

To: All Members and Substitute Members of
the Overview and Scrutiny - Policy
(Other Members for Information)

When calling please ask for:
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Policy and Governance

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Date: 14 January 2022

Membership of the Overview and Scrutiny - Policy

Cllr Stephen Mulliner (Chairman)	Cllr Chris Howard
Cllr Joan Heagin (Vice Chairman)	Cllr Peter Martin
Cllr Brian Adams	Cllr John Neale
Cllr Roger Blishen	Cllr Peter Nicholson
Cllr Jerome Davidson	Cllr George Wilson
Cllr George Hesse	

Substitutes

Cllr Brian Edmonds	Cllr John Gray
Cllr David Else	Cllr Paul Rivers

Members who are unable to attend this meeting must submit apologies by the end of Monday, 17 January 2022 to enable a substitute to be arranged.

Dear Councillor

A meeting of the OVERVIEW AND SCRUTINY - POLICY will be held as follows:

DATE: TUESDAY, 25 JANUARY 2022

TIME: 7.00 PM

PLACE: COUNCIL CHAMBER, COUNCIL OFFICES, THE BURYS,
GODALMING

The Agenda for the Meeting is set out below.

Please note that due to current Covid restrictions, seating in the public gallery is extremely limited. The meeting can be viewed remotely via [Waverley Borough Council's YouTube channel](#) or by visiting www.waverley.gov.uk/webcast.

Yours sincerely

ROBIN TAYLOR
Head of Policy and Governance

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Waverley Corporate Strategy 2020 - 2025

Vision

Our vision is that Waverley will be environmentally, economically and financially sustainable with healthy, inclusive communities and housing available for all who need it.

Our strategic priorities:

- ✓ Local, open, participative government
- ✓ Supporting a strong, resilient local economy
- ✓ Taking action on Climate Emergency and protecting the environment
- ✓ Good quality housing for all income levels and age groups
- ✓ Effective strategic planning and development management to meet the needs of our communities
- ✓ Improving the health and wellbeing of our residents and communities
- ✓ Financial sustainability

Good scrutiny:

- is an independent, Member-led function working towards the delivery of the Council's priorities and plays an integral part in shaping and improving the delivery of services in the Borough;
- provides a critical friend challenge to the Executive to help support, prompt reflection and influence how public services are delivered;

- is led by 'independent minded governors' who take ownership of the scrutiny process; and,
- amplifies the voices and concerns of the public and acts as a key mechanism connecting the public to the democratic process.

NOTES FOR MEMBERS

Members are reminded that contact officers are shown at the end of each report and members are welcome to raise questions etc in advance of the meeting with the appropriate officer.

AGENDA

1 **APOLOGIES FOR ABSENCE AND SUBSTITUTES**

To receive apologies for absence and note any substitutions

Members who are unable to attend this meeting must submit apologies by the end of Tuesday 18 January to enable a substitute to be arranged, if applicable.

2 **MINUTES**

To confirm the Minutes of the Meeting held on 23 November 2021 and published on the Council's website.

3 **DECLARATIONS OF INTERESTS**

To receive Members' declarations of interests in relation to any items included on the agenda for this meeting, in accordance with Waverley's Code of Local Government Conduct.

4 **QUESTIONS FROM MEMBERS OF THE PUBLIC**

The Chairman to respond to any written questions received from members of the public in accordance with Procedure Rule 10.

The deadline for receipt of written questions is 5pm on Tuesday 18 January 2022.

5 **QUESTIONS FROM MEMBERS**

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

The deadline for receipt of written questions is 5pm on Tuesday 18 January 2022.

6 **COMMITTEE WORK PROGRAMME** (Pages 7 - 10)

The Policy Overview & Scrutiny Committee is responsible for managing its work programme.

The Scrutiny Officer will lead this agenda item.

7 GENERAL BUDGET 2022-23 AND MEDIUM TERM FINANCIAL PLAN 2022/23 - 2025/26 (Pages 11 - 82)

Recommendation

That the Policy O&S Committee consider the draft General Fund Budget and Medium Term Financial Plan (MTFP) 2022/23 and pass comments and observations to the Executive.

The Head of Finance and Property will lead this agenda item.

8 HOUSING REVENUE ACCOUNT BUSINESS PLAN BUDGET PAPER 2022-23 (Pages 83 - 106)

Recommendation

That the Policy O&S Committee consider the draft Housing Revenue Account Business Plan – Revenue Budget and Capital programme 2022/23 and pass comments and observations to the Executive.

The Head of Finance and Property will lead this agenda item.

9 CAPITAL STRATEGY (Pages 107 - 166)

Recommendation

It is recommended that the Policy O&S Committee consider the draft Capital Strategy 2022/27 incorporating Treasury Management Strategy and Asset Investment Strategy and pass comments and observations to the Executive.

The Head of Finance and Property will lead this agenda item.

10 SERVICE PLANS 2022-25 (Pages 167 - 200)

Recommendation

It is recommended that the Overview and Scrutiny Committee consider the Service Plans for 2022-25 relevant to their remit and make any observations or comments to the Executive.

The Policy and Performance Officer will introduce this agenda item.

11 ANNUAL COMPLAINTS INFORMATION (Pages 201 - 208)

Recommendation

It is recommended that the Policy Overview and Scrutiny Committee considers the information in this report and passes any comments and recommendations to the Executive.

The Corporate Complaints Officer will lead this agenda item.

12 OMBUDSMAN REPORT (Pages 209 - 224)

Recommendation

It is recommended that the Policy Overview and Scrutiny Committee notes the information in this report and passes any comments or recommendations to the Executive.

The Corporate Complaints Officer will lead this agenda item.

13 EXCLUSION OF PRESS AND PUBLIC

To consider the following recommendation of the motion of the Chairman:

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 items 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 the items, there would be disclosure to them of exempt information (as defined by Section 100I of the Act) of the description specified in the appropriate paragraph(s) of the revised Part 1 of Schedule 12A to the Act (to be specified at the meeting).

14 PROPERTY INVESTMENT ADVISORY BOARD ACTIVITY UPDATE (Pages 225 - 234)

Recommendation

It is recommended that the Committee notes the property investment activity and makes any observations or recommendations to the Portfolio Holder and/or Executive as appropriate.

The Head of Finance and Property will lead this agenda item.

15 PROPERTY INVESTMENT QUARTERLY REPORT

The Head of Finance and Property will lead this agenda item.

Officer contacts:
Mark Mills, Policy Officer - Scrutiny
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Georgina Hall, 01483 523224
Tel. or email: Georgina.Hall@waverley.gov.uk

Policy Overview & Scrutiny Committee 2021/22 - work programme

Part 1 of 4: Recommendations made

#	Agenda Item	Recommendation	Made to	Agreed?	Details
21.11.23 - 10	Budget 2022/23 and MTFS	That informal and formal member briefings on the budget and MTFP are held in December and January respectively	The Executive and Finance team	Agreed	Briefings held.
21.11.23 - 11.1	CIL - Governance & Expenditure	Convey to Surrey County Council and the Surrey Heartlands and Farnham and North East Hampshire Clinical Commissioning Groups, that the Committee is concerned that they were not making adequate bids to produce the healthcare and transport infrastructure appropriate for areas with significant development.	Surrey County Council and the Surrey Heartlands and Farnham and North East Hampshire Clinical Commissioning Groups	Pending	Letters sent.
21.11.23 - 11.2	CIL - Governance & Expenditure	Surrey County Council and the Surrey Heartlands and Farnham and North East Hampshire Clinical Commissioning Groups to be invited to a future meeting to discuss barriers to making bids and how WBC could support them.	Surrey County Council and the Surrey Heartlands and Farnham and North East Hampshire Clinical Commissioning Groups	Pending	Letters sent. Response received from Surrey Heartlands CCG, which the Planning Team and the Scrutiny Officer are now working on.

Part 2 of 4: Other resolutions

#	Agenda Item	Resolution	Status	Actioned to	Timescale	Details of current status
21.11.23 – 6.1	Work programme	Add Business Transformation as a standing item	Completed	Mark Mills	November 2021	Work programme amended
21.11.23 – 6.2	Work programme	Email the Scrutiny Officer with items they would like to see on the work programme	Completed	Committee Members	December 15 th 2021	Email sent to Committee Members.
21.11.23 – 9	Business Transformation Programme	Circulate updated version of the savings tables	Completed	David Allum	December 2021	Updated dashboard sent to Chair and Vice-chair

Part 3 of 4: Upcoming items

#	Title	Purpose for scrutiny	Leader Member/Officer	Date for O&S consideration	Date for Executive decision (if applicable)
R1	Collaboration with Guildford	Receive an update on the progress towards a joint management team	The Chief Executive	Standing	N/A
R2	Business Transformation	To receive an update on progress and savings realisation	David Allum	Standing	N/A
R3	Property Investment Advisory Board Activity update report	To receive a report updating the Committee on the progress and activity of the Property Investment Advisory Board	Peter Vickers	Standing	N/A
R4	Property Investment quarterly report (exempt)	To receive an item detailing the performance of property portfolio	Peter Vickers	Standing	N/A
R5	Hybrid Working	To receive updates on how the Council is responding to the opportunities and challenges presented by remote working	David Allum / Robin Taylor	Standing	N/A
1	Burys Redevelopment Project	To receive an update on this project	Kelvin Mills / Debbie Smith	March 2022	TBD
2	Corporate Performance Report Q.3 2021/22	To scrutinise the performance of the areas and KPIs within the Committee's remit	Heads of Service / Nora Copping	March 2022	N/A
3	Service plan development 2023 - 26	Consider the implementation of the plans approved by Executive and discuss the development of the 2023 – 26 plans	David Allum / Robin Taylor / Peter Vickers	June 2022	Feb 2023

Part 4 of 4: Task and Finish groups

Subject	Objective	Key issues	Chair	Lead officer	Status	Progress	Target Completion Date
None at present							

WAVERLEY BOROUGH COUNCIL

POLICY OVERVIEW & SCRUTINY COMMITTEE – 25 JANUARY 2022

EXECUTIVE - 8 FEBRUARY 2022

Title:

GENERAL FUND BUDGET 2022/23
MEDIUM TERM FINANCIAL PLAN 2022/23– 2025/26

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

The purpose of the report is for the Policy O&S Committee to scrutinise the draft General Fund Budget and Medium Term Financial Plan (MTFP) 2022/23 and pass comments to the Executive ahead of its meeting on 8th February.

This report sets out the draft General Fund Budget for 2022/23 and Medium-Term Financial Plan (MTFP) ending 2025/26. The MTFP sets out the key work streams for the Council to focus on over this period which, collectively, aim to address the significant shortfall in annual budget projected.

This report contains the following Annexes:

Annexe 1 – draft Medium Term Financial Plan 2022/23 – 2025/26

Annexe 2 - draft General Fund Revenue Budget Summary 2022/23

Annexe 3 – statement of key variations by service line from the baseline 2021/22 budget

Annexe 4 – draft Fees & Charges for 2022/23

Annexe 5 – draft General Fund Capital Programme 2022/23

Annexe 6 – schedule of projected General Fund usable reserves and provisions 2022/23

2. Recommendation for Overview and Scrutiny Committee

The Policy O&S Committee consider the draft General Fund Budget and Medium Term Financial Plan (MTFP) 2022/23 and pass comments and observations to the Executive.

3. Recommendation

- 3.1 It is recommended that the Executive, after considering comments from the Policy Overview & Scrutiny Committee, makes the following recommendations to Council, to:
1. agree a £5 increase in Waverley's Band D Council Tax Charge for 2022/23 with resultant increases to the other council tax bands;
 2. agree to continue the Council's existing Council Tax Support Scheme at the current levels;
 3. agree to extend Waverley's council tax hardship fund to help those council taxpayers most financially affected by the pandemic, as set out in this report, with the final scheme details and criteria delegated to the S151 Officer in consultation with the Finance Portfolio Holder;
 4. agree to make no change to Fees and Charges for 2022/23 except for those proposed in Annexe 4, including the new approach for planning pre-application fees;
 5. approve the General Fund Budget for 2022/23 as summarised in Annexe 2, incorporating the baseline net service cost variations included at Annexe 1 and Annexe 3;
 6. approve the General Fund Capital Programme as detailed in Annexe 5; and
 7. approve the specific use of reserves to mitigate the Covid-19 uncertainty and other emerging economic risks including inflation; the estimated expected reduction in Retained Business Rates and New Homes Bonus funding over the Medium-Term Finance Plan period, and the other reserve movements as set out in Annexe 6.

4. Reason for the recommendations

- 4.1 The General Fund Budget is a major decision for the Council and setting a balanced budget is a statutory requirement. Scrutiny of these MTFP 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 in mid-2020 to take steps to address the significant projected net General Fund Budget shortfall so that the Council can continue to function. A revised budget for 2020/21 was set in August 2020 and the medium-term financial projections were updated in February 2021 alongside the budget setting report for 2021/22. Despite a very welcome - but one-off - respite in 2022/23 from the continuing decline in central funding, the latest MTFP for the subsequent years ending 2025/26 continues to project future financial pressures, and opportunities, to enable the Council to take action to ensure sufficient funding is in place to deliver services.

5. Waverley's Medium Term Financial Plan 2022-23 – 2025/26 (MTFP)

- 5.1 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 funding and restrictions, current expenditure patterns, inflation, planned changes to service delivery, changing demand for services, sources of income etc. It also includes the identification of the risks faced by Waverley. The draft 2022/23 budget is set in the context of the latest MTFP.

5.2 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.

5.3 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.

5.4 Following on from the Contingency Revised 2020/21 Budget approved by Council in August 2020, 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 in December 2020. A further comprehensive review of the Plan was agreed by Council in February 2021 during the 2021/22 budget-setting cycle. Given the ongoing uncertainty and Covid-19 impact on Waverley's finances, including key income areas, officers have undertaken detailed monitoring against budgets throughout the year, reporting this to O&S and Executive on a quarterly basis. Sound financial control and effective work with contractors has resulted in the 2021/22 budget holding up well during the year and the expected outturn remains on or close to budget excluding the £1m Covid-19 contingency provision. However the final position will not be known until April 2022 when any realignment of reserves and contingencies will be reported as appropriate. When outturn is known, reserves will be reinstated in line with the original Council approval.

5.5 The Council's MTFP ending 2025/26 has been updated to include the latest General Fund assumptions and projections, including for 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 remain on a significant scale. The report discusses the strategies for addressing the financial challenges to protect vital services and put

the council in a more sustainable financial position, but also highlights the residual budget shortfall projected over the next four years.

- 5.6 The updated MTFP projection is included in **Annexe 1** which details the revised projections and assumptions for the four year period. The changes from the balanced 2021/22 position (approved in February 2021) are based on a review of the ongoing impact of the items first identified in the Contingency Revised Budget as well as new emerging issues and cost pressures. As described in Section 5 below, the latest MTFP projections show an estimated total cumulative gross budget shortfall, before compensating measures, over the four year period of £14.8million. As described in Section 6 below, currently a cumulative total of £12.8million of compensating measures over the same 4 year period have been identified.
- 5.7 The principal aim of the revised MTFP is to protect core services. Drawing on reserves to fund ongoing costs would not be a sustainable position given that Waverley's reserves are finite. However, given the ongoing impact of the pandemic on Waverley's finances, it was agreed by Council in August 2020 and again in the 2021/22 budget that, exceptionally, targeted and temporary drawing on, and/or repurposing of, specific reserves was unavoidable to protect services and funding to community organisations. More details on the latest proposals on reserves are included later in the report.
- 5.8 The budget and MTFP projections are being prepared with a range of assumptions made in very uncertain economic conditions, including rising inflation. Therefore, the figures are volatile, particularly with regard to the timing and extent of recovery of income streams impacted by the pandemic. The February 2021 MTFP 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.

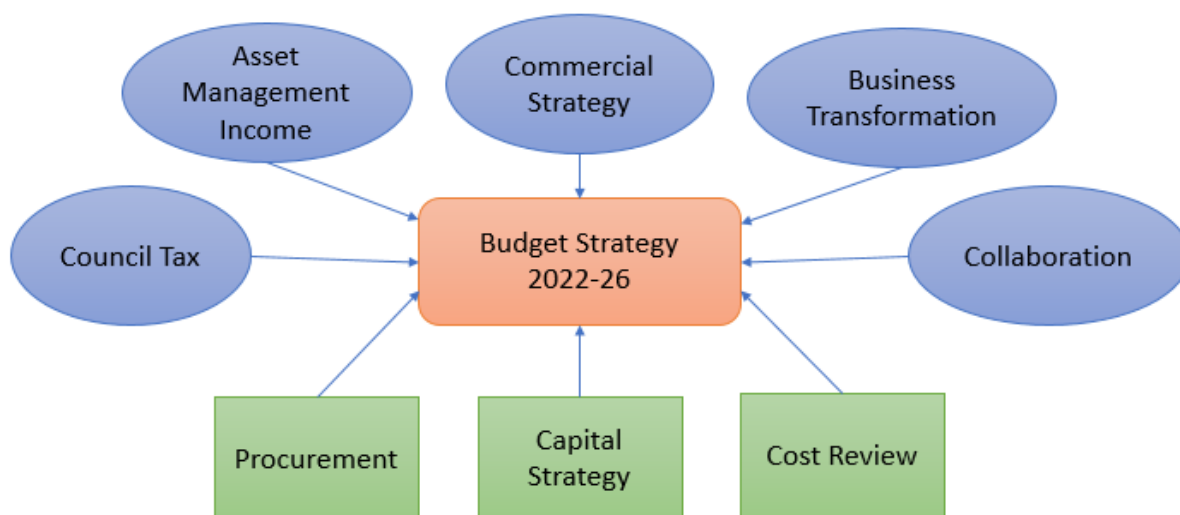
6. Budget Pressures Summary

- 6.1 As the impacts of Covid recede, we are seeing inflation emerging as an equally severe threat on top of the forecast loss of our share of central government funding. The following table shows the main budget pressures projected over the MTFP period. Further details are provided in **Annexe 1** from where the data is extracted.

	2022/2023	2023/2024	2024/2025	2025/2026
Anticipated Budget Variations	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Change from 2024/2025 Base
	£'000	£'000	£'000	£'000
Contingency budget, ongoing impact – costs		-20	-106	
Contingency budget, ongoing impact - income	-998	-966	-648	
Covid-19 Income Claim	460			
Covid-19 General Govt. funding for costs	457			
Inflation and contractual increases	959	862	752	639
National Insurance increase	146			
Services Grant	-138	138		
Fair Funding Review - Business Rate Retained Income		700	700	400
One-off capital receipts funding for Business Transformation team	220			
Borough Elections Reserve deferred contribution		30	-30	
Contingency for savings target achievement risk	-111			
Unavoidable Budget Adjustments	511			
Budget Growth Requests	883	-429		-40
Budget Challenge (2021/22) - one year impact	120			
Lower Tier Service Grant	42	89		
New Homes Bonus	-636	1,613		
Council Tax Collections Fund Adjustments	-227	-50	-50	-50
Covid-19 Impact Provision	-1,000			
Use of reserves for Covid-19 Impact Provision	1,000			
Budget Shortfall	1.688	1.967	618	949
From 2021/22 Base	1.688	3.655	4,273	5,222
Total over MTFP	1,688	5.344	9.617	14.839

7. Budget Strategy

7.1 The framework for Waverley's strategy for addressing the budget shortfall is illustrated below. The themes in squares relate to ongoing actions, the four ovals indicate the principal measures identified in the strategy.



7.2 Our ability to take measures to fund increased costs and replace lost income is heavily regulated and also under pressure. Examples include our property investment strategy, which has been curtailed by changes to Public Works Loan Board financing criteria, and historically low interest rates which have reduced our interest income from funds on deposit. We continually look for new opportunities, including collaboration with others, to improve our effectiveness and efficiency. The following table shows the expected benefit of the strategic measures projected over the 4-year MTFP period. Further details are provided in **Annexe 1** from where the data is extracted.

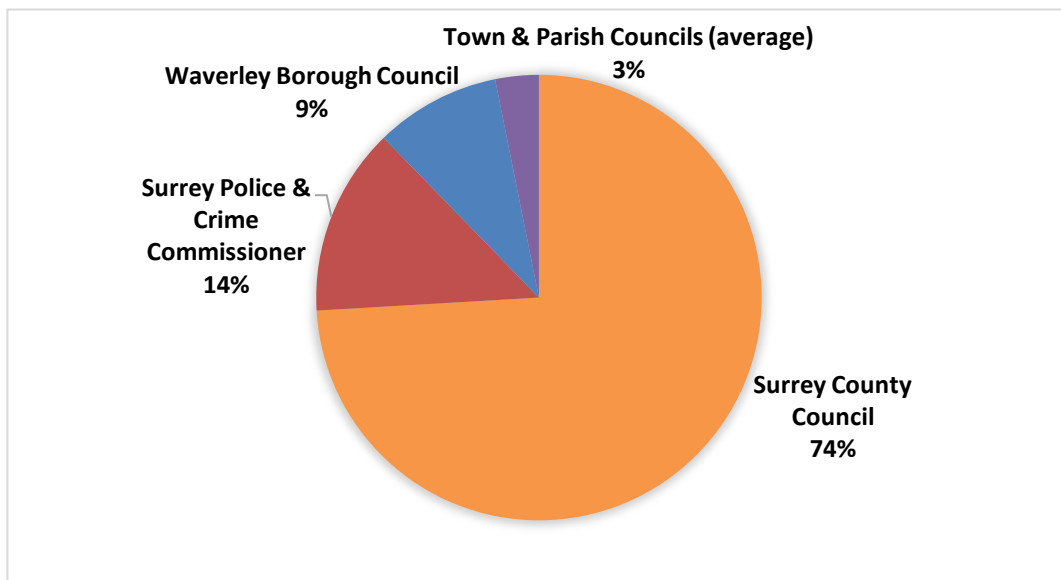
MTFP Target Measures 2022/23 to 2025/26

	Change from 2021/2022 Base £'000	Change from 2022/2023 Base £'000	Change from 2023/2024 Base £'000	Change from 2024/2025 Base £'000
Treasury Management Interest	115			
Car Parking Fees & Charges	730	220	220	
Cost review	23	12		
Asset Management Strategy	10	295	155	100
Commercial Strategy	128	105	71	
Business Transformation				
- WBC	248	122	134	
- Collaboration with GBC	150	200	200	150
Council Tax increase in WBC charge	282	220	220	225
Total Target savings	1,689	1,174	1,000	475
From 2021/22 Base	1,689	2,862	3,862	4,338
Total over MTFP	1,689	4,551	8,414	12,751

8. Funding for Waverley's Services

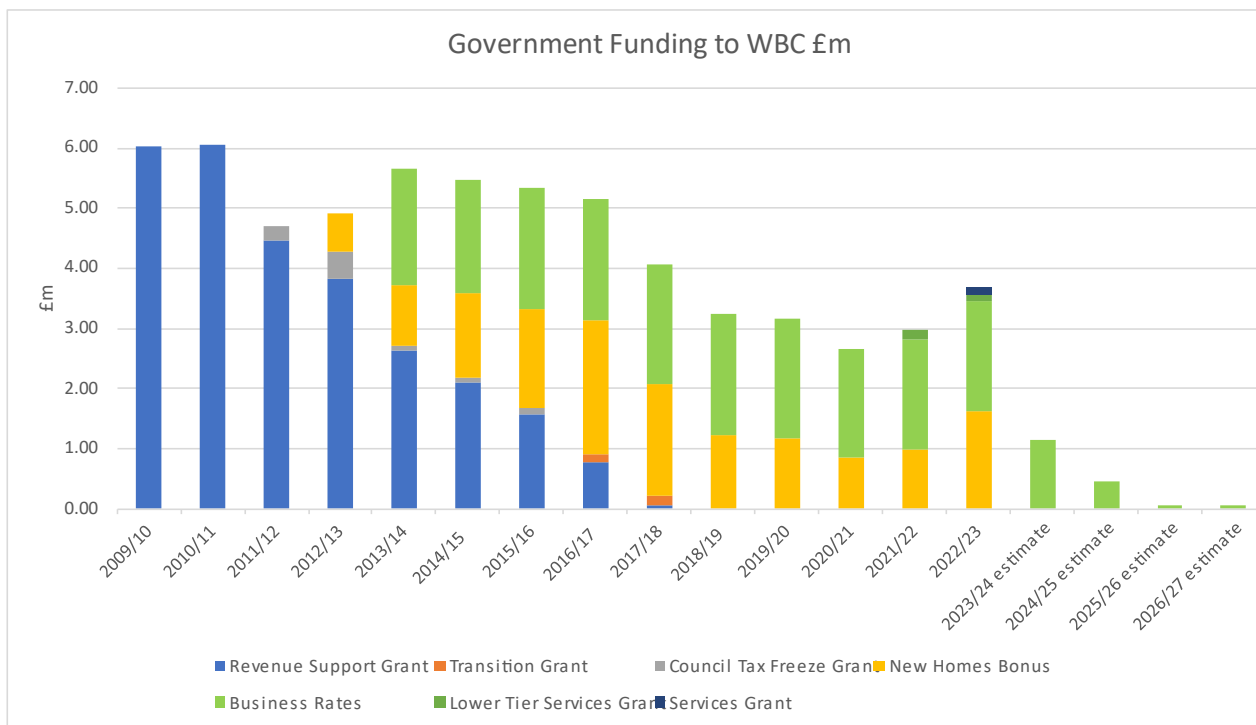
8.1 As well as collecting council tax to support its own budget, by law Waverley has to collect council tax for Surrey County Council, Surrey Police and all town and parish councils in the Borough and this money is paid over to those organisations. The Government restricts the amount that council tax 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.

8.2 The total band D council tax charge in 2021/22 is £2,091.45 split as follows:



8.3 The amount of council tax that will be paid to each of the precepting bodies, including Waverley, Surrey County Council, Surrey Police 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/or 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.

8.4 Waverley's Revenue Support Grant from the Government is zero. There has been a dramatic reduction in our core government funding over the years from £6m in 2010/11.



- 8.5 Waverley currently budgets to retain £1.8m of the £38m business rate base as its core (around 5%) funding for general fund services. This core element is derived from a Government formula which determines each Council’s safety net position against its ‘baseline need’ for funding. A second potential variable element 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 fluctuate according to appeals from rate payers and there is significant uncertainty about Waverley receiving any further funding so no amount has been included in the 2022/23 budget. The Government announced in the autumn that it was delaying, again, 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.
- 8.6 The ‘structural deficit’ in Waverley’s budget arising from service cost inflation, equating to £0.9m 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 2022/23 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.
- 8.7 In 2016/17 the Government informed a number of councils, including Waverley, that they would have Revenue Support Grant (RSG) 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 was specifically referred to in the Dec 2021 Finance Settlement. It is expected that this will be addressed as part of the main review of business rate funding in 2022.

8.8 The Government announced the 2022/23 Local Government finance settlement for consultation late in December 2021. The headlines are as follows:

- No negative grant
- Retained business rates for Waverley at same safety net level of £1.8m
- New homes bonus £1.6m but no guarantee of payment in future years
- Council Tax increase limit for Borough Councils of £5 band D or up to 1.99%, whichever is the higher
- no limit on council tax increases for town and parish councils
- Surrey County Council council tax increase limit up to 3% (including the 1% for adult social care costs).
- One-off service grant of £138k to pay for a range of ongoing costs including the new National Insurance levy (annual cost to Waverley of £182k)

9. General Fund Budget 2022/23

9.1 A summary of the draft budget for 2022/23 is set out in **Annexe 2** and the changes from the 2021/22 base budget are summarised in the MTFP in **Annexe 1** with further detail of variations for certain key items presented in **Annexe 3** including unavoidable budget adjustments. One unavoidable cost increase is due to the introduction of the National Insurance NHS/Social care levy. Initially, Government said that they would compensate public sector bodies for this additional cost which is £182k p.a. to Waverley, falling £146k to General Fund and £36k to HRA. While we have no indication when this levy may be reversed - if at all -, the government has given a one-off grant of £138k in 2022/23 alone that is intended to “include” funding for the levy as well as other pressures.

9.2 The budget has been prepared on an “as-is” basis from the known 2021/22 baseline, then adjusted for known variations and measures including inflation and the estimated Covid-19 impact on the council’s core income and expenditure. The estimated direct Covid-19 impact on the budget in 2022/23 is still £1.7million in total compared with the pre-Covid baseline 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 continue to have on Waverley’s income and expenditure budgets in the future, it is proposed to continue with the agreed approach of including a £1m provision across the period 2022-25 but with an aspiration to review and release this, however gradually and only if it prudent to do so over the MTFP period.

9.3 The General Fund Budget Summary at **Annexe 2** shows a balanced budget in 2022/23. There are no proposed cuts to services or reductions in overall funding for community organisations included in the draft 2022/23 General Fund budget. This budget is balanced after allowing for the maximum allowable council tax increase of £5 at Band D (or 2.6% or 9.6 pence per week) and the estimated

savings measures that will be delivered from the property, business transformation and the commercial programmes.

