August in the 2020/21 contingency budget is rolled over and the specific repurpose of those earmarked reserves is agreed in 2021/22 instead. Drawing on reserves to fund ongoing costs would not be a sustainable position given that Waverley has limited General Fund reserves. However, given the major and immediate impact of the pandemic on Waverley's finances, targeted and temporary drawing on specific reserves is unavoidable to protect services and funding to community organisations. More details on the proposals on reserves are included later in the report.
- 4.8 The budget and MTFP projections are being prepared with a range of assumptions made in very uncertain economic conditions. Therefore the figures are volatile, particularly with regard to the timing and extent of recovery of income streams impacted by the pandemic. The February 2020 MTFP already included some challenging targets supported by a range of strategies and it is crucial that these continue to be fully supported and remain the central focal point for addressing the budget shortfall. More details on the assumptions are set out later in the report.

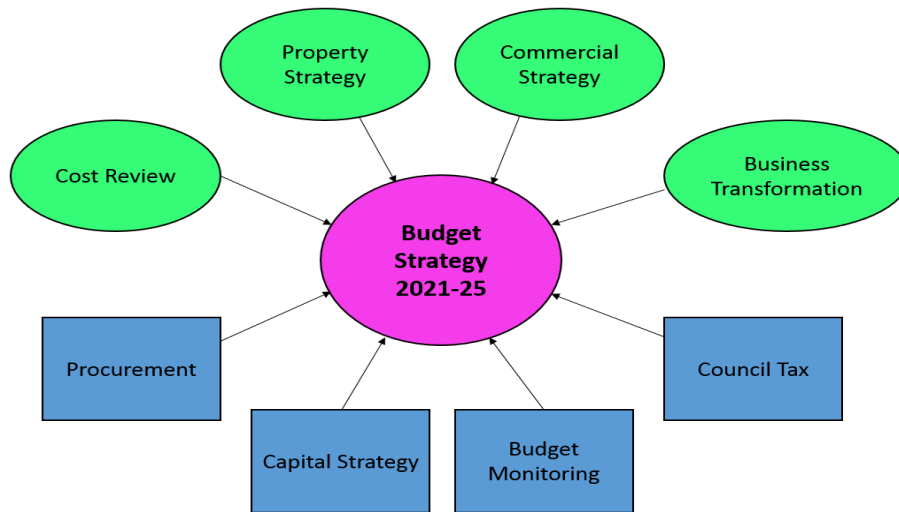
5. Budget Pressures Summary

5.1 The following table shows the main budget pressures projected over the MTFP period. Further detail is included at **Annexe 1**.

	2021/2022	2022/2023	2023/2024	2024/2025
Anticipated Budget Variations	Change from 2020/2021 Feb Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base
	£000	£000	£000	£000
Contingency budget, ongoing impact – costs	126	0	-20	-106
Contingency budget, ongoing impact - income	2,650	-1,220	-700	-730
Covid-19 Income Claim – confirmed until June 2021	-460	460		
Covid-19 General Govt. funding for costs	-457	457		
Proposed provision for Covid-19 impact	1,000	-330	-330	-340
Inflation and contractual increases	603	655	804	838
Housing benefit admin grant	0	30	30	30
Business Rate Retained Income	0	700	700	400
Treasury management interest	298	150		
One off capital receipts funding for Business Transformation team	-220	220		
Borough Elections Reserve 2020/21 deferred contribution	0		63	-63
Contingency for savings target achievement risk	111			
Unavoidable Budget Adjustments – annexe 3	347			
Budget Shortfall	3,998	1,122	547	29
From 20/21 Base	3,998	5,120	5,667	5,696
Total over MTFP		9,118	14,785	20,481

6. Budget Strategy

6.1 Waverley's strategy for addressing the budget shortfall continues to be informed by the budget consultation and the work of the Budget Strategy Working Group in 2019 and is illustrated below. The themes in squares relate to ongoing actions, the four ovals indicate the principal work streams identified in the strategy.



6.2 The annual General Fund savings targets for each work stream in the budget strategy for the 4-year MTFP period are:

MTFP Target Measures 2021/22 to 2024/25

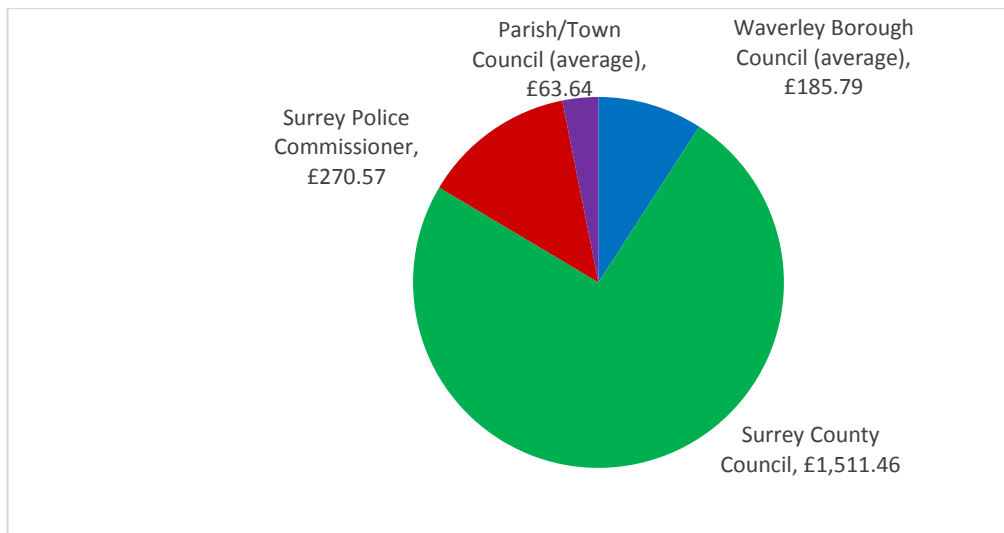
	£'000
Cost review	563
Property Strategy	450
Commercial Strategy	542
Business Transformation	849
Council Tax increase in WBC charge	907
Total Target savings	3,311

6.3 In addition, further new sustainable strategic initiatives have been identified and are being pursued. For example, as announced in the MTFP update report to Council in December 2020, the Executive will also be looking at further efficiency initiatives in the future including collaboration opportunities with willing partners.

7. Funding for Waverley’s Services

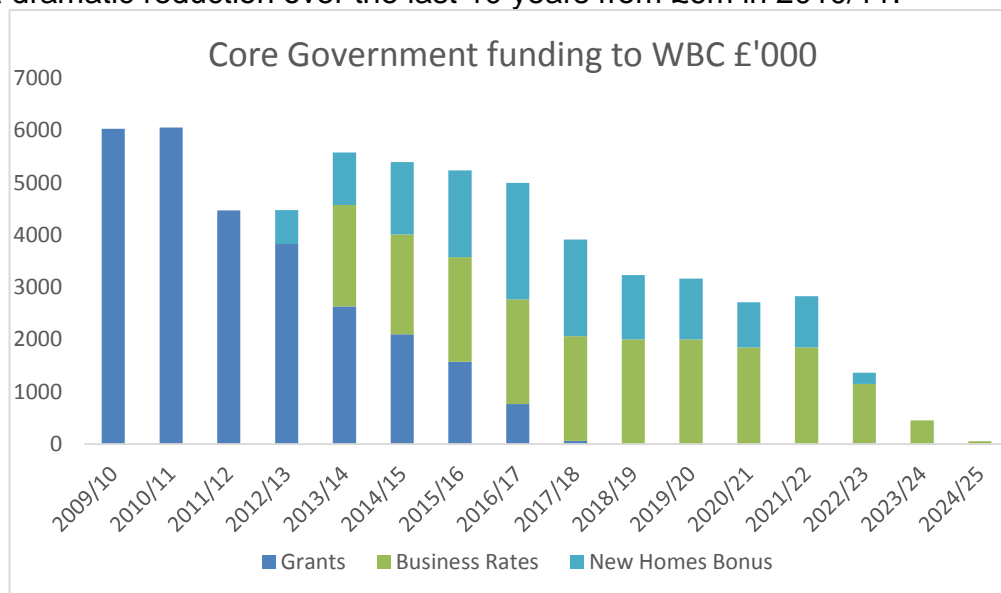
7.1 As well as collecting council tax to support its own budget, by law Waverley has to collect council tax for Surrey County Council, Surrey Police and all town and parish councils in the Borough and this money is paid over to those organisations. The Government restricts the amount that council tax can be increased each year and this is explained in more detail later in this report. In addition, Waverley collects business rates from all non-domestic premises in the Borough. Most of this money is paid to the Government with a relatively small amount being retained by Waverley and Surrey County Council. The Government set the rateable value and rates chargeable for all business premises.

7.2 The total band D council tax charge in 2020/21 is £2,031.46 split as follows:



7.3 The amount of council tax that will be paid to each of the precepting bodies, including Waverley, Surrey County Council and the parish and town councils, is fixed for the financial year. Any variation in actual compared to estimated forecasts used in calculating the council tax base and/or the estimated in-year collection rate will impact in the following and subsequent years. For example, if Council Tax Support caseload and value increase above the estimated amount, or if the collection rate was lower than the assumed amount, the collection fund will fall into deficit which will be apportioned in future years.

7.4 Waverley's Revenue Support Grant from the Government is zero, there has been a dramatic reduction over the last 10 years from £6m in 2010/11.



7.5 Waverley currently retains £2m of the £38m business rates collected as its core (around 5%) funding for general fund services. This main element of this amount, approximately £1.8m, is derived from a Government formula which determines each Council's safety net position against its 'baseline need' for funding. The second, variable element is an estimated potential £0.2m, is related to the total Rateable Value (RV) of business premises in the Borough which is affected by physical properties and the RV assessed by the Government's Valuation Office. This can also fluctuate according to appeals from rate payers. The Government announced in the autumn that it was delaying to 2021/22, its review of business

rate funding for local authorities and its 'relative needs' calculation. Waverley's MTFP forecasts significant reductions in grant over the next four years. Officers have taken a cautious view of the impact of these reviews on Waverley's budget given previous past experience of redistribution formula and this is reflected in the MTFP projections shown earlier.

- 7.6 The 'structural deficit' in Waverley's budget arising from service cost inflation, equating to £0.6m per year, compared to additional income from council tax which is limited by Government controls. Before external cost pressures are accounted for, the Council is not able to stand still financially due to the Government's restriction on Council Tax increases. In 2020/21 this is £5 per Band D equivalent (or 9.6p per week) equating to a maximum of £277k additional council tax income. As Government funding has fallen away, the Council has reluctantly become increasingly reliant upon Council Tax funding which is only a third of the overall cost base. In addition, for new properties in the borough, approximately 33% of the council tax income is paid out for waste and recycling services.
- 7.7 In 2016/17 the Government informed a number of councils, including Waverley, that they would have grant clawed back to address the Government's overall funding shortfall. This became known as 'negative RSG' and for Waverley this would have been £800k pa. Since this announcement, the Government has decided each year to fund this shortfall itself rather than impose it on the named councils. However, the threat still exists and it is expected that this will be addressed as part of the main review of business rate funding in 2021/22.
- 7.8 The Government announced the 2021/22 local Government finance settlement for consultation late in December 2020. The headlines are as follows:
- No negative grant
 - Retained business rates for Waverley at same safety net level of £1.8m
 - New homes bonus £977k but no guarantee of payment in future years
 - Council Tax increase limit for WBC £5 band D or up to 2%, whichever is the higher
 - no limit on council tax increases for town and parish councils
 - Surrey County Council council tax increase limit up to 5% (including the 3% for adult social care costs).

8. Covid-19 related Government grant

- 8.1 The Government has so far given the Council £1.527million of Covid-19 support grant towards its £6.6million 2020/21 projected budget deficit, and the Council estimates that it may be eligible to claim £2.2million from the Government's compensation scheme for lost income from fees and charges. A further £0.5million of cost-related grant has been confirmed plus a potential £0.4million of income grant for 2021/22. In addition, Waverley will be claiming for funding towards the impact of leisure centre closures, the outcome of which is uncertain and any funding would be counted in 2020/21 against the closure costs. Various other targeted funding has been received to implement a range of specific Covid-19 support schemes.

8. Budget Setting 2021/22 Background

- 9.1 The 2020/21 budget and MTFP included a range of estimates based on assumptions which, at the time the budget was set, were deemed to be robust and deliverable overall. However, the sudden, unexpected, material and immediate adverse impact of the Covid-19 pandemic necessitated a thorough review of the Council's in-year budget which identified a projected budget deficit of £6.6million as shown in the summary below. The Contingency Revised Budget also highlighted the risk that the Council may not have yet identified all of the impacts and that the pandemic may not be controlled as currently envisaged, these have been updated in the MTFP projections but may yet change further.

Contingency Revised Budget Summary 2020/21	£
Leisure facilities	£2.7m
Car park income	£2.0m
Property income	£0.7m
Planning and land charges income	£0.6m
Other costs and loss of income	£0.6m
Total estimated budget deficit	£6.6m
Agreed actions to address the deficit:	
Cost saving and efficiency measures	£2.3m
Government one-off grant	£1.5m
One-off draw on reserves	£2.8m
Total	£6.6m

10. General Fund Budget 2021/22

- 10.1 A summary of the draft budget for 2021/22 is set out in **Annexe 2** and the changes from the 2020/21 base budget are detailed in **Annexe 3**. The budget has been prepared on a business as usual basis, then adjusted for inflation, estimated Covid-19 impact and Government grants towards Covid-19 impact on the council's core income and expenditure. The estimated direct Covid-19 impact on the budget in 2021/22 is £2.6million in total which is an estimate of the extent to which income reduction and additional costs areas identified in the contingency budget will continue into the next financial year. Given the significant uncertainty about the impact that Covid-19 will have on Waverley's income and expenditure budgets in the future, it is proposed to include an additional £1m provision in 2021/22, reducing by a third in each year of the MTFP period.
- 10.2 The draft budget also includes a cost risk provision of £110k to allow for the potential difficulty achieving the range of savings targets in the year. Whilst heads of service have assessed the achievability of these targets as 'high' overall, under the current circumstances it is felt to be a prudent measure to include this allowance which equates to approximately 10% of the relevant savings. The review of reserves has been broadly in line with that agreed by Council in the contingency budget in August 2020 and the review of the MTFP in December 2020.

10.3 The General Fund Summary at **Annexe 2** shows a budget shortfall of £1.195million in 2021/22. There are no proposed cuts to services or reductions in funding for community organisations included in the draft 2021/22 General Fund budget.

10.4 This budget shortfall is after allowing for the maximum allowable council tax increase of £5 at Band D (or 2.7% or 10pence per week) and the estimated savings measures that will be delivered from the property, business transformation and the commercial programmes. Allowance has also been made for the heads of service detailed review of expenditure. This detail is set out in **Annexe 3**.

11. Addressing the Budget Shortfall in 2021/22 and over the MTFP period

11.1 The cumulative budget shortfall over the four year MTFP period is £7.8m after itemised compensating measures. This shortfall is attributable almost entirely to the immediate and on-going impact of Covid, but when these dissipate the forecast impact of measures start to overtake the pressures on an annual basis in 2024. This is broadly in line with the position reported to Council in the MTFP update in December.

For financial planning purposes, the following table shows one scenario of how this can be addressed with a mix of specific reserve draw downs, as explained in the following section of this report, plus additional recurring savings to be identified in each of the years.

Addressing each years budget shortfall	In 21/22 £000	In 22/23 £000	In 23/24 £000	In 24/25 £000
Reserve to meet Covid-19 impact	£1,000	£670	£330	
Business rate equalisation reserve		£700	£700	£400
Annual target for further recurring savings/income	£198	£750	£350	£300
Total in year shortfall	£1,198	£2,120	£1,400	£700

Taking account of the recurring and non-recurring measures identified in the table above, the total accumulates to a total of £7,840k, as identified in Annexe 1. In summary, this cumulative shortfall over the 4-year period will be met as follows:

	Budget saving over 4-year period £000
Reserves to mitigate Covid-19 impact	£2,000
Use business rate equalisation fund to balance the forecast reductions in retained business rate income	£1,800
Further recurring cost savings and income (to be identified) i.e. 4x£198k + 3x£750k + 2x£350k + 1x£300k	£4,042
Total	£7,842

Since Council agreed the 2020/21 contingency revised budget, the Government has clarified the bases for claiming Covid-19 "lost income" funding in 2020/21 and it is expected that this will reduce the approved reserve drawdowns in 2020/21 by

approximately £2.2m.

11.2 However, the budget shortfall in 2021/22, after existing measures, is showing as £1.198m on Annexe 1. Since presenting the MTFP update to Council in December:

- the Government has confirmed additional Covid-19 funding in 2021/22
- the council tax assumption has been increased in line with the Government's announcement on what is allowed
- heads of service have identified further savings.
- the Government confirmed Waverley's New Homes Bonus amount which has been included in 2021/22 budget.

All of these additional measures have helped reduce the shortfall in the first year of the MTFP period when the Covid-19 impact is the greatest. It is proposed to meet the shortfall from a £1m draw down from reserves to match the £1m Covid-19 impact provision included in that figure (explained in the section below), plus set an additional savings target of £198k. This equates to 1.5% of service budgets plus revenue contribution to capital. Savings options to achieve this include review of fees and charges to generate additional income, scaling back or finding alternative funding for capital schemes and identifying further cost reductions. This will be exceptionally challenging but, at this stage, it is considered to be an achievable target.

11.3 Further sustainable longer term savings will be much harder to deliver and officers, working with councillors, will need to spend the coming year working up options, some of which will require innovative and/or difficult decisions, within the framework of the law and the constraints of Government policy. These will include:

- Extended business transformation and efficiency projects beyond the current programme
- Collaboration with other councils and shared service opportunities
- Review of capital investment and funding
- Review of property investment in the light of new Public Working Loans Board (PWLB) rules
- Restrictions on expenditure
- Further opportunities for commercial thinking and income generation, as far as the law and Government policy allow.

12. **Earmarked and non-earmarked reserves and provisions.**

12.1 A summary of the available reserves is included on **Annexe 6**. This table takes account of the Contingency Budget 2020/21 and the MTFP projections. In the Contingency Budget Council agreed that it would draw up to £2.9m to balance the books. However it was also agreed that the net effect of any additional Government Covid-19 funding and/or change in budget assumption would be used in lieu of reserves to provide more flexibility in reserve levels to address future years' financial pressures. The following table sets out the latest position and the current proposal.

Reserve	Agreed use in 2020/21	Revised use in 2020/21	Latest MTFP proposal
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	contingency budget *	contingency budget	transfer to Covid-19 budget risk contingency reserve
	£000	£000	£000
Homelessness Support Grant	474	474	0
Commercial property Void provision	425	275	26
Emergency funding	17		17
Brightwells reserve, car park provision	296		296
Place shaping	188		188
Investment Advisory Board	418		418
Business rates equalisation reserve	649		649
SANG acquisition fund	200		200
General Fund working balance	206		206
Total	2,873	749*	2,000

*see **Annexe 2 and Annexe 6**

- 12.2 It is proposed to repurpose the range of reserves set out above, previously agreed by Council in the Contingency Budget 2020/21, to create a Covid-19 budget risk contingency reserve. This will only be drawn from in the event that Covid-19 impacts on the budget beyond the approved estimates. The draw down for any specific purpose meeting this criteria would be subject to the approval of the Management Board in consultation with the Finance Portfolio Holder. The 2021/22 draft budget includes £1m for this purpose reducing in the MTFP projections to £670k in 2022/23, £330k in 2023/24 and zero in 2024/25. This is matched by a corresponding contribution from this reserve.
- 12.3 The business rate equalisation reserve was established by the Council a number of years ago when the Government changed the national local Government funding system and transferred a number of business rate risks to local councils. This provision was set up to provide future 'smoothing' of the impact to the annual General Fund revenue budget of:
- the risks of Government cutting the retained business rate funding to Waverley
 - declining rateable values reducing retained funding
 - significant appeals reducing retained funding
- 12.4 It is proposed that £1.8m of the reserve (balance £3.2m after the proposal above) be included in the MTFP as a draw down against the projected reduction in business rate retained income following the forthcoming Government reforms. This is in line with the intended purpose and would only be actioned to the extent of any year on year reduction which is currently included in the MTFP as £700k in 2022/23, a further £700k in 2023/24 and a further £400k in 2024/25. This reflects a scenario of all current retained business rate income being removed but no negative RSG impact being imposed on Waverley, as referred to earlier in the report. Clearly there is uncertainty in this position and it will be reviewed when the Government make further announcements.

- 12.5 The Property Investment Void provision is an important revenue mitigation supporting the Property Investment Strategy. Going forward this provision is intended to be maintained at a sufficient level to limit the impact in the event of rent loss due to a void period where a rent-free period is now expected even when the property is let. The recent investment in the specialty food retail premises in West Wickham occupied by Marks & Spencer was an important step in this strategy, but the impact of the subsequent tightening to PWLB restrictions on our portfolio strategy are still being assessed. Until the property portfolio is fully established and self-sustaining, it will require further contributions from the revenue budget to replenish the provision.
- 12.6 The future financial resilience of the Council is dependent upon the availability of reserves to manage financial shocks such as more lockdowns. Ideally, the use of reserves should be limited as far as possible to mitigating the temporary impact of the pandemic, net of any Government assistance. It is important to therefore ensure sustainable resolutions are found wherever possible and if necessary or appropriate temporary measures such as a vacancy freeze to limit the need to call upon reserves, which should always be a last resort.

13. Key Assumptions

- 13.1 The detail of the estimated extended impact of the pandemic is included on **Annexe 1 and 2** which builds on the contingency revised 2020/21 budget. The underlying assumption is that the income streams will fully recover within the time period of the MTFP.
- 13.2 Due to the significant financial pressures resulting from the pandemic, it will take a number of years for some income to recover to normal levels and therefore will require the identification of short or longer term measures to address this. Any change of use of earmarked reserves does not resolve the ongoing budget pressure and will require a resolution in the following year,
- 13.3 Part of the package of measures within the Contingency Budget was a recruitment restraint process to hold back on £0.6million of vacancies. This followed on from the Management Board decision to suspend all non-critical recruitment, review all external staff costs and suspend non-urgent spending where possible. This has proved to be an effective interim measure to help reduce costs this year although it must be recognised that it has placed significant pressure on services and staff and has affected performance in some areas. The impact of and ability to continue with these staff budget controls beyond 2021/22 has been carefully considered and no extension has been assumed in the draft 2021/22 budget at this stage.
- 13.4 The core funding for the General Fund Capital Programme is from Revenue Contributions from the revenue budget (£1.05million in 2020/21 base budget). This was reduced following a corporate projects review under the Contingency Budget by £0.472million. Within the MTFP the revenue contribution may have to be scaled back again even further to balance the budget, acknowledging that this may reduce investment in existing and new facilities and assets. With any further scaling back there will be need to be a proper assessment of the impact of this reduction on health and safety and the potential deterioration of assets. More detail on the 2021/22 draft capital programme is included later in this report.

- 13.5 Inflation including pay and contractual increases assumes that inflation will not increase beyond 2% in line with the Bank of England's commitment. The inflation figure now includes all contractual increases resulting from non-inflation related increases such as pay grade incremental progression and the refuse and recycling contractual increase resulting from growth in the property base. Inflationary increases on income streams such as fees and charges are included as part of the commercial strategy target. The Council's main contracts are indexed to the Consumer Price Index (CPI). An inflationary amount has been assumed for all General Fund budgets where it is unavoidable. In terms of the staff consolidated pay award for 2021/22, which is also applied to Councillors' allowances, the Joint Negotiating Committee (JNC) agreed to recommend a 0.5% cost-of-living pay award, noting that the most recent CPIH cost-of-living inflation figure is 0.8%. The Committee also agreed a one-off payment of £200 for staff up to the top of pay scale 4 or equivalent. The JNC recognised the unprecedented challenges that the last year has brought and wanted to reflect this, in addition to the general pay award, as a sign of appreciation. The total cost of £170,000 falls approximately £130,000 on the General Fund budget and £40,000 on the HRA budget. These figures, as well as other inflation commitments, are incorporated within the draft balanced budget. Therefore, in recommending to Council the draft Budget, the Executive would be approving the pay award (Constitution Part 3: 3(o)).
- 13.6 Waverley's MTFP forecasts significant reductions in Government funding over the next four years. This review has already been delayed for several years and it has announced recently that the review is delayed again. This delay has been reflected in the reprofiling of the Business Rate Retained Income reduction in the MTFP and relieves cost pressure in 2021/22. Officers have taken a cautious view of the impact of these reviews on Waverley's budget given previous past experience of redistribution formula. District and borough councils across southern England would tell a similar tale, and further lobbying is being undertaken with local Members of Parliament and the Local Government Association on this issue, as the Government prepares its 'Fair Funding Review' and its proposed new policies on devolution. The revised MTFP proposes to offset the impact of reducing retained business rate income using the business rates equalisation reserve.
- 13.7 Investment property contributed a £0.742million cost pressure to the Contingency Revised Budget before mitigation from the Investment Property Void provision. This pressure has been resolved by the expected resolution of the Wey Court East void, a number of lease regears within the current property portfolio and the recent completion of an investment property acquisition. The previously agreed investment property target over the MTFP period has been halved in light of recently announced restrictions of the use of borrowing at preferential rates.
- 13.8 Treasury management interest has been achieving an average return of 1.1% prior to the pandemic, netting the General Fund £0.577million. Since then the Bank of England reduced the base rate from 0.75% to 0.1% in March and due to the significant economic uncertainty the rates available on fixed term fixed rate money deposits has reduced to 0.2%. The immediate impact of the rate reduction is mitigated by the strategy in recent years to place cash deposits over longer terms where the rates were better. These will unwind over the next 18 months. The long term forecast does not indicate an increase in the base rate in the MTFP period.

14. Capital Receipts Flexibility Use

- 14.1 In common with many other councils, it is proposed that under these challenging financial circumstances, Waverley should take advantage of the Government's time limited Flexible Capital Receipts scheme to utilise capital receipts to fund business transformation projects that deliver efficiencies and savings. This action was approved by Council in December but to meet the requirements of the regulations, the intended uses must be identified and then monitored. The following table lists the likely areas for using this accounting flexibility.

	2020/21	2021/22
	£'000	£'000
Business Transformation team	220	220
One-off Business transformation costs		50
Laptop & Tablet Replacement		45
Desktop Computer Refresh		5
Mobile Phone Replacement		36
Wi-Fi at the Burys		5
Total	220	361

15. Risk

- 15.1 There is a risk that, if not monitored adequately, the proposed MTFP measures of business transformation, recruitment restraint, reduced capital spend and pared back service costs could put pressure on services, particularly if the Council continues to experience further pressure as a result of local or national lockdowns and the predicted wider economic downturn.
- 15.2 The biggest single budget impact of the first lockdown has been on leisure income and the MTFP assumes that there will be no net income to the Council at all during 2021/22 and a steady recovery going forwards. The impact of subsequent lockdowns on the viability of the leisure contract will need to be closely monitored as this will be a significant financial impact. Car parking income was the second biggest budget impact with an annual income of £5.2million equating to £0.1million per week. Post lockdown monitoring showed parking to be at 70% of pre Covid-19 capacity. Parking income will be severely impacted again in subsequent lockdowns, and the MTFP assumes the capacity usage will recover over the MTFP. Changes in Planning fee income are not considered to be directly related to lockdowns and more aligned to the macro economic climate. The remaining smaller income streams in total contributed an estimated £25,000 per week to the Contingency Budget deficit. The £1million reserve-backed provision should provide mitigation for this uncertainty in 2021/22 but the position will be kept under close review.
- 15.3 The MTFP projections include costs for additional capacity in Housing Benefit and Revenues team to cover the increased workload and also additional PPE expenditure. This insulates the cost base to a reasonable degree from further

lockdowns and a worsening economic climate. It is envisaged that short term spikes in community pandemic response teams will be resourced internally resulting in service levels being temporarily reduced whilst staff are deployed.

- 15.4 The impact in future years of Waverley needing to unexpectedly draw down significant value of reserves is difficult to assess but, given the £8million budget shortfall already projected in the medium term, these risks will put serious pressure on the Council's financial resilience. In the light of the Covid-19 impact, councils need the Government to urgently give clarity on the continuation of the Covid-19 Sales, Fees and Charges compensation scheme beyond June 2021, the business rate funding and address the growing risk of business rate appeals and declining rateable values to local council budgets.

16. Fees and Charges

- 16.1 Fees and charges have been reviewed as part of the budget process. Some fees and charges are statutory but for those that can be determined by Waverley some inflationary increases are proposed for 2021/22 where appropriate. Whilst a comprehensive review was proposed for 2020, it was not felt appropriate to do this in the year due to the impact of the pandemic on customers. Therefore, charges have generally been increased in line with estimated CPI inflation at this stage. Details of the proposed changes to fees and charges from 1 April 2021 are included at **Annexe 4**. A further review of fees and charges will continue during in 2021 to reflect members' desire to consider opportunities to distinguish between for-profit and not-for-profit customers in the charges. Changes will be applied mid-year where appropriate, subject to the required approval process.
- 16.2 The commercial strategy highlights the need to review existing income sources to generate additional revenue. One area that is being considered is planning pre-application and performance agreement income. The draft budget includes an additional target of £40,000 to reflect a proposed revision to the charging structure and approach that will be developed early in 2021 and implemented during the 2021/22 financial year.
- 16.3 Proposed licensing fees & charges are included in **Annexe 4**, of which some are increased by inflation and some are unchanged. All of these fees are subject to consideration by the Licensing & Regulatory committee of the consultation responses.

17. Council Tax Support Scheme

- 17.1 The Council Tax Support Scheme, which replaced council tax benefit on 1st April 2013, is reviewed annually. A range of assistance was introduced by Waverley to assist claimants and these schemes are actively promoted. A hardship fund was created to support claimants and the qualifying criteria revised to encourage take up. Discretionary Housing Payments are also available, and Waverley officers are proactively supporting households that are most affected by welfare reforms. Experience shows that the current Council Tax Support Scheme remains successful as evidenced by the gradual pre-Covid-19 reduction in the number of claimants and the consistently low take up of discretionary support. The impact of Covid-19 has seen a significant increase in demand for support under the scheme since March 2020. Waverley has received an additional £0.5million of Covid-19 funding towards Council Tax support for those households most

impacted and it is hoped that the increased take-up will be temporary and, over time, the caseload will revert to normal levels. It is, therefore, recommended that the current scheme remains unchanged for 2021/22.

18. General Fund Capital

- 18.1 Each year, the Council reviews its three-year Capital Programme and agrees the budgets to be included within the Budget for the year ahead and how they will be funded. The overall parameters for the Capital Programme are set out within the Council's Financial Plan. Each scheme put forward by heads of service were tested against criteria including revenue generation, carbon reduction and fit with corporate priorities.
- 18.2 The draft 2021/22 Capital Programme bids amount to £1.8million as shown at **Annexe 5** to this report of which £0.9m is funded from the General Fund revenue contribution referred to earlier. The table in **Annexe 5** does not include the £1.6m of slippage from previous years that are ongoing projects. The capital programme shows the essential spending on asset maintenance and unavoidable projects. Given the current and future budget shortfalls, other discretionary projects that have been put forward by heads of service will be subject to further consideration by officers, in consultation with portfolio holders before they can commence. This consideration will include the strength of the business case, the availability of external funding and opportunities to reduce or defer cost to reduce the draw on the revenue budget in 2021/22.
- 18.3 District and county councils in Surrey have been working to identify a transit site that would enable Police to use Section 62a powers under the Criminal Justice and Public Order Act 1994 with which to direct Unauthorised Encampments (UEs) and to prohibit offenders from returning to a UE anywhere within the borough for a period of 3 months, provided that such a site has capacity at that point in time. Other counties, such as West Sussex, have operated such a site successfully for several years.
- 18.4 A site has been identified in the east of the county that, subject to planning, will be developed into a 10-pitch transit site. The exact timetable for the site's construction is to be confirmed and will depend on the extent of remediation required as well as planning. The site requires significant expenditure on decontamination. District councils are being asked to contribute to the infrastructure costs as remediation will be met by Surrey County Council. The request is for a one-off capital contribution of up to £117k and £8k revenue for ongoing maintenance. In past years, Waverley Borough Council and parish/town councils have incurred significant expenditure in litigating and then restoring sites used for unauthorised encampments.
- 18.5 A single transit site in the county is expected to enable the Police to respond more quickly to unauthorised encampments in the future and reduce continued recurrence by offenders. It should also help to minimise conflict between communities and help to address any welfare needs of the individuals and families involved. As such, this contribution by the councils is viewed as an appropriate use of public funds.

18.6 In the base budget there is £100k budget to support the delivery of the Climate Change action plan, this is in 2020/21 and 2021/22 budgets. In 2020/21 an amount of £200k is approved as a one-off pump prime, also to support the delivery of the climate change action plan. Any project and initiative costs beyond the identified funds will be requested individually and CIL and external funding will be secured wherever possible.

19. Capital Strategy

19.1 The Council is required to review and approve its Capital Strategy, which incorporates the Treasury Strategy and Property Investment Strategy, on an annual basis. These strategies must comply with the statutory Prudential Code and Treasury and Investment Regulations. Waverley's documents were last approved in February 2020. Changes to the borrowing rules have been published recently by the Government which could affect Waverley's investment activity and officers are still awaiting the final guidance. In the light of this, it is recommended that Council extends the validity of the 2020/21 Capital Strategy until an updated document is presented to the Council in April 2021 following scrutiny by the VFM O&S committee and agreement by the Executive. This will give time to reflect the new rules in the strategies to ensure they are compliant and meet the Council's needs.

20. Local Government Act 2003 – Financial

20.1 The Local Government Act 2003 formally introduced a number of specific matters that the S151 Officer must comment on in the budget setting report. These are:

- Budget calculations
- report on robustness of estimates
- Adequacy of reserves
- Budget monitoring

The sections were introduced to ensure sound financial management across all local authorities. Waverley's budget has always complied with good financial management practice. Prudent allowance is made for risk and uncertainties in budgets. Budgets are monitored by officers and reported to Members on a monthly basis supplemented by monthly exception reports. Waverley's financial management continues to receive favourable comments from its external auditors.

21. The Robustness of the Estimates

21.1 The 2021/22 budget has been prepared in unprecedented times of uncertainty and risk due to the impact of the pandemic on the council and its finances. The contingency budget agreed by Council in August 2020 and the comprehensive review of the MTFP in December were important steps taken during the year to revise projections. In the 2021/22 draft budget, account has been taken of potential costs and adequate provision has been made. A prudent assessment of income has been undertaken and additional provision has been made within Waverley's budgets to allow for the uncertainty. Waverley's Financial Plan, together with information presented to members during the year demonstrates the financial challenges to Waverley in the future including the risks associated with the current economic situation.

21.2 The key Financial Plan issues for the General Fund include:

- Ongoing uncertainty and impact of the pandemic on Waverley's services and finances. The most material impact will be in income areas such as car parks, and in the operation of the leisure centres.
- Increased risk from changes in business rate income due to declining rateable value, increased appeal risk and the Government's review of business rate funding due in 2021 – impact on annual budget mitigated by the business rate equalisation reserve. This reserve has been assessed against the risks and no further contribution has been made in 2021/22. Further adjustments may be possible in future years but the outcome of the Government's business rate review will need to be assessed first, particularly in relation to Waverley's exposure to appeal risk.
- Keeping the dependency on current and new income from investment property in proportion to the overall budget and providing sufficiently for void periods and costs.
- Future of Government funding including New Homes Bonus
- Rising inflation and low interest rates.
- Impact of Surrey County Council's financial challenges on Waverley

21.3 In view of the level of awareness amongst Members and the action taken to produce Waverley's draft Budget for 2021/22, the Section 151 Officer is satisfied with the robustness of the estimates presented. The Section 151 Officer is confident that overall the Budget is prudent especially in view of the track record of achievement of substantial budgeted savings over the past years but the risks noted in this report must be acknowledged and increased monitoring during the year will be implemented. The MTFP sets out a multi-pronged strategy to address the financial challenges and these work streams are progressing well with confidence in their delivery of savings although the impact of the pandemic is also recognised and provision made to reflect the uncertainty going forward.

22. Adequacy of Reserves

22.1 The General Fund balance supports fluctuations in normal business, e.g. unexpected changes in inflation or interest rates, higher than anticipated expenditure or loss of income, and spending on unforeseen events. The Revenue Reserve is used to finance capital expenditure and one-off costs and the property fund is to finance property investment opportunities. It is essential that adequate balances are available to meet these and unforeseen costs. The contingency budget has stretched the use of reserves to an unprecedented level and has required a significant re-purposing of earmarked reserves to mitigate the impact of Covid-19 on the Council's budget.

22.2 Projections for the General Fund Working Balance and other reserves for the four year period are shown on **Annexe 6**. It is the view of the Strategic Director/Section 151 Officer that a level of £3.2m on the General Fund Working Balance, which is effectively just over 10% of the gross General Fund Budget or equivalent to just over one month's service spending, satisfies the adequacy requirements of the Local Government Act 2003.

22.3 The main risks to reserves in 2021/22 are the ongoing impact of the pandemic on

revenue budgets, beyond the level already mitigated, commercial property voids and meeting the costs of defending the Council in any planning appeals or Judicial Review proceedings. In the event that these costs exceed the available funding, the Council will need to divert some of the funding from the Property Investment Fund. Contributions to the property reserve and the business rates reserve have been assessed in the light of the estimated risk and adjusted accordingly and in line with the contingency budget and MTFP revision in December 2020.

- 22.4 In the light of the identified future significant pressures, the levels of combined balances as detailed in this report are considered adequate.

23. Budget monitoring

- 23.1 It is the view of Waverley's Section 151 Officer that the arrangements for budget monitoring, referred to above, satisfy the requirements of the Local Government Act 2003. Budget Monitoring against the contingency budget in 2020/21 shows that the Council has mostly delivered the savings assumed and these currently look to be achieved by year end, with major expenditure items including pay and contract spend being on track. The latest quarter 3 monitoring summary statement will be reported to the O & S committees in March as part of the performance management report. Overall the arrangements in place are sound but, with the uncertainty about the ongoing impact of the pandemic, significant level and range of savings being put forward by Heads of Service in the draft budget for 2021/22 and the increasing reliance on achieving income targets, close monitoring will be essential to head off any potential adverse budget variations. The mitigating provisions put in place in the draft 2021/22 are sound measures to address the current high level of uncertainty.

24. Relationship to the Corporate Strategy and Service Plan(s)

- 24.1 Having a robust, sustainable budget is essential to deliver all aspects of the Corporate Plan. A new Corporate Strategy was approved by Council in December 2020 and the MTFP set out in this report is at the heart of its delivery.

25. Implications of decision(s)

- 25.1 Resource (Finance, procurement, staffing, IT)

All decisions made with regard to the budget will impact on Waverley's resources

- 25.2 Risk management

There are a range of risks associated with the delivery of the MTFP and achievement of the various saving/efficiency programmes in place to address the budget shortfall, these are particularly important to identify given the uncertainty in the estimates and local economy caused by the pandemic. The key risks are set out in the report, a summary of the MTFP risks is included below:

Achieving savings targets:

- the uncertainty in the estimates and local economy caused by the pandemic
- Significant investment in commercial property needed, to be funded from borrowing. Government policy change has affected the Council's ability to

- undertake 'yield' investments
- Major change programmes underway including transformation of customer services across the council.

We don't have significant non earmarked reserves

- Limited ability to fund change in the Corporate plan, zero carbon, structural deficit
- One off adverse impacts such as planning appeals, judicial reviews

Adequacy of provisions:

- Business rates – under the current retention system we carry some of the cost of appeals, impact of 100% retention, plus reducing total rateable value in the Borough
- Impact of Government's business rate funding review and Fair Funding review is likely to reduced retained business rates and increase risk
- Housing benefit overpayment recovery – will be limited in future due to Universal Credit
- Investment property voids – this is an increasingly important revenue stream

Negative Government grant:

- Still on the agenda – decision deferred to 2022 Finance Settlement

Further constraints on income:

- Reliance on Council Tax increase, Planning and Building Control income – affected by Government policy, economy and local political decision making
- The unknown economic impact of Brexit on inflation and interest rates

26. Legal

- 26.1 It is the annual responsibility of the Full Council to approve the Budget and set the Council Tax (Constitution Part 3:B6-7. P.40)

27. Equality, diversity and inclusion

- 27.1 There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments of the detailed budget proposals will be carried out to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

28. Climate emergency declaration

- 28.1 There are no direct implications arising from this report but reference is made to the need for the main budget proposals to address the resource requirement for the emerging climate change action plan. The 2020/21 budget included £100k recurring budget for ongoing staffing and other resources plus a one-off £200k pump prime for the Climate Change fund.

29. Consultation and engagement

- 29.1 The Value for Money O&S Committee scrutinised the GF budget proposals at their meeting on 25 January, following an informal briefing on the detailed budget

proposals. The Committee scrutinised the budget proposals in detail and sought clarification on a number of matters. The Committee Members agreed that it would be helpful to review the way in which the budget and MTFP is presented in future, including showing the original budget as well as the year-on-year movement in balances.

30. Other options considered

30.1 Set out within the papers and discussed at O&S.

31. Governance journey

31.1 The detailed budget proposals and revised MTFP have been reported to VFM O&S in January ahead of consideration by Executive and Council in February.

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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GENERAL FUND MEDIUM TERM FINANCIAL PLAN

	2021/2022	2022/2023	2023/2024	2024/2025		
Anticipated Budget Variations	Change from 2020/2021 Feb Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Total	
	£000	£000	£000	£000	£000	
Contingency budget, on going impact - costs	126	0	-20	-106	0	See Annexe 3
Contingency budget, on going impact - income	2,650	-1,220	-700	-730	0	See breakdown in table below
Income Claim (3 months announced)	-460	460			0	
Covid-19 LA grant	-457	457			0	
Covid-19 impact provision	1,000	-330	-330	-340	0	
Inflation and contractual increases	603	655	804	838	2,900	
Housing benefit admin grant	0	30	30	30	90	
Business Rate Retained Income	0	700	700	400	1,800	
Treasury management interest	298	150			448	See Annexe 3
One off capital receipts funding for Business Transformation team	-220	220			0	See Annexe 3
Borough Elections Reserve 2020/21 deferred contribution	0		63	-63	0	
Contingency for target achievement	111				111	
Unavoidable Budget Adjustments	347				347	See Annexe 3
Budget Shortfall	3,998	1,122	547	29	5,696	
From 20/21 Base	3,998	5,120	5,667	5,696		
Total over MTFP period		9,118	14,785	20,481		

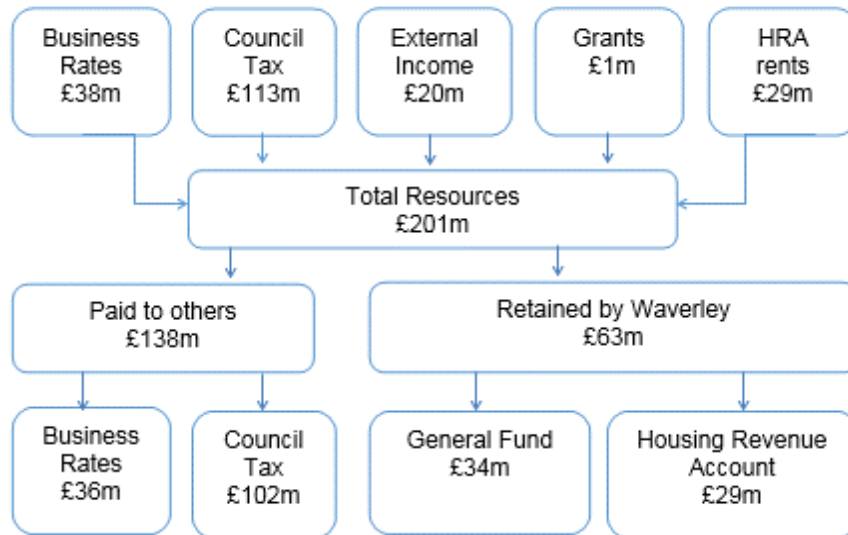
Addressing the Budget Shortfall						
Council tax increase - £5 in 21/22, 1.99% in future years	-277	-205	-210	-214	-907	
Council tax collection fund adjustments including tax base changes, surplus/deficits etc.	43	43	-97	-50	-61	
Investment Property income target	-150	-150	-150		-450	See Annexe 3
Head of Service Cost Review recurring savings identified	-563	-23	-12		-598	See Annexe 3
Business Transformation	-294	-355	-160	-40	-849	See Annexe 1 & Annexe 3
Commercial Strategy	-280	-76	-105	-81	-542	See Annexe 1 & Annexe 3
Cancelled revenue contributions to reserves	-710				-710	
Reduction in revenue contribution to capital	-170				-170	
Use of homelessness grant to fund service	-282				-282	See Annexe 3
New Homes Bonus	-117	764	213		860	
On going base budget reductions	-2,800	-2	-521	-385	-3,708	
From 20/21 Base	-2,800	-2,802	-3,323	-3,708		
Total over MTFP period		-5,602	-8,925	-12,633		

Budget Shortfall: recurrent deficit	1,198	1,120	26	-356
Total over MTFP period		3,516	5,860	7,848

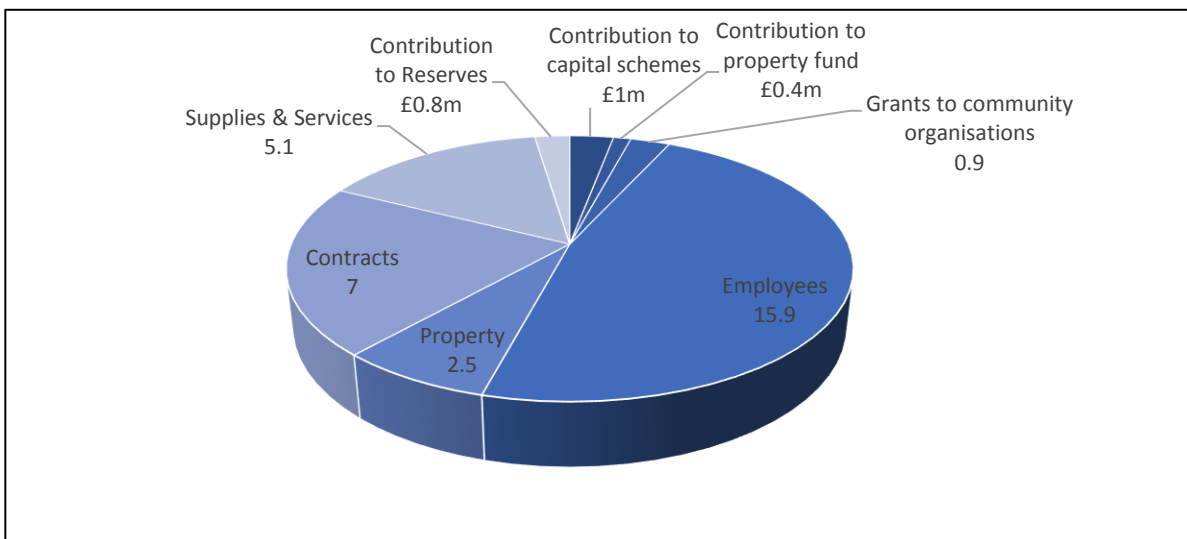
Contingency budget, on going impact

	2021/2022	2022/2023	2023/2024	2024/2025	
	Change from 2020/2021 Original Base	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Total
	£000	£000	£000	£000	£000
Planning Income Pressure	300	-300			0
Leisure Centres	523	-177	-177	-169	0
Car Parks General	1,590	-590	-500	-500	0
Borough Hall	25	-25			0
Building Control	46	-46			0
Memorial Hall	38	-38			0
Careline	25	-25			0
Council Tax and Business Rates debt summons charges	123	-25	-25	-65	8
Financial Expenses	0				0
Green Waste Recycling	-19				-19
Total Income Impact	2,651	-1,226	-702	-734	-11
COVID-19 - PPE	20		-20		0
COVID-19 - Additional Staffing Revenues and Housing benefits	106			-106	0
Total Cost Impact	126	0	-20	-106	0
Total Impact	2,777	-1,226	-722	-840	-11

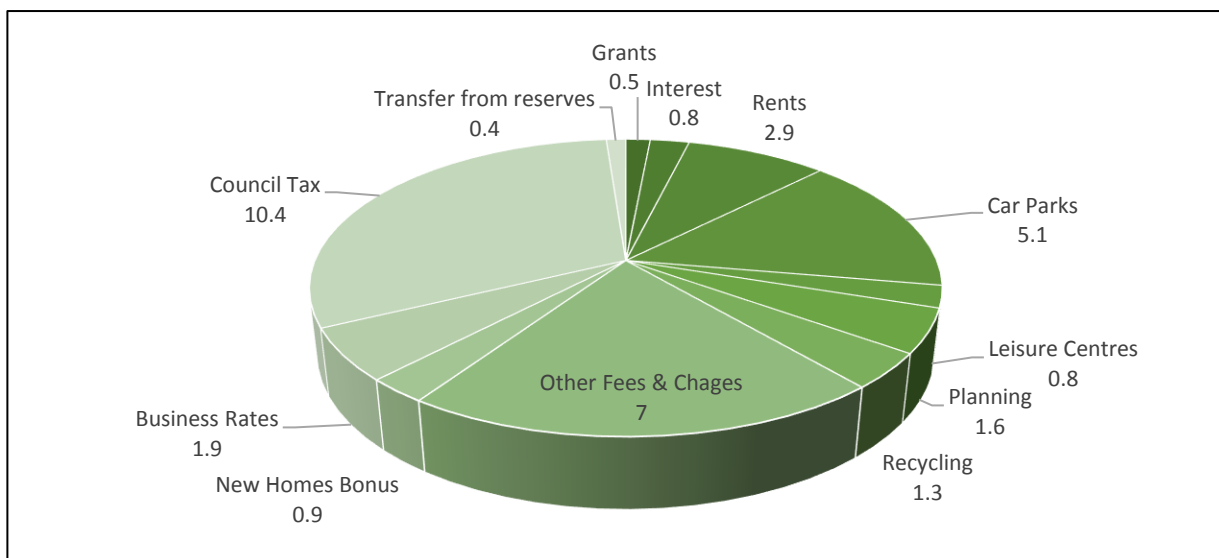
Waverley's Budgets 2020-21



General Fund Opening Budget 2020-21 Cost of Running Services £33.6m



General Fund Opening Budget 2020-21 Income £33.6m



Business transformation				
	21/22	22/23	23/24	24/25
Customer Services Review	-88,000	-212,000		
Staff Travel Review	-50,000		-56,000	
Scanning, Printing & Photocopying	-56,000	-13,000	-4,000	
Planning Review - efficiency savings	-100,000	-50,000		
Building Control Review - income and efficiency savings		-50,000		
Office Review - saving in running costs		-30,000	-30,000	
Enforcement Structure Review			-40,000	-40,000
Digital Transformation			-30,000	
Total anticipated	-294,000	-355,000	-160,000	-40,000

Commercial strategy				
	21/22	22/23	23/24	24/25
Green Waste income from £5 increase in fee	-85,000			
Fees & Charges - proposed increases as per Annexe 5	-9,000			
Towns & Parishes - tapering grounds maintenance grant as per Executive approval	-18,000			
Frensham Car Park income - implemented in 2020	-100,000			
Café Concession at Frensham Great Pond	-10,000			
Farnham Park Car Park Charges			-10,000	
Memorial Car Park Charges		-10,000		
Museum of Farnham - reduction in SLA support			-20,000	-10,000
SCC verges removal from grounds maintenance contract	-10,000	-26,000		
Planning Income - review of non-statutory Fees & Charges		-40,000		
Building Control & Street Naming Charges	-48,000			
Careline - new service and equipment offerings			-20,000	
Leisure Centres:				
The Edge - review operating model			-25,000	-31,000
Astro Turf Pitches income			-20,000	-20,000
Waverley Training Services additional income			-10,000	-20,000
Total anticipated	-280,000	-76,000	-105,000	-81,000

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General Fund Revenue Budget

	2020/21 Opening Budget	2020/21 Approved Contingency budget	2021/22 Draft Budget	Change from 2020/21 to 2021/22
Draft Budget Summary 2021/2022				
	£	£	£	£
Business as Usual Net Service Cost	11,595,260	17,652,969	10,574,824	(1,020,436)
Staff Vacancy Target	(250,000)	(850,000)	(250,000)	0
Inflation Provision - costs & pay			602,700	602,700
Covid-19 impact provision			1,000,000	1,000,000
Adjustment to ongoing income due to Covid			2,650,000	2,650,000
Covid-19 LA grant		(1,427,000)	(457,000)	(457,000)
Covid-19 Income Claim			(460,000)	(460,000)
Total Service Cost	11,345,260	15,375,969	13,660,524	2,315,264
Contributions to Reserves				
Revenue Contribution to Capital Programme	1,050,000	577,840	880,000	(170,000)
New Homes Bonus to Climate Change Project Reserve	200,000	200,000	0	(200,000)
New Homes Bonus to Property Investment reserve	260,000	0	0	(260,000)
Local Plan Part 2 costs	40,000	0	0	(40,000)
Borough Election reserve	30,000	30,000	30,000	0
Business Rates Equalisation reserve	210,000	0	0	(210,000)
Contingency			111,000	111,000
Contributions from Reserves (contingency budget)		(3,048,549)	0	0
Projected Budget Shortfall			(1,194,575)	(1,194,575)
Subtotal	13,135,260	13,135,260	13,486,949	351,689
Financed by :-				
Council Tax	10,308,260	10,308,260	10,308,260	0
Council tax collection fund adjustments including tax base change	117,000	117,000	46,000	(71,000)
Council Tax - increase in tax base			28,000	28,000
Council Tax - £5 increase			277,000	277,000
Retained Business Rates	1,850,000	1,850,000	1,850,000	0
New Homes Bonus	860,000	860,000	977,689	117,689
Total	13,135,260	13,135,260	13,486,949	351,689

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Baseline Net Service Cost Variations

Change from 2020/21
Opening Budget to
2021/22
£ (-) saving

Across Service

Business rates - realignment of budgets	-2,301
Mobiles and landlines - savings from contract retender	-22,339
Other minor adjustments	-20,168
TOTAL	-44,808

Business Transformation

Printing - reduction in material use as a result of home working	-6,940
Stationery - reduced demand due to home working	-4,083
Reduce central office maintenance budget due to increased home working	-30,000
Restaurant staff savings as a result of closure	-89,891
Delete Business Admin Post IT	-34,000
TOTAL	-164,914

Commercial

Sports council grants savings	-3,000
Additional rent income - license for refreshment van	-2,000
Tapering Godalming museum grant	-19,875
Grounds maintenance savings - budget reduced based on previous years spend	-5,000
External consultant saving (parks and countryside) - reduce budget based on previous years spend	-10,000
New rent income from Wey Centre	-6,837
Realignment of Waverley Training Services running cost budgets	-11,178
Efficiency savings Building Control	-7,411
Efficiency savings Waverley Training Services	-7,655
Efficiency savings careline	-7,497
Loss of parking income at Memorial Hall	12,220
TOTAL	-68,233

Environment

Car parks misc. savings	-4,562
Recharge of out of hours service to other services	-3,945
Additional customers for green waste subscriptions	-31,080
Additional tipping cost savings	-30,000
Efficiency savings licensing	-14,965
TOTAL	-84,552

Finance & Property

Savings on professional fees budgets across service based on prior year spend	-8,650
Council tax and business rates small budget realignments	-4,391
Interest and rent allowance budget realignments	-12,743
Recoverable pension items savings	-2,000
Increase to impairment provision	20,000
Compensatory Grants - reduction	-12,000
Council Tax Support Grant - reduction	-7,000
Finance fees budget review	-70,000
TOTAL	-96,784

Housing Delivery & Communities

Community Development grants and meeting expenses reduction	-2,200
Homelessness increased income from increased recovery	-20,000
Additional private sector housing income - HMO licenses	-3,959
Efficiency savings private sector housing	-12,786
Rowley's duplicated rent income budget removed	6,000
TOTAL	-32,945

Planning & Economic Development

Reduce training budget due increased use of apprenticeship levy	-2,500
Reduce legal fees and contracted services budgets due to efficiencies	-14,700
Savings on local plan pt 2 budget - sufficient reserves to cover predicted spend	-17,880
Budget for contribution to Surrey transit site	8,000
Annual contribution to administration of EM3 LEP	10,000
Reduce local plan contribution	-40,000
TOTAL	-57,080

Policy & Governance

Reduce demo rep meeting expenses budget due to increase in virtual meetings	-3,265
Remove post entry budget with the view of using apprenticeship levy instead	-18,000
Reduce interview expense budget based on previous years spend	-4,400
Efficiency savings	-4,375
Gov grant for IER reducing	13,920
TOTAL	-16,120

TOTAL HEAD OF SERVICE COST REVIEW RECURRING SAVINGS IDENTIFIED	-565,436
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Business Transformation	
Staff travel review	-50,000
Printing, postage and scanning	-56,000
Customer service centre	-88,000
Planning review	-100,000
TOTAL	-294,000

Commercial Strategy	
Borough hall fee increase	-4,000
Building control fee increase	-29,000
Careline fee increase	-5,000
Frensham car park charges	-100,000
Café Concession at Frensham Great Pond	-10,000
Towns & Parishes - tapering grounds maintenance grant	-18,000
Street naming fee review	-19,000
Green Waste income from £5 increase in fee	-85,000
SCC verges removal from grounds maintenance contract	-10,000
TOTAL	-280,000

Unavoidable Budget Adjustments	
Refuse returns - Biffa contract	18,000
Street cleaning variations - Biffa contract	16,000
Impact of triennial pension review	63,000
Wey Court East income - remove	250,000
TOTAL	347,000

Other Budget Items identified in MTFP (annexe 1)	
Property target	-150,000
Treasury Management interest	298,000
Covid Expenditure	126,000
Funding Business Transformation team from capital receipts	-220,000
Use of FHSG to fund Homelessness service	-282,000
TOTAL	-228,000

Total Variances (General Fund Budget Summary)	-1,020,436
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Fees and Charges
2021/2022

Policy & Governance
Schedule of Fees and Charges for 2021/2022

			VAT	Existing	Proposed	%	2020/21	Proposed		
			Indicator	Charge	Charge	Increase	Budget	Additional		
				£	£		£	Yield		
							£	£		
Register of Electors										
Electronic Data	Per 1,000 names or part thereof on each register	Statutory	OO	20.00	20.00	0.0%	} 2,000	0		
		Statutory	OO	1.50	1.50	0.0%				
Paper Data	Per 1,000 names or part thereof on each register	Statutory	OO	10.00	10.00	0.0%				
		Statutory	OO	5.00	5.00	0.0%				
						(A flat rate fee is charged plus a charge per 1,000 names on each register.)				
Vat Indicator: OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope										

Policy & Governance
Schedule of Fees and Charges for 2021/22

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield £
Democratic Representation								
<u>Annual Charges for supply of Committee Agendas</u>								
Meetings of Full Council	Waverley Set charge	Per Annum	OZ	45.90	46.40	1.1%	235	0
Area Planning Committees (All)	Waverley Set charge	Per Annum	OZ	107.10	108.20	1.0%		
Individual Area Planning Committee	Waverley Set charge	Per Annum	OZ	35.70	36.10	1.1%		
Executive	Waverley Set charge	Per Annum	OZ	71.40	72.20	1.1%		
Others	Waverley Set charge	Per Annum	OZ	35.70	36.10	1.1%		
<u>Other Charges</u>								
Photocopying (A4/A3) (Print Room Only)	Waverley Set charge	Per Copy	OS	0.30	0.40	33.3%	}	
Copies of Committee Documents (including webcasts on DVD)	Waverley Set charge	Per Copy	OS	10.20	10.40	2.0%		
Land Charges								
LLC1 Official Search	Break even service	Per Search	OO	43.00	43.00	0.0%	}	0
LLC1 additional parcel of land	Break even service	Per Parcel	OO	5.00	5.00	0.0%		
Con29 (inc SCC)	Break even service	Per Search	OS	245.00	245.00	0.0%		
Full Land Charges Search (inc. SCC)	Break even service	Per Search	OS	288.00	288.00	0.0%		
Printed Part II								
- Enquiries Con290 listed	Break even service	per Enquiry	OS	18.00	18.00	0.0%		
- Each additional enquiry with Con 29	Break even service	per Enquiry	OS	27.60	27.60	0.0%		
- Each Additional Enquiry	Break even service	per Enquiry	OO	23.00	23.00	0.0%		
Search single part of Register Con 29	Break even service	per Enquiry	OO	4.00	4.00	0.0%		
	Break even service	per Question	OS	3.00	3.00	0.0%		
Search and Photocopying Legal Agreements, Searches etc.	Break even service	Minimum Charge based upon 15-minute unit	OS	15.00	16.00	6.7%		
Search and Photocopying A1 Plans/ Dyeline Copies	Break even service	Per Copy	OS	15.00	16.00	6.7%		
Vat Indicator: OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope								
Legal Expenses								
Freedom of Information/ Environmental Information Regulations	Waverley Set charge	Per Enquiry	OO	By Arrangemer	By Arrangement		}	0
Proof of Life Certificates	Waverley Set charge		OO	38.80	39.20	1.0%		
Vat Indicator: OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope								

Policy and Governance
Schedule of Fees and Charges for 2021/2022

		Unit of	VAT	Existing	Proposed	%		2020/21	Proposed
		Charge	Indicator	Charge	Charge	Increase		Budget	Additional
				£	£			£	Yield
									£
Corporate Management									
Sale of Annual Financial Report	Waverley Set Charge	Per Copy	OZ	11.00	11.50	4.5%	}	0	0
Sale of Annual Budget	Waverley Set Charge	Per Copy	OZ	11.00	11.50	4.5%			

Vat Indicator: OS = Standard
 OE = Exempt
 OZ = Zero Rated
 OO = Outside Scope

Planning Service
Schedule of Fees and Charges for 2021/2022

		Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
		Charge	Indicator	Charge	Charge	Increase	Budget	Additional
					£		£	Yield
								£
Development Control								
Planning Application Fees	Stutory	Various	OO	Various	Various	0.0%		
Supply of Weekly Lists of Planning Applications	Waverley Set	Per Annum	OZ	224.40	226.70	1.0%		
<u>Search and Photocopying</u>								
Copies of documents (general)	Waverley Set	First page £1.00	OS	1.10	1.20	9.1% }		
		45p/sheet thereafter				}		
Decision notices and other standard documents	Waverley Set		OO	20.40	20.70	1.5% }		
A0	Waverley Set			26.60	26.90	1.1% }		
A1 Plans / Dycline Copies	Waverley Set	Per Copy	OS	22.50	22.80	1.3% }		
A2	Waverley Set			15.30	15.50	1.3% }		
A3	Waverley Set			11.30	11.50	1.8% }		
A4	Waverley Set			8.20	8.30	1.2% }		
High Hedges	Waverley Set	Per Property (Minimum Charge)	OO	510.00	515.10	1.0%		
Pre-Application Charges <i>(charges shown inclusive of VAT)</i>								
Planning Surgeries -Householder	Waverley Set		OS	63.30	64.00	1.1%		
-Householder	Waverley Set		OS	100.00	101.00	1.0%		
-One dwelling & other development	Waverley Set		OS	209.10	211.20	1.0%		
-2-5 dwellings	Waverley Set		OS	522.30	527.60	1.0%		
-6-10 dwellings	Waverley Set		OS	940.50	950.00	1.0%		
-10-25 dwellings	Waverley Set		OS	2,611.20	2,637.40	1.0%	1,559,010	15,590
-26+ dwellings	Waverley Set		OS	5,222.40	5,274.70	1.0%		
100-500 dwellings	Waverley Set		OS	7,833.60	7,912.00	1.0%		
500+ dwellings	Waverley Set		OS	10,444.80	10,549.30	1.0%		
Commercial Floor space ≤150m2	Waverley Set		OS	209.10	211.20	1.0%		
- 150m2 - 500m2	Waverley Set		OS	522.30	527.60	1.0%		
- 501m2 - 1,000m2	Waverley Set		OS	2,611.20	2,637.40	1.0%		
- 1,000+ m2	Waverley Set		OS	3,655.70	3,692.30	1.0%		
Other development: non-commercial, equine, commercial	Waverley Set	Change of Use	OS	209.10	211.20	1.0%		
Amended pre-application	Waverley Set				50% original charge			
Development Control Consultative Forum	Waverley Set		OS	5,100.00	5,151.00	1.0%		
Research Fee	Waverley Set		OS	112.20	113.40	1.1%		
Validation Checks	Waverley Set		OS	56.10	56.70	1.1%		
Listed Building & Conservation Area Advice								
- Up to 30 min site visit and short note or written advice	Waverley Set		OS	50.00	50.50	1.0%		
- Up to 45 min site visit and short note or written advice	Waverley Set		OS	100.00	101.00	1.0%		
- Up to an hour site visit and formal written advice	Waverley Set		OS	250.00	252.50	1.0%		

Planning Service
Schedule of Fees and Charges for 2021/2022

	Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
	Charge	Indicator	Charge	Charge	Increase	Budget	Additional
				£		£	Yield
							£
- Up to 1hr30 mins site visit and formal written advice	Waverley Set	OS	500.00	505.00	1.0%	}	
Tree Advice	Waverley Set	OS	51.00	51.60	1.2%		
Charging for meetings as part of application	Waverley Set	OS	102.00	103.10	1.1%		

Planning Service
Schedule of Fees and Charges for 2021/2022

	Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
	Charge	Indicator	Charge	Charge	Increase	Budget	Additional
				£		£	Yield
							£
Other Planning Services							
2002 Local Plan document (no maps)	Waverley Set	Per Copy	OZ	20.40	20.70	1.5%	}
Local Plan Part 1 (February 2018) (including maps)	Waverley Set	Per Copy	OZ	51.00	51.60	1.2%	
(Maps only)	Waverley Set	Per Copy	OZ	28.60	28.90	1.0%	
Self Build and Custom Housebuilding Register - Entry to the Register	Waverley Set	Per application	OO	30.60	31.00	1.3%	
- Fee to remain on Register (applies from 31st October 2018)	Waverley Set	Per Annum	OO	15.30	15.50	1.3%	
							0

Commercial Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
							131,950	3,483
Event and Filming Administration Fees								
Administration Fees								
All events and filming request will be subject to an administration charge to cover the costs of event admin, checking of documentation and any site visits required								
Local Community / Charity /	Waverley set	Per Event	OS 54.10	55.00	1.7%			
Commercial Event / Filming Admin	Waverley set	Per Event	OS 107.10	150.00	40.1%			
Town & parish Council fee per annum for organising events on WBC land to cover admin required	Waverley set	Per Annum	OS 107.10	110.00	2.7%			
Events								
Fairs - Operational day	Waverley set	Day	OE 639.60	650.00	1.6%	} plus 500 refundable deposit		
Fairs - Setting up / down	Waverley set	Day	OE 306.00	310.00	1.3%	}		
Fetes / Village Shows	Waverley set	Day	OE 160.20	165.00	3.0%	} plus 200		
Car Boot Sales	Waverley set	Day	OE 213.20	165.00	-22.6%	} plus 500 refundable deposit		
Caravan Rallies - Per Unit	Waverley set	Night	OS 9.20	9.50	3.3%	}		
Tilford Camp Site - Per Head	Waverley set	Night	OS 6.20	6.50	4.8%			
Grazing Rights	Waverley set			By Negotia: By Negotiation				
Frensham Common 'Parking payable from 09:00 - 19:00	Waverley set	upto 1 hr	OS	1.50		} Revised Ringo Charging Scheme		
	Waverley set	upto 2hr	OS	3.00		}		
	Waverley set	upto 4hr	OS	4.00		}		
	Waverley set	All day	OS	6.00		}		
Out of hours call out charge for late stayers after 21:00 gate close	Waverley set			50.00				
Balloon launches	Waverley set	per launch	OE 81.60	85.00	4.2%			
	Waverley set	Annual fee	OE 1,065.90	1,080.00	1.3%	Exclusive right per site		
Allotments 5 rod plot	Waverley set	per plot	OE 64.30	65.00	1.1%			
10 rod plot	Waverley set	per plot	OE 127.50	130.00	2.0%			
Forest Schools	Waverley set	Session	OE 40.80	42.00	2.9%			
	Waverley set	Annual Licen	OE	250.00		New Charge		
Professional Dog Walking	Waverley set	Session	OE 16.40	17.00	3.7%			
	Waverley set	Annual licenc	OE 160.20	165.00	3.0%	1 person with 4 dogs on WBC sites		
Bonfires	Waverley set	Event	OE 109.20	115.00	5.3%	} plus 500 refundable deposit		
Ice Cream Vans	Waverley set	6 months	OE 1,651.40	1,670.00	1.1%	} plus 500 refundable deposit		
	Waverley set	Per day	OE 54.10	55.00	1.7%	}		
Mobile Catering	Waverley set	per month	OE 561.00	570.00	1.6%	} plus 500 refundable deposit		
Bouncy Castle (use of land)	Waverley set	Session	OE 56.10	60.00	7.0%			
Blessings (eg Frensham Pond)	Waverley set	Event	OS 54.10	55.00	1.7%			
Spaces	Waverley set		OS 204.00	210.00	2.9%	} plus 200 refundable deposit		
Farnham Castle use of Farnham park for extra parking for castle	Waverley set		OS 1,065.90	1,080.00	1.3%	annual fee		
Officer call outs for site visits / meetings / utility meetings	Waverley set	Hour	OE 117.30	120.00	2.3%			

Commercial Services
Schedule of Fees and Charges for 2021/2022

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
Skip Licence	Waverley set	Per skip			55.00		new charge		
Temporary use of Council land for access or storage by	Waverley set	Per occasion			100.00		new charge		
Still Photography									
Advertising	Waverley set	Per Day (or part thereof)	OS	By Negotia	By Negotiation		}		
Books or Magazines	Waverley set		OS	By Negotia	By Negotiation		}		

Commercial Services
Schedule of Fees and Charges for 2021/2022

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
Filming									
Feature film or Advertising film	Waverley set	Per Day	OS	By Negotia	By Negotiation		}		
Set up and clear up days	Waverley set	(or	OS	By Negotia	By Negotiation		}		
Television Drama or Comedy	Waverley set	part thereof)	OS	By Negotia	By Negotiation		}		
Small scale filming	Waverley set		OS	By Negotia	By Negotiation		}		
University of creative arts - student filming requests	Waverley set	Annual fee	OS	1,044.50	1,055.00	1.0%	}		
Music									
Recording or video	Waverley set	Per Day (or part thereof)	OS	By Negotia	By Negotiation		}		
Recreational Open Space									
Football									
With Pavilion									
Full size pitch over 18's, 11v11	Waverley set	Match	OS	91.80	95.00	3.5%	}		
Full size pitch U13 - U18's, 11v11	Waverley set	Match	OS	56.10	57.00	1.6%	}		
Junior pitch U11-U12's, 9v9	Waverley set	Match	OS	41.90	45.00	7.4%	}		
Colleges/Businesses Seniors	Waverley set	Match	OS	101.00	102.00	1.0%	}		
Without Pavilion									
Full size pitch over 18's, 11v11	Waverley set	Match	OS	81.60	83.00	1.7%	}		
Full size pitch U13 - U18's, 11v11	Waverley set	Match	OS	48.50	49.00	1.0%	}		
Junior pitch U11-U12's, 9v9	Waverley set	Match	OS	35.70	37.00	3.6%	}		
Mini pitch U7-U10, 5v5 ad 7v7	Waverley set	Match	OS	32.70	34.00	4.0%	}		
Colleges/Businesses Seniors	Waverley set	Match	OS	88.80	90.00	1.4%	}		
Rugby									
Seniors	Waverley set	Match	OS	91.80	93.00	1.3%	}		
Mini Rugby	Waverley set	Match	OS	45.90	47.00	2.4%	}		
Junior (u18)	Waverley set	Match	OS	54.10	55.00	1.7%	}		
Colleges/Businesses Seniors	Waverley set	Match	OS	101.00	103.00	2.0%	}		
Training									
Football - no pitch use	Waverley set	Session	OS	26.60	27.00	1.5%	}		
Rugby - no pitch use	Waverley set	Session	OS	28.60	29.00	1.4%	}		
Football - pitch use	Waverley set	Session	OS	73.50	75.00	2.0%	}		
Rugby - pitch use	Waverley set	Session	OS	85.70	87.00	1.5%	}		
Cricket - with pavilion									
Seniors	Waverley set	Match	OS	102.00	103.00	1.0%	}		
Seniors (artificial wicket)	Waverley set	Match	OS	82.70	84.00	1.6%	}		
Colts	Waverley set	Match	OS	41.90	43.00	2.6%	}		
Colts (artificial wicket)	Waverley set	Match	OS	36.80	38.00	3.3%	}		
Colleges/Businesses Seniors	Waverley set	Match	OS	107.10	108.00	0.8%	}		
Cricket - without pavilion									
Seniors	Waverley set	Match	OS	86.70	88.00	1.5%	}		
Seniors (artificial wicket)	Waverley set	Match	OS	71.40	73.00	2.2%	}		
Colts	Waverley set	Match	OS	37.80	39.00	3.2%	}		
Colts (artificial wicket)	Waverley set	Match	OS	32.70	34.00	4.0%	}		
Colleges/Businesses Seniors	Waverley set	Match	OS	96.90	98.00	1.1%	}		
Broadwater Changing rooms	Waverley set	Match	OS	19.40	20.00	3.1%	eg FCC cricket matches		

Note:
VAT is not chargeable on certain block/seasonal bookings of sports facilities.

Commercial Services
Schedule of Fees and Charges for 2021/2022

		Unit of	VAT	Existing	Proposed	%	Explanatory Notes	2020/21	Proposed
		Charge	Indicator	Charge	Charge	Increase		Budget	Additional
				£	£			£	Yield
									£
Tennis									
Seniors Per Court	Waverley set	Hour	OS	9.20	10.00	8.7% }			
Juniors Per Court	Waverley set	Hour	OS	7.20	8.00	11.1% }			
(Up to 6pm Monday to Friday)									
Colleges/Businesses Seniors	Waverley set	Hour	OS	10.20	11.00	7.8%			

Commercial Services
Schedule of Fees and Charges for 2021/2022

		Unit of	VAT	Existing	Proposed	%	Explanatory Notes	2020/21	Proposed
		Charge	Indicator	Charge	Charge	Increase		Budget	Additional
				£	£			£	Yield
									£
Athletics									
Athletics at Woolmer Hill Sports Ground, Haslemere	Waverley set	Year	OE	795.60	804.00	1.1%	Artificial track provided and maintained by Athletics Club		
Outdoor Keep Fit Groups									
One off use	Waverley set	Session	OS	15.30	16.00	4.6%			
Once a week, 1-2-1 tuition	Waverley set	Annual Charge	OS	79.60	81.00	1.8%			
Multiple sessions each week, 1-2-1 tuition	Waverley set	Annual Charge	OS	159.20	161.00	1.1%			
Once a week, group tuition	Waverley set	Annual Charge	OS	159.20	161.00	1.1%			
Multiple sessions each week, group tuition	Waverley set	Annual Charge	OS	318.30	322.00	1.2%			
Outdoor Fitness Camp Note: Reinstatement fees may be charges if damaged is caused by training on the sports pitches.	Waverley set	Per Incident		Dependent on amount of litter/damage	Dependent on amount of litter/damage				
Littering/Vandalism Charge Should sports clubs/trainers etc litter of damage our facilities, they may be liable for costs associated with rectifying issues	Waverley set	Per Incident		Dependent on amount of litter/damage	Dependent on amount of litter/damage				

Commercial Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
Sunvale Cemetery, Haslemere								
Interment Fees - Earth Grave								
First Burial in Grave Space - 8ft	Waverley set	)	OO 877.20	880.00	0.3%			
Subsequent Burials	Waverley set	)	OO 775.20	785.00	1.3%			
Child - 0-16 years	Waverley set	) per Grave	OO No Charge	No Charge				
Ashes	Waverley set	)	OO 387.60	395.00	1.9%			
Ashes - Child 0-16 years	Waverley set	)	OO No Charge	No Charge				
Non-Residents of the Parish	Waverley set	)	OO Fees + 100	Fees + 100%				
Exclusive Right of Burial Purchase of Grave Space								
Earth Grave	Waverley set	)	OO 1,611.60	1,630.00	1.1%			
Earth Grave - child 0-16 years	Waverley set	)	OO 550.80	560.00	1.7%		12,240	148
Cremation Section	Waverley set	)	OO 550.80	560.00	1.7%			
Non-Residents of the Parish	Waverley set	)	OO Fees + 100	Fees + 100%				
Transfer of exclusive grant of right of burial	Waverley set	)	OO 64.30	65.00	1.1%			
Memorial Rights (Grave Space must be purchased)								
Head Stone (maximum height 5')	Waverley set	)	OO 160.20	162.00	1.1%			
Kerb Stone (maximum 7'x 3'6") cross or other monument not over 2' high x 1'6"	Waverley set	)	OO 217.30	220.00	1.2%			
Added Inscription after first	Waverley set	)	OO 109.20	110.00	0.7%			
Non-Residents of the Parish	Waverley set)	OO Fees + 100	Fees + 100%				
Administration								
Discretionary Fee	Waverley set)	OO 64.30	65.00	1.1%			

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OE = Exempt
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OO = Outside Scope

Commercial Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
House Name Changes, Street Naming and Numbering								
<u>Property name additions/amendments</u>								
Rename a road	Waverley set	OO	314.20	317.40	1.0%			
Rename a property	Waverley set	OO	105.10	106.20	1.0%			
<u>Numbering of new properties</u>								
Plots								
First plot of any new development	Waverley set	OO	209.10	211.20	1.0%			
Additional plots 2 to 20	Waverley set	OO	41.90	42.40	1.2%			
Additional plots 21 and above	Waverley set	OO	31.70	32.10	1.3%		40,840	449
Name building or block in addition to any number	Waverley set			55.00	New charge			
Penalty for retrospective engagement with SNN (project substantively complete)	Waverley set			150.00	New charge			
Historical research (min of 2 hours)	Waverley set			50.00	New charge			
Removing a name	Waverley set			60.00	New charge			
Copy of postal plot	Waverley set			35.00	New charge			
Amendment to previously agreed address	Waverley set			50 + 25p plot	New charge			
Site visit	Waverley set			50.00	New charge			
Confirmation of address	Waverley set			25.00	New charge			
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Building Control Fees	Break even service	Various	OS	Locally determined fees in accordance with LGA Building			619,490	29,410
<u>Search and Photocopying Enquiries (Building Control)</u>	Break even service	Minimum Charge	OS	41.90	50.00	19.3%	0	
Copy Building Control certificate	Break even service		OO	11.30	35.00	209.7%		
Withdrawing an application	Break even service				100.00	New Charge		
Research (min 2 hours)	Break even service				50.00	New Charge		
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Commercial Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase		2020/21 Budget £	Proposed Additional Yield
Careline								
- Careline Customers: (excluding VAT)	Waverley Set	Per Month	OS	19.50	19.70	1.0% } Additional fee of £2 per additional invoice generated for new customers not paying by Direct Debit	477,360	4,774
- Housing Associations	Waverley Set	Contracts and pricing individually agreed						

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Finance & Property
Schedule of Fees and Charges 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
Property and Development Services								
Surveyor's Fees								
Request from owners/occupiers to purchase additional land	Waverley Set	Per Request	OS 530.40	536.00	1.1% }	} Collected in advance } } } Minimum charge } Minimum charge } Minimum charge } Minimum charge } Minimum charge } Minimum charge } Collected in advance } } } Minimum charge } Minimum charge	5,100	55
Request from owners/occupiers for the grant of a permanent easement	Waverley Set	Per Request	OS 530.40	536.00	1.1% }			
Request for access/drainage rights	Waverley Set	Per Request	OS 530.40	536.00	1.1% }			
Request for assignment of leases (where lease allows)		Per Request						
Residential Premises	Waverley Set		OS 265.20	268.00	1.1% }			
Commercial Tenancies	Waverley Set		OS 632.40	639.00	1.0% }			
Request for landlord's consent for change of use/sub-letting/alterations etc. (where lease allows)		Per Request						
Residential Premises	Waverley Set		OS 265.20	268.00	1.1% }			
Commercial Tenancies	Waverley Set		OS 632.40	639.00	1.0% }			
Grant of licence to use land or accessway	Waverley Set	Per Request	OS 265.20	268.00	1.1% }			
Request for a tenant's reference	Waverley Set	Per Request	OS 158.10	160.00	1.2% }			
Discharge of a covenant	Waverley Set	Per Request	OS 474.30	480.00	1.2%			
Request for Wayleave	Waverley Set	Per Request	OS 316.20	320.00	1.2%			
Grant/renewal of lease (where appropriate)		Per Request						
Commercial	Waverley Set		OS 530.40	536.00	1.1% }			
Sports Clubs/Community Groups etc	Waverley Set		OS 265.20	268.00	1.1% }			

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Finance
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2020/21 Budget £	Proposed Additional Yield £
Cost of Collection								
Summons Costs								
Council Tax	Per Summons							
on issue of summons	Break even service	OO	107.10	107.10	0.0%	The fees are determined after consultation with the	102,600	0
on granting of liability order (furt	Break even service	OO	3.10	3.10	0.0%			
Business Rates	Per Summons							
on issue of summons	Break even service	OO	132.60	132.60	0.0%	the Surrey Magistrates' Courts Committee.	13,260	0
on granting of liability order (furt	Break even service	OO	3.10	3.10	0.0%			
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Commercial Services
Schedule of Fees and Charges 2021/2022

	Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
	Charge	Indicator	Charge	Charge	Increase	Budget	Additional
			£	£		£	Yield
							£
Borough Hall, Godalming						106,395	3,830
Casual Use							
Main Hall							
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	39.80	41.00	3.0%
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	45.90	50.00	8.9%
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	56.10	60.00	7.0%
Childrens Parties							
Saturday and Sunday	9am - 5:30pm	Waverley Set	Per Hour	OE	36.80	39.00	6.0%
Court Room							
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	29.60	31.00	4.7%
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	35.70	40.00	12.0%
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour		40.80	45.00	10.3%
Borough Hall Complex							
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	60.20	63.00	4.7%
Extra Staff Member (Tiered seating, bar staff, support)							
	9am - 6pm	Waverley Set	Per Hour	OE	15.30	15.50	1.3%
	6pm - midnight	Waverley Set	Per Hour	OE	15.30	15.50	1.3%
	Midnight - 2am	Waverley Set	Per Hour	OE	25.50	25.80	1.2%
Other							
Tiered seating		Waverley Set	Daily Charge		76.50	77.30	1.0%
Linen Laundry		Waverley Set	Per Cloth		8.20	8.30	1.2%
Water Urn		Waverley Set	Daily Charge		10.20	10.40	2.0%
Stage PA System		Waverley Set	Daily Charge		20.40	20.70	1.5%
Corkage		Waverley Set	Per Bottle		4.10	4.20	2.4%
Charitable and Non profit making organisations/ Waverley BC staff				20% discount applied			

Commercial Services
Schedule of Fees and Charges 2021/2022

			Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
			Charge	Indicator	Charge	Charge	Increase	Budget	Additional
					£	£		£	Yield
									£
Regular Use									
Main Hall									
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	18.40	18.60	1.1%		
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	25.50	25.80	1.2%		
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	35.70	36.10	1.1%		
Court Room/Bar									
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	13.30	13.50	1.5%		
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	18.40	18.60	1.1%		
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	25.50	26.00	2.0%		

The court room, when used as a bar for social functions, will be closed at 11pm and cleared by 11.30pm.
The above schedule excludes the Cinema which is shown below.
Nursery School: to be agreed.
Cancellation of a Casual Booking will incur a loss of the deposit paid. Cancellation of a booking within 28 days of the booked date will incur total cost of the booking to be levied.
A cash deposit of £1,000 will be secured on any public function and an insurance indemnity of £2,000,000 required. An insurance indemnity certificate of £1,000,000 is required on all bookings.
A negotiation of rates chargeable can be made in circumstances beneficial to the Council and the client especially on regular use.
Bar facilities from 7pm - 11pm are part of the bookings for our clients if required.
Clients are not allowed to operate their own bar unless special permission and conditions apply
The premises must be cleared by the client and their guests by midnight.
Catering for large social functions will not be allowed to be carried out by the client unless special permission and conditions apply.
The Borough Hall complex is a non-smoking area.
Regular Hirers will be charged for all pre-confirmed dates within the financial year, any cancellations by the Hirer will not be refunded.
In the event of adverse weather, the Borough Hall Management reserves the right to cancel bookings at short notice
Regular Bookings cancelled by Management will be refunded at the end of the financial year

Cinema									
Adult		Waverley Set		OS	7.50	7.80	4.0%		
Senior		Waverley Set		OS	6.50	6.80	4.6%		
Child		Waverley Set		OS	3.50	3.50	0.0%		
Student		Waverley Set		OS	6.50	6.80	4.6%		
Group (10 or more)		Waverley Set		OS	6.00	6.50	8.3%		

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Commercial Services
Schedule of Fees and Charges 2021/2022

		Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
		Charge	Indicator	Charge	Charge	Increase	Budget	Additional
				£	£		£	Yield
								£
Memorial Hall							153,705	2,152
Casual Use								
Main Hall - Miles Rafe Room								
Weekday	Waverley Set	Per Hour	OE	25.50	25.80	1.2%		
Weekend	Waverley Set	Per Hour	OE	40.80	41.30	1.2%		
All day hire	Waverley Set	Per Day	OE	1,020.00	1,030.20	1.0%		
Exclusive Use	Waverley Set	Per Hour		91.80	92.80	1.1%		
	weekend only							
	weekend only							
Wallace Room								
Weekday	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Weekend	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Ayres Room								
Weekday	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Weekend	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Combined Wallace & Ayres Rooms								
Weekday	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Weekend	Waverley Set	Per Hour	OE	30.60	31.00	1.3%		
Hawkins Room								
Weekday	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Weekend	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Mansey								
Weekday	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Weekend	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Regular Use								
Main Hall - Miles Rafe Room								
Weekday	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Weekend	Waverley Set	Per Hour	OE	40.80	41.30	1.2%		
All day hire	Waverley Set	Per Day	OE	1,020.00	1,030.20	1.0%		
Exclusive Use	Waverley Set	Per Hour		91.80	92.80	1.1%		
Wallace Room								
Weekday	Waverley Set	Per Hour	OE	10.20	10.40	2.0%		
Weekend	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Ayres Room								
Weekday	Waverley Set	Per Hour	OE	10.20	10.40	2.0%		
Weekend	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Combined Wallace & Ayres Rooms								
Weekday	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Weekend	Waverley Set	Per Hour	OE	20.40	20.70	1.5%		
Hawkins Room								
Weekday	Waverley Set	Per Hour	OE	10.20	10.40	2.0%		
Weekend	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Mansey								
Weekday	Waverley Set	Per Hour	OE	10.20	10.40	2.0%		
Weekend	Waverley Set	Per Hour	OE	15.30	15.50	1.3%		
Performing Rights Tariff			OE		3% of hire charge			not required if hirer can sufficient provide their own PRS certificate

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Environment Services
Schedule of Fees and Charges 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield £
Waste Recycling							
Green Waste Collection							
Standard Charge:							
1 bin	Waverley Set	per Annum	OO	65.00	7.7%	983,970	85,000
Purchase of bin *	Waverley Set	per Item	OO	20.00	26.5%		
Purchase of bins							
Black 140 litre refuse bin	Purchase of bin *	Waverley Set	per Item	OO	20.00	30.00	50.0%
Black 240 litre refuse bin	Purchase of bin *	Waverley Set	per Item	OO	25.00	40.00	60.0%
Blue 140 litre recycling bin	Purchase of bin *	Waverley Set	per Item	OO		20.00	New Charge
Blue 240 litre recycling bin	Purchase of bin *	Waverley Set	per Item	OO		30.00	New Charge

* This charge recovers the cost of purchasing and delivering the bin.

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Environment Services
Schedule of Fees and Charges 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield £
Environmental Health							
Food							
Surrender Certificates for Unfit Food	Waverley Set	OS	180.00	187.00	3.9%	3,060	87
Export Certificates for Food	Waverley Set	OS	180.00	187.00	3.9%		
Statement of Fact	Waverley Set	OS	180.00	187.00	3.9%		
Premises Endorsement For Export	Waverley Set			105.00			
Re-visits for Food Hygiene Rating	Waverley Set		200.00	205.00	2.5%		
Food Hygiene Training Course	Waverley Set		75.00	75.00	0.0%		
Private Water Supply							
Risk Assessments	Statutory	Per Request	169.00	176.00	4.1%	1,050	69
	Statutory	+ Per Hour	59.00	61.00	3.4%		
Sampling	Statutory	Per Request	62.00	66.00	6.5%		
	Statutory		53.00	56.00	5.7%		
Investigations	Statutory	Per Hour	62.00	66.00	6.5%		
Authorisations	Statutory	Per Request	103.00	106.00	2.9%		
	Statutory	+ Per Hour	53.00	56.00	5.7%		
Analysis	Statutory	Per Request	22.00	26.00	18.2%		
			+ laboratory fees				

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Environment Services
Schedule of Fees and Charges 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield £		
Animal Control									
Stray Dogs	Waverley Set	Per Occasion	OO	25.00	25.00	0.0%	1,500	0	
<u>Rats and Mice</u>									
Domestic #	Waverley Set	Per Treatment	OS	75.00	80.00	6.7%	}		
Domestic - Call out	Waverley Set		OS	40.00	45.00	12.5%			
Reduced Charge *	Waverley Set		OS	40.00	45.00	12.5%			
Reduced Charge Call out *	Waverley Set		OS	20.00	25.00	25.0%			
Commercial	Waverley Set	Per Hour	OS	75.00	80.00	6.7%			
Commercial - Call out	Waverley Set		OS	40.00	45.00	12.5%			
<u>Wasps</u>									
Domestic	Waverley Set	Per Visit	OS	65.00	70.00	7.7%			
Domestic - Call out	Waverley Set		OS	35.00	40.00	14.3%			
Reduced Charge *	Waverley Set	Per Visit	OS	35.00	40.00	14.3%			
Reduced Charge Call out *	Waverley Set		OS	20.00	25.00	25.0%			
Commercial	Waverley Set	Per Hour	OS	65.00	80.00	23.1%			
Commercial - Call out	Waverley Set		OS	35.00	45.00	28.6%	40,990	0	
<u>Casual Treatments / Other Insects</u> (Including Fleas)									
Fleas	Waverley Set	Per Visit	OS	80.00	85.00	6.3%			
Reduced charge*	Waverley Set	Per Visit	OS	40.00	45.00	12.5%			
Bed Bugs	Waverley Set	Per Visit	OS	80.00	85.00	6.3%			
Reduced charge*	Waverley Set	Per Visit	OS	40.00	45.00	12.5%			
Cockroaches	Waverley Set	Per Visit	OS	80.00	85.00	6.3%			
Reduced charge*	Waverley Set	Per Visit	OS	40.00	45.00	12.5%			
Cluster Flies	Waverley Set	Per Visit	OS	110.00	115.00	4.5%			
Reduced charge*	Waverley Set	Per Visit	OS	60.00	65.00	8.3%			
Carpet Moths	Waverley Set	Per Visit	OS	110.00	115.00	4.5%			
Reduced charge*	Waverley Set	Per Visit	OS	60.00	65.00	8.3%			
		Per Visit	OS	40.00		12.5%			
Advice visits or callout charge for missed appointments	Waverley Set				45.00				
Pharaoh's Ants	Waverley Set	Per Visit	OS	Price subject to	Price subject to survey				

The reduced charge will apply to those who can demonstrate to be in receipt of Income Support, Housing Benefit, Council Tax Relief (other than sole occupancy relief) or Disability Working Allowance or Disability Living Allowance.

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Environment
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield
Licences							
Animal Welfare							
Boarding for Cats and Dogs - Kennels							
Part A (Application and Renewal Fee)		Break even service	384.00	384.00	0.0%		
Part B (Grant Fee)		Break even service	300.00	300.00	0.0%		
Total Fee		Break even service	<u>684.00</u>	<u>684.00</u>	0.0%		
Boarding for Dogs - Home Boarding							
Part A		Break even service	334.00	334.00	0.0%		
Part B		Break even service	300.00	300.00	0.0%		
Total Fee		Break even service	<u>634.00</u>	<u>634.00</u>	0.0%		
Boarding for Dogs - Day Care							
Part A		Break even service	384.00	384.00	0.0%		
Part B		Break even service	300.00	300.00	0.0%		
Total Fee		Break even service	<u>684.00</u>	<u>684.00</u>	0.0%		
Breeding Dogs(excl vet fee)							
Part A		Break even service	334.00	334.00	0.0%		
Part B		Break even service	300.00	300.00	0.0%		
Total Fee		Break even service	<u>634.00</u>	<u>634.00</u>	0.0%		
Hiring Horses (excl vet fee)							
1 - 8 horses							
Part A		Break even service	384.00	384.00	0.0%		
Part B		Break even service	325.00	325.00	0.0%		
Total Fee		Break even service	<u>709.00</u>	<u>709.00</u>	0.0%		
9 - 15 horses							
Part A		Break even service	459.00	459.00	0.0%		
Part B		Break even service	325.00	325.00	0.0%		
Total Fee		Break even service	<u>784.00</u>	<u>784.00</u>	0.0%		
Over 15 horses							
Part A		Break even service	534.00	534.00	0.0%		
Part B		Break even service	325.00	325.00	0.0%		
Total Fee		Break even service	<u>859.00</u>	<u>859.00</u>	0.0%		
Selling Animals as Pets							
Part A		Break even service	334.00	334.00	0.0%		
Part B		Break even service	300.00	300.00	0.0%		
Total Fee		Break even service	<u>634.00</u>	<u>634.00</u>	0.0%		
Exhibition of Animals							
Part A		Break even service	334.00	334.00	0.0%		
Part B		Break even service	300.00	300.00	0.0%		
Total Fee		Break even service	<u>634.00</u>	<u>634.00</u>	0.0%		
For each additional activity (to the main activity) the fee is half the standard application and grant fee.							
Each additional inspection/visit		Break even service	150.00	150.00	0.0%		
Each advisory visit		Break even service	150.00	150.00	0.0%		
Variation to the licence (inclusive of one visit)		Break even service	200.00	200.00	0.0%		
Re-evaluation of rating (inclusive of one visit)		Break even service	200.00	200.00	0.0%		
Variations to reduce licensable activities/numbers of animals		Break even service	75.00	75.00	0.0%	141,400	4,242
Transfer due to death of licensee		Break even service	75.00	75.00	0.0%		

Environment
Schedule of Fees and Charges for 2021/2022

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield
Other								
Cosmetic Piercing, Electrolysis, Acupuncture	Break even service	per premise	OO	200.00	200.00	0.0%		
Cosmetic Piercing, Electrolysis, Acupuncture	Break even service	per person combined fee for premises and personal licence	OO	200.00	200.00	0.0%		
Cosmetic Piercing, Electrolysis, Acupuncture	Break even service	per premise	OO	290.00	290.00			
Tattooing	Break even service	per premise	OO	220.00	220.00	0.0%		
Tattooing	Break even service	per person combined fee for premises and personal licence	OO	220.00	220.00	0.0%		
Tattooing	Break even service	per premise	OO	310.00	310.00			
Semi-permanent skin colouring	Break even service	per premises	OO	220.00	220.00	0.0%		
Semi-permanent skin colouring	Break even service	per person combined fee for premises and personal licence	OO	220.00	220.00	0.0%		
Semi-permanent skin colouring	Break even service	per premises	OO	310.00	310.00			
Street Trading								
a) Sole Trader	Break even service	Annual	OO	290.00	290.00	0.0%		
b) Schedule 2 event - up to 50 traders	Break even service	Annual	OO	300.00	300.00	0.0%		
c) Schedule 2 event - 51 or more traders	Break even service	Annual	OO	230.00	230.00	0.0%		
d) Schedule 2 event - up to 50 traders	Break even service	Single Event	OO	140.00	140.00	0.0%		
e) Schedule 2 event - 51 or more traders	Break even service	Single Event	OO	150.00	150.00	0.0%		

Environment
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield
Scrap Metal Dealers Licence							
a) Site - new application	Break even service	OO	470.00	470.00	0.0%		
b) Site - renewal	Break even service	OO	270.00	270.00	0.0%		
c) Site to collectors - variation	Break even service	OO	410.00	410.00	0.0%		
d) Collectors - new application	Break even service	OO	430.00	430.00	0.0%		
e) Collectors - renewal	Break even service	OO	230.00	230.00	0.0%		
f) Collectors to Site - variation	Break even service	OO	470.00	470.00	0.0%		
Please Note:							
All of these fees are subject to consideration by the licensing regulatory committee of consultation responses.							
<i>Hackney Carriage - Vehicles (not adapted) *</i>							
- less than 5 years old	Break even service	Annual	291.00	291.00	0.0%		
- 5 years old and over - first 6 months	Break even service		291.00	291.00	0.0%		
- 5 years old and over - second 6 months	Break even service		84.00	84.00	0.0%		
<i>Hackney Carriage - Vehicles (adapted) *</i>							
- under 5 years old	Break even service	Annual	105.00	105.00	0.0%		
- 5 years old and over - first 6 months	Break even service		105.00	105.00	0.0%		
- 5 years old and over - second 6 months	Break even service		84.00	84.00	0.0%		
<i>Missed Appointments (Vehicle Test)</i>	Break even service	Per Test	72.00	72.00	0.0%		
<i>Re-testing of vehicles following failure</i>	Break even service	Per Test	72.00	72.00	0.0%		
<i>Private Hire - Operators - renewal (5 vehicles and less)</i>	Break even service	5 years	125.00	125.00	0.0%		
<i>Private Hire - Operators - renewal (more than 5 vehicles)</i>	Break even service	5 years	176.00	176.00	0.0%		
<i>Private Hire - New Operators (5 vehicles and less)</i>	Break even service	5 years	150.00	150.00	0.0%		
<i>Private Hire - New Operators (more than 5 vehicles)</i>	Break even service	5 years	197.00	197.00	0.0%		
<i>Private Hire - New Operators (5 vehicles and less)</i>	Break even service	5 years	221.00	221.00	0.0%		
<i>Private Hire -New Operators (more than 5 vehicles)</i>	Break even service	5 years	268.00	268.00	0.0%		
<i>Private Hire - Vehicles (not adapted) *</i>		Annual					
- under 5 years old	Break even service	Annual	291.00	291.00	0.0%		
- 5 years and over - first 6 months	Break even service		288.00	288.00	0.0%		
- 5 years and over - second 6 months	Break even service		84.00	84.00	0.0%		
<i>Private Hire - Vehicles (adapted) *</i>							
- under 5 years old	Break even service	Annual	105.00	105.00	0.0%	134,140	13,012
- 5 years and over - first 6 months	Break even service		105.00	105.00	0.0%		
- 5 years and over - second 6 months	Break even service		84.00	84.00	0.0%		
<i>Hackney carriage / private hire - New driver</i>	Break even service	3 years	269.00	269.00	0.0%		
<i>Hackney carriage / private hire licence renewal</i>	Break even service	3 years	175.00	175.00	0.0%		
<i>Hackney carriage / private hire - New driver</i>	Break even service	1 year	111.00	111.00	0.0%		
<i>Hackney carriage / private hire licence renewal</i>	Break even service	1 year	71.00	71.00	0.0%		

Environment
Schedule of Fees and Charges for 2021/2022

		Unit of	VAT	Existing	Proposed	%	2020/21	Proposed
		Charge	Indicator	Charge	Charge	Increase	Budget	Additional
				£	£		£	Yield
Private Hire only - New driver	Break even service	3 years	OO	269.00	269.00	0.0%		
Private Hire only licence renewal	Break even service	3 years	OO	175.00	175.00	0.0%		
Private Hire only- New driver	Break even service	1 year	OO	111.00	111.00	0.0%		
Private Hire only licence renewal	Break even service	1 year	OO	71.00	71.00	0.0%		
Knowledge test	Break even service	Per Test	OO	72.00	72.00	0.0%		
Resit / non-attendance fee for Knowledge test	Break even service	Per Test	OO	72.00	72.00	0.0%		
Surrender and replacement of Hackney Carriage / Private Hire Licence	Break even service		OO	84.00	84.00	0.0%		
Hackney Carriage and Private Hire								
- Replacement plate bracket	Break even service		OS	10.30	10.30	0.0%		
- New/Replacement plate & window disc	Break even service		OS	20.50	20.50	0.0%		
- Replacement driver's badge	Break even service		OO	10.30	10.30	0.0%		
- Change of address	Break even service		OS	10.30	10.30	0.0%		
Transfer of P/H to H/C (new badge, knowledge test and admin)	Break even service		OO	92.20	92.20	0.0%		
Gambling Act 2005		Various		Please see website for individual fees				
- Including lotteries, permits, premises, etc								
Licensing Act 2003								
- Personal	Break even service	New	OO	37.00	37.00	0.0%		
- Premises	Break even service	Initial/Variation	OO	Various depending on rateable value		0.0%		
- Premises: Sex Establishment	Break even service	ording to RV	OO	4,690.00	4,690.00			* included above
- Premises	Break even service	Annual Fee	OO	Various depending on rateable value				
- Premises	Break even service	ariations, etc	OO	23.00	23.00	0.0%		
- Temporary Event Notice	Break even service	Per Event	OO	21.00	21.00	0.0%		
Data Barring Service (previously CRB)	Break even service	Per Applicant	OO	60.00	60.00	0.0%		

Vat Indicator: OS = Standard
OE = Exempt
OZ = Zero Rated
OO = Outside Scope

Please Note:
All of these fees are subject to consideration by the licensing regulatory committee of consultation responses.

Housing Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2020/21 Budget £	Proposed Additional Yield £
General Fund Housing							
Houses in Multiple Occupation (HMO)							
Five yearly - per property (new application)	Break even service	OO	640.00	665.00	3.9%		
Five yearly - per property (renewal)	Break even service	OO	560.00	585.00	4.5%		
Additional charge for 11-15 units of accomn	Break even service			25.00			
Additional charge for each unit of accommo	Break even service			10.00			
Caravan Site Licence Fees							
Site Licence Applications		OO				4,160	37
No. of pitches	1 - 5	Break even service	491.55	492.00	0.1%		
	6 - 24	Break even service	517.93	518.00	0.0%		
	25 - 99	Break even service	570.69	571.00	0.1%		
Site Licence Variations		OO					
No. of pitches	1 - 5	Break even service	313.00	313.00	0.0%		
	6 - 24	Break even service	325.58	326.00	0.1%		
	25 - 99	Break even service	351.96	352.00	0.0%		
Licence Transfer	All	Break even service	151.36	157.00	3.7%		
Annual Fee	1 - 5	Break even service	60.00	60.00	0.0%		
	6 - 24	Break even service	120.00	120.00	0.0%		
	25 - 99	Break even service	240.00	240.00	0.0%		
Property Inspections							
Property Inspections for Immigration/ Foreign Office/Visa Application purposes	Break even service	OS	170.00	172.00	1.2%		
Officer time for works in default (Subject to Statutory maximum charge of £300)	Break even service	Per Hour	OO	60.00	60.00	0.0%	
Officer time for Housing Act enforcement (Subject to Statutory maximum charge of £300)	Break even service	Per Hour	OO	60.00	60.00	0.0%	
Vat Indicator:	OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope						

General Fund Capital Bids for 2021/22

Essential maintenance, Grants & Unavoidable Projects

	21/22 Total Bids	Revenue Contribution to Capital *	Revenue Budget *	Capital Receipts	Flexible use of Capital Receipts	S106	CIL *	External Grant/ Contributions	Total Funding
Business Transformation									
Provision for One-off transformation costs	50,000				50,000				50,000
Customer Service System - Netcall	30,000	30,000							30,000
Cyber security	25,000	25,000						-	25,000
Laptop & Tablet replacements	60,000				45,000			15,000	60,000
Desktop Computer Refresh	7,200				5,400			1,800	7,200
Mobile Phone Replacement	54,000				36,000			18,000	54,000
Wi-Fi at the Burys	8,000	3,000			5,000				8,000
Reorganise GIS data	30,000	30,000							30,000
Wey Centre re-roofing	36,000			36,000					36,000
Central Office Maintenance	100,000		100,000						100,000
Commercial									
Leisure Centre maintenance rolling programme	95,000	55,000	40,000						95,000
GF Housing									
Disabled Facility Grants	650,880							650,880	650,880
Warm Homes Grants	100,000							100,000	100,000
Environment									
Climate Change Projects	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Relocation of Farnham Air quality Monitoring Station	19,000	19,000							19,000
Waste & Recycling container replacement	90,000	50,000						40,000	90,000
Car Parks maintenance Rolling Programme	278,500	278,500							278,500
Planning & Economic Development									
Surrey Transit Site	117,000			117,000					117,000
GF Capital - recharges									
Staff Recharge	30,000	30,000							30,000
Grand Total	1,780,580	520,500	140,000	153,000	141,400	-	-	825,680	1,780,580

There is a pool of other projects which will be subject to further consideration based on individual business cases. These will be considered during the 21/22 financial year.