9.4 In 2020/21 and for the first quarter of 2021/22 the Government provided funding towards the impact of Covid on Waverley's general finances including loss of income and leisure. This significantly fell short of full compensation and the MTFP has had to, and continues to, make allowance to address the shortfall through savings measures and use of reserves. It is not expected that any further funding will be available in 2022/23 or future years, despite the ongoing impact.

9.5 The budget strategy outlined in paragraph 6.1 identifies a series of other measures being taken to address the financial challenges and help protect funding for front line services. The estimated savings proposals are included in **Annexe 1** and **Notes D-H** thereto and include:

- Extended business transformation and efficiency projects beyond the current programme
- Collaboration with Guildford Borough Council and other councils, including shared service opportunities
- Review of property investment in the light of new Public Working Loans Board (PWLB) rules
- Ongoing cost control and close monitoring of expenditure
- Further opportunities for commercial thinking and income generation, as far as the law and Government policy allow.

9.6 In recent years the government have been pairing back on the calculation for New Homes Bonus, including the reduction of years for legacy payments. The MTFP agreed in February 2021, included a further reduction following an announcement by government that it would review its formula again. The finance settlement received in December 2021 confirmed that the government has delayed its review of the New Homes Bonus again by another year. Whilst this temporary reprieve in funding reduction is welcome, and has enable the inclusion in the 2022/23 draft budget of a range of one-off additional high priority items, we are forecasting to suffer a significant reduction in 2023/24 and subsequent years.

9.7 There are a number of growth proposals, some one-year only, and others recurring, all as set out in **Annexe 1** and **Note C**, of which the most notable:

- Thriving communities fund (one off additional support – to be reviewed)
- Council tax Hardship (initial contribution, to be reviewed) – see para 13.1 below
- Information manager (recurring)
- Funds bid officer (recurring but self-financing after year one)
- Economic Development additional resource (recurring)
- GDPR Data Audit (one-off)

More details about these growth proposals are included in **Annexe 1, Note C.**

9.8 In terms of Waverley's car park budgets, pre-pandemic income from car parks was budgeted at £5.1m. The impact of Covid-19 had a sudden and significant impact

on the pre-pandemic income level, as explained elsewhere in this report. Waverley's income fell short of this budget by almost £2m in 2020/21 and is budgeted to still be £1.6m lower in 2021/22. As set out in Note A to Annexe 1 it is estimated it will take a further three years before we can return to a base income similar to that of pre-pandemic level. In 2021, the Council approved a new car park strategy that was based on the individual characteristics of, and demands on, Waverley's car parks which allows specific site rates to be increased or decreased to respond to the market as appropriate. As car park usage rebounded and in light of the sustained financial pressures generally, the council approved revised car park tariffs, which took effect from 1 November 2021. Over time this will help restore income to the council. It was also identified in the strategy that Waverley needs to invest to catch-up in maintenance improvement in a number of its car parks, and the draft budget includes an additional contribution towards maintenance improvement of £250,000 per annum from 2022/23. This is over and above specific capital bids for particular major schemes that will continue to be presented in the capital programme and funded from capital resources.

- 9.9 In July 2021, Waverley Borough Council and Guildford Borough Council agreed to a long-term collaboration and approved the first stages of appointing a joint Chief Executive and a joint senior management team. Further collaboration opportunities will be identified once this platform is in place. In total, the collaboration report from July 2021 identified a potential opportunity for each council to save in the region of £700,000 from the collaboration over and above what would be achievable individually. These savings have been reflected in the MTFP at Annexe 1 and will be monitored through the normal quarterly reports to Overview and Scrutiny and Executive over the coming years. As expected, in order to set up the collaboration, some one-off upfront costs are necessary. These include costs of preparing the Inter-Authority Agreement, undertaking the necessary HR work to deliver the senior management team, initial IT adaptation and additional resource required to support the ongoing governance process. Some of these costs will fall in Quarter 4 of 2021/22, and these will be met from existing Business Transformation budgets. One-off costs that can be identified with certainty at this stage that fall in 2022/23, have been included in the growth proposals in Note C to Annexe 1. There are likely to be further one-off costs, that could include redundancy costs, and these would be subject to a separate approval process, supported by a business case.

10. General Fund Reserves within the scope of the MTFP

- 10.1 A summary of the relevant General Fund reserves is included in **Annexe 6**. This table builds on the latest monitoring position and takes account of the Council approvals in the 2021/22 budget. Whilst there is still uncertainty predicted in future years, the finances are stabilising and the agreed budget strategy set out in paragraph 6.1 continues to be effective. It is proposed that in May 2022 when the 2021/22 outturn is known, a review of reserves will be undertaken. Insurance reserves will be included in this review in the light of the recent change of insurer.
- 10.2 In February 2021 the Council agreed to create a Covid-19 budget risk contingency reserve of £2m to 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 is subject to the approval of the Management Board in consultation with the Finance Portfolio Holder. The 2021/22 budget included 50% (£1m) of

that, with a further £670k in 2022/23 and £330k in 2023/24 identified in the MTFP. To date, the budget estimates are holding up well and it is partly as result of the one-off, but still welcome, respite of NHB that we can currently forecast that there will not be a need to draw down from the £1m in 2021/22. However, the actual position will not be known until the outturn for the year is finalised and significant risks and economic uncertainties remain. When a year-end position is known, reserves will be reinstated in line with the original Council approval. Looking forward inflation and other economic threats as suggested by the OBR, from Covid-19 and beyond, are of immense concern and keeping the £1m in reserves for 2023/24 and 2024/25 remains prudent.

10.3 The business rate equalisation reserve was established by the Council a number of years ago when the Government changed the overall 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 including:

- the risks of Government cutting the retained business rate funding to Waverley
- declining rateable values reducing retained funding
- significant appeals reducing retained funding

10.4 The Council has agreed that £1.8m of the reserve be included in the MTFP as a draw down against the projected reduction in business rate retained income following the forthcoming Government financial 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 2023/24. 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.

10.5 The Asset Investment Void provision is an important revenue mitigation supporting the Asset 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 or where a rent-free period is now expected even when the property is let. In the light of recent investment decisions and the tightening of rules around new investment property acquisitions, a review of this provision has been undertaken. Our recent annual contributions to this provision have tracked at £400k, but the balance currently held, plus a now reduced annual contribution to £200k are considered to be sufficient mitigation for the foreseeable future. However in the light of the demands on the capital programme and following a review of landlord maintenance obligations on Waverley’s larger property estate, both commercial and operational, it is proposed that the remaining £200k is transferred each year into a property maintenance sinking fund. This will enable essential repairs and health and safety works to be agreed quickly and efficiently during the year and relieve pressure on the capital programme to enable more value-enhancing projects. Officers will agree a governance process to facilitate this.

10.6 The future financial resilience of the Council is dependent upon the availability of reserves to manage financial shocks such as we have seen with the pandemic. Ideally, the use of reserves should be limited as far as possible to mitigating the

temporary impact of these shocks, 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.

11. Key Assumptions

- 11.1 The detail of the estimated extended impact of the pandemic is included on **Annexe 1** and **Note A** which builds on the assumptions made in the 2021/22 budget. The underlying assumption is that the income streams will fully recover within the time period of the MTFP.
- 11.2 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.
- 11.3 The core funding for the General Fund Capital Programme is from Revenue Contributions from the revenue budget. Prior to Covid, this tracked at over £1m annually but was reduced temporarily to £0.58million in the 2020/21 revised and £0.88m in the 2021/22 base budgets. This reduction followed a corporate projects review under the Contingency Budget. Acknowledging that continuing at this reduced level may not only impact investment in existing and new facilities, assets and climate change initiatives but also lead to health and safety issues, it is proposed to resume funding in 2022/23 to its pre-Covid baseline. More detail on the 2022/23 draft capital programme is included later in this report.
- 11.4 Inflation including pay and contractual increases assumes that rates will continue at the current high levels and will not return to the 2% Bank of England target until much later in the MTFP period. Current Office of Budget Responsibility inflation forecasts look to be high compared to the 2% Government inflation target for the period of the MTFP. The inflation figure included in the MTFP at **Annexe 1** 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 pay award for 2022/23, which is also applied to Councillors' allowances, the Joint Negotiating Committee (JNC) has not yet agreed the pay claim submitted by the Union in December. An indicative amount for pay inflation, as well as other inflation commitments, are incorporated within the draft balanced budget. If the matter is resolved before the Executive meeting in February, the budget will be revised and, in recommending the draft Budget to Council, the Executive would be approving the pay award (Constitution Part 3: 3(o)).
- 11.5 Waverley's MTFP forecasts significant reductions in Government funding over the next four years based on previous announcements and guidance from the Government itself pending the so-called "Fair Funding Review". This Review has already been delayed for several years and it was 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 2022/23. 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. It is hard to overstate how the uncertainty these delays impact on our ability to properly plan ahead.

12. **Risk**

12.1 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
- investment in commercial property needed, with new borrowing restrictions in place. Government policy change has affected the Council's ability to undertake prudent 'yield' investments
- Major change programmes underway including transformation of customer services across the council and the collaboration with Guildford Borough Council.

We do not 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, including backdated refunds, plus reducing total rateable value in the Borough, for example the impact of permitted development on commercial premises
- 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 Fair Funding Review

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 on inflation and interest rates

13. Fees and Charges

- 13.1 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 a general freeze has been proposed but with some exceptions and some inflationary increases which are proposed for 2022/23 where appropriate. While in prior years charges have generally been increased in line with estimated CPI inflation at this stage, for 2022/23 exceptions are considered appropriate for the most vulnerable of our residents who are already under immense financial, and non-financial, stress. Details of the proposed fees and charges from 1 April 2022 are included at **Annexe 4**. Reviews of fees and charges will continue during in 2022 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.
- 13.2 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.
- 13.3 The commercial strategy highlights the need to review existing income sources to generate additional revenue. One area that has been considered is planning pre-application income. As per the Planning Improvement Plan, the Head of Planning and Head of Commercial Services have jointly developed a revised approach with the objectives being:
- Greater customer choice and differential pricing option
 - Better service and value for money for customers
 - More commercial approach with cost recovery
 - Increased take up and income

The draft budget includes an additional income target for pre-application fees of £40,000 achieved over two years to reflect a proposed revision to the charging structure and approach that will be implemented early in the 2022/23 financial year. The additional income arises mainly from projected increased take-up of the new service. The proposed scheme is very similar to the one in place in Guildford Borough Council.

14. Council Tax Support Scheme

- 14.1 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. 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. It is, therefore, recommended that the current scheme remains unchanged for 2022/23.

However, in the light of the additional strain based on council tax payers due to the pandemic and in light of rising household bills, it is considered necessary to make an addition contribution to a Council Tax Hardship fund of £50,000.

15. General Fund Capital

- 15.1 Each year, the Council reviews its 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. As the external funding landscape becomes both increasingly important and yet more fragmented and competitive, it is proposed to appoint a dedicated officer to support bids. One criterion for this role is that it should become self-financing after its first year.
- 15.2 The draft 2022/23 Capital Programme bids amount to £3.4 million as shown at **Annexe 5** to this report of which £0.9m is funded from the General Fund revenue contribution referred to earlier. There is a range of projects that are being funded from external sources, including from SCC's Empty homes funding, that are not included on this schedule as they already have approved funding.
- 15.3 Since 2020/21 the baseline "as-is" budget has included £100k annually to support the delivery of the Climate Change action plan. In 2020/21 an amount of £200k was also approved as a one-off "pump prime" fund, to support the delivery of expected climate change action plan projects. Any project and initiative costs beyond the identified funds will be requested individually and CIL and external funding will be secured wherever possible. This draft budget includes a proposal to top up the pump prime funding by a further £100k to support delivery of the Climate Change action plan along with external funding that the Council continues to be successful in securing.

16. Local Government Act 2003 – Financial

- 16.1 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.

17 The Robustness of the Estimates

17.1 The 2022/23 budget has been prepared following a period of unprecedented uncertainty and risk due to the impact of the pandemic on the council and its finances. Whilst these conditions continue, it is becoming possible to budget with more certainty in some key areas as recovery develops. A prudent assessment of income has been undertaken and 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.

17.2 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 Fair Funding review due in 2022 – 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 2022/23. Further adjustments may be possible in future years but the outcome of the Government's Fair Funding 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

17.3 In view of the level of awareness amongst Members and the action taken to produce Waverley's draft Budget for 2022/23, 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.

18. Adequacy of Reserves

18.1 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 and the 2021/22 approved budget 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. The position

will be reviewed in April/May when the outturn is known but current forecasts indicate that the reserves are holding up well against plan.

- 18.2 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.
- 18.3 The main risks to reserves in 2022/23 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.
- 18.4 In the light of the identified future significant pressures, the levels of combined balances as detailed in this report are considered adequate.

19. Budget monitoring

- 19.1 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 budget in 2021/22 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 Overview and Scrutiny 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 2022/23 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 2022/23 are sound measures to address the current high level of uncertainty.

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

- 20.1 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.

21. Implications of decision(s)

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

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

- 21.2 Risk management

Detailed in Section 11 above.

22. Legal

- 21.1 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)

23. Equality, diversity and inclusion

- 23.1 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.

24. Climate emergency declaration

- 24.1 There are no direct implications arising from this report. The budget includes £100k recurring budget for ongoing staffing costs and other resources and projects to support the climate change action plan delivery plus a one-off £100k contribution to the Climate Change fund to support further pump priming of Climate Change projects.

25. Consultation and engagement

- 25.1 The Policy Overview and Scrutiny Committee will scrutinise the General Fund budget proposals at its meeting on 25 January, following an informal briefing on the detailed budget proposals.

26. Other options considered

- 26.1 Set out within the papers.

27. Governance journey

- 27.1 Executive 8 February 2022
Council 22 February 2022

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:

Strategic Director:

Portfolio Holder:

GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2022/23 - 2025/26

	Ref.	2022/2023	2023/2024	2024/2025	2025/2026	Total
		Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Change from 2024/2025 Base	
		£000	£000	£000	£000	£000
Anticipated Budget Variations						
Ongoing Covid19 impact - costs (scaled back from £126k in 2021/22)	Note A	0	-20	-106		-126
Ongoing Covid19 impact - income (scaled back from £2,651k in 2021/22)	Note A	-998	-966	-648		-2,612
Covid-19 Income Claim (none expected from 2022/23 onwards)		460				460
Covid-19 LA grant (none expected from 2022/23 onwards)		457				457
Inflation and contractual increases		959	862	752	639	3,212
NI impact - new social care levy		146				146
Services Grant - one-off		-138	138			0
Fair Funding Review - forecast impact on Waverley's retained business rates			700	700	400	1,800
One off capital receipts funding for Business Transformation team		220				220
Borough Elections Reserve 2020/21 deferred contribution			30	-30		0
Contingency for target achievement - removed in 2022/23		-111				-111
Unavoidable Budget Adjustments	Note B	511	0	0	0	511
Budget Growth Requests	Note C	883	-429	0	-40	414
March 2020 Budget challenge (£194k target in 2021/22, of which £120k was one-year only)	Note D	121				121
Lower Tier Service Grant from government		42	89			131
New Homes Bonus from government		-636	1,613			977
Covid-19 impact provision - contingency removed from base budget in 2022/23		-1,000				-1,000
Use of reserves for covid-19 impact provision - contingency removed from base budget in 2022/23		1,000				1,000
Council tax collection fund adjustments including tax base changes, surplus/deficits etc.		-227	-50	-50	-50	-377
Budget Shortfall		1,689	1,967	618	949	5,223
		From 2021/22 Base	1,689	3,656	4,274	5,223
		Total over MTFP period	1,689	5,345	9,619	14,842

Measures						
Council tax increase - £5 at band D in 2022/23, 1.99% in future years		-282	-220	-220	-225	-947
Treasury management interest, arising from revised capital strategy		-115				-115
Car Parking Fees & Charges review - approved by Council in September 2021		-730	-220	-220		-1,170
Head of Service Cost Review recurring savings identified	Note E	-23	-12			-35
Commercial Strategy Savings	Note F	-128	-105	-71		-304
Business Transformation Savings	Note G	-252	-122	-134		-508
Asset Management Income	Note H	-10	-295	-155	-100	-560
Collaboration Project Savings		-150	-200	-200	-150	-700
Ongoing base budget reductions		-1,690	-1,174	-1,000	-475	-4,339
		From 2021/22 Base	-1,690	-2,864	-3,864	-4,339
		Total over MTFP period	-1,690	-4,554	-8,418	-12,757

Budget Shortfall: recurrent deficit		-1	793	-382	474	
		Total over MTFP period	-1	791	1,201	2,085

Note - figures showing a minus sign indicate a favourable change from previous years budget

Estimated ongoing Covid-19 impact on pre-pandemic income and cost budgets

	2022/2023	2023/2024	2024/2025	
	Change from 2021/2022 Base	Change from 2022/2023 Base	Change from 2023/2024 Base	Total
	£000	£000	£000	£000
Income				
Planning Income Pressure	-250			-250
Leisure Centres	-395	-50	-78	-523
Car Parks General	-265	-820	-505	-1,590
Borough Hall	-25			-25
Building Control		-46		-46
Memorial Hall	-38			-38
Careline		-25		-25
Council Tax and Business Rates debt summons charges	-25	-25	-65	-115
Green Waste Recycling				0
Total Income Impact	-998	-966	-648	-2,612
Costs				
COVID-19 - PPE		-20		-20
COVID-19 - Additional Staffing Revenues and Housing			-106	-106
Total Cost Impact	0	-20	-106	-126
Current Budget Shortfall	-998	-986	-754	-2,738

Note - figures showing a minus sign indicate a favourable change from previous years budget

Unavoidable Budget Adjustments

2022/2023

Change from
2021/2022 Base Notes

£'000

Triennial Pension Review	46	Impact of Surrey Pension Funds review of assumptions
External Audit	15	Increased costs from national widening of audit scope, increased work requirements
Montrose House - income realignment	18	Site is not fully DDA compliant so unable to let part
HR Restructure costs	14	Increased support required through corporate projects and recruitment demand
Textile income - gate fees fallen	22	Material costs are not as high due to macro economic factors
Recycling credit - low gate fees	42	Material costs are not as high due to macro economic factors
Planning Income realignment	250	Unachievable planning income budget, current market demand is mainly through householder improvements, providing a high level of transactions but low value
Individual Electoral Registration grant	10	Removal of Government grant
Cleaning - Farnham Contract	26	Net loss of income from ending Farnham Town Council cleaning contract
Homelessness funding realignment	28	Adjustment to homelessness service cost to ensure grant is applied as per new requirements
Funding of project officer	67	Moving funding of project officer into mainstream revenue budget in line with funding requirements
SERVICE TOTAL		
	538	
Recharges update	-27	Internal staffing recharge update
TOTAL		
	511	

Note - figures showing a minus sign indicate a favourable change from previous years budget

Summary of Growth items

	2022/2023	2023/2024	2024/2025	2025/26	
	Change from	Change from	Change from	Change from	
	2021/2022 Base	2022/2023	2023/2024	2024/2025	Notes
	£'000	Base	Base	Base	
		£'000	£'000	£'000	
* GDPR project - data audit	50	-50			One year project to complete a check on the Councils data to ensure GDPR requirements are met
Waste officer - 2 year role to support zero waste strategy		40		-40	Temporary additional resource to ensure Zero Waste Strategy and National Review outcomes
ASB Officer - shared with HRA	20				To provide additional resource from increased need
Car Park annual maintenance	250				Increase in maintenance budget in line with identified need, funded from increase in fee income from car park review
Economic Development	30				Resource increase to support businesses and economic development activity following the pandemic
* Boundary Review - systems adjustments	20	-20			One year budget to enable systems updates following outcomes of Boundary Review
Information Manager	51				To have a greater strategic focus and robustness to our information asset and how we use and safeguard our information asset which would complement our current Data Protection focus. As we continue to explore new ways of working and deliver our “digital first” agenda, which will in turn help us deliver efficiencies, there is an increasing need to focus on ensuring there is effective ownership and information lifecycle management of the information held by the Council.
Cyber security network scanning tool	8				Annual cost of software tool to ensure cyber security is maintained
Business Support Resource	25				Additional support for Senior Management team and Executive
Monitoring Officer Support	30				Resource to support monitoring officer to meet legal requirements and increased complexity
Bid Funding Officer	50	-50			To provide resource to achieve additional external funding to support revenue and projects and initiatives on an invest to save basis. Further support to be reviewed when future years New Homes Bonus is known.
* Thriving Communities	49	-49			Fund for one off support to community organisations for projects
* Collaboration Costs	50	-50			HR and committee services resource during implementation phase
* Increased Revenue contribution to Capital	100	-100			To increase General Fund Capital Programme investment as set out in the report
* Climate Change reserve contribution	100	-100			Contribution to provide further pump-prime funding for projects
* Council Tax Hardship Fund	50	-50			To support residents impacted by welfare and economic position
TOTAL	883	-429	0	-40	

* assumed one-off item, subject to New Homes Bonus allocations

Note - figures showing a minus sign indicate a favourable change from previous years budget

Budget Challenge Savings 2022/23

£'000

Target saving from 2021/22		-194
Commercial	WTS saving - restructure/income	-10
Planning	CPD use apprentice levy	-1
Business Transformation	Zoom licenses - 75% GF proportion	4
Policy & Gov	Your Waverley	-21
Environment	increase in garden waste subscribers	-30
	bottomline - DD system for green waste	8
GF Housing	Changes to community safety staff resource	-18
	Community Development budget	-5
Total Identified Ongoing Saving		-73
Difference		121

An additional savings target of £194,200 was set in the 2020/21 base budget which was achieved through a Head of Service budget challenge in this financial year. A number of these savings were only achievable for a single year, however the items detailed above are permanent changes made to the General Fund Revenue budget.

Note - figures showing a minus sign indicate a favourable change from previous years budget

Head of Service cost review

	2022/2023 Change from 2021/2022 Base £'000	2023/2024 Change from 2022/2023 Base £'000
Finance		
* Compensatory Grants - reduction	-14	-7
* Council Tax Support Grant - reduction	-9	-5
Total anticipated	-23	-12

* Continuation of previously Council approved tapering down of allocations

Note - figures showing a minus sign indicate a favourable change from previous years budget

Commercial Strategy Savings

	2022/2023	2023/2024	2024/2025	2025/26
	Change from 2021/2022 Base £'000	Change from 2022/2023 Base £'000	Change from 2023/2024 Base £'000	Change from 2024/2025 Base £'000
Fees & Charges - proposed increases as per Annexe 4	-72			
Farnham Park Car Park Charges		-10		
Memorial Car Park Charges	-10			
SCC verges removal from grounds maintenance contract	-26			
Net Planning Income increase- review of non-statutory Fees conditional on review & economic position	-20	-20		
Careline - new service and equipment offerings		-20		
Leisure Centres:				
The Edge - review operating model		-45	-51	
Waverley Training Services additional income		-10	-20	
Total anticipated	-128	-105	-71	0

Business Transformation Savings

	2022/2023	2023/2024	2024/2025	2025/26
	Change from	Change from	Change	Change
	2021/2022	2022/2023	from	from
	Base	Base	Base	Base
	£	£	£	£
Customer Services Review	-19	-22	-50	
Staff Travel Review	-104		-44	
Scanning, Printing & Photocopying	-31			
Planning Review - efficiency savings	-50			
Building Control Review - income and efficiency savings	-18			
Office Review - saving in running costs	-30	-30		
Enforcement Structure Review		-40	-40	
Digital Transformation		-30		
Total anticipated	-252	-122	-134	0

Asset Management Additional Income

	2022/2023	2023/2024	2024/2025	2025/26
	Change	Change	Change	Change
	from	from	from	from
	2021/2022	2022/2023	2023/2024	2024/2025
	Base	Base	Base	Base
	£'000	£'000	£'000	£'000
Brightwells income		-100		
Red Cross building	-10			
Pumphouse		-45		
Wey Court East- from July 2023		-150	-55	
Asset Management Income target			-100	-100
Total anticipated	-10	-295	-155	-100

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General Fund Revenue Budget

	2021/22 Opening Budget	2022/23 Draft Budget	Change from 2021/22 to 2022/23
Draft Budget Summary 2022/2023			
	£	£	£
Baseline Net Service Cost	13,382,949	13,660,324	277,375
Covid-19 impact provision - cost and income variation	1,000,000	0	-1,000,000
Covid-19 government grant towards costs	-457,000	0	457,000
Covid-19 government grant towards income	-460,000	0	460,000
Total Service Cost	13,465,949	13,660,324	194,375
Contributions to Reserves			
Revenue Contribution to Capital Programme	880,000	980,000	100,000
New Homes Bonus to Climate Change Project Reserve	0	100,000	100,000
Borough Election reserve	30,000	30,000	0
Contingency for target achievement	111,000	0	-111,000
Use of Reserves	-1,000,000	0	1,000,000
Total Budget before Financing	13,486,949	14,770,324	1,283,375
Financed by :-			
Council Tax	10,613,260	10,777,210	-163,950
Council tax adjustments including surplus/deficits etc.	46,000	109,230	-63,230
Council Tax - £5 per band D		282,430	-282,430
Retained Business Rates	1,850,000	1,850,000	0
Services grant		138,057	-138,057
New Homes Bonus	977,689	1,613,397	-635,708
Total	13,486,949	14,770,324	-1,283,375

Note - figures showing a minus sign indicate a favourable change from previous years budget

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Statement of Key Variations from the Baseline 2021/22 Budget

Service	2021/22 Budget £	2022/23 Budget £	Variance £	Inflation, Movements, Budget challenge, HoS cost review, Business Transformation, Commercial Strategy, Asset Management Income, Covid-19 recovery, Unavoidable Budget Adjustments, Growth, Other MTFP											
				Movements between services £	Increments & NI impact £	Budget challenge items £	HoS cost review £	Business Transformation £	Commercial Strategy £	Asset Management Income £	Covid-19 recovery £	Unavoidable Budget Adjustments £	Growth £	Other MTFP £	
Business Transformation	-175,865	-65,903	109,962	-7,762	34,847	11,000		-80,511					-126,210	58,598	220,000
Commercial Services	2,050,387	1,592,036	-458,351	110,227	16,044	-10,000		-43,962	-68,760			-457,770	-54,130	50,000	
Environment	3,859,753	3,133,264	-726,489	0	7,335	-30,000		-22,769	-38,425			-265,000	102,370	250,000	-730,000
Finance & Property	1,035,239	1,052,274	17,035	4,405	34,241		-22,880	-1,662	-390	-10,000		-25,000	60,554	50,000	-72,234
Housing Delivery & Communities	1,740,767	1,839,806	99,039	59,635	15,742	-23,273		-11,847	0				-10,218	69,000	
Planning & Economic Development	2,487,237	2,545,634	58,397	-165,958	61,986	-591		-84,957	-20,000			-250,000	487,917	30,000	
Policy & Governance	2,828,868	3,064,707	235,839	6,573	29,497	-21,000		-5,686					51,455	175,000	
Inflation		898,507	898,507	-7,120	905,627										
Vacancy target	-250,000	-250,000	0												
Savings Target	-193,437		193,437			193,437									
Collaboration savings		-150,000	-150,000												-150,000
Total	13,382,949	13,660,324	277,376	0	1,105,319	119,573	-22,880	-251,394	-127,575	-10,000	-997,770	511,738	682,598	-732,234	

This Statement shows the breakdown of numbers included in Annexe 1. Detailed tables of the movements follow this summary.