The balance of the revenue contribution to capital of £360k will form part of this assessment.

* Subject to CIL eligibility review: see body of report.

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General Fund Revenue Reserves position before proposals included in Budget Report

	2020/21			2021/2022			2022/23			2023/24			2024/25		2025/26	
	Pre COVID-19 estimated balance £'000	Approved Contingency budget use * £'000	Other Approved Use £'000	Projected opening reserves £'000	Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000	Estimated Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000	Estimated Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000	Estimated Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000
Earmarked reserves:																
Flexible Homelessness Support Grant	(974)	474		(500)	(603)	580	(523)	(500)	580	(443)	(400)	580	(263)	(317)	580	(0)
Commercial Property Void provision	(425)	425		0	(400)		(400)	(400)		(800)	(400)		(1,200)	(400)		(1,600)
Emergency Funding	(17)	17		(0)			(0)			(0)			(0)			(0)
Climate change	(300)	0	100	(200)		200	0			0			0			0
Brightwells reserve - licence from Dogflud	(311)	296		(16)			(16)			(16)			(16)			(16)
Local Plan reserve	(236)	0		(236)			(236)			(236)			(236)			(236)
Place shaping	(320)	188		(132)		132	(0)			(0)			(0)			(0)
Investment Advisory Board	(2,432)	418	680	(1,334)			(1,334)			(1,334)			(1,334)			(1,334)
Revenue Reserve Fund - Capital Programme funding	(197)	0		(197)	(880)	880	(197)			(197)			(197)			(197)
Insurance reserve - MMI run off	(188)	0		(188)			(188)			(188)			(188)			(188)
Insurance reserves	(566)	0		(566)			(566)			(566)			(566)			(566)
Borough Elections reserve	(63)	0		(63)	(30)		(93)	(30)		(123)	(93)	216	0	(30)		(30)
Business Rates Equalisation reserve	(3,850)	649		(3,201)			(3,201)			(3,201)			(3,201)			(3,201)
SANG site acquisition	(1,000)	200		(800)			(800)			(800)			(800)			(800)
Total Earmarked Reserves:	(10,880)	2,668	780	(7,432)	(1,913)	1,792	(7,553)	(930)	580	(7,903)	(893)	796	(8,000)	(747)	580	(8,167)
General Fund working balance: min balance £3.2m	(3,406)	206		(3,200)		(132)	(3,332)			(3,332)			(3,332)			(3,332)
Total General Fund Useable Revenue Reserves	(14,286)	2,874	780	(10,632)	(1,913)	1,660	(10,885)	(930)	580	(11,235)	(893)	796	(11,332)	(747)	580	(11,499)

General Fund Revenue Reserves position after proposals included in Budget Report

	2020/21			2021/2022			2022/23			2023/24			2024/25		2025/26	
	Pre COVID-19 estimated balance £'000	Revised Contingency budget use * £'000	Other Approved Use £'000	Projected opening reserves £'000	Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000	Estimated Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000	Estimated Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000	Estimated Transfers in £'000	Proposed Use £'000	Projected opening reserves £'000
Earmarked reserves:																
Flexible Homelessness Support Grant	(974)	474		(500)	(603)	580	(523)	(500)	580	(443)	(400)	580	(263)	(317)	580	(0)
Commercial Property Void provision	(425)	301		(124)	(400)		(524)	(400)		(924)	(400)		(1,324)	(400)		(1,724)
Emergency Funding	(17)	17		(0)			(0)			(0)			(0)			(0)
Climate change	(300)	0	100	(200)		200	0			0			0			0
Brightwells reserve - licence from Dogflud	(311)	296		(16)			(16)			(16)			(16)			(16)
Local Plan reserve	(236)	0		(236)			(236)			(236)			(236)			(236)
Place shaping	(320)	188		(132)		132	(0)			(0)			(0)			(0)
Investment Advisory Board	(2,432)	418	680	(1,334)			(1,334)			(1,334)			(1,334)			(1,334)
Revenue Reserve Fund - Capital Programme funding	(197)	0		(197)	(880)	880	(197)			(197)			(197)			(197)
Insurance reserve - MMI run off	(188)	0		(188)			(188)			(188)			(188)			(188)
Insurance reserves	(566)	0		(566)			(566)			(566)			(566)			(566)
Borough Elections reserve	(63)	0		(63)	(30)		(93)	(30)		(123)	(93)	216	0	(30)		(30)
Business Rates Equalisation reserve	(3,850)	649		(3,201)			(3,201)		700	(2,501)		700	(1,801)		400	(1,401)
SANG site acquisition	(1,000)	200		(800)			(800)			(800)			(800)			(800)
covid		(2,000)		(2,000)		1,000	(1,000)		670	(330)		330	0			0
Total Earmarked Reserves:	(10,880)	544	780	(9,556)	(1,913)	2,792	(8,677)	(930)	1,950	(7,657)	(893)	1,826	(6,724)	(747)	980	(6,491)
General Fund working balance: min balance £3.2m	(3,406)	206		(3,200)		(132)	(3,332)			(3,332)			(3,332)			(3,332)
Total General Fund Useable Revenue Reserves	(14,286)	750	780	(12,756)	(1,913)	2,660	(12,009)	(930)	1,950	(10,989)	(893)	1,826	(10,056)	(747)	980	(9,823)

* 2020/21 Sales, Fees and charges compensation claimed of £2.3m, will be used instead of reserves.

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE

9 FEBRUARY 2021

Title:

**Housing Revenue Account Business Plan –
Revenue Budget and Capital Programme 2021/22**

Portfolio Holder(s): Cllr Anne-Marie Rosoman, Portfolio Holder for Housing and Community Safety and Cllr Mark Merryweather, Portfolio Holder for Finance, Assets and Commercial Services

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: Yes

Access: Public

1. Purpose and summary

1. The is report sets out the proposed Housing Revenue Account (HRA) Business Plan, Revenue Budget and Capital Programme for 2021/22.

2. Recommendation

It is recommended that the Executive, after considering the comments from the Housing Overview and Scrutiny Committee, make the following recommendations to Council, that:

1. the rent level for Council dwellings be increased by 1.25% from the 20/21 level with effect from 1 April 2021 within the permitted guidelines contained within the Government's rent setting policy;
2. the average weekly charge for garages rented by both Council and non-Council tenants be increased by 50 pence per week excluding VAT from 1 April 2021;
3. the service charges in senior living accommodation be increased by 30 pence per week from 1 April 2021 to £19.80;
4. the recharge for energy costs in senior living accommodation be increased by 50 pence per week from 1 April 2021;
5. the revised HRA Business Plan for 2021/22 to 2024/25 as set out in Annexe 1 be approved;
6. the approval change for the fees and charges as set out in Annexe 2 is noted

7. the Housing Revenue Account Capital Programmes as shown in Annexe 3 be approved;
8. the financing of the capital programmes be approved in line with the resources shown in Annexe 4.

3. Reason for the recommendation

In order to approve the use of reserves and resources to fund Waverley Borough Council's Landlord Services, the 30 year maintenance programme, deliver proposals for building new affordable homes and investment stock remodelling.

4. Background

- 4.1 This report outlines the budgets to be included within the annual review and contains the update of the HRA 30 year Business Plan and the Budget for the year ahead, including the three-year Capital Programmes.
- 4.2 The Business Plan is underpinned by the Council's Medium Term Financial Plan and provides the resources to fund the 30-year maintenance forecast and deliver proposals for building new affordable homes and investment in stock remodelling.
- 4.3 On 10 November 2020 the Government published guidance on the operation of the Housing Revenue Account ring-fence. Although this new guidance replaces the former guidance, Circular 8/95, there are no new issues of principle. It does recognise that the landscape has changed with regard to the mix of ownership in Council estates. The guidance "highlights the need to be fair to both tenants and council tax payers and that there should be a fair and transparent apportionment of costs between the HRA and General Fund".

Business Plan

- 4.4 The latest projection for the Business Plan for the four years commencing 2021/22, is attached at Annexe 1. There has been rigorous scrutiny of HRA budgets throughout 2020 by officers and the Housing and Finance portfolio holders. The measures agreed by Council in 2017 balanced the Business Plan in the medium term following the major changes introduced by the Government that affected HRA finances.
- 4.5 The Business Plan has been affected by the Covid-19 pandemic. There has been lower spend on the core programme and stock maintenance due to tenants isolating and lockdown measures. Dwellings rental income has been affected by slower turnarounds of void properties. However, this is now improving and is back to budget levels of 1% and the Business Plan assumes this will continue.
- 4.6 The budgets for 2021/22 assume levels of income and spend returning to that

expected in a normal year, not affected by the pandemic. During 2021/22, if the pandemic continues to affect the HRA, full year forecasts will be adjusted during budget monitoring and reported in monthly performance reports.

- 4.7 The Business Plan assumes modest growth in staffing levels to meet compliance legislation and housing development plans. Further information on this will be covered in Section 6.1 Resource.
- 4.8 The Government implemented major changes to HRA finances in 2016 with statutory annual rent reductions of 1% for four years. In 2019 the Government announced that providers of social housing would be permitted to increase average weekly rents by the previous September CPI (Consumer Price Index) plus additional 1% for five years from April 2020.
- 4.9 2021/22 will be the second of five years when the additional 1% is available. However, it is proposed to limit the additional percentage to 0.75% in recognition of the current economic situation. CPI has fallen during the last year as a result of Covid-19 related economic slowdown and was 0.5% in September 2020. This is 1.5% lower than the Bank of England target used in the HRA Business Plan and the Council's Medium Term Financial Plan.
- 4.10 The 2% CPI assumption has changed in the new HRA Business Plan for the years 22/23 (now 1.3%) and 23/24 (now 1.9%) in line with the General Fund revised assumptions that uses the OBR-central economic scenario published by HM Treasury in November 2020. From 24/25 CPI assumed to be 2%.
- 4.11 Although spend on the core programme and maintenance is lower in 2020/21 due to Covid-19, it is proposed to increase rents although less than the maximum permitted under Government rent policy published in February 2019 in order to fund the future new build and re-modelling capital programme that has continued throughout 2020/21.
- 4.12 Annual increases are also considered because of the cumulative effect on future rental streams on the HRA business plan as they affect the base rent from which all future rents are calculated. The Business Plan assumes that in 2022/23 to 2024/25 average rents are increased by the maximum allowable i.e. CPI +1% which equates to 2.3% in 22/23, 2.9% in 23/24 and 3% in 24/25. In subsequent years, the Business Plan assumes rents will increase by CPI only and that CPI is 2%.
- 4.13 The tables below demonstrate the cumulative effect on rental streams by applying three scenarios. It assumes for simplicity that the stock level remains the same throughout the 30 year HRA business Plan.
- 4.14 The three scenarios all assume the same rent assumptions from 2022/23 and is unchanged from the 2020/21 Business Plan calculation i.e. CPI + 1% until 2024/25 and then CPI 2% only thereafter.
- Scenario One: 1.5% increase in 2021/22 (max allowed i.e. CPI + 1%)

- Scenario Two: 1.25% increase in 2021/22
- Scenario Three: 0% increase in 2021/22

Scenario	5 Year Rental Stream £ms	Change effect £ms	Base Average Rent in Year 5	30 Yr Rental Stream £ms	30 Year Effect £ms
Maximum allowed CP1 +1% for 5 years	£153.3	n.a	£131.66	£1,205	n.a
1.25% Increase 21/22 then Business Plan	£152.9	-£0.377	£131.34	£1,202	-£2.86
0% increase 21/22 then Business Plan	£151.0	-£2.267	£129.71	£1,187	-£17.88

Based on 4,750 opening stock and no changes to stock number

CPI as at September 2020 i.e. 0.5% in 21/22. Assume 1.3% (22/23), 1.9% (23/24), 2% thereafter

4.15 A 1.25% increase in 2021/22 results in less income, than would be received if the Council were to apply the maximum permitted by Government, of nearly £0.4m over five years and nearly £3m over 30 years compared to the maximum permitted increase of 1.5%

4.16 A 0% increase in 2021/22 results in less income, than would be received if the Council were to apply the maximum permitted by Government, of £2.3m over five years and nearly £18m over 30 years compared to the maximum permitted increase of 1.5%

4.17 The cumulative effect by year of a 0% rent change in 21/22 is shown below

Cumulative Effect £ms of 0% increase in 21/22

Scenario	21/22	22/23	23/24	24/25	25/26	Total 5 Years
Maximum allowed CP1 +1% for 5 years	£29.11	£29.78	£30.64	£31.56	£32.19	£153.30
0% increase 21/22 then Business Plan	£28.68	£29.34	£30.19	£31.10	£31.72	£151.03
Less Rental income than Government permi	-£0.43	-£0.44	-£0.45	-£0.47	-£0.48	-£2.27

4.18 The proposed rent increase equates on average to £1.47 per week.

Rents

4.19 It is proposed that from April 2021/22 average weekly rents will be increased by 1.25% (CPI as at September 2020 was 0.5%). The updated 30 year HRA Business Plan assumes CPI of 1.3% in 22/23, 1.9% in 23/24 and 2% across all years thereafter and that rents will increase by the permitted CPI plus 1% from 22/23 to 24/25 i.e. 2.3% in 22/23, 2.9% in 23/24, 3% in 24/25 and 2% thereafter.

4.20 The table below indicates the current average social housing weekly rent and impact of an increase by each of the scenarios i.e. 1.5%, 1.25%, 0%, by number of bedrooms.

Bedroom	Total number 2020	Average 2020 Weekly Rent	Average Weekly Rent plus 1.5% increase	Average Weekly Rent plus 1.25% increase	Average Weekly Rent plus 0.0% increase
1	1810	106.24	107.83	107.57	106.24
2	1410	120.61	122.42	122.12	120.61
3	1499	135.44	137.47	137.13	135.44
4	30	140.79	142.90	142.55	140.79
5	1	161.44	163.86	163.46	161.44
6	2	172.16	174.74	174.31	172.16

4.21 The draft Housing Service Plan includes an objective to work with tenants and the Tenants Panel to support the collection of increased rent in a sensitive and proactive way.

4.22 The ongoing garages project aims to reduce the percentage of void garages and for them to be let in a timely manner. The focus for 2021/22 will be letting the high demand / low repair cost garage sites.

4.23 It is proposed that the weekly garage rents increase by 50 pence per week. Increased average standard rents will be £15.18 (£18.21 inc. VAT for private tenants).

4.24 It is proposed that service charges in the eight senior living schemes are increased by 30 pence per week bringing the new charge to £19.80 in 2021/22. In order to cost recover energy bills it is proposed that the heating reimbursement charge be increased by 50 pence per week in line with increases expected from the energy sector and expectations of the improved energy market during 2021/22.

Fees and Charges

4.25 A proposed schedule of charges for various services to leaseholders and shared owners is given in Annexe 2. The income from fees and charges are already included in the Business Plan, representing less than 0.25% of total income to the HRA p.a. The main source of the fees derive from repairs to leasehold buildings.

Draft 2021/22 Capital Programme

4.26 The draft Capital Programmes at Annexe 3 shows the proposals estimated to be spent in 2021/22 and the following years on each of the three elements to the capital programme.

4.27 The draft core programme spend has been affected in 2020/21 by Covid-19 and contractor performance particularly with regard to vacancy staffing levels.

- 4.28 The effect of the pandemic and subsequent lockdown measures has been mentioned throughout this report and there is uncertainty about how this will affect programme delivery in 2021/22. In addition to this, contract management has proved to be somewhat challenging throughout this year. There are a number of key priorities for next year's core programme particularly around energy efficiency, compliance and works to the communal and wider estate.
- 4.29 There is continued drive towards increasing the energy efficiency of the Waverley stock, by raising all properties to an EPC rating of C or above. This will be achieved through a number of different measures including programmes targeting further PV installations, loft insulation and heating upgrades.
- 4.30 In terms of ensuring compliance, there will be a focus on addressing the priorities identified from the current Fire Risk Assessment survey and from the forthcoming procurement of a new 5 year electrical testing regime.
- 4.31 Work to improve communal and estate areas continues with an emphasis on developing a cohesive approach to delivering priorities. This will ensure that residents' needs are fully understood through the work of the Community Development Team. There will also be an emphasis on improving the data used to set priorities and programmes of work through a renewed stock condition survey exercise of the Waverley stock.
- 4.32 The 30-year Business Plan also includes a programme to develop new affordable homes and a programme to remodel some of the existing stock. The major regeneration project at Ockford Ridge continues with the delivery of 37 new homes this year, a net gain of 17. A further two phases of the refurbishment and remodelling programme were completed at the end of the last financial year and a further phase which will include six homes are planned to be completed in 2021/22 budget year. Budget requests have been made for three further sites Site E, Ockford Ridge, Springfield, Elstead and Turners Mead and Chiddingfold. Other sites are coming forward and budget to undertake survey work has been identified for in the pre-development budget. Budgets for development sites include an allowance for enhanced energy efficiency measures to support delivery of the Council's aim to become carbon neutral by 2030.
- 4.33 The Housing Development Capital Programme Budget includes allocation for delivery of new affordable council homes for rent and shared ownership through the acquisition of property under Section 106 (s106) agreements. Three further homes were delivered through acquisition under s106 agreement this year and expressions of interest have been made on four other sites which subject to approval will deliver 25 new homes.
- 4.34 The Council declared a Climate Change Emergency on 18 September 2019. At the Housing Overview and Scrutiny meeting on 20 November 2019 it was recommended to Executive that there was a need to review the Waverley Design Standards, approved in July 2018, to address the council's environmental and sustainability objectives and consider the financial

implication of the proposed changes.

Financing

4.35 The Business Plan has been modelled to use contingency reserves and surpluses arising from the annual Business Plan, subject to maintaining a minimum £2 million Working Balance. These drawdowns will be allocated to New Affordable Homes and The Core Maintenance Programme.

4.36 The financial model in Waverley's HRA Business Plan incorporates the transfer to the HRA Revenue Reserve to support capital expenditure. Annexe 4 shows the Capital Programme proposals against the resources available in the next four years. The table at Annexe 4 shows that latest capital expenditure plans are affordable in the medium term.

4.37 In 2012 Waverley was required to take out £189m of borrowing to transfer the HRA to the new 'self-financing' basis. The HRA began making repayments of external debt principal in 2017/18. This is now scheduled to continue each year throughout the life of the Business Plan until repaid. In October 2018 the Government removed the borrowing cap for the HRA which had limited the total borrowing by an HRA-Council. The Council agreed not to borrow additional sums until rent increases were allowed again but noted that there is no need to borrow additional sums in the medium term as sufficient resources exist to meet projected capital needs. This position will be kept under review during 2021/22.

Local Government Act 2003 – Financial Administration

4.38 The Local Government Act 2003 formally introduced a number of specific sections covering:

- Budget calculations, report on robustness of estimates,
- Adequacy of reserves and
- Budget monitoring

4.39 **Robustness of Estimates** - Full account has been taken of potential costs and adequate provision has been made. A prudent assessment of income has been undertaken and only income that has a high level of certainty of being received is included within the Council's budgets.

4.40 The Council's Medium Term Financial Plan, together with information presented at the Annual Member Finance Briefings and subsequent reports demonstrate the financial challenges to Waverley Borough Council and Landlord Service in the future.

4.41 In view of the level of awareness amongst Members and the action taken to produce the Council's budget in 2021/22, the S.151 Officer is satisfied with the robustness of the estimates presented.

4.42 **Adequate reserves** - are necessary to meet significant cost that could not reasonably have been foreseen in the preparation of the budget. The levels of the HRA working and repairs fund balances have been reviewed and the

working balance is at least £2m. Annexe 4 shows the schedule of HRA balances and reserves. Plans for investment of balances in existing and new build properties are being drawn up to ensure the reserves are fully utilised.

4.43 **Budget Monitoring** - It is the view of Waverley's Section 151 Officer that the arrangements for budget monitoring, referred to above, satisfy the requirements of the Local Government Act 2003. Budget Monitoring in 2020/21 shows that the HRA is staying within budget on capital and revenue overall.

Conclusion

4.44 The team has completed a comprehensive review of the Housing Revenue Account and proposes income stream increases, capital works, improvements and new build budgeted programmes and the maintenance of healthy reserves to deliver the HRA Business Plan objectives.

5. Relationship to the Corporate Strategy and Service Plan

Waverley's landlord service deals with the management and maintenance of existing council homes and delivering housing. The Corporate Strategy aims to maximise the availability of housing that meets the needs of local people at all income levels and emphasises the value and worth of all residents. A viable business plan needs to be in place to aid delivery of these priorities.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Resource implications are contained throughout the report. There is proposed growth in staffing costs outlined below:

- In order to meet the increase in reportable compliance for gas, electrical and fire safety it is proposed that an additional Compliance Officer is recruited in addition to a data control officer.
- In recent years the scope and scale of matters under the umbrella of compliance has changed in accordance with building construction standards, the evolution of existing standards and well publicised tragedies.
 - The proposed new team structure is designed to focus individual officer time on specific areas of compliance rather than a broad spectrum.
 - Incremental budget cost is £68,000 pa.
 - The capital New Build programme over the next 5 years is expected to deliver 153 new homes with a net gain of 79 homes (excluding Right to Buy) with further homes delivered on developer sites through S106 agreements.

6.2 Risk management

A risk assessment has been completed for the project and mitigations identified to be monitored by the Head of Housing Operations.

6.3 Legal

There are no direct legal implications as a result of this report. The Council must set a balanced HRA budget and comply with all relevant legislation and guidance.

6.5 Climate emergency declaration

6.5.1 New Build contribution to the Council's environmental and sustainability objectives. Work with consultants to develop climate positive design, developing carbon off-set opportunities in materials used. Consultant and contractor shortlisting / tender process supports the Council's ambition of being carbon neutral by 2030.

Tender criteria are used to enable the Council to take account of the qualitative, technical and sustainability aspects of the tender as well as price when evaluating and reaching a contract award decision.

6.5.2 Demolition contractors are required to operate in an environmentally responsible manner with a firm commitment to recycle and reclaim the maximum materials recovered during the demolition and dismantling process.

6.5.3 Our build contractor appointment includes an assessment of responses in relation to minimise the carbon impact on delivery of schemes with specific references to addressing their environmental impact, pre-construction activity, build and post construction phases and management of their supply chain. Contractors are now required to demonstrate areas of innovation the firm has developed and how it might introduce and work with the council, having regard to the council's current Design Standards and Employers Requirements to deliver energy efficient and sustainable homes for existing and future tenants.

6.5.4 The Waverley Borough Council Housing Design Standards and Specification is due to be reviewed by Housing Overview and Scrutiny Committee (Task and Finish Group) from January 2021. Areas to be considered are opportunities and methods of delivery of carbon neutral / Passivhaus homes and value for money.

6.5.5 Working with other teams to identify ways the delivery of the Council's new build and regeneration programme can support delivery of other elements of the Council's Climate Change and Sustainability Strategy and Strategic Carbon Neutrality Action Plan.

6.6.6 Sustainability and reducing carbon are central to the review of the Asset Management Strategy, Responsive Repairs contract and capital works programmes.

7. Consultation and engagement

The Portfolio Holders and the Tenants Panel have been consulted on this paper prior to Housing Overview and Scrutiny committee. The Housing O&S Committee scrutinised the draft HRA Business Plan and budget at their meeting on 26 January and asked a number of questions of clarification. The Committee expressed some concern about the projected decrease in reserves and the impact this would have on the council's development programme, and the absence of any obvious consideration of the impact of the climate change declaration on the HRA budget.

8. Other options considered

Alternative rent scenarios are included in the body of the report.

9. Governance journey

Housing Overview and Scrutiny January 2021, Executive and Council
February 2021.

Annexes:

Annexe 1.0 – HRA Business Plan 2021/22 to 2024/25

Annexe 2.0 – Housing Services Schedule of fees and charges 2021/22

Annexe 3.1 – HRA Core Programme 2021/22

Annexe 3.2 – HRA Housing Development Capital Programme 2021/22 to 2024/25

Annexe 4.0 – HRA Reserves 2021/22 to 2024/25

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Agreed and signed off by:

Legal Services: 7 December 2020

Strategic Director: 15 January 2021

Portfolio Holder: 7 December 2020

Annex 1				
HRA Business Plan 21/22 to 2023/24	2021/22	2022/23	2023/24	2024/25
INCOME	£	£	£	£
Net Dwelling Rent	-28,784,000	-29,455,000	-30,739,700	-31,924,400
Net Garage Rent	-352,700	-357,200	-363,900	-371,200
Service Charges	-357,000	-364,100	-371,300	-378,700
Cost recovered	-325,950	-334,099	-342,451	-351,012
Other income	-271,526	-271,526	-271,526	-271,526
Interest receipts	-202,160	-50,000	-50,000	-50,000
Total Income	-30,293,336	-30,831,925	-32,138,877	-33,346,838
EXPENDITURE	£	£	£	£
Cost of Operation	1,662,630	1,598,200	1,638,200	1,679,100
Staffing	3,684,828	3,684,828	3,684,828	3,684,828
Recharges	425,780	425,800	425,800	425,800
Back Funding pension Cost	650,355	650,400	650,400	650,400
Sub total	6,423,593	6,359,228	6,399,228	6,440,128
Stock Maintenance	5,077,570	5,147,500	5,276,200	5,408,100
HRA proportion of Corporate and Democratic Costs	664,900	664,900	664,900	664,900
Debt interest	5,484,494	5,327,754	5,116,002	4,872,531
Principal Repayment	4,984,000	7,998,000	8,561,000	9,485,000
Contingency	265,000	265,000	265,000	265,000
Sub total	16,475,964	19,403,154	19,883,102	20,695,531
Total Expenditure	22,899,557	25,762,382	26,282,330	27,135,659
Net INCOME -/ Net EXPENDITURE +	-7,393,779	-5,069,543	-5,856,547	-6,211,179
Working Balance Contribution to Reserves:	£	£	£	£
Contribution to/from- Reserves				
Contingency		-2,024,000		
New Build (Affordable Housing)	3,000,000	6,808,097	786,000	1,355,000
Core Capital Programme	5,824,990	5,474,992	5,467,717	4,805,172
Major Repair Reserves to/-from		-1,700,000	-400,000	
WB to/-from Contingency				
Working Balance	-1,431,211	-3,489,547	2,830	51,008
Other reserves				
Total movement on Reserves	7,393,779	5,069,543	5,856,547	6,211,179
HRA Working Balance (min £2m)	£	£	£	£
Opening Balance	6,921,951	5,490,740	2,001,193	2,004,023
Movement within Reserves		0	0	0
Movement in year - added/ + reduced	0			0
From -surplus /deficit	1,431,211	3,489,547	-2,830	-51,008
Closing Balance	5,490,740	2,001,193	2,004,023	2,055,031

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Housing Services
Schedule of Fees and Charges for 2021/2022

Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	% Increase
		£	£	

Housing Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	% Increase
			£	£	
Housing Revenue Account					
Supervision and Management Special					
Guest Rooms - E P Units - Single	Per Night	OS	17.90	17.99	0.5%
Guest Rooms - E P Units - Double	Per Night	OS	23.00	23.12	0.5%
Community Rooms - Residents	Session	OE	21.00	21.11	0.5%
Community Rooms - Non Resident	Session	OE	36.80	36.98	0.5%
Leaseholder Charges				75,000.00	
The following charges replace the flat rate charge currently in place					
Annual practical notes and information to leaseholder. Check of leaseholder account to ensure there are no problems and ground rent invoicing with supporting documentation.					
	Annual	OO	28.60	28.74	0.5%
Annual practical notes and information to shared owners. Check of account to ensure there are no problems, check to see if ground rent payable					
	Annual	OO	25.50	25.63	0.5%
Annual practical notes and information to shared owners. Check of account to ensure there are no problems, check to see if ground rent payable					
	Annual	OO	28.60	28.74	0.5%
Service charge invoicing and supporting documentation non-shared ownership.					
	Quarterly	OO	3.90	3.92	0.5%
Service charge invoicing and supporting documentation non-shared ownership.					
	Annual	OO	12.80	12.86	0.5%
Service charge invoicing and supporting documentation shared ownership.					
		OO	28.60	28.74	0.5%
Consent to alter		OS	59.20	59.50	0.5%
Retrospective/ Complex consent to alter		OS	81.60	82.01	0.5%
Consent to underlet		OS	33.70	33.87	0.5%
Consent to keep pets		OS	33.70	33.87	0.5%

Housing Services
Schedule of Fees and Charges for 2021/2022

	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	% Increase
Letter to lenders and other third parties		OS	£ 28.60	£ 28.74	0.5%
Reminder in relation to arrears with full printout of account		OE	28.60	28.74	0.5%
Section 20 management		OE	38.80	38.99	0.5%
				12.56	0.5% Plus Land Registry Charge
Obtaining Land Registry document as requested by leaseholder		OS	12.50		
Provision of duplicate invoices		OS	3.40	3.42	0.6%
Contacting or responding to you in relation to a problem with your flat. Non-complex replies by email will be free		OS	6.70	6.73	0.4%
Written contact and liaison with you in relation to statutory requirements, such as fire and asbestos risk assessments		OE	3.40	3.42	0.6%
Leasehold enquiry responses		OS	249.90	251.15	0.5%
Leasehold (with sinking fund) enquiry responses		OS	260.10	261.40	0.5%
Preliminary telephone advice for non-complex issues relating to your leasehold property			FREE	FREE	
Changing leaseholder records, leaseholder responsible for advising changes in writing			FREE	FREE	

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ANNEX 3.1

HRA Core Programme £K	2021/22
Heating Upgrades	525
Kitchens	500
Bathrooms	500
Aids and Adaptions *	500
Roofing & Associated works	450
Windows & Doors	450
Repairs to electrics following electric testing	350
Void Kitchens and Bathrooms	300
Asbestos Removal	270
Fire and Legionella Protection Measures	225
Energy Efficiency	200
Major refurbishment	200
Communal & Estate works	160
internal remodelling	150
Structural & Damp works	150
Professional Fees	80
Tree Management	35
Garage Works	30
Staffing Cost Capitalisation	750
Total Core Programme	5,825

*** A & A Budget includes major adaptations at:**

22 Peakfiled, Frensham	£200K
8 Stephensfiled, Chiddingfold	£60K

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ANNEX 3.2

Housing Revenue Account Business Plan- Housing Development Capital Programme					
Project Code	Project Name	2021/22 Budget £	2022/23 Estimate £	2023/24 Estimate £	2024/25 Estimate £
K5001	Development Staff Costs	442,830	442,830	442,830	442,830
K5412	Pre-development Expenditure	200,000	200,000	200,000	200,000
K5431	Latent defects contingency	20,000	20,000	20,000	20,000
	Sub Total	662,830	662,830	662,830	662,830
	Budget Approved Schemes: With Planning Consent				
K5422	Aarons Hill, Godalming	676,712			0
K5407	Ockford Ridge	200,000	200,000	200,000	0
K5426	Ockford Ridge - Site B	3,614,640	0	0	0
K5427	Ockford Ridge Site C, Godalming	2,301,956	3,617,934		0
	Sub Total	6,793,308	3,817,934	200,000	0
	Budget Approved Schemes: Subject to planning consent				
K5430	Ockford Ridge - Site F	545,000	2,765,000	1,177,000	0
	Sub Total	545,000	2,765,000	1,177,000	0
	Budget Approved Stock Remodelling				
K5019	Ockford Ridge Refurbishment - Future phases	450,000	450,000	0	0
K5011	Community Rooms remodelling	0	0	0	0
	Sub Total	450,000	450,000	0	0
	Budget sought				
K5429	Ockford Ridge - Site E	431,860	1,668,946	1,571,581	0
	Turners Mead	360,989	145,100	0	0
	13-22 Springfield, Elstead	285,450	3,436,973	2,095,816	0
	Sub Total	1,078,299	5,251,019	3,667,397	0
	Land and Asset purchases				
K5000	Land acquisition and property purchase	1,000,000	950,000		
K5020	S106 affordable housing units	3,500,000	3,500,000	2,031,000	3,352,000
	Sub Total	4,500,000	4,450,000	2,031,000	3,352,000
	Approved Budget subject to planning				
K5432	Crossways	456,294	1,965,914	295,900	
K5433	Parkhurst Fields	208,076	720,960	0	0
K5434	Queensmead	942,088	899,900	0	0
K5435	Pathfields	1,322,616	1,234,046	0	0
K5436	Hartsgrove	1,106,591	186,036	0	0
	Sub Total	4,035,665	5,006,856	295,900	0
	Remodelling Budget subject to planning				
K5437	Borough wide refurbishment	226,000	50,000	450,000	450,000
	Sub Total	226,000	50,000	450,000	450,000
	Housing Development Total	18,291,102	22,453,639	8,484,127	4,464,830
	Funding:				
	HRA Funding	18,291,102	22,453,639	8,484,127	4,464,830
	External Funding	0	0	0	0
	External Borrowing	0	0	0	0
	Total Funding:	18,291,102	22,453,639	8,484,127	4,464,830

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ANNEX 4					
Housing Revenue Account Reserves					
	2020/21	2021/22	2022/23	2023/24	2024/25
Opening Reserves					
Working Balance	6,942,857	6,921,951	5,490,740	2,001,193	2,004,023
Contingency	2,224,000	2,024,000	2,024,000	0	0
New Affordable Homes	14,736,914	11,420,009	5,700,533	1,531,811	91,284
Stock Re-modelling	5,130,973	4,910,973	4,234,973	3,734,973	450,000
Major Repairs Reserve	2,100,000	2,100,000	2,100,000	400,000	0
Capital Receipts Unapplied	17,571,899	14,254,994	8,359,367	382,548	409,921
Total Reserves	48,706,642	41,631,926	27,909,613	8,050,525	2,955,228
Add from In Year Business Plan and cash for capital receipts					
Working Balance	-20,906	-1,431,211	-3,489,547	2,830	51,008
Contingency			-2,024,000		
New Affordable Homes	3,000,000	3,000,000	6,808,097	786,000	1,355,000
Stock Re-modelling					
Major Repairs Reserve	4,700,000	5,824,990	3,774,992	5,067,717	4,805,172
Capital Receipts Unapplied	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total Reserves	10,679,094	10,393,779	8,069,543	8,856,547	9,211,179
Movement on Reserves					
Working Balance			1,700,000	400,000	0
Contingency			-2,024,000	0	
New Affordable Homes			2,024,000	2,834,973	
Stock Re-modelling				-2,834,973	
Major Repairs Reserve			-1,700,000	-400,000	0
Capital Receipts Unapplied					
Total Reserves =0	0	0	0	0	0
Less use of Reserves					
Working Balance					
Contingency	200,000				
New Affordable Homes	6,316,905	8,719,475	10,976,820	5,061,500	1,284,746
Stock Re-modelling	220,000	676,000	500,000	450,000	450,000
Major Repairs Reserve	4,700,000	5,824,990	5,474,992	5,467,717	4,805,172
Capital Receipts Unapplied	6,316,905	8,895,627	10,976,820	2,972,627	2,730,084
Total Reserves	17,753,810	24,116,092	27,928,631	13,951,844	9,270,002
Closing reserves					
Working Balance	6,921,951	5,490,740	2,001,193	2,004,023	2,055,031
Contingency	2,024,000	2,024,000	0	0	0
New Affordable Homes	11,420,009	5,700,533	1,531,811	91,284	161,538
Stock Re-modelling	4,910,973	4,234,973	3,734,973	450,000	-0
Major Repairs Reserve	2,100,000	2,100,000	400,000	0	0
Capital Receipts Unapplied	14,254,994	8,359,367	382,548	409,921	679,837
Total Reserves	41,631,926	27,909,613	8,050,525	2,955,228	2,896,406

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE

9 FEBRUARY 2021

Title:

Pay Policy Statement 2021/22

Portfolio Holder: Cllr John Ward, Leader of the Council

Head of Service: Robin Taylor, Head of Policy & Governance

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 The Localism Act 2011 (Section 39) requires all public authorities to publish an Annual Pay Policy Statement. The Council is required to adopt the Annual Pay Policy Statement each year and the Council is not legally permitted to depart from the policies set out in that statement when it considers actual decisions in relation to individuals' remuneration, including redundancy and/or severance.
- 1.2 The Annual Pay Policy Statement for the 2021/22 financial year is attached at Annexe 1. It has been updated in line with the requirements of the Localism Act 2011, resulting in minimal adjustments from last year which are shown as tracked changes.

2. Recommendation

That the Executive recommend to Council that the Pay Policy Statement for the 2021/22 financial year, attached at Annexe 1, be approved.

3. Reason for the recommendation

To comply with the Localism Act 2011 (Sections 38 and 39).

4. Relationship to the Corporate Strategy and Service Plan

- 4.1 The publication of the Pay Policy Statement, as well as being a legal requirement, is part of the Council's approach to ensuring it has effective and transparent remuneration arrangements in place.

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

The pay arrangements set out within the policy statement are reflected in the Council's Annual Budget.

5.2 Risk management

The Pay Policy Statement is a requirement of section 38 (1) of the Localism Act 2011 that sets a statutory duty on local authorities annually to publish a statement approved by Full Council by the end of the financial year and relating to the new financial year. Failure to comply could lead to a legal challenge to the Council and therefore it is important that the statement reflects the requirements of the Act and all the associated statutory guidance.

5.3 Legal

The policy meets the requirements of the Localism Act 2011 and all other relevant legislation.

5.4 Equality, diversity and inclusion

The Council's duty under section 149 of the Equality Act 2010 is to have due regard to the matters set out in relation to equalities when considering and making decisions. The Pay Policy Statement is designed to bring fairness and equality to the application of pay and remuneration within the Council. There are no direct equality impacts associated with agreeing the Pay Policy Statement itself.

5.5 Climate emergency declaration

There are no direct climate change impacts associated with agreeing the Pay Policy Statement itself.

6. Consultation and engagement

6.1 N/a.

7. Other options considered

7.1 The Pay Policy Statement is a requirement of section 38 (1) of the Localism Act 2011 that sets a statutory duty on local authorities annually to publish a statement approved by Full Council by the end of the financial year and relating to the new financial year. Failure to comply could lead to a legal challenge to the Council.

8. Governance journey

8.1 The Pay Policy Statement must be approved by Full Council.

Annexes:

Annexe 1 – Pay Policy Statement 2021/22 (tracked changes)

Annexe 2 – Pay Policy Statement 2021/22 (clean copy)

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

CONTACT OFFICER:

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Position: HR Manager

Telephone: 0148 3523499

Email: sally.kipping@waverley.gov.uk

Agreed and signed off by:

Legal Services: 21 January 2021

Head of Finance: n/a

Strategic Director: 27 January 2021

Portfolio Holder: Sent 27 January 2021

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Date of Policy: February ~~2020~~ 2021

Review Date: Annual review and approval by Council

Date uploaded to website:

WAVERLEY PAY POLICY April 2021/2022 ~~0/2021~~

PUBLISHED AS AN ANNUAL STATEMENT SINCE 2012/13

Purpose of Policy

In line with the Government's principles of pay accountability set out in the Localism Act 2011, Waverley has an open and transparent approach to the salaries and payments of all our staff. The Council publishes the salaries of the Chief Executive, Strategic Directors and Heads of Service with a description of each role and responsibility within the authority. This means that all our senior salaries are easily accessible by members of the public who can see exactly what is paid for particular roles and responsibilities. Full Council will approve any new appointment with a salary package of £100,000 or more i.e. the Chief Executive appointment and new Strategic Director appointment. ~~From April 2014, i~~In line with the revised Code of Recommended Practice for Local Authorities on Data Transparency, the number of staff whose remuneration (including benefits) exceeds £50,000 and a list of their responsibilities, has been published on the website.

Pay Structure

The Council's organisational structures are also published on its website with the job outlines for our senior staff. We are committed to ensuring that our salaries and payments are subject to the principles of fairness, openness and consistency and these can be tested against value for money and equal pay. The salary structure is published on our website and this shows that salaries are linked to particular grades. Grades are determined by job evaluation giving each job description a relative value. The current salary structure was agreed by the full Council in December 2010 after consultation with staff representatives through the Council's Joint Negotiating Committee (JNC), this was last updated 1 April 2020 ~~19~~ and continues to apply the UK Living Wage as the minimum evaluated salary grade. The Joint Negotiating Committee meets annually to review the salary structure. If a pay award is agreed, it is applied to the salary structure with effect from 1 April.

The grading structure covers a wide range of jobs. The differentials between the salary grades for these jobs is objectively justified by our job evaluation system which takes account of equal pay for work of equal value and evaluates each job based on the level of skills, knowledge, problem solving and accountability required. The pay multiple (ratio between the Chief Executive's gross salary and the median gross salary of the authority's workforce) is 1:4.8

More details can be found at [Waverley Borough Council Senior Management Team](#)

Agreeing Remuneration

The Council has tight controls on workforce costs including salaries and payments. Any newly appointed or promoted staff start at the bottom of the grade (the “starting salary”). In exceptional circumstances, where salary benchmarking and recruitment experience demonstrates the impact of salary competitiveness on the ability to recruit suitably qualified staff, the Head of Service may authorise recruitment to a higher point within the grade and/or additional payments to support the recruitment process. Except in exceptional circumstances, Waverley is also committed to ‘clean pay’ for newly recruited staff and only pays staff an allowance where it is absolutely necessary such as for election duties or when overtime needs to be worked. If there is a request to adjust a salary in excess of the above (for example a market supplement, a request for a pay increase to be backdated etc.) a business case and benchmarking exercise is required to be presented at a Pay Panel that includes the Section 151 Officer, the Head of Policy and Governance, a representative from Unison (the recognised union) and the HR Manager. The Pay Panel will make and document the decision relating to remuneration. There is no right of appeal. The Council will pay a market supplement when salary benchmarking shows that it is needed. The budget responsibility for salary costs this lies with the Head of Service.

The role of Returning Officer is a separate responsibility and is remunerated separately after each election in accordance with the appropriate Statutory Fees and Charges Order.

The Council does not have performance related pay or bonuses. The Council does not employ any staff through personal service companies, except in exceptional circumstances agreed by the Chief Executive and Portfolio Holder for Human Resources.

The Council has 12 grades on the pay scales, plus spot salaries for the Directors and Chief Executive. Most Each of the 12 grades currently have 54 salary increments which progressively go up from the lowest pay point to the highest. The only exception to this is Grade 12 which has one grade point. The Council has also approved, ~~from November 2013,~~ a professional planners salary scale with 5 grades and 45 salary increments. This incremental progression applies to all staff on the pay grades until they reach the top pay point. The progression is dependent on satisfactory performance and would normally be applied in April each year. For historic reasons, there are some staff on all grades who for contractual reasons, fall outside the ~~five~~ increments and are on two additional pay scales at each grade.

Redundancy

As a result of careful financial management and budgetary planning, the Council endeavours to avoid making compulsory redundancies and our policy is to minimise any job loss wherever possible. We only consider applications for early retirement and voluntary redundancy if there is a business case which can be justified under the principles of public interest and value for money. If a redundancy is necessary, the Council’s policy is to pay at a rate of 1.5 weeks for each completed year of service for individuals with two years completed local government service. In accordance with this policy, in exceptional circumstances, the Council may decide to make a one-off termination payment in the interests of the efficiency of the Council’s

services. This will normally be no more than the person concerned would have received under the redundancy policy.

The Restriction to Public Sector Exit Payments Regulations 2020 came into force in November 2020. However, no changes have yet been made to LGPS Pension Regulations. If Waverley Borough Council identify a redundancy proposal that is likely to breach the £95,000 cap and the cap is unlikely to be waived, the following actions will be taken:

- legal advice will be obtained
- HR will notify Unison of the likely breach of the cap (whether the individual affected is a member of the union or not)
- detailed proposals will be referred to full Council for consideration which will provide
~~Any proposal to make a termination payment of £95,000 or more would only be proposed if it complied with any Government regulations in place at that time and would need approval by full Council, with~~ a detailed breakdown of the components of the package (for example pay in lieu of notice, redundancy, pension, outstanding holiday) ~~provided to Councillors.~~

Flexible Retirement

The Council's flexible retirement policy can allow a smoother transition between work and retirement and as a way of transferring skills and knowledge within the workforce and supporting succession planning. This applies where there is no financial or service detriment for Waverley. Requests for early retirement, for example in the interests of the efficiency of the service, are considered on a case by case basis by the Head of Service and Strategic Director. If the request balances the needs of the service, tax payer and individual then it may be granted.

Re-employment following Redundancy

The Council does not usually re-employ staff who have received compensation on leaving the Council's employment on the basis of redundancy, early retirement or for some other reason. Any re-employment will be determined by the Chief Executive, in partnership consultation with the HR Manager and will take into account the requirements to have a break in employment of at least 4 weeks. Consideration will be given as to whether part of all of the compensation payment should be recovered, how similar the role proposed is to the role the individual left, the pay scale for the proposed role and any impact on pension arrangements. Any decision will comply will comply with all Government regulations in place at that time.

Employee Benefits

The Council continues to invest in high quality benefits for its employees as part of the employer value proposition. This includes the introduction of My Staff Shop which enables staff to obtain discounts to support national and local businesses and to have a 'one stop' portal to access all staff benefits. There is financial support for wellbeing, learning and development
~~The Council continues to invest in and~~ successful apprenticeship and graduate trainee schemes. ~~We also invest in the learning and development identified through the Performance~~

~~Agreement process of all our managers and staff so that we can~~ This supports staff career development whilst continuously improvinge the quality of service to Council Tax payers and customers.

~~Waverley has held Investors in People accreditation since 2004 and after a re-assessment in July 2018 was awarded The Standard accreditation. Waverley demonstrated a clear commitment to its people with high achievement in effective team working and operational co-operation. Investors in People is a national award which recognises organisations that improve performance through the effective management and development of their people.~~

Gender Pay Gap Reporting

~~As of April 2018 p~~Public, private and voluntary sector organisations with 250 or more employees ~~will have to~~ report on their Gender Pay Gap. The data is taken annually on a snapshot date at the end of March. Figures are reported within quarterly performance reports. As part of the HR Strategy for 2018 to 2023 we are committed to continue to address issues that arise from our pay gap and will continue to review and report any changes.

Renewal of Statement

The Council considers that everyone should be able to understand how this Pay Policy applies in practice and therefore the salary and staff information will be updated when changes occur and at the start of each financial year following approval by full Council.

Date of Policy: February 2021

Review Date: Annual review and approval by Council

Date uploaded to website:

WAVERLEY PAY POLICY April 2021/2022

PUBLISHED AS AN ANNUAL STATEMENT SINCE 2012/13

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Renewal of Statement

The Council considers that everyone should be able to understand how this Pay Policy applies in practice and therefore the salary and staff information will be updated when changes occur and at the start of each financial year following approval by full Council.

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

9 FEBRUARY 2021

Title:

Local Government Collaboration in Surrey

Portfolio Holder: Cllr J Ward, Leader

Senior Officer: T Horwood, Chief Executive

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 The purpose of this report is to update the Executive, councillors and the public on progress on local government collaboration since the Council and Executive discussions of 22 July and 8 September 2020 respectively, and to seek endorsement to develop an options appraisal for further collaboration with Guildford Borough Council.

2. Recommendation

It is recommended that the Executive:

1. Notes the KPMG report on future opportunities for local government in Surrey;
2. Endorses the development of an initial options appraisal for collaboration with Guildford Borough Council;
3. Allocates the remaining £15,000 budget previously approved for “a unitary council proposal” to “exploring collaboration opportunities with other councils”; and
4. Recommends to the Council that it debate opportunities for future collaboration among local authorities in the light of the KPMG report and this report.

3. Reason for the recommendation

- 3.1 This report updates councillors and the public on the progress made in the discussions on local government reorganisation and collaboration in Surrey.
- 3.2 At Executive meetings in 2020, £30,000 was allocated “to support preparatory work for a unitary council proposal”. It is now recommended to allocate the remaining £15,000 to support the development of proposals for council collaboration, to be reported back to the Executive in due course.

4. **Background context**

4.1 A detailed update was provided to the Executive at its meeting on 8 September 2020,¹ and is summarised as follows. On 10 July 2020, Surrey County Council (SCC) wrote to the Secretary of State for Housing, Communities and Local Government to seek permission to establish a single county-wide unitary council, which would entail the abolition of the eleven district councils, of which Waverley Borough Council is one.² SCC commissioned Pricewaterhouse Coopers to develop a business case in support of its bid.

4.2 At the Waverley Borough Council meeting on 22 July, the following resolution was passed (51 votes for, 2 abstentions, 0 against):

“This Council opposes a single Surrey-wide Unitary Authority. This Council recognises principles of localism many of which are incompatible with a single unitary authority within Surrey, therefore Council, instructs the Executive to urgently investigate alternative forms of Unitary Authorities and the timing of any such reorganisation that may be more advantageous to Waverley and its residents, including any opportunities with neighbouring Counties.”

4.3 On 23 July, the Leaders of the eleven district councils wrote to the Secretary of State asking for the opportunity to put forward other alternatives if he were minded to invite any proposals for local government reorganisation in Surrey. The district Leaders set out their councils’ principles for the potential future structure of local government, including: place-based local government, value for money and the democratic mandate. The district councils invited SCC to collaborate on one project to develop a range of options prior to submitting proposals to the Government; SCC declined. The district council Leaders, therefore, agreed that the eleven councils should prepare their own joint appraisal and business case, subject to the governance processes of each council, and KPMG was procured to develop an options appraisal and business case. Waverley Borough Council allocated £30,000 as its contribution towards the collaboration project.

4.4 On 9 October, the Minister for Regional Growth and Local Government, Luke Hall MP, wrote to SCC informing it that formal proposals for local government reorganisation in Surrey would not be invited at this time (see Annexe 1).

4.5 As a result of the ministerial letter, the momentum for unitary proposals dissipated. As the letter did not definitively close the possibility of local government reorganisation in medium term, the district councils’ Leaders agreed that the KPMG project should conclude and report, but also incorporate an analysis of ideas for further collaboration among councils in Surrey, that could reduce costs and maintain effective public services. The final report is at Annexe 2. The current intention is for this report to provide a useful basis of evidence for discussions at some point in the future. In the meantime, the councils individually

1

<https://modgov.waverley.gov.uk/documents/s37405/Sep%202020%20Executive%20LG%20reorganisation.pdf>

² Elmbridge Borough Council, Epsom and Ewell Borough Council, Guildford Borough Council, Mole Valley District Council, Reigate and Banstead Borough Council, Runnymede Borough Council, Spelthorne Borough Council, Surrey Heath Borough Council, Tandridge District Council, Waverley Borough Council, Woking Borough Council.

and together are prioritising their response to the pandemic crisis and to addressing their growing financial challenges.

- 4.6 The KPMG report presents a strong case for councils to work together more closely in the context of continued funding reductions from central government and the financial consequences of the Covid pandemic. It is notable and perhaps not surprising that KPMG identifies that Waverley and Guildford boroughs in particular could be natural partners, given the geography, infrastructure links and similar sizes. Despite the councils having made efficiencies and cut costs in recent years, both face extremely difficult financial challenges. In this context, the political leaderships of the two councils, supported by senior officers, have held initial discussions in an informal working group about how the two councils can collaborate in the future. The expected outcomes of this work are the retention of two separate democratic councils, but with greater sharing of resources and staffing. To make progress, officers will need a clear, early steer from councillors on how to proceed.
- 4.7 There are two broad approaches to the transformation needed to deliver financial savings at scale.

Option A: service-by-service business cases

- 4.8 Services, back office functions and procurement opportunities would be reviewed to produce a set of business cases to set financial targets and deadlines. Selected projects would be implemented as specific shared services, while the rest of the two councils and the management teams remain separate. Business cases would also explore the preferred operating model for each shared service. For example, whether the services will be managed by one council as lead authority contracting to the other; a joint procurement of a third party contractor; a joined resource with a clear legal agreement on cost/benefit sharing; a new company as a separate legal entity owned jointly by the two councils as shareholders; or another model.

Option B: single officer team

- 4.9 A single management team would be established early on to progress the full integration of the officer teams in both councils into one. The single management team would prioritise those areas that will most assist the transformation alongside those with the biggest potential savings. The objective would be to have one shared officer resource working for two separate democratic councils. This would be underpinned by a comprehensive legal agreement and, as with option A, financial targets and deadlines would be set within a business case.
- 4.10 Examples of both of these approaches have worked successfully elsewhere for over a decade.
- 4.11 Clearly, further work would be required to develop business cases around preferred approaches to collaboration and associated governance arrangements. The Local Government Association has been invited to support this work and to provide independent input. Given that the cost to Waverley BC of the KPMG report was less than the £30,000 that was allocated, it is recommended that the

remaining £15,000 support the development of an options appraisal for further consideration by both councils.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 The *Corporate Strategy 2020-25* emphasises “open, democratic and participative governance”, “high quality public services accessible for all”, and “a financially sound Waverley, with infrastructure and resilient service fit for the future”. These principles, in particular, will guide our approach to this project.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Paragraph 3.2 allocates funding to this recommendation. Collaboration across councils could provide significant financial benefits, to be explored and articulated in the next phase of this work.

6.2 Risk management

As proposals emerge, further risk appraisals will be required and reported accordingly. If change proposals are approved, there will be a period of transition that will require thorough project planning and short-term cost, in order to achieve the intended longer term benefits. A substantial change programme could be required to determine the detailed structures and to harmonise staff terms and conditions. As many other councils in England have been through similar collaborative projects, there will be available a considerable wealth of expertise and knowledge, as well as support from the Local Government Association.

6.3 Legal

In relation to *shared services and staffing*, section 113 of the Local Government Act 1972 provides that any local authority may enter into an agreement with another local authority for the placing at the disposal of the latter for the purposes of their functions on such terms as may be provided by the agreement, of the services of officers employed by the former. The starting point for any shared arrangement under either of Options A or B would be the creation of a Section 113 Agreement, from which various other agreements would flow (depending on the specifics of the arrangements) that would establish methods of governance, strategic and operational management, decision-making, financial arrangements and any other working arrangements that would need to be agreed between the two authorities. These arrangements have been put in place by many local authorities across the country in a variety of partnership arrangements.

In terms of the *creation of unitary councils* (which is part of the KPMG report, but not now being actively pursued), the Local Government and Public Involvement in Health Act 2007 sets out the process by which any new single tier of local government is created. Section 2 enables the Secretary of State to invite or direct a county or district council to make a proposal. Where a proposal is received, the Secretary of State may then by order implement the proposal, with or without modification, and may make regulations via Parliament to supplement the implementation of any proposal.

6.4 Equality, diversity and inclusion

Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010. There are no immediate equality, diversity or inclusion implications in this report's recommendations. Detailed impact assessments will be required as proposals are considered.

6.5 Climate emergency declaration

The climate change emergency declaration and the urgent target for net zero carbon by 2030 is a critical objective for Waverley Borough Council. While no specific impacts on the climate emergency declaration have been identified as a consequence of this report's recommendation, the Council will be assessing and prioritising the environmental, climate and carbon impacts of any proposals that emerge. It may be noted that Guildford Borough Council, like Waverley, has declared a climate emergency and stated an ambition to "work towards making the Council's activities net-zero carbon by 2030"; potential synergies across the two councils can be explored as part of this project.

7. Consultation and engagement

- 7.1 No external consultation has yet taken place, beyond informal discussions with the leadership of the other district councils in Surrey. As options are developed, engagement with parish/town councils, community groups and the wider public may be desirable as any impacts on those stakeholders are identified.

8. Other options considered

- 8.1 The alternative option to the recommendation would be to cease the exploration of options with Guildford Borough Council and forego any benefits that the project might identify. At this exploratory stage, it is recommended to proceed, so that both councils can later take an informed decision as to whether to collaborate more closely and, if so, how.

9. Governance journey

- 9.1 This report is for decision by the Executive on 9 February 2021 and debate by the Council on 23 February 2021.

Annexes:

1. Letter of the Minister of State to Surrey County Council, 9 October 2020.
2. KPMG, *Surrey District and Borough Councils: Local Government Reorganisation and Collaboration*, December 2020.

Background Papers

Background papers as defined by Section 100D(5) of the Local Government Act 1972:

- None.
-

CONTACT OFFICER:

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Position: Chief Executive
Telephone: 01483 523238
Email: tom.horwood @ waverley.gov.uk

Agreed and signed off by:

Legal Services: 28 January 2021

Strategic Director/S151 Officer: 28 January 2021

Portfolio Holder: 26 January 2021



Ministry of Housing,
Communities &
Local Government

Cllr Tim Oliver
Leader
Surrey County Council

By email:
tim.oliver@surreycc.gov.uk

Luke Hall MP
Minister for Regional Growth and Local Government

**Ministry of Housing, Communities and Local
Government**

Fry Building
2 Marsham Street
London
SW1P 4DF

Tel: 0303 444 3440
Email: Luke.Hall@communities.gov.uk

www.gov.uk/mhclg

9 October 2020

Dear Cllr Oliver

I know in Surrey you have been discussing and are making considerable progress on developing proposals for unitary local government across the county. Such reforms could enable you to better serve your local people and businesses, to address the challenges of today including on housing, climate change, and those arising from the pandemic, and to contribute more effectively to our agenda for levelling up opportunity and prosperity across the country. We in Government are ready to work with you, helping you to achieve your ambitions for reform.

You may be aware that the Secretary of State has now issued formal invitations to councils in Cumbria, Somerset and North Yorkshire, including the associated unitary councils, to submit proposals for unitary local government. Whilst I recognise you have also asked for an invitation, the pandemic has rightly necessitated resources across Whitehall and in local government being re-allocated to tackling Covid-19 and on economic recovery, and this must be Whitehall's and town halls' number one priority at present.

I know this will be disappointing. However, I would value an opportunity now to see how your vision for the future of local government in Surrey is developing and the ideas you have for future unitary structures. If you wish, I would be happy for you to send me the business plan and proposals you are developing including the evidence you have about the level of local support. I will be interested to consider this material, which will help me develop my thinking for the future.

Finally, I would stress this is not a formal invitation kickstarting the process of unitarisation. If and when the Secretary of State were to issue an invitation to Surrey councils, it would then be for each council to decide whether to submit a unitary proposal, and if so what form that should take.

If it would be helpful, I would be happy to discuss with you. I am copying this letter to all local MPs.

Yours sincerely,

LUKE HALL MP

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Surrey District and Borough Councils

Local Government Reorganisation
and Collaboration

December 2020

Final Draft



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Executive Summary



Context

The District and Borough Councils of Surrey jointly identified the need to explore potential options for Local Government Reorganisation within the County, whilst assessing future opportunities for collaboration within existing structures.

Situation

- Councils are operating in a complex economic, political and policy landscape, with devolution and Local Government Reorganisation proposals being prepared throughout the country.
- The District and Borough Councils were united in their opposition of one single unitary for Surrey.
- National attention remains focussed on the impact of Covid-19, Brexit and climate change.
- Councils have ongoing challenges with the 'levelling up' agenda, health and social care integration, ongoing financial pressures and the need to deliver greater digitisation.
- Surrey are also facing a number of cross-cutting challenges, including an aging population, areas of economic decline, congestion, affordable housing, health inequalities and increasing demand for services.
- Councils must deliver quality service improvements for their local communities.

Changing Context

- Early in 2020, the County Council, independent of the District and Borough Councils, indicated it's desire to explore options for Local Government Reorganisation within Surrey. The County Council expressed that a single unitary within Surrey was their preferred option.
- Central Government indicated that the Surrey proposals would not be agreed in the first wave of reorganisation.
- It was agreed that greater collaboration between the Councils would support the case further and help to alleviate financial pressures.
- There remain ongoing challenges of financial sustainability and a desire to further improve outcomes for residents, the District and Borough Councils feel that collaboration will support them to address these challenges

Questions: What could Surrey District and Borough Councils do in order to be best placed for future potential Local Government Reorganisation? How will financial and organisational resilience be improved through collaboration?

Why assess LGR options and collaboration?

A number of issues are driving the need for an assessment of LGR options and opportunities.

Why assess Local Government Reorganisation options?

Surrey County Council signalled their intent to submit a Case for Change to Central Government, presenting their preferred option for Local Government Reorganisation (LGR) as a single Surrey unitary. As a result, the District and Borough Councils commenced discussions with MHCLG to understand their position in relation to the outline assessment of potential options. It was anticipated that in time, the County would be invited to submit their own proposal for LGR within Surrey, and the District and Borough Councils wanted to understand potential routes forward.

Following a number of changes, including the delay of the anticipated Devolution White Paper from Central Government and letters of invitation in October to three Counties for LGR, there has been ongoing uncertainty around the timescales for LGR. Central Government have indicated that any proposals for Reorganisation would require broad agreement across Local Government and communities.

Although the White Paper has been delayed, it is still expected that Local Government Reorganisation and unitary authorities will be back on the table in the medium-term in Surrey.

The eleven Surrey District and Borough Councils were mindful of the potential democratic deficit residents might experience as a result of the reduction in number of representatives in a single County unitary solution. They, also, recognise the potential loss of 'place' and 'belonging' for local residents in such a model. They wished, therefore, to be ready to progress an alternative proposal if / when the time comes.

Why collaborate across the Surrey District and Borough Councils?

Collaboration between the District and Borough Councils will help to enable the delivery of better outcomes for residents. At the highest level, this would be through sharing knowledge, intelligence and best practice.

There is also a strong precedent from other examples of collaboration between local authorities in the UK that it can deliver financial savings where appropriate through greater economies of scale, reducing duplication and finding more efficient ways of working.

The District and Borough Councils in Surrey vary in size. The organisations have explored whether collaboration would provide greater resilience through enabling a larger pool of joint resources and expertise and an ability to respond to external events more quickly.

Further, collaboration can be a driver to redefine the relationship with the County Council by delivering more services locally where appropriate and through establishing more equal partnership working.

Finally, collaboration can be used as a tool to prepare for potential reorganisation. This can be achieved by focusing some collaboration in clusters based on potential unitary footprints, reducing future reorganisation complexity and demonstrating the benefits and potential of local partnership working. Should there be a requirement to submit a Case for Change in future, the District and Borough Councils have explored the options and the implications of those.

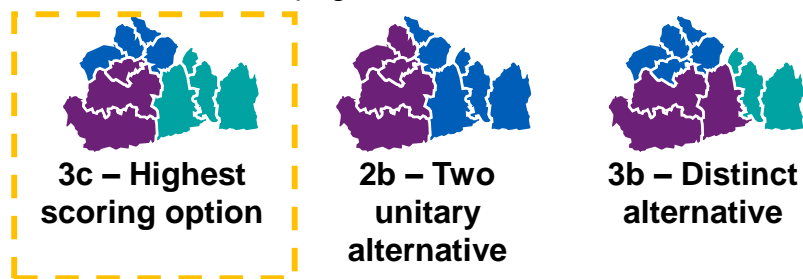
What could the District and Borough Councils do next?

What could Surrey District and Borough Councils do in order to be best placed for future potential Local Government Reorganisation? How will financial and organisational resilience be improved through collaboration?

What could Surrey District and Borough Councils do in order to be best placed for future potential Local Government Reorganisation?

Following the assessment of feasible options for LGR within Surrey, created in line assessment criteria co-created with the District and Borough Councils, councils could explore the prioritised list of feasible options further. The highest scoring option, 3C, could be examined alongside at least two other options in order to assess Council and public appetite for reorganisation and suitable form within Surrey.

Further details set out on page 7.



What could Surrey District and Borough Councils do in order to increase financial and organisational resilience through collaboration?

The Councils could develop a coherent programme of work in order to prioritise and progress eight priority collaboration opportunities, which cover a range of service areas and were identified through joint working between the District and Borough Councils. This will enable the Councils to foster closer working relationships across a range of service delivery footprints, improve resilience, and deliver savings.

Further details set out on page 8.

What could Surrey District and Borough Councils do next?

To build on the foundation of exploring options together, it is recommended that ongoing progress is made against both the assessment of potential options for LGR and delivery of identified collaboration opportunities between the Councils.

Council and public engagement on LGR, alongside further deep dives into services potentially impacted by reorganisation (e.g. Waste and Children's services), will provide the Councils with an additional layer of preparation for future reorganisation challenges.

Collaboration opportunities could be assigned to delivery owners, being taken forwards by project officers who will ultimately be accountable to all the Councils for the delivery of collaboration across Surrey. The eight identified opportunities have a number of potential strategic and tactical next steps, which could be explored to deliver quick wins to prove the concepts of collaboration, as well as gain executive and political buy-in.

Successful collaboration will be dependent on the right conditions, including trust between parties. It can be agnostic of form.

Local government reorganisation

There are a number of potential feasible options for LGR in Surrey, with a number of potential unitary options that have been explored. This outlines the approach to considering and selecting LGR options.

- An agreed list of selection criteria has been weighted in order to deliver an options assessment of feasible permutations for reorganisation in Surrey.

Page 14-17

- The options assessment resulted in a highest scoring option, and a number of high scoring alternatives. These were reviewed within a workshop to assess the strengths and challenges of each option.

Page 18-19

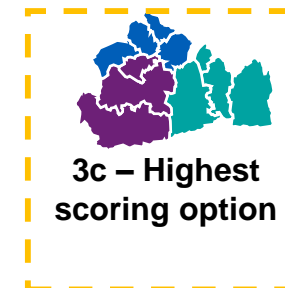
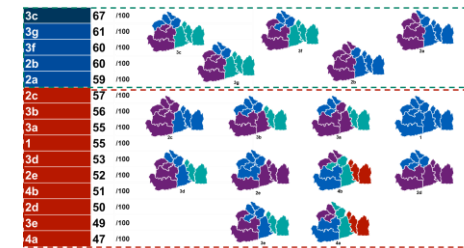
- This resulted in three selected options:
 - 3c – Highest scoring option.
 - 2b – Two unitary alternative.
 - 3b – Distinct alternative.

Page 20-22

- There are a number of questions which require further consideration and next steps to address over the coming months.

Page 23

Evaluation categories	
Service delivery	Democratic Representation
Growth	Financial benefits and sustainability



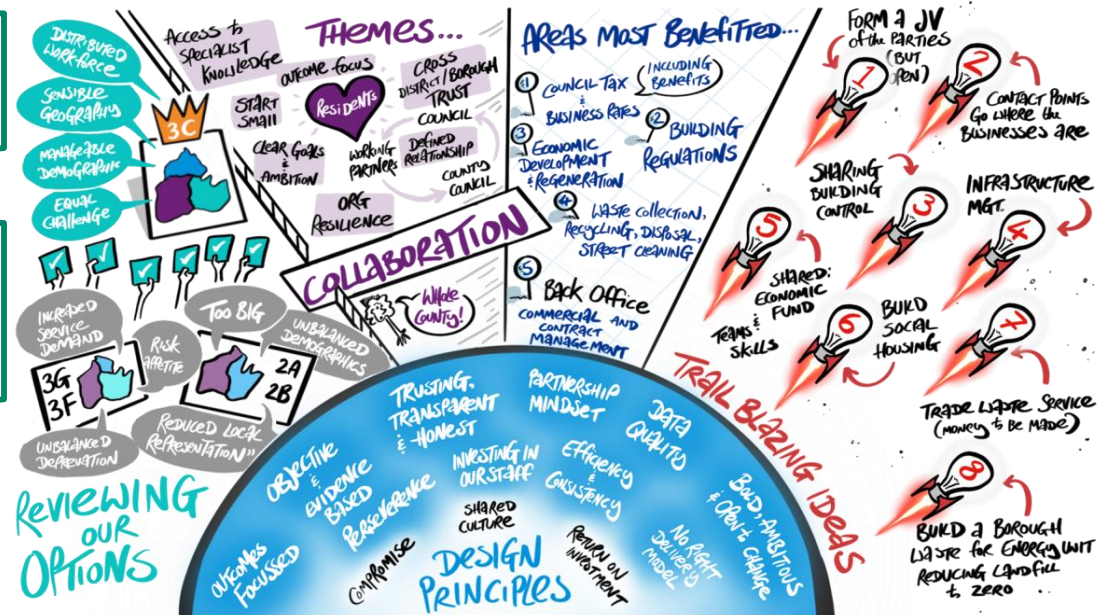
Collaboration

Councils should develop a coherent programme in order to progress the eight key collaboration opportunities, foster closer working relationships, improve resilience, and deliver savings.

- Collaboration was explored with the Councils to better understand the potential feasibility of work within Surrey and the need to collaborate. **Page 25-28**

- The current footprint of collaboration across Surrey was assessed to understand current relationships. Joint working themes were developed into a set of Design Principles for collaboration within Surrey. **Page 29-31**

- Collaboration opportunities were identified through a selection processes that involved both workshop engagement, surveys, and direction from Chief Executives and Leaders to identify eight priority areas for collaboration. This is not an exhaustive list, and would be subject to developing business cases:
 - New approach to Waste
 - Sharing Building Control
 - IT infrastructure
 - Shared approach to Housing
 - Standardisation of Revenue & Benefits
 - Procurement
 - Economic Development
 - Shared Leisure Services**Page 32-57**



- There are series of next steps and requirements in order to deliver collaboration and continue this work. **Page 58**

Conclusions and next steps

It is recommended that momentum is maintained across both strands of work, focussing on driving forward the delivery of collaboration opportunities, whilst continuing to explore LGR options to prepare for future changes.

What could Surrey District and Borough Councils do next?

It is recommended that ongoing progress is made against both the assessment of potential options for LGR and delivery of identified collaboration opportunities between the Councils.

Council and public engagement on LGR, alongside further deep dives in to the elements of service provision that are currently delivered by the County Council (for example, Children's Services), will provide the Councils with an additional layer of preparation for future reorganisation opportunities. Work that is completed now to help align the efforts of the Councils will be influential and beneficial for any future potential LGR, regardless of outcome. We understand that potential changes as a result of LGR have been delayed, and will likely return in the future.

Collaboration as a basis for working will help improve the resilience of the District and Borough Councils, as resilience continues to become an ever increasing pressure for the Councils across the Country. All councils have agreed to respond to the scale of this challenge, and this should be used to make significant progress in this area.

Progressing opportunities

A series of detailed next steps for each of LGR and collaboration are detailed on pages 60-63, however, they should not be viewed in isolation. Collaboration on a footprint aligned to potential future structures would facilitate accelerated progress with fewer parties involved. It can also help to align activities and strengthen a potential future case for LGR as arrangements would be aligned on a proposed footprint.

Collaboration opportunities could be assigned to delivery owners, being taken forwards by project officers (capitalising on the existing forum that has been set up). They would be responsible for progressing a programme of collaboration across Surrey, with senior political and managerial oversight by Leaders and Chief Executives. The eight identified opportunities have identified next steps. Some of these elements would deliver quick wins to prove the concept of collaboration, as well as gain public and political buy-in. Other elements are, by their nature, longer term and strategic but will create significant impact.

There is no assumption that one form of collaboration is right for Surrey, this may be specific to opportunity, and the right delivery model may not need to be agreed at the outset to secure gains. Successful collaboration will be dependent on the right conditions, including trust between parties.

Conclusion

It is recommended that momentum is maintained across both strands of work in the short term, with a focus on driving forward collaboration opportunities whilst maintaining awareness and foresight in relation to any future LGR. Some collaboration opportunities can be delivered in a short timescale, to demonstrate effective collaboration within Surrey, and others may need to be delivered over a longer timescale due to infrastructure and operating structures. The scale of challenge from Central Government, both financially and in relation to potential structural changes, is significant, however the District and Borough Councils should remain ambitious and continue the good work they are completing in response to this challenge.

Background, scope and approach



Purpose of this report

This document forms a summary of the analysis that the Surrey District and Borough Councils have completed to explore the feasible options for LGR. This report also contains an assessment of feasible options to foster greater collaboration between the Councils.

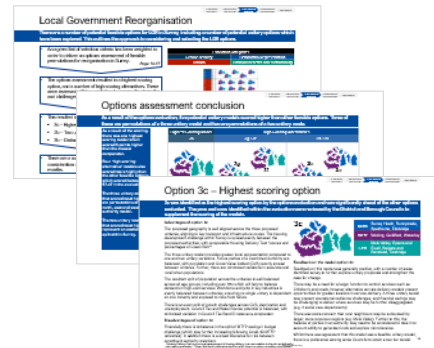
This document has been prepared through collaboration with the eleven District and Borough Councils across Surrey. Significant engagement with senior stakeholders across the Councils has been undertaken.

The objectives of this report are to:

- Assess feasible options for LGR within Surrey, and propose options for further investigation.
- Identify opportunities for collaboration, and outline key next steps.

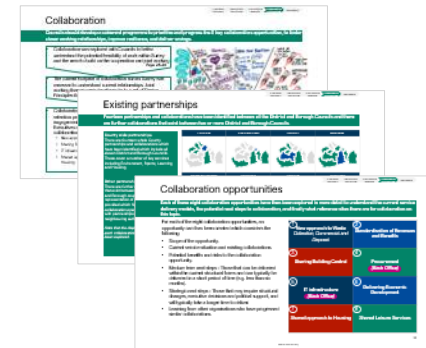
This report is structured in to three key sections, reflecting the order in which the work was undertaken:

1 LGR – Options Analysis (Pages 13-23)



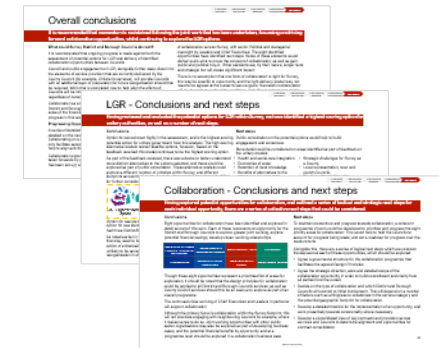
Analysis of potential options for LGR, including: outlining the approach to assessment, long and short lists of options, recommended options and next steps.

2 Collaboration Opportunities (Pages 24-58)



Assessment of potential options for collaboration in Surrey, including: principles for collaboration, priority opportunities including detail, and proposed tactical and strategic next steps.

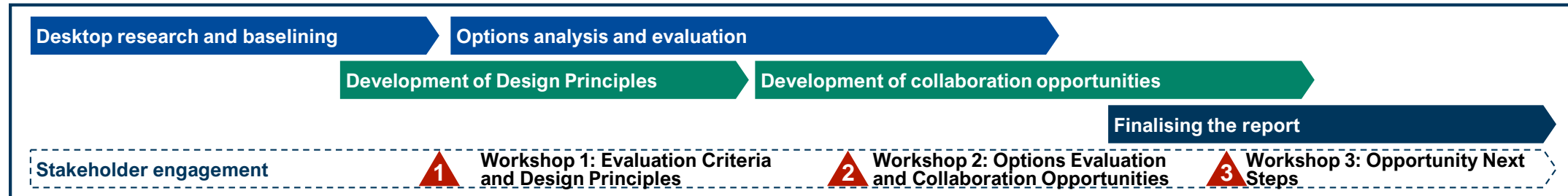
3 Next Steps (Pages 59-63)



A proposed approach to further explore LGR and collaboration in Surrey.

Project approach

Developing this document has included a balance of independent analysis and stakeholder engagement with senior stakeholders from across the eleven District and Borough Councils of Surrey. The following approach was used to develop the options for LGR and opportunities for collaboration:



Desktop research and baselining

Work has been underpinned by desktop research and analysis. This has been informed by publicly available data, alongside additional information requested from District and Borough Councils.

Options analysis and evaluation for LGR

A longlist of options were identified and assessed using qualitative and quantitative criteria agreed during Workshop 1. These options were then scored, down-selected and presented back as part of Workshop 2 to gather input and challenge to the appraisal. One option, '3C', was the highest scoring option from this analysis, however, there was a desire to explore alternatives to this model during consultation with the Councils and Citizens.

Development of Design Principles

In order to facilitate and direct efforts around collaboration, a series of Design Principles for collaboration were co-created as part of Workshop 1. These were used to guide future opportunity work.

Development of collaboration opportunities

Opportunities were explored in Workshops 2 and 3, to identify opportunities, explore the current state of activities, and outline potential tactical and strategic next steps. As part of this work, a number of stakeholders were engaged and opportunity cards were created for each of the eight prioritised opportunities.

Local Government Reorganisation - Options Analysis



Local Government Reorganisation – status

This piece of work forms an initial exploration of the potential options for reorganisation within Surrey, including an initial evaluation of options against expected Government priorities. It is recognised that an initial prioritisation of these options has not been developed with consensus, and as such there is further work required to explore LGR options for Surrey.

Status of LGR options analysis

This work forms an initial exploration of the potential options for LGR within Surrey, from the viewpoint of the District and Borough Councils. As part of this work we have:

- Developed a series of personalised evaluation criteria, which not only align to Central Government expectations, but also weight the criteria based on importance to the District and Borough Councils.
- Identified and evaluated a long-list of feasible options for LGR within Surrey, justified by supporting analysis for the dimensions.
- Explored the pros and cons of the highest scoring models, including consulting Chief Executives and Leaders on the options presented.
- Defined a series of next steps required in order to produce a full Case for Change document.

It should be noted that we have not explored the acceptance of these models with the District and Borough Councils, and that we have not gathered consensus on a preferred model. This work has not evaluated 'status quo' as a comparative option as this would not be a feasible option within a Case for Change document. Furthermore, some District and Borough Councils would be keen to continue to explore enhanced two tier arrangements, supported by the delivery of improved collaboration and cooperation.

Accelerated next steps for LGR options analysis

There is recognition that the topic of LGR has not gone away, with some geographies across the Country continuing to explore Cases for Change without formal invitations from Government. Therefore, in anticipation of a Whitepaper on Devolution, and the potential for a County Council Case for Change, there are a number of accelerated next steps that would ensure that the District and Borough Councils are best placed to respond to a request from Central Government:

- **Public consultation** Public support on the proposed option for LGR within Surrey will be key to the selection process, and as such early public consultation on this topic will help align citizen, Elected Member and executive views.
- **County functions** District and Borough Councils could consider how to work with County exploring how services could be controlled or delivered.
- **Local representation** A key topic for members and citizens will continue to be how unitaries impact local representation. As such models could be explored to ensure local representation is preserved in any future model for unitary government within Surrey.

Detailed next steps are outlined on page 23.

Context for Local Government Reorganisation

The Government has set a clear expectation that two tier local authority structures are likely to be a thing of the past. Nationally, there has been a shift to larger unitary authorities, greater devolution, bringing additional funding opportunities. There are a number of factors driving the need for Surrey District and Borough councils to explore options for Local Government Reorganisation.

Why assess Local Government Reorganisation options?

Surrey County Council signalled their intent to submit a Case for Change to Central Government, presenting their preferred option for Local Government Reorganisation (LGR) as a single Surrey unitary. As a result, the District and Borough Councils commenced discussions with MHCLG to understand their position in relation to the outline assessment of potential options. It was anticipated that in time, the County would be invited to submit their own proposal for LGR within Surrey, and in response the District and Borough Councils wanted to prepare their own assessment of the potential routes forward.

Following a number of changes, including the delay of the anticipated Devolution White Paper from Central Government and letters of invitation in October to three Counties for LGR, there has been ongoing uncertainty around the timescales for LGR. Central Government have indicated that any proposals for Reorganisation would require broad agreement across Local Government and communities.

Although the White Paper has been delayed, it is still expected that LGR and unitary authorities will be back on the table in the medium-term in Surrey.

The eleven Surrey District and Borough Councils were mindful of the potential democratic deficit residents might experience as a result of the reduction in number of representatives in a single County unitary solution.

They, also, recognise the potential loss of 'place' and 'belonging' for local residents in such a model. They wished, therefore, to be ready to progress an alternative proposal if / when the time comes.

What will this section explore?

This section details the work that has been completed to assess potential options for LGR within Surrey. As part of this work, a number of workshops and engagement sessions with Chief Executives and Leaders of each of the eleven District and Borough Councils were held in order to better understand the local context for LGR across Surrey.

This section will outline the assessment criteria used to evaluate potential options, the long and short list of options and how feasible options were down-selected, and conclusions from the assessment.

It should be noted that a key criteria that has not been explored as part of this work is 'public engagement'. Ensuring there is sufficient public awareness and buy-in to any potential option for LGR will be key to the success of a Case for Change. As such, it is imperative that the District and Borough Councils explore public engagement on the options being put forward in this report.

Local Government Reorganisation

There are a number of potential feasible options for LGR in Surrey, including a number of potential unitary options which have been explored. This outlines the approach to considering and selecting the LGR options.

- An agreed list of selection criteria has been weighted in order to deliver an options assessment of feasible permutations for reorganisation in Surrey.

Page 14-17

- The options assessment resulted in a highest scoring option, and a number of high scoring alternatives. These were reviewed within a workshop to assess the strengths and challenges of each option.

Page 18-19

- This resulted in three selected options :
 - 3c – Highest scoring option.
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Page 20-22

- There are a number of questions which require further consideration and next steps to address over the coming months.

Page 23

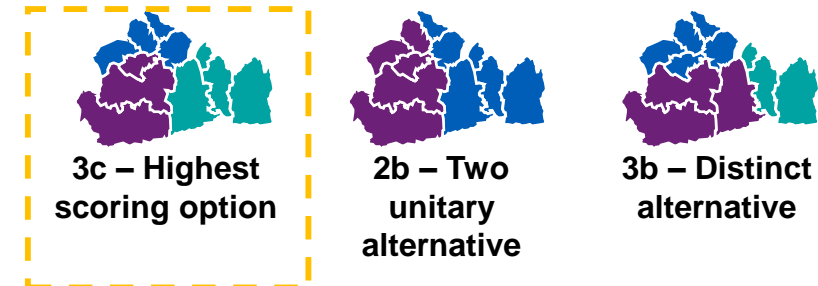
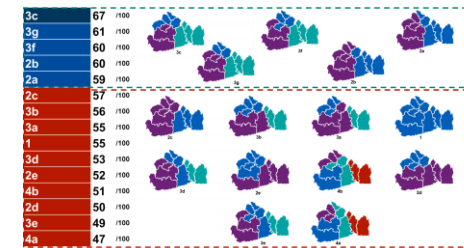
Evaluation categories

Service delivery

Democratic Representation

Growth

Financial benefits and sustainability



Questions to consider	Next Steps
<ul style="list-style-type: none"> What would the potential impact of this model be on health and social care integration? What impact would a three unitary model have on economies of scale? How do we ensure local knowledge / information is not lost from a three Unitary model? Do the benefits outweigh the current state? If so, do we progress now with LGR? How do we engage with the County Council on our preferred model? How do we address major strategic issues for the County and Externally in a Unitary world? How do we increase local representation, what layers are required below a Unitary? 	<ol style="list-style-type: none"> Council and Public consultation on potential options for LGR; Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care); Engagement with the County Council to consider options collaboratively; Exploration of potential collaboration opportunities to address ongoing Council challenges; Engagement with Central Government on timelines for potential LGR within Surrey.

Evaluation criteria detail

Outlined below are the four key evaluation criteria categories that were used to assess potential options for LGR within this report. The scoring has been weighted depending on the significance attributed to each evaluation criteria by the District and Borough Councils.

Why do we use evaluation criteria?

Evaluation criteria enables a more structured, objective approach to options appraisal. The evaluation criteria categories have been defined and applied based on:

- An expectation of the Central Government evaluation requirements in a LGR Case for Change.
- The District and Borough Councils' priorities for reorganised local government.

How did we use evaluation criteria?

1. Evaluation criteria were agreed and an appropriate weighting applied based on the relative significance as viewed by District and Borough Councils.
2. The criteria have been applied to each of the options.
3. The results of the applied evaluation resulted in a ranked list of options.

Supporting each evaluation criteria, there are a number of agreed sub-categories, tailored and individually assessed for Surrey. This has resulted in a set of assessment criteria that evaluate the potential options based on the requirements of the District and Borough Councils.

Service delivery	Service improvement	Growth	Economic growth potential	
	Geography for service delivery		Clean economic growth	
	Minimal service disruption		Inclusive economic growth	
	Democratic representation	Manageable demographics and demand	Financial benefits and sustainability	Enables a future Combined Authority
		Partnership working		Long term financial benefits
		Housing development provision		Costs of reorganisation
		Capacity and resilience		Reorganisation complexity
Workforce		Level of Council tax equalisation		
Effective local representation		Income potential		
Identity and functional economic geography	Reserves			
Representation within a Combined Authority	Organisational sustainability			

Approach: Selecting the highest scoring option

In order to identify the most appropriate model for LGR, a long list of options were identified that reflect the current geographic areas of Surrey. These options were systematically down selected, assessed against selection principles and evaluation criteria, and led to a highest scoring model of LGR within Surrey.

Initial long-list

A long-list of 24 possible options for LGR was initially identified, based on feasible permutations of the eleven District and Borough Councils within Surrey, for between 1-4 unitary authorities within the County.

In order to identify the initial list, selection principles were used to bound the range of feasible options. At this stage the District and Borough Councils also put forward an alternative two tier model of local government, which is not explored within this assessment, but remains an area that some Councils wish to explore. The unitary options that were included on the long list were based on the following criteria, that they:

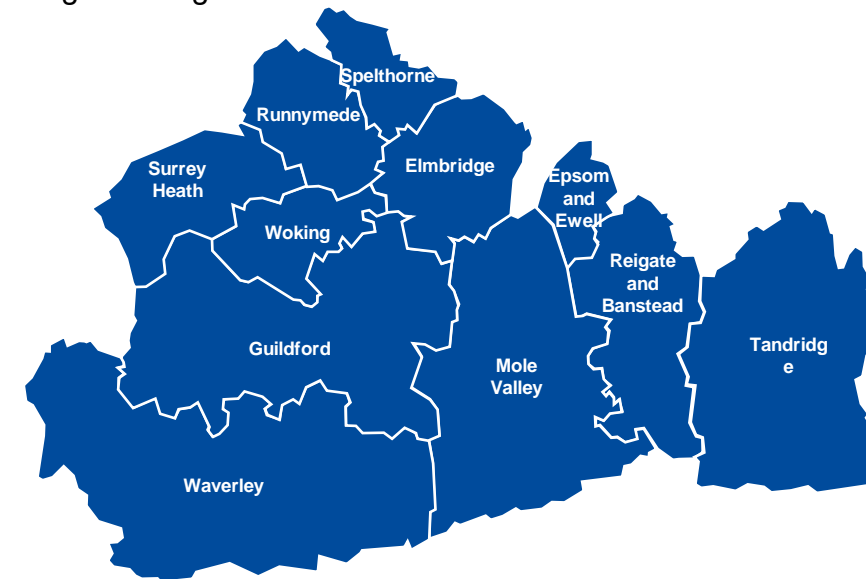
- Reflect the current geographic area of Surrey (i.e. do not involve authorities outside of Surrey and include all authorities within Surrey).
- Ideally include only contiguous geographic areas (i.e. no part of proposed authority areas can be isolated).
- Reflect combinations of existing district boundaries (i.e. does not require new boundaries to be drawn).
- Avoid any future unitary authorities with a population of less than 200,000.

Note: Following communication from Central Government, no maximum population size was identified within criteria and potential populations will be based on the circumstances of an authority. However, an indicative aggregate population range of 300-600k has been provided.

Discounted options

Following identifying the long-list, a number of additional selection principles were included to narrow down the feasible options. These additional principles explored additional detail communicated from Central Government: that unitary authority population size should be over 300k and unitary authority footprints should be contiguous.

This resulted in 15 options forming the feasible short-list to be assessed using the identified evaluation criteria. Each of these options represented a feasible geography and scale for unitary authorities within Surrey. All evaluation criteria were scored on a scale of 1-5, weighted, and then a total score calculated. This led to a highest scoring model from the evaluation, and four 'high scoring alternatives'.



Options assessment conclusion

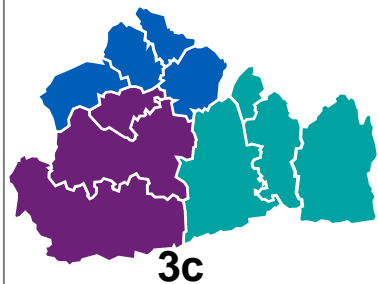
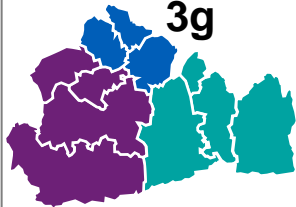
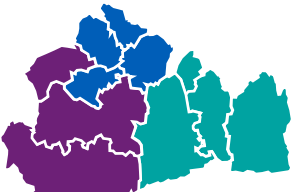
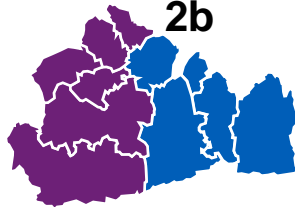
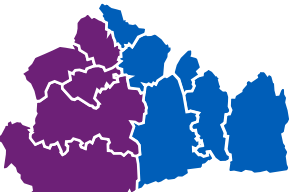
As a result of the options evaluation, five potential unitary models scored higher than other feasible options. Three of these are permutations of a three unitary model and two are permutations of a two unitary mode.

As a result of the scoring, there was one highest scoring model which scored 6 points higher than the closest comparator.

Four high scoring alternative models also scored more highly than the other feasible options which scored between 57-47 in the evaluation.

The three unitary models that scored most highly are permutations of a north, east and west authority model.

The two unitary models that scored most highly represent an east/west split within Surrey.

	Highest Scoring Model	High Scoring Alternatives			
	3c	3g / 3f		2b / 2a	
					
Score	67/100	61/100	60/100	60/100	59/100
U1 Popn.	Surrey Heath, Runnymede, Spelthorne, Elmbridge 414k / 35%	Runnymede, Spelthorne, Elmbridge 326k / 27%	Woking, Runnymede, Spelthorne, Elmbridge 427k / 36%	Elmbridge, Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 655k / 55%	Spelthorne, Elmbridge, Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 555k / 46%
U2 Popn.	Waverley, Guildford, Woking 376k / 31%	Waverley, Guildford, Woking, Surrey Heath 465k / 39%	Waverley, Guildford, Surrey Heath 365k / 30%	Waverley, Guildford, Woking, Surrey Heath, Runnymede, Spelthorne 542k / 45%	Waverley, Guildford, Woking, Surrey Heath, Runnymede 641k / 54%
U3 Popn.	Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 405k, 34%	Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 405k / 34%	Mole Valley, Epsom & Ewell, Reigate & Banstead, Tandridge 405k / 34%	-	-

Option 3c – Highest scoring option

3c was identified as the highest scoring option by the options evaluation and was significantly ahead of the other options evaluated. The pros and cons identified within the evaluation were reviewed by the District and Borough Councils to supplement the scoring of the models.

Advantages of option 3c

The proposed geography is well aligned across the three proposed unitaries, aligning to key transport and infrastructure routes. The housing development challenge within Surrey is spread evenly between the proposed authorities, with comparable Housing Delivery Test *scores and percentages of Green Belt**.

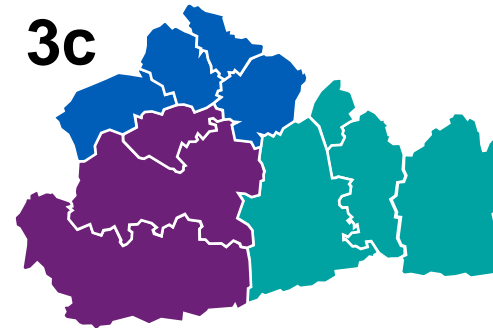
The three unitary model provides greater local representation compared to one and two unitary variations. Future parties of a Combined Authority are balanced, with population and Gross Value Added (GVA) evenly spread between unitaries. Further, there are minimised variations in area size and rural/urban populations.

The resultant split of population across the unitaries is well balanced across all age groups, including over 65s which will help to balance demand on high-cost services. Workforce and jobs in key industries is evenly balanced between unitaries, ensuring no single unitary is dependent on one industry and exposed to risks from failure.

There is an even split of growth challenges across GVA, deprivation and unemployment. Council Tax and Rates income potential is balanced, with minimised variation in Council Tax Band D rates as a comparator.

Disadvantages of option 3c

Financially there is imbalance in the split of MTFP savings / budget challenge (which may further increase following Covid-19 MTFP refreshes). In addition there is a mixed tolerance for risk between constituent authority members.



North	Surrey Heath, Runnymede, Spelthorne, Elmbridge
West	Woking, Guildford, Waverley
East	Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge

Feedback on the model option 3c

Feedback on this model was generally positive, with a number of areas identified as key to further explore unitary proposals and strengthen the case for change.

There may be a need for a larger function to control services such as Children's and roads, however alternative service delivery models present opportunities for greater localism in service delivery. A three unitary model may present operational resilience challenges, and financial savings may be challenging to deliver where services may be further disaggregated (e.g. 3 social care departments).

There was some concern that rural neighbours may be subsumed by larger, more populous regions (e.g. Mole Valley). Further to this, the balance of parties in an authority may need to be considered to take in to account ability to generate funds and explore risk tolerance.

Whilst there was agreement that this model was a feasible unitary model, there is a preference among some Councils to retain a two tier model.

Options 3g/3f – Alternatives (3 unitary models)

In addition to the highest scoring unitary model, there were a number of high scoring alternatives which were explored, two of which were three unitary models. The pros and cons identified within the evaluation were reviewed by the District and Borough Councils to supplement the scoring of the models.

Advantages of option 3g/3f

The proposed geography is well aligned across the three proposed unitaries, aligning to key transport and infrastructure routes. The housing development challenge within Surrey is spread evenly between the proposed authority, with comparable Housing Delivery Test scores and percentages of Green Belt.

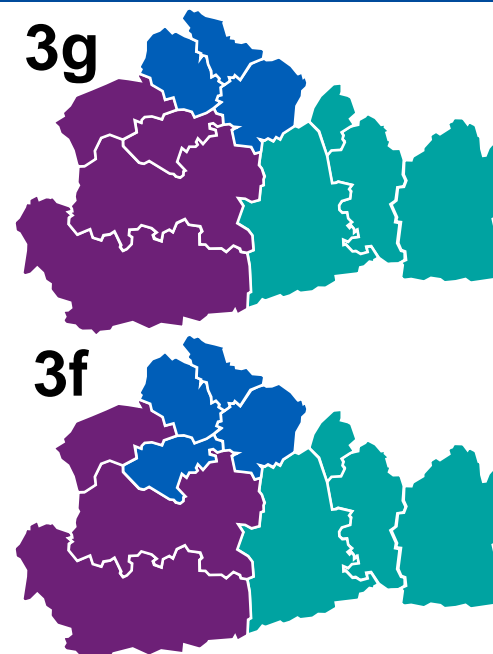
The three unitary model provides greater local representation compared to one and two unitary variations. Future parties of a Combined Authority are balanced, with population and Gross Value Added (GVA) evenly spread between unitaries.

There is an even split of growth challenges across GVA and unemployment.

Disadvantages of option 3g/3f

There is increased variation in population, area size, population density and Indices of Multiple Deprivation (IMD) compared to option 3c.

Financially there is imbalance in the split of MTFP savings / budget challenge (which may further increasing following Covid-19 MTFP refreshes). In addition, there is a mixed tolerance for risk between constituent authority members.



North	Runnymede, Spelthorne, Elmbridge
West	Surrey Heath, Woking, Guildford, Waverley
East	Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge

North	Woking, Runnymede, Spelthorne, Elmbridge
West	Surrey Heath, Guildford, Waverley
East	Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge

Feedback on option 3g/3f

Overall options 3g/3f were viewed as similar to option 3c, however, lesser permutations based on more imbalance of population challenges, density and IMD.

There was a recognition that there could be future engagement on these options to take views from residents to determine which model(s) generate public support.

Options 2b/2a– Alternatives (2 unitary models)

In addition to the highest scoring unitary model, there were a number of high scoring alternatives which were explored, two of which were two unitary models. The pros and cons identified within the evaluation were reviewed by the District and Borough Councils to supplement the scoring of the models.

Advantages of option 2b/2a

The resultant split of population across the unitaries is well balanced across all age groups, including over 65s which will help to balance demand on high-cost services.

The size of the proposed unitaries are of sufficient organisation size and capacity to improve organisational resilience.

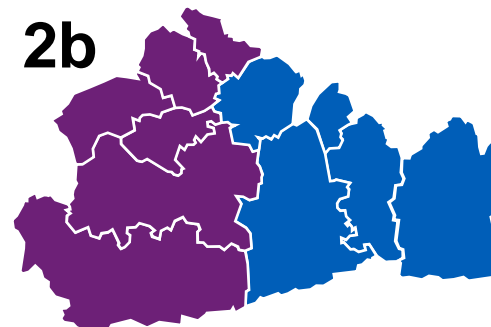
Future parties of a Combined Authority are balanced, with population and Gross Value Added (GVA) evenly spread between unitaries. Further, there are minimised variations in area size and rural/urban populations.

There is an even split of growth challenges across GVA, deprivation and unemployment. Further to this there is greater alignment of risk tolerance between constituent authorities.

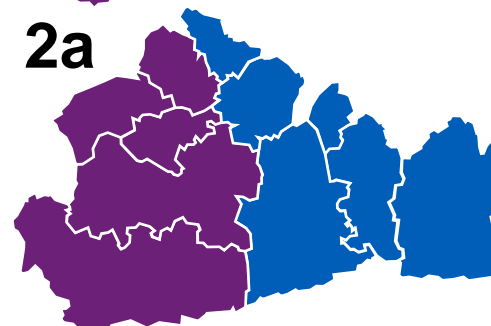
Disadvantages of option 2b/2a

There is a challenging geography for service delivery based on both size and geographic shape, and limited alignment of existing service delivery boundaries and other bodies influencing the economy within Surrey (e.g. the LEP).

There is variance in the ability to meet housing development quotas as per the Housing Delivery Test, with one unitary falling significantly behind the other in delivery (70%:99%). Most importantly, there is reduced local representation compared to a three unitary model.



East	Elmbridge, Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge
West	Waverley, Guildford, Woking, Surrey Heath, Runnymede, Spelthorne



North	Spelthorne, Elmbridge, Mole Valley, Epsom and Ewell, Reigate and Banstead, Tandridge
West	Waverley, Guildford, Woking, Surrey Heath, Runnymede

Feedback on option 2b/2a

The most significant factor for these models was the reduced local representation, which is viewed as key differentiator to the District and Borough Councils exploratory work for unitary authorities. The large geographic footprint will continue to be a challenge for service delivery and communities are unlikely to identify with these areas.

There was recognition that operations could be more resilient, deliver economies of scale and as such financial savings may be easier to achieve.

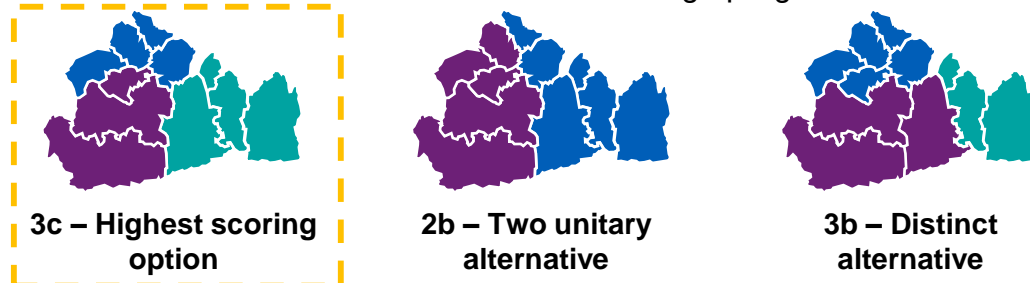
Conclusions and next steps

Having reviewed and evaluated the potential options for LGR within Surrey, we have identified a highest scoring option for unitary authorities, as well as a number of next steps.

Conclusions

Option 3c scored most highly in the assessment, and is the highest scoring potential option for unitary government from this analysis. The high scoring alternative models remain feasible options, however, based on the feedback received this model continues to be the highest scoring option.

As part of the feedback received, there was a desire to better understand more distinct alternatives to the options selected, and these could be explored as part of public consultation. These alternative models could explore a different number of unitaries within Surrey, and different footprints across the County. As such, three models have been identified for further consideration should a case for change progress:



Option 2b was identified as the highest scoring two unitary model, and option 3b was identified as the highest scoring three unitary model which had three District/Borough Councils in an East authority.

As noted earlier in this section, an alternative that has been put forward that may need to be considered by the District and Borough Councils is the option of enhanced two tier government. However, it is noted that this is unlikely to be accepted within a LGR Case for Change due to no reorganisation in structural form.

Next steps

Public consultation on the potential options would help to build engagement and consensus.

More detail could be considered on areas identified as part of feedback on the unitary models:

- Health and social care integration.
- Economies of scale.
- Retention of local knowledge.
- Benefits of alternatives to the status quo / current state.
- County Council engagement.
- Strategic challenges for Surrey as a County.
- Local representation, town and parish Councils.
- Working with neighbouring authorities outside of Surrey.

It is recommended that the following steps are explored:

1. Council and public consultation on potential options for LGR.
2. Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care).
3. Engagement with the County Council, where appropriate, to consider options collaboratively.
4. Exploration of potential collaboration opportunities to address ongoing Council challenges.

Regardless of the options being explored, the District and Borough Councils have acknowledged the need and desire to explore collaboration in more detail, and this is explored in the next section.

Collaboration Opportunities



Collaboration opportunities – status

With ongoing financial and organisational challenges, collaboration was identified as a route through which the Councils could address a number of critical factors. Collaboration not only presents the opportunity for savings and service improvements, but also facilitates future joint working in support of potential LGR.

Status of collaboration opportunities

This work formed an introductory investigation into collaboration between District and Borough Councils. As part of this assessment we have:

- Documented the current state of collaboration across Surrey, understanding what has worked well and what hasn't worked well.
- Identified and refined a list of feasible opportunities for collaborative working, prioritising the opportunities to select eight key areas for further exploration and development.
- Explored each of the prioritised areas in more detail, identifying key next steps and implementation challenges.
- Defined facilitating next steps which will support collaboration between District and Borough Councils in all forms.

This work has not explored all collaboration opportunities, and has only identified detail for eight opportunities selected by Chief Executives and Leaders. Further, the detail provided does not form a business case for each opportunity, and work is required to turn each opportunity card into an appropriate business case. In addition, there may well be further benefit from strategic and management alignment that will deliver further benefit. Finally, though the main driver for collaboration is currently financial benefits and service improvements, collaboration presents an opportunity to show the maturity of District and Borough Councils in

service delivery, and collaboration on agreed footprints aligned to a Case for Change could strengthen any future proposals.

Accelerated next steps for collaboration opportunities

Collaboration can be explored regardless of the context around LGR. As such, there are immediate next steps which would maintain momentum and accelerate the delivery of benefits:

- **Programme structure** Appropriate governance and an agreed programme should be stood up to continue work on collaboration, engaging key parties from all Councils on an ongoing basis.
- **Opportunity Business Cases** The opportunity cards which have been developed should be utilised as a basis for a business case for each opportunity. These should be strengthened with detailed scope, involved parties, and financial benefits which are accepted by the Councils involved.
- **Strategic direction** Strategic direction from Chief Executives and Leaders should be gathered for key collaboration opportunities. This should be developed through facilitated sessions with all engaged parties, working through potential issues to form a collective view on direction.