Note - figures showing a minus sign indicate a favourable change from previous years budget

<u>Business Transformation</u>	£
Total movement 2021/22 to 2022/23	109,962
<u>Movements between services</u>	<u>-7,762</u>
Budget additional finance software	7,000
Budget additional Adobe license from Policy & Governance	155
Gazetteer post moved to Building Control	-37,388
Budget for additional Business Transformation post from Planning	17,105
Saving on evening reception post moved to customer services from Policy & Governance	5,366
<u>Non controllable</u>	<u>34,847</u>
Staff increments and additional NI costs	34,847
<u>Budget challenge items</u>	<u>11,000</u>
Zoom licenses	3,500
Bottomline - Direct Debit system for green waste service	7,500
<u>Business Transformation</u>	<u>-80,511</u>
Office Review - saving in running costs	-30,000
Travel project savings	-4,030
Customer Services Review - IT savings	-15,330
Saving on deletion of scanning post	-31,150
<u>Unavoidable budget adjustments</u>	<u>-126,210</u>
Net impact of loss of Farnham Cleaning contract	26,627
Movement in recharges	-152,837
<u>Growth</u>	<u>58,598</u>
Growth bid for Information Manager post	51,000
Cyber security network scanning tool	7,598
<u>Other MTFP Items</u>	<u>220,000</u>
One off capital receipts funding for Business Transformation team - reversed	220,000

<u>Commercial Services</u>	£
Total movement 2021/22 to 2022/23	-458,351
<u>Movements between services</u>	110,227
SLA budget for Cranleigh Arts and Farnham Maltings moved to central budget	-52,515
Gazetteer post moved from IT	37,388
Tree officer posts moved from planning policy	115,760
Increased WTS apprentice salary moved from Policy & Governance	9,594
<u>Non controllable</u>	16,044
Staff increments and additional NI costs	16,044
<u>Budget challenge items</u>	-10,000
WTS saving - restructure/income	-10,000
<u>Business Transformation</u>	-43,962
Travel project savings	-26,262
Building Control Review - savings on Gazetteer post	-17,700
<u>Commercial</u>	-68,760
Memorial Hall Car Park Charges	-10,000
SCC verges removal from grounds maintenance contract	-26,000
Fees & Charges - proposed increases	-32,760
<u>Unavoidable budget adjustments</u>	-54,130
Movement in recharges	-54,130
<u>Growth</u>	50,000
Bid Funding Officer	50,000
<u>Covid Income recovery</u>	-457,770
Leisure Centres	-394,770
Borough Hall	-25,000
Memorial Hall	-38,000

<u>Environment</u>	£
Total movement 2021/22 to 2022/23	-726,489
<u>Non controllable</u>	7,335
Staff increments and additional NI costs	7,335
<u>Budget challenge items</u>	-30,000
increase in garden waste subscribers	-30,000
<u>Business Transformation</u>	-22,769
Travel project savings	-22,769
<u>Commercial</u>	-38,425
Fees & Charges - proposed increases	-38,425
<u>Unavoidable budget adjustments</u>	102,370
Textile income - demand has dramatically fallen	22,000
Recycling credit - gate fees fallen	42,000
Movement in recharges	38,370
<u>Growth</u>	250,000
Car Park increased maintenance	250,000
<u>Covid Income recovery</u>	-265,000
Car Parks	-265,000
<u>Other MTFP Items</u>	-730,000
Increased car park income as a result of fees review	-730,000

<u>Finance and Property</u>	£
Total movement 2021/22 to 2022/23	17,034
<u>Movements between services</u>	4,405
Income for advertising on Council Tax leaflet moved from Policy & Governance	-3,595
Budget moved to IT for additional finance software costs	-7,000
2021/22 movement of budget from internal audit to external reversed	15,000
<u>Non controllable</u>	34,241
Staff increments and additional NI costs	34,241
<u>Head of Service cost review</u>	-22,880
Compensatory Grants - reduction	-14,080
Council Tax Support Grant - reduction	-8,800
<u>Business Transformation</u>	-1,662
Travel project savings	-1,662
<u>Investment Property</u>	-10,000
Red Cross building	-10,000
<u>Commercial</u>	-390
Fees & Charges - proposed increases	-390
<u>Unavoidable budget adjustments</u>	60,554
Triennial Pension Review	46,067
Montrose House - only part of building lettable. Reduced income to reflect	17,830
Movement in recharges	-3,343
<u>Covid Income recovery</u>	-25,000
Council Tax and Business Rates debt summons charges	-25,000
<u>Other MTFP Items</u>	-72,234
Addition TM interest	-115,000
Lower Tier Service Grant	42,766
<u>Growth</u>	50,000
Council Tax Hardship Fund	50,000

<u>Housing Delivery & Communities</u>	£
Total movement 2021/22 to 2022/23	99,039
<u>Movements between services</u>	59,635
Budget for SLA's moved to central Thriving Communities pot	59,635
<u>Non controllable</u>	15,742
Staff increments and additional NI costs	15,742
<u>Budget challenge items</u>	-23,273
Changes to community safety staff resource	-18,273
Community Development budget	-5,000
<u>Business Transformation</u>	-11,847
Travel project savings	-11,847
<u>Unavoidable budget adjustments</u>	-10,218
Homelessness funding realignment	28,101
Movement in recharges	-38,319
<u>Growth</u>	69,000
ASB Officer	20,000
Thriving Communities Fund	49,000

<u>Planning & Economic Development</u>	£
Total movement 2021/22 to 2022/23	58,397
<u>Movements between services</u>	-165,958
Tree officer posts moved from planning policy	-115,760
Budget for additional BT post from Planning	-17,105
Budget for PA post moved to Policy & Governance	-33,093
<u>Non controllable</u>	61,986
Staff increments and additional NI costs	61,986
<u>Budget challenge items</u>	-591
Savings on training budget - use apprentice levy	-591
<u>Business Transformation</u>	-84,957
Travel project savings	-34,957
Planning Review - efficiency savings	-50,000
<u>Commercial</u>	-20,000
Net Planning Income increase- review of non-statutory Fees	-20,000
<u>Unavoidable budget adjustments</u>	487,917
Planning Income realignment	250,000
Funding of project officer	66,507
Movement in recharges	171,410
<u>Covid Income recovery</u>	-250,000
Planning Income Pressure	-250,000
<u>Growth</u>	30,000
Economic Development	30,000

<u>Policy & Governance</u>	£
Total movement 2021/22 to 2022/23	235,839
<u>Movements between services</u>	6,573
Budget additional Adobe license from Policy & Governance	-155
Income for advertising on CTAX leaflet moved from Policy & Governance	3,595
2021/22 movement of budget from internal audit to external reversed	-15,000
Budget for PA post moved to Policy & Governance	33,093
Increased WTS apprentice salary moved to Commercial	-9,594
Saving on evening reception post moved to customer services	-5,366
<u>Non controllable</u>	29,497
Staff increments and additional NI costs	29,497
<u>Budget challenge items</u>	-21,000
Removal of magazine budgets	-21,000
<u>Business Transformation</u>	-5,686
Travel project savings	-2,468
Customer Services Review	-3,218
<u>Unavoidable budget adjustments</u>	51,455
No longer receiving Individual Electoral Registration grant	10,000
HR Restructure costs	14,882
External Audit	15,000
Movement in recharges	11,573
<u>Growth</u>	175,000
GDPR project - data audit	50,000
Boundary Review	20,000
Business Support Officer	25,000
Monitoring Officer Support	30,000
Collaboration Costs	50,000
<u>Other</u>	£
Total movement 2021/22 to 2022/23	941,944
Inflation provision change	898,507
Remove savings target	193,437
Collaboration savings	-150,000

Fees and Charges
2022/2023

Policy & Governance
Schedule of Fees and Charges for 2022/2023

		VAT	Existing	Proposed	%	2021/22	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% (A flat rate fee is charged plus a charge per 1,000 names on each register.)			
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%			
Vat Indicator: OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope									

Policy & Governance
Schedule of Fees and Charges for 2022/23

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 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	46.40	46.40	0.0%	}	0
Area Planning Committees (All)	Waverley Set charge	Per Annum	OZ	72.00	72.00	0.0%		
Individual Area Planning Committee	Waverley Set charge	Per Annum	OZ	36.10	36.10	0.0%		
Executive	Waverley Set charge	Per Annum	OZ	72.20	72.20	0.0%		
Others	Waverley Set charge	Per Annum	OZ	36.10	36.10	0.0%		
<u>Other Charges</u>								
Copies of Committee Documents	Waverley Set charge	Per Copy	OS	10.40	10.40	0.0%	}	0
Land Charges								
LLC1 Official Search	Break even service	Per Search	OO	43.00	43.00	0.0%	}	404,650
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 Con29O 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	16.00	16.00	0.0%		
Search and Photocopying A1 Plans/ Dyeline Copies	Break even service	Per Copy	OS	16.00	16.00	0.0%		
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 Arrangemen	By Arrangement	}	0
Proof of Life Certificates	Waverley Set charge		OO	39.20	39.20	0.0%		
Vat Indicator:	OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope							

Policy and Governance
Schedule of Fees and Charges for 2022/2023

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Corporate Management								
Sale of Annual Financial Report	Waverley Set Charge	Per Copy	OZ	11.50	11.80	2.6%	0	0
Sale of Annual Budget	Waverley Set Charge	Per Copy	OZ	11.50	11.80	2.6%		

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

Planning Service
Schedule of Fees and Charges for 2022/2023

		Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Development Control								
Planning Application Fees	Statutory	Various	OO	Various	Various	0.0%		
Supply of Weekly Lists of Planning Applications	Waverley Set	Per Annum	OZ	226.70	234.00	3.2%		
<u>Search and Photocopying</u>								
Copies of documents (general)	Waverley Set	First page £1.00	OS	1.20	1.25	4.2% } 45p/sheet thereafter } }		
Decision notices and other standard documents	Waverley Set		OO	20.70	21.50	3.9% }		
A0	Waverley Set			26.90	28.00	4.1% }		
A1 Plans / Dyeline Copies	Waverley Set	Per Copy	OS	22.80	23.50	3.1% }		
A2	Waverley Set			15.50	16.00	3.2% }		
A3	Waverley Set			11.50	12.00	4.3% }		
A4	Waverley Set			8.30	8.50	2.4% }		
High Hedges	Waverley Set	Per Property (Minimum Charge)	OO	515.10	531.00	3.1%		
Pre-Application Charges <i>(charges shown inclusive of VAT)</i>								
Planning Surgeries -Householder	Waverley Set		OS	64.00				
-Householder	Waverley Set		OS	101.00				
-One dwelling & other development	Waverley Set		OS	211.20				
-2-5 dwellings	Waverley Set		OS	527.60				
-6-10 dwellings	Waverley Set		OS	950.00				
-10-25 dwellings	Waverley Set		OS	2,637.40				
-26+ dwellings	Waverley Set		OS	5,274.70				
100-500 dwellings	Waverley Set		OS	7,912.00			1,259,010	20,000
500+ dwellings	Waverley Set		OS	10,549.30				
Commercial Floor space ≤150m2	Waverley Set		OS	211.20				
- 150m2 - 500m2	Waverley Set		OS	527.60				
- 501m2 - 1,000m2	Waverley Set		OS	2,637.40				
- 1,000+ m2	Waverley Set		OS	3,692.30				
Other development: non-commercial, equine, commercial	Waverley Set	Change of Use	OS	211.20				
Amended pre-application	Waverley Set			50% original charge				
Development Control Consultative Forum	Waverley Set		OS	5,151.00				
Research Fee	Waverley Set		OS	113.40				
Validation Checks	Waverley Set		OS	56.70				
Listed Building & Conservation Area Advice								
- Up to 30 min site visit and short note or written advice	Waverley Set		OS	50.50				
- Up to 45 min site visit and short note or written advice	Waverley Set		OS	101.00				
- Up to an hour site visit and formal written advice	Waverley Set		OS	252.50				
- Up to 1hr30 mins site visit and formal written advice	Waverley Set		OS	505.00				
Tree Advice	Waverley Set		OS	51.60				
Charging for meetings as part of application	Waverley Set		OS	103.10				

**Please see paragraph 13.3 of report
New Proposed Fee Structure is below**

Planning Service
Schedule of Fees and Charges for 2022/2023

Pre-Application Charges
(charges shown inclusive of VAT)

<u>Levels of service</u>	<u>Included</u>
Bronze	30 min "surgery" meeting with officer for a single application to receive a brief bullet pointed response within 48 hours*
Silver - post refusal	Silver would then be required if the appt/ surgery was booked post refusal with the same deliverables as stated in the Bronze package. However, with the additional time for the officer to familiarise themselves the with rejected application ahead of time. *
Silver	To review plans. Will include a site visit and a brief written response will be collated afterwards within an agreed time dependant on complexity. *
Gold	More time to discuss the application (to be agreed on initial review by the officer), site visit and full written response for larger applications within an agreed time dependant on complexity. . *
Platinum/ PPA	This service is for very large projects and the fee you'll pay depends on your individual case. You need to pay a £500 deposit, and then we'll arrange a meeting to discuss how much detail you need. We'll also decide if you need any consultations. We'll send a caseworker to visit the site and arrange a schedule of meetings with you. You'll also get written feedback. As part of this service, we'll consult with any officers who are needed. *

* Any additional deemed necessary by the allocated officer and agreed with applicant will be charged by the hour thereafter.

Residential Developments

<u>Service Level</u>	<u>Householder</u>	<u>One dwelling and other development</u>	<u>1-9 Dwellings</u>	<u>10-49 Dwellings</u>	<u>50+ Dwelling</u>
Bronze	110.00	n/a	810.00	n/a	n/a
Silver	247.00	230.00	1200.00	n/a	n/a
Gold	n/a	n/a	1500.00	Bespoke	Bespoke
PPA	n/a	n/a	n/a	Bespoke	Bespoke
Extras					
Additional plans	80.00	120.00	160.00	Bespoke	Bespoke
Additional meetings (based on 1/2 hour meeting)	50.00	100.00	300.00	Bespoke	Bespoke

n/a - this level of service is not applicable to this application type

Bespoke - price to assessed on application dependant on complexity of requirements

Commercial

<u>Service Level</u>	<u>Up to 250 sq metre</u>	<u>Over 250 sq metre</u>
Bronze	406.00	Bespoke
Silver	812.00	Bespoke
Gold	n/a	Bespoke
Platinum	n/a	Bespoke
Extras		
Additional plans	80.00	Bespoke
Additional meetings (based on 1/2 hour meeting)	50.00	Bespoke

n/a - this level of service is not applicable to this application type

Bespoke - price to assessed on application dependant on complexity of requirements

Other Charges

Charge

Non-commercial, equine, commercial	218.00
Research fee	price on application*
Validation	price on application*
Development Control Consultative Forum	Starting from £5,000.00*

* price to assessed on application dependant on complexity of requirements

Listed Building & Conservation Area Advice

Up to 30 min site visit and short note or written advice	52.00
Up to 45 min site visit and short note or written advice	104.00
Up to an hour site visit and formal written advice	260.00
Up to 1hr30 mins site visit and formal written advice	521.00
Tree Advice	53.00
Charging for meetings as part of application	106.00

Hourly Rates

Any requests that fall outside of the above fees will be subject to the below hourly rates

<u>Post</u>	<u>Hourly Rate</u>
Head of Service	79.00
Area Team Leader	55.00
Principal Planning Officer	51.00
Senior Planning Officer	44.00
Planning Officer	39.00
Planning Technician	30.00

Planning Service
Schedule of Fees and Charges for 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Other Planning Services							
2002 Local Plan document (no maps)	Waverley Set	OZ	20.70	21.50	3.9%	}	}
Local Plan Part 1 (February 2018) (including maps)	Waverley Set	OZ	51.60	53.00	2.7%		
(Maps only)	Waverley Set	OZ	28.90	30.00	3.8%		
Self Build and Custom Housebuilding Register							
- Entry to the Register	Waverley Set	OO	31.00	32.00	3.2%		
- Fee to remain on Register (applies from 31st October 2018)	Waverley Set	OO	15.50	16.00	3.2%	0	0

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

Commercial Services
Schedule of Fees and Charges for 2022/2023

							2021/22	Proposed
							Budget	Additional
							£	Yield
							196,343	£
							5,970	
Event and Filming 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								
Administration Fees								
Local Community / Charity /	Waverley set	Per Event	OS	55.00	56.70	3.1%		
Commercial Event / Filming Admin	Waverley set	Per Event	OS	150.00	154.50	3.0%		
Town & parish Council fee per annum for organising events on WBC land to cover admin required	Waverley set	Per Annum	OS	110.00	113.30	3.0%		
Events								
Fairs - Operational day	Waverley set	Day	OE	650.00	669.50	3.0%	} plus 500 refundable deposit	
Fairs - Setting up / down	Waverley set	Day	OE	310.00	319.30	3.0%	}	
Fetes / Village Shows	Waverley set	Day	OE	165.00	170.00	3.0%	} plus 200	
Car Boot Sales	Waverley set	Day	OE	165.00	170.00	3.0%	} plus 500 refundable deposit	
Caravan Rallies - Per Unit	Waverley set	Night	OS	9.50	9.80	3.2%	}	
Tilford Camp Site - Per Head	Waverley set	Night	OS	6.50	6.70	3.1%		
Grazing Rights	Waverley set						By Negotiat	By Negotiation
Frensham Common 'Parking payable from 09:00 - 19:00	Waverley set	upto 1 hr	OS	1.50	1.50		} Revised Ringo Charging Scheme	
	Waverley set	upto 2hr	OS	3.00	3.00		}	
	Waverley set	upto 4hr	OS	4.00	4.00		}	
	Waverley set	All day	OS	6.00	6.00			
Out of hours call out charge for late stayers after 21:00 gate close	Waverley set			50.00	50.00			
Balloon launches	Waverley set	per launch	OE	85.00	87.60	3.1%		
	Waverley set	Annual fee	OE	1,080.00	1,112.40	3.0%	Exclusive right per site	
Allotments								
5 rod plot	Waverley set	per plot	OE	65.00	67.00	3.1%		
10 rod plot	Waverley set	per plot	OE	130.00	133.90	3.0%		
Forest Schools	Waverley set	Session	OE	42.00	43.30	3.1%		
	Waverley set	Annual Licen	OE	250.00	250.00	0.0%		
Professional Dog Walking	Waverley set	Session	OE	17.00	17.60	3.5%		
	Waverley set	Annual licenc	OE	165.00	170.00	3.0%	1 person with 4 dogs on WBC sites	
Bonfires	Waverley set	Event	OE	115.00	118.50	3.0%	} plus 500 refundable deposit	
Ice Cream Vans	Waverley set	6 months	OE	1,670.00	1,720.10	3.0%	} plus 500 refundable deposit	
	Waverley set	Per day	OE	55.00	56.70	3.1%		
Mobile Catering	Waverley set	per month	OE	570.00	587.10	3.0%	} plus 500 refundable deposit	
Bouncy Castle (use of land)	Waverley set	Session	OE	60.00	61.80	3.0%		
Blessings (eg Frensham Pond)	Waverley set	Event	OS	55.00	56.70	3.1%		
Spaces	Waverley set		OS	210.00	216.30	3.0%	} plus 200 refundable deposit	
Farnham Castle use of Farnham park for extra parking for castle	Waverley set		OS	1,080.00	1,112.40	3.0%	annual fee	
Officer call outs for site visits / meetings / utility meetings	Waverley set	Hour	OE	120.00	123.60	3.0%		

Commercial Services
Schedule of Fees and Charges for 2022/2023

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2021/22 Budget £	Proposed Additional Yield £
Skip Licence	Waverley set	Per skip		55.00	56.70	3.1%			
Temporary use of Council land for access or storage by	Waverley set	Per occasion		100.00	103.00	3.0%			
Still Photography									
Advertising	Waverley set	Per Day (or part thereof)	OS	By Negotial	By Negotiation		}		
Books or Magazines	Waverley set		OS	By Negotial	By Negotiation		}		
							}		

Commercial Services									
Schedule of Fees and Charges for 2022/2023									

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2021/22 Budget £	Proposed Additional Yield £
Filming									
Feature film or Advertising film	Waverley set	Per Day	OS	By Negotial	By Negotiation				
Set up and clear up days	Waverley set	(or	OS	By Negotial	By Negotiation				
Television Drama or Comedy	Waverley set	part thereof)	OS	By Negotial	By Negotiation				
Small scale filming	Waverley set		OS	By Negotial	By Negotiation				
University of creative arts - student filming requests	Waverley set	Annual fee	OS	1,055.00	1,086.70	3.0%			
Music									
Recording or video	Waverley set	Per Day (or part thereof)	OS	By Negotial	By Negotiation				
Recreational Open Space									
Football									
With Pavilion									
Full size pitch over 18's, 11v11	Waverley set	Match	OS	95.00	97.90	3.1%			
Full size pitch U13 - U18's, 11v11	Waverley set	Match	OS	57.00	58.80	3.2%			
Junior pitch U11-U12's, 9v9	Waverley set	Match	OS	45.00	46.40	3.1%			
Colleges/Businesses Seniors	Waverley set	Match	OS	102.00	105.10	3.0%			
Without Pavilion									
Full size pitch over 18's, 11v11	Waverley set	Match	OS	83.00	85.50	3.0%			
Full size pitch U13 - U18's, 11v11	Waverley set	Match	OS	49.00	50.50	3.1%			
Junior pitch U11-U12's, 9v9	Waverley set	Match	OS	37.00	38.20	3.2%			
Mini pitch U7-U10, 5v5 ad 7v7	Waverley set	Match	OS	34.00	35.10	3.2%			
Colleges/Businesses Seniors	Waverley set	Match	OS	90.00	92.70	3.0%			
Rugby									
Seniors	Waverley set	Match	OS	93.00	95.80	3.0%			
Mini Rugby	Waverley set	Match	OS	47.00	48.50	3.2%			
Junior (u18)	Waverley set	Match	OS	55.00	56.70	3.1%			
Colleges/Businesses Seniors	Waverley set	Match	OS	103.00	106.10	3.0%			
Training									
Football - no pitch use	Waverley set	Session	OS	27.00	27.90	3.3%			
Rugby - no pitch use	Waverley set	Session	OS	29.00	29.90	3.1%			
Football - pitch use	Waverley set	Session	OS	75.00	77.30	3.1%			
Rugby - pitch use	Waverley set	Session	OS	87.00	89.70	3.1%			
Cricket - with pavilion									
Seniors	Waverley set	Match	OS	103.00	106.10	3.0%			
Seniors (artificial wicket)	Waverley set	Match	OS	84.00	86.60	3.1%			
Colts	Waverley set	Match	OS	43.00	44.30	3.0%			
Colts (artificial wicket)	Waverley set	Match	OS	38.00	39.20	3.2%			
Colleges/Businesses Seniors	Waverley set	Match	OS	108.00	111.30	3.1%			
Cricket - without pavilion									
Seniors	Waverley set	Match	OS	88.00	90.70	3.1%			
Seniors (artificial wicket)	Waverley set	Match	OS	73.00	75.20	3.0%			
Colts	Waverley set	Match	OS	39.00	40.20	3.1%			
Colts (artificial wicket)	Waverley set	Match	OS	34.00	35.10	3.2%			
Colleges/Businesses Seniors	Waverley set	Match	OS	98.00	101.00	3.1%			
Broadwater Changing rooms	Waverley set	Match	OS	20.00	20.60	3.0%	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 2022/2023

		Unit of	VAT	Existing	Proposed	%	Explanatory Notes	2021/22	Proposed
		Charge	Indicator	Charge	Charge	Increase		Budget	Additional
				£	£			£	Yield
									£
Tennis									
Seniors Per Court	Waverley set	Hour	OS	10.00	10.30	3.0% }			
Juniors Per Court (Up to 6pm Monday to Friday)	Waverley set	Hour	OS	8.00	8.30	3.7% }			
Colleges/Businesses Seniors	Waverley set	Hour	OS	11.00	11.40	3.6%			
Athletics									
Athletics at Woolmer Hill Sports Ground, Haslemere	Waverley set	Year	OE	804.00	828.20	3.0%	Artificial track provided and maintained by Athletics Club		
Outdoor Keep Fit Groups									
One off use	Waverley set	Session	OS	16.00	16.50	3.1%			
Once a week, 1-2-1 tuition	Waverley set	nnual Charç	OS	81.00	83.50	3.1%			
Multiple sessions each week, 1- 2-1 tuition	Waverley set	nnual Charç	OS	161.00	165.90	3.0%			
Once a week, group tuition	Waverley set	nnual Charç	OS	161.00	165.90	3.0%			
Multiple sessions each week, group tuition	Waverley set	nnual Charç	OS	322.00	331.70	3.0%			
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 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2021/22 Budget £	Proposed Additional Yield £
Sunvale Cemetery, Haslemere								
Interment Fees - Earth Grave								
First Burial in Grave Space - 8ft	Waverley set)	OO	880.00	880.00	0.0%			
Subsequent Burials	Waverley set)	OO	785.00	785.00	0.0%			
Child - 0-16 years	Waverley set) per Grave	OO	No Charge	No Charge				
Ashes	Waverley set)	OO	395.00	395.00	0.0%			
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	1,630.00	1,630.00	0.0%			
Earth Grave - child 0-16 years	Waverley set)	OO	560.00	560.00	0.0%		12,388	0
Cremation Section	Waverley set)	OO	560.00	560.00	0.0%			
Non-Residents of the Parish	Waverley set)	OO	Fees + 100	Fees + 100%				
Transfer of exclusive grant of right of burial	Waverley set)	OO	65.70	65.70	0.0%			
Memorial Rights (Grave Space must be purchased)								
Head Stone (maximum height 5')	Waverley set)	OO	162.00	162.00	0.0%			
Kerb Stone (maximum 7'x 3'6") cross or other monument not over 2' high x 1'6"	Waverley set) Waverley set) Waverley set)	OO	220.00	220.00	0.0%			
Added Inscription after first	Waverley set)	OO	110.00	110.00	0.0%			
Non-Residents of the Parish	Waverley set)	OO	Fees + 100	Fees + 100%				
Administration								
Discretionary Fee	Waverley set)	OO	65.00	65.00	0.0%			

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

Commercial Services
Schedule of Fees and Charges for 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2021/22 Budget £	Proposed Additional Yield £
House Name Changes, Street Naming and Numbering								
<u>Property name additions/amendments</u>								
Rename a road	Waverley set	OO	317.40	327.00	3.0%			
Rename a property	Waverley set	OO	106.20	109.40	3.0%			
<u>Numbering of new properties</u>								
Plots								
First plot of any new development	Waverley set	OO	211.20	217.60	3.0%			
Additional plots 2 to 20	Waverley set	OO	42.40	43.70	3.1%			
Additional plots 21 and above	Waverley set	OO	32.10	33.10	3.1%		60,000	1,830
Name building or block in addition to any number	Waverley set		55.00	56.70	3.1%			
Penalty for retrospective engagement with SNN (project substantively complete)	Waverley set		150.00	154.50	3.0%			
Historical research (min of 2 hours)	Waverley set		50.00	51.50	3.0%			
Removing a name	Waverley set		60.00	61.80	3.0%			
Copy of postal plot	Waverley set		35.00	36.10	3.1%			
Amendment to previously agreed address	Waverley set		50 + 25p pl	50 + 25p plot				
Site visit	Waverley set		50.00	51.50	3.0%			
Confirmation of address	Waverley set		25.00	25.80	3.2%			
Vat Indicator:	OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope							
Building Control Fees	Break even service	Various	OS	Locally determined fees in accordance with LGA Building			602,900	18090
<u>Search and Photocopying Enquiries (Building Control)</u>	Break even service	Minimum Charge	OS	50.00	51.50	3.0%	0	0
Copy Building Control certificate	Break even service		OO	35.00	36.10	3.1%		
Withdrawing an application	Break even service			100.00	103.00	3.0%		
Research (min 2 hours)	Break even service			50.00	51.50	3.0%		
Vat Indicator:	OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope							

Commercial Services
Schedule of Fees and Charges for 2022/2023

	Unit of	VAT	Existing	Proposed	%		2021/22	Proposed
	Charge	Indicator	Charge	Charge	Increase		Budget	Additional
			£	£			£	Yield
Careline								
- Careline Customers: (excluding VAT)	Waverley Set	Per Month	OS	19.70	19.70	0.0% } Additional fee of £2 per invoice generated for new customers not paying by Direct Debit	432,134	0
- Housing Associations	Waverley Set	Contracts and pricing individually agreed						

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 OE = Exempt
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Finance & Property
Schedule of Fees and Charges 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2021/22 Budget £	Proposed Additional Yield £
Property and Development Services								
Surveyor's Fees								
Request from owners/occupiers to purchase additional land	Waverley Set	Per Request	OS	536.00	550.00	2.6% } Collected in advance	5,155	390
Request from owners/occupiers for the grant of a permanent easement	Waverley Set	Per Request	OS	536.00	550.00	2.6% } Collected in advance } Easements that become } protracted may be subject to a further charge of £450		
Request for access/drainage rights	Waverley Set	Per Request	OS	536.00	550.00	2.6% } Collected in advance		
Request for assignment of leases (where lease allows)		Per Request				Minimum charge		
Residential Premises	Waverley Set		OS	268.00	275.00	2.6% Minimum charge		
Commercial Tenancies	Waverley Set		OS	639.00	750.00	17.4% Minimum charge		
Request for landlord's consent for change of use/sub-letting/alterations etc. (where lease allows)		Per Request				Minimum charge		
Residential Premises	Waverley Set		OS	268.00	275.00	2.6% Minimum charge		
Commercial Tenancies	Waverley Set		OS	639.00	750.00	17.4% Minimum charge		
Grant of licence to use land or accessway	Waverley Set	Per Request	OS	268.00	350.00	30.6% } } Collected in advance		
Request for a tenant's reference	Waverley Set	Per Request	OS	160.00	175.00	9.4% }		
Discharge of a covenant	Waverley Set	Per Request	OS	480.00	550.00	14.6%		
Request for Wayleave	Waverley Set	Per Request	OS	320.00	350.00	9.4%		
Grant/renewal of lease (where appropriate)		Per Request						
Commercial	Waverley Set		OS	536.00	750.00	39.9% Minimum charge		
Sports Clubs/Community Groups etc	Waverley Set		OS	268.00	125.00	-53.4%		