Detailed next steps are outlined on page 58.

Context for collaboration opportunities

There are a range of potential benefits from collaboration, supporting the outcomes District and Borough Councils want to achieve in both a financial and non financial sense, as well as aligning with future potential LGR.

Why collaborate across the Surrey District and Borough Councils?

Collaboration between the District and Borough Councils will help to enable the delivery of better outcomes for residents. At the highest level, this would be through sharing knowledge, intelligence and best practice.

There is also a strong precedent from other examples of collaboration between local authorities in the UK that it can deliver financial savings where appropriate through greater economies of scale, reducing duplication and finding more efficient ways of working.

The District and Borough Councils in Surrey vary in size. The organisations have explored whether collaboration would provide greater resilience through enabling a larger pool of joint resources and expertise and an ability to respond to external events more quickly.

Further, collaboration can be a driver to redefine the relationship with County Council by delivering more services locally where appropriate and through establishing more equal partnership working.

Finally, collaboration can be used as a tool to prepare for potential reorganisation. This can be achieved by focusing some collaboration in clusters based on potential unitary footprints, reducing future reorganisation complexity and demonstrating the benefits and potential of local partnership working. Should there be a requirement to submit a Case for Change in future, the District and Borough Councils have explored the options and the implications of those.

What will this section explore?

This section details the work that has been completed to assess potential collaboration opportunities between the District and Borough Councils within Surrey. As part of this work, a number of workshops and engagement sessions with Chief Executives and Leaders of each of the eleven District and Borough Councils were held to better understand existing working partnerships and what the District and Borough Councils aim to achieve through further collaboration.

This section will outline the different types of collaboration, a high-level assessment of current partnership arrangements, and outline the process of identifying potential collaboration opportunities that have been selected by the District and Borough Councils. Collaboration opportunities were identified through a selection processes that involved both workshop engagement, surveys, and then finally direction from Chief Executives and Leaders to identify eight priority areas for collaboration.

Each of these eight collaboration opportunities have then been explored in more detail to understand the current service delivery models, the potential next steps to collaboration across the identified services, and relevant learning from elsewhere.

Collaboration

Councils should develop a coherent programme to prioritise and progress the 8 key collaboration opportunities, to foster closer working relationships, improve resilience, and deliver savings.

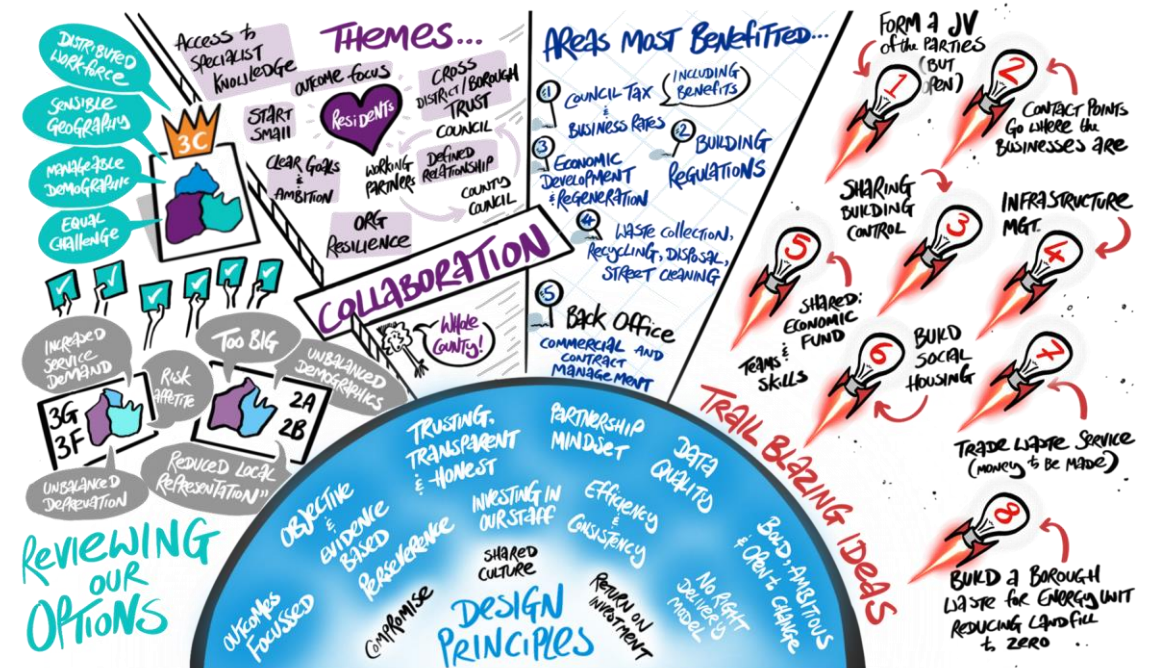
- Collaboration was explored with Councils to better understand the potential feasibility of work within Surrey and the need to build on the cooperation and joint working
Page 25-28

- The current footprint of collaboration across Surrey was assessed to understand current relationships. Joint working themes were developed in to a set of Design Principles for collaboration within Surrey.
Page 29-31

- Collaboration opportunities were identified through a selection processes that involved both workshop engagement, surveys, and direction from Chief Executives and Leaders to identify eight priority areas for collaboration:

- New approach to Waste.
- Sharing Building Control.
- IT infrastructure.
- Shared approach to Housing.
- Standardisation of Revenue & Benefits.
- Procurement.
- Economic Development.
- Shared Leisure Services.

Page 32-57



- There are series of next steps and requirements to deliver collaboration and continue the joint work that has been undertaken.

Page 58

What do we mean by collaboration?

There are different types and scales of collaboration that could be appropriate and selected depending on the service/outcome sought.

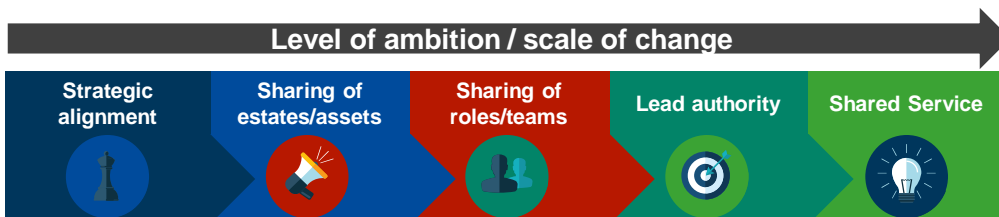
What do we mean by collaboration?

The appropriate form of collaboration will be dependent upon the service, ambition and outcome sought by the District and Borough Councils. A number of potential collaboration options have been outlined on a progressive scale. The scale of change required to existing working will be reflected by the level of ambition the District and Borough Councils have in their desire to collaborate.

Strategic alignment involves the collaborative development of a joint strategy and/or policy between the District and Borough Councils which could lead to greater consistency in operations and/or governance. This can also lead to greater coordination and communication and clarify the capabilities of each organisation.

The next option would be the **sharing of estates/assets** such as the co-location of teams and shared systems. Further, **combined leadership teams or individual roles** can lead to greater cost reductions and resilience and improved efficiencies.

Further along the scale of collaboration is for a **lead authority** delivering services across multiple footprints on behalf of the other District and Borough Councils. If appropriate, a shared service with a **separate legal entity** delivering services to multiple authorities could be utilised.



What are the different groupings of collaboration?

Different groupings of the Surrey District and Borough Councils may be appropriate depending on the type of collaboration pursued. The groupings are outlined below.

Whole County - This is where common agreements or working practices exist across all District and Borough Councils (which may include changes to the relationship with Surrey County Council).

Clusters - This involves increased sharing or greater alignment within 'clusters', which consider geographic proximity, functional economic geography, and potential future unitary authority footprints.

Wider Partner Collaboration - Strengthening relationships with key partners, including the County Council, health and care providers and the voluntary and community sector.

There are other alternative footprints which may develop over time, with a number of potential permutations. This includes a collaboration between the 'best fit' or 'most willing' partners between the Surrey Borough and Districts, as well as potential collaboration with parties outside of Surrey. This should be explored for each individual collaboration opportunity on a case-by-case basis.

Existing partnerships

Fourteen partnerships and collaborations have been identified between all the District and Borough Councils and there are further collaborations that exist between two or more District and Borough Councils.

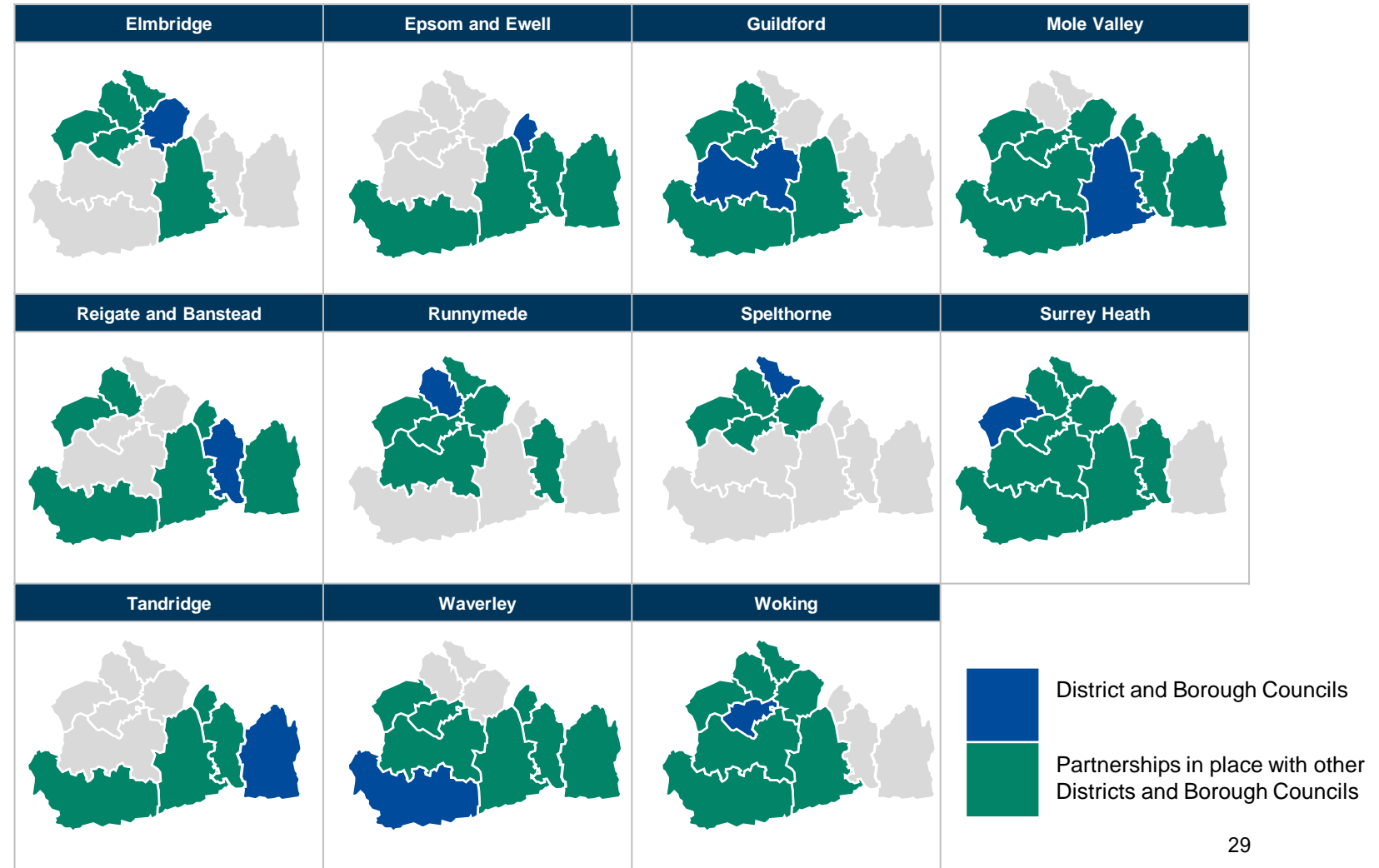
County wide partnerships

There are fourteen whole County partnerships and collaborations which have been identified which include all eleven District and Borough Councils. These cover a number of key services including Environment, Sports, Learning and Housing.

Other partnerships in place

There are further existing collaborations that exist between two or more District and Borough councils. A visual representation of the partnerships is provided which highlights that most collaboration operates on a locality basis, with partnerships predominantly with neighbouring authorities.

Note that the depth of collaboration within each collaboration arrangement has not been explored.



Current themes of existing collaboration and future aims

Through joint working sessions, the District and Borough Councils collectively agreed what they wanted to achieve from collaboration, and explored learning from their current collaboration arrangements. By outlining what works well and what could improved, this helped to develop a set of key themes encapsulating the key drivers for collaboration.

What do the District and Borough Councils want to achieve from collaboration?

The alignment to three working clusters

Working as three clusters would help accelerate collaboration through operating on a smaller footprint with fewer engaging parties. It could also be used to demonstrate that the clustering being proposed for unitary authorities can work effectively together.

The maturity of service delivery for District and Borough Councils and County level services

This would strengthen proposals for District and Borough Councils being lead councils within a Case for Change for LGR, meaning they can handle more complex district services.

Delivery of savings / increased income potential

The delivery of savings and increased income potential to help address funding challenges and savings targets.

Improved financial resilience

This would provide greater financial capacity, funds and reserves for councils.

Improved services and outcomes to residents

This includes improved service delivery, greater resilience and consistency

across the organisations.

Key themes identified on current collaboration

Following discussion on the success of current collaboration between District and Borough Councils, a number of key themes were identified and have been outlined below.

Current partnerships have successfully provided access to specialist knowledge, increased organisational resilience, and developed a level of trust across the District and Borough Councils.

However, more work needs to be done to redefine the relationships between the District and Borough Councils, the County Council, and working partners to obtain the full benefits of existing collaboration.

In order for collaboration to be successful, the District and Borough Councils identified an initial desire to start small, accept a degree of risk, develop a clear set of goals and a shared ambition, and focus on the outcomes they want to deliver for residents. However it should be noted that significant progress on collaboration now could help demonstrate what an alternative unitary model can deliver, support resilience, and deliver financial benefits. The development of full business cases will ultimately define the pace of collaboration, and the desired ambition.

Vision and Design Principles

To shape future collaboration, a vision and set of Design Principles were discussed and agreed by the District and Borough Councils. Design Principles have been developed to provide a framework to enable the delivery of the vision.

We will work in partnership to deliver better outcomes and higher quality, more efficient services for the people of Surrey. We will trust each other, adopting a partnership mindset which recognises our common purpose.

We will deliver our vision through the following principles. The principles apply equally to all of the Districts and Borough Councils across Surrey.

	1 Outcomes focussed	We will choose to collaborate when it enables us to deliver our vision of higher quality and more efficient services for our residents. A simple, straightforward set of key performance indicators (KPIs) will be agreed and tracked, with a focus on simple communication of outcomes to the public. Our collaboration will deliver a return on investment, from a financial and non-financial perspective.
	2 Objective and evidence based	Once partnerships are established, we will make operational decisions based on agreed principles, data and evidence. Our partnerships should not be de-railed by changes of political administration.
	3 Transparent and honest	We will be honest about our strengths and areas where we can improve by learning from others (within the County and outside). We will prioritise consistency, clarity and honesty in our communications with our staff.
	4 Trust and partnership mindset	We recognise different risk profiles of partners, and commit to governance and decision-making that considers what is best for all partners and the residents they serve. We will constructively and appropriately challenge in the spirit of partnership, and trust each other to deliver the best outcomes for the whole.

	5 Data quality	We will invest time up front to ensure that all of our key data is consistent and high quality. We must have a full understanding of the baseline position and how data will be used from the outset.
	6 Bold, ambitious and open to compromise	We will be bold and ambitious, considering opportunities for innovation through the joint delivery of services. We recognise the need to compromise where beneficial for all residents to be served by a partnership.
	7 Perseverance	We will invest time and energy in our partnerships to get them right and to resolve issues together. When we encounter challenges we will continue to work collaboratively.
	8 Shared culture and values	We will develop a shared culture and values across organisational boundaries, recognising our shared purpose. We will encourage our staff at all levels to work collaboratively to embed collaboration into our culture.
	9 Efficiency, and consistency	Wherever it benefits our residents, we will adopt common processes, systems and ways of working to deliver a more efficient set of services and a more consistent customer experience.
	10 No right delivery model	We will choose the delivery model that is most appropriate for collaboration within each service area based on the outcomes required and evidence available.

Service categories for collaboration

A list of service areas for potential collaboration were presented to the District and Borough Councils during one of the workshops. These were voted on and five priority service areas for collaboration were subsequently identified.

The following service areas are how the Institute for Government defines the services District and Borough Councils and County Councils provide.¹ The District / Borough councils discussed and then voted on which service areas to focus on for developing collaboration ideas.

The top five service areas identified were: Council Tax and Business Rates; Building Regulations; Economic Development; Waste Collection and Recycling and Environmental Health. In addition to this, it was agreed that

back office services should be explored, and this was explored in more detail with Project Officers.

The Chief Executives, Leaders and Project Officers of the District and Borough Councils were consulted further over the top five service areas. These were consolidated, refined and updated to produce eight priority focus areas.

#	Area	District	County	#	Area	District	County
1	Arts and recreation			17	Libraries		
2	Births, deaths, and marriage registration			18	Licensing		
3	Building regulations			19	Markets and fairs		
4	Burials and cremations			20	Museums and galleries		
5	Children's services			21	Parking		
6	Community safety			22	Planning		
7	Concessionary travel			23	Public conveniences		
8	Consumer protection			24	Public health		
9	Council tax and business rates			25	Social care		
10	Economic development			26	Sports centres and parks		
11	Education and skills			27	Street cleaning		
12	Elections and electoral registration			28	Tourism		
13	Emergency planning			29	Trading standards		
14	Environmental health			30	Transport		
15	Highways and roads			31	Waste collection and recycling		
16	Housing			32	Waste disposal		

¹ <https://www.instituteforgovernment.org.uk/explainers/local-government>

Collaboration opportunities

Each of these eight collaboration opportunities have then been explored in more detail to understand the current service delivery models, the potential next steps to collaboration, and finally what reference sites there are for collaboration on this topic.

For each of the eight collaboration opportunities, an opportunity card has been created which considers the following:

- Scope of the opportunity.
- Current service situation and existing collaborations.
- Potential benefits and risks to the collaboration opportunity.
- Medium term next steps - Those that can be delivered within the current structural forms and can typically be delivered in a short period of time (e.g. less than six months).
- Strategic next steps - Those that may require structural changes, executive decisions and political support, and will typically take a longer time to deliver.
- Learning from other organisations who have progressed similar collaborations.

1 New approach to Waste Collection, Commercial and Disposal	2 Standardisation of Revenues and Benefits
3 Sharing Building Control	4 Procurement (Back Office)
5 IT infrastructure (Back Office)	6 Delivering Economic Development
7 Shared approach to Housing	8 Shared Leisure Services

New approach to Waste

New approach to Waste <i>Co-lection, Commercial and Disposal</i>	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

In the short to medium term, changes to improve existing collection services could include the optimisation of routes, standardisation of collections and harmonisation of contracts. This would build on existing collaborations (including the Surrey Environment Partnership) and could lead to the development of a commercialised trade waste service, including recycling, food waste, and other trade waste, providing local businesses and organisations with a competitive and comprehensive waste offer. The service would be in competition with other commercial waste collection services, such as Veolia and Biffa, and provide an additional income stream to District and Borough Councils to reinvest in additional services, and show that the councils can deliver a commercial and reliable service. A review of current waste disposal can help to reduce environmental impacts and ensuring waste to energy is optimised, reducing waste sent to landfill. This could result in exploring a new waste to energy solution.

Potential benefits

Collections

- Consistency of approach across the districts.
- Operational efficiencies.
- Potential cost savings through contract harmonisation.

Commercialisation

- Additional income stream for the District and Borough Councils to deliver discretionary services, such as environmental projects.
- Improved reputation through delivering a competitive commercial service.
- Potential improved quality of commercial waste collections.

Disposal

- Operate a more sustainable and environmentally-friendly alternative to sending waste to landfills.
- Avoidance of disposal costs and landfill taxes.
- Avoid methane emissions from landfills and reduction in carbon emitted which would contribute to achieving carbon reduction (many of the District and Borough Councils pledged to become carbon neutral by 2030 as part of their Climate Emergency declaration).

Current situation / Service Quality

- Waste is one of the highest spend services for the District and Borough Councils. The Surrey Environment Partnership, has brought together leads from across the eleven District and Borough Councils to share best practice and ideas, and pool resources to collective benefit.
- Joint Waste Solutions delivers collection services for four Councils (Mole Valley, Elmbridge, Woking and Surrey Heath) in partnership with Amey.
- Overall there is a direction of travel towards greater standardisation, with national funding being provided from DEFRA to support partnership working and movement towards the National Waste Strategy.
- Commercial waste services provided across four District and Borough Councils (Reigate, Epsom, Guildford and Runnymede). Guildford's commercial waste collection service is one of the largest in the country with a turnover of around £1.3m.
- As part of their partnership with Surrey County Council for managing waste, Suez's eco park plant in Surrey is in process of testing an anaerobic digestion facility. Up to 40,000 tonnes a year of food waste, mainly from homes around Surrey and also some from businesses will be treated at facility with the purpose of reducing landfill.

Risks/Challenges

Commercialisation

- **Competition** – Councils will be competing directly with specific waste organisations. There is a risk competition will be too strong from the market, with loss of income to a larger entity.
- **Lack of demand** – There may not be sufficient demand as businesses are already engaging with other providers.
- **Up-front costs** – There may be large up-front costs to develop equipment and services of sufficient scale to take on new commercial clients. Further, only a limited number of other Councils own their own waste fleet.
- **Political priorities** – Trade waste services may be seen as a lower priority for politicians and residents, distracting from priority resident services.
- **Existing contacts** – Councils have long contracts with third party suppliers. There may also be implications with commercialisation and contracts with third party suppliers

Disposal

- **Complaints from residents** – There may be a negative response from local residents due to the emissions produced from disposal and increased traffic of large vehicles.

New approach to Waste

New approach to Waste <i>Collection, Commercial and Disposal</i>	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Residents

- Local businesses.

District and Borough Councils

- Waste teams from engaged District/Borough Councils.

County Council

- Waste disposal teams.

External Bodies

- Environmental organisations.
- Waste competitors.

Next Steps

Medium term actions

As there are a number of existing collaborations between the District and Borough Councils around waste some immediate next steps could enhance/deepen the collaboration to be undertaken within the next six months:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Assess the minimum size of collaboration required to achieve necessary economies of scale, and potential market size of commercial operations if being pursued.
- Assess the impact of the National Waste strategy on current operations.
- Begin planning approach to educate residents and the District and Borough Councils on climate issues to help minimise waste.
- Rationalise routes for waste collection rather than working purely on existing organisational footprint.
- Baseline current service cost for local collections, highlighting 'true differences' in services at a local level.
- Begin to explore a possible joint disposal and collection contract across Surrey and identify what further information is required.
- Further explore disposal waste alternatives including local and waste to energy.
- Form a partnership approach to minimising waste, working with local businesses, charities and residents.

Strategic

Longer term actions to realise the full benefits include:

- Develop a joint strategic approach to waste (that includes the whole of Surrey) and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.
- Determine level of appetite from Surrey County Council for a joint disposal and collection authority.
- Assess the strategic steer from Government which requires an approach addressing challenges on both waste and the environment (Net Zero targets).

Learning from elsewhere

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Case Study 1

Yorwaste - waste provider

Description

- A waste management company set up between North Yorkshire County Council and York Council.
- They employ over 250 members of the local community, manage over half a million tonnes of waste per year and carry out 550,000 trade waste and commercial bin collections.
- Manages all 20 household waste recycling centres in North Yorkshire.

Benefits

- Wide range of local in-house waste processing solutions.
- Eliminate any extra costs through employing third parties.
- Better place to provide a personalised service.

Source: Yorwaste site - [Link](#)

Case Study 2

Coventry & Solihull Waste Disposal Company (CSWDC)

Description

- Independent waste management company set up between Coventry City Council, Solihull Metropolitan Borough Council, Warwickshire County Council and Leicester County Council.
- Their main business is extracting energy from municipal and commercial solid waste.
- They also operate a Household Waste Recycling and Reuse Centre on behalf of Coventry City Council.
- As recycling tonnages for Coventry and Solihull have increased, spare capacity in the incinerator has been sold to Warwickshire County Council (now a junior shareholder), Leicestershire County Council, and Variety of smaller contracts with both public and private sector organisations.

Benefits

- Financial savings identified to date by Coventry Council is £21,000,000.

Source: LGA shared service map table 2019 - [Link](#)

Case Study 3

East Sussex joint waste

Description

- East Sussex County Council developed a joint waste strategy with East Sussex District Councils: Eastbourne, Hastings, Lewes, Rother and Wealden.
- Their aim is to improve the quality and efficiency of waste collection, recycling, street and beach cleaning services by entering into a joint contract with Biffa (previously Kier services until mid 2019).
- The five District Councils, act as the collection authorities outsourcing to Biffa.
- East Sussex County Council acts as the disposal authority and operate an energy recovery facility in Newhaven and receive income from sale of electricity to National Grid.

Benefits

- Reduction of waste sent to landfill and reduction of landfill tax.
- Income stream from sale of electricity.

Sources:
LGA shared service map table 2019 - [Link](#)
East Sussex Joint Waste Strategy 2014-2025 - [Link](#)
East Sussex Joint Waste Management Strategy - [Link](#)

Standardisation of Revenues and Benefits

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT Infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Development of a joint delivery vehicle to deliver transactional services (initially Revenue Services) could provide an opportunity to standardise and improve effectiveness. This could initially cover standardisation of collection, customer contact routes and communications with the County Council. This approach could then be expanded to benefits services, as well as other transactional Council services. There is an opportunity to build on existing collaboration between the District and Borough Councils in this area, to accelerate the delivery of this opportunity.

Potential benefits

Residents

- Efficient, effective, and specialised services to residents.
- Standardised approach between District and Borough Councils, when moving house for example.
- Improved Benefits assessments and payments service with best practice being shared.

District and Borough Councils

- Standardised consistent service, with improved service delivery metrics.
- Clarity of responsibility between District and Borough and County services, contact points for customers and County, and flows of data in processes.

County Council

- Increased Council Tax and Business Rates receipt rates and as such County Council precepts.
- Standard contact routes, better relationships, and consistency of service with Councils.

Current situation / Service Quality

- Instances of collaboration between authorities, for example Reigate and Banstead delivering services to District and Borough Councils.
- The service delivery is not standardised across all the District and Borough Councils, as there are tailored responses to communities.

Risks

- **Loss of localism** – Standardised service risks losing locality of services, which may impact individual challenges being faced by residents. As a counter to this, scale could free up time to deliver localism or greater liaison services.
- **Loss of control** – Services will be delivered by a joint venture, potentially under a joint management committee. Responsibilities will be shared and will have to cater for multiple parties.
- **Significant effort required to align systems** – In order to facilitate the alignment and joint delivery of services, systems will have to be aligned. There is a risk this may stall progress.
- **Potential dip in collection** – Potential short term impacts to service delivery and collections, which may result in a reduction in collections.

Standardisation of Revenues and Benefits

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Residents

- Citizens receiving benefits.
- Citizens paying council tax.

District and Borough Councils

- Revenue and Benefits teams.

County Council

- Recipients of information from Revenue and Benefits teams.

External Bodies

- Organisations paying business rates.
- MHCLG.

Next Steps

Medium term actions

As there is little existing collaborations between the District and Borough Councils in this area, some immediate next steps to expedite the commencement of joint working could be undertaken within the next 6 months:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Assess baseline staffing structures to assist in deciding on type of collaboration considering future options.
- Review current procedures and practices in detail to identify areas for greater collaboration (e.g. Reigate and Banstead's approach to collection which may be expanded).
- Appoint nominated officer to lead and be accountable for success of joint working.
- Review debt recovery policy and hardship fund for each District and Borough Council to develop a better understanding of their approaches.
- Review current contractual arrangements and delivery models.
- Assess legal implications – instruction process for example.
- Assess specific processes that can be standardised, or are already standardised, across Councils whilst retaining individual schemes and discretionary elements.

Strategic

Longer term actions to realise the full benefits include:

- Pilot service deliver on business rates, with volumes being smaller and more reliant on a small number of specialist staff.
- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop Governance framework once joint working approach confirmed.
- Review IT strategy and systems of Districts and Boroughs and develop a roadmap for migrating systems onto one platform.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Learning from elsewhere

Case Study 1

Hampshire shared service

Description

- Biggest public sector shared services partnership in the UK, Hampshire County Council are the host service provider to back office support and expertise in areas including finance, procurement, IT and HR to a variety of partners across Local Government (including other local authorities), the Police, schools and Fire and Rescue Services.
- Partners are the county council, Hampshire Constabulary, Hampshire Fire and Rescue Service, the Office of the Police and Crime Commissioner for Hampshire and Oxfordshire County Council (three London Boroughs are due to join the partnership later this year).
- Operating model is a public partnership.

Benefits

- Cost efficiencies and savings.
- Increased resilience and capacity.
- Hampshire County Council estimates savings of £2.7m a year.

Source: LGA shared service map table 2019 - [Link](#)
Hampshire County Council website
Hampshire Shared Services Building the Partnership - [Link](#)

Case Study 2

OneSource

Description

- A shared service partnership between Newham and Havering London Borough Councils set up in 2014. This brought together 22 back-office services and 1300 staff with the aim of streamlining processes and teams, and reducing corporate support costs in order to protect front-line services.
- Governed by members of a joint committee.
- Provide a range of strategic, operational and transactional services to both the partner councils and customers by helping them work more efficiently and reduce back office costs.
- Services include legal, transactional HR and business rates and council tax collection services.

Benefits

- Reducing duplication.
- Sharing resources/skills between councils.
- Councils estimated to achieve approximately £40M in savings since inception to 2019.
- Improved customer experience and operational efficiencies.
- Greater resilience and flexibility through standard systems and sharing resources.

Source: LGA shared service map table 2019 - [Link](#)
OneSource website - [Link](#)

Case Study 3

Shared Revenues Partnership

Description

- The Shared Revenues Partnership ("SRP") is a partnership of three councils: Babergh District Council; Ipswich Borough Council; and Mid-Suffolk District.
- Operational from 2011 and governed by a joint committee.
- It includes the collection of council tax and business rates and payment of housing benefit and administration of local council tax reduction schemes.

Benefits

- Reduced costs.
- Greater resilience to change.
- Improved performance around collection rates and time to respond to benefit changes.
- consistent and improved customer experience,
- Introduction of more digital and self-serve options for customers to use.
- Financial savings 18/19 is £917,940.
- Financial savings to from 2011 to 2019 is £4,675,300.

Source: LGA shared service map table 2019 - [Link](#)

Sharing Building Control

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Development of a shared building control services accessible to residents across District and Borough boundaries. Some individuals and businesses that interact with Building Control services may operate across District and Borough boundaries, and due to the size of functions within individual Councils there is an opportunity to increase the critical mass and operational resilience of services. This could either involve up to two additional building control partnerships, taking learning from the Southern Building Control Partnership, or expanding the scope of this partnership to cover other areas within Surrey.

Potential benefits

Residents

- Improved quality of service that is more customer focused.
- Size of team ensures continuity of service.

District and Borough Councils

- Cost reductions (economies of scale, agile working and elimination of duplication in areas such as IT, HR and finance).
- Increase in capacity and capability available to each organisation – sharing of technical skills.
- Greater organisational resilience, and accessibility to limited resource available in specialist roles.
- Adoption and improved efficiency of processes and practices.
- Improved recruitment and retention in local authority building control services.
- More competitive - Increased opportunity and capability to compete with the private sector and win additional business.
- Create management arrangements that will enable resources to be deployed effectively.

County Council

- Consistency in the delivery of building control services.
- Standard interaction with building control departments with fewer stronger relationships.

Current situation / Service Quality

- Southern Building Control Partnership is a joint local authority building control function for Reigate and Banstead, Tandridge and Mole Valley. They work out of two council office hubs in Dorking and Oxted, Surrey.
- Runnymede provide repairs and maintenance service for operational properties for Spelthorne until March 2021.
- Previously explored possible merger of Borough Council teams from Spelthorne, Surrey Heath, Guildford and Woking. There were difficulties agreeing alignment of charges, business approach, plus big difference in cost/income ratios between Councils.
- Elmbridge deliver service through the Elmbridge Building Control Services (building control mutual).
- There has been an ongoing reduction in the availability of professional staff to fulfil roles, with Councils struggling to appoint in to roles such as Surveyors.

Risks

- **Competition** – Building control services within Surrey compete with private sector organisations, and service quality or value for money will need to be secured to compete in the market.
- **Development and training requirement** - As building control is a statutory service and councils often advise on regulatory issues, staff may require training to develop commercial expertise.
- **Loss of control** - Services will be delivered outside of each individual Council. Responsibilities will be shared and will have to cater for multiple parties.
- **Past discussion** - Previously, some District and Borough Councils were unable to agree a common business approach whilst discussing a proposed merger. This could stall initial discussions without a new imperative or different approach.

Sharing Building Control

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Residents

- Customer using the building control service.

District and Borough Councils

- District and Borough Building control teams.
- Southern Building control Partnership.

County Council

- District and Borough Building control teams.

External Bodies

- Building control services operating within Surrey.

Next Steps

Medium term actions

As there are existing collaborations between a number of the District and Borough Councils, some immediate next steps could enhance and extend the collaboration, to be undertaken within the next six months:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Combine expertise and share resources to account for existing gaps e.g. engineering calculations is a scarce resource across the District and Borough Councils.
- Bring together officers to Discuss and outline local offering and expertise that differentiates District and Borough services from the Private Sector.
- Review the comparable salary levels, income and full staffing picture across the District and Borough Councils.
- Undertake market analysis to demonstrate cost effectiveness of any potential collaboration.
- Develop a joint recruitment plan and increase opportunities for trainees.

Strategic

Longer term actions to realise the full benefits include:

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Support and drive from the top (Chief Executives and Leaders) needed to progress potential collaboration.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.
- Assess how collaboration could alleviate concerns from large scale strategic challenges such as of the new post Grenfell Building Safety Bill which is likely to come into effect in 2022. This will place pressure on building control staffing due to new legal and qualification requirements.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Learning from elsewhere

Case Study 1

Building Control Solutions

Description

- Brings together the building control services of the Royal Borough of Windsor and Maidenhead, West Berkshire Council and Wokingham Borough Council.
- This has resulted in a single team, based in a single location carrying out the building control function across the three Local Authority areas.
- One of the initial barriers identified was competing in a competitive private sector as Local Government building control services do not always have the financial resources, commercial skills or marketing resources to effectively compete.

Benefits

- Offer a more flexible customer focused service.
- Ensure a service that is competitive with the private sector but retain the local presence.
- Enable the development of a full range of ancillary value-added services to meet the needs of residents and businesses, and which benefit the Local Authorities as new sources of (non-ring fenced) income.

Sources: LGA shared service map table 2019 - [Link](#)
SBC website - [Link](#)
BCS shared service business plan - [Link](#)

Case Study 2

Building Control Partnership

Description

- Hart District Council Building Control and Rushmoor Borough Council entered into a shared service arrangement through merging their building control teams.
- The Building Control team is now based in Rushmoor Borough Council offices in Farnborough.

Benefits

- More cost-effective and greater resilience
- Offer a more competitive and improved customer service.
- Maintain a level of service to compete with the private sector.
- Hart District Council identified savings of £20,000 from inception in 2015 to 2019.

Source: LGA shared service map table 2019 - [Link](#)

Case Study 3

Devon Building Control Partnership (DBCP)

Description

- A not-for-profit organisation set up in 2004.
- DBCP provides building control services across three Local Authorities -Teignbridge and South Hams District Councils and West Devon Borough Council.
- Governed by a partnership agreement and centralised hosting by Teignbridge council.
- Driven by a shortfall of key positions such as senior surveyors and pressure to reduce costs whilst maintaining the level of service.
- A remote working system introduced to enable surveyors to meet clients across a wide geographical area which increases efficiency, reduces costs and is more appealing to surveyors.

Benefits

- Reduced support and running costs and shared training costs.
- Greater consistency to service provided.
- Staff retention and attract talented individuals due to a more employment prospectus.
- Long term efficiency gains.
- Centralised tech support team more efficient by dealing with more queries at first point of contact.

Source: LGA shared service map table 2019 - [Link](#)
Devon Building control website - [Link](#)

Procurement (Back Office)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

There are a number of benefits from collaborating on procurement, not only the greater purchasing power that comes from joint procurement of services, but also the in-depth knowledge and greater focus that can be placed on category management in a larger scale procurement function. There may be an opportunity to build on the Surrey Procurement Group through the implementation of a joint procurement and contract management system, which encapsulates all contracts and procurement frameworks that are being used and are available across the County.

Potential benefits

Residents

- Better contract management will result in higher performance standards from suppliers and improve the quality of services to the public.

District and Borough Councils

- Financial savings achieved through improved procurement helps support the delivery of front line and priority services.
- Increased procurement power, knowledge and developing of expertise across the District and Borough Councils.
- Creating efficiencies by avoiding duplication and creating common policies and procedures.
- Avoid competition between individual Districts and Boroughs for procurement expertise.

County

- Potential to expand services to County Council, increasing purchasing power further.

Current situation / Service Quality

- No shared service currently in place across all the District and Borough Councils.
- Surrey Procurement Group has been set up in order to share best practice within Surrey relating to procurement and contract management. This has resulted in shared contracts, and increased communications around the timing of large procurements. There is an opportunity to leverage and formalise this relationship.
- Joint procurement of internal audit services partnership exists between 5 District and Borough Councils (Epsom & Ewell, Mole Valley, Reigate & Banstead, Tandridge, Waverley).
- A number of District and Borough Councils have access to InTend e-procurement system via access to Surrey County Council's (SCC) portal.

Risks

- **Structural Changes** - May require structural and operational changes in authorities before the full benefit of shared contracts can be exploited.
- **Political priorities**- Differences between the political, cultural and structural norms in each authority.
- **Existing contracts**- Collaboration on procurements may be limited by the timing of contract renewal, which may result in a lack of opportunities, or potential costs as a result of waiting for other authorities to complete contracts or breaking contracts early.

Procurement *(Back Office)*

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Residents

- Customers benefitting from services provided by suppliers.

District and Borough Councils

- Procurement teams.

External

- Suppliers and partners.

Next Steps

Medium term actions

The Surrey Procurement Group can be supported to understand the market and identify potential savings through joint procurement. This could include:

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Agree an immediate more collaborative approach to procurements - avoid missing strategic benefit of aligning large procurement activities or leveraging existing frameworks.
- Procurement spend analysis of each District and Borough Council to identify potential saving opportunities and to assist in setting an overall savings target.
- Baseline of current procurement systems.
- Share key procedures and practices (such as the approach to preferred suppliers, frameworks etc).
- Develop a timeline of key contracts - A consolidated view on the contracts that each District and Borough Council has in place in order to develop a timeline of opportunities for contract negotiation and consolidation.

Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Gain Chief Executive and Member commitment to engage with the Surrey Procurement Group, providing the group with the mandate to align procurements.
- Develop a timeline for implementation of the shared service. potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Learning from elsewhere

Case Study 1

Coventry, Solihull and Warwickshire shared procurement service

Description

- Coventry City Council, Solihull Metropolitan Borough Council Warwickshire County Council and numerous Warwickshire District Councils have a shared procurement strategy and savings plan.
- Where specifications can be agreed, contracts are let by one category manager in one authority on behalf of the other participating authorities.
- Initial challenges included the structural and operational changes required in the authorities before the full benefit of shared contracts could be exploited and also practical consideration such as contingency and liability arrangements.
- Many areas of procurement including market intelligence, good practice, legal developments, training and key issues are shared to improve efficiency and effectiveness in all authorities.
- There is a shared e-tendering platform for the councils - CSW-JETS which enables them to advertise opportunities across all authorities through the same system. This means that there is a single point of contact for procurement.

Benefits

- Solihull Metropolitan Borough Council identified financial savings of 5,715,000 to date since its inception in 2010.
- Cumulative savings delivered by these partnerships in FY19 was £200m.
- Shared portal lowered annual support costs.
- Increased procurement power and developing of expertise in individual authorities.

Case Study 2

Crawley, Mid-Sussex and Horsham Shared Procurement

Description

- Shared Procurement service between Crawley Borough Council, Horsham District Council and Mid-Sussex District Council was created in 2010. Their resources are combined into one team working across the three authorities.
- The Joint Procurement Board governs the shared procurement service via an informal agreement and is made up of a representative from each of the authorities.
- Crawley are the 'lead' authority taking responsibility for the payments made between the authorities and acting as IT lead.
- The main office location is Crawley Borough Council and there are two shared service locations in Horsham and Haywards Heath (in Mid-Sussex).
- Both Crawley and Horsham continue to employ their own procurement staff and manage and procurement budgets.
- They advertise all tender opportunities on a Shared Services e-Portal. Procurement processes are undertaken according to each council's Procurement Code.
- Mole Valley District Councils has participated informally in the shared procurement service by way of a pilot since the start of 2020.
- The budget for the service is split between the three authorities with Crawley and Horsham paying 35% and Mid Sussex 30% of the total costs.

Benefits

- Greater capacity, cost savings and improved customer experience.
- Financial savings identified by Crawley council to date since inception in 2010 is 6,622,030 and in 2019/19 is 1,204,132.
- Increased purchasing power.
- Developed skills and knowledge amongst the team.
- Creating efficiencies by avoiding duplication and creating common policies and procedures.

IT infrastructure (Back Office)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Notwithstanding the significant investment in IT infrastructure over the years, there are further opportunities to standardise the IT estate across councils. Technology could be incrementally improved and standardised in specific service areas, for example, a new system to support procurement, while an IT roadmap is planned and potential improvements are aligned to contract end dates.

Potential benefits

Residents

- Benefit from a more efficient and higher quality service.
- Greater alignment with resident expectations, with more commercial interactions with the Council.

District and Borough Councils

- Cost savings.
- Access to best practice technology developed by other Councils.
- System improvements and process simplification.
- A common platform would lead to increased communication between the District and Borough Councils and act as a foundation for more back office collaboration in the future.
- Service resilience due to fewer single points of failure and increased scale.
- Improved disaster recovery plans and solutions to ensure business continuity in the local area.

County Council

- Simplified system interaction with the District and Borough Councils' technologies.
- Opportunities to join technology relationships and leading practice.

Current situation / Service Quality

Current service delivery

- The majority of District and Borough Councils manage their own IT infrastructure, with instances of shared backup and disaster recovery arrangements, as well as common service providers.
- Runnymede currently use Goss via an arrangement where Spelthorne is their supplier and Runnymede utilise Spelthorne's contract with Goss. This arrangement is due to expire in March 2021 and Runnymede have recently procured their own Content Management System (CMS).
- Waverley host ICT storage for Surrey Heath, who reciprocate by transferring 'virtual machines' (lagged copy) to Waverley. This is being reviewed on an on-going basis as more systems are being moved to the Cloud.

Risks

- **IT spend** is significant, and there will also be legacy costs and financial costs to purchase new IT equipment may be necessary.
- **Complexity and benefits realisation** – Significant IT programmes across multiple partners have a high level of complexity, and IT programmes historically have challenges delivering on potential benefits, which could take time to realise. This would need to be carefully set out within a potential business case and benefits realisation plan.
- **Resource requirement** - Managing a large and complex infrastructure with the current level of resources may be an issue.
- **Service standards** may be set at different levels across the District and Borough Councils, leading to possible customer and member complaints.

IT infrastructure (Back Office)

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Residents

- Customers (e.g. local businesses).

District and Borough Councils

- District and Borough Council IT teams.

County Council

- IT teams.

External Bodies

- Third party platforms to manage IT infrastructure.

Next Steps

Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Agree on a joint homeworking policy.
- Carry out a Cloud and system licensing baseline/audit, including contract renewing and cyber resilience.
- Share digital strategies and identify common ground and align common systems such as I-Trent for HR.
- Implement individuals/team to assist the IT team in ensuring the practical application of joint systems.
- Assess financial implications of each District and Borough Council considering existing infrastructure and contracts with third parties.
- Explore remit and focus of the Councillor IT group and officer IT group.
- Identify the business and culture changes that may be necessary for successful collaboration.

Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop a Cloud strategy and consider broader strategic themes such as cyber security and resourcing.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc. Feedback from the District and Borough Councils suggests a longer roadmap of around 5-10 years would be appropriate and the District and Borough Councils should proactively work towards commonality during this period.
- Develop Governance framework once joint working approach confirmed.
- Build a centre of excellence through sharing challenges and expertise.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT Infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Learning from elsewhere

Case Study 1

3C ICT

Description

- 3C ICT is a shared ICT service established in 2016 between Cambridge City Council, Huntingdonshire District Council and South Cambridgeshire District Council.
- The main aims of creating shared service included providing improved value for customers, creating an attractive place to work, safeguarding clients and income generation.
- Services include day-to-day customer support via the Service Desk software and business applications support network and infrastructure services.
- Within the 20/21 Business plan for ICT Shared service, challenges identified around infrastructure include: managing a large infrastructure with the current level of resources; addressing gaps in separate infrastructures as they are migrated onto the new server and ensuring infrastructure meets the design of all Districts.

Benefits

- Service resilience as fewer single points of failure.
- Reduce probability and impact of service outages.
- Savings through reduced management costs and economies of scale.
- Collaborative innovation: increased scale enables investment in roles such as technical architect / IT Analyst, which will be the catalyst for accelerating the design and delivery of next generation council services.
- Overall savings of 3C ICT financial savings 18/19 - £550,000.

Sources: LGA shared service map table 2019 - [Link](#)
Business Plan for ICT Shared Service 2020/21 - [Link](#)

Case Study 2

Essex online Partnership

Description

- The Essex Online Partnership (EOLP) is a technology partnership with membership from public authorities across Essex (including Essex Local Authorities, Essex Fire & Rescue and Essex Police).
- Established in 2002, the purpose of the Essex Online Partnership (EOLP) is to share knowledge, resource and services to provide technology solutions which support the business needs of each partner organisation and reduce the cost of their technology.
- Recent example of successful collaboration includes the development of the data tool VIPER (Vulnerable Intelligent Persons Emergency Response), enabling category one responders to plan, deliver and monitor the success of an emergency planning response digitally and in real-time to help protect the most vulnerable residents.

Benefits

- Financial savings identified across the partnership since inception in 2002 to 2019 is £7,019,832.
- Supports the development of integrated and accessible local services to Essex residents and businesses.

Sources: LGA shared service map table 2019 - [Link](#)
VIPER case study - [Link](#)

Case Study 3

OneSource

Description

- OneSource is a shared service partnership formed between Newham London Borough Council and Havering London Borough Council in 2014.
- This brought together 22 back-office services and 1300 staff with the aim of streamlining processes and teams, and considerably reducing corporate support costs in order to protect front-line services.
- Both Local Authorities were also part of the One Oracle Project. This involved a shared IT platform (of Oracle's ERP software) between six London Borough councils.
- The members of the One Oracle partnership agreed not to continue with the current arrangements beyond July 2018 when the contract ended with Capgemini who hosted the service. This was at least partly due to uncertainty around which councils would remain in the partnership and therefore impacted on potential cost for each council to continue the partnership.

Benefits

- Reducing duplication.
- Sharing skills/resources between Local Authorities.
- Minimise costs for hosting and upgrades which can be directed to frontline services.

Sources: LGA shared service map table 2019 - [Link](#)
Newham article - [Link](#)
London Borough of Croydon public notice of key decisions - [Link](#)

Delivering Economic Development

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

A coordinated approach to economic development between the District and Borough Councils and the County Council (and other partners), to maximise the impact of investment and development funding. A group view on the benefit of investment in to any of the District and Borough Councils will help to strategically place proposals for further investment and development funding, prioritising and maximising the benefit of Surrey as a whole.

Potential benefits

Residents

- Promote the economic, social and environmental wellbeing of the areas.
- Employment opportunities as more businesses develop in the area.

District and Borough Councils

- Access to wider skills and greater capacity to build regional strength and capitalise on investment opportunities.
- Opportunity to tackle key problems that exist across the District and Borough Council boundaries.

County Council

- Additional inward investment and funding in to Surrey, with a more strategic view on bidding for funding that benefits residents and County.

Current situation / Service Quality

Current service delivery

- Individual District and Borough Councils have their own economic development strategies in place.
- Mole Valley - Economic Development team is leading on the Opportunity Dorking town centre economic regeneration programme (includes promoting businesses to grow and stay in the area).
- Spelthorne Business Forum is a partnership between the business community and Spelthorne Council as a means of promoting economic growth within Spelthorne. They will be soon launching their own business Incubator which will provide a base for entrepreneurs and new businesses.

Risks

- **Legal set up of partnership/collaboration** – Due to different priorities and existing economic development programmes in place, the District and Borough Councils may be less willing to agree to a formal collaboration that requires mandatory financial contributions and restricts freedom of decision making.
- **Commitment** - If a partnership or working forum is agreed, then without a formal legal document there is no guarantee that commitment won't fall away.
- **Conflicting interests** - There are likely to be conflicting investment and funding views across the Councils, in respect to risk appetite and funding requirement.

Delivering Economic Development

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Public Interest

- Local businesses.

District and Borough Councils

- Economic development teams.

External Bodies

- Existing business and potential investors into the area.

Next Steps

Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Agree to definition of 'economic development.'
- Raise awareness of One Surrey Growth and consider remodifying other bodies and forums that exist.
- Discussions with County Council needed around how to widen influence of the District and Borough Councils..
- Explore areas for immediate joint working such as Additional Restrictions Grant.
- Explore the financial potential of the opportunity, and potential funding pots available.
- Identify areas where a collective view on economic development has helped previously.
- Ensure that development plans have engagement from members, leadership and some form of accountability.
- Share resources between the District and Borough Councils to resolve current resourcing issues and fill skills gap.
- Understand opportunity linked to Community Development Fund (SCC) – to be channelled through Joint Committees.
- Collective lobby for additional funding for Surrey as a whole.
- Obtain feedback from residents and utilise local knowledge to feed in to investment and development decisions.

Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Work towards the Surrey Growth Board becoming the overarching body that holds economic development plans together.
- Work towards establishing a Surrey wide body that could be linked to a Combined Authority.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Learning from elsewhere

Case Study 1

Lancaster and South Cumbria Economic Region Partnership

Description

- A formal, shared link between South Lakeland District Council, Lancaster City Council and Barrow Borough Council to build on collective strengths, increase their capacity to deliver on key issues affecting the region and drive economic development across the Lancaster and South Cumbria Economic Region.
- A Joint Committee has been appointed and acts as a key strategic forum, making representations and recommendations to national and local government and has direct oversight of key growth-focused initiatives across the region.
- Lancaster & South Cumbria Economic Region Business Prospectus was launched in June, promoting potential for investment in the economy around Morecambe Bay.

Benefits

- Attract more external investment.
- Greater resources and capacity to tackle key issues (such as climate and poverty) and accelerate growth within the area.

Sources: LGA shared service map table 2019 - [Link](#)
 Article on committee formation - [Link](#)
 Lancaster and South Cumbria Joint Committee report - [Link](#)

Case Study 2

Growth Lancashire

Description

- A business support and economic development company. It is owned by several Lancashire local authorities and operates across the County.
- Board comprises local business leaders and members from local councils.
- Focuses on supporting businesses to grow, caring for and developing Lancashire's heritage and cultural assets, securing and delivering external funding, and promoting Lancashire and encouraging investment.
- They are a member of the Northern Powerhouse Partners Programme and a delivery partner for Lancashire's Business Growth where they are contracted to deliver business advice to Lancashire's business and help match them to relevant funded support programmes. During 19/20 they worked with more than 450 of Lancashire's SMEs.