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Finance
Schedule of Fees and Charges for 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	Explanatory Notes	2021/22 Budget £	Proposed Additional Yield £
Cost of Collection								
Summons Costs								
Council Tax	Per Summons							
on issue of summons		OO	107.10	107.10	0.0%	The fees are determined after consultation with the	0	0
on granting of liability order (further charge)		OO	3.10	3.10	0.0%			
Business Rates	Per Summons					the Surrey Magistrates' Courts Committee.		
on issue of summons		OO	132.60	132.60	0.0%		0	0
on granting of liability order (further charge)		OO	3.10	3.10	0.0%			
Vat Indicator: OS = Standard OE = Exempt OZ = Zero Rated OO = Outside Scope								

Commercial Services
Schedule of Fees and Charges 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Borough Hall, Godalming						85,225	2,980
Casual Use							
Main Hall							
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	41.00	42.30	3.2%
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	50.00	51.50	3.0%
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	60.00	61.80	3.0%
Childrens Parties							
Saturday and Sunday	9am - 5:30pm	Waverley Set	Per Hour	OE	39.00	40.20	3.1%
Court Room							
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	31.00	32.00	3.2%
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	40.00	41.20	3.0%
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour		45.00	46.40	3.1%
Borough Hall Complex							
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	63.00	64.90	3.0%
Extra Staff Member (Tiered seating, bar staff, support)							
	9am - 6pm	Waverley Set	Per Hour	OE	15.50	16.00	3.2%
	6pm - midnight	Waverley Set	Per Hour	OE	15.50	16.00	3.2%
	Midnight - 2am	Waverley Set	Per Hour	OE	25.80	26.60	3.1%
Other							
Tiered seating		Waverley Set	Daily Charge		77.30	79.70	3.1%
Linen Laundry		Waverley Set	Per Cloth		8.30	8.60	3.6%
Water Urn		Waverley Set	Daily Charge		10.40	10.80	3.8%
Stage PA System		Waverley Set	Daily Charge		20.70	21.40	3.4%
Corkage		Waverley Set	Per Bottle		4.20	4.40	4.8%
Charitable and Non profit making organisations/ Waverley BC staff				20% discount applied			

Commercial Services
Schedule of Fees and Charges 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Regular Use							
Main Hall							
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	18.60	19.20	3.2%
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	25.80	26.60	3.1%
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	36.10	37.20	3.0%
Court Room/Bar							
Monday - Friday	8am - 6pm	Waverley Set	Per Hour	OE	13.50	14.00	3.7%
Monday - Thursday	6pm - Midnight	Waverley Set	Per Hour	OE	18.60	19.20	3.2%
Friday - Sunday	6pm - 11pm	Waverley Set	Per Hour	OE	26.00	26.80	3.1%

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	7.80	8.10	3.8%
Senior	Waverley Set	OS	6.80	7.10	4.4%
Child	Waverley Set	OS	3.50	3.70	5.7%
Student	Waverley Set	OS	6.80	7.10	4.4%
Group (10 or more)	Waverley Set	OS	6.50	6.70	3.1%

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OZ = Zero Rated
OO = Outside Scope

Commercial Services
Schedule of Fees and Charges 2022/2023

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Memorial Hall							117,857	3,890
Casual Use								
Main Hall - Miles Rafe Room								
Weekday		Waverley Set	Per Hour	OE	25.80	26.60	3.1%	
Weekend		Waverley Set	Per Hour	OE	41.30	42.60	3.1%	
All day hire	weekend only	Waverley Set	Per Day	OE	1,030.20	1,061.20	3.0%	
Exclusive Use	weekend only	Waverley Set	Per Hour		92.80	95.60	3.0%	
Wallace Room								
Weekday		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Weekend		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Ayres Room								
Weekday		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Weekend		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Combined Wallace & Ayres Rooms								
Weekday		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Weekend		Waverley Set	Per Hour	OE	31.00	32.00	3.2%	
Hawkins Room								
Weekday		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Weekend		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Mansey								
Weekday		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Weekend		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Regular Use								
Main Hall - Miles Rafe Room								
Weekday		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Weekend		Waverley Set	Per Hour	OE	41.30	42.60	3.1%	
All day hire		Waverley Set	Per Day	OE	1,030.20	1,061.20	3.0%	
Exclusive Use		Waverley Set	Per Hour		92.80	95.60	3.0%	
Wallace Room								
Weekday		Waverley Set	Per Hour	OE	10.40	10.80	3.8%	
Weekend		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Ayres Room								
Weekday		Waverley Set	Per Hour	OE	10.40	10.80	3.8%	
Weekend		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Combined Wallace & Ayres Rooms								
Weekday		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Weekend		Waverley Set	Per Hour	OE	20.70	21.40	3.4%	
Hawkins Room								
Weekday		Waverley Set	Per Hour	OE	10.40	10.80	3.8%	
Weekend		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	
Mansey								
Weekday		Waverley Set	Per Hour	OE	10.40	10.80	3.8%	
Weekend		Waverley Set	Per Hour	OE	15.50	16.00	3.2%	

Performing Rights Tariff

OE

3% of hire charge

not required if hirer can sufficient provide their own PRS certificate

Vat Indicator:

OS = Standard
OE = Exempt
OZ = Zero Rated
OO = Outside Scope

Environment Services
Schedule of Fees and Charges 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Waste Recycling							
Green Waste Collection							
Standard Charge:							
1 bin	Waverley Set	per Annum	70.00	72.00	2.9%	1,135,000	32,915
Purchase of bin *	Waverley Set	per Item	25.30	25.30	0.0%		
Purchase of bins							
Black 140 litre refuse bin	Purchase of bin *	Waverley Set	30.00	30.00	0.0%	5,000	0
Black 180 litre refuse bin	Purchase of bin *	Waverley Set		42.00			
Black 360 litre refuse bin	Purchase of bin *	Waverley Set		63.00			
Blue 140 litre recycling bin	Purchase of bin *	Waverley Set	20.00	20.00	0.0%		
Blue 180 litre recycling bin	Purchase of bin *	Waverley Set		25.00			
Blue 240 litre recycling bin	Purchase of bin *	Waverley Set	30.00	30.00	0.0%		
Blue 360 litre recycling bin	Purchase of bin *	Waverley Set		60.00			

Please Note:
All developer/property management company bin purchases will be priced on application and subject to agreement of details in each case.

Updrive collection

Driveways less than 100 metres	Additional charge to customer	per Annum	333.15	343.00	3.0%
Driveways more than 100 metres	Additional charge to customer	per Annum	416.44	429.00	3.0%

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

Vat Indicator:

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Environment Services
Schedule of Fees and Charges 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield £
Environmental Health							
Food							
Surrender Certificates for Unfit Food	Waverley Set	OS	187.00	187.00	0.0%	2,500	0
Export Certificates for Food	Waverley Set	OS	187.00	187.00	0.0%		
Statement of Fact	Waverley Set	OS	187.00	187.00	0.0%		
Premises Endorsement For Export	Waverley Set		105.00	105.00	0.0%		
Re-visits for Food Hygiene Rating	Waverley Set		205.00	205.00	0.0%		
Private Water Supply							
Risk Assessments	Statutory	Per Request	176.00	176.00	0.0%	1,319	0
	Statutory	+ Per Hour	61.00	61.00	0.0%		
Sampling	Statutory	Per Request	66.00	66.00	0.0%		
	Statutory		56.00	56.00	0.0%		
Investigations	Statutory	Per Hour	66.00	66.00	0.0%		
Authorisations	Statutory	Per Request	106.00	106.00	0.0%		
	Statutory	+ Per Hour	56.00	56.00	0.0%		
Analysis	Statutory	Per Request	26.00	26.00	0.0%		

Vat Indicator: OS = Standard
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Environment Services
Schedule of Fees and Charges 2022/2023

		Unit of	VAT	Existing	Proposed	%	2021/22	Proposed
		Charge	Indicator	Charge	Charge	Increase	Budget	Additional
				£	£		£	Yield
								£
Animal Control								
Stray Dogs	Waverley Set	Per Occasion	OO	25.00	25.00	0.0%	760	0
Collection and call out charge*			OS	70.00	70.00	0.0%		
*Reduced collection and call out charge if a dog is properly microchipped			OS	70.00	70.00	0.0%		
<u>Rats and Mice</u>								
Domestic #	Waverley Set	Per Treatment	OS	108.00	108.00	0.0%	3,500	0
Domestic - Call out	Waverley Set		OS	66.00	66.00	0.0%		
Reduced Charge *	Waverley Set		OS	93.00	93.00	0.0%		
Reduced Charge Call out *	Waverley Set		OS	51.00	51.00	0.0%		
Commercial	Waverley Set	Per Hour	OS	108.00	108.00	0.0%		
Commercial - Call out	Waverley Set		OS	66.00	66.00	0.0%		
<u>Wasps</u>								
Domestic	Waverley Set	Per Visit	OS	96.00	96.00	0.0%	3,500	0
Domestic - Call out	Waverley Set		OS	60.00	60.00	0.0%		
Reduced Charge *	Waverley Set	Per Visit	OS	81.00	81.00	0.0%		
Reduced Charge Call out *	Waverley Set		OS	45.00	45.00	0.0%		
Commercial	Waverley Set	Per Hour	OS	96.00	96.00	0.0%		
Commercial - Call out	Waverley Set		OS	60.00	60.00	0.0%		
<u>Casual Treatments / Other Insects</u> (Including Fleas)								
Fleas	Waverley Set	Per Visit	OS	114.00	114.00	0.0%	3,500	0
Reduced charge*	Waverley Set	Per Visit	OS	99.00	99.00	0.0%		
Bed Bugs	Waverley Set	Per Visit	OS	156.00	156.00	0.0%		
Reduced charge*	Waverley Set	Per Visit	OS	141.00	141.00	0.0%		
Cockroaches	Waverley Set	Per Visit	OS	114.00	114.00	0.0%		
Reduced charge*	Waverley Set	Per Visit	OS	99.00	99.00	0.0%		
Cluster Flies	Waverley Set	Per Visit	OS	138.00	138.00	0.0%		
Reduced charge*	Waverley Set	Per Visit	OS	123.00	123.00	0.0%		
Carpet Moths	Waverley Set	Per Visit	OS	138.00	138.00	0.0%		
Reduced charge*	Waverley Set	Per Visit	OS	123.00	123.00	0.0%		
Pharoah's Ants	Waverley Set	Per Visit	OS	138.00	138.00	0.0%		
Reduced charge*	Waverley Set	Per Visit	OS	123.00	123.00	0.0%		
Advice visits or callout charge for missed appointments	Waverley Set	Per Visit	OS	60.00	60.00	0.0%		

The increases in the reduced charges are the result of the increase charged from contractors. 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.

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

Environment
Schedule of Fees and Charges for 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield
Licences							
Animal Welfare							
Boarding for Cats and Dogs - Kennels							
Part A (Application and Renewal Fee)			384.00	398.00	3.6%		
Part B (Grant Fee)			300.00	312.00	4.0%		
Total Fee			<u>684.00</u>	<u>710.00</u>	3.8%		
Boarding for Dogs - Home Boarding							
Part A			334.00	346.00	3.6%		
Part B			300.00	312.00	4.0%		
Total Fee			<u>634.00</u>	<u>658.00</u>	3.8%		
Boarding for Dogs - Day Care							
Part A			384.00	398.00	3.6%		
Part B			300.00	312.00	4.0%		
Total Fee			<u>684.00</u>	<u>710.00</u>	3.8%		
Breeding Dogs(excl vet fee)							
Part A			334.00	346.00	3.6%		
Part B			300.00	312.00	4.0%		
Total Fee			<u>634.00</u>	<u>658.00</u>	3.8%		
Hiring Horses (excl vet fee)							
1 - 8 horses							
Part A			384.00	398.00	3.6%		
Part B			325.00	338.00	4.0%		
Total Fee			<u>709.00</u>	<u>736.00</u>	3.8%		
9 - 15 horses							
Part A			459.00	476.00	3.7%		
Part B			325.00	338.00	4.0%		
Total Fee			<u>784.00</u>	<u>814.00</u>	3.8%		
Over 15 horses							
Part A			534.00	549.00	2.8%		
Part B			325.00	338.00	4.0%		
Total Fee			<u>859.00</u>	<u>887.00</u>	3.3%		
Selling Animals as Pets							
Part A			334.00	346.00	3.6%		
Part B			300.00	312.00	4.0%		
Total Fee			<u>634.00</u>	<u>658.00</u>	3.8%		
Exhibition of Animals							
Part A			334.00	346.00	3.6%		
Part B			300.00	312.00	4.0%		
Total Fee			<u>634.00</u>	<u>658.00</u>	3.8%		
For each additional activity (to the main activity) the fee is half the standard application and grant fee.							
Each additional inspection/visit			150.00	156.00	4.0%		
Each advisory visit			150.00	156.00	4.0%		
Variation to the licence (inclusive of one visit)			200.00	208.00	4.0%		
Re-evaluation of rating (inclusive of one visit)			200.00	208.00	4.0%		
Variations to reduce licensable activities/numbers of animals			75.00	78.00	4.0%		
Transfer due to death of licensee			75.00	78.00	4.0%		
						141,400	4,242

Environment
Schedule of Fees and Charges for 2022/2023

		Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield
Other								
Cosmetic Piercing, Electrolysis, Acupuncture	Break even service	per premise	OO	200.00	206.00	3.0%		
Cosmetic Piercing, Electrolysis, Acupuncture	Break even service	per person combined fee for premises and personal licence	OO	200.00	206.00	3.0% 3.4%		
Cosmetic Piercing, Electrolysis, Acupuncture	Break even service	per premise	OO	290.00	300.00			
Tattooing	Break even service	per premise	OO	220.00	227.00	3.2%		
Tattooing	Break even service	per person combined fee for premises and personal licence	OO	220.00	227.00	3.2% 4.8%		
Tattooing	Break even service	per premise	OO	310.00	325.00			
Semi-permanent skin colouring	Break even service	per premises	OO	220.00	227.00	3.2%		
Semi-permanent skin colouring	Break even service	per person	OO	220.00	227.00	3.2%		
Semi-permanent skin colouring	Break even service	combined fee for premises and personal licence	OO	310.00	325.00	4.8%		
Street Trading								
a) Sole Trader	Break even service	Annual	OO	290.00	376.00	29.7%		
b) Schedule 2 event - up to 50 traders	Break even service	Annual	OO	300.00	484.00	61.3%		
c) Schedule 2 event - 51 or more traders	Break even service	Annual	OO	230.00	497.00	116.1%		
d) Schedule 2 event - up to 50 traders	Break even service	Single Event	OO	140.00	441.00	215.0%		
e) Schedule 2 event - 51 or more traders	Break even service	Single Event	OO	150.00	454.00	202.7%		

Environment
Schedule of Fees and Charges for 2022/2023

	Unit of Charge	VAT Indicator	Existing Charge £	Proposed Charge £	% Increase	2021/22 Budget £	Proposed Additional Yield
Scrap Metal Dealers Licence							
a) Site - new application	Break even service	OO	470.00	484.00	3.0%		
b) Site - renewal	Break even service	OO	270.00	278.00	3.0%		
c) Site to collectors - variation	Break even service	OO	410.00	422.00	2.9%		
d) Collectors - new application	Break even service	OO	430.00	443.00	3.0%		
e) Collectors - renewal	Break even service	OO	230.00	237.00	3.0%		
f) Collectors to Site - variation	Break even service	OO	470.00	484.00	3.0%		

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	OO	291.00	291.00	0.0%	
- 5 years old and over - first 6 months	Break even service		OO	291.00	291.00	0.0%	
- 5 years old and over - second 6 months	Break even service		OO	84.00	84.00	0.0%	
<i>Hackney Carriage - Vehicles (adapted) *</i>							
- under 5 years old	Break even service	Annual	OO	105.00	105.00	0.0%	
- 5 years old and over - first 6 months	Break even service		OO	105.00	105.00	0.0%	
- 5 years old and over - second 6 months	Break even service		OO	84.00	84.00	0.0%	
Missed Appointments (Vehicle Test)	Break even service	Per Test	OO	72.00	72.00	0.0%	
Re-testing of vehicles following failure	Break even service	Per Test	OS	72.00	72.00	0.0%	
Private Hire - Operators - renewal (5 vehicles and less)	Break even service	5 years	OO	125.00	125.00	0.0%	
Private Hire - Operators - renewal (more than 5 vehicles)	Break even service	5 years	OO	176.00	176.00	0.0%	
Private Hire - New Operators (5 vehicles and less)	Break even service	5 years	OO	150.00	150.00	0.0%	
Private Hire - New Operators (more than 5 vehicles)	Break even service	5 years	OO	197.00	197.00	0.0%	
Private Hire - New Operators (5 vehicles and less)	Break even service	5 years	OO	221.00	221.00	0.0%	
Private Hire -New Operators (more than 5 vehicles)	Break even service	5 years	OO	268.00	268.00	0.0%	
<i>Private Hire - Vehicles (not adapted) *</i>							
- under 5 years old	Break even service	Annual	OO	291.00	291.00	0.0%	
- 5 years and over - first 6 months	Break even service		OO	288.00	288.00	0.0%	
- 5 years and over - second 6 months	Break even service		OO	84.00	84.00	0.0%	
<i>Private Hire - Vehicles (adapted) *</i>							
- under 5 years old	Break even service	Annual	OO	105.00	105.00	0.0%	
- 5 years and over - first 6 months	Break even service		OO	105.00	105.00	0.0%	
- 5 years and over - second 6 months	Break even service		OO	84.00	84.00	0.0%	
Hackney carriage / private hire - New driver	Break even service	3 years	OO	269.00	269.00	0.0%	
Hackney carriage / private hire licence renewal	Break even service	3 years	OO	175.00	175.00	0.0%	
Hackney carriage / private hire - New driver	Break even service	1 year	OO	111.00	111.00	0.0%	
Hackney carriage / private hire licence renewal	Break even service	1 year	OO	71.00	71.00	0.0%	
							134,140
							0

Environment
Schedule of Fees and Charges for 2022/2023

		Unit of	VAT	Existing	Proposed	%	2021/22	Proposed
		Charge	Indicator	Charge	Charge	Increase	Budget	Additional
				£	£		£	Yield
<i>Private Hire only - New driver</i>	Break even service	3 years	OO	269.00	269.00	0.0%		
<i>Private Hire only licence renewal</i>	Break even service	3 years	OO	175.00	175.00	0.0%		
<i>Private Hire only- New driver</i>	Break even service	1 year	OO	111.00	111.00	0.0%		
<i>Private Hire only licence renewal</i>	Break even service	1 year	OO	71.00	71.00	0.0%		
<i>Knowledge test</i>	Break even service	Per Test	OO	72.00	72.00	0.0%		
<i>Resit / non-attendance fee for Knowledge test</i>	Break even service	Per Test	OO	72.00	72.00	0.0%		
<i>Surrender and replacement of Hackney Carriage / Private Hire Licence</i>	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								
- Including lotteries, permits, premises, etc		Various		Please see website for individual fees				
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				
- Premises: Sex Establishment	Break even service	ording to RV	OO	4,690.00	4,830.70	3.0%		
- Premises	Break even service	Annual Fee	OO	Various depending on rateable value				* included above
- 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%		

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

General Fund Housing Services
Schedule of Fees and Charges for 2022/2023

			Unit of	VAT	Existing	Proposed	%	2021/22	Proposed		
			Charge	Indicator	Charge	Charge	Increase	Budget	Additional		
					£	£		£	Yield		
									£		
General Fund Housing											
Houses in Multiple Occupation (HMO)											
Five yearly - per property (new application)	Break even service			OO	665.00	665.00	0.0%	}	}		
Five yearly - per property (renewal)	Break even service			OO	585.00	585.00	0.0%				
Additional charge for 11-15 units of accomn	Break even service				25.00	25.00	0.0%				
Additional charge for each unit of accommo	Break even service				10.00	10.00	0.0%				
Caravan Site Licence Fees											
Site Licence Applications				OO						}	}
No. of pitches	1 - 5	Break even service			492.00	492.00	0.0%				
	6 - 24	Break even service			518.00	518.00	0.0%				
	25 - 99	Break even service			571.00	571.00	0.0%				
Site Licence Variations				OO							
No. of pitches	1 - 5	Break even service			313.00	313.00	0.0%				
	6 - 24	Break even service			326.00	326.00	0.0%				
	25 - 99	Break even service			352.00	352.00	0.0%				
Licence Transfer	All	Break even service			157.00	157.00	0.0%				
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	172.00	172.00	0.0%	}	}		
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										

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General Fund Capital & Project Budgets and Funding 2022/23

	Proposed Project Budget £	Revenue Contribution £	GF Revenue Budget £	Repairs & Maintenance Sinking fund £	Internal borrowing £	HRA £	External Grants £	SANG £	CIL £
Business Transformation	603,000	296,000	100,000	170,000		37,000			
Central Offices	130,000	30,000	100,000						
Electric Vehicles	25,000	25,000							
Liberty Create consultancy	30,000	30,000							
Meeting Room kit	8,000	6,000				2,000			
Migration from Skype to Business to MS Teams	10,000	7,500				2,500			
Monitors/phones/headsets	10,000	7,500				2,500			
SAN replacement & Business Continuity	70,000	52,500				17,500			
Server MS 2019 operating system licence	10,000	7,500				2,500			
Wey Centre Roof	146,000			146,000					
Where work happens hybrid kit	40,000	30,000				10,000			
** Rowley's Roof	90,000	90,000							
Councillor Laptops - pilot	10,000	10,000							
** # Bus Shelter	24,000			24,000					
Commercial	1,202,500	403,550	40,000	30,000			76,450	35,000	564,500
Broadwater park changing facilities & community room	564,500								564,500
Farnham Park Car Park	35,000							35,000	
Farnham Park cesspit	50,000	50,000							
Greenspaces Infrastructure	60,000	60,000							
Greenspaces strategy	30,000	30,000							
Haslemere LC maintenance	53,000								
High Level Stewardship	130,000	53,550					76,450		
Leisure Centre maintenance	75,000	35,000	40,000						
Oak Processionary Moths & Ash Dieback	59,000	59,000							
Pavilions	116,000	116,000							
Playgrounds	30,000			30,000					
Corporate	30,510	30,510							
Capital Recharges	30,510	30,510							
Environment	722,900	242,900	340,000		140,000				
Bin purchases	90,000		90,000						
Car Park Rolling Programme	255,400	5,400	250,000						
Leisure Energy Audits	15,000	15,000							
Weyhill Fairground resurfacing	140,000				140,000				
Chestnut Way	90,000	90,000							
* Weydon Road	132,500	132,500							
Housing & Communities	850,000						850,000		
Disabled Facilities Grants	750,000						750,000		
Warm Homes	100,000						100,000		
Grand Total	3,408,910	972,960	480,000	200,000	140,000	37,000	926,450	35,000	564,500

* To be approved in principle - to be reviewed, will be funded from internal borrowing if there is a business case

** To fund from the Maintenance Sinking Fund on a bid basis

To be approved in principle - to be reviewed as part of a wider development project for the site

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Schedule of General Fund Reserves within the scope of the MTFP

	2021/2022			2022/23			2023/24			2024/25			2025/26			
	Opening reserves	Transfers in	Estimated Use	Estimated opening reserves	Transfers in	Estimated Use	Estimated opening reserves	Transfers in	Estimated Use	Estimated opening reserves	Transfers in	Estimated Use	Estimated opening reserves	Transfers in	Estimated Use	Estimated opening reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Reserves																
Flexible Homelessness Support Grant	(660)			(660)		220	(440)		220	(220)		220	0			0
Homelessness Prevention grant (new)	0	(730)	730	0	(730)	730	0	?	?	0	?	?	0	?	?	0
Commercial Property Void provision	(124)	(400)	250	(274)	(200)	250	(224)	(200)	?	(424)	(200)	?	(624)	(200)	?	(824)
Property Maintenance Fund	0			0	(200)	200	0	(200)	200	0	(200)	200	0	(200)	200	0
Climate change Action Fund	(194)		163	(31)	(100)	131	0			0			0			0
Local Plan reserve	(190)		80	(110)		80	(30)		30	0			0			0
Place shaping	(132)		132	(0)			(0)			(0)			(0)			(0)
Investment Advisory Board	(1,693)			(1,693)			(1,693)			(1,693)			(1,693)			(1,693)
Revenue Reserve Fund - Capital Programme funding	(159)	(880)	1,039	0	(980)	980	0	(980)	980	0	(980)	980	0	(980)	980	0
Insurance reserve - MMI run off	(188)			(188)			(188)			(188)			(188)			(188)
Insurance reserves	(554)			(554)			(554)			(554)			(554)			(554)
Borough Elections reserve	0	(30)		(30)	(30)		(60)	(60)	120	0	(30)		(30)	(30)		(60)
Business Rates Equalisation reserve	(3,201)			(3,201)			(3,201)		700	(2,501)		700	(1,801)		400	(1,401)
SANG site acquisition	(800)		60	(740)			(740)			(740)			(740)			(740)
Covid-19 Risk contingency reserve (see para 9.2 in main report)	(2,000)		?	(2,000)		?	(2,000)		?	(2,000)			(2,000)			(2,000)
Sub-Total	(9,896)	(2,040)	2,454	(9,482)	(2,240)	2,591	(9,131)	(1,440)	2,250	(8,321)	(1,410)	2,100	(7,631)	(1,410)	1,580	(7,461)
General Fund working balance: min balance £3.2m	(3,946)		614	(3,332)			(3,332)			(3,332)			(3,332)			(3,332)
Total	(13,842)	(2,040)	3,068	(12,814)	(2,240)	2,591	(12,463)	(1,440)	2,250	(11,653)	(1,410)	2,100	(10,963)	(1,410)	1,580	(10,793)

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WAVERLEY BOROUGH COUNCIL

POLICY O & S COMMITTEE

25 JANUARY 2022

EXECUTIVE

8 FEBRUARY 2022

Title:

**Housing Revenue Account Business Plan –
Revenue Budget and Capital Programme 2022/23**

Portfolio Holder(s): Cllr Paul Follows, Portfolio Holder for Housing and Leader of the Council 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

1.1 The purpose of the report is for the Policy O&S Committee to scrutinise the draft Housing Revenue Account Business Plan – Revenue Budget and Capital programme 2022/23 and pass comments to the Executive ahead of its meeting on 8th February.

2. Recommendation for Overview and Scrutiny Committee

2.1 The Policy O&S Committee consider the draft Housing Revenue Account Business Plan – Revenue Budget and Capital programme 2022/23 and pass comments and observations to the Executive.

3. Recommendation

3.1 It is recommended that the Executive, after considering the comments from the Landlord Services Advisory Board and Policy Overview and Scrutiny Committee, make the following recommendations to Council, that:

1. the rent level for Council dwellings be increased by a maximum of 4.10% from the 2021/22 level with effect from 1 April 2022 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 2022;
3. the service charges in senior living accommodation be increased by 30 pence per week from 1 April 2022 to £20.10;
4. the recharge for energy costs in senior living accommodation be increased by 50 pence per week from 1 April 2022;
5. the revised HRA Business Plan for 2022/23 to 2025/26 as set out in Annexe 1 be approved;
6. the fees and charges as set out in Annexe 2 be approved;
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 5: and
9. a strategic review will be undertaken on the 30-year HRA Business Plan in line with the content of this report during 2022/23.

4. Reason for the recommendation

- 4.1 To provide the resources to fund Waverley Borough Council's Landlord Services operations, maintenance programme and building new affordable homes.

5. Background

- 5.1 This report outlines the annual update of the self-financing and financial sustainability review of the HRA 30-year Business Plan, the Revenue Budget for 2022/23 including the Capital and New Build Programmes.

6. Business Plan Summary

- 6.1 The HRA is a separate account for the landlord costs and income for council dwellings, which is ringfenced as per statute. The Business Plan sets out the financial plan for this HRA account, consisting of income, mainly from rent, and the operational and financing costs of managing and developing the housing stock to meet the Council's obligations to its housing tenants. The latest projection for the Business Plan for the four years commencing 2022/23, is attached at Annexe 1.
- 6.2 In 2012 the Council was required by central government to take out a mortgage to buy out of the national rent subsidy system and become a wholly self-financing landlord account. A 30-year business plan was set in 2012/13 to support the self-financing and repay that debt over a period of 25 years, with principal repayments beginning in year six (2017/18). This enabled a build-up of reserves to start a Stock Remodelling budget and a New Affordable Homes building programme to support the replacement of stock lost through Right to Buy and meet the growing demand for affordable housing in the borough.

- 6.3 The 30-year Business Plan assumed that operating costs would remain stable with the primary risk being the ability to match cost base inflation with rent increases. This assumption enabled the provision of significant funding to support an ambitious new build and stock maintenance programme whilst mitigating the risk of any financial impact resulting from moderate shocks such as an emerging stock condition/maintenance/contractor issue if one was to arise.
- 6.4 Since the strategy in the Business Plan was set in 2012 the government has changed its rent policy initially by reducing rents by a real 1% each year for four years from 2016 and then allowing an average weekly rent increase but capped at previous September CPI plus 1% for five years from April 2020. Projecting forward, the rent reduction had a significant negative impact on the funding assumed in the original Business Plan, specifically the long-term new build programme. Recognising this impact, the government has lifted the borrowing cap (limited to the buy-out debt value £193 million) on the HRA to encourage and accelerate a new home building programme.
- 6.5 The Business Plan has also seen disruption due to the Covid 19 pandemic, contractor issues and global supply chain shortages driving up inflation. The effect of these can be seen in the expenditure section of the Business Plan, and specifically the significant increase in the responsive maintenance and the core capital programme in 2022/23 onwards and increased tender costs in the new build programme schemes.
- 6.6 The net effect of these changes has resulted in a drawdown of the working balance from 2022/23 onwards to support the housing operation. Beyond 2025/26 this draw down is clearly not sustainable and will require a strategic review of the Business Plan during 2022/23 to rebalance priorities and strategies to address stock maintenance, climate emergency and new build requirements and aspirations. The Council adopted new Design Standards in July 2021 to develop new council homes that are low carbon in operation and the Council is developing an Asset Management Strategy to help ensure homes are kept to a good standard and to improve the energy efficiency of current homes thus cutting carbon emissions.
- 6.7 Within the current Business Plan, in the longer term beyond 2035, the mortgage will be fully repaid freeing up significant funding. This funding is required now to meet current demands and corporate priorities and the challenge for the strategic review of the current Business Plan is to identify where it is appropriate to support spending/investment plans with borrowing to free up revenue and avoid creating a long-term debt trap legacy.
- 6.8 The revised Business Plan will need to be informed by a full stock condition survey; the Business Plan includes £300,000 within the Core Capital programme (Annexe 3) to expedite the survey. In line with the revised Capital and Asset Investment Strategies, the scope of the stock condition survey will include a strategic review of stock to assist with identifying stock appropriate for regeneration under the new build programme rather than major component replacement and retrofitting of carbon neutral systems.

This will enable the climate change carbon neutral considerations to be incorporated with an appropriate mix of regeneration, new build on council owned land and retrofit. Once further information on requirements and energy efficiency works delivery plans are in place, budgets will be reintroduced in future years.

- 6.9 A long-term new build programme that relies entirely upon reserve funding is challenging within the current business plan. To alleviate the reserve pressures, a financial viability review of the current schemes in progress (Annexe 4) will be appropriate to identify where borrowing can be utilised to free up the committed New Homes reserves (currently £31.9 million). In addition to stock regeneration, a longer-term programme will require a strategy including land banking funded from reserves and grants and rely upon borrowing to fund the build out. This recognises that a significant proportion of the cost of new build is the land. Affordable rents present financial viability challenges to cover the cost of borrowing, management, and maintenance when the cost of land as well as the build costs are debt funded net of available capital receipts and grants. The new build strategy will also need to consider development of mixed-use affordable rent schemes to cross subsidise, to ensure new homes are genuinely affordable to those in housing need. Careful consideration and attention will have to be given to the Affordable Homes Delivery Strategy cap on Affordable rent impact on financial viability where borrowing is being considered, particularly when the cost of borrowing is expected to increase in the medium to long term.
- 6.10 The working balance draw down in the Business Plan has been mitigated by the removal of the New Build (affordable housing) contributions. The current programme is adequately funded from the current New Build reserve balance and the Capital Receipts reserve (Annexe 4). The 5-year rent cap increase will also help to minimise the impact of the draw down of the working balance over the next four years, although the Business Plan includes a total 3% per year increase assumption from 2023/24. Mitigation of inflationary pressures is key to ensuring the resources remain adequate.

7. Revenue Budget

- 7.1 The Net Dwelling Rent income in Annexe 1 has been marginally impacted by the Covid-19 pandemic with rent arrears increasing in total value by c.£50k since the beginning of the pandemic and remains below the 1% (of £30 million) assumed level of arrears factored into the Business Plan. The 2021/22 net dwelling rent forecast in Annexe 1 includes a budget correction (for void and Right to Buy assumptions) which masks the true performance. Detailed monitoring of the rent collection statistics reported in the quarterly Corporate Performance Report shows that the number of tenants with arrears has not significantly increased and not in proportion to the increase in number of tenants seeking rent support through Universal Credit and Housing Benefit.

7.2 The table below shows the rent collection position as of December 2021 compared to December 2020, the number of tenants in arrears has increased by 39 with a total value of £32k.

Data as at:	December 2021		December 2020		Change	
	#	£ value	#	£ value	#	£ value
Occupied Properties	4,752	29,156,900	4,744	28,565,701	8	591,199
Paying in advance	3,804	884,894	3,835	827,322	(31)	57,572
In arrears	948	288,378	909	256,354	39	32,024

7.3 The majority of the 948 cases in arrears are in effect tenants who pay weekly/monthly in arrears, as can be seen in the table below shaded yellow and the average arrears equate to a week's rent. The fact that these arrears are in a steady state indicates that they are predominantly reflecting tenants monthly cash flow cycle and not indicative of financial hardship.

Arrears as of Sunday 5 December 2021				
Bandings (£)	No. of cases in arrears	Value of debt (£)	% of arrears cases	Average arrears £
0.01 – 100.00	507	17,573	53.48	35
101.00 – 250.00	147	24,686	15.51	168
251.00 – 500.00	145	50,952	15.3	351
500.00 – 1,000.00	98	69,533	10.33	710
1,000.00 – 2,000.00	37	54,721	3.9	1,479
2,000.00 – 3,000.00	4	9,865	0.42	2,466
3,000.00 +	10	61,047	1.05	6,105
Totals	948	288,378		

7.4 The number of tenants claiming Universal Credit(UC) has increased since March 2020 from 454 to 1,077 in December 2021, an increase of 623. Of the total UC claimants 736 are paying rent in advance of due date (£220,563) and 341 are in arrears (part of the 948 in the table above) as can be seen in the table below. Rent received from tenants claiming UC tends to be timed to coincide with their receipt of UC payment and not aligned to the rent due dates, as indicated by the significant number of rent receipts in advance of due date, therefore payment timings will contribute to the arrears picture.

Universal Credit arrears as of Sunday 5 December 2021				
Bandings	No. of arrears cases	Value of debt (£)	% of UC arrears cases	Average arrears £
£0.01 – £100	95	4,437	27.86	47
£100.01 - £250	72	11,886	21.11	165

250.01 - £500	85	30,342	24.93	357
£500.01 - £1000	54	39,749	15.84	736
£1000.01 - £2000	26	38,980	7.62	1,499
£2000.01 - £3000	3	7,356	0.88	2,452
£3000.1 and over	6	27,716	1.76	4,619
Total	341	160,465		

- 7.5 The financial performance of the rent income collection reflects the success of the Rents Team working with tenants to prepare for changes in income as the safety net of furlough came to an end and universal credit (UC) uplifts were removed in September. There is capacity and skill within the team to monitor all channels of hardship information within the tenant base, including access to food banks and support agencies. The team have been reaching out proactively to tenants to encourage and assist them to access and seek all appropriate assistance at an early stage, including council tax support.
- 7.6 In addition to the impact of Covid 19 on tenants' income the increase in inflation, cost of living, cost of energy and fuel has become an added pressure. The business plan now includes a hardship fund for 2022/23 to assist with mitigating the impact of the necessary rent increase. One use of the hardship fund will be to bridge the gap in rent arrears during the UC waiting period where there is financial hardship and tenant engagement and assist where tenants are out of reach of rent assistance. It is difficult to predict the demand on the Hardship Fund and therefore it will be monitored closely during the year to enable an adjustment as soon as necessary.
- 7.7 Expenditure budgets over the last two years have been significantly impacted by the pandemic and contractor issues. There has been lower spend on the core programme and stock maintenance due to tenants isolating and work from home restrictions. Lockdown measures also initially resulted in a slower turnaround of void properties and maintenance budgets were diverted to expedite planned works in void properties. The void situation has now improved back towards the budgeted level of 1% and the Business Plan assumes this will continue.

8. Rents

- 8.1 The government has allowed an average weekly rent increase capped at previous September CPI plus 1% for 5 years from April 2020. Financial year 2022/23 will be the third of five years when the additional 1% is available as an option. Being mindful of the additional cost burden a rent increase has on tenants, the Council also has a responsibility to ensure the landlord account is financial sustainable and that an appropriate level of capital investment is made in existing and new stock, therefore, it is proposed that from April 2022/23 average weekly rents will be increased by 4.1% (CPI as of September 2021 was 3.1%).

8.2 The Business Plan assumes that CPI will settle down and rents will increase by 3% in 2024/25 onward. It is important to note that 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 rent strategy will be reviewed in detail next year as part of the strategic review.

8.3 The table below shows the impact of uplifting rents by 1%, 3% and the proposed 4.10%. The proposed rent increase at 4.10% equates on average to £1.61 per week.

Rent Increase:	1%	3%	4.10%
2021-22 Forecast outturn	29,156,900	29,156,900	29,156,900
Less: Shared ownership	202,376	202,376	202,376
2021-22 Rent Roll (excluding Shared ownership)	28,954,524	28,954,524	28,954,524
Less: RTBs /Demolitions: net loss of 35 units	213,844	213,844	213,844
Rent Roll adjusted for RTBs /Demolitions	28,740,680	28,740,680	28,740,680
Rent Increase 1%, 3%, 4.1%	287,407	862,220	1,178,368
Rent Roll including rent increase	29,028,086	29,602,900	29,919,048
Add: Reverting to 1% voids from 1.33%	95,793	97,690	98,733
Add: Shared ownership	202,376	202,376	202,376
2022-23 Dwelling income budget	29,326,255	29,902,966	30,220,156
2021-22 Dwelling income forecast	29,156,900	29,156,900	29,156,900
Increase from 2021-22 budget	169,355	746,066	1,063,256

8.4 The table below indicates the current average social housing weekly rent and impact of an increase by each of the scenarios i.e. 1%, 3%, 4.10%, by number of bedrooms.

Bedrooms	Average 2021 Weekly Rent	Average 2021 Weekly Rent plus		
		1%	3%	4.10%
1	101.6	102.62	104.65	105.77
2	121.33	122.54	124.97	126.30
3	137.18	138.55	141.30	142.80
4	150.48	151.98	154.99	156.65
5	163.46	165.09	168.36	170.16
6	174.31	176.05	179.54	181.46

8.5 It is proposed that the weekly garage rents increase by 50 pence per week. Increased average standard rents will be £15.68 (£18.82 inc. VAT for private tenants).

- 8.6 It is proposed that service charges in the eight senior living schemes are increased by 30 pence per week bringing the new charge to £20.10 in 2022/23. 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 during 2022/23.

9. Fees and Charges

- 9.1. 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, Other Income line, representing less than 0.25% of total income to the HRA p.a. The main source of the fees derives from repairs to leasehold buildings.

10. Draft 2022/23 Capital Programme

- 10.1. The draft Capital Programmes at Annexe 3 shows the proposals estimated to be spent in 2022/23 and the following years on both of the two elements to the capital programme. Last year it was identified that there is a need to improve the data used to set priorities and programmes of work through a renewed stock condition survey. The proposed capital programme schedule will be realigned to emerging priorities identified from the revised stock condition survey and strategic review of the Business Plan.
- 10.2. The effect of the pandemic and subsequent lockdown measures has been mentioned already in this report and there is uncertainty about how this will affect programme delivery in 2022/23. In addition to this, contract management has proved to be somewhat challenging throughout this year.
- 10.3. There is a continued drive towards increasing energy efficiency through several different measures including programmes targeting further solar PV installations, loft insulation and heating upgrades.
- 10.4. In terms of ensuring compliance, there will be a focus on addressing the priorities identified from the current Fire Risk Assessment surveys and moving from a 10 year to a 5-year electrical testing regime.
- 10.5. The Business Plan includes a programme to develop and also acquire new affordable homes under Section 106 (s106) agreements. A full list of approved schemes currently underway and the total funding commitment is included on Annexe 4-New Build Programme. There is currently £31.9 million of committed schemes in progress and several schemes being worked up within the Pre-development Expenditure budget that will be brought forward at the appropriate time in line with the governance requirements of the revised Capital and Asset Investment Strategies. The current inflationary environment is impacting upon the new build programme's committed schemes where works tender returns are indicating significant cost pressures. Cost pressures outside of existing contingencies will trigger project viability reappraisal and identify

appropriate mitigations and authority before proceeding, in line with the Capital Strategy governance requirements.

- 10.6 Annexe 4 also includes within the Stock Remodelling section a proposed retrofit pilot of 7 existing homes. The intention of the pilot is to learn how to retrofit properties to achieve an EPC A or near A-rating, This will involve a range of measures which include removal of fossil fuelled gas boilers, the use of renewable energy sources (air source heat pumps and PV's) and reduction of the overall heat demand through the provision of external insulation, internal floor and roof insulation and modern A+ rated double glazed windows. The retrofit will also include some internal reconfiguration, provision of a new kitchen and bathroom and electric vehicle charging point where properties have off-street parking
- 10.7 Annexe 3 - HRA Core Programme includes a budget of £1m for Wyatts Close, which consists of 32 one bed bungalows where Waverley is the leaseholder of the land. These leases are close to expiring and to secure the long-term future for the current tenants, a legal process to enfranchise and acquire the freehold titles for these properties is in progress. The budget is estimated based upon the cost of acquiring the freehold based on a current estimated valuation and the related specialist legal advice/costs.
- 10.8 Right to Buy receipts can currently fund no more than 40% of the cost of a replacement home (whether through acquisition or new build) within 3 years of receipt and the council must find additional funding for the remaining 60%. The time limited restricted receipts forecast over the next four years are shown on annexe 4: Restricted 1-4-1 RTB – 3-year limit. To avoid clawback the 2025/26 balance equates to £8m gross expenditure. The strategic review will include a 'RTB clawback avoidance plan' –projecting 5 years ahead showing how much spend is required to avoid clawback and how this compares to the capital programme, with sensitivity analysis showing how slippage and or higher numbers of RTBs could put this at risk.

11 Local Government Act 2003 – Financial Administration

- 11.1 The Local Government Act 2003 formally introduced several specific sections covering:
- Budget calculations, report on robustness of estimates,
 - Adequacy of reserves and
 - Budget monitoring
- 11.2 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.
- 11.3 The Council's HRA Business 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.

11.4 In view of the level of awareness amongst Members and the action taken to produce the Council's budget in 2022/23, the S.151 Officer is satisfied with the robustness of the estimates presented.

11.5 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 5 shows the schedule of HRA balances and reserves. A full strategic review of the business Plan will be undertaken during 2022/23 in line with information within this report.

11.6 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 2021/22 shows that the HRA is staying within budget on capital and revenue overall.

12 Conclusion

12.1 The team has completed a comprehensive annual 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.

13 Relationship to the Corporate Strategy and Service Plan

13.1 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.

14 Implications of decision

14.1 Resource (Finance, procurement, staffing, IT)

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

14.2 Risk management

Risks inherent with the delivery of a sustainable Business Plan have been identified along with appropriate solutions within the report.

14.3 Legal

14.3.1 Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of

their houses. The Council must review rents from time to time and make such charges as circumstances require.

14.3.2 Under Section 74 of the Local Government and Housing Act 1989, the Council is obliged to maintain a separate Housing Revenue Account and by Section 76 must prevent a debit balance on that account. Rents must therefore be set to avoid such a debit and the Council must set a balanced HRA budget.

14.4 Climate emergency declaration

14.4.1 The New Build contribution to the Council's environmental and sustainability objectives includes working with consultants to develop climate positive design and developing carbon off-set opportunities in materials used in construction

14.4.2 The 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.

14.4.3 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.

14.4.5 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.

14.4.6 Contractors are required to demonstrate areas of innovation that they have developed, or suggest products and advise how they might be used in projects delivered 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

14.4.7 The Waverley Borough Council Housing Design Standards were reviewed by the Housing Overview and Scrutiny Working Group and the resulting recommendations were formally adopted by the Executive in September 2021. The focus of the review was on opportunities and methods of delivery of carbon neutral / Passivhaus homes and value for money.

14.4.8 The development team work 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.

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

15 Consultation and engagement

15.1 The Portfolio Holders and the Landlord Services Advisory Board have been consulted on this paper prior to Policy Overview and Scrutiny committee. The Policy Overview and Scrutiny Committee will scrutinise the draft HRA Business Plan and budget at their meeting on 24 January.

16 Other options considered

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

17 Governance journey

16.1 Landlord Services Advisory Board on 10th January and Policy Overview and Scrutiny 25th January 2022, Executive and Council 22nd February 2022.

Annexes:

Annexe 1 – HRA Business Plan 2022/23 to 2025/26

Annexe 2 – Housing Services Schedule of fees and charges 2022/23

Annexe 3 – HRA Core Programme 2022/23 to 2025/26

Annexe 4 – HRA Housing Development Capital Programme 2022/23 to 2025/26

Annexe 5 – HRA Reserves 2022/23 to 2025/26

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: 13 January 2022
Strategic Director:

Portfolio Holder:

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Annexe 1	Outturn	Opening Budget	Forecast Outturn	Budgets			
	2020/21	2021/22	2021/22	2022/23	2023/24	2024/25	2025/26
HRA Business Plan 2022/23 to 2025/26							
INCOME							
Net Dwelling Rent	-28,565,701	-28,784,000	-29,156,900	-30,220,200	-31,126,806	-32,060,610	-33,022,428
Net Garage Rent	-321,873	-352,700	-316,300	-332,115	-342,078	-352,341	-362,911
Service Charges	-292,596	-357,000	-327,800	-374,850	-386,096	-397,678	-409,609
Cost Recovered	-303,127	-325,950	-307,815	-342,247	-352,514	-363,090	-373,983
Other Income	-258,242	-271,526	-304,417	-270,086	-278,189	-286,534	-295,130
Interest Receipts	-281,943	-202,160	-170,987	-145,467	-149,831	-154,326	-158,956
Total Income	-30,023,483	-30,293,336	-30,584,219	-31,684,965	-32,635,514	-33,614,579	-34,623,017
EXPENDITURE							
Cost of Operation	1,240,543	1,580,597	1,552,494	1,385,509	1,622,100	1,662,700	1,704,200
Operational Staffing	3,514,770	3,772,454	3,889,924	3,849,238	3,964,715	4,083,656	4,206,166
Support Service Charges	580,823	493,660	532,843	599,300	617,279	635,797	654,871
Back Funding Pension Cost	586,020	650,355	658,283	658,285	658,285	658,285	658,285
Responsive Maintenance	4,814,552	5,319,067	6,202,719	6,104,312	6,287,441	6,476,065	6,670,347
Corporate and Democratic Costs	599,980	614,930	614,930	614,950	633,399	652,400	671,972
Mortgage Interest	5,585,751	5,484,494	5,484,494	5,327,754	5,116,002	4,872,531	4,601,295
Mortgage Principal Repayment	4,303,000	4,984,000	4,984,000	7,998,000	8,561,000	9,485,000	9,780,000
Hardship Fund				30,000	30,000	30,000	30,000
Total Expenditure	21,225,439	22,899,557	23,919,687	26,567,347	27,490,221	28,556,435	28,977,136
Net INCOME -/ Net EXPENDITURE +	-8,798,043	-7,393,779	-6,664,532	-5,117,618	-5,145,293	-5,058,145	-5,645,880
Contribution to/from (-ve) Reserves							
New Build (Affordable Housing)	3,000,000	3,000,000	3,000,000	0	0	0	0
Core Capital programme Contribution via Major Repairs Reserve	5,515,375	5,824,990	5,105,421	7,683,100	7,919,050	7,342,750	7,060,250
Major Repair Reserves: Principle Repayment 2020/21	-4,303,000						
Release Contingency Reserve	-200,000			-2,024,000			
Working Balance	4,973,701	-1,431,204	-1,440,889	-541,482	-2,773,757	-2,284,605	-1,414,370
Revenue Grants/Provisions	-188,032						
Total to Reserves	8,798,044	7,393,786	6,664,532	5,117,618	5,145,293	5,058,145	5,645,880
HRA Working Balance (min £2m)							
Opening Balance	6,942,857		11,916,558	10,475,669	9,934,186	7,160,429	4,875,824
Movement in year added/ (-ve) reduced	4,973,701		-1,440,889	-541,482	-2,773,757	-2,284,605	-1,414,370
Closing Balance	11,916,558		10,475,669	9,934,186	7,160,429	4,875,824	3,461,455

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Annexe 2

**Housing Revenue Account
Schedule of Fees and Charges for 2022/2023**

	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	18.30	5.0%
Guest Rooms - E P Units - Double	Per Night	OS	23.12	23.60	5.0%
Community Rooms - Residents	Session	OE	21.11	21.60	5.0%
Community Rooms - Non Resident	Session	OE	36.80	37.60	5.0%
Leaseholder Charges					
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	28.74	29.40	5.0%
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	25.63	26.20	5.0%
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	28.74	29.40	5.0%
Service charge invoicing and supporting documentation non-shared ownership.	Quarterly	OO	3.92	4.00	5.0%
Service charge invoicing and supporting documentation non-shared ownership.	Annual	OO	12.86	13.20	5.0%
Service charge invoicing and supporting documentation shared ownership.		OO	28.74	29.40	5.0%
Consent to alter		OS	59.50	60.70	5.0%
Retrospective/ Complex consent to alter		OS	82.01	83.70	5.0%
Consent to underlet		OS	33.87	34.60	5.0%
Consent to keep pets		OS	33.87	34.60	5.0%

Annexe 2**Housing Revenue Account
Schedule of Fees and Charges for 2022/2023**

	Unit of Charge	VAT Indicator	Existing Charge	Proposed Charge	% Increase
			£	£	
Letter to lenders and other third parties		OS	28.74	29.40	5.0%
Reminder in relation to arrears with full printout of account		OE	28.74	29.40	5.0%
Section 20 management		OE	38.99	39.80	5.0%
Obtaining Land Registry document as requested by leaseholder		OS	12.56	12.90	5.0% Plus L Regist
Provision of duplicate invoices		OS	3.42	3.50	5.0%
Contacting or responding to you in relation to a problem with your flat. Non-complex replies by email will be free		OS	6.73	6.90	5.0%
Written contact and liaison with you in relation to statutory requirements, such as fire and asbestos risk assessments		OE	3.42	3.50	5.0%
Leasehold enquiry responses		OS	251.15	256.20	5.0%
Leasehold (with sinking fund) enquiry responses		OS	261.40	266.70	5.0%
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	

ANNEXE 3	Forecast					
	Outturn	outturn	Budget	Budget	Budget	Budget
HRA Core Programme	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programmed works:						
Asbestos Removal	110,295	150,000	250,000	250,000	250,000	250,000
Bathrooms	308,367	190,000	250,000	1,000,000	1,000,000	1,000,000
CCTV		0	15,000	0	0	0
Door Entry Systems		0	30,000	10,000	10,000	10,000
Heating Upgrades	531,715	525,000	400,000	400,000	400,000	400,000
Kitchens	54,246	100,000	350,000	1,400,000	1,400,000	1,400,000
Lift Maintenance	11,203	0	35,000	0	35,000	35,000
internal remodelling	18,838	110,000	120,000	140,000	140,000	140,000
Structural & Damp works	90,552	200,000	200,000	200,000	200,000	200,000
Grounds Maintenance	33,430	15,000	35,000	35,000	35,000	35,000
Programmed External Works:						
Energy Efficiency	7,315	125,000	200,000	300,000	0	0
Roofline and Fascias	119,160	150,000	50,000	50,000	50,000	50,000
Re-Roofing	303,655	274,200	400,000	500,000	690,000	890,000
Glazing		0	450,000	450,000	450,000	450,000
Decent Homes works:						
Commercial Heating	14,618	0	200,000	50,000	50,000	50,000
Re-wiring	285,664	400,000	500,000	500,000	500,000	500,000
Bathroom work Voids	101,512	148,900	157,500	160,000	80,000	80,000
Kitchen work Voids	223,026	393,000	472,500	470,000	235,000	235,000
Disabled adaptations	147,059	400,000	350,000	250,000	250,000	250,000
Health and Safety:						
Fire Safety	1,729	160,000	750,000	750,000	750,000	300,000
Water Mains	223,362	108,000				
Riverside Court		520,000				
Communal and estates works:						
Flooring		30,000	20,000	20,000	20,000	20,000
Lighting		10,000	10,000	10,000	10,000	10,000
Parking, Paths & Curtilage	102,705	120,000	100,000	200,000	100,000	100,000
Scooter Store (Sheltered Schemes)		20,000	20,000	20,000	0	0
Garages	1,234	15,000	20,000	20,000	20,000	20,000
Additional Specific Capital Works:						
Stock Condition Survey			300,000			
Wyatts Close (Enfranchisement/Freehold Purchase)			1,000,000			
Vernon Ct/Mead Lane Wall rebuild			75,000			
Block metering survey			30,000			
Porch replacement			25,000			
Cesspit Replacement			30,000			
Senior Living wifi			25,000			
Property Fees		80,000	50,000	50,000	50,000	50,000
Staffing 13% of programme value	527,806	749,990	763,100	934,050	867,750	835,250
Total Core Programme	3,217,491	4,994,090	7,683,100	7,919,050	7,342,750	7,060,250

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Housing Revenue Account Business Plan - Housing Development Capital Programme							ANNEX 4
Project Name	Total spend up to and including 2020/21	2021/22 Forecast outturn	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	Total Scheme Cost
New Build Programme:							
Predevelopment and Staff costs							
HRA Feasibility - Development Staff Costs		442,830	590,000	590,000	590,000	590,000	2,802,830
Pre-development Expenditure		73,200	825,000	200,000	200,000	200,000	1,498,200
Latent defects contingency		11,300	83,000	20,000	20,000	20,000	154,300
Sub Total: Predevelopment and Staff costs		527,330	1,498,000	810,000	810,000	810,000	4,455,330
Land and Asset purchases							
Purchasing affordable housing units (based on opportunities offered to date), land acquisition and property purchase		494,750	2,500,000	2,200,000	2,000,000	0	7,194,750
Sub Total: Land and Asset Purchase		494,750	2,500,000	2,200,000	2,000,000	0	7,194,750
Schemes in progress:							
Aarons Hill, Godalming	146,621	155,000	665,800				967,421
Hartsgrove	16,178	55,000	88,000	981,000	313,000		1,453,178
Turner's Mead	0	55,000	54,600	471,400	143,000		724,000
Ockford Ridge	3,314,482	0	200,000	100,000	100,000		3,714,482
Ockford Ridge - Site C	517,116	505,000	3,742,536	3,684,305			8,448,957
Pathfield	8,842	75,000	181,000	1,958,000	805,100		3,027,942
Queensmead	10,802	55,000	1,248,000	613,100			1,926,902
Sub Total: Schemes in Progress	4,014,041	900,000	6,179,936	7,807,805	1,361,100	0	20,262,882
Total New Build Programme:	4,014,041	1,922,080	10,177,936	10,817,805	4,171,100	810,000	31,912,962
Funding: New Build Programme							
Capital Receipts	2,571,602	735,032	3,707,974	4,239,122	1,580,440	236,000	10,498,568
Met from new affordable reserve:	1,442,439	1,187,048	6,469,962	6,578,683	2,590,660	574,000	21,414,394
Total New Build Programme funding:	4,014,041	1,922,080	10,177,936	10,817,805	4,171,100	810,000	31,912,962
Stock Remodelling:							
Borough wide refurbishment		226,000	216,000	0	0	0	
Ockford Ridge Refurbishment		256,450	0	0	0	0	
Zero carbon retrofit pilot 7 existing units.			981,000	0	0	0	
Total: Stock Remodelling		482,450	1,197,000	0	0	0	
Funding: Stock remodelling:							
Stock Remodelling Reserve		482,450	1,197,000	0	0	0	
Reserves Statement							
New Affordable Homes Reserve:							
Opening balance:		16,294,475	18,107,427	11,637,465	5,058,782	2,468,122	
From HRA Business Plan		3,000,000	0	0	0	0	
Used to fund new build programme		1,187,048	6,469,962	6,578,683	2,590,660	574,000	
Closing Balance:		18,107,427	11,637,465	5,058,782	2,468,122	1,894,122	
Capital Receipts Unapplied Reserve:							
Opening balance:		17,413,901	22,364,669	22,656,694	21,417,572	22,837,132	
From Right To Buy sales		5,685,800	4,000,000	3,000,000	3,000,000	3,000,000	
Used to fund new build programme max 40%		735,032	3,707,974	4,239,122	1,580,440	236,000	
Closing Balance:		22,364,669	22,656,694	21,417,572	22,837,132	25,601,132	
Capital Receipts Balance Consists of:							
Unrestricted		7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	
Restricted 1-4-1 RTB - 3 year limit		6,770,522	4,927,317	2,086,771	1,904,908	3,067,484	
Pooled receipts not available for capital funding		8,594,146	10,729,378	12,330,801	13,932,225	15,533,648	
Total:		22,364,669	22,656,694	21,417,572	22,837,132	25,601,132	
Stock Remodelling Reserve:							
Opening balance:		5,018,336	4,535,886	3,338,886	3,338,886	3,338,886	
From HRA BP		0	0	0	0	0	
Used to fund stock remodelling		482,450	1,197,000	0	0	0	
Closing Balance:		4,535,886	3,338,886	3,338,886	3,338,886	3,338,886	
External Funding		0	0	0	0	0	
External Borrowing		0	0	0	0	0	