Benefits

- By pooling resources and expertise, they can deliver projects across boundaries to achieve faster results.
- Attract greater levels of private sector investment.

Sources: LGA shared service map table 2019 - [Link](#)
 Growth Lancashire website - [Link](#)

Shared approach to Housing

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

The District and Borough Councils working together to approach the challenge of housing provision across Surrey. This includes looking at the development of new housing to meet housing requirements for Surrey as a whole, as well as topics such as social housing, vulnerability and accessibility of housing across the District and Borough Council boundaries. Housing demand is not limited by the boundaries in which the District and Borough Councils operate, and having an collective approach to these challenges may provide alternative solutions to meeting housing targets and demand.

Potential benefits

Residents

- Increased supply of affordable housing.
- Reduce homelessness within the local area.

District and Borough Councils

- Sharing of knowledge, resources and data (e.g. around procurement, best practices).
- Council's better placed to address housing shortfall.
- Greater co-ordination which could help reduce empty homes.

County Council

- Simplification of the number of parties that the County Council must communicate and work with. Fewer engaging parties and more streamlined operations.

Current situation / Service Quality

Current service delivery

- **Surrey Chief Housing Officers Group** – A quarterly meeting between Chief Housing Officers from the District and Borough Councils. There are various operational groups that sit beneath it, such as Surrey Housing Needs Managers group (focussing on homelessness and demand for social housing) and Surrey Enabling Officers Group (enabling and delivery of affordable housing). There is collaborative work undertaken on an ad hoc basis through these structures, but no formal work programme and there is no specific staffing resource employed to drive work forward.
- **Surrey Community Housing Partnership** - Initiative delivered by Surrey Community Action to promote and support community led housing in Surrey. The partnership is between Surrey Community Action and eight Surrey Borough and District Councils.
- **Search Moves choice-based lettings scheme.** Elmbridge have an agreement with Spelthorne, PA Housing (housing association) and a software provider, Locata, relating to management of housing register, nominations to social housing vacancies and database management of homelessness.

Risks

- **Conflicting interests** - Balancing each District and Borough Council's own organisational interest with the collective interest of all partners involved. Each District and Borough Council will have varying needs and priorities which means compromise will be key to the success of any collaboration.
- **Different targets and plans** - Housing targets continue to be set at a District and Borough level, and there are ongoing Local Plans which will limit the ability to work collaboratively across boundaries.
- **Upfront financial investment** - Significant financial investment may be required up-front to approach development of new housing.

Shared approach to Housing

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Residents

- Citizens eligible for social housing.

District and Borough Councils

- Social housing teams and partnerships across the District and Borough Councils.

External Bodies

- Housing Authorities.

Next Steps

Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration.
- Understand skills gaps, requirements and existing expertise of officers.
- Engage with residents to understand views and objections to developing a shared approach to housing.
- Work with County to secure the provision of land.
- Explore joint working on associated services such as repairs.
- Engage with developers together to maximise supply of housing.
- Share resources related to procurement for those Districts and Boroughs that have retained housing stock.
- Understand demographics and who may be willing to move between the District and Borough Councils.

Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Incorporate local plans in new joint approach to ensure affordable housing targets are met but also the varied needs to each District and Borough Council.
- Develop Governance framework once joint working approach confirmed.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Assess intrinsic links to planning and housing, and the potential impact this may have on key topics from skills to biodiversity.
- Explore potential impact of the Housing White Paper to help establish direction for future collaboration.
- Determine how collaboration can drive outcomes through provision of homelessness support.

Learning from elsewhere

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Case Study 1 Greater Manchester: Housing Joint Venture

Description

- Joint venture between Greater Manchester Combined Authority (GMCA) and Greater Manchester Housing Providers (GMHP).
- GMHP are substantial investors in the Greater Manchester community. In recent years members of the group have been delivering around 40% of new homes across Greater Manchester.
- The joint venture will act as an LLP with a £3m investment from each housing association as well as a £2m contribution from GMCA in return for a 20% stake in the joint venture. The associations will own the remaining 80%.
- The partnership will be a commercial developer, buying land and securing planning permission to build and sell land on the open market.

Benefits

- Better placed to identify available land at an affordable price and therefore address the shortfall of housing more quickly.
- Due to expertise and resources available, the joint venture can take a flexible approach to meet the needs of different boroughs.

Source: LGA - [Link](#)

Case Study 2 West Midlands Combined Authority (WMCA)

Description

- WMCA became the first region in the UK to introduce its own localised definition of affordable housing which is based on local people paying no more than 35% of their salary on mortgages or rent. The current definition is 80% of market value which is not affordable to many.
- This is significant as any development receiving WMCA investment must make a minimum of 20% of the homes in their scheme affordable.
- In order for the Midlands to meet future housing demand and build 215,000 new homes by 2031, the WMCA also introduced a 'brownfield first' policy where new homes and commercial developments are built on former industrial land wherever possible and has secured new funding from national government to help achieve this (received a £41m housing deal payment towards the end of 2019 to fund building new homes on Brownfield land).

Benefits

- A total of 16,938 properties were built in 2018/19 - a 15% rise on the previous year and twice the UK average increase.

Source: WMCA website - [Link](#), [Link](#)

Case Study 3 West Midlands Homelessness Taskforce

Description

- Launched in May 2017, the taskforce includes 7 Local Authorities, key public sector agencies, representation from Voluntary and Not for Profit sector and senior representation from the Business Community.
- Their aim is to support local authorities and public services in addressing the prevention and relief of homelessness. They share intelligence, approaches and provide support to each local authority who set their own homelessness strategy.
- Task Group set up to identify gaps, challenges and asks. Subsequently identified five objectives:
 - Accessible, affordable accommodation.
 - Tackling welfare related poverty.
 - Access to good employment.
 - Information, advice and guidance.
 - Integrated prevention.

Benefits

- Reduce homelessness - They supported West Midlands Combined Authority's bid in receiving £9.6m of funding for a project (Housing First Programme) aimed at getting rough sleepers off the streets of the West Midlands. They also convened a meeting of Local Authorities, Housing First providers; mental health practitioners and commissioners to identify opportunities and for gaps to be addressed.

Sources: West Midlands Combined Authority Board Report dates 28/06/2019 - [Link](#)
WMCA website - [Link](#)

Shared Leisure Services

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

A shared approach to contracting for leisure services across the District and Borough boundaries. With a number of contracts coming to tender, a collective approach to the procurement of leisure provision would support effective financial management. Once there is a holistic view of the leisure contracts and provision across the County, a strategic approach to contracting, potentially procuring one partner to deliver all Council services at a lower cost, and support the development of healthy lifestyles.

Potential benefits

Residents

- Better value leisure services.
- Supporting wellbeing, and including recovery plans for physical and mental health related to COVID-19
- Greater consistency of leisure services between Councils.
- Standardisation of service delivery.

District and Borough Councils

- Cheaper service provision.
- Increased purchasing power.
- Better use of public money, increased value for money and more services.

County Council

- Improved services to residents.

Current situation / Service Quality

Current service delivery

- A range of leisure service contracts are in place across Councils, with a number coming to tender in the next few months/years.
- There is an opportunity to leverage this timing to the benefit of residents and improved services.

Risks

- **Loss of localism** - Potential loss of localism and control due to centralisation of services, there may be limited political and customer appetite for this.
- **Existing contracts** - Contract timing may limit the potential short term benefit of shared contracts, or incur costs from break clauses.

Shared Leisure Services

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Stakeholders

Public Interest

- All customers who receive and use leisure services.

District and Borough Councils

- Leisure service teams, including health and social care.

County Council

- Adults and children's social care.

External Bodies

- Active Surrey and Surrey health partnerships.

Next Steps

Medium term actions

- Agree on the Districts and Boroughs that want to pursue joint working in this area and commence discussions on possible types of collaboration (e.g possibility of a shared contract to realise greater savings, buying power and contract negotiation resources).
- Begin to develop a comprehensive view on service contracts for leisure, third party providers, and contract end dates across the District and Borough Councils.
- Confirm which services are mandatory, which are additional and those that are common across the District and Borough Councils.
- Review existing Governance structures and baseline financial and service elements.

Strategic

- Develop a joint strategic approach and agree to the aims and scope of joint working in order to build commitment and clarity from the outset.
- Develop a timeline for implementation of the shared service, potential scale of team required, impacts on staff (TUPE) etc.
- Develop Governance framework once joint working approach confirmed.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
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Learning from elsewhere

Case Study 1

Greenwich Leisure Ltd (GLL) (trades as 'Better')

Description

- A social enterprise created by Greenwich Council that operates under the brand 'Better' and runs leisure centres in more than a dozen London boroughs.
- Now has partnerships with many councils outside London such as York, Oxford and Manchester City Council (covering 18 facilities, including the national performance centres for cycling, basketball and squash).
- In 2018, the GLL Group directly managed over 400 facilities including leisure centres, play centres, children centres and libraries in partnership with over 60 local councils and other organisations.
- Surplus is reinvested into training staff and upgrading facilities.

Benefits

- More accessible and affordable to customers.
- Financial savings – Greenwich Council identified potential savings of £400,000 a year through reduced management fees for the leisure and library services provided by GLL. After extending their contract with GLL to 2031.

Sources

Royal Borough of Greenwich Cabinet report 22/07/2020 - [Link](#)
 GLL homepage - [Link](#), [Link](#)

Case Study 2

Bridgend County Borough Council and Halo Leisure partnership

Description

- Halo is a registered charity and social enterprise that manage eight leisure centres and swimming pools in Bridgend County Borough.
- The purpose of the partnership is to develop healthier communities and to provide a sustainable leisure service that meets the need of residents.

Benefits

- Improved quality of service to residents– Their partnership was recognised by UK Leisure industry quality assessor Quest for the quality of service provided.
- Reduced management costs.

Source

Corporate plan 2018-2022 - [Link](#)

Conclusions and next steps

Having explored potential opportunities for collaboration, and outlined a series of tactical and strategic next steps for each individual opportunity, there are a series of collective next steps that could be considered.

Conclusions

Eight opportunities for collaboration have been identified and explored in detail as part of this work. Each of these represents an opportunity for the District and Borough Councils to explore greater joint working, explore potential financial savings, develop closer working relationships.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
IT infrastructure	Delivering Economic Development	Shared approach to Housing	Shared Leisure Services

Though these eight opportunities represent a prioritised list of areas for exploration, it should be noted that the design principles for collaboration could be applied to all District and Borough Councils services, as well as County Council services should this be an avenue to explore as part of an overall programme.

The continued close working of Chief Executives and Leaders in particular will support collaboration.

Although the primary focus is collaboration within the Surrey footprint, this will not preclude engaging with neighbouring Councils for example, where it makes sense to do so. Joint working opportunities with other public sector organisations may also be explored as part of developing business cases, and the potential financial benefits by opportunity and at a programme level should be explored in a collaboration business case.

Next steps

To maintain momentum and progress towards collaboration, a coherent programme of work could be developed to prioritise and progress the eight priority areas for collaboration. This would help to hold the Councils to account for progress being made, and set a roadmap for progress over the medium term.

Alongside this, there are a series of logical next steps which are common themes across each of these opportunities, which should be explored:

- Agree a governance structure for the collaboration programme that facilitates the agreed Design Principles.
- Agree the strategic direction, aims and detailed scope of the collaboration opportunity in order to build commitment and clarity from all parties from the outset.
- Decide on the type of collaboration and which District and Borough Councils will commit to initial involvement. This will depend on a number of factors such as willingness to collaborate in the service category and the potential geographic footprint for collaboration.
- Develop a detailed timeline for the implementation of an opportunity, and work proactively towards commonality where necessary.
- Develop a consolidated view of key contracts and providers across services and Councils to determine alignment and opportunities for contract consolidation.

Next steps



Overall conclusions

It is recommended that momentum is maintained following the joint work that has been undertaken, focussing on driving forward collaboration opportunities, whilst continuing to explore the LGR options.

What could Surrey District and Borough Councils do next?

It is recommended that ongoing progress is made against both the assessment of potential options for LGR and delivery of identified collaboration opportunities between Councils.

Council and public engagement on LGR, alongside further deep dives in to the elements of service provision that are currently delivered by the County Council (for example, Children's services), will provide Councils with an additional layer of preparation for future reorganisation should that be required. Work that is completed now to help align the efforts of Councils will be influential and beneficial for any future potential LGR, regardless of outcome, while delivering benefits for residents.

Collaboration as a basis for working will help improve the resilience of District and Borough Councils. All councils have agreed to respond to the scale of the financial challenge, and this should be used to make significant progress in this area.

Progressing Opportunities

A series of detailed next steps for each of LGR and collaboration are detailed on the next pages, however they should not be viewed in isolation. Collaborating on a footprint aligned to potential future collaboration may not only facilitate accelerate success with fewer parties involved, it can also help to align activities and strengthen a potential future case for LGR.

Collaboration opportunities could be assigned to delivery owners, being taken forwards by project officers (capitalising on the existing forum that has been set up) who would be responsible for progressing a programme

of collaboration across Surrey, with senior Political and managerial oversight by Leaders and Chief Executives. The eight identified opportunities have identified next steps. Some of these elements would deliver quick wins to prove the concept of collaboration, as well as gain public and political buy-in. Other elements are, by their nature, longer term and strategic but will create significant impact.

There is no assumption that one form of collaboration is right for Surrey, this may be specific to opportunity, and the right delivery model may not need to be agreed at the outset to secure gains. Successful collaboration will be dependent on the right conditions, including trust between parties.

Conclusion

It is recommended that momentum is maintained across both strands of work in the short term, with a focus on driving forward collaboration opportunities whilst maintaining awareness and foresight in relation to any future LGR. The scale of challenge from Central Government, both financially and in relation to potential structural changes, is significant, however the District and Borough Councils should remain ambitious and continue to work jointly in seeking to address the challenges.

Accelerated Next Steps

The speed at which LGR and collaboration opportunities are progressed is dependent on commitment from District and Borough Councils. The following next steps could be explored to fast track each area:

Accelerated next steps for LGR options analysis

There is recognition that the topic of LGR has not gone away, with some geographies across the Country continuing to explore Cases for Change without formal invitations from Government. There the anticipation of a Whitepaper on Devolution, and the potential for a County Council Case for Change. As such, there are a number of accelerated next steps that would ensure that the District and Borough Councils are best placed to respond to a request from Central Government:

- **Public Consultation** – Public consensus on the proposed option for LGR within Surrey will be key to the selection process, and as such early public consultation on this topic will help align citizen, member and executive views.
- **County Functions** – District and Borough Councils could consider how current elements of County functions could be controlled and delivered, including how Councils can demonstrate such services could be effectively administered and any potential financial savings associated with this.
- **Local Representation** – A key topic for members and citizens will continue to be how unitaries impact local representation. As such models could be explored to ensure local representation is preserved in any future model for unitary government within Surrey.

Detailed next steps are outlined on page 62.

Accelerated next steps for collaboration opportunities

Collaboration can be explored regardless of the context around LGR. As such, there are immediate next steps which would maintain momentum and accelerate the delivery of benefits:

- **Programme Structure** – Appropriate governance and an agreed programme should be stood up to continue work on collaboration, engaging key parties from all Councils on an ongoing basis.
- **Opportunity Business Cases** – The opportunity cards which have been developed should be utilised as a basis for a business case for each opportunity. These should be strengthened with detailed scope, involved parties, and financial benefits which are accepted by the Councils involved.
- **Strategic Direction** – For key collaboration opportunities, strategic direction from Chief Executives and Leaders should be gathered. This should be developed through facilitated sessions with all engaged parties, working through potential issues to form a collective view on direction.

Detailed next steps are outlined on page 63.

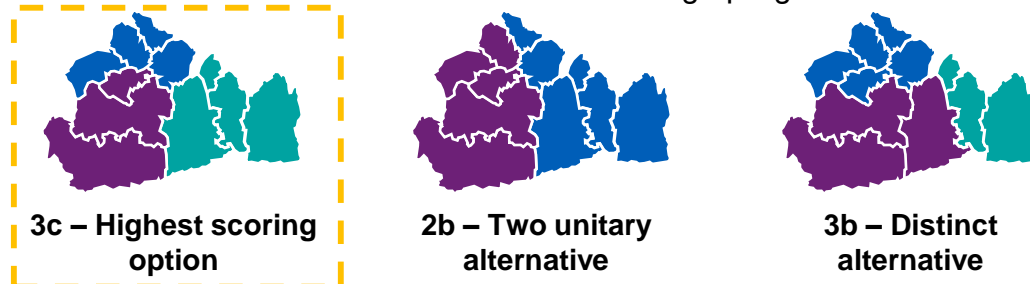
LGR - Conclusions and next steps

Having reviewed and evaluated the potential options for LGR within Surrey, we have identified a highest scoring option for unitary authorities, as well as a number of next steps.

Conclusions

Option 3c scored most highly in the assessment, and is the highest scoring potential option for unitary government from this analysis. The high scoring alternative models remain feasible options, however, based on the feedback received this model continues to be the highest scoring option.

As part of the feedback received, there was a desire to better understand more distinct alternatives to the options selected, and these could be explored as part of public consultation. These alternative models could explore a different number of unitaries within Surrey, and different footprints across the County. As such, three models have been identified for further consideration should a case for change progress:



Option 2b was identified as the highest scoring two unitary model, and option 3b was identified as the highest scoring three unitary model which had three District/Borough Councils in an East authority.

As noted earlier in this section, an alternative that has been put forward that may need to be considered by the District and Borough Councils is the option of enhanced two tier government. However, it is noted that this is unlikely to be accepted within a LGR Case for Change due to no reorganisation in structural form.

Next steps

Public consultation on the potential options would help to build engagement and consensus.

More detail could be considered on areas identified as part of feedback on the unitary models:

- Health and social care integration.
- Economies of scale.
- Retention of local knowledge.
- Benefits of alternatives to the status quo / current state.
- County Council engagement.
- Strategic challenges for Surrey as a County.
- Local representation, town and parish Councils.
- Working with neighbouring authorities outside of Surrey.

It is recommended that the following steps are explored:

1. Council and public consultation on potential options for LGR.
2. Further investigation of proposed options to supplement analysis on key areas (e.g. health and social care).
3. Engagement with the County Council, where appropriate, to consider options collaboratively.
4. Exploration of potential collaboration opportunities to address ongoing Council challenges.

Collaboration - Conclusions and next steps

Having explored potential opportunities for collaboration, and outlined a series of tactical and strategic next steps for each individual opportunity, there are a series of collective next steps that could be considered.

Conclusions

Eight opportunities for collaboration have been identified and explored in detail as part of this work. Each of these represents an opportunity for the District and Borough Councils to explore greater joint working, explore potential financial savings, develop closer working relationships.

New approach to Waste Collection, Commercial and Disposal	Standardisation of Revenues and Benefits	Sharing Building Control	Procurement
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Though these eight opportunities represent a prioritised list of areas for exploration, it should be noted that the design principles for collaboration could be applied to all District and Borough Councils services, as well as County Council services should this be an avenue to explore as part of an overall programme.

The continued close working of Chief Executives and Leaders in particular will support collaboration.

Although the primary focus is collaboration within the Surrey footprint, this will not preclude engaging with neighbouring Councils for example, where it makes sense to do so. Joint working opportunities with other public sector organisations may also be explored as part of developing business cases, and the potential financial benefits by opportunity and at a programme level should be explored in a collaboration business case.

Next steps

To maintain momentum and progress towards collaboration, a coherent programme of work could be developed to prioritise and progress the eight priority areas for collaboration. This would help to hold the Councils to account for progress being made, and set a roadmap for progress over the medium term.

Alongside this, there are a series of logical next steps which are common themes across each of these opportunities, which should be explored:

- Agree a governance structure for the collaboration programme that facilitates the agreed Design Principles.
- Agree the strategic direction, aims and detailed scope of the collaboration opportunity in order to build commitment and clarity from all parties from the outset.
- Decide on the type of collaboration and which District and Borough Councils will commit to initial involvement. This will depend on a number of factors such as willingness to collaborate in the service category and the potential geographic footprint for collaboration.
- Develop a detailed timeline for the implementation of an opportunity, and work proactively towards commonality where necessary.
- Develop a consolidated view of key contracts and providers across services and Councils to determine alignment and opportunities for contract consolidation.



WAVERLEY BOROUGH COUNCIL

EXECUTIVE COMMITTEE

9 FEBRUARY 2021

Title:

Affordable Housing Supplementary Planning Document

Portfolio Holders: Cllr Anne-Marie Rosoman **Housing and Community Safety**
Cllr Andy MacLeod **Planning Policy, Services and**
Brightwells

Heads of Service: Andrew Smith **Head of Housing Delivery and Communities**
Zac Ellwood **Head of Planning and Economic Development**

Key decision: **Yes**

Access: **Public**

1. Purpose and summary

- 1.1 The purpose of this report is to seek the Executive's approval of the Affordable Housing Supplementary Planning Document (SPD), and to recommend that it is formally adopted by the Council.
- 1.2 The proposed SPD sets out the Council's approach for securing affordable housing in accordance with the application of relevant planning policies contained in Local Plan Part 1. It follows consultation on the draft SPD, which took place in two phases, 9th November – 14th December 2018 and 1st July – 16th August 2019.

2. Recommendation

- 2.1 It is recommended that the Executive recommends to the Council that the Affordable Housing Supplementary Planning Document (SPD) be approved.

3. Reason for the recommendation

- 3.1 The Affordable Housing SPD provides further guidance about the Council's approach to affordable housing provision on development sites. Having an adopted SPD will enable this guidance to be taken on board early in the planning process. This will help to ensure that new developments provide sufficient affordable housing and will enhance the Council's ability to negotiate with developers.

4. **Background**

4.1 Local Plan Part 1 (LPP1) includes two policies directly relating to the provision of affordable housing. Policy AHN1 concerns affordable housing on development sites and sets out a requirement for a minimum of 30% of new homes on development sites to be affordable. The policy also sets out the circumstances in which a financial contribution rather than on site provision would be considered acceptable. Policy AHN2 concerns Rural Exception Sites which allow affordable housing to be provided on sites which adjoin or are closely related to existing rural settlements where there is a genuine local need.

4.2 Since the adoption of LPP1 these two policies and supporting text have provided the only guidance to developers and stakeholders about the Council's approach towards affordable housing provision. It is recognised in paragraph 9.27 of LPP1 that more detail regarding the application of Policies AHN1 and AHN2 is required and that this should be addressed through the publication of a SPD. The proposed content of the SPD is outlined at paragraph 9.27 of LPP1. Specifically the paragraph states that the SPD will provide more detail on the following matters:

- The approach to calculating financial contributions;
- Up-to-date information on the type and size of affordable housing required;
- The cascade mechanism to be applied in cases where viability is an issue; and
- Others matters of detailed interpretation/application of the policies.

4.3 Each of these matters is addressed in the Affordable Housing SPD.

4.4 The approach remains to require on site provision and only allow financial contributions in exceptional circumstances. Developers will be required to demonstrate why onsite provision is not feasible and also demonstrate that other approaches to providing on site affordable housing have been considered and exhausted. The SPD also includes details of the methodology to be used to calculate financial contributions.

Up-to-date information on the type and size of affordable housing required

4.5 The SPD confirms that the Council will continue to seek 30% of the affordable housing to be for intermediate/shared ownership and the remaining 70% of the affordable housing for social/affordable rent. The Council's preferred mix of affordable homes reflects the findings of the Strategic Housing Market Assessment prepared for LPP1 which recommends the following mix of sizes for affordable housing:

	1 bed	2 bed	3 bed	4 bed	Total
Percentage split of affordable housing	40%	30%	25%	5%	100%

The cascade mechanism to be applied to cases where viability is an issue

4.6 The SPD sets out the Council's approach where viability is cited as an issue by developers. In such cases a developer will be required to submit a viability appraisal to the Council and for the Council to agree that the provision of on site affordable housing is not viable. The proposed approach is considered to enable the maximum amount of affordable housing to be delivered albeit, off site through the use of financial contributions.

Other matters of detailed interpretation/application of the policies

4.7 The revised National Planning Policy Framework (NPPF) amended the site size thresholds for affordable housing provision. Policy AHN1 of LPP1 states that in non designated rural areas developments providing a net increase of 11 dwellings or more will be required to provide affordable housing. The NPPF (2019) amended the threshold to require sites delivering 10 dwellings or more or over 0.5 hectares in size would be eligible for affordable housing provision. This policy change is reflected in the SPD to provide certainty for developers and stakeholders.

4.8 The SPD also includes the following guidance:

- Guidance on the scope and requirements of legal agreements;
- Criteria for affordable housing providers;
- Guidance regarding vacant buildings credit; and
- A template Section 106 Agreement.

A copy of the SPD is attached as Annexe 1 to this report.

Implications of the Government's Recent Announcement about Changes to the Planning System

4.9 The Affordable Housing SPD will be a significant material consideration in the determination of planning applications and appeals. It will support a transparent and efficient planning process and will ensure consistent and fair decision making.

4.10 In August 2020 the Ministry of Housing, Communities and Local Government published a White Paper (*Planning for the Future*) which proposes a new tariff style Infrastructure Levy system. If implemented, the new system would replace existing Section 106 affordable housing requirements. It is not yet clear how such arrangements would ensure the future delivery of genuinely affordable homes for rent on new development sites.

4.11 A second consultation in August 2020 (*Changes to the Current Planning System*) proposes securing 'First Homes' for sale through developer contributions, at the same time raising thresholds so that developments of up to either 40 or 50 dwellings would not be required to deliver any affordable homes.

4.12 The Affordable Housing SPD may need to be revised in future to take into account new legislation passed and/or guidance published.

5. Relationship to the Corporate Strategy and Service Plan

- 5.1 This report supports the Council's vision in the Corporate Strategy to promote housing to buy and to rent, for those on all income levels. The provision of affordable housing provides secure, safe and affordable homes for people to thrive and supports the economy.
- 5.2 Outcome 7 of the Housing Service Plan concerns the implementation of the Affordable Housing SPD. The adoption of the SPD will enable the Housing Strategy and Enabling Team to use the document as a basis of securing new affordable homes within development sites.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

The consultation for the SPD has been carried out by existing staff in the Housing Strategy and Enabling team using the Planning Policy consultation system without incurring any extra costs. Any costs associated with implementing the measures in the SPD will be covered by funds within existing budgets or by developers where viability assessments are required. No additional staffing or IT resources are likely to be required.

6.2 Risk management

Having an adopted Affordable Housing SPD will reduce the risk of new developments providing insufficient or the wrong type of affordable housing.

6.3 Legal

The Council must prepare SPDs in accordance with the Planning and Compulsory Purchase Act 2004 (as amended), Town and Country Planning (Local Planning) (England) Regulations 2012 and the Community Infrastructure Levy Regulations 2010. SPDs provide further detailed guidance on local plan policy topics and do not form part of the statutory development plan.

There are no legal implications arising out of this report beside the normal activities undertaken by the Council's Legal Services team in relation to securing Section 106 Agreements.

6.4 Equality, diversity and inclusion

The Affordable Housing SPD supports policy AHN1 of Local Plan Part 1 and seeks to maximise the delivery of affordable housing in Waverley. Affordable housing actively promotes equality by offering security and opportunity to households in housing need, who often experience inequalities associated with living on a low income. Women, people with disabilities and BME groups are more likely than other groups to access social housing. The development of new affordable housing therefore benefits these groups.

6.5 Climate emergency declaration

The guidance contained within the SPD will assist in providing high quality affordable housing within Waverley in sustainable locations. New affordable homes will be required to make a positive contribution to the environment and this will be considered as part of the planning and construction process.

7. Consultation and engagement

- 7.1 A working group of officers from Housing and Planning Services drafted an Affordable Housing SPD, which was then open for consultation late 2018 to housing professionals, Council Members and Officers.
- 7.2 All comments were reviewed, and where relevant, incorporated into the draft. The draft was subsequently considered at the O&S Committee on 26th February 2019 for public consultation, which took place between 1st July and 16th August 2019.
- 7.3 The consultation ran using the Council's online consultation portal; Inovem. Copies of the document were made available for inspection on the Council website and hard copies at the Burys, Godalming. Letters were also sent to a range of statutory consultees inviting comment.
- 7.4 Responses were passed to the Housing Strategy and Enabling Team, who reviewed each response, incorporated relevant comments and subsequently amended the document. Attached as Annexe 2 to this report is a Consultation Statement that details the comments received and the Council's response.
- 7.5 In total 17 responses were received. These were from a range of stakeholders including Parish and Town Councils, agents, developers, affordable housing providers, statutory consultees and individuals. The Draft SPD has been amended following the consultation to take on board a number of the comments made specifically about making the draft S.106 Agreement, Mortgage in Possession and Nomination Clause referred to in the SPD available. In response, a copy of these documents has been added as an appendix to the SPD.
- 7.6 The other comments received were not directly related to the text in the draft SPD. Officers noted these comments but have not updated the content of the draft SPD.

8. Other options considered

- 8.1 LPP1 states that further information regarding affordable housing provision will be provided in a Supplementary Planning Document. Preparation of the Affordable Housing SPD is, therefore, required in order to be consistent with LPP1.

9. Governance journey

- 9.1 The Draft SPD, amended following the consultation, has been sent to members of the O&S Housing and Environment Committees for comment, with a deadline of 25 January 2021 for receipt of comments. It will next be reported to Executive for consideration before seeking approval from Full Council
- 9.2 The draft SPD has been updated to ensure reference is made to the most recent version of the National Planning Policy Framework (NPPF) published in 2019.

Annexes:

Annexe 1 – *Draft Affordable Housing SPD*

Annexe 2 – *Affordable Housing SPD Consultation Statement*

etc

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Head of Finance: No financial implications

Strategic Directors: 27/01/2021

Portfolio Holders: 27/01/2021

**Affordable
Housing
Supplementary
Planning
Document**

**January
2021**

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CONSULTATION

The Affordable Housing Supplementary Planning Document has been amended to include comments made following public consultation, which took place between 1st July 2019 and 16th August 2019.

EXECUTIVE SUMMARY

1. **Our vision** is that Waverley Borough Council is an authority which promotes and sustains housing to buy and rent, for those at all income levels.

(WBC Corporate Strategy 2019-23)
2. House prices in the borough are nearly 13 times average incomes, well beyond the reach of the average family. As at 1 October 2017, there were 1,500 households waiting on Waverley's Housing Register for affordable or social rented housing.

(Waverley Housing Strategy 2018-2023)
3. This Affordable Housing Supplementary Planning Document (SPD) sets out the Council's guidance on the securing of planning obligations and affordable housing from new development within the Borough.
4. It has been prepared to support the new Waverley Borough Local Plan Part 1; Strategic Policies and Sites (LPP1) which was adopted by the Council on 20 February 2018.
5. LPP1 is supported by the National Planning Policy Framework (NPPF), which was published in March 2012 and last updated in February 2019. The NPPF sets out the Government's planning policies and how these are expected to be applied. This SPD is subject to change, in light of any consultation responses or changes to Government legislation and policy.
6. This SPD sets out the Council's approach to securing planning obligations in respect of affordable housing from new development across the Borough.
7. Its purpose is to provide all parties with clarity and guidance on when, how and what affordable housing the Council expects on new developments and to assist the Council in achieving the goals set out in our [Housing Strategy](#).
8. An important role of the Council is to enable and coordinate the provision of housing to meet local need. This includes affordable housing, which is provided for eligible households, whose needs are not met by the market.
9. The Council, through the targets set out in LPP1 will seek to match the supply of new homes with the needs of local people, ensuring that all new residential development contributes appropriate new homes in terms of size, type and tenure.

PART ONE: BACKGROUND

Policy Context

10. The Waverley Borough Council [Local Plan Part 1](#); Strategic Policies and Sites (LPP1) was adopted by the Council on 20 February 2018.
11. LPP1 sets out the strategy for development and growth in the Borough to 2032 and includes policies to secure affordable housing.
12. Chapter 9 ('Affordable Housing and Other Housing Needs') includes Policy AHN1; Affordable Housing on Development Sites and Policy AHN2: Rural Exception Sites.
13. Paragraph 9.27 states that 'more detail on the application of Policy AHN1 and Policy AHN2 will be developed through supplementary planning documents which will include details on:
 - ✓ The approach to calculating financial contributions
 - ✓ Up to date information on the type and size of affordable housing required
 - ✓ The cascade mechanism to be applied to cases where viability is an issue
 - ✓ Other matters of detailed interpretation/ application of the policies'

The Council's affordable housing policies

AHN1- Affordable Housing on Development Sites

Policy AHN1: Affordable Housing on Development Sites

The Council will require 30% affordable housing on all housing developments where at least one of the following applies:

- In designated rural areas¹ developments providing a net increase of 6 dwellings or more
- In non designated rural areas developments providing a net increase of 11 dwellings or more
- Developments that have a maximum gross internal floor area² of more than 1,000 sqm.

14. Policy AHN1; Affordable Housing on Development Sites 'will apply to single use or mixed use schemes, and to all types of residential development including private retirement homes, sheltered accommodation, extra care schemes and other housing for older people where these fall within Use Class C3³' (paragraph 9.16). Residential care homes and nursing homes (Use Class C2) are not required to provide affordable housing.
15. 'The policy will apply to development sites that exceed the thresholds set out. Where such sites are sub-divided, each sub-division or smaller development must contribute proportionally towards achieving the amount of affordable housing which would have been appropriate on the whole or larger site' (paragraph 9.17).
16. Policy AHN1 applies to all types of residential development sites including change of use, conversions and mixed use sites that incorporate an element of residential development and will be applied to the net increase in the number of units on the site.
17. The thresholds in Policy AHN1 of Local Plan Part 1 were set in accordance with, and to reflect, previous national planning practice guidance. Since the adoption of Policy AHN1 in February 2018, the Government has revised the

¹ Rural Areas described under [Section 157 of the Housing Act 1985](#). In the Waverley context, this applies to Areas of Outstanding Natural Beauty (AONB).

² Gross Internal Area (GIA) is defined in the [RICS: Code of Measuring Practice 6th Edition \(2007\)](#) as the internal area of a building measured to the inside face of perimeter walls at each floor level

³ Town and Country Planning (Use Classes) Order 1987 (as amended)

National Planning Policy Framework, whereby affordable housing is required on major developments, which are defined as developments of 10 or more new homes or where the site has an area of 0.5 hectares or more. Therefore, the Council will be applying the thresholds set out in the revised National Planning Policy Framework.

18. In calculating the number of units to be provided on any qualifying site, the Council will normally round up to the nearest number of whole units. However, where this is not practical, a commuted sum can be offered in lieu of a proportion of a dwelling instead. The final decision as to whether to round up or provide a commuted sum for part of a unit will be dependent on the local housing need, nature of the scheme and the impact of rounding up or down on the design, layout and viability of the affordable units.
19. In all cases where on-site provision is being made, the mix of dwelling types, sizes and tenure split should reflect the type of housing identified as being required in the most up to date evidence of housing needs and the Strategic Housing Market Assessment (SHMA), having regard also to the form and type of development appropriate for the site. Any proposed departure from the mix recommended will require justification and supporting evidence to be provided by the applicant.
20. Contributions towards the provision of affordable housing will be either through the on-site provision of affordable homes or by financial contribution or commuted sum⁴. The provision of affordable housing or financial contributions will be secured through an appropriate legal agreement or undertaking.
21. On developments in designated rural areas with a site area under 0.5 hectares but with a net gain of 6-9 dwellings, the contribution may be in the form of a cash payment equivalent to the cost of providing 30% on-site provision in line with the Council's Commuted Sum Formula. This is paid after the completion of all of the units within the development.
22. In all other cases, on-site provision of affordable housing will be required and only in exceptional circumstances will an alternative to on-site provision be considered.

⁴ See Part 3

AHN2-Rural Exception Sites

AHN2: Rural Exception Sites

Where there is a genuine local need for affordable housing which cannot be met in some other way, small scale developments of affordable housing may be permitted on land that is within, adjoins or is closely related to the existing rural settlement, provided that:

- The development is small in scale, taking account of the size of the village and respects the setting, form and character of the village and surrounding landscape and
- Management arrangements exist to ensure that all of the affordable dwellings remain available on this basis to local people in perpetuity

Where it can be clearly demonstrated that it is required to ensure the viability of the scheme, the Council will consider a limited element of open market housing, provided that;

- The requirements set out under (i) and (ii) or of this policy and be satisfactorily met
- The new development physically integrates the open market and affordable housing and makes the best use of the land; and
- The number of open market dwellings included in the scheme is the minimum required to provide the necessary number of affordable dwellings

23. 'The NPPF states that in rural areas, local planning authorities should be responsive to local circumstances and plan housing development to reflect local requirements, particularly for affordable housing, including through rural exception sites where appropriate. Local Planning Authorities are also expected to consider whether allowing some market housing would facilitate the provision of significant additional affordable housing' (Paragraph 9.21).
24. 'In the past, the Council has successfully applied a rural exception site policy, which allows for small scale developments of affordable housing within or adjoining rural settlements where there is a clear need. This policy has helped to facilitate the development of a number of such schemes in Waverley' (Paragraph 9.22).
25. 'The identification and development of these sites is usually driven by evidence of local need and potential sites, following the carrying out of a local housing needs survey. Recommendations from the survey will propose the number, type, tenure and mix of affordable homes in line with community need' (Paragraph 9.23).

26. 'Proposals for rural exception sites will need to be accompanied by evidence that clearly identifies and quantifies the need for affordable housing in that settlement. Any development proposals must be small in scale, having regard to the size of the settlement itself. The Council will need to be satisfied that:
- There is local support for the scheme, including adequate consultation with the appropriate Parish Council;
 - The scheme meets a demonstrated housing need identified in a Parish Council Needs survey' (Paragraph 9.24).
27. 'Depending on the circumstances and the proposed site, it will be necessary to demonstrate why the site has been selected and why other sites have been discounted. Any planning permission that is granted must be subject to an appropriate legal agreement to ensure that new dwellings remain affordable housing in perpetuity' (Paragraph 9.25).
28. 'It is expected that the land provided for affordable housing will be provided at low or nil cost. However, if it can be demonstrated that it is necessary to create additional funds over and above those available from free and low-cost land, to overcome specific constraints, or that the provision of low cost dwellings for local needs is not realistic or practicable without extra subsidy, an element of open market housing may be permitted within an overall scheme. This will be in the form of carefully prescribed cross-subsidy schemes, in order to meet the objective of developing rural affordable housing to meet local needs. The Council will need to be satisfied that the number of open market dwellings is the minimum necessary to ensure delivery of the scheme' (Paragraph 9.26).

Legal Agreements

29. Planning obligations are used to make a development acceptable in planning terms. Legal agreements are the tool to secure planning obligations and are negotiated between local planning authorities and those with an interest in a piece of land (e.g. developers). Planning obligations can be secured either through a bilateral Section 106 Agreement or through a 'Unilateral Undertaking' from a developer. Unilateral Undertakings are only signed by the land owner(s) and any other parties with an interest in the land, and not by the Council. These unilateral obligations are most frequently used in planning appeal situations, but can also be used in other circumstances.
30. The statutory basis for allowing anyone interested in land in the area of a local planning authority to enter into planning obligations is Section 106 of The Town and Country Planning Act (TCPA) 1990 (as amended).
31. The Council will expect developers to enter into an appropriate Section 106 Agreement covering all aspects of the delivery of affordable housing on the application site. An estimate of the fee payable for this can be obtained from the Council's Policy and Governance Team. The fee will depend on the complexity of the agreement.
32. The Section 106 agreement will include requirements relating to:
 - Definition of affordable housing and affordable tenures
 - The bed size, tenure mix and location of affordable housing
 - Any local connection criteria (if appropriate)
 - Agreement with the Council on the Affordable Housing Plan
 - Safeguarding use of homes as affordable dwellings for future eligible households⁵
 - The retention of obligations relating to the affordable dwellings
 - Expectation to recycle any receipts or grant arising from the disposal of all or part of an affordable dwelling⁶
 - Mortgagee in Possession clauses and limitations on the occupation of the affordable housing.

A Template Section 106 Agreement is attached as Appendix 3 to this document.

33. The Section 106 Agreement should be finalised and ready for completion prior to the determination of the application. There may be circumstances,

⁵ Subject to exclusions, such as Right to Buy/ Right to Acquire

⁶ Subject to current Homes England policies or requirements, and amended as appropriate to reflect any changes arising from Homes England

particularly with Outline applications, where the details of affordable housing provision have not been finalised. The Section 106 Agreement will contain a requirement for the submission and approval of an Affordable Housing Plan. The Affordable Housing Plan would need to be submitted and approved prior to the commencement of the development. In the case of Outline applications, we recommend this should be submitted as part of the Reserved Matters application, when known.

34. The details to be provided in the Affordable Housing Plan are⁷:
 - a. Total number and % of affordable homes
 - b. Anticipated tenure/ bed size/ type/ gross internal floor areas
 - c. Site layout showing location of affordable homes
 - d. Affordable housing provider
 - e. Nomination and management arrangements
 - f. Affordability
35. Planning obligations secured by way of a Section 106 agreement or Unilateral Undertaking are binding on the land and are therefore, enforceable against all successors in title. They are registered as a local land charge and will remain on the register. They will therefore, be revealed on local searches until the planning obligation has been fully complied with or the planning permission to which the Section 106 agreement or Unilateral Undertaking relates has expired.
36. If the Council has evidence that that a planning obligation is not being complied with, the Council will consider the need to investigate this further and whether enforcement action should be taken if other measures fail to rectify the situation.

Scheduling affordable housing delivery

37. The Council will normally include triggers in the legal agreement to ensure that the affordable housing is not delivered significantly in advance or later than the market housing. These may vary from site to site, but a guide would be:
 - Not to allow the commencement of development until a contract has been entered into with an Affordable Housing Provider to deliver the affordable housing in accordance with an approved Affordable Housing Plan.
 - Not to permit nor enable more than 50% of the Open Market Units (or as otherwise agreed in writing between the Borough Council and the Parties) to be in occupation until the date upon which the Parties or their successors in title have transferred the freehold interest in the Affordable Housing Land to the agreed Affordable Housing Provider .

⁷ See Appendix 1

- Not to permit nor enable more than 75% of the Open Market Units to be in occupation until the date upon which the Parties or their successors in title have completed the affordable housing units.
- Unless otherwise agreed in writing with the Borough Council, the Affordable Housing Units shall be occupied pursuant to the provisions of the Nomination Agreement.

Maintaining accommodation as affordable housing

38. In order to ensure that the need for affordable housing in Waverley Borough continues to be met in the future, it is considered that there should be provisions that either preserve the status of the affordable housing, replace it, or, if it is no longer used for affordable housing, that resources derived from it are recycled to replace the dwelling(s) that have been lost.
39. The Council will therefore, require provisions in the Section 106 agreement that:
- Keep the units within the definition of affordable housing; and
 - Require any purchaser (other than an occupier) to preserve the accommodation as affordable housing, or replace it within the Borough, like for like; and
 - Require any purchaser to take on the obligations in the Nomination Agreement or enter into a replacement Nomination Agreement.

Recycling of receipts

40. There are a number of reasons why affordable housing dwellings may be lost, for example: a tenant's statutory acquisition of a rented dwelling, shared ownership staircasing to 100%, discharge of the charge on a shared-equity dwelling. In all cases the Council expects the dwelling to be replaced within the Borough, or any receipts arising from the disposal of the dwelling to be recycled to provide further affordable housing in the Borough, whenever possible.

Nomination Agreements

41. Providers of affordable housing will be required to enter into a Nomination Agreement with the Council. The Council will normally require 100% of nomination rights on all initial lettings/shared ownership sales and 75% of nomination rights thereafter.
42. Policy AHN1 is intended to meet identified local housing need. It is therefore important that households with an established local connection with the Borough as defined in [the Council's Housing Allocation Scheme](#) are nominated to social and affordable rented housing provided through the Waverley Borough

Council Local Plan. Rented vacancies will be advertised through the Council's [Choice Based Lettings](#) system.

43. The Government appointed Help to Buy Agent is responsible for managing shared ownership applications on the Council's behalf. Priority will be given to nominations from households with a local connection on shared ownership schemes, except where units are funded by Homes England grant.

PART TWO: DELIVERY

Planning application process

44. All applicants are strongly encouraged to make use of the Council's pre-application advice service before making a planning application.
45. Pre-application dialogue is particularly important where the proposed development may give rise to an affordable housing requirement. This will allow issues such as local housing need and demand to be considered in addition to the form of any affordable housing contribution.
46. The discussions will need to include the following, as appropriate:
 - Clarify the amount, type, size, and tenure of affordable housing to be provided;
 - Identify the affordable housing provider and contact to discuss the delivery of the affordable housing element of the development;
 - Reach agreement with the chosen affordable housing provider in respect of the design and specification of the affordable housing units;
 - Agree the arrangements for the provision of affordable housing with the affordable housing provider prior to the submission of a planning application;
 - Whether specialist providers (such as Adult Social Care) will need to be engaged in relation to the proposed development, in order to gain a better understanding of any requirements they might make in relation to the proposed development; and
 - Agree with Council Officers the Terms of the Section 106 Agreement that will be required to ensure the delivery of the affordable housing.
47. The applicant should outline the proposed methods of meeting the affordable housing requirements of the scheme which need to be submitted as part of any subsequent planning application. If an application (for 6 units or more or site size over 0.5 hectares) does not set out how the affordable housing requirement will be provided, the application may not be validated and will be returned to the applicant. Once the affordable housing provision has been agreed, the Council will draft an appropriate Section 106 agreement.

Negotiations

48. Where a Section 106 Agreement is required, planning permission cannot be issued until affordable housing Heads of Terms have been agreed. It is the Council's aim to carry out negotiations on planning obligations and to agree Section 106 agreements prior to the issuing of the planning permission to which

the agreement is linked. The aim is to ensure that developers and landowners are informed of the likely works or contributions required for a proposed development at the earliest opportunity. Ideally, this should be through pre-application discussions, which developers are encouraged to undertake as soon as possible.

Affordable housing providers

49. The Council's preference is for affordable housing to be provided and managed by established affordable housing providers or by the Council. The Council works with a number of affordable housing providers that meet the following criteria:
- Own and manage stock in the Borough;
 - Commitment to developing in the Borough;
 - Commitment to Council housing policies; or
 - Ability to fund and deliver affordable housing.

A list of [affordable housing providers](#) and their specialisms is available on the Council's website.

50. The Council expects that affordable housing will usually be provided by housing providers registered with Homes England. However, in exceptional circumstances, the Council may use its discretion to allow other affordable housing providers approved by the Council to deliver affordable housing units, subject to affordability and satisfactory management and allocations arrangements being in place. This will, at all times, be strictly in line with the Homes England guidance and the Council's Allocations Scheme.
51. The Council will encourage developers to work in partnership with preferred affordable housing providers. However, if a developer proposes to provide affordable housing other than through a preferred provider, the Council will consider this, taking account of the following:
- Whether the organisation has any other affordable housing in the Borough or in neighbouring local authority areas;
 - Past commitment and performance in the Borough;
 - Local management base and arrangements for interaction with tenants;
 - Management arrangements for external amenity space;
 - Affordable Rent levels set within Local Housing Allowance levels;
 - Nomination arrangements;
 - Track record in delivering and funding affordable housing;
 - Participation in community initiatives; and
 - Genuine community led development, via a Community Land Trust.

52. In all cases the provider of on-site affordable housing will need to meet the requirements of this document.

Funding of affordable housing

53. In formulating proposals for affordable housing, applicants and developers should be aware of the limitations on funding of affordable housing and the price that providers can typically pay for affordable housing dwellings. This is a direct consequence of ensuring affordability to the occupants. It will need to be explored with reference to the location and scheme proposals.
54. The [Council's latest assessment](#) indicates that providers should pay developers in the range of approximately 30 to 70% market value for affordable homes. The level is dependent on the type(s) and mix of tenure appropriate as affordable housing on a particular site. Very broadly, in the case of a mixed tenure scheme (i.e. including both rented and affordable homeownership tenures) a developer may expect to receive around 50 to 60% market value for the affordable element overall. This point needs to be taken into account in the very early consideration of development proposals.

Size, mix and tenure split

55. The affordable housing mix shown in the table below reflects the affordable housing size requirements and waiting list demands from local households. Overall, there is an increasing need for smaller homes, particularly 1 and 2 bed properties.

	1 bed	2 bed	3 bed	4 bed	Total
HMA Mix	40%	30%	25%	5%	100%

[Recommended bed size mix for affordable homes, from West Surrey Strategic Housing Market Assessment \(SHMA\) 2015](#)

56. The overall housing target is to provide 70% of the total as social/affordable rented properties and 30% as intermediate/shared ownership properties⁸. The revised National Planning Policy Framework expects at least 10% of the homes to be available for home ownership. However, it is recognised that the tenure split on each site may vary, having regard to the specific circumstances of the site. All affordable tenures must meet the definitions set out in [Annex 2 of the revised National Planning Policy Framework](#).
57. The bed size and tenure split for the affordable homes will need to be determined in the light of up-to-date information. This will include the SHMA and local need and supply, having regard also to the form and type of

⁸ West Surrey Housing Market Assessment Summary December 2015, Figure 10

development appropriate for the site. Any proposed departure from the mix recommended in the SHMA will require justification and supporting evidence from the applicant.

Homes for Social or Affordable Rents

58. Affordable housing is provided for eligible households whose needs are not met by the market. Affordable housing providers should consider the impact of different rent levels on different household types, and ensure that all household types in need of affordable housing can be catered for, including larger families requiring three or four bedroom accommodation.
59. Rented units can be provided at social rents or affordable rents by prior agreement with the Council; this will also need to be agreed with the affordable housing provider taking on the units. Both rented tenures will need to be defined in the Section 106 Agreement to allow flexibility. Affordable rents (including service charges) should initially be no higher than the current Local Housing Allowance rate for the area, or 80% of the local market rent, whichever is lower.
60. Local market rent should be calculated using the Royal Institute of Chartered Surveyors' approved valuation methods. Affordable rents must be affordable for local households in housing need.
61. The Council will not support providers seeking upfront payments from tenants in the form of deposits, rent in advance or administration costs in relation to social or affordable rented properties.
62. The Council will need to ensure rents will be affordable to potential occupiers. The Welfare Reform Act imposed an [upper cap](#) on the total amount of benefit an individual household can receive. Where total benefit entitlement is higher than the cap, entitlement will be reduced to the cap. This is likely to present particular challenges for setting rent levels for family sized homes of three or more bedrooms. In these cases, a high Affordable Rent level would cause the total benefit needed by the household to exceed the cap.

Affordable Home Ownership

63. Affordable home ownership includes starter homes, discounted market sale housing, and other affordable routes to home ownership (including shared ownership and shared equity), as set out in Annex 2 of the NPPF.
64. Affordable home ownership in Waverley must be:
 - For eligible households whose needs are not met by the market. Eligibility for grant funded schemes is set out in the [Homes England Capital Funding Guide](#).

- Significantly more affordable than existing similar second-hand market properties in the same area of the Borough.
 - Affordable to the majority of applicants on the Help to Buy Register⁹ living or working in the Borough.
 - Secured at a discount for future eligible households.
 - Provided in accordance with the definitions set out in Annex 2 of the NPPF.
65. Traditionally, affordable home ownership in Waverley has been delivered as shared ownership (or “part-rent part-buy”). To be eligible for shared ownership, applicants must be over 18, have a household income of less than £80,000, and be unable to purchase a property suitable to meet their needs on the open market. The applicant purchases a share in the equity of a property. A mortgage and savings are required for the equity share purchased and rent is paid on the remaining share. After the initial purchase, the owner can usually buy extra shares in the property (known as “staircasing”) until eventually the property is 100% owned. However, staircasing may be capped in certain areas, such as rural exception sites or within [Designated Protected Areas](#). In order to retain affordable housing in these rural areas, the maximum equity share that can be purchased is typically 80%.
66. The Council will work with affordable housing providers to ensure that shared ownership on new schemes remains affordable for local households on low incomes. In order to achieve this, the Council will discuss and agree with the provider the equity share which can be purchased, the rent level on the remainder, and ways in which service charges can be kept to a minimum.
67. Due to the very high open market values in the Borough, affordable housing providers generally offer initial shares in the 25%-40% range. The Council’s expectation is for initial shares to be offered at 25% and rents at 2.5% of the value of the unsold share. These shared ownership terms must be agreed in writing with the Council. Service and management charges must be kept to a minimum, without additional enhancements for non housing related services, and should be agreed with the Council in writing. No ground rent will be payable whilst the accommodation remains as affordable housing.
68. Demand for shared ownership homes in Waverley exceeds supply. The Council will seek to work in partnership with affordable housing providers to market shared ownership to households living or working in Waverley. Where possible, the Council will seek to prioritise Waverley households for new build and resale shared ownership properties.

⁹ Shared ownership housing is allocated through BPHA as the Help to Buy Agent for Waverley.

Quality and Design Standards

69. The Council's expectation for new developments is that the affordable homes should be indistinguishable from, and well-integrated within, the market housing on the site. In other words, the design quality of the affordable housing should be as good, if not better, than the private market housing. The Council has developed Design Standards and Specifications¹⁰ for its own new build developments which set out best practice for design and quality of affordable housing.
70. The Council expects the affordable homes to be distributed throughout the site in small clusters of approximately 10 units, dependent on the scale and design of the development. Locating affordable housing at the end of a cul-de-sac should be avoided where possible. Affordable homes should face private market units as neighbours, in order to promote an inclusive, sustainable community.
71. Existing design policies need to be taken into account when considering affordable housing. Affordable homes in Waverley should comply with the [Building regulations M4 \(2\) Category 2 Standard: "Accessible and Adaptable Dwellings"](#) to meet the needs of older people and people with disabilities.
72. To make best use of affordable housing stock in the context of recent welfare reforms, the Council's expectation is that 2-bed homes should be of the size required to accommodate 4 people, and 3-bed homes should accommodate 6 people (where these are proposed as rented accommodation). For affordable home ownership, 3-bed 5-person units may be acceptable. Affordable homes should meet the [Nationally Described Space Standards](#) set out below,

Unit type proposed	Minimum floor area to meet NDSS	Minimum bedroom size requirement
1-bed flat	50sqm (1b2p)	11.5sqm (double or twin room)
2 bed flat	70sqm (2b4p)	11.5sqm (double or twin room)
2-bed house	79sqm (2b4p)	11.5sqm (double or twin room)

¹⁰ [WBC Design Standards](#)

Unit type proposed	Minimum floor area to meet NDSS	Minimum bedroom size requirement
3-bed house	102sqm (3b6p) if rented 93sqm (3b5p) is acceptable if shared ownership	11.5sqm (double or twin room) Single bedspace must be at least 7.5sqm and at least 2.15m wide

73. The Affordable Housing Units shall be constructed in accordance with the requirements imposed by Homes England's Design and Quality Standards (mandatory items) current at the time of construction.
74. The majority of residents of affordable housing are car users. Parking for affordable housing should meet the Council's existing Residential Parking Guidelines. New council homes will also need to meet the parking standards set out in the WBC Design Standards and Specifications. The Council expects the same parking provision to be made available for affordable and market housing of the same size, including a preference for in-curtilage parking. Tenure neutrality is also required in the design of car parking for affordable housing. Parking courts are discouraged for design reasons and in line with 'Secured by Design¹¹' guidance.

Building Regulations

75. Your project will need to meet building regulations.
76. Where the Council is the applicant for development led by the Housing Development Team, the Waverley Borough Council Building Control service will be appointed to support compliance within the Building Regulations.
77. Where the application is for a mixed tenure scheme and affordable housing is provided by another affordable housing provider, they will be encouraged to use Waverley Building Control. This will enable an end to end, one team approach for the efficient delivery of the development, subject to compliance with policy and regulations.

¹¹ www.securedbydesign.com

PART THREE: VIABILITY

Development Viability

78. On sites in designated rural areas providing a net increase of 6 dwellings or more, or in non-designated rural areas development providing 10 or more (net) new dwellings or having a site area of 0.5 hectares, the presumption is that 30% affordable housing will be provided on-site, in line with the NPPF and Policy AHN1. However, the Council recognises that there may be exceptional situations where the specific circumstances of the site, or other matters, could mean that achieving the required level of affordable housing would compromise development viability. This must be demonstrated through a viability submission, which should adopt an ‘open book’ approach in line with [Government guidance](#)¹².
79. Where a prospective developer considers viability to be an issue, the onus will be on the developer to provide appropriate financial evidence with any planning application in line with national guidance. The Council’s strong preference is for the required delivery of affordable homes on the development site. If the Council is satisfied that the financial appraisal confirms that affordable housing cannot be provided in accordance with the policy, then negotiations will take place to secure the highest level of affordable housing that is viable.
80. When assessing the overall viability of a scheme, developers should take full account of the scale of planning obligations that are likely to be required, in addition to any Community Infrastructure Levy¹³ liability that may arise. Where a developer raises viability concerns in relation to contributions for an application, the Council will expect a full “open-book” viability assessment for the scheme to be submitted to support the viability case being made¹⁴.
81. Affordable housing is a corporate priority for the Council. Therefore, if a viability issue arises, consideration is expected to be given to a range of alternative options before a reduction or removal of affordable housing will be considered. This will include prioritising the provision of affordable housing over other less critical infrastructure contributions to ensure viability.
82. The Council reserves the right to have all viability assessments checked by an independent RICS-qualified surveyor/valuer to ensure the robustness and validity of the assumptions and methods used. In these circumstances, the Council will appoint the surveyor/valuer, but the viability assessment costs

¹² www.gov.uk/guidance/viability

¹³ The Community Infrastructure Levy Regulations 2010 (as amended)
http://www.legislation.gov.uk/ukxi/2010/948/pdfs/uksi_20100948_en.pdf

¹⁴As per Appendix 2

incurred by the Council will need to be paid by the applicant. The applicant will also be required to provide a written undertaking to cover the costs before the surveyor/valuer is appointed. Viability reports resulting from this process will be shared and discussed with the applicant.

83. Where, following the above process, conflicts of opinion about scheme viability remain, additional viability work may be necessary. If this is the case, the applicant must first undertake to reimburse the Council in respect of additional costs incurred. Any remaining disputes between the Council and the applicant will be referred to an independent arbitrator (in accordance with RICS guidance).
84. To ensure open and transparent decision making, the Council expects all viability assessments to be publicly available unless the applicant can clearly demonstrate why parts must be redacted, in line with Government guidance on viability. The applicant must highlight the scope of this prior to submission in order for the Council to make a judgment as to what information is released for public view. The weight to be given to a viability assessment will take into account the transparency of the applicant's approach.
85. Affordable housing on s.106 sites may be funded by a combination of private subsidy (in the form of nil cost land) and public subsidy (grant funding). The Homes England funding prospectus states that, "If grant is requested for affordable homes provided under a Section 106 agreement, on a larger site developed as market housing, these homes will need to be additional to those that would be delivered under the Section 106 agreement alone, without grant." Negotiations with landowners should therefore start on the assumption that grant funding from Homes England for affordable homes will not be available.
86. In brief, the viability submission should include as the key elements:
 - A summary clearly stating the request to vary the usual affordable housing requirements and setting out (with explanation) the reasons why, in the applicant's view, the development is unviable when policy compliant affordable housing provision is included; and
 - Detailed Financial Viability Appraisal(s) with supporting information, and all sources stated, demonstrating how the applicant's assumptions come together to inform the submitted viability view. Part 2 and Appendix 2 refer to the Council's specific expectations in these respects.
87. If an applicant wishes to make a viability submission, this should be included as part of the planning application, alongside the Affordable Housing Statement. A draft Unilateral Undertaking may also be included at the applicant's discretion. It should be noted that planning applications without the required information or documentation are unlikely to be validated.

88. A Financial Viability Appraisal, including an explanation, conclusion, information and sources is only current at the time it is prepared. Financial viability will vary over time with the changing economic and property markets. On large sites that are expected to build or sell over a number of years, and particularly where the planning application is in Outline, viability may need to be assessed at multiple/varying points. It will likely need to be considered at pre-application/initial application stage, then subsequently for each phase, and updated when the Reserved Matters application is made or prior to the commencement of each phase.

Basis of the Financial Viability Appraisal

89. The minimum requirements to be provided by the applicant are outlined in Appendix 2. Each assumption relating to the proposed scheme revenue (values), costs, land value and profit must be supported with component figures, including sources made clear. The submitted approach, assumptions and reasoning will need to be clearly explained in detail.
90. The Council will assume that: the cost of meeting the affordable housing requirements in Policy AHN1 should be reflected in the price paid, or price to be paid, for the land, and should be based on:
- No public subsidy or grant;
 - Payment by the provider of the affordable housing should be based on the provision meeting current Homes England Guidance;
 - Any site constraints and the development scope (including as influenced by planning policies) including abnormalities should be reflected in the price paid, or to be paid, for the land; and
 - In accordance with the relevant viability guidance, the land value to be used in the calculation or as a land value benchmark should be the current existing use land value, not necessarily the amount paid for the land.
91. As set out in Paragraph 81 above, in order to assess the applicant's financial viability appraisal, the Council may need to seek advice. It is reasonable for the applicant to bear the costs in these circumstances, as per Paragraph 9.20 in the Local Plan Part 1.

Outcome of the assessment of scheme viability

92. Where the Council is satisfied that the usual policy requirements for affordable housing cannot be met in full due to viability issues, the Council will decide on the appropriate level of reduction or other revision to the affordable housing requirement to enable the scheme to remain financially viable.

93. Where the level of affordable housing provision is reduced, due to an accepted viability submission position, clawback or top-up by way of an affordable housing financial contribution may be pursued by the Council. If the development of the site proves to be significantly more financially viable as it progresses than the initial position suggested would be the case, subject to further viability assessment, clawback or top-ups may be considered by the Council.
94. If the Council decides that a clawback or similar arrangement is required this will be incorporated into a Section 106 Agreement or Deed of Variation. This will usually be based on the actual costs, values, revenues etc. of the completed development compared with the viability submission made with the application or agreed subsequently.

Indexation of Financial Contributions

95. Financial contributions will be subject to indexation by the Council in order to ensure that their value does not decline in the period between the signing of the agreement and the date on which the contributions are paid.
96. The method of indexation will be negotiated with the applicant and once agreed, will be specified within the Section 106 agreement. The method will generally be based on the published Retail Price Index (RPI) or an appropriate index published by the Build Cost Information Service (BCIS), which is the responsibility of the RICS. In the event that there is a decrease in the relevant agreed index, the financial contribution payable shall not fall below the figure originally set out within the Section 106 agreement.

Commuted sums or payments in lieu of affordable housing on site

What is a commuted sum?

97. A commuted sum (or payment in lieu) is an amount of money, paid by a developer to the Council. These are only applied:
- a. in designated rural areas on developments with a net gain of 6-9 dwellings but where the site area is below 0.5 hectares
 - b. in exceptional circumstances where the size or scale of a development triggers a requirement for affordable housing, but it is not possible to achieve appropriate affordable housing on site . This route will be followed only where more direct provision of affordable homes has been explored and the Council is satisfied that is not workable given the particular circumstances, subject to the provision of robust and evidenced reasons.
98. The money will be used to provide affordable housing on an alternative site. It is therefore, appropriate that the level of the payment in lieu should relate to how much it will cost an affordable housing provider to buy land on the open market.
99. The principles applied in the collection and use of these payments are very similar to those for other planning obligations. They will generally be dealt with through a legal agreement (under Section 106) related to the land, which triggers obligations once the specific planning permission is implemented.

What is the Council's approach to the use of 'commuted sums'?

100. The revised National Planning Policy Framework¹⁵ states that where a need for affordable housing is identified, "planning policies should... expect it to be met on-site."¹⁶
101. However, where off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities and meeting local housing need, a commuted sum may be considered¹⁷.
102. Off-site delivery via the provision of land may apply where the Council considers that such a contribution, either on the proposed development site or on an

¹⁵ NPPF 2019 [Paragraph 62](#)

¹⁶ Unless the site meets criteria set out in Paragraph 96.a.above

¹⁷ Unless the site meets criteria set out in Paragraph 96.a.above

alternative site, would meet the identified housing needs of the Borough more effectively. Land should be serviced to its boundaries and be of sufficient area to provide the equivalent on-site provision. An appropriate timescale will be applied. Financial contributions may also be sought in addition to land where the site area is insufficient to provide the equivalent on-site provision.

103. Paragraph 62 of the revised National Planning Policy Framework enables the Council to accept a commuted sum, towards the provision of affordable housing on an alternative site where it is not possible to incorporate affordable housing within a scheme. Policy AHN1 also enables the Council to require commuted sums in designated rural areas¹⁸ where the development provides a net increase of 6-10 dwellings.
104. Where a commuted sum is proposed, the onus will be placed on the applicant to demonstrate why it will not be possible to provide the affordable housing on site. The applicant will also need to show that other options – for example cross-subsidy between rented and shared ownership units/other affordable tenures, or providing the affordable housing on another site – have been considered, and why they were not viable.
105. It must be stressed that commuted sum payments are exceptions, and in all cases the decision on whether to accept a financial contribution rather than on-site provision will be the Council's. This is consistent with Policy AHN1 which states "On-site provision of affordable housing will be required and only in exception circumstances will an alternative to on-site provision be considered."

How will the money be used?

106. The Council will use financial commuted sums in a number of ways and will require the flexibility to do so to be reflected in the Section 106 Agreement or Unilateral Undertaking.
107. Affordable housing providers can apply to the Council for commuted sum funding for their schemes; these funds can also be spent on Council new build developments.
108. Commuted sums will be earmarked to enable the provision of affordable housing through a variety of means, for example:
 - a. To support the new build development of affordable housing or create additional, larger or a different tenure mix within the existing stock.

¹⁸ Rural areas described under Section 157 of the Housing Act 1985, which applied to AONB in Waverley.

- b. To provide ‘top up’ subsidy on schemes in order to make it possible for a higher proportion of affordable homes or to make those homes more affordable.
 - c. To fund extra units of affordable housing on alternative sites and to buy affordable homes from developers.
 - d. To contribute to forward-funding/kick-starting of schemes or to reduce funding gaps within pipeline/current affordable housing schemes or other similar initiatives according to scheme circumstances and the funding climate.
 - e. To convert, refurbish, redevelop or make improvements to existing affordable housing where the accommodation no longer meets an identified need.
 - f. To aggregate financial contributions from different sites and spend contributions in the way that best achieves the Council’s and the local community’s priorities for affordable housing. The number of units resulting from expenditure may be greater or fewer than the number of units used to calculate the contribution, because dwelling types, tenure, specifications and other aspects will vary from scheme to scheme. Financial contributions may be used to fully fund a project or to top up funding from other sources.
 - g. To spend on alternative sites in Waverley before consideration is given to schemes in the wider area (beyond Waverley), to which the Council receives nomination rights or which benefit Waverley residents.
 - h. Other innovative methods of providing affordable housing.
109. Decisions on the expenditure of financial contributions will be made in accordance with the [Council’s Scheme of Delegation to Officers](#), details of which are available on the Council’s website.

How is a commuted sum calculated?

110. On sites where a financial contribution is being made, the Council will calculate the payment which seeks to equate to the land value of the relevant dwelling plots (those that would have been made available for on-site affordable housing). In essence the thinking involves calculating how much it would cost to go elsewhere and replace the land on which the affordable housing would have been provided on-site.
111. This approach assumes a straightforward payment made by the landowner (who may also be the developer) under the terms of a Section 106 agreement

in much the same way as occurs with planning obligations for aspects such as highways/transport, open space, education etc.

- 112. The methodology assumes an additional planning obligations payment being made by the developer, albeit from the increased Gross Development Value sales receipts which results from having no affordable housing on-site.
- 113. The final sum agreed will be at the Council’s discretion.

What are the steps in calculating the payment?

- i. Applicant to provide an independent valuation of the Open Market Value of all units on the site, along with the Gross Internal Floor Area¹⁹ in order to calculate the sales rate (£ per sqm). The Open Market Values and Gross Internal Floor Areas must be signed off by a RICS Chartered Surveyor or RIBA member architect.
- ii. Council to agree the type and floor area of a suitable relevant affordable housing dwelling which would otherwise have been provided on site for use in the calculation.
- iii. Multiply by the Residual land value percentage (38.1%) to provide a base land value²⁰.
- iv. Add 15% of the result to reflect site acquisition and servicing costs.
- v. This gives the sum(s) equivalent to the land cost per whole affordable dwelling type(s) or may be more than one level of sum if there are multiple dwelling types being factored into the affordable housing calculation).
- vi. Apply that (or those) to the relevant total scheme numbers and the Council’s 30% affordable housing requirement. In this way, the calculation can deal with part dwelling equivalents. The outcome need not be affected where this end stage does not produce round (whole) dwelling number dwellings.

Table 1 below provides a worked example. The Council will calculate Commuted Sums using the following steps, on receipt of the required valuations.

Table 1: Worked example of commuted sum	e.g.
Scenario= Development of 10 x three bed houses	
Average open market sales value, for a comparable size and type of dwelling in the local area which would otherwise have been provided on site	Open market value of £344,000 for a 3 bed house with a Gross Internal Floor Area of 110m2
Work out Open Market Value per M2	£3,127 per m2 (3,127.273)

¹⁹ Gross Internal Area (GIA) is defined in the RICS: [Code of Measuring Practice 6th Edition \(2007\)](#) as the internal area of a building measured to the inside face of perimeter walls at each floor level, as defined on page 12

²⁰ [Affordable Housing Viability Study, Para 3.9.22](#)

Table 1: Worked example of commuted sum	e.g.
Multiply cost per m ² by 102 for floor area of affordable home with 3 bedrooms	X 102=£318,982
Multiplied by residual land value (38.1%)	X 38.1%= £121,532
Plus 15% of the result (of affordable market value x 38.1%)	+18,230
= payment in lieu per three bed house	=£139,762
Multiplied by 3 (to represent the units/ parts of units which would otherwise have been provided on site) =TOTAL PAYMENT IN LIEU OF £419,286	

How will this be monitored?

114. The Council will keep and monitor a record of all sums agreed and received and how they have been spent.
115. Generally, the Council will expect the following to be incorporated in the S.106 agreement or Unilateral Undertaking:
- a. The agreed sum to be index linked on an annual basis from the date of the Committee resolution on the planning permission until the date of actual payment. S.106 agreements can take time to complete so it will be important for applicants to consider the requirements at an early stage, working closely with the Council. Indexation will be on an annual basis in accordance with the Retail Price Index. This will be by an amount equal to the proportionate upward only change in the All in Tender Price Index of the Building Costs Information Service (BCIS) of the Royal Institution of Chartered Surveyors.
 - b. A milestone that triggers the payment of the contribution will need to be agreed between the Council and the Applicant. Usually this will be the carrying out of any Material Operation or on the commencement of development. Alternatively, it may be 50% on commencement and 50% when 50% of those units have been sold / occupied.
 - c. Applicant to notify the Council when payment trigger is reached.
 - d. On receipt of the notification, the Council will issue an invoice for the amount payable including any indexation.
 - e. Penalty interest will be payable on late payments.

- f. The Council will specify in the Section 106 agreement the time period in which to spend the contribution.

116. All commuted sums received are added to the available resources in the Council's Housing Grant Budget. The 1988 Local Government Act s.25 allows Local Authorities to use grant to fund the provision of affordable housing on new development sites, subject to the appropriate Homes England guidelines in respect of maximum public subsidy.

How will this be managed?

117. The Council will use commuted sums to develop affordable housing within 10 years from the date a sum was received. The Council will return un-spent commuted sums, with accrued interest, set at the current rate (currently set at a rate of 85% per annum above the Bank of England base rate) to the developer, if they are not spent for the purposes for which they were sought within a ten-year period from the date the money is paid to the Council. The Council reserves the right to amend this rate.

118. The approach and assumptions will be monitored and reviewed if necessary, depending on delivery experiences. In any event, the approach is intended to cope with an element of flexibility in its application.

Vacant Building Credit

119. A 'Vacant Building Credit' is available to developers to incentivise them to bring vacant dwellings back into use. Where a vacant building is reused or redeveloped, the affordable housing contribution will be reduced by a proportionate amount²¹.

120. Affordable housing contributions may be required for any increase in floor space.' The Vacant Building Credit applies to on-site affordable housing as well as financial contributions to off-site provision.

What is a Vacant Building?

121. A vacant building must be physically empty (i.e. not used for storage, excluding rubbish left after vacation of the buildings such as broken furniture/ papers etc.).

122. In coming to a view about whether the building is empty, Officers will need to:

²¹ Equivalent to the existing gross floorspace of the existing buildings.

- Consider whether the building is covered by an extant or recently expired planning permission for the same or substantially the same development;
- Consider the reason why the building became vacant and the last known use of the building;
- Consider whether there is an extant planning permission for the development of the building; and
- Establish current uses and extent of vacant areas through a site visit, speaking to Revenues Team and requesting a Statutory Declaration.

123. Vacant Building Credit does not apply where the building has been abandoned. 'Abandonment' in this context follows the interpretation in general planning law. The test is objective and is applied by consideration of the known circumstances. Factors such as the condition of the building, length of non-use, whether there has been an intervening use, and evidence of the owner's intentions, may determine whether a building has been abandoned. The Council may consider that the Vacant Building Credit is not appropriate for buildings which have become vacant solely to enable development to proceed.

How is the Vacant Building Credit calculated?

124. Applicants need to provide an independent valuation including the Gross Internal Floor Area²² and Open Market Value of any vacant building for which they wish to claim Vacant Building Credit, and also for the proposed buildings. The Gross Internal Floor Areas and Open Market Values must be signed off by a RICS Chartered Surveyor or RIBA member architect. Please note that the onus will be on the Applicant to demonstrate to the satisfaction of the Local Planning Authority a building's vacancy and to provide accurate Gross Internal Floor Area measurements.
125. The following example shows how the methodology for calculating affordable housing contributions would be applied to a proposed development. This is for illustrative purposes only and should not be relied upon for calculation purposes.
126. The existing vacant Gross Internal Area of any buildings proposed to be brought back into lawful use or to be demolished and redeveloped will be calculated as a percentage of the proposed Gross Internal Area, leaving the net increase in floor space. The required percentage of affordable housing will then be applied only to the net increase in floor space.

²² Gross Internal Area (GIA) is defined in the [RICS: Code of Measuring Practice 6th Edition \(2007\)](#) as the internal area of a building measured to the inside face of perimeter walls at each floor level

Element	Represented by/ units	Worked Example
Existing vacant floor space	A sq m	300 sq m
Proposed total floor space of new development	B sq m	Mixed use development providing 40 units 2,400sq m
Net increase in floor space (B-A)	C sq m	2,400sq m- 300 sq m= 2,100sq m
30% affordable housing required under Policy AHN1	D affordable homes usually required under planning policy	30% of 40 units is 12 affordable homes usually required
Calculation for affordable housing after Vacant Building Credit	$\frac{C}{B} \times D = E$	$\frac{2,100}{2,400} \times 12 = 10.5$ affordable homes Required after VBC
Resulting Affordable Housing Requirement	E	10.5 affordable homes required ²³

²³ E.g. 10 affordable homes on site and 0.5 via commuted sum

Glossary

Affordable Housing: For the purposes of this Supplementary Planning Document and in accordance with the Waverley Borough Council Local Plan Part 1, the Council's definitions of 'affordable housing, affordable housing for rent, starter homes, discounted market sales housing and other affordable routes to home ownership' are defined in Annex 2 of the revised National Planning Policy Framework (NPPF) or any future guidance that replaces it.

Amenity: A positive element or elements that contribute to the overall character or enjoyment of an area. For example, open land, trees, historic buildings and the inter-relationship between them, or less tangible factors such as tranquillity.

Area of Outstanding Natural Beauty (AONB): A statutory landscape designation, which recognises that a particular landscape is of national importance. The primary purpose of the designation is to conserve and enhance natural beauty of the landscape.

Development Plan: The adopted suite of documents, which set out the parameters for all development in the Borough.

Enabling Development: A development that would normally be rejected as contrary to established policy, but which may be permitted because the public benefits would demonstrably outweigh the harm to other material interests.

Homes England: Homes England is the Government's national housing and regeneration agency for England. It provides investment for new affordable housing and to improve existing social housing, as well as for regenerating land. It is also the regulator for social housing providers in England.

Waverley Borough Council Local Plan Part 1: The new Local Plan is the overarching planning document for Waverley Borough and replaces the previous Local Plan and relevant Development Control Policies documents which were adopted in 2002. The new Local Plan sets out the planning strategy for the years up to 2032 to deliver the social, economic and environmental needs of the whole Borough, as well as looking beyond the Borough's boundaries.

Local Plan: A plan for the future development of a local area, drawn up by the local planning authority in consultation with the community. In law, this is described as the development plan document adopted under the Planning and Compulsory Purchase Act 2004. A local plan can consist of either strategic or non-strategic policies or a combination of the two.

Material consideration: A matter that should be taken into account in deciding a planning application or on an appeal against a planning decision.

National Planning Policy Framework (NPPF): The key document, introduced in March 2012 and last updated in February 2019, setting out Government policy in relation to planning in England. The NPPF is part of the Government's reforms to make the planning system less complex, more accessible and to promote sustainable growth.

Open market value: The value a property might reasonably fetch if sold on the open market where there is a willing buyer and a willing seller.

Planning Obligation: A legal agreement entered into under section 106 of the town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Section 106 Agreement: See '*Planning Obligation*'

Shared Equity: The purchaser acquires the whole of the property but effectively only pays a proportion of the value; the remaining value is secured by an equity loan. There have been, and are a variety of schemes available, some with Government support.

Shared Ownership: Shared ownership is a mechanism for purchasing a property for those who cannot afford full home ownership. A percentage of the equity is purchased by means of deposit and mortgage. The retained equity is held by an Affordable Housing Provider (or similar). The owner takes out a lease, and pays rent on the retained equity. Generally initial purchases are 25-40% of the equity. Owners can usually purchase further shares of the property over time – this is known as “staircasing”.

Supplementary Planning Documents (SPD): Documents which add further detail to the policies in the development plan. They can be used to provide further guidance for development on specific sites, or on particular issues, such as design. Supplementary planning documents are capable of being a material consideration in planning decisions but are not part of the development plan.

Viability: In planning terms relates to the assessment of a development scheme to establish that favourable conditions regarding the financial aspects will enable development to proceed.

Appendix 1- Affordable Housing Plan

The Affordable Housing Plan should generally meet the requirements outlined below. It is anticipated that the Developer and Affordable Housing Provider will submit the Affordable Housing Plan jointly. It is agreed by the parties that where any of the information required below is not available at the time of submitting the Affordable Housing Plan, such information shall be submitted or re-submitted (where an amendment is required) for approval prior to commencement of construction of any affordable housing unit within the relevant phase:

1.	The total number of affordable units in the phase as a percentage of the total units in the phase	
2.	The anticipated tenure, bed size, gross internal floor area and type of each of the affordable units	
3.	A site layout plan showing the location, tenure and bed size of the units	
4.	Plans showing the indicative internal layout of each type of unit	
5.	Confirmation that Affordable Housing Units shall be constructed in accordance with building regulations applicable at the time of registration of the Development with the relevant body	
6.	Name of Affordable Housing Provider that will deliver the affordable units with contact person	
7.	Confirmation that all of the units will be allocated either according to the draft Nomination Agreement set out in the Section 106 Agreement, or through the Home Buy Agent	
8.	Details of proposed shared ownership share % and service charge for each type of unit	
9.	Confirmation that Affordable rents set no higher than current Local Housing Allowance rates in the Borough or 80% of market rent (including service charges), whichever is the lower; whenever possible	
10.	Details of management arrangements.	

Appendix 2- Financial Viability Appraisals

Any Development Viability Appraisal submitted in support of a developer's case for reviewing or reducing planning obligations identified as necessary by the Council, should contain the following information and data as a minimum.

All information and data should be evidenced from an independent RICS-qualified expert or a reliable and reputable source in relation to secondary data.

Figures included within the appraisal should be benchmarked.

1. Methodology used for the appraisal and details of any appraisal software or toolkits used.	
2. Land values, both current and at the time of purchase (if different)	
3. Price paid for the land; & costs taken into account when arriving at the price paid for the land (if the land is not owned by the applicant – details of any option agreements or agreements to purchase)	
4. Gross and net area of development	
5. Number size and type of units	
6. Build costs (per square metre)(and comparison with appropriate published RICS data)	
7. Abnormal or exceptional costs not reflected in the land value/price (Note: All abnormal and exceptional development costs should be supported by robust and costed specialist reports, including full technical data to support the stated costs)	
8. Costs associated with bringing a heritage asset back into beneficial use or enabling development and/or costs of repairs (Note: all such costs should be supported by robust and costed specialist reports, including full	

technical data to support the stated costs)	
9. Other costs (design, legal, consultants, planning etc.)	
10. Cost of any other planning obligations including infrastructure requirements and financial contributions	
11. Build programme and phasing	
12. Interest rates, cap rates, loan costs, cash flows	
13. Developer's profit and an explanation of its make up, and any company or financiers requirements	
14. Anticipated phasing	
15. Marketing and legal costs (and as a % of GDV)	
16. Anticipated sales price for each unit type, and current assumed value of each unit type	
17. Anticipated phasing of sales	
18. Ground rents and services changes payable	
19. Proposals for on-site affordable housing meeting the requirements of the Supplementary Planning Document, modelling a range of scenarios i.e. <ul style="list-style-type: none"> a. 20% and 30% affordable housing, b. 70% affordable rent/ 30% intermediate, c. 50% affordable rent/ 50% intermediate d. 100% intermediate, including shared equity products. 	
20. Attach evidence of engagement with affordable housing providers	

21. Anticipated price to be paid by the affordable housing provider, and the assumption on which this is based.	
22. Substitution values and revenues for less or no affordable housing on site	

Depending on individual site circumstances, further information may be required, including:

23. Developer's Market Analysis Report	
24. Details of company overheads	
25. Copy of financing offer/letter	
26. Copy of cost plan	
27. Board Report on scheme	
28. Letter from Auditors re: land values and write offs	
29. Sensitivity analysis showing different assumption options (e.g. low, medium & high)	
30. For mixed use schemes similar information and data will be required on the non-residential uses.	

Appendix 3 - Template Affordable Housing Schedule 106 Agreement

1. Definitions

It is hereby agreed between the parties to this Deed that the following expressions have the following meanings:

“Act”	means the Town and Country Planning Act 1990 as amended;
“Affordable Housing”	means housing for sale or rent for those whose needs are not met by the market and which complies with the definition of Affordable Housing in Annexe 2 of the National Planning Policy Framework as the same may be amended by time to time;
“Affordable Housing Plan”	means the Affordable Housing Plan showing the location, type, bed size and tenure mix of the Affordable Housing Units within the Development;
Affordable Housing Provider	means a registered provider of social housing within the meaning of Section 80(1) of the Housing and Regeneration Act 2008, or alternatively a body providing Affordable Housing, in both cases selected by the Owner and approved such consent not to be unreasonably withheld or delayed by the Borough Council;
“Affordable Housing Units”	means [] units being []% of the Dwellings to be provided as Affordable Housing in accordance with Part 1 of Schedule 1 to this Deed and Affordable Housing Unit shall be construed accordingly;
“Affordable Rented Units”	means the Affordable Housing Units provided to households who are eligible for affordable rented housing, and provided at a rent of no more than 80% of the local market rent (including service charges) and always below the Local Housing Allowance and where local market rents are calculated using the Royal Institution of Chartered Surveyors approved valuation methods;

“Application for Planning Permission”	means the [full/outline] application dated [] given planning reference number WA[] with a description of the Development for the erection of [];
“Application Site”	means the land at [] being all parts of the land as shown edged red on the Plan and registered at the Land Registry under Title Number(s) [];
“Borough Council Contributions”	means those contributions that are payable to the Borough Council namely the [Community Facilities Contribution, the Environmental Enhancement Contribution, the Leisure and Sports Contributions, the SAMM Contribution, the SPA Contribution and the Waste and Recycling Contribution]together;
“CIL Regulations”	means the Community Infrastructure Regulations 2010 as amended;
“Commencement Date”	means the date of Commencement of Development;
“Commencement of Development”	<p>means the carrying out of a Material Operation in respect of the Development and the words “Commence Development” and “Development Commences” shall be construed accordingly and in accordance with Section 56 (1) of the Act where the development consists of:-</p> <ol style="list-style-type: none"> a. the carrying out of operations the commencement will be when those operations are begun b. a change of use the commencement will be when the new use is implemented c. both carrying out of operations and change of use the commencement will be the earlier of the times in paragraphs (a) and (b) above;
“Community Facilities Contribution”	means a sum of £[] ([]) to be paid to the Borough Council as a contribution towards [];
“County Council Contributions”	means those contributions that are payable to the County Council namely [the Early Years Education Contribution, the Highways Improvements Contribution, the Primary Education

	Contribution, the Secondary Education Contribution and the Transport Contribution] together;
“Cycle and Public Transport Vouchers”	[];
“Cycleway”	[];
“Deed”	means this document when it is duly executed, dated and delivered;
“Default Interest Rate”	means eight per centum (8%) per annum above the Bank of England Base Rate;
“Development”	means the development of the Application Site pursuant to the Planning Permission;
“Disposal”	means a disposal of the Affordable Housing Units to an Affordable Housing Provider whether by transfer of the freehold or the grant of a long lease for a term of at least 125 years and “Dispose” shall be construed accordingly;
“Dwelling”	means a residential unit to be constructed on the Application Site pursuant to the Planning Permission and “Dwellings” shall be construed accordingly;
“Early Years Education Contribution”	means the sum of £[] ([]) to be paid to the County Council as a contribution towards the provision of [];
“Environmental Enhancement Contribution”	means the sum of £[] ([]) to be paid to the Borough Council as a contribution towards the provision of [];
“Estate Roads and Footpaths”	means the roads, footways, footpaths, car parking spaces and cycle ways that are provided on the Application Site and which fall outside the boundaries of Dwellings and which are not intended to be adopted by the Highway Authority as a highway maintainable at the public expense as shown [indicatively] on the Site Allocation Plan;
“First Occupation”	means the beneficial occupation of any Dwelling for any use for which the proposed Development was designed other than occupation for the purposes of construction or fitting out marketing or security;
“Highways Agreement”	means an agreement under section 278 of the Highways Act 1980 as amended;

“Highways Improvement Contribution”	means the sum of £[] ([]) to be paid to the County Council as a contribution towards the provision of the Highway Works;
“Highway Works”	means [];
“Index”	means All Items Index of Retail Prices issued by the Office for National Statistics;
“Index-Linked”	means that with reference to the Borough Council Contributions and the County Council Contributions the payment of such sums shall be uplifted to the extent of being Index-Linked by reference to the Index in accordance with the formula set out at Schedule 4 of this Deed;
“Inspector”	means a person appointed by the Secretary of State or PINS by virtue of the Act to hear and/or determine the Planning Appeal;
“Landscape Ecological Management Plan (LEMP)”	means a written scheme setting out the method for the ongoing management of [];
“LAP”	means the local area play as defined by the National Playing Fields Association as shown [indicatively] on the Site Allocation Plan;
“LEAP”	means the locally equipped area of play as defined by the National Playing Fields Association as shown [indicatively] on the Site Allocation Plan;;
“Leisure and Sports Contribution”	means a sum of £[] ([]) to be paid to the Borough Council of as a contribution towards the provision of [];
“Local Housing Allowance”	means the housing benefit scheme based on private market rents being paid by tenants in the broad rental market area (the area within which a person might reasonably be expected to move by the Borough Council) and which do not exceed the maximum local housing allowance (or whatever benefit scheme is in place from time to time) and as set by the Valuation Office Agency for the area of the Borough Council;
“Managed Land”	means the Estate Roads, the LAP, the LEAP, the Open Space and the SUDS;
“Management Company”	means a limited company set up amongst other things for the purpose of

	securing the future management and finance for such management of the Managed Land in perpetuity through adherence to a Management Plan;
“Management Plan”	<p>means a written scheme submitted to the Borough Council which demonstrates the method by which the Managed Land will be managed maintained and financed so as to fulfil the following objectives:</p> <ol style="list-style-type: none"> a. to ensure that each lessee/owner of the Dwellings pays a reasonable service charge for the maintenance and management of the Managed Land in accordance with the Management Plan; b. to ensure that sufficient funds are raised from time to time to ensure that the requirements of the Management Plan are fully funded and thereafter adhered to; and c. to provide a means by which the Borough Council may verify compliance with the Management Plan;
“Material Operation”	<p>means a material operation pursuant to the Planning Permission on the Application Site pursuant to Section 56(4)(a)-(e) of the Act provided that for the avoidance of doubt a Material Operation shall be deemed not to have taken place for the purposes of this Deed by any surveying ground investigation archaeological investigations structural or advanced planting site clearance and decontamination works site preparation including earth moving laying and connection of sewers and services the formation of accesses the erection of fences and hoardings and the creation of a site compound. The undertaking of a Material Operation is considered to be the Commencement of Development pursuant to the Planning Permission;</p>

<p>“Nomination Agreement”</p>	<p>means an agreement between the Borough Council and the Affordable Housing Provider under which the Borough Council exercises its right to nominate prospective tenants or lessees for the Affordable Housing Units in accordance with Part VI of the Housing Act 1996 section 159 and the Homelessness Act 2002 the final form of which reflects the tenure and mix of Affordable Housing agreed pursuant to the Affordable Housing Plan;</p>
<p>“Occupation”</p>	<p>means in respect of each Dwelling its first occupation excluding occupation for the purposes of construction marketing or security and the words “Occupy” and “Occupied” shall be construed accordingly;</p>
<p>“Open Market Units”</p>	<p>means those Dwellings which are not Affordable Housing Units;</p>
<p>“Open Space”</p>	<p>means the areas of public open space to be provided on the Application Site as part of the Development as shown [indicatively] on the Site Allocation Plan and “Open Spaces” shall be construed accordingly;</p>
<p>“Open Space Specification”</p>	<p>means the full technical specification for the laying out of the Open Space including its location, size, materials and all other relevant details necessary for its provision;</p>
<p>“Planning Appeal”</p>	<p>means the appeal by the [] under section 78 of the Act from the refusal of the Application for Planning Permission by the Borough Council with planning appeal reference [];</p>
<p>“Planning Permission”</p>	<p>means the planning permission granted pursuant to the Application for Planning Permission;</p>
<p>“PINS”</p>	<p>mean the Planning Inspectorate;</p>
<p>“Protected Tenant”</p>	<p>means any tenant who:</p> <ul style="list-style-type: none"> a. has exercised the right to acquire pursuant to the Housing Act 1996 or any statutory provision for the time being in force (or any equivalent contractual right) in respect of a particular Affordable Housing Unit; or

	<p>b. has exercised any statutory right to buy (or any equivalent contractual right) in respect of a particular Affordable Housing Unit; or</p> <p>c. has been granted a shared ownership lease by a Affordable Housing Provider (or similar arrangement where a share of the Affordable Housing Unit is owned by the tenant and a share is owned by the Affordable Housing Provider) and the tenant has subsequently purchased from the Affordable Housing Provider all the remaining shares so that the tenant owns the entire Affordable Housing Unit;</p>
“SAMM”	means the sum of £[] ([]) to be paid to the Borough Council towards site access management and monitoring measures relating to the SPA in accordance with the SPA Avoidance Strategy;
“SANG”	means the existing suitable alternative natural green space at Farnham Park, Surrey;
“SANG Contribution”	means the sum of £[] ([]) to be paid to the Borough Council as a contribution in respect of the SANG;
“Secondary Education Contribution”	means the sum of £[] ([]) to be paid to the County Council as a contribution towards the provision of [];
“Shared Equity Units”	means the Affordable Housing Units to be provided by a Affordable Housing Provider where the Affordable Housing Provider disposes of the freehold or long leasehold interest in the relevant unit at a discounted price to the market value of the Affordable Housing Unit and retains a legal charge to protect the discounted share;
“Shared Ownership Lease”	means a lease to be granted for each Shared Ownership Unit for a term of not less than 125 years which shall accord with the requirements of, and be consistent with any model shared ownership lease as approved from time

	to time by Homes England (or any statutory successor)
“Shared Ownership Lessee”	means the tenant of a Shared Ownership Lease;
“Shared Ownership Units”	means the Affordable Housing Units to be provided by a Affordable Housing Provider by way of a Shared Owner Lease granted to eligible households whose needs are not met by the market, where the percentage equity share to be marketed and the percentage rent payable under retained equity is agreed in writing between the Borough Council and the Affordable Housing Provider before the Affordable Housing Units are marketed to the public;
“Site Allocation Plan”	means the plan annexed to this Deed at Schedule 4 headed “Site Allocation Plan”;
“Site Layout Plan”	means the plan annexed to this Deed at Schedule 4 headed “Site Layout Plan” showing the Application Site edged red;
“Social Rented Housing”	means the Affordable Housing Units provided by Affordable Housing Providers to households who are eligible for social rented housing, and for which guideline target rents are determined through the national rent regime;
“SPA”	means the Thames Basin Heath’s Special Protection Area classified as a special protection area in accordance with Article 4 of the European Commission Directive on the conservation of wild birds (79/409/EEC) on 9 March 2005 and given site code: UK9012141;
“SPA Avoidance Strategy”	means the strategy jointly formulated by the Surrey Local Authorities and adopted by the Borough Council with regard to the SPA and as varied in August 2016;
“Sustainable Drainage System (SUDs)”	means any drainage system, including ponds, cellular storage, swales and package waste water treatment plants, to be installed operated and maintained within the Application Site as part of the Managed Land which is not to be offered up for adoption as maintainable at the public expense and which conforms to national standards to be used partly to

	manage surface water runoff in accordance with Schedule 3 to the Flood and Water Management Act 2010 as amended as shown [indicatively] on the Site Allocation Plan;
“Travel Plan”	means [];
“Travel Plan Monitoring Contribution”	means the sum of £[] ([]) to be paid to the County Council as a contribution towards the future auditing monitoring and management of the Travel Plan;
“Waste and Recycling Contribution”	means a sum of £[] ([]) to be paid to the Borough Council as a contribution towards the provision of waste and recycling containers for the Application Site.

COVENANTS WITH THE BOROUGH COUNCIL

Part 1: Affordable Housing

The Owner covenants with the Borough Council:

1. Timetable

1.1. To submit the Affordable Housing Plan to the Borough Council for its agreement prior to the Commencement of Development.

1.2. To carry out the Development and provide the Affordable Housing Units in accordance with the Affordable Housing Plan and the following tenure mix:

	Affordable Rented	Social Rented	Shared Ownership/Shared Equity	Total
1 bed flat				
2 bed flat				
2 bed house				
3 bed house				
Total				

2. Use of Affordable Housing Units

2.1. Unless otherwise agreed with the Borough Council and subject to Schedule 1 Paragraph 4 the Affordable Housing Units shall not be used other than for Affordable Housing.

3. **Standard of the Affordable Housing Units**

3.1. The Affordable Housing Units shall be built in accordance with the quality and design standards current at the time of construction.

4. **Completion of the Affordable Housing Units**

4.1. Unless otherwise agreed in writing with the Borough Council, the Affordable Housing Units shall be Occupied pursuant to the provisions of the Nomination Agreement.

4.2. None of the Affordable Housing Units shall be occupied until an Affordable Housing Provider has entered into the Nominations Agreement with the Borough Council.

4.3. Not to permit nor enable more than 50% of the Open Market Units to be in Occupation until the date upon which the Owner or their successors in title have transferred (or entered into an unconditional contract for the transfer) the Affordable Housing Units (either a freehold or leasehold interest for a term of not less than 125 years) to the Affordable Housing Provider.

4.4. Not to permit nor enable more than 75% of the Open Market Units to be occupied until the Affordable Housing Units have been practically completed in accordance with the Planning Permission and made ready for residential Occupation.

4.5. Subject to the provisions of this paragraph the Affordable Housing Units shall remain as Affordable Housing save that the obligations in this Deed relating to the provision and/or use of the Affordable Housing Units (including but not limited to the obligations set out in this Schedule) shall cease to apply in respect of and not be binding or enforceable against:

4.5.1. any Protected Tenant or any mortgagee of the Protected Tenant or any person deriving title from the Protected Tenant or any successor in title thereto and their respective mortgagees and chargees; or

4.5.2. any mortgagee or chargee or security trustee of the Affordable Housing Provider or any receiver or manager (including an administrative receiver) appointed pursuant to the Law of Property Act 1925 or its successors in title or any person deriving title from therefrom ("**Chargee**

of a Affordable Housing Provider”) who has first complied with its duty under paragraph 4.6 below.

4.6. Any Chargee of a Affordable Housing Provider shall prior to seeking to dispose of any of the Affordable Housing Units pursuant to any default under the terms of its mortgagee or charge give not less than 1 month prior to the Borough Council of its intention to dispose and:

4.6.1. shall prior to seeking to dispose of any of the Affordable Housing Units pursuant to any default under the terms of its mortgage of charge shall give not less than four weeks prior notice to the Borough Council of its intention to dispose and;

4.6.2. in the event that the Borough Council responds within four weeks from receipt of the notice served under paragraph 4.6.1 indicating that arrangement for the transfer of the relevant Affordable Housing Units can be made in such a way as to safeguard them as Affordable Housing then the Chargee of an Affordable Housing Provider shall co-operate with such arrangements and use reasonable endeavours to secure such transfer PROVIDED THAT such arrangements shall not require the Chargee of an Affordable Housing Provider to dispose of its interest in the relevant Affordable Housing for a sum less than the total of all accrued principal monies interest and costs;

4.6.3. If the Borough Council does not serve it response to the notice served under paragraph 4.6.1 within four weeks then the Chargee of an Affordable Housing Provider shall be entitled to dispose free of the restrictions set out in this Schedule which shall cease to apply and determine absolutely

4.6.4. If the Borough Council or any other person cannot within eight weeks from the date of service of its response to the notice served under paragraph 4.6.1 complete such transfer then provided that the Chargee of an Affordable Housing Provider shall have complied with its obligations under this paragraph 4.6 the Chargee of an Affordable Housing Provider shall be entitled to dispose free of the restrictions set out in this Deed (including, but not by limitation of this Schedule) which shall from the time of completion of the transfer cease to apply and determine absolutely.

AND FURTHER PROVIDED THAT at the time the rights and obligations in this paragraph 4.6 shall not require the Chargee of an Affordable Housing Provider to act contrary to its duties under the charge or mortgage and the Borough Council must give full consideration to protecting the interest of the Chargee in respect of all monies and interest outstanding and relates costs under the charge or mortgage.

Housing Supplementary Planning Document Consultation Statement – March 2020

1. Waverley Borough Council has prepared a Supplementary Planning Document (SPD) in relation to design and sustainability considerations in order to guide development within the borough. The SPD provides more detailed advice and guidance concerning the relevant policies within the adopted Local Plan (2018 – 2032), and once adopted will be used as a material consideration for planning applications determined within the borough.

Purpose of the Consultation Statement

2. Part 12 of the Town and Country Planning (Local Planning) (England) Regulations 2012 requires that, when adopting a Supplementary Planning Document, Local Planning Authorities (LPA) should prepare a Consultation Statement. This should include the following information:
 - (i) The persons the local planning authority consulted when preparing the supplementary planning document;
 - (ii) A summary of the main issues raised by those persons; and
 - (iii) How those issues have been addressed in the Supplementary Planning Document.

Regulations

3. The Local Plan Regulations set out that LPAs should make the document 'available' for a minimum of four weeks. During such time, the document should be made available for inspection at the council offices and other appropriate locations, and should be published on the local planning authority website.
4. Regulation 13 states that any person may make representations about the SPD and that the representations must be made by the end of the consultation date referred to in Regulation 12.
5. As set out in Regulation 12 when seeking representations on an SPD documents must be made available in accordance with Regulation 35; which requires the Council to make documents available by taking the following steps:
 - (i) Make the document available at the principal office and other places within the area that the Council considers appropriate;
 - (ii) Publish the document on the Council's website.

Affordable Housing SPD

6. The adopted Local Plan provides the overarching strategic policies for the provision of housing. The aim of the Affordable Housing SPD is to provide additional guidance on how the affordable housing policies in the Local Plan will be implemented. The SPD contains information on the various affordable housing products (such as rented homes, shared ownership and discounted ownership); design of affordable housing; local need; specialist housing and self-build.

Consultation

7. The draft Housing SPD was published for public consultation between 9th November and 14th December 2018 and views were sought on the draft. A second stage of consultation took place 1st July to 12th August 2019.

Who did we consult?

8. The Council sought the views of a sample of key consultees including developing housing associations, private developers, Parish Councils, planning officers, housing officers and councillors.

What issues were raised?

- Housing viability calculations
- Quality and Design standards
- Space standards
- Fix-term tenancies
- Car parking standards
- Commuted sums
- Implications of Community Infrastructure Levy (CIL)
- Rent levels – reference to rent capped at Local Housing Allowance (LHA)
- Rent levels – reference to a requirement for lower or ‘social’ rent
- Shared ownership – entry level and rent on unsold enquiry
- Rural exception sites
- Affordable Housing Plan
- Compatibility with National Planning Policy Framework (NPPF) 2018
- Housing mix

How the issues were addressed

9. Following the consultation the SPD has been amended to address the issues raised. The representations and Council’s response are set out in Appendix 1.

Appendix A – Draft Affordable Housing Supplementary Planning Document
Final Consultation July – August 2019

Detailed comments and Waverley Borough Council's response.