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Housing Revenue Account Reserves						ANNEXE 5
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Opening Reserves						
Working Balance	6,942,857	11,916,558	10,475,669	9,934,186	7,160,429	4,875,824
Contingency	2,224,000	2,024,000	2,024,000	0	0	0
New Affordable Homes	14,736,914	16,294,475	18,107,427	11,637,465	5,058,782	2,468,122
Stock Re-modelling	5,130,973	5,018,336	4,535,886	3,338,886	3,338,886	3,338,886
Major Repairs Reserve	2,100,000	94,884	206,215	206,215	206,215	206,215
Capital Grants Unapplied - Ockford Ridge Bond	54,023	54,023	54,023	0	0	0
Revenue Grants	179,057	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	7,591	7,172	6,672	-0	-0	-0
Capital Receipts Unapplied	17,571,899	17,413,901	22,364,669	22,656,694	21,417,572	22,837,132
Total Reserves	48,947,314	52,823,348	57,774,560	47,773,446	37,181,884	33,726,179
Add from In Year Business Plan and cash for capital receipts						
Working Balance	4,973,701	0	0	0	0	0
Contingency	0	0	0	0	0	0
New Affordable Homes	3,000,000	3,000,000	0	0	0	0
Stock Re-modelling	0	0	0	0	0	0
Major Repairs Reserve	5,515,375	5,105,421	7,683,100	7,919,050	7,342,750	7,060,250
Capital Grants Unapplied - Ockford Ridge Bond	0	0	0	0	0	0
Revenue Grants	0	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	0	0	0	0	0	0
Capital Receipts Unapplied	2,899,484	5,685,800	4,000,000	3,000,000	3,000,000	3,000,000
Total Reserves	16,388,559	13,791,221	11,683,100	10,919,050	10,342,750	10,060,250
Less use of Reserves						
Working Balance	0	1,440,889	541,482	2,773,757	2,284,605	1,414,370
Contingency	200,000	0	2,024,000	0	0	0
New Affordable Homes	1,442,439	1,187,048	6,469,962	6,578,683	2,590,660	574,000
Stock Re-modelling	112,637	482,450	1,197,000	0	0	0
Major Repairs Reserve	7,520,491	4,994,090	7,683,100	7,919,050	7,342,750	7,060,250
Capital Grants Unapplied - Ockford Ridge Bond	0	0	54,023	0	0	0
Revenue Grants	179,057	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	419	500	6,672	0	0	0
Capital Receipts Unapplied	3,057,482	735,032	3,707,974	4,239,122	1,580,440	236,000
Total Reserves	12,512,525	8,840,009	21,684,213	21,510,612	13,798,455	9,284,620
Closing reserves						
Working Balance	11,916,558	10,475,669	9,934,186	7,160,429	4,875,824	3,461,455
Contingency	2,024,000	2,024,000	0	0	0	0
New Affordable Homes	16,294,475	18,107,427	11,637,465	5,058,782	2,468,122	1,894,122
Stock Re-modelling	5,018,336	4,535,886	3,338,886	3,338,886	3,338,886	3,338,886
Major Repairs Reserve	94,884	206,215	206,215	206,215	206,215	206,215
Capital Grants Unapplied - Ockford Ridge Bond	54,023	54,023	0	0	0	0
Revenue Grants	0	0	0	0	0	0
Earmarked Reserve - Water Charge Refunds	7,172	6,672	-0	-0	-0	0
Capital Receipts Unapplied	17,413,901	22,364,669	22,656,694	21,417,572	22,837,132	25,601,132
Total Reserves	52,823,348	57,774,560	47,773,446	37,181,884	33,726,179	34,501,810

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WAVERLEY BOROUGH COUNCIL

VALUE FOR MONEY O & S COMMITTEE

25 JANUARY 2022

EXECUTIVE

8TH FEBRUARY 2022

Title:

Capital Strategy 2022/2027
Incorporating Treasury Management Strategy and Asset Investment Strategy

Portfolio Holder: Cllr Mark Merryweather

Head of Service: Peter Vickers

Key decision: Yes

Access: Public

1. Purpose and summary

- 1.1 The purpose of the report is for the Policy O&S Committee to scrutinise the draft Capital Strategy 2022/2027 incorporating Treasury Management Strategy and Asset Investment Strategy and pass comments to the Executive ahead of its meeting on 8th February.
- 1.2 Whilst it is a statutory requirement for local authorities to produce an annual Capital Strategy it is also a best practice approach to longer-term strategic planning and investment to ensure the Council's long-term priorities can be delivered as well as the day-to-day provision of services.
- 1.3 The Capital Strategy (Item 1) brings together the Council's detailed policies, procedures and plans relating to capital expenditure, capital financing and treasury management activity. It incorporates the Treasury Management Framework, Prudential Indicators and Asset Investment Strategy.
- 1.4 It also gives an overview of how associated risk is managed and the implications for future financial sustainability.

2. Recommendation for Overview and Scrutiny Committee

- 2.1 The Policy O&S Committee consider the draft Capital Strategy 2022/2027 incorporating Treasury Management Strategy and Asset Investment Strategy and pass comments and observations to the Executive.

3. Recommendation

3.1 That the Executive recommends to Council:

1. The 5-year Capital Strategy for 2022/2027, incorporating the Treasury Management Strategy, Prudential Indicators and Asset Investment Strategy, for approval.
2. Subject to a positive recommendation from the Asset Investment Advisory Board and agreement from the Chief Executive and Strategic Director, authority be delegated to the Executive:
 - a. to bid, negotiate and complete on property acquisitions and investments with a total individual cost of up to £10m, subject to the decision fully satisfying all criteria and process requirements set out in this Strategy;
 - b. to appoint advisors and undertake appropriate due diligence for each property acquisition and investment proposal as necessary; and
 - c. to complete the legal matters and signing of contracts to execute the transactions referred to above

4. Reason for the recommendation

- 4.1 The Capital Strategy is a whole organisation approach to capital investments(expenditure) and overall strategic planning. It has historically been seen as a finance responsibility but should be steered by the leadership of the Council and is a responsibility of all.
- 4.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) have issued guidance on the aims and requirements of a Capital Strategy focusing on a whole organisation approach to prudent, sustainable and resilient local government investment.
- 4.3 CIPFA have also issued two revised professional Codes of Practice to which the Council is required by law to “have regard to”. These give frameworks designed to support local strategic planning, local asset management planning and proper option appraisal:
 - **The Prudential Code** – developed to support local authorities in taking decisions around their capital investment programmes. The objectives of the Prudential Code are to ensure, within a clear reporting framework, that a local authority’s capital expenditure plans and investment plans are affordable and proportionate; that all external borrowing and other long-term liabilities are within prudent and sustainable levels; that the risks associated with investments for commercial purposes are proportionate to their financial capacity; and that treasury management decisions are taken in accordance with good professional practice.
 - **The Treasury Management Code** - Treasury Management is defined as ‘The management of the organisation’s borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks’.

4.4 Both of these codes have been out to consultation in 2021 in response to a rise in local authorities undertaking commercial investments, and purchasing property solely to make a return, with particular concerns where these investments have been financed by borrowing. Proposals outlined in the consultations address that borrowing for yield only is a risk to prudent investment. CIPFA hopes that these strengthened Codes will alleviate further government intervention in the Prudential Framework and ensure local decision making is protected.

4.5 The new Codes were published in December 2021.

5. Government intervention

5.1 The government supports local investment in part by offering low cost loans to local authorities through the Public Works Loan Board (PWLB). In March 2020 the government consulted on revising the PWLB's lending terms to reflect the transfer of its lending powers to HM Treasury and to end the situation in which a minority of local authorities used PWLB loans to support the acquisition of investment assets bought primarily for yield.

5.2 The outcome of that consultation was a set of lending terms that supports local authority investment in permissible categories of local authority capital expenditure to encapsulate the core activities of local authorities which the government wishes to support, whilst setting out a stricter definition of investment assets bought primarily for yield, which the lending terms restrict.

5.3 Permissible categories:

- service delivery
- housing
- economic regeneration
- treasury management
- and occasionally preventative action, under the prudential regime

6. Capital Strategy

6.1 The Council's Capital Strategy, Treasury Management Strategy and Asset Investment Strategy have been aligned to the new codes and the Government's lending terms. The strategies are detailed at:

- Capital Strategy – Item 1
- Treasury Management Strategy – Item 4
- Asset Investment Strategy – Item 5. This replaces the Property Investment Strategy approved in February 2019 which focused on 'for yield' investments. The Asset Investment Strategy considers overall asset management and investment in property in support of the corporate priorities.

6.2 The key points to note are:

- All three strategies apply to the General Fund, Housing Revenue Account and Trust Assets corporately as a whole organisation approach to asset and cash management. Although the Trusts are separate legal entities they follow the Council's governance policies and regulations.

- The CIPFA Codes and Government guidelines for access to the PWLB will be followed as best practice and to protect borrowing options for the future.
- Cash deposits under the Treasury Management Strategy are fixed rate, fixed term deposits to give certainty and reduce risk
- All property asset investments are to be overseen by the Asset Investment Manager as a corporate approach to deliver best value from assets and development opportunities
- All property investments must be financially viable, any yield element a secondary and proportionate consideration
- All property assets will be assessed to determine if cost of holding outweighs benefits and action taken

7. Governance

- 7.1 The investment governance process is extensively detailed in the Capital Strategy and the Asset Investment Strategy. Decisions on taking forward each investment opportunity will be taken by the Executive based upon detailed consideration and recommendation of the Asset Investment Advisory Board (AIAB, was the Investment Advisory Board). This ensures appropriate rigour in advance of the Executive decision by ensuring only credible options are progressed to the Executive. The composition of the AIAB is cross party to ensure full Member representation.
- 7.2 Officer support is provided by a range of senior and technical officers including finance, legal and property and all meetings will be serviced by the Democratic Services Team. In approving a business case, the Asset Investment Advisory Board will satisfy itself that the investment is in line with the Council's strategies, is and legal powers, it has properly considered the advice from its advisors (both internal and external) and its structure provides the best value for money considering all financial considerations, including taxation.
- 7.3 In recognition of the strong governance process supporting the Asset Investment Strategy, and the need to expedite the approval process in a competitive bidding environment it is being proposed to reinstate the 2019/20-2020/21 Council delegation to the Executive to approve acquisitions up to the value of £10 million that was in place up to the end of March 2021.

8. Relationship to the Corporate Strategy and Service Plan

- 8.1 The Capital Strategy provides a governance framework around capital investment to ensure a best practice approach to longer-term strategic planning and investment to ensure the Council's long-term priorities can be delivered as well as the Service Plans
- 8.2 The Council will only consider investments that support the Corporate Strategy and Service Plans.

9. Implications of decision

Resource (Finance, procurement, staffing, IT)

- 9.1 There are no direct resource implications from this report. However, adoption of the Capital Strategy, Treasury Management Strategy and Asset Investment Strategy will aid a financially resilient Waverley.

Risk management

- 9.2 Risk management is addressed in each strategy.
- 9.3 The Capital Strategy describes how the Council determines its priorities for capital investment and decides how much it can afford to borrow.
- 9.4 The Treasury Management Framework details the control of the risks associated with cash deposits and cash flows, banking, money market transactions and borrowing and the pursuit of optimum performance consistent with those risks. It requires the achievement of an appropriate balance between risk and return and, therefore, plays a key role in the generation of income required to support service provision.

Legal

- 9.5 The CIPFA codes support the provisions of the Local Government Act 2003 and the Local Authorities (Capital Finance and Accounting) Regulations 2003 and support strategic planning for capital investment at a local level. Compliance with both codes is a statutory requirement for local authorities.

Equality, diversity and inclusion

- 9.6 There are no direct equality, diversity or inclusion implications in this report. However, the environmental aspects of the Strategy are incorporated across all annexes of 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.

Climate emergency declaration

- 9.7 There are no direct climate emergency declaration implications in this report.

10. Consultation and engagement

- 10.1 The Policy Overview and Scrutiny committee will scrutinise the Capital Strategy on the 25th January and pass comment onto the Executive before Full Council on 22nd February 2022.

11. Other options considered

- 11.1 It is a statutory requirement for local authorities to produce an annual Capital Strategy.

12. Governance journey

- 12.1 This report followed the Medium-Term Financial Plan and budget through the Committee process.

13. Supporting Documents:

Item 1 – Capital Strategy

Item 2 – Capital Strategy infographic (Annexe 1 to the Capital Strategy)

Item 3 – Asset Management Plan and Capital Ambition (Annexe 2 to the Capital Strategy)

Item 4 – Treasury Management Strategy (Annexe 3 to the Capital Strategy)

Item 5 – Asset Investment Strategy (Annexe 4 to the Capital Strategy)

Background Papers

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

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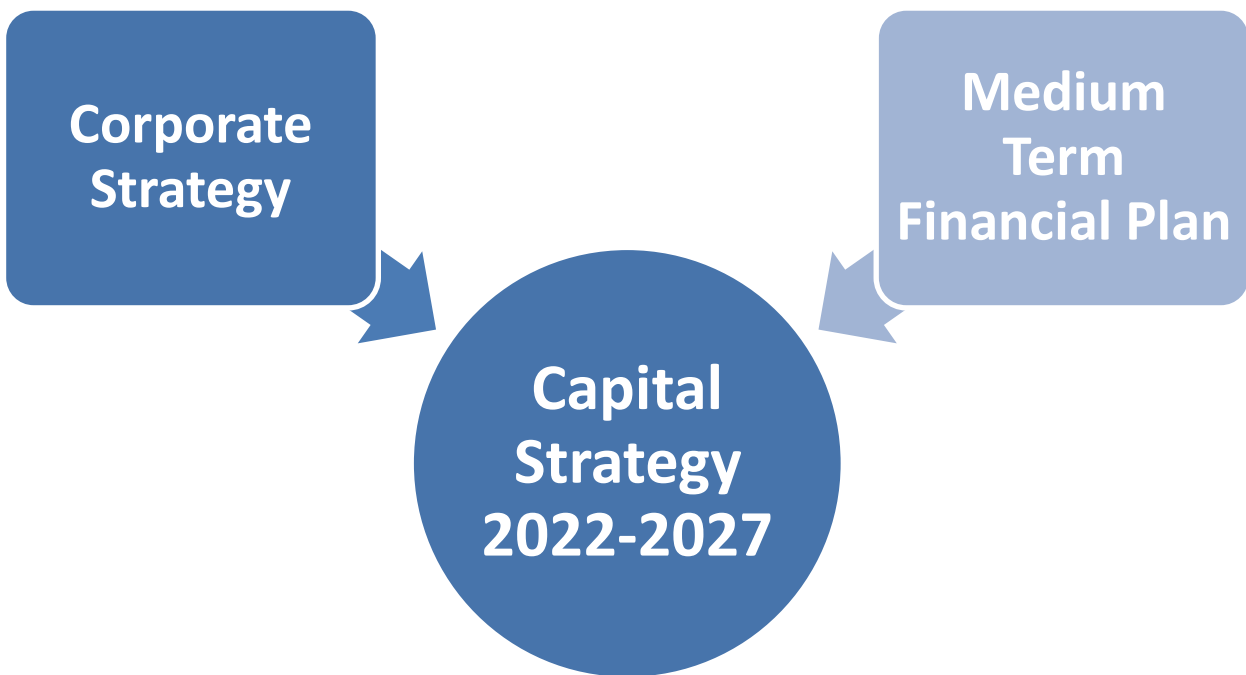
Agreed and signed off by:

Legal Services:

Head of Finance:

Strategic Director:

Portfolio Holder:



<i>Owned by:</i>	<i>Vicki Basley</i>
<i>Version:</i>	<i>5.0</i>
<i>Executive/Council Approval date:</i>	<i>February 2022</i>
<i>Date for review:</i>	<i>February 2023</i>

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1 Description

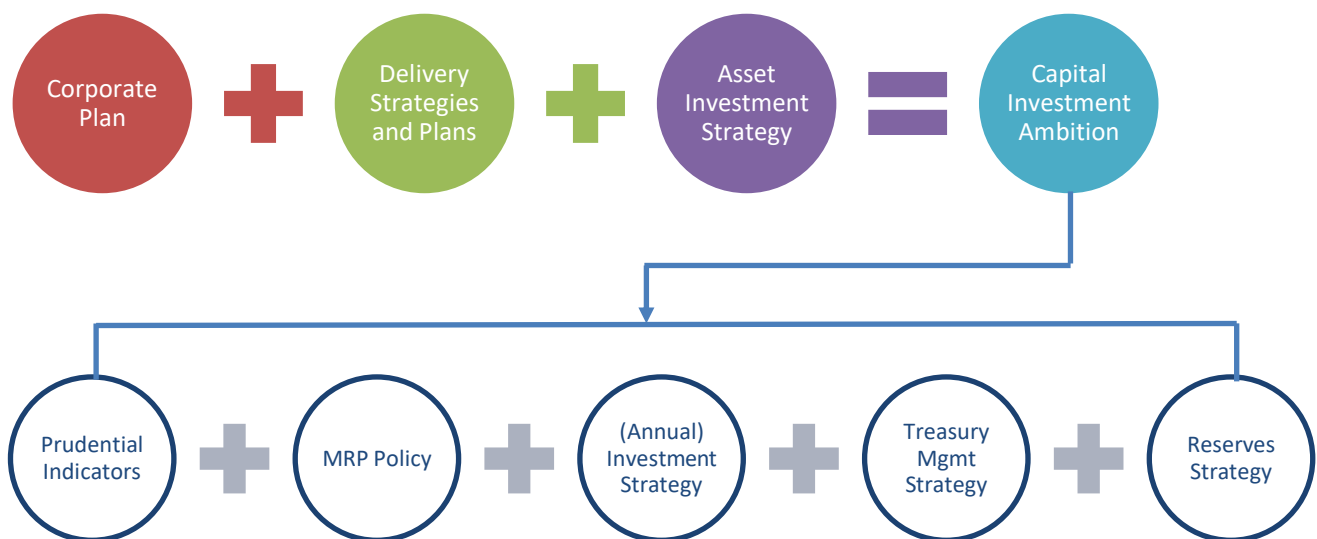
- 1.1 Capital is defined as all expenditure not directly included in the annual revenue budget (General Fund and Housing Revenue Account) and generally results in a new or enhanced asset or investment held on the Council's balance sheet.
- 1.2 All capital expenditure must comply with the Capital Strategy (the Strategy). The Strategy brings together detailed policies, procedures and plans relating to existing (and potential investments) in land and building related assets and treasury management transactions and applies to the General Fund, Housing Revenue Account, the Trusts (for which the Council is Trustee) and those entered into by the Council under group or partnership arrangements.
- 1.3 The Strategy forms an essential part of the Council's integrated revenue, capital, and balance sheet planning. It aligns to the Financial Strategy, the Medium-Term Financial Plan (MTEP), Housing Revenue Account Business Plan and the Annual Revenue Budget. This is shown diagrammatically in Annexe 1 to this Capital Strategy.
- 1.4 The Strategy also provides a framework by which capital expenditure decisions are made as required by the CIPFA Prudential Code for Capital Finance in Local Authorities to provide good governance.
- 1.5 It should also be noted that whilst this is a capital strategy it also applies to all expenditure of a revenue nature relating to land and buildings, such as asset maintenance and planned asset development programmes where significant revenue expenditure is incurred in the revenue budgets.

2 Capital Investment Ambition

2.1 The Council's ambition with regard to capital investment is to:

- prioritise and deploy capital resources (as described in section 4) in advancement of the Corporate Objectives
- support Service Plans
- invest in assets that reflect the corporate priorities
- manage the Council's, treasury management investments, land and buildings and related assets effectively and efficiently including exit strategies for those no longer required

2.2 The diagram below shows the building blocks for the development of the Council's capital investment ambition. The bottom half of the diagram shows how the Council will meet this through financial planning.



2.3 The capital investment ambition is mapped against the Corporate Objectives in the Asset Management Strategy and Capital Ambition at annexe 2 to this Capital Strategy.

2.4 The Reserves Strategy is considered as part of the Budget report and will be developed following the completion of the 2021/22 financial year including the HRA reserves.

3 Themes of the Capital Strategy

As required by the CIPFA Prudential Code the Council's Capital Strategy covers several themes:

3.1 **Capital Expenditure**

- Governance process for approving and monitoring capital expenditure
- Long term capital spend plans
- Asset management planning
- Capital Finance

3.2 **Debt, Borrowing and Treasury Management**

- External debt and internal borrowing
- Treasury Management transactions

3.3 **Asset Investments and Commercial Activity**

- Approach to commercial activities, effective due diligence, and alignment to risk appetite in respect of such activity
- Housing

3.4 **Other Long-term liabilities**

- An overview of the governance process for approval, monitoring and ongoing risk management of any other long-term liabilities

3.5 **Knowledge and Skills**

- Knowledge and skills available to the Council commensurate with the Council's risk appetite

4 **Capital Expenditure**

Governance Process

4.1 This section gives an overview on the governance process for approval and monitoring of capital expenditure, it documents:

- Project initiation
- Prioritisation of capital projects
- Monitoring and evaluating projects
- Framework for the management and monitoring of the Asset Management Programme

Project Initiation

4.2 Capital projects will be subject to a robust justification process which brings together a clear business case with sufficiently detailed costings to ensure that the rationale for the decision can be easily understood. This ensures the Council's overall capital strategy; governance procedures and risk appetite are fully understood by all members.

4.3 Proposals must be subject to management oversight and review in terms of validation arrangements, estimated figures and project milestones.

- 4.4 Business cases must be prepared in accordance with the Council’s Project Management toolkit. The business case must state where responsibility for a project’s delivery sits, and which officers are responsible for each task in the project.
- 4.5 Viability assessments will be required before bids are made for capital funding. This includes undertaking all preparatory work to fully understand the requirements of a project before capital funding is sought.
- 4.6 An assessment of resource capacity requirements and availability must be included in proposals to ensure that both delivery of projects and day-to-day work is covered. That assessment must include a time-based resource plan to highlight significant pressure on resources.
- 4.7 A formal process for supervision and review of the capital project at regular and defined intervals must be annexed to the business case to ensure that the project will be subject to thorough oversight for its duration.

Prioritisation of capital projects

- 4.8 Proposed capital projects will be prioritised in line with the project scoring process:

Priority scoring

Score 1-5, cumulative higher scores are priority

Criteria	Score 1	Score 2	Score 3	Score 4	Score 5
Corporate Priority	Does not contribute to a strategic theme	Contributes indirectly to a strategic theme	Contributes directly to 1 strategic theme	Contributes directly to >1 strategic theme	Very significant strategic impact
Public/Political interest	No interest from Ward members	Some interest from Ward members	A lot of interest – Executive member interest	Significant interest – cross party in the Executive	Very significant across the whole Council
External Funding	No external funding	0-30%	30-60%	60-90%	90-100%
Return on investment	No return	£0-£25k	£25-£50k	£50k-£100k	£100k +
Climate Change impact	Increase in carbon emissions	No impact	Carbon reductions - unmeasurable carbon impact	Carbon reductions – Small Measurable carbon impact	Carbon reductions – Large Measurable carbon impact
Officer time	Will require significant resourcing (dedicated team)	Will require some resourcing (1 dedicated person)	Contained within part of a one role	Small part of a number of roles	Achievable in current service plan
Risk	No financial risk	Costs controlled within approved budget	£0-£100k negative impact	£100k-£500k negative impact	>£500k negative impact

Equality & Diversity	High negative impact	Low negative impact	No impact	Low positive impact	High positive impact
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Monitoring and evaluating projects

4.9 In assessing potential capital projects, the Council will have regard to:

- Governance arrangements
- How each scheme will be reviewed
- The formal approval processes

Governance process for approval and monitoring of capital expenditure

4.10 For all capital investment the appropriate level of due diligence will be undertaken with the extent and depth reflecting the level of risk being considered in accordance with the Council's Risk Appetite Statement.

4.11 Due diligence process and procedures will include:

- Scrutiny of the projects by the Policy Overview & Scrutiny Committee
- Identification of the risk to both the capital investment and the anticipated revenue impact
- Understanding the potential impact on the financial sustainability of the Council if the risks are realised
- Seeking independent and expert advice where necessary

4.12 The Strategic Director (Section 151 Officer) is responsible for ensuring that Members are adequately informed and understand the risks of capital investment decisions.

How each scheme will be reviewed

4.13 The business case put forward for a capital project will be must align to corporate priorities and takes account of stewardship, value for money, prudence, sustainability, and affordability.

4.14 Investment decisions must consider risk and reward.

4.15 The phasing of projects over more than one financial year must be assessed to ensure timetabling of plans and budgeting is realistic and the capital expenditure is fully funded before commitment.

4.16 Contingency budgets must be identified and considered as part of the viability assessment and business case review process to ensure the key risks are mitigated and avoid under-budgeting of funds.

The formal approval process

4.17 All proposals to invest in the acquisition new or existing land and buildings must comply with the Asset Investment Strategy (AIS – Item 5 – Asset Investment Strategy,

Annexe 4 to the Capital Strategy) . All other capital projects that require budget allocation and/or have revenue implications must be approved through the committee process based upon the governance described in this strategy.

Framework for the management and monitoring of the Capital Programme

- 4.18 Project management must be undertaken on every project irrespective of funding source using the Council's project management toolkit. The toolkit consists of a standardised set of project documentation which allows a thorough and transparent overview of projects and the assessment of project progress against initial plans and milestones.

Long-term Capital Expenditure Plans

- 4.19 The long-term plans must be aligned to the Corporate Priorities as set out in the Corporate Strategy and as documented in the Asset Management Strategy and Capital Ambition at Annexe 2 to this Capital Strategy.

Asset Management Planning

- 4.20 Asset Management Plans must be drawn up for all land and building asset in line with the characteristics of the type of asset. The plan will specify the timeframe over which performance will be assessed and the short, medium, and long-term objectives of holding the asset.
- 4.21 The Council's arrangements for the corporate review of existing assets are contained in the Asset Investment Strategy, Strategic Asset Management Plans, and the Housing Revenue Account Asset Management Strategy. These provide frameworks for the operational work of asset management.
- 4.22 As part of service planning asset reviews must be undertaken to consider the use of existing land and building against the asset management plans and whether it is still appropriate and value for money in achieving corporate priorities. The use of assets must be considered against corporate priorities, customers' needs and expectations.
- 4.23 Asset management also includes disposal of assets in line with the exit strategy (section 11) of the AIS.

Capital Finance

- 4.24 Proposals for capital projects shall identify the capital financing, supported where appropriate by a viability assessment before commitment to the project.
- 4.25 Capital financing must be appropriate for the project. Possible sources are:
- Reserves
 - Capital receipts – from the sale of assets or finance lease receipts
 - Government grants – such as disabled facilities grant funding
 - Third party grants and contributions
 - Community infrastructure Levy
 - Revenue contributions

- Other developer contributions
- External (prudential) borrowing
- Internal borrowing

- 4.26 If grant funding is being sought as part of the financing, the project appraisal process must include bidding timeframes and the likely success of being awarded a grant.
- 4.27 Any funding restrictions or conditions on financing a project must be identified and assessed, such as HRA capital receipts and Community Infrastructure Levy.
- 4.28 Any external borrowing will be undertaken with regard to the guidance issues by HM Treasury for the access to PWLB borrowing as documented in the AIS.

Flexible use of capital receipts until 2021/22

- 4.29 Up to 2021/2022 Local authorities were permitted to use capital receipts to help fund the revenue costs of transformation projects and release savings. If the Government extend this direction the Council will consider this flexibility.