Comment Received from	Detailed Comment	WBC response
<p>Chiddingfold Parish Council</p>	<p>This council welcomes the proposals of the SPD and the policies therein, affordable housing supply is an ongoing need that this council recognises and our residents are concerned about.</p> <p>For this reason the SPD is seen as a positive one, however the council is concerned about the option for developers to 'buy-out' of the affordable homes provisions and the impact this may have on affordable housing supply.</p> <p>This council wishes to see tight controls on the use of such options and that there will be robust enforcement of the policies proposed to ensure that anticipated affordable housing is brought forwards.</p>	<p>The Local Plan was adopted in February 2018.</p> <p>Policy AHN1: Affordable Housing on Development sites, refers specifically to this issue and will be robustly enforced.</p>
<p>Hambledon Parish Council</p>	<p>Hambledon Parish Council has for many years supported the policy of providing affordable housing and has actively sought to achieve this within the village. This policy has been endorsed by its residents and is clearly stated in the Hambledon Parish Plan.</p> <p>This has included giving careful consideration and, where appropriate, its backing to affordable housing schemes within the parish.</p> <p>It notes that a recent scheme at Orchard Farm was supported by Waverley council planning officers, and had the approval of Hambledon Parish Council, yet was rejected by Waverley members.</p> <p>Waverley Borough Council states that it will require 30 percent affordable</p>	<p>As stated policy AHN2 specifically refers to rural exception sites.</p> <p>Officers will continue to support appropriate schemes when they come forward.</p>

Comment Received from	Detailed Comment	WBC response
	<p>housing on all housing developments. This must be followed up by active and effective planning measures and enforcement by Waverley if, at a later stage, developers attempt to reduce this percentage.</p> <p>In small, rural villages like Hambledon, within the Green Belt and the Surrey Hills AONB, it is unlikely that a site suitable for housing and of such a size for the 30 per cent rule to apply, will become available.</p> <p>It is important, therefore, for Waverley officers and members to understand that it is more likely that a small site may become available which would be suitable for affordable housing only, or in the main. Orchard Farm was one such example and yet was, as already stated, rejected.</p> <p>Hambledon Parish Council notes that the new strategy, in the section dealing with Rural Exception Sites (AHN2), confirms the policy of permitting small affordable developments to be built within an AONB, subject to certain conditions. 2</p> <p>Hambledon Parish Council would like Waverley Borough Council to consider these points in the next phase of the process.</p>	
Busbridge Parish Council	Busbridge Parish Council have read this draft document and consider it a sensible approach so long as it features, in practice, sufficient teeth to enforce the policy.	WBC will robustly enforce all policies contained within the Local Plan.
Natural England	No comment	
A2 Dominion Developments	Firstly, it would have been useful to see the draft S106 and Nomination Agreements which are to be appended to the document, will these be circulated for comment prior to the adoption of the SPD?	Draft Section106, Nomination Agreements and Mortgagee in Possession (MIP) clause will

Comment Received from	Detailed Comment	WBC response
	<p>There is a requirement now for RP's to have Mortgagee in Possession Clauses added into Nomination Agreements as well as S106 agreements and it would be beneficial to be able to comment on the draft wording.</p> <p>In relation to the equity share which is specified at 25% - 40% of a shared ownership property, the share is dictated by what a person can afford having undertaken an affordability assessment so we feel it would be appropriate to reference equity share in line with the Homes England affordability assessment.</p> <p>We note that the document refers to the housing mix specified in the Council's SHMA which is dated 2015, it is suggested that a broader range of household size is included to offer more flexibility in the provision.</p> <p>Furthermore the document at Paragraph 72 on Page 20 refers to clusters of no more than 10, when considering smaller units clusters of no less than 15 would be preferred from a management perspective and this is considered appropriate in other Boroughs.</p>	<p>be appended to the document.</p> <p>Added</p> <p>Noted – the SHMA provides robust evidence</p> <p>The document states 'depending on the scale of development' which gives sufficient flexibility.</p>
Planning Potential	<p>AHN1 – include relevant extracts in SPD</p> <p>Viability</p> <p>Quality & Design</p> <p>National Planning Policy Framework</p>	<p>AHN1 appended to SPD as appendix 5</p> <p>Noted</p> <p>Noted</p> <p>Noted and amended</p>
Haslemere Community Land Trust	<p>Our comments on the guidance are as follows:</p>	<p>Noted</p>

Comment Received from	Detailed Comment	WBC response
	<p>Paragraphs 38 & 39 requires that the section 106 agreement includes provisions to ensure that affordable housing is not lost through future sale. Since property held by a Community Land Trust is subject to an asset lock, affordable dwellings held by HCLT would be safeguarded for the future.</p> <p>HCLT may be able to assist developers to ensure the provisions of paragraph 39 are achieved. Paragraph 41 requires that “the council will normally require 100% of nomination rights on all initial lettings/shared ownership...”. HCLT initiated a housing need survey in July 2018 it is possible that this has identified individuals who are not on the housing register. We believe HCLT should have nomination rights over any affordable housing that it develops.</p> <p>We note that in paragraph 52 it is acknowledged that while a CLT may not meet the criteria to be one of Waverley’s “preferred affordable housing providers” it may be considered an appropriate entity to deliver a “genuine community-led development”. We welcome this endorsement of the role CLT’s can play in affordable housing delivery.</p>	
Highways England	No comment	
Jupe & Williams	The tone of the policy prioritises establishing the attainment of local housing target rather than meeting local housing needs.	The document refers to social rent, which fully meets housing need, as well as affordable rent
Thakeham Homes	<p>Clause 32: has the Council sought and obtained agreement from its RP partners for the form of Mortgagee in Possession (MIP) clause proposed.</p> <p>Clause 33 & 34: referencing an Affordable Housing Plan in the Section 106.</p>	<p>MIP attached as appendix</p> <p>Noted – document amended</p>

Comment Received from	Detailed Comment	WBC response
	<p>Clause 37: occupation of open market units in relation to completion of AH units.</p> <p>Clause 39: maintaining affordable housing in perpetuity</p> <p>Clause 57: the percentage of shared ownership target should be increased form 30% to 40%</p>	<p>Noted – no change</p> <p>Noted – no change</p> <p>Noted – no change</p>
Farnham Town Council	<p>Clause 39: how is this enforced?</p> <p>Clause 40: Recycling of receipts</p> <p>Clause 47: Viability</p> <p>Clause 52: affordable housing providers</p> <p>Clause 55: Percentage of market value for affordable homes</p> <p>Clause 58: Affordable housing target of 30% on site</p> <p>Clause 68: Service and management charges</p> <p>Clause 69: Shared ownership marketing</p> <p>Clause 73: Space standards</p> <p>Clause 79: Viability</p>	<p>Through Section 106</p> <p>Noted</p> <p>Viability representations are assessed by a qualified professional body.</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Considered on a case by case basis</p> <p>Noted</p> <p>Noted – national space standards</p> <p>As above</p>

Comment Received from	Detailed Comment	WBC response
	Clause 83: Viability	As above
Godalming Town Council	<p>Not sufficient reference to 'social rented housing'</p> <p>Specific proportion of housing should be set aside for 'social rented'</p> <p>Use of stronger language – multiple examples</p>	<p>The document refers to social rent, which fully meets housing need, as well as affordable rent. Where possible the Council will seek to maximise the percentage of social rent through Section 106 agreements, within viability constraints</p>
Witley Parish Council	<p>Paragraph 2: Housing Register</p> <p>AHN1: 30% affordable housing requirement</p> <p>AHN2: definition of 'closely related to'</p> <p>Clause 41: nomination rights</p> <p>Clause 43: Right to Buy agent</p> <p>Clause 55: percentage of market value for affordable homes</p> <p>Clause 57: Affordable housing target</p>	<p>The majority require rented accommodation.</p> <p>Amended to include 'minimum'</p> <p>Noted</p> <p>Noted – standard clause, no change</p> <p>Noted – Government appointed</p> <p>Noted – this is calculated on a percentage basis</p> <p>Noted – yes (question around social rent /</p>

Comment Received from	Detailed Comment	WBC response
	Clause 63: rent levels and affordability	locally affordable rent) Noted – WBC will seek rent at levels not above benefit cap on larger properties
Cranleigh Parish Council	The Council is happy with the separate trigger points in the legal agreement for the delivery of market and affordable housing. The Council welcomes the SPD but has concerns about the ability to monitor the loss of affordable housing as a result of right to buy and staircasing to 100%	Noted Noted
Tetlow King	Amend paragraph 57 to include specific reference to the Rentplus product	Para 57 references NPPF 2019, which includes all Home Ownership products.
Lyla Alleman	Excellent document but a timetable for delivery of adequate numbers of affordable homes in the area is what most people wish to know about	Timetable of affordable housing delivery to be made available on the Council's website
Daniel Lake	Thank you for contacting me concerning AHDPD. Please note I would like to log a formal objection to the document on all counts. The policy, like the LLP1, will do little to nothing improve the lives of people of the area. It stands only to deepen the pockets of developers who will sell to the highest bidder. I have been a long-standing member of the Right To Build scheme of Waverley Council, in the last five years it has done nothing to help me or anyone else on that list; this policy only deepens my	This response relates to Custom and Self Build whilst the consultation document concerns the implementation of the Affordable Housing policies contained within Local Plan Part 1. The Affordable Housing SPD

Comment Received from	Detailed Comment	WBC response
	<p>concern with the local governments wholly inadequate delivery of change to UK laws to promote the Right To Build Scheme.</p>	<p>only deals with affordable housing provision whereas custom and self-build is a separate matter and is dealt with the Local Plan Part 2 and the custom and self-build register.</p> <p>The council is assessing the requirement for a Custom and Self-build policy in relation to the development of Local Plan Part 2.</p> <p>Any subsequent consultation for the adoption of Local Plan Part 2 will provide an opportunity for comment on this particular topic. Comments noted.</p> <p>WBC believes the policy will assist affordable housing as it:</p> <ul style="list-style-type: none"> (i) Sets out minimum of affordable housing required on each site (ii) Insists on the requirement for a viability assessment in

Comment Received from	Detailed Comment	WBC response
		<p>cases where the applicant states that no affordable housing is possible</p> <p>(iii) Clarifies that rent levels must be affordable for local people.</p>

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WAVERLEY BOROUGH COUNCIL

EXECUTIVE

9 FEBRUARY 2021

Title:

ICT Strategy

Portfolio Holder: Cllr P Clark, Portfolio Holder for Business Transformation and IT

Head of Service: David Allum, Head of Business Transformation

Key decision: Yes

Access: Public

1. Purpose and summary

1.1 To seek approval of the draft ICT Strategy 2021-2024.

2. Recommendation

2.1 That the Executive recommend to Council that the ICT Strategy 2021-2024 be approved.

3. Reason for the recommendation

3.1 The existing IT Strategy was agreed in 2016 and now is an appropriate moment to revise and update our approach.

3.2 IT is increasingly fundamental to the way we deliver services as evidenced during 2020 as we sought to amend our model in the light of Covid. It is also a vital component as we now respond to the post Covid fiscal challenges.

3.3 The draft Strategy is appended to this report along with a glossary of terms, a financial overview and additional detail on the cyber challenge we must prepare for.

4. Relationship to the Corporate Strategy and Service Plan

4.1 This correlates with the “Health and Wellbeing of our residents” priority and in particular the new ways of working described in the corporate strategy.

5. Implications of decision

5.1 Resource (Finance, procurement, staffing, IT)

No immediate implications. The decision will set a strategic direction. Any subsequent actions with resource implications will be subject to a separate decision process.

5.2 Risk management

The corporate strategy risk register highlights the importance of an effective infrastructure to enable governance and operational activity.

5.3 Legal

No immediate implications.

5.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

5.5 Climate emergency declaration

The primary contributions envisaged in the Strategy are:

- Preference of the use of i-gels as a default solution for home working as opposed to the higher emissions lap-top alternative
- The drive to automation which produces less emissions than alternative contact options.

6. Consultation and engagement

6.1 The Strategy was considered at the Value for Money/Customer Services Overview and Scrutiny Committee and has been adjusted to reflect the views expressed. In particular the addition of the financial overview annexe.

7. Other options considered

7.1 None as the alternative is to proceed without an ICT Strategy.

8. Governance journey

8.1 If approved this report will next be presented to Full Council.

Annexes:

Annexe 1 - Draft ICT Strategy
Annexe 2 - Financial Overview
Annexe 3 - Cyber Analysis
Annexe 4 - Glossary of Terms

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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Portfolio Holder: 22/12/20

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Waverley Borough Council
ICT Strategy 2021-2024

January 2021

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Document Information & Governance

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VO.3	Draft	10/7/2020	Reflecting discussions with the portfolio holder and IT Team	DA
V0.4	Draft	17/7/20	Reviewed further to AR comments	DA
VO.5	Draft	23/7/20	Reviewed further to IT Strategy Group meeting	DA
V0.6	Draft	4/8/20	Refreshed further to SMT on 4/8/20	DA
V0.7	Draft	15/10/15	Incorporating comments from Change Advisory Steering Group and development of Action Plan	DA
V0.8	Draft	20/10/20	Incorporating IT Manager's comments	DA/LF
V0.9	Draft	27/10/20	Incorporating comments from SMT on 27/10/20	DA
V1.0	Draft	12/11/20	Incorporating comments from Executive Briefing on 10/11/20	DA
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Impact Assessments and Consideration:

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Equality Impact Assessment	No			
Health in all Policies				
Data Protection Impact Assessment	Yes			
Climate Change	Yes			

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ICT Strategy – the next three years – 2020–2023

This Strategy sets out the vision for the Council's ICT service for the next three years. It supports the Corporate Strategy to achieve the Council's objectives with technology being a vital enabler of business change.

Waverley's ICT service provides equipment, software and systems, advice and support to enable the Council to function effectively and to deliver high quality services. It provides the infrastructure to manage and store information securely, carry out complex transactions, support customer services and enable staff to work flexibly.

This strategy recognises that ICT plays a vital role in the success of our organisation and underpins everything we do.

Context - Where are we now?

The ICT service comprises 18.5 FTE and supports the running of 38 business and corporate applications. It also provides telephony and enables website and social media functions. There is a combination of on-site and cloud storage. The Citrix environment with thin client on the desktop allows flexible desk sharing and remote access. The telephony system is a virtual one using Microsoft Skype for Business which provides telephony at a fraction of the cost of more traditional systems. Video-conferencing is a new addition to the suite of facilities with both Zoom and Teams widely available to staff and members.

The total cost of systems, applications and staff exceeds £1.5m pa.

There is a robust system of back-ups for the virtual and physical servers and a disaster recovery site is being moved from a neighbouring local authority to another council building in Farnham. Regular (including Audit and Regulatory) tests are carried out on our networks and the results of these tests form the basis of our future security plans. We use anti-virus software, endpoint protection and data loss prevention (controlling removable media). We have firewalls to protect the environment and these prevent thousands of attempts per day from accessing our network. We carry out regular server patching which protects us against attack.

The risk of cyber-crime is increasing particularly for those organisations holding large amounts of personal data. Information security is of paramount importance and it follows that information management is therefore equally essential.

We belong to the South East Government Warning, Advisory and Reporting Point to provide early warning and best practice advice around the latest cyber security threats. We subscribe to the services provided by the National Cyber Security Centre that carries out web security checks on externally facing sites.

We use Microsoft Office and Outlook for email (having more than 500 microsoft office licenses active) and are in the process of moving to Sharepoint 365 which we use for document management. We use document image processing to manage and archive the large volume of documents in the service areas. We have a number of legacy systems covering Council Tax, Benefits, Housing and Environmental Health. Whilst stable, they are also expensive to maintain and upgrade. We have a hosted website, facebook pages and social media. Our website is being updated to conform to accessibility standards.

The challenges and drivers for change

Local authorities are facing enormous challenges as expectations of the level and quality of service increase at the same time as funding is drastically reducing, this has been exacerbated as a result of the Covid crisis. Nevertheless residents and businesses expect to see the same quality of service they receive from large private sector organisations. They expect to be able to access services from multiple locations and devices and in ways and times that suit them.

Our investment in a low code solution will enable us to provide a single customer account across all services and thereby respond to this customer demand.

Waverley runs a number of complex and vital systems that impact on the lives of our residents. The market place for a number of these systems is small which brings its own challenges. The need for flexibility, innovation and ability to transition to new systems without a large price tag whilst improving the technology skills of the workforce are all important aspects of the ICT challenge going forward.

Strategic Drivers

- Annual cuts and changes in central government funding means that Waverley is facing a funding gap of at least £13m up to 2024 with the cost of Covid still to be factored in. Services need to be delivered more economically.
- Our investment in IT is a spend to save initiative. By acquiring and enhancing technological capability we can increase self service opportunities and this reduces staffing costs and by building our own environment we can switch off costly third party systems.
- Changing demand from customers challenges the way we currently deliver services and the way we interact with our customers. There is greater need for on-line access to services and information and increasing use of social media.
- Underpinning the new Corporate Strategy is the need to be transparent, accessible, responsible and collaborative in the way we operate and deliver services.
- The Emergency Declaration on Climate Change will also influence the decisions we make on technology.
- As we evolve organisationally post Covid there needs to be a clear interface with our Recovery Change and Transformation Project
- Agile Working. The future of the Council Offices accommodation at the Burys is currently under review. Significant numbers of staff will be working remotely on a daily basis as we occupy a smaller physical footprint, our IT offer will need to respond to this new dynamic.
- With cuts to finances and increasing levels of demand there is a need to join up across the public sector, to adopt a coherent multiagency approach to our residents needs.

Stakeholder Drivers

- The size and nature of the workforce and how employees undertake their work is constantly changing in response to customer needs, new technology and funding pressures. In the next few years this change is likely to increase and with it the need for a dynamic and a more highly technology skilled workforce. This links in to the Agile Working work-stream which is part of our (Covid) Recovery Project.
- Public demand for web-based access to services is increasing with information tailored to their needs and the ability to easily transact and pay for services online.

- Social media traffic is increasing and expectation for a rapid response is high. This service area will need to be resourced with additional skills to meet that demand.
- With the drive to reduce paper, which includes agenda papers, Councillors need access to efficient ICT solutions to carry out their work effectively.

Technology Drivers

- Investment in low-code systems will allow us to develop our own solutions to business needs.
 - The introduction of new Customer Relationship Management (CRM) and Master Data Management (MDM) systems will drive the need for greater systems integration and increased information management.
 - Mobile technology deployments, use of 4G and 5G and wireless connectivity.
 - The cost of legacy systems.
 - Changes in PSN requirements.
-

ICT vision for the future

To support and enable Waverley to achieve its aims and aspirations in the delivery of high quality public services, accessible to all, through the deployment of technologies and applications and future innovation.

Our roadmap for the future is captured by the following themes:

Citrix

The Citrix environment enables the use of 'thin client' technology to provide cost effective systems. It has the benefit of the easy application of updates and patches and enables hot desking arrangements. The alternative is the use of laptops which are more expensive resource intensive from an ICT support point of view and also in terms of a carbon footprint. However the advantage of laptops is their flexibility in terms of mobile working and working arrangements.

We have determined that there is a compelling case to continue with the i-gel/thin client/citrix arrangement. This arrangement allows agility and offers better data security. It is recognised there will need to be a mixed economy with lap-tops and tablets also featuring according to demands on individual officers and teams.

Lap-tops don't only present hardware management issues but there is also software (e.g. anti-virus) factors to feed in to play. Whilst lap-tops do offer easier access to video conferencing solutions this will become a feature of i-gels within the next 6 months.

Lap-tops are more expensive costing around £450 (including head-sets) for an expected lifespan of 3 years. An i-gel will cost £300 (including citrix) with an expected lifespan of 8-9 years. I-gels do not in themselves offer the same degree of portability however but can still be configured for home use.

In climate change terms i-gels are very much the preferred option with carbon emission levels being around 25% of the lap top equivalent.

Tablets (e.g. i-pad or android devices) can largely be used for mobile working especially since the enhancements provided by the move to Office 365. Citrix provides access to the desktop from any internet connected device which provides flexibility and control.

Telephony

We have been using Skype for Business for the last 8 years as part of the move which also saw a shift from Lotus Notes to Outlook. The telephone service is provided via SIP trunks over the internet. Although in due course we will move from Skype on premise to Teams online, it is recognised that there are other providers who may however not be able to replicate the place in the overall environment Skype is able to occupy.

When the planned move is made to cloud hosted 'Teams' software (hosted Skype for Business) we will be required to use a newer version of the communication security protocol (TLS1.2). The current phones are not compatible with this version. We have recently resolved the issue of voice compression in the Citrix environment by implementing the HDX solution. This separates out the voice traffic and doesn't compress it. We will be able to remove desk phones and move to headset or softphones.

We will also need to factor in the opportunities/challenges presented by the Netcall/Liberty Converse solution we have recently acquired. This will provide full contact centre functionality linked into the Skype for Business environment. It has the potential for replacing all of the existing response groups with a more functional system.

We currently have over 200 mobile phone users across the business. Although allocations will be kept under review as we move to agile working we are not expecting these numbers to reduce significantly for the next few years.

Officers are frequently using telephone based social media messaging as an alternative communication channel to e-mail and this usage is expected to increase, governance and accountability is covered in our IT Acceptable Use policy.

Hosting

There is a strong case to retain the VMware based underlying technology on efficiency grounds alone. As datacentre costs come down there may be a case for increased cloud-hosting, the move out of The Burys may be a good time to consider that. A decision will also be needed as circumstances evolve as to whether to host on premise or move to the cloud. Cost is not the only factor with site connectivity and control also being important factors.

Microsoft

Whilst there are alternatives we believe that they offer no advantages as compared to Microsoft. An Open Source solution is theoretically possible but this presents a high degree of risk and we do not know of any local authorities who have gone for this option, indeed other Surrey Districts are also Microsoft customers. We are confident that Microsoft fits best with our line of business environment especially from an integration perspective.

Licensing costs are high though and other options may arise in the future with new players e.g. Zoom entering the market-place.

Low Code

Last year we went through a protracted procurement process before opting for the Netcall low code solution. This will wrap line of business solutions into contact management. This is a better option than standard CRM products which are not as flexible and are expensive. Low code effectively provides a framework for building applications. An added benefit is that in some scenarios accelerators have been developed, these are partially formed products that we can build on as we look to integrate, stream-line and automate manual processes. There is a growing Netcall community we can work within including private sector organisations who bring, another, welcome perspective to the party. Ultimately we will be able to turn off legacy systems as we replace them with low code solutions.

Our existing on-line forms are good but the back office structure is missing, limiting automation. Low code will also provide us with future-proofing and control over what we produce. We are developing a road-map to set out these plans

We also acquired Liberty converse as our contact centre solution which covers all forms of contact including phone, text and e-mail. The Gov Notify system will allow us to sign up for a zero cost text messaging service. Again the aim is to take out and remove the many disparate small-scale systems we have and replace them with unified corporate products which will also ease the management burden.

Line of Business Applications

Our strategy varies from system to system. It is worth recognising that in most cases the market is limited.

Adelante - This is the cash income system which has been very effective to date. There may soon be a move to a hosted environment which will simplify payment card issues, although the recent sale of Adelante may impact on this.

Agresso - This is the Finance system and we will be guided by the service requirements as to any future change.

Building Control/Planning - Moving on to the new Horizon system. In time this will extend also to Land Charges and the Gazetteer.

Elections - Express. This performs well and we have no proposals to change.

Environmental Health - Upgrade planned to the replacement Northgate product.

Environmental Services - Currently using Civica contact manager which will be replaced by a low code solution. Whitespace is used by Biffa and we will be looking to improve the interface via integration.

HR/Payroll - Itrent and Midland HR. Again there are no proposals to change.

Licensing - Northgate to be replaced by a low code solution.

Orchard - Looking at a soft market test or a low code solution given that Orchard has been taken over which may result in a new direction.

Planning - Moving on to the new Horizon system. In time this will extend also to Land Charges and the Gazetteer.

Revs and Bens - We use Civica's Open Revenues product. There are very few providers in the market and the situation is complicated by the requirement to respond to frequent legislative changes. Should Benefits be taken over by Central Government (as envisaged under Universal Credit) that would change the landscape as revenues is a more straightforward process. A business case would be difficult to make because of the investment required at present.

Document Management

We are proposing to continue to use Sharepoint for anything not directly linked to a line of business application and have moved this into the Office 365 online environment. We will use Civica W2 for documents related to line of business applications with direct links between them and although we may move to the cloud in future at this time that is not cost effective. A move to sharepoint on line may facilitate enhanced member access also.

Our hybrid mail solution is transforming our postal arrangements and in time this will extend to the vast majority of incoming and outgoing post.

Working Patterns

We will continue the theme of the current strategy to improve and enhance mobile working and we are also now seeking to enable more people to work from home. There are a number of work-streams underway to facilitate that (e.g. i-gel configuration, raspberry pi development, citrix voice compression).

Cyber

We are active members of the South East Regional Group and benefited from an LGA grant last year. Mimecast is still considered to be a sound investment. We also received funding for technical cyber training which we will follow up on. We are rigorous in our approach to back-ups via sequel server, log based, including 365 and of VM ware. We have recently moved to an off-site cloud backup solution.

Data

The MDM integration has alerted us to gaps in some service areas when it comes to understanding and using data. We will be putting forward a business case for an Information Manager to address that.

Training

We have invested in a Training Officer which is a permanent post within the establishment. This will be supplemented as and when necessary given the importance of clear guidance to users when changes are made to our systems.

Governance

Overall governance responsibility lies with the IT Strategy Group. Implementation of the Strategy Action Plan/Annual Work Programme will rest with the Change Advisory Steering Group.

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Action Plan 2020-2023

Action	Purpose	Timescale	Cost	Lead Officer
Implement new Citrix environment and Edge Browser (replacing Internet Explorer)	This will allow the Office 365 Client to be installed on the Desktop thus ensuring that applications such as Teams and Sharepoint work much more seamlessly. Edge will also work much better with a range of applications than with Internet Explorer	December 2020	£20k (part of this year's capital programme)	Linda Frame
Implement HDX voice facility in Citrix	This will allow the gradual replacement of desk phones and assist working from home	December	£0. The Team are doing this themselves	Jamie Hill
Consider cloud hosting options for individual applications where it is cost effective to do so	Achieve better value for money	Ongoing as renewals come up	There will either be saving or the increase will be lower than the renewal cost	Linda Frame
Maximise the use of on line Teams/Sharepoint products	To get the most out of environment we will need a focused training programme	Ongoing throughout the life of the strategy	£0. This will be delivered by existing staff	James Rudge
Reorganise Data in GIS Systems	Our GIS/mapping systems have evolved rather than been designed. They would benefit from dedicated expertise to reorganise the way data is stored and presented through the GIS system to ensure we are reaping the maximum benefits.	March 2022	Market still to be tested	Linda Frame
Improve Cyber Security	Enhance security	April 2021	The most effective way	Linda Frame

systems including the implementation and monitoring of the Cyglass product	capability by adopting good practice		to do this would be to recruit a cyber specialist. Cost would be in the region of £50k per annum.	
Equip staff and councillors to work remotely in line with projected future office requirements	This will include the provision particularly of lap-tops and large tablets where an i-gel is not an appropriate solution	April 2021	£50k per annum	Howard Denhart
Explore options to replace Adelante	The new Adelante system has not been delivered. Possibly due to a change in ownership so alternatives will need to be explored	July 2021	£15k	Linda Frame
Maximise the effectiveness of Liberty Create	Additional development days from the supplier would deliver this	April 2021	£30k	Linda Frame
Carry out Option Appraisal for alternatives to the Orchard solution	The longevity of the Orchard product is in doubt and performance has not been good recently	February 2021	Initial option appraisal to Management Board can be delivered at zero cost	Linda Frame
Ensure the GDPR document disposal requirements are being met	This will require a review of asset register, assessment of compliance and monitoring of disposals	April 2021	Could fall within the workload of the Data Protection Officer	Dan Bainbridge
Consider alternatives to the current McAfee Anti Virus and encryption software.	We have been running the current McAfee solution for some years. It is expensive and cumbersome to manage particularly on servers.	February 2021		Jamie Hill

Annexe 2 - Financial Overview

General

The total cost of the service fluctuates annually according to changes in software agreements, licensing costs, staffing changes and in particular capital spend. Budget wise we are typically looking at revenue of £700k, staffing £740k and capital £150k totalling £1590k.

Citrix

As set out in the report we believe the recommended approach would be significantly less costly than going down the alternative lap top route. Including additional support costs we think the Citrix route would drive a saving in the region of £150k per annum.

Telephony

Telephony can now be delivered via head-sets through i-gels. This approach will allow us to dispense with the majority of existing handsets when they reach end of life. This will be a capital as opposed to a revenue saving, it is difficult to predict with certainty what the saving would be but based on the current market we would expect this to be in the region of £200k.

We also have over 200 hundred mobile phones across the business. Reviewing usage will be an operational decision going forward with the current cost to the business being £20k per annum for device replacement and around £20k per annum revenue cost.

Hosting

We are recommending continuing with VMware which currently costs £7k pa. We will keep this under review as the market changes but taking licensing and management factors into account we think this the best approach to get the quality of service we demand.

Microsoft

Although expensive at £140k per annum we do not think there is anything on the market which will better meet our requirements without presenting an unacceptable level of risk.

Low Code

We went through an extensive procurement exercise last year which saw us obtain Master Data Management, Liberty Converse telephony and Liberty Create low code solutions which were all part of the customer services business transformation project. These assets will help us drive efficiencies throughout the business, facilitate automation and in due course enable us to switch off pre-existing solutions as we develop low code equivalents.

Line of business applications

There are many such solutions the most significant of which are set out in the report. These are constantly under review and subject to procurement procedures each time we explore the market.

Cyber

The risks of cyber attack is ever increasing and is an area in which we must invest to off-set the risk of a successful attack. We have re-cycled an existing post to focus on Cyber and there is revenue growth in this area to the tune of £20k per annum.

Data

This is another area of growth with data management being ever more fundamental to operational activity. Services will need to re-cycle existing posts to ensure they have sufficient in-house data knowledge and corporately we are considering investment in a new data manager post which will cost in excess of £50k pa.

Annexe 3 - Cyber Security

This document is in response to correspondence from Cabinet Office regarding Cyber and Ransomware following successful attacks on Local Authority targets. I have taken each element contained in the Cabinet Office letter relating to back-up, cyber security and ransomware and detailed our current position and what action we would like to take.

Staffing

We currently have a vacancy in the team for a Support Analyst. We were retaining this post for the CRM implementation/support but because we have procured Netcall Liberty low code that post has been picked up by other team members. Cyber security is so essential to the protection of our IT environment and ultimately the ability of the authority to operate that we have converted this post for an analyst focussed on Cyber Security.

Backups

Are we backing up the right data?

We currently backup all databases, virtual servers, production datastores and development datastores where required.

Are the backups are held offline?

We backup to on premise and cloud backup (CT Cloud backup) that is not on our network.

The CT Cloud backup includes Insider protection which is an air gap to prevent data loss from an internal bad actor. CT Cloud backup also includes our entire Office 365 environment as despite popular myth, you do need a separate backup of your Office 365 environment.

<https://www.ct.co.uk/cloud/secure-cloud-backup>

Have we tested that we can recover data and services from backups?

We have restored several backups of Live databases into the test environment for ongoing upgrade and testing work. We have carried out several Mailbox restores and recovery of Sharepoint documents and folders.

Annex items

Ransomware

We are currently reliant on perimeter defences to protect against Ransomware (firewall, mail filter, AV). Although these do provide some protection, it is clear that a successful Ransomware attack is more of an inevitability than a probability. We need to implement further protection to stop an attack before we are held to ransom.

We are currently considering two Cyber Security products, Cyglass and Bullwall RansomCare.

Cyglass – this product is network intrusion detection software and gives visibility of our network traffic and identifies traffic that may be suspect. (heuristics of known threats). We are currently running this product as a proof of concept as the supplier wants to establish a UK Local Authority market.

RansomCare – this product is for the monitoring and containment of Ransomware. It looks for any encryption activity on the network or Sharepoint online and stops it. We have procured and implemented this at a cost of £10k per annum.

Phishing guidance.

We have implemented a Mimecast tool that prevents impersonation emails from being sent into the organisation from email addresses with Management Board display names. Mimecast also includes the external email warning. We are considering extension of the impersonation tool to Councillors and SMT.

The NCSC Early Warning Service

We are signed up to the NCSC Early Warning Service and it identified 3 issues so far that we have resolved. It emails us of potential issues.

Protective Domain Name Service

We have implemented the Protective Domain Name Service that checks web traffic going out of the Waverley domain against known malicious domains and will not resolve to that address. We receive a daily update and monthly summary that shows blocked traffic. A secondary product, Roaming Domain Name Service for corporate laptops is to be investigated.

Web Check

We are signed up to the Web Check service and it is checking all our public facing websites

Mail Check

We have implemented the NCSC Mailcheck using DMARC, DKIM and TLS configuration.

Logging Made Easy

We are going to implement Logging Made Easy and Jamie is attending some training on this solution.

Exercise in a Box

This service allows an organisation to find out how prepared it is for a cyber attack and to improve planned response. This is something a cyber analyst could take forward for us.

Test Phishing email

We would like to carry out some test phishing activity to educate staff. This would simulate phishing emails into the authority and collect information on staff who react.

Training

We should repeat the training from South East Regional Organised Crime Unit and make it compulsory. This trains the end users in what to look for in both Corporate and Personal environment.

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Annexe 4 - IT Strategy Glossary of Terms

Agile Working

The ability for staff to work remotely.

Citrix Environment

Citrix is an environment that provides a virtual desktop where all the software runs on servers in the data centre and users access via a client. This allows access to corporate applications via any hardware that has an internet connection.

Endpoint Protection

An endpoint is any device that is potentially connected to the corporate network. Endpoint protection is the anti-virus and encryption that is installed on that device.

Gov Notify

Gov Notify is a service for public sector built by the Government Digital that provides a text message and email service.

HDX Solution

HDX RealTime media engine is a plug-in to the Citrix receiver to support clear, crisp high-definition audio calls.

Hybrid Mail

Hybrid mail is a solution whereby an external company print, envelope and post outbound mail.

i-Gel

An iGel is a make of Thin Client device that is used to connect to the corporate Citrix environment. It runs a Linux operating system.

Low Code Solution

An environment allowing the development of applications with minimal hard-coding.

Master Data Management (MDM)

Collects data from many source databases and uses algorithms to establish the best view of the data from the many different sources. We are currently using it for customer and address data.

Netcall Liberty Converse

Liberty Converse is an omnichannel contact centre solution that allows Customer Service Officers to manage calls and emails based on their skills.

PSN

Public Sector Network. Used as a safe environment to transfer data amongst accredited bodies. There is a rigorous annual accreditation process. Mostly now used for access to DWP systems by Benefits and Elections teams.

Raspberry pi

Small low cost computer that was originally developed for teaching programming but has expanded far beyond this because of its low cost. We are trying one out as a possible replacement for the iGels.

Sharepoint 365

Sharepoint 365 is the cloud hosted version Office 365 version of Sharepoint that is used for document management and collaboration.

Thin Client Technology

A Thin Client is a simple computer that has been optimized to establish a remote connection with the corporate server in a server room. It does not require the same management and software patching that a desktop does as the software is not installed on each desktop.

VMware

VMware is a server virtualisation technology that allows you to have a few physical servers running many virtual servers. This allows maximisation of physical server resource (CPU, memory, disk space). Waverley has six physical servers supporting 80 virtual servers.

The numbers/roles of IT staff required to fulfil the Strategy

Our Team of 18.5 full time equivalents will collectively deliver the Strategy along also with staff in the service departments

A breakdown of the £1.2m overall cost of IT

Annually we spend upwards of £600k on revenue funded systems and applications. The annual capital expenditure varies but is often between £100-200k. The balance is spent on staff salaries.

An example of the savings provided by Low Code App/s

Whitespace – MOP for missed bins & check my bin day £10k per year

Civica Contact manager - £5k per year

Check my Rent account - £11k per year

Firmstep Forms - £9k per year

Explanation of the disaster recovery process

We currently use Veeam to backup our systems and these backups are stored by CT cloud. We can recover from these backups at anytime if it is a single database or server issue.

If we lost The Burys site, we would bring up the site at The Memorial Hall that will provide a reduced Citrix environment with critical applications. Email and Sharepoint are cloud hosted in Office 365 and would not be impacted by the loss of The Burys site. BACS payment system is also remotely hosted allowing payment runs to be initiated remotely.

What services do the National Security Centre provide

The National Cyber Security Centre provide several services to Public Sector organisations. We have signed up to the following: Early Warning service, Protected Domain Name service, Webcheck and Mailcheck.

How will Low Code provide a single customer account

The Liberty Create solution comes with a citizen hub that we are going to use to deliver a single customer account.

How will we improve the technology skill of our workforce

Our IT trainer currently has training sessions with each new starter to train them on the basics of our systems. This also allows him to assess the ongoing training needs. We had proposed a basic IT skills test on interview, but this was not implemented.

What is the time scale for being able to switch off costly third-party systems

Phased approach during 2021-2023

How will our declaration on Climate Change influence our decisions

This will come into play each time enter a new procurement

What do we mean by "join up across the public sector"

With Netcall Liberty we have the opportunity to share developments and resources.

Questions about Laptops versus Tablets

What device is appropriate for each use case

How would we use zero cost text messaging service

We are planning to use the Gov Notify text messaging service in conjunction with our Liberty
Create systems for example bin reminders, fly tip confirmation of completion.

What are the gaps that have been identified re: understanding and using data

The GDPR project highlighted some lack of ownership in data/information within the authority. We have identified a role for an Information Manager.

What is the Training Officer's role

The training officer runs a session with all new starters to ensure they know how to use the fundamental elements of our environment. The training officer runs training on all the Microsoft Office software, our mapping system and has involvement in launches of new software to produce training media.

WAVERLEY BOROUGH COUNCIL

EXECUTIVE

9 FEBRUARY 2021

Title:

Service Level Agreements (SLAs) with Community Organisations, 2021-2022

Portfolio Holder: Cllr Michaela Martin, Portfolio Holder for Health, Wellbeing and Culture

Head of Service: Andrew Smith, Head of Housing Delivery and Communities

Key decision: Yes

Access: Public

1. Purpose and summary

1.1 The purpose of this report is to seek Executive approval for the renewal of the current Service Level Agreement (SLA) 12 organisations for one year only, in order to give organisations some certainty for budgeting, staffing and service delivery purposes. Several have been a vital part of the Covid response at significant cost to themselves, committed to continuing to support vulnerable residents and their local community.

2. Recommendation

2.1 It is recommended that the Executive:

- i) approve the renewal of the current SLAs with the 12 partner organisations for one year only, 2021/22 at the proposed levels of funding as shown in Annexe 1 and as part of the budget setting process.
- ii) approve the withdrawal of funding to Brightwells Gostrey for the higher needs service and divert these funds to Haslewey to support services for older people and contribute towards running cost as shown in Annexe 1.
- iii) agree the establishment of an Executive Working Group to review the councils funding mechanism to voluntary sector organisation from 1 April 2022.

3. Reason for the recommendation

3.1 The current three year SLAs come to an end on 31 March 2021 for all 12 partner organisations. Without sufficient notice of changes in funding these organisations that operate within limited financial margins even in usual circumstances could be

at overall risk and services may not be delivered to residents with higher needs.

- 3.2 One year Agreements will allow for any potential changes to the Council's funding processes and mechanisms to the voluntary sector. A year's extension will also take into account the Council's financial challenges and how the Council can respond to outcomes from the pandemic informed by Surrey's Community Impact Assessment and local health data.

4. Background

- 4.1 The current three year SLAs come to an end on 31 March 2021 for all 12 partner organisations. In usual circumstances an indicative overall SLA budget would be known around October/November. Officers would indicate this to the organisations as part of regular dialogue and most would therefore have a reasonable idea whether their funding had the potential to change. Any change in funding to these small organisations can have a significant impact. The organisations are concerned about this, particularly given the impact the pandemic has had on their operations. Without sufficient notice of changes in funding, some of these organisations that operate within limited financial margins even in usual circumstances could be at overall risk and services and may not be delivered to residents with higher needs. Most of these small, local charities do not have the financial buffer enjoyed by larger charitable organisations.
- 4.2 The organisations would normally receive a provisional offer letter in early December to advise them of the proposed level of funding prior to the formal annual budget setting process in the January and February.
- 4.3 Organisations have appreciated the Council's financial challenges and this has been explained to them at their SLA review meetings throughout November 2020, but it is clearly very worrying for them, particularly given the financial impact of the pandemic on their organisations during 2020.

4.4 Funding Proposals

- 4.4.1 Given the lateness in knowing the potential SLA budget there is not sufficient time to follow the normal renewal process and meet Committee deadlines, ready for the SLAs to be drawn up, signed and funding paid on 1 April 2021. Officers are therefore proposing that the current SLAs are renewed for one year only, in order to give organisations some certainty for budgeting, staffing and service delivery purposes. Many have been a vital part of the Covid response at significant cost to themselves, committed to continuing to support vulnerable residents and their local community. Based on overall partnerships and SLA monitoring meetings officers have made proposals on possible levels of funding for 2021-22 only as shown in Annex 1. One year Agreements will allow for any potential changes to the Council's funding processes resulting from the work of the Executive. A year's extension will also take into account the Council's financial challenges and how the Council can respond to outcomes from the pandemic informed by Surrey's Community Impact Assessment and local health data. The extra time will also allow clarifying of objectives in the new Corporate Strategy and Service Plans.
- 4.4.2 Officers are also proposing that offer letters include the condition that the larger grants over £10,000 that are normally paid in two tranches in April and October

(Hoppa and CAB are paid quarterly) will be reviewed in August/early September before the October 2021 payment, in order to assess the impact of the pandemic on the Council or organisations' service delivery.

- 4.4.3 At this early stage it is difficult to know what services organisations may be able to provide from April. They may not initially be the same as detailed in their current SLA Service Specification; therefore any grant offer would come with the caveat that organisations will need to work with the Council as well as the Council recognising there will need to be flexibility within the funding. Officers propose that there is a consistent approach across all organisations, particularly with those that may be furloughing staff or delivering no service. Where necessary, organisations will be asked to use the funding to contribute in some way towards addressing the impact of the pandemic, particularly around mental health and loneliness/social isolation (e.g. virtual options), as part of their local community response.
- 4.4.4 Haslewey – has been funded for 2 ½ years towards services for older, lonely and isolated people only. Haslewey has continued to develop its services and provide an exemplar model of delivery. It has worked positively with the Council and is always willing to adapt and try new things. It is felt that this approach should be recognised and an increase in funding would also bring Haslewey up to similar levels of the other day/community centres. The funding would contribute towards development of these services as well as a contribution towards overheads.
- 4.4.5 Brightwells Gostrey – It is proposed that the higher needs grant be withdrawn. Staff delivering the higher needs service have been made redundant and the service has therefore ceased operating. Brightwells Gostrey continues to deliver the Community Meals Service but has ceased providing all other day centre services. The Board are taking this opportunity to review and refresh all services and the future shape of the organisation. The proposed funding will continue to contribute towards running costs, anticipating that new services/activities will have been shaped by April (restrictions permitting), and possibly elements of the Community Meals Service delivery for 2021/22 only.

4.5 Funding from 1 April 2022

- 4.5.1 An O&S SLA Working Group was formed in October 2019 to review the SLA process (not levels of funding) with the aim of potential changes being ready for April 2021. However, its work was suspended due to the pandemic. The SLA Working Group could be to scrutinise any recommended changes to the policy and funding mechanism to the voluntary sector organisations.
- 4.5.2 It is proposed that officers consult with the Deputy Leader, Portfolio Holders for Finance and for Health and Wellbeing in January to establish a way forward. This gives time for officers to prepare any new, robust delivery mechanisms such as tendering, commissioning or procurement. It also provides the opportunity for existing and potentially new organisations to prepare to bid for funding or take into account any changes that may affect their operations. This is also in line with the Surrey Compact, which recommends 6 months' notice to partner organisations of any potential changes in the funding relationship.
- 4.5.3 Officers would work with the organisations throughout the year to keep them informed of any developments.

5. Relationship to the Corporate Strategy and Service Plan

Funded organisations were identified as providing high priority services in line with the council's corporate priorities and the service delivery requirements within the SLAs reflect these. Outcome 3 of the Housing Delivery and Communities Service Plan 2020-23 is 'the organisations funded through Service Level Agreements are delivering the agreed outcomes' and the impact of the pandemic has, and continues to affect those outcomes for some organisations.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

This report proposes that the three year SLA's for each organisation is extended a further year to enable an additional years financial certainty whilst the delayed SLA review is undertaken.

The draft budget 2021/22 currently proposes no change in the budget for SLA's. The 2021/22 draft budget is currently following the democratic process and a budget will be set at Full Council in February 2021 as per statutory requirements.

6.2 Risk management

If funding to some of these organisations is significantly reduced or removed at this stage without sufficient notice of changes in funding, these organisations that operate within limited financial margins even in usual circumstances could be at overall risk and services may not be delivered to residents with higher needs.

6.3 Legal

The SLAs are (usually) 3-year legally binding documents, and are reviewed by the Council's Legal Services team. The same will apply in respect of the proposed 1-year SLAs.

6.4 Equality, diversity and inclusion

There are no direct equality, diversity or inclusion implications in this report. Equality impact assessments are carried out when necessary across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

Consideration of the Council's environmental and sustainability objectives will need to be made when making decisions on levels of funding.

7. Consultation and engagement

7.1 The Head of Housing and Communities wrote to all 12 organisations in November 2020 advising them that the Council is going through a period of change and facing significant financial challenges, highlighting that the Council needed to find an additional £8 million over the next 4 years. The letter explained that this will have an impact on any commissioning process and funding decisions in the future. The SLA budget is a discretionary fund and, along with its other budgets, the Council will need to review its future financial support to community organisations.

- 7.2 As part of the 2020/21 SLA annual review meetings held between October and November, officers discussed the implications in the letter with these organisations and the impact any changes of funding would have on their organisation. These discussions have helped inform the proposed funding arrangements for 2021/22.
- 7.3 Officers have continued to work closely with statutory partners from Surrey Heartlands Integrated Care Partnership Guildford and Waverley Locality, North East Hants and Farnham Clinical Commissioning Group and Surrey County Council throughout the pandemic. These organisations have established their own COVID recovery programmes but are working together as part of this. Data on the impact of COVID demonstrates older people have been significantly affected, particularly over 75s, older carers, older people with respiratory and cardiovascular disease and those people living on their own. This information has also helped inform the proposals for SLA funding for 2021/22.

8. Other options considered

- 8.1 The alternative option is to no longer fund or all some of the organisations when their existing SLAs expire on 31 March 2021. However, this could potentially result in the suspension or reduction in some services to the most vulnerable members of the community.

9. Governance journey

- 9.1 Executive – Tuesday 9 February as part of the budget approval process
Full Council – Tuesday 23 February as part of the budget approval process

Annexes:

Annexe 1 – SLA Proposals 2021-22

Background Papers

There are no background papers, as defined by Section 100D(5) of the Local Government Act 1972).

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SLA Funding Proposals - 1 March 2020 to 31 April 2021

Note - Most services are currently impacted by Government restrictions, with some organisations having to cease all normal operations, others reducing their services and some reshaping services. In January some have decided to reduce in-house services due to the new Covid variant and high risk of transmission. It is hoped that by April many services will be starting to work to get back to normal but this is difficult to predict at present and it is expected that services may not initially be the same as detailed within Service Specifications.

Organisation	SLA Funded Service	Current SLA Annual Grant Amount, 2018-2021	Amount Allocated in 2020-21	Proposed Grant for 2021-22	Notes on the service and grant proposals
Age UK Surrey	Information and Advice	15,000	15,000	15,000	The service is continuing to operate with clients continuing to be supported by phone and email. Home visits have been suspended. Service will continue to be delivered from April 2021.
	Making Connections	11,105	5,553	11,105	Befrienders currently keeping in contact with their clients by phone, virtually and in person when permitted. Co-ordinator has been supporting and matching 300+ new micro volunteers to people in response to the pandemic - 23 "Check in and Chat" service requests received and 37 people referred to Covid shopping service from March to September. The service will return to normal when conditions allow. The shortfall in funding is supported directly by Age UK Surrey. Any grant offer would be dependent on Age UK Surrey continuing to provide this support to clients if restrictions affect normal service.
Brightwells Gostrey	Core services	55,000	55,000	55,000	Currently delivering Community Meals Service only to around 62 clients. Proposed grant would be a contribution towards ongoing running costs with the aim of new activities/services for older people being developed for April 2021. If activities cannot restart due to restrictions, some funding may be allocated towards CMS. Any grant offer would be awarded quarterly and on the condition that there is an expectation that the organisation will be reshaping its services/activities ready for April 2021.
	therapeutic & respite service	17,000	8,500		Nil grant proposed as staff delivering the higher needs service have been made redundant. The organisation is reviewing and reshaping its day services.
	Covid one-off - CMS delivery and costs to remain open		1,500		-
Citizens Advice Waverley	information and advice	210,000	210,000	210,000	The service is continuing to operate with clients continuing to be supported by phone, email, webchat and also in bureaux when restrictions permit. Developed a video service, improving website and virtual accessibility. During 2020 90% of clients have used digital means to contact the bureaux. Expected to continue irrespective of restrictions. Around a third of enquiries in April to September were as a result of the pandemic and client demographic is noticeably younger.

Organisation	SLA Funded Service	Current SLA Annual Grant Amount, 2018-2021	Amount Allocated in 2020-21	Proposed Grant for 2021-22	Notes on the service and grant proposals
Cranleigh Arts Centre	health and wellbeing activities	22,000	22,000	22,000	Government restrictions have significantly affected operations as has to close when restrictions are enforced. Classes and events currently being held virtually where possible. Any grant offer would be awarded on the condition that the centre continues to provide virtual accessibility and works with the local community to support residents if restrictions affect normal service.
Farncombe Day Centre	Core services	54,000	54,000	54,000	All day centre clients have had access to the meal delivery service if they wish, receive regular calls, virtual activities/chats and doorstep visits. Currently delivering around 50 meals a day. Offering takeaway coffees and bacon rolls to the community. Robust plans to re-open centre to clients are in place but mindful of vulnerability of clients and proceeding with caution. Chiropody and hairdressing available when restrictions allow. Any grant offer would be dependent on Farncombe continuing to provide a high level of support to clients such as doorstep visits, treats, virtual activities if restrictions affect normal service.
	care assistants	12,000	12,000	12,000	Funding supports employment of two Care Assistants which cost approx £19,000 overall. In addition to assisting most vulnerable clients with toileting, eating, safety and mobility about the centre they also provide the bathing service, run morning and afternoon activities, supervise outings and provide kitchen cover. They are also on cleaning duties during the pandemic. They are currently a key part of delivering the meals service whilst normal in-house activities are suspended. Any grant offer would be dependent upon their continued employment and adapted duties if restrictions affect normal service.
	Covid one-off - maintain care assistants funding & CMS delivery and costs to remain open		9,000		-
Farnham Assist	Core services	8,000	8,000	8,000	Reshaped service to meet restrictions: Been supporting 220 clients since April to September with regular phone contact. Supporting 25 clients with shopping, prescription collection and hearing aid batteries. Visited 130 clients with special treats - cream tea/meals from Cook. Normal service will resume when restrictions allow. Any grant offer would be dependent on Farnham Assist continuing to provide this high level of support to clients if restrictions affect normal service.
Farnham Maltings	outreach work	33,000	33,000	33,000	Government restrictions have significantly affected operations as had to close when restrictions are enforced. Classes and events currently being held virtually where possible. Director chairs the Farnham Connects group. Developed the Neighbours Network service and supporting the Farnham and Villages Helpline service. Proposed grant would be awarded on the condition that the Maltings continues to provide virtual accessibility and works with the local community to support residents if restrictions affect normal service. .

Organisation	SLA Funded Service	Current SLA Annual Grant Amount, 2018-2021	Amount Allocated in 2020-21	Proposed Grant for 2021-22	Notes on the service and grant proposals
Haslewey	activities for older people/social isolat	26,000	26,000	43,000	Propose to increase grant by £17,000 to support services for older/vulnerable people and contribute towards running costs. This recognises Haslewey's high performance since the SLA was signed in June 2018 and also brings its funding up to more similar levels to the day centres. Some activities continued when restrictions allowed and one went on to Zoom. Kept in regular contact with approx 41 clients. Currently delivering Community Meals Service. Cafe operates according to restrictions at the time. and was operating at capacity. 14 CMS clients came back to the Cafe when restrictions allowed. Exploring what support people may need as part of the impact of Covid.
	Covid one-off - CMS delivery and costs to remain open		22,052	-	-
Hoppa	patri	108,000	108,000	108,000	Currently operating normal dial-a-ride service. Demand is currently lower due to people's nervousness about coming out/restrictions and Rowleys reductions in operations have had an impact on the Cranleigh service. Offered free trips during December to support the community and encourage usage. May need to scale back operations again if restrictions become tighter. Can accommodate only 5 people per bus due to social distancing
Rowleys	Core services	55,000	55,000	55,000	Currently delivering CMS but numbers have been low but this has increased significantly recently. Made some catering staff changes in January 2021 which has already resulted in an increase in take-up. Operating lunch service and Sunfit in the centre when restrictions allow. Chiropody and hairdressing available when restrictions allow. Moving forwards. Officers will be working with Rowleys to support increased partnership with local organisations to support its sustainability. Any grant offer would be dependent on Rowleys providing a high level of support to clients such as doorstep visits, treats, virtual activities if restrictions affect normal service
	Covid one-off - CMS delivery and costs to remain open		8,000	-	-
The Clockhouse	Core services	53,000	26,500	53,000	Closed and furloughed all staff during first national lockdown. New Manager started in November, currently working 2 to 3 days a week due to impact of restrictions on centre and will remain in contact with clients. Had reopened to offer two lunch sittings with activities one day a week, will continue when restrictions allow. Chiropody and hairdressing available when restrictions allow. Any grant offer would be dependent on Clockhouse providing a high level of support to clients such as doorstep visits, treats, virtual activities if restrictions affect normal service.

Organisation	SLA Funded Service	Current SLA Annual Grant Amount, 2018-2021	Amount Allocated in 2020-21	Proposed Grant for 2021-22	Notes on the service and grant proposals
Voluntary Action SW Surrey	CVS core services	8,000	8,000	8,000	Operating as normal and key part of Covid response. Received 665 new volunteer registrations during pandemic. Been putting people in touch with local support services during pandemic. Provided support to Covid response groups to establish robust processes. Resumed networking meetings in June virtually. Supported placement of around 600 volunteers at local vaccination sites.
	Total	687,105	687,105	687,105	