5 Debt, Borrowing and Treasury Management

External debt and internal borrowing

- 5.1 The Council's Borrowing Strategy is set out in section 2 of the Treasury Management Strategy. Project appraisal must identify and evaluate a projects suitability for debt financing (borrowing) in compliance with the Borrowing Strategy.
- 5.2 The Council may consider internal and/or external borrowing as part of optimising a projects overall financing package to minimise finance costs and risk.
- 5.3 Minimum revenue provision (MRP) – local authorities are required to set aside a 'prudent' amount of their revenues each year as a provision for the repayment of debt'. Prudent provision should ensure that debt is repaid over a period that is reasonably like the period over which the capital expenditure is expected to provide benefit. The Council's full MRP policy is contained in section 2 of the Treasury Management Strategy.

Revenue Implications and cost of borrowing

- 5.4 The revenue implications of capital investment must always be considered in prioritising projects and making investment decisions. Revenue implications include increases and decreases in both income and costs.
- 5.5 Items with negative revenue implications include:
- cost of borrowing (including MRP)
 - loss of treasury management investment income if internal borrowing is used
 - running costs associated with an acquired asset such as:
 - salaries of employees or management fees or other outsourcing costs
 - heat and light etc

- administrative support costs
- future maintenance

Items with positive revenue implications include:

- additional income
- any positive impact of investment and economic growth on the Council's council tax base and business rates income
- direct revenue savings
- savings from efficiencies
- cost avoidance – for example paying down MRP

Treasury Management

- 5.6 The Council's approach to treasury management is documented in the Treasury Management Strategy at Annexe 3 to the Capital Strategy.

Investment

- 5.7 The DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments:
- Financial investments – these are held for treasury management purposes and comprise those made as part of the management of the Council's cash and are covered by the Treasury Management Strategy.
 - Non-financial investments – this constitutes capital spend and include investments for service purposes (i.e., maintenance programmes) and for strategic purposes. These investments are covered by the AIS.

6 Asset Investment and Commercial Activity

Approach to commercial activities, effective due diligence, and alignment to risk

- 6.1 Asset investment is detailed in the Asset Investment Strategy at Annexe 4 to this Capital Strategy. All investments involving land and property must have the principal aim of supporting corporate priorities through asset investment and management. Assets must compete against other forms of investment if held predominantly for commercial purposes to ensure competitive rates of return.
- 6.2 Asset investment must follow the AIS. Effectively, the council cannot invest purely to profit from yield, but commercial activities can form part of an existing or potential development mixed-use scheme having regard to proportionality as set out in the AIS.
- 6.3 Asset Investment must include effective risk management to identify mitigation against negative impact on the council's finances and specifically address risks arising from any element of commercial activity.

Housing

- 6.4 The Council recognises its role in addressing the demand for all types of housing.
- 6.5 In addressing this need it will consider a range of options:
- Private developments
 - Build new homes
 - Buy S106 homes from developers
 - Seek alternative approaches for financing and supporting house building such as establishing council-owned housing companies and developing new relationships with delivery partners such as housing associations and private developers.
 - The acquisition and appropriation of land and the transfer of assets between the HRA and General Fund
- 6.6 Investment in housing must comply with the AIS.

7 Knowledge and Skills

Knowledge and skills available to the Council

- 7.1 The Council will maximise use of internal skills and expertise. Internal expertise will be kept up to date through training and seeking advice as necessary. This will be supplemented by external support as appropriate depending on the size and nature of the project and in line with the Council's appetite for risk.

8 Other Considerations

- 8.1 All capital schemes must comply with the Council's policies and legislation such as the Financial Regulations and Contract Procurement Rules.
- 8.2 Reference should also be made to other strategies and plans, namely:
- Corporate Strategy 2020-2025
 - Asset Investment Strategy 2022-2027
 - The Local Plan
 - Treasury Management Framework for 2022-2027
 - Housing Revenue Account Asset Management Strategy
 - Financial Regulations 2022-2023
 - Contract Procurement Rules 2022-2023
 - Risk Appetite Statement (Executive 5 February 2019)
 - Medium Term Financial Plan 2022-2027
 - HRA 30 Year business plan

9 Glossary

AIAB: Asset Investment Advisory Board

AIS: Asset Investment Strategy

CIPFA: Chartered Institute of Public Finance and Accountancy

DLUHC: Department for Levelling Up, Housing and Communities (formally Ministry of Housing, Communities and Local Government MHCLG)

GF: General Fund

HRA: Housing Revenue Account

HDB: Housing Delivery Board

L&B: Land and Buildings

MRP: Minimum Revenue Provision

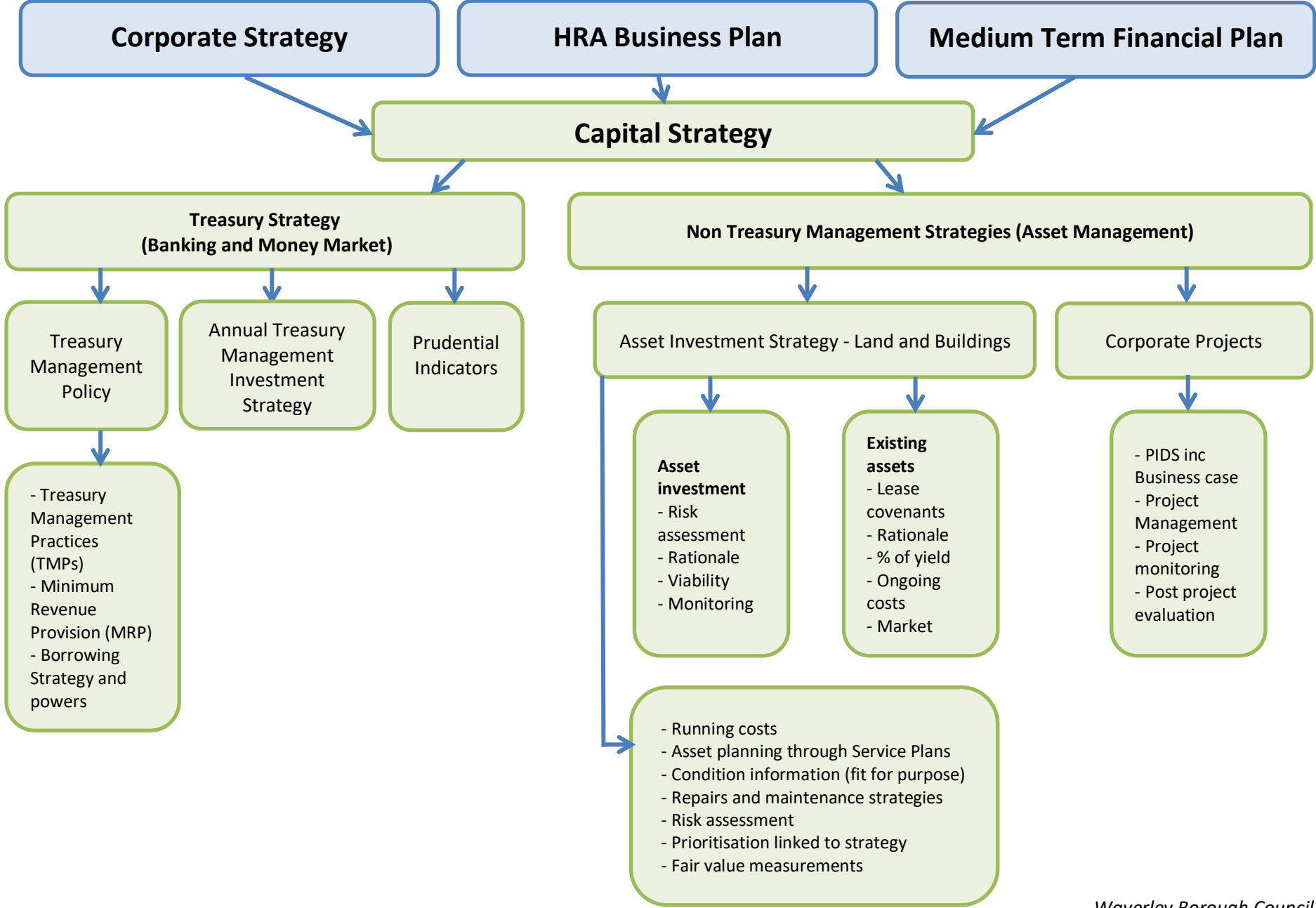
MTPF: Medium Term Financial Plan

Prudential Code: is a statutory professional code of practice that aims to ensure local authorities' financial plans are affordable, prudent, and sustainable.

PWLB: Public Works Loans Board

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Item 2 - Annexe 1 to the Capital Strategy



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Asset Management Strategy and Capital Investment Ambition

Asset Management Policy	
Strategic Priority	
Financial Sustainability	<ul style="list-style-type: none"> • Infrastructure and resilient services fit for the future
Local, open, participative government	<ul style="list-style-type: none"> • Use of property assets to promote open, democratic and participative governance
Supporting a strong, resilient local economy	<ul style="list-style-type: none"> • Asset Strategies for each of the main settlements (and surrounding area) recognising the differences, priorities and opportunities of each to inform asset management decisions about intervention and place shaping • Investment in land and property that creates public value • Consider investment potential in Council owned land and property to provide the type of business space required – such as starter units and small industrial • Pursue strategic acquisitions in support of the local economy and supporting the high street
Taking action on Climate Emergency and protecting the environment	<ul style="list-style-type: none"> • Use the land and property estate to drive down carbon emissions, generate renewable energy, manage trees and plant more trees. • Consider low/zero carbon builds for housing, office space, leisure centres
Good quality housing for all income levels and age groups	<ul style="list-style-type: none"> • Use assets to contribute to targets for new, good quality and affordable homes • Identify/acquire sites for redevelopment to include housing to meet local needs and the Local Plan
Effective strategic planning and development management to meet the needs of our communities	<ul style="list-style-type: none"> • Use of assets to meet local needs whilst protecting the environment • Support the delivery of the Local Plan through Council projects or joint working
Improving the health and wellbeing of our residents and communities	<ul style="list-style-type: none"> • Enhance sporting, cultural, community and recreational facilities • Consider suitability of assets to deliver social care provision

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Treasury Management Strategy

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Introduction

The Treasury Management Strategy covers the management of the Council's cash flows and treasury risk management activity. It covers all cash received whether for the General Fund, Housing Revenue Account or the Trusts for which the Council is Trustee.

Treasury Management Policy

The Council adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice (the Code), which identifies three key principles which Local Authorities should apply:

Key Principle 1

Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.

Key Principle 2

Effective management and control of risk are prime objectives of treasury management activities and that responsibility for this lies clearly within the Council. The Council's appetite for risk is reflected in the annual strategy. When investing treasury management funds, priority is given to security then liquidity and last to yield.

Key Principle 3

Treasury management policies and practices reflect the pursuit of value for money in treasury management, and the use of suitable performance measures will be used as valid and important tools in support of business and service objectives and effective risk management.

CIPFA recommends that all public service organisations adopt the following four clauses:

1. The Council will create and maintain, as the cornerstones for effective Treasury Management:
 - A Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities.
 - Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.
 - Investment Management Practices (IMPs) for investments which are not for treasury management purposes, i.e., internal borrowing.

The content of the policy, statement, TMPs and IMPs will follow the recommendations contained in sections 6,7 and 8 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this Council. Such amendments will not result in the organisation materially deviating from the Code's key principles.

The TMPs are contained in Appendix 1.

2. The Council will receive reports on its treasury management policy and practices and the Executive will receive reports on treasury activities and performance, including, as a minimum, the annual framework in advance of the year, in year monitoring and annual report.
3. The Council delegates responsibility for the regular monitoring of its Treasury Management Policy and practices to the Executive, and for the execution and administration of day-to-day treasury management decisions to the Strategic Director (Section 151 Officer) who will act in accordance with the Council's Policy statement, TMPs and IMPs and CIPFA's Standard of Professional Practice on Treasury Management.
4. Effective scrutiny of the treasury management framework.

Treasury Management Policy Statement

The Council defines its Treasury Management Policy objectives as:

1. The management of the Council's borrowing, Treasury Management investment and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury

management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

High level policies for Treasury Management:

Borrowing:

The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should ensure the Council is transparent and has flexibility and control over its debt.

Investment (Cash deposits):

The Council's primary objective in relation to its cash deposits remains the security of capital. The liquidity or accessibility of the Council's treasury investments followed by the yield earned on investments remain important but are secondary considerations.

Socially Responsible Investment:

The power to invest must be exercised for investment purposes, and not for any wider purpose. Investment decisions must, therefore, be directed towards what is best for the financial position of the Council. If that is achieved the precise choice of investment may be influenced by wider environmental, social and governance (ESG) considerations, so long as this does not risk significant financial detriment.

The Council will only consider other investments (including those around ESG considerations) if the return is broadly equivalent in terms of Security, Liquidity and Yield. Investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt security, liquidity and yield principles and ethical issues must play a subordinate role to those priorities.

Treasury Management Practices (TMPs):

The Council's TMPs are included in Appendix 1.

Treasury Management Strategy-2022-2023

The Council will ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt (including through MRP and/or loans fund repayments) and consideration of risk and the impact, and potential impact, on the Council's overall fiscal sustainability.

The Council has an integrated treasury management strategy within which its borrowing and investments are managed.

The Strategy covers the following elements:

1. Capital expenditure plans
2. External Debt and Investments
3. Treasury Management
4. Risk
5. Value for Money

1. Capital Expenditure Plans

Capital expenditure plans and the associated prudential indicators

- 1.1 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview, confirm capital expenditure and provide information to support decision making on borrowing, affordability, prudence and sustainability.

Prudential indicators for capital expenditure

Indicator 1 - Estimate of total capital expenditure to be incurred

- 1.2 The estimates of capital expenditure the Council plans to incur during the forthcoming financial years are:

	2021-22 Estimate £'000	2022-23 Estimate £'000	2023-24 Estimate £'000	2024-25 Estimate £'000	2025-26 Estimate £'000
General Fund	7,858	5,909	48,500	62,000	3,000
Housing Revenue Account	6,916	17,861	18,737	11,514	7,870
Total	14,774	23,770	67,237	73,514	10,870

- 1.3 The table below summaries the above capital expenditure plans and how these will be financed by capital or revenue resources. Any shortfall in resources results in a funding or borrowing need.

	2021-22	2022-23	2023-24	2024-25	2025-26
	Estimate	Estimate	Estimate	Estimate	Estimate
	£,000	£'000	£'000	£'000	£'000
Capital Receipts	2,572	4,781	3,179	1,185	177
Capital Grants	2,409	924	924	924	924
Major Repairs Reserves	5,825	7,683	7,919	7,343	7,060
Affordable Homes Reserve	1,371	7,397	7,638	2,986	633
Revenue	2,597	1,450	1,600	1,600	1,600
Internal Borrowing	0	1,535	0	0	476
External Borrowing	0	0	45,977	59,476	0
Total	14,774	23,770	67,237	73,514	10,870

Indicator 2 - Capital Financing Requirement (CFR)

- 1.4 The CFR is the amount of capital spending that has not yet been financed by capital receipts, capital grants or contributions from revenue income. It is a measure of the Council's theoretical indebtedness and so its underlying need to borrow.
- 1.5 The Minimum Revenue Provision (MRP) is a statutory revenue charge that reduces the indebtedness.
- 1.6 The borrowing may not necessarily take place externally if the Council judges it prudent to make use of cash that it has invested to adopt an efficient and effective treasury management strategy. This is known as 'internal borrowing' and means there is no immediate link between the need to borrow to pay for capital spending and the level of external borrowing.
- 1.7 The Housing Revenue Account self-financing debt is deemed to be capital expenditure under the regulations and forms part of the calculation of the CFR, although it doesn't require MRP.

	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
General Fund	13	14	14	60	119
Housing Revenue Account	176	171	163	155	145

2. External Debt and Investments

External Debt

Borrowing Strategy

- 2.1 The Council's Borrowing Strategy covers the relevant treasury/prudential indicators and the current and projected debt positions by looking at:

Treasury Management Strategy

- The long-term projection of debt
- Provision for the repayment of debt having regard to MRP guidance
- Authorised limit and operational boundary for the following year (see indicator 4 and 5 below).

2.2 When local authorities borrow they must by law have regard to the Prudential Framework as set out by CIPFA, and by the Department for Levelling Up, Housing and Communities (DLUHC).

2.3 External borrowing is not associated with particular expenditure or purposes other than required by statute or where it relates to a specific funding source.

2.4 The Council, under legislation, can borrow and invest for the following purposes:

- Any function of the authority under any enactment
- For the prudent management of its financial affairs
- Financing capital expenditure primarily related to the delivery of a local authority's functions (subject to the considerations set out in the Prudential Code)
- temporary management of cash flow within the context of a balanced budget
- Securing affordability by removing exposure to future interest rate rises
- Refinancing current borrowing, including replacing internal borrowing, to manage risk or reflect changing cash flow circumstances

2.5 The Prudential Code determines that certain acts or practices are not prudent activity for a Local Authority and incur risk to the affordability of Local Authority investment:

- An authority must not borrow to invest primarily for financial yield
- It is not prudent for Local Authorities to make any investment or spending decision that will increase the CFR, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority and where any financial returns are incidental to the financial viability of the project in question or the primary purpose.

2.6 The following issues will be considered prior to undertaking any external borrowing:

- Affordability
- Maturity profile of existing debt
- Borrowing source

2.7 In addition, temporary borrowing for the purposes of financing day-to-day expenditure commitments is allowed for short periods if economic on the day.

Borrowing Costs

2.8 The Council will normally recognise borrowing costs as an expense in the year they are incurred. The Council may adopt a policy of capitalising borrowing costs where the asset takes a substantial period of time to get ready for its intended use, if it is identified for sale or where it is evaluated to be viable.

PWLB Borrowing:

2.9 The Government's rules for access to PWLB lending require statutory Chief Finance Officers to certify that their Local Authority's capital spending plans for the next 3

years do not include the acquisition of assets primarily for yield, reflecting a view that Local Authority borrowing powers are granted to finance direct investment in local service delivery (including housing, regeneration and local infrastructure) and for cash flow management, rather than to add debt leverage to return-seeking investment activity.

2.10 Since:

- Access to the PWLB is important to ensure Local Authorities' liquidity in the long term, and
- Leveraged investment always increases downside risks,

2.11 Treasury management includes the refinancing or extending of existing debt from any source, the externalisation of internal borrowing or borrowing to manage cashflow within year, the Council may finance this through PWLB borrowing or other capital resources.

2.12 The government recognises the benefits of having ready access to the PWLB for refinancing. The PWLB will therefore lend for this purpose even if the Council is planning activity that makes them otherwise ineligible for PWLB support. Should the Council intend to borrow for refinancing or the externalisation of internal borrowing whilst planning activity that makes it otherwise ineligible for PWLB support it will make this clear on the application to borrow from the PWLB.

2.13 The Council will not pursue a deliberate strategy of using private borrowing or internal borrowing to support investment in an asset that the PWLB would not support and then refinancing or externalising with PWLB loans.

2.14 Under the Prudential Framework the Council cannot borrow or invest for speculative purposes. Financial investments (i.e. money market deposits) should be made for security, liquidity, and yield in that order. Therefore, the Council will only borrow in advance of capital expenditure for prudent financial management and not for the purpose of securing yield. The Prudential Code considers legitimate examples of prudent borrowing to include:

- financing capital expenditure primarily related to the delivery of a local authority's functions
- temporary management of cash flow within a balanced budget
- securing affordability by removing exposure to future interest rate rises
- refinancing current borrowing, including adjusting levels of internal borrowing, manage risk, reduce costs or reflect changes in cash flow circumstances
- other treasury management activity that seeks to prudently manage treasury risks without borrowing primarily for financial return

2.15 The Council has an existing commercial property portfolio that it is not required by the Code to sell. However, should the Council have an expected need to borrow, the Code requires the Council to review options for exiting commercial property investments where these can be reasonably realised, based on a financial performance appraisal which takes account of financial implications and risk reduction benefits. Options would include using the sale proceeds to repay debt or reduce new borrowing requirements.

- 2.16 The PWLB rules allow the Council to maximise its investment in commercial land and property including the repair, renewal and updating of its existing commercial properties on the basis this activity does not limit access to the PWLB.
- 2.17 Should the Council wish to access PWLB borrowing it will comply with the lending terms as assessed by the Section 151 Officer.

Borrowing indicators

Indicator 3 - External Debt

- 2.18 The prudential indicator for the authorised level of external debt is the focus of corporate decision making and managerial control as it is the immediate means by which the Council complies with the legislative requirement to keep under review the amount it can afford to borrow.
- 2.19 The actual external debt is taken from the Council's Balance Sheet.

	2020-21 Actual £m	2021-22 Estimate £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m
External Debt at 1 April					
General Fund	0	0	0	46	105
Housing Revenue Account	175	171	166	158	150
Expected change in Debt	-4	-5	-8	-8	-10
Actual Gross Debt at 31 March	171	166	158	196	245
CFR – GF	13	14	14	60	119
CFR - HRA	176	171	163	155	145
Under/(over) external borrowing	-18	-19	-19	-19	-19

- 2.20 In order to ensure that over the medium-term debt will only be for a capital purpose, external debt should not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

Indicator 4 - Authorised limit for external debt

- 2.21 The Authorised Limit sets the maximum level of external borrowing, excluding Treasury Management investments, and represents a limit beyond which the Council cannot borrow until the indicator is reviewed or amended. It establishes the upper boundary of borrowing based on a realistic assessment of the risks and reflects a level of borrowing which, while not desirable, could be affordable but may not be sustainable. It provides headroom over the operational boundary sufficient, for example, for unusual cash movements.
- 2.22 It must also encompass borrowing for temporary purposes. While cash flows are currently managed using treasury management fixed term fixed rate deposits it is possible that short-term borrowing may be necessary but is not currently expected.

2.23 This Prudential Indicator separately identifies borrowing from other long-term liabilities.

	2020-21 Actual £m	2021-22 Estimate £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m
General Fund	0	0	20	66	125
Housing Revenue Account	176	171	183	175	165
Total	176	171	203	241	290

Indicator 5 - Operational Boundary

2.24 This is the Council's estimate of most likely maximum level of external debit and is the limit beyond which external debt is not normally expected to be exceeded. It is a means by which external debt is managed to ensure it remains within the self-imposed limit.

2.25 It is lower than the authorised limit in order to allow for cash flow variations that may lead to the occasional breach of the operational boundary. A breach is highly unlikely but any breach would be reported to Council and corrective action taken.

	2020-21 Actual £m	2021-22 Estimate £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m
General Fund	0	0	0	46	105
Housing Revenue Account	176	171	163	155	145
Total	176	171	163	201	250

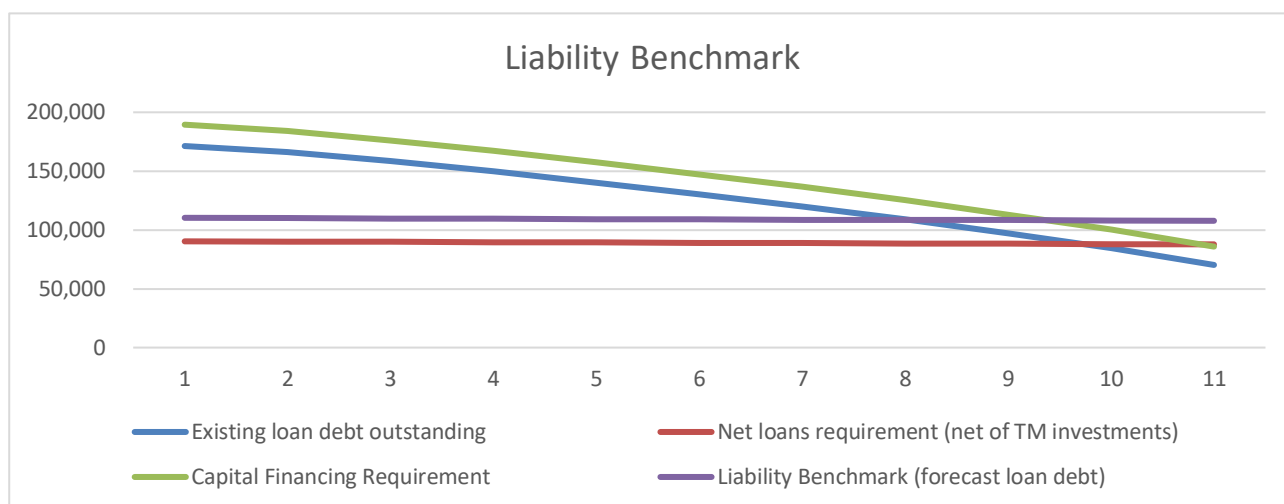
Indicator 6 – Liability Benchmark

2.26 The liability benchmark is a measure of how well the existing loans portfolio matches the Council's planned borrowing needs. It tells the Council how much it needs to borrow, when, and the maturity of investments needed to match the planned borrowing needs.

2.27 It is a forecast made up of four balances:

- Existing loan debt outstanding
- CFR – projected in to the future
- Net loans requirement – a forecast of the Council's net loan debt (net of investments for treasury management purposes)
- Liability benchmark – a forecast of the Council's gross loan debt

2.28 Any years where actual loans are less than the benchmark indicate a future borrowing requirement. Any years where actual loans outstanding exceed the benchmark represent an overborrowed position which will result in excess cash requiring investment. Mismatched positions will be managed through the Treasury Management Strategy.



Indicator 7 - Financing Costs

2.29 Financing costs are made up of interest paid, interest and investment income and amounts required for the statutory provision of debt (including repayments of principal, interest and MRP).

	2020-21 Actual £m (net income)/ expense	2021-22 Estimate £m (net income)/ expense	2022-23 Estimate £m (net income)/ expense	2023-24 Estimate £m (net income)/ expense	2024-25 Estimate £m (net income)/ expense
General Fund	-0.3	-0.3	-0.3	0.9	2.4
Housing Revenue Account	9.4	10.3	13.3	13.6	14.3

Indicator 8 – Net Financing Costs to Net Revenue Stream

2.30 Financing costs are the net of any interest on borrowing, interest earned on investments and any amounts made as revenue provision to repay debt. The net revenue stream is the amount to be met from local council taxpayers or, in the case of the HRA, the net amount to be met from rent income.

	2020-21 Actual	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate	2024-25 Estimate
General Fund	-1.5%	-2.0%	-2.1%	6.8%	17.9%
Housing Revenue Account	31.8%	34.0%	43.2%	43.4%	44.7%

Indicator 9 - Maturity Structure of Borrowing

2.31 The Council will set for the forthcoming financial year both upper and lower limits for the maturity structure of its borrowing, calculated as follows:

- Amount of projected borrowing that is maturing in each period
- Expressed as a percentage of:
- Total projected borrowing

	Upper Limit	Lower Limit
Up to five years	28%	28%
Five years and within 10 years	38%	38%
10 years and within 20 years	32%	32%
20 years and above	2%	2%

Borrowing in Advance of Need

- 2.32 The Council must not make any investment or spending decisions that will increase the CFR (leading to new borrowing) unless directly and primarily related to the functions of the Council and where any financial returns are either related to the financial viability of the project in question or otherwise incidental to the primary purpose.
- 2.33 The Council will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance of expenditure will be within forward approved Capital Financing Requirement estimates based upon capital expenditure plans categorised in line with the Codes definitions of Investments for Treasury Management Purposes or Investments for Service Purposes and certified by the Chief Finance Officer as “not for yield”.
- 2.34 The Code allows borrowing in advance of need (for cash) where it is prudent i.e. in order to reduce financing and interest rate risks. Risks associated with any borrowing in advance of need activity (i.e. prior to expenditure being incurred) will be subject to prior appraisal and subsequent reporting through the year and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds

Internal Borrowing

- 2.35 Internal borrowing, the use of cash rather than external borrowing, may be considered if treasury management fixed term, fixed rate deposit returns are low and counterparty risk is uncertain. The Council may judge it prudent to make use of cash to adopt an efficient and effective treasury management strategy. This practice is common in local authorities and means there is no immediate link between the need to borrow to pay for capital spending and the level of external borrowing.
- 2.36 Borrowing rates will be monitored to assess whether it is prudent to use cash instead of external borrowing.

Borrowing position:

- 2.37 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council’s reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as treasury management investment returns are low and counterparty risk is still uncertain.
- 2.38 Overall, borrowing will be managed within the Authorised Limit for External Debt (See Prudential Indicator 4).

- 2.39 The Strategic Director (S151 Officer) will monitor interest rates and the borrowing position.
- 2.40 The HRA self-financing implementation required the HRA to pay the Government £189m in March 2012. The Council borrowed £184m in March 2012 for this purpose with £5m being met by an internal loan. The Council adopted a flexible approach to this borrowing in consultation with treasury management advisers. The outstanding debt as at the 31 March 2023 will be £155m, see 2.24.

Minimum Revenue Provision (MRP) Policy Statement

- 2.41 One of the underpinning principles of the Local Authority financial system is that all capital expenditure has to be funded either from capital receipts, capital grants (or other contributions) or eventually from revenue income.
- 2.42 The scheme of MRP is a statutory mechanism which requires Local Authorities to set aside some of their revenues as provision for unfinanced capital spend (the CFR) each year of an amount considered to be 'prudent' having regard to the recommendations in the DLUHC guidance. Prudent provision should ensure there is a balance between matching MRP to a period over which the capital expenditure provides benefits.
- 2.43 DLUHC regulations require Council to approve an MRP Statement in advance of each financial year. Various methods are available so long as there is a prudent provision.

The Council's MRP

- Must not be nil or a negative charge except where the Capital Financing Requirement (CFR) is nil or goes into the negative or to offset a previous overpayment of MRP.
- Where the CFR is nil or negative on the last day of the financial year, indicating the provision of debt is equal to or greater than the debt incurred, no MRP will be made in the following financial year.
- The implications of MRP must be assessed at the point of making a decision to incur capital expenditure.
- The Council must reassess the MRP charge each year.

Options for Prudent Provision of MRP

The methods available to calculate a prudent provision are:

1. Make a provision over the estimated life of the asset for which the borrowing is undertaken, either:
 - Equal instalment method – equal annual amounts over the estimated life of the asset.
 - Annuity method – link MRP to the flow of benefits from an asset where the benefits are expected to increase in later years.
- or
2. Match MRP to the depreciation charges that will be generated by the assets that have been acquired
 - MRP continues until the provision made is equal to the original amount of the debt and may then cease.

- On disposal of the asset the charge will continue until capital receipts or other funding sources can be applied to repay all or part of the outstanding debt.
- If only part of the expenditure on the asset is financed by debt, the depreciation provision is proportionately reduced.

2.44 The MHCLG guidance allows for limited flexibility in the calculation of MRP. The Council will assess the appropriate option to adopt in advance of the commencement of MRP. However, if the Council departs significantly from the guidance, or if it is a large, complex, novel scheme, legal and external audit will be consulted with the proposed approach as appropriate.

Commencement of MRP

- MRP will normally commence in the financial year following the one in which the unfunded capital expenditure is incurred. In the case of a new asset MRP would begin in the financial year following the one in which the asset becomes operational.
- MRP will not be provided for Assets under Construction. MRP on debt will commence, proportionally, as each stage of the project transfers to Assets in Use.
- When borrowing to provide an asset, the Council may treat the asset life as commencing in the year in which the asset first becomes operational. Therefore, MRP may be postponed until the financial year following the one in which the asset becomes operational.

Estimated Useful life of assets for calculating MRP

- 2.45 The useful life will not normally exceed a maximum of 50 years. The Council may only exceed this maximum in two scenarios:
- Where it has an opinion from an appropriately qualified professional advisor that the asset will deliver service functionality for more than 50 years. The life suggested by the professional advisor may then be used.
 - For a lease, where the length of the lease exceeds 50 years, the length of the lease may be used.

Unfunded capital expenditure on:	Estimated useful life for MRP
Investment Properties and buildings	50 years
Land and Heritage assets	50 years
Vehicles and Equipment	7-15 years
IT Equipment	3-10 years
Car Parks	25 years

Leases

- 2.46 For finance leases, or where a right-of-use asset is on the balance sheet, the MRP requirement is met by a charge equal to the element of the rent/charge that goes to write down the balance sheet liability.

Housing Assets

- 2.47 The duty to make MRP does not extend to cover borrowing or credit arrangements used to finance capital expenditure of the HRA. This is because depreciation is a proper charge to the HRA. Capital expenditure on housing outside the HRA is likely to be subject to an MRP charge.

Investment Properties

- 2.48 The duty to make MRP extends to investment properties where their acquisition has been partially or fully financed by an increase in borrowing or credit arrangements.

Treasury Management Investments:

- 2.49 These are covered in the Treasury Management section below:
- arise from the Council's cash flows or treasury risk management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business.
 - may include an allowance for a reasonable level of short-term treasury investments to provide access to liquidity.
 - may also include the investment of borrowing proceeds where it has been prudent to borrow in advance of the need for cash.
 - Will be on commercial terms and will rarely constitute capital expenditure for the Council.

3. Treasury Management

Overall policy

- 3.1 The objective of managing daily cash balances to meet cash flow commitments remains the priority.
- 3.2 The Treasury Management function ensures cash is available to meet service activity and the Council's Capital Strategy. This involves organisation of cash flow and, where capital plans require, the organisation of appropriate borrowing facilities.

Annual Investment Strategy – Treasury Management Investments

- 3.3 The DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This section deals solely with financial fixed term fixed rate investments (as managed by the Treasury function of the Council).
- 3.4 The Council's policy is to give security a higher priority than rate of return/yield. The Council's strategy and day-to-day practice, therefore, continue to be refined, within the boundaries set out below.
- 3.5 The Council has regard to:
- DLUHC's Guidance on Local Government Investments
 - CIPFA Treasury Management in Public Services Code of Practice

- 3.6 The Council's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of investments and the yields earned on investments are important but secondary considerations.
- 3.7 The statutory guidance requires the Council to determine a number of limits and guidelines for its treasury activity including 'specified' and 'non-specified' investments.
- **Specified investments** - are those held in sterling with a maturity of no more than a year and must be with the UK Government, UK local authorities or "high" credit rated institutions.
 - **Non-specified investments** - are any investments that do not meet the above criteria. Given the market conditions described above the limit of 'non-specified investments' held at any point in time will be £50million as below. Non-specified investments will be non-specified only by virtue of being for one year or more.
- 3.8 To meet the requirements of the Regulations it is proposed that the following policy and limits apply to all of the Council's investment activity in 2022-2023:
- Cash deposits only with UK Local Authorities and the UK Government, Housing Associations and institutions assessed as having a 'high credit quality'.
 - 'High credit quality' means having AAA rating for sterling money market funds or a minimum rating of A- for any banks and building societies, and being considered to have high credit credentials after taking account of the factors listed below.
 - The Council will not make any non-specified cash investments other than when the investment is non-specified by virtue of it being for a period of more than one year. Such an investment will only be with an 'approved counterparty' and will be subject to an assessment of risk.
 - £10 million is the maximum deposit in any single specified organisation at any one time.
 - £20 million is the total deposit with any group - £10m the maximum with any single member of that group.
 - Up to date information gathered by officers, together with specialist advice if appropriate, will be used to ensure compliance with the strategy.
 - The maximum total investment at any one time that can prudently be committed for more than one year is £50 million.
 - The Strategic Director (S151 Officer) can seek the Executive approval to change the above limits during the year if necessary, provided that it is in the best interests of the Council.
- 3.9 Every investment will have a ratings check on the day of the investment and a list of potential counterparties will be prepared and approved by the S151 Officer before

1 April each year and updated throughout the year. Investments have ongoing ratings checks, beyond just the day of investment, and ratings are continually monitored internally and changes reported.

3.10 In practice, day-to-day controls are actually tighter, but still within the bounds of the approved policy, in order to create as much security as possible for the Council's fixed term fixed rate investment portfolio. These measures include:

- The major objective of managing daily cash balances to meet cash flow commitments remains the priority although it is recognised that, to some extent, some stability has been evident so longer term investment decisions are now possible subject to consideration of capital spending plans.
- In addition to the thresholds above, the maximum amount invested in any single specified organisation will generally be restricted to no more than 20% of the overall total external investments at that time.
- Investments are also monitored on a sector basis and judgments made as to the appropriate level within each sector taking into account appropriate treasury management information.
- Close monitoring of credit ratings at the point of transaction including consideration of the 'future outlook' assessment.
- Increased frequency of updating the list of preferred organisations for investment with reduced working maximum limits for lower rated counterparties.

3.11 In order to diversify a treasury management investment portfolio investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty within the limits set out in this Strategy will be set to ensure prudent diversification is achieved. Introductions to new counterparties (within the allowed criteria) will be sought where appropriate and where the Council finds it difficult to find investment counterparties providing acceptable levels of counterparty risk.

3.12 In order to continually review the Council's counterparty list and to make a judgement about whether a counterparty has a 'high credit quality', officers will gather and consider information such as:

- Credit rating 'future outlook' assessments
- Published credit ratings for financial institutions

Banking

3.13 The Council banks with HSBC. At the current time, HSBC meets the minimum credit criteria of 'A' long term. The Council continues to monitor the credit rating of HSBC and would report to Members if any major concerns emerged. If the credit rating falls below the Council's minimum criteria HSBC would have to be used in the short term for business continuity and liquidity requirements.

3.14 However, in practice, it would be impossible to restrict the Council's own bank, HSBC, to the same monetary limits as other investment counterparties because there are many instances when cash in excess of £10m is moving through the Council's HSBC bank accounts. Given also that it is likely that there will often be occasions when the Council has more cash than the total of its approved counterparty limits, it is therefore necessary to specifically exclude HSBC's banking activities from the £10m limit. It should be noted that existing HSBC bank accounts are all instant access.

Indicator 11 – Long Term Treasury Management Investments

3.15 Were the Council to invest, or plan to invest, for periods longer than a year, it has set the following limits for each forward financial year for the maturing of such investments. This allows the Council to contain its exposure to the possibility of loss that might arise as a result of having to borrow short term at higher interest rates or see early repayment or redemption of principal sums invested. This indicator also demonstrates that the Council is not borrowing more money than it needs, or in advance of need, purely to profit through investment from the extra borrowing.

	2021-22 Estimate £m	2022-23 Estimate £m	2023-24 Estimate £m	2024-25 Estimate £m
The upper limit of principal sums invested for periods of more than 365 days	50	50	50	50

4. Risk

4.1 This is covered in TMP1.

Interest rate exposures

4.2 The Council's strategy for managing interest rate risks is to invest in fixed rate investments for budgetary certainty and the avoidance of yield risk.

Credit risk

4.3 Credit risk is assessed by looking at the Council's overall credit score, ie the weighted average credit rating of the Council's treasury management investments.

4.4 This is managed through the policy and limits as described in the Cornerstones of Treasury Management as defined in the CIPFA Treasury Management in the Public Services: Code of Practice and clause 1 on page 2 of this document

Price risk

4.5 The Council's investments materially exposed to movements in fair value are those contained in the commercial property portfolio which is revalued each year end.

5. Value for money

5.1 The Council is committed to the pursuit of value for money in its Treasury Management function and to use performance methodology in support of that aim. This will be achieved through the formal reporting process set out in the Treasury Management Practices as well as the use of comparative performance indicators (including Prudential Indicators) for its returns and costs.

5.2 Consideration will also be given to ESG criteria when making investment decisions. As stated under 'Socially Responsible Investment' investment decisions must be directed towards what is best for the financial position of the Council. If that is achieved the precise choice of investment may be influenced by wider ESG considerations and where the nature of counterparty ESG values can be determined.

TMP1 Risk Management

General Statement

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures cover all treasury management fixed term fixed rate investments.

The Strategic Director, (Section 151 Officer) is responsible for the design, implementation and monitoring of all arrangements for the identification, management and control of treasury management risk, and will report at least annually on the adequacy/suitability thereof, and report as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 *Reporting requirements and management information arrangements*.

In respect of each of the following risks, detailed arrangements, which seek to ensure compliance with these objectives, are set out in 'Additional Information' schedules.

1. Credit and Counterparty Risk Management

The key risk in The Council's treasury management activities is the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited or investments made, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 *Approved instruments methods and techniques*.

It also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations with whom it may transact. This will set out the Council's policy and practices relating to environmental, social and governance (ESG) investment considerations.

2. Liquidity Risk Management

The Council will ensure it has adequate cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.

The Council will not borrow earlier than required to meet cashflow needs.

3. Interest Rate Risk Management

The Council will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs or revenues in accordance with its treasury management policy and strategy and in accordance with TMP6 *Reporting requirements and management information arrangements*.

It will achieve this by the prudent use of its approved investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure

Treasury Management Strategy

of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications considered by the Executive as appropriate.

4. Exchange Rate Risk Management

The Council's current approved policy allows cash investments solely in GBP sterling because other currency deals expose the Council to an additional level of risk.

5. Inflation Risk Management

The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole Council's inflation exposures.

6. Refinancing Risk Management

The Council will ensure that its borrowing and other long-term liabilities are negotiated, structured and documented, and the maturity profile of the debt is managed with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid overreliance on any one source of funding if this might jeopardise achievement of the above.

7. Legal and Regulatory Risk Management

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its TMP1[1] *credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with The Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to manage the risk of these impacting adversely on the Council.

8. Operational Risk, including fraud, error and corruption

The Council will ensure that it has identified the circumstances, which may expose it to the risk of loss through inadequate or failed processes, people and systems or from external events. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

9. Price Risk Management

The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

TMP2 Performance Measurement

The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy statement.

Accordingly, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the treasury management function will be measured using the criteria set out in the schedule to this document. The criteria will include measures of effective treasury risk management and not only measures of financial performance (income or savings). The performance of the treasury management function is included in the budget monitoring process and annual report to Executive.

TMP3 Decision-making and Analysis

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for accountability, eg demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

TMP4 Approved Instruments, Methods and Techniques

The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed in the Treasury Management Strategy and Annual Investment Strategy, and within the limits and parameters defined in TMP1 *Risk management*.

TMP5 Organisation, Clarity and Segregation of Responsibilities, and Dealing

Arrangements

The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times clarity of treasury management responsibilities.

The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decision and the audit and review of the treasury management function.

If the Council has to depart from these principles, the reasons will be reported in accordance with TMP6 *Reporting requirements and management information arrangements* and the implications properly considered and evaluated.

The Strategic Director (S151 Officer) is responsible for ensuring there are clear written statements of the responsibilities for each post engaged in treasury management and the

arrangements for absence cover. The responsible officer will also ensure that at all times those engaged in treasury management will follow the policies and procedures set out.

TMP6 Reporting Requirements and Management Information Arrangements

The Executive will receive:

- An annual report on the strategy to be pursued in the coming year
- Monitoring reports during the year on treasury management activities and risks as appropriate within the quarterly Corporate Performance Report to the Policy Overview and Scrutiny committee
- An annual report on the performance of the treasury management function, on the effects of the decisions taken and the transactions executed in the past year, and on any circumstances of non-compliance with the organisation's treasury management policy statement and TMPs.

TMP7 Budgeting, Accounting and Audit Arrangements

Treasury Management budgeting, accounting and audit arrangements will be included in the annual corporate budget process. The matters to be included in the budget will at a minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 *Risk management*, TMP2 *Performance measurement* and TMP4 *Approved Instruments, methods and techniques*. The Strategic Director (S151 Officer) will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with TMP6 *Reporting requirements and management information arrangements*.

The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

TMP8 Cash and Cash Flow Management

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Strategic Director (S151 Officer) and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis and the Strategic Director (S151 Officer) will ensure that these are adequate for the purposes of monitoring compliance with TMP1[1] *liquidity risk management*, and for the purpose of identifying future borrowing needs (using a liability benchmark where appropriate).

TMP9 Money Laundering

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, the Council will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained. The present arrangements, including the name of the officer to whom reports should be made, have been agreed by the Audit Committee.

TMP10 Training and Qualifications

The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities

Treasury Management Strategy

allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Strategic Director (S151 Officer) will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.

The Strategic Director (S151 Officer) is responsible for ensuring that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.

Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

TMP11 Use of External Service Providers

The Council recognises that responsibility for treasury management decisions remains with the Council at all times. The Council recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons, which have been submitted to a full evaluation of the costs and benefits. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Strategic Director (S151 Officer).

TMP12 Corporate Governance

The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.

The Council has adopted and has implemented the key principles of the Treasury Management Code. This action, together with the other arrangements detailed in this document, is considered vital to the achievement of proper corporate governance in treasury management, and the Strategic Director (S151 Officer) will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Glossary

CIPFA: Chartered Institute of Public Finance and Accountancy

CFR: Capital Financing Requirement

DLUHC: Department for Levelling Up, Housing and Communities (formally Ministry of Housing, Communities and Local Government MHCLG)

ESG: Environment, Social and Governance

HRA: Housing Revenue Account

MRP: Minimum Revenue Provision

PWLB: Public Works Loans Board

TMP: Treasury Management Practices



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1 Introduction

- 1.1 The Asset Investment Strategy (AIS) covers all investment considerations that constitute capital spend.
- 1.2 The AIS applies to all investments in assets involving land and property for the General Fund, Housing Revenue Account, and the Trusts for which the Council is Trustee.
- 1.3 The AIS sets out the basis on which the Council determines all expenditure on land and building assets held for operational and investment purposes, which can include acquisition, spend on existing assets and where opportunities arise for development. They are categorised by type of investment.
- 1.4 All investments in assets, including land and/or property, will be held and acquired for a clearly defined purpose within clearly defined legal powers and in accordance with the corporate priorities.
- 1.5 This AIS will be subject to review by the Asset Investment Advisory Board (AIAB) and forms part of the suite of documents under the Capital Strategy. Any material changes in year will be referred to the Executive for approval.

2 Type of Investment

- 2.1 **Investments for service purposes** (or service investments) - this is expenditure on assets that form part of the Council's public service delivery and includes housing, economic regeneration, preventative action, and treasury management.
- 2.2 An asset that is held primarily to generate an income which is used to support wider service spending but serves no direct policy purpose (i.e., purely for yield), should not be categorised as service delivery.
- 2.3 **Housing** - can include all spending on delivering new homes, maintaining, or improving existing homes, and purchasing built homes to deliver housing services. This is irrespective of the financial arrangements of the housing project or housing delivery. However, as per government expectations, the location and value of any housing expenditure will be appropriate to meet the Council's housing needs as defined in the Corporate Strategy and Local Plan.
- 2.4 **Regeneration** - involves direct investments in assets to generate additional social or economic benefits. Regeneration projects would usually have one or more of the following characteristics:
 - a) the project is addressing an economic or social market failure by providing services, facilities, or other amenities that are of value to local people and would not otherwise be provided by the private sector i.e., affordable below market rent economic stater units or dwellings
 - b) the Council is making a significant investment in the asset beyond the purchase price: developing the assets to improve them and/or change their use, or otherwise making a significant financial investment

- c) the project involves or generates significant additional activity that would not otherwise happen without the Council's intervention, creating jobs and/or social or economic value
- 2.5 While some parts of a regeneration project may generate rental income or capital receipt, as per the government guidance these rents will be recycled within the project or applied to related regeneration projects, rather than being applied to wider services. The returns will not be the primary purpose of the investment and the proportionality of this income must be considered as defined in this strategy.
- 2.6 **Preventative action** - is a special category which involves direct financial support to local companies or acquiring assets to protect jobs, prevent social or economic decline. This type of activity is distinct from regeneration, as it is only preserving existing activity as opposed to creating additional activity but is not an investment 'primarily for yield' as yield is not the primary motive of the activity.
- 2.7 This type of action would have all the following characteristics:
- a) the intervention prevents a negative outcome, such as by buying and conserving assets of community value that would otherwise fall into disrepair, or providing support to maintain economic activity that would otherwise cease
 - b) there is no realistic prospect of support from a source other than the local authority
 - c) the Council has an exit strategy, and does not propose to hold the investment for longer than is necessary to achieve the objectives that justified the intervention
 - d) the intervention takes the form of grants, loans, sale and leaseback, equity injections, or other forms of business support that generate a balance sheet asset.
- 2.8 This category is distinct from routine repairs, maintenance, and preventative activities such as expenditure on flood defences, repair or maintenance work to existing council-owned assets etc. which is included in the service delivery category.
- 2.9 **Treasury management** - unlike the other categories listed, is not a type of capital expenditure. However, treasury management includes the refinancing or extending of existing debt from any source, the externalisation of internal borrowing or borrowing to manage cashflow within year, which local authorities often finance through PWLB borrowing or other capital resources. This is covered in the Treasury Management Strategy.
- 2.10 **Investments for commercial purposes** (or commercial investments)
- These are investment assets bought primarily for yield that do not serve a direct policy purpose but is held primarily to generate an income. An 'investment asset' could be a capital or property asset, or interest or right that generates a balance sheet asset (such as, but not limited to a loan, sale, and leaseback agreement). As it has been 'bought primarily for yield', the investment asset would serve a direct policy purpose linked to the Council's core functions but has been acquired primarily because it would generate an income stream for the Council, which would most often (but not exclusively) be used to support wider service spending. If the Council is planning to acquire investment assets bought primarily for yield in any of the following three years, the Council will be unable to borrow from the PWLB to finance expenditure in its capital plan.

These investment assets bought primarily for yield would usually have one or more of the following characteristics:

- a) buying land or existing buildings to let out at market rate
- b) buying land or buildings which were previously operated on a commercial basis which is then continued by the Council without any additional investment or modification
- c) buying land or existing buildings other than housing which generate income and are intended to be held indefinitely, rather than until the achievement of some meaningful trigger such as the completion of land assembly
- d) buying a speculative investment asset (including both financial and non-financial assets) that generates yield without a direct policy purpose

Where the Council invests in 'commercial investments' including property, as part of a larger project, the risks associated with investment must be proportionate to the Council's financial capacity to absorb losses without unmanageable detriment to local services. These investments will be proportional to the level of resources available to the Council and the same robust procedures for the consideration of risk and return will be applied to these decisions.

3 Key Objectives

This strategy's key objectives focus on:

- 3.1 Ensuring the Council continually assesses the following in respect of its current asset holdings:
 - What it owns
 - How it performs
 - Whether the Council can afford it (financial viability)
 - Whether or not the asset still fulfills its intended purpose and Value for Money
- 3.2 All investments will be considered against:
 - Corporate priorities
 - Financial viability
 - Risk Management strategy including:
 - Covenant
 - Exit strategy
- 3.3 Returns
 - Acquire or develop assets that provide long term financial viability
 - Maximise value whilst minimising risk through asset management plans
 - Prioritise investments in line with corporate priorities
 - Proportionality of income from investments:
 - Any yield element will be in line with the Governments guidance on access to the PWLB so as not to limit access to the PWLB lending facility
 - Impact on the Council's revenue budgets - proportionality of "for yield" investments to net service expenditure will not exceed 20% of net service costs.

- The assessment of proportionality of any commercial as part of a mixed use/purpose scheme must be on a scheme-by-scheme basis including the nature of the scheme and corporate priorities

3.4 Risk

- Support corporate priorities and service delivery – housing, regeneration, preventative action
- Protect capital invested in assets
- Maintain ongoing financial viability in relation to the objectives for holding the asset

Governance

- Ensure a fit for purpose governance framework to support asset investment

4 Legal Powers

4.1 The Council has powers to:

- i) Invest, pursuant to Section 12 of the Local Government Act 2003 (LGA 2003) and an Investment Strategy, for any purpose relevant to its functions under any enactment and for the process of the prudent management of its financial affairs.
- ii) Borrow, pursuant to Sections 1-6 inclusive of LGA 2003.

In both cases this is subject to Section 15 of LGA 2003: a duty to “have regard to” Guidance from Chartered Institute of Public Finance and Accountancy (CIPFA) and MHCLG and HM Treasury guidance.

4.2 The Council also has other relevant powers. These include:

- (1) Section 120 of LGA 1972: a power to acquire land; and
- (2) General Power of Competence (GOPC), pursuant to Section 1 of LA 2011.

4.3 The powers enable the Council to invest in commercial and residential assets.

4.4 When making investments the Council will consider, amongst other things, the type of property and the location.

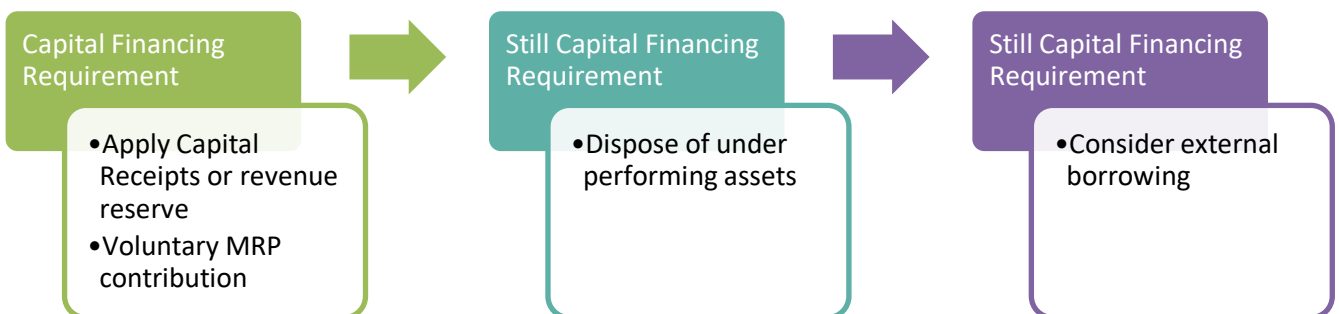
4.5 Every proposal submitted to the AIAB shall identify the legal powers under which the Council will invest having regard to legal opinion taken and supplementary legal advice where appropriate.

5 Financing

5.1 The Council must finance asset investments in compliance with the Annual Capital Strategy which sets out the principles of capital financing. The Council summarises all sources of financing underpinning its assets in the Capital Financing Requirement (CFR) statement. The CFR identifies where the council has used cash without drawing down a useable reserve, grant, or capital receipt (called internal borrowing) or has borrowed externally i.e., Public Works Loan Board. Internal and external

borrowing results in an obligation to repay the loan and statute requires a charge to the revenue account each year to provide for the eventual loan repayment, known as Minimum Revenue Provision (MRP).

- 5.2 Borrowing to fund or part-fund an investment in an asset must comply with the Prudential Code issued by the CIPFA. This requires borrowing to be affordable, sustainable and provide value for money as reasonably determined by the Council.
- 5.3 The Council must comply with the requirement for all local authority investments as set out in this strategy whilst recognising the inherent lack of liquidity of asset investments i.e., land and buildings.
- 5.4 The proportion of overall borrowing to the CFR must be in line with the Prudential Indicators contained in the Treasury Management Strategy. (See indicator 3 – External Debt).
- 5.5 Minimum Revenue Provision (MRP):
- must be charged in accordance with the MRP policy contained in the Treasury Management Framework
 - must form part of the annual financing cost used to calculate the net return on each investment funded or part-funded by borrowed funds (external and internal)
 - must be considered in all financial viability assessments
 - MRP does not apply to the Housing Revenue Account (HRA) – however, HRA schemes must include depreciation as a proxy for MRP as depreciation is a chargeable expense against the HRA
- 5.6 Whilst ever the council has internal borrowing, performance of individual assets will be benchmarked against the cost of the annual MRP charge, and where appropriate will trigger an exit strategy (sale) to generate a capital receipt to pay down the internal borrowing.
- 5.7 Consideration will be given to:
- Application of Capital Receipts to reduce the internal borrowing
 - The ability of individual assets to generate income – assessed against market value
 - Whether the exit strategy needs to be triggered



- 5.8 Balance Sheet management will be undertaken to manage the Council's long-term commitments. If the Council has a manageable CFR internal borrowing can be

considered. Internal borrowing is only possible when it is part of a financially viable scheme that is at least revenue neutral after MRP, and Interest is accounted for.

6 Investment Process

- 6.1 Investments can be sourced from:
- Property searches
 - Direct approach to or from vendor (off market deals)
 - Third party agents
 - Unsolicited introductions from agents
 - Joint ventures with another local authority, developer, or investor
 - Asset management plans and maintenance schedules
- 6.2 The investment opportunity must be assessed to determine the type of investment as per section 2.
- 6.3 All investment proposals must be considered by the Asset Investment Manager using appropriate investment appraisal techniques.
- 6.4 Investment opportunities must undergo qualitative and quantitative appraisal (Financial modelling) and options appraisal to establish acceptability as an investment based upon the latest appropriate third party, industry standard information wherever possible.
- 6.5 External professional advice must be sought where necessary, in accordance with the Council's Contract Procurement Rules.
- 6.6 Tenanted investments tenant(s) will be fully appraised both physically and financially using industry standard techniques to assess viability in line with the overall level of risk involved. This will be against the checklist at 14.
- 6.7 A business case must be produced and supported by financial modelling which must include, where appropriate:
- i) Identification of investment type – service or commercial
 - ii) How the investment supports the Corporate Priorities
 - iii) Yield calculations
 - iv) Financing costs
 - v) Life cycle costs to be borne by the Council
 - vi) Net rate of return calculation
 - vii) Discounted cash flow analysis
 - viii) Sensitivity analysis of cash flow
 - ix) Exit Strategy, including trigger points
 - x) Financial implications of exit strategy
 - xi) Impact on General Fund, Housing Revenue Account and Trusts
- 6.8 All suitable opportunities will be referred to the AIAB for consideration. The AIAB will review each proposal in accordance with its Terms of Reference.
- 6.8.1 Decisions will be undertaken in accordance with the Scheme of Delegation and referred to the Executive or Full Council for approval as appropriate.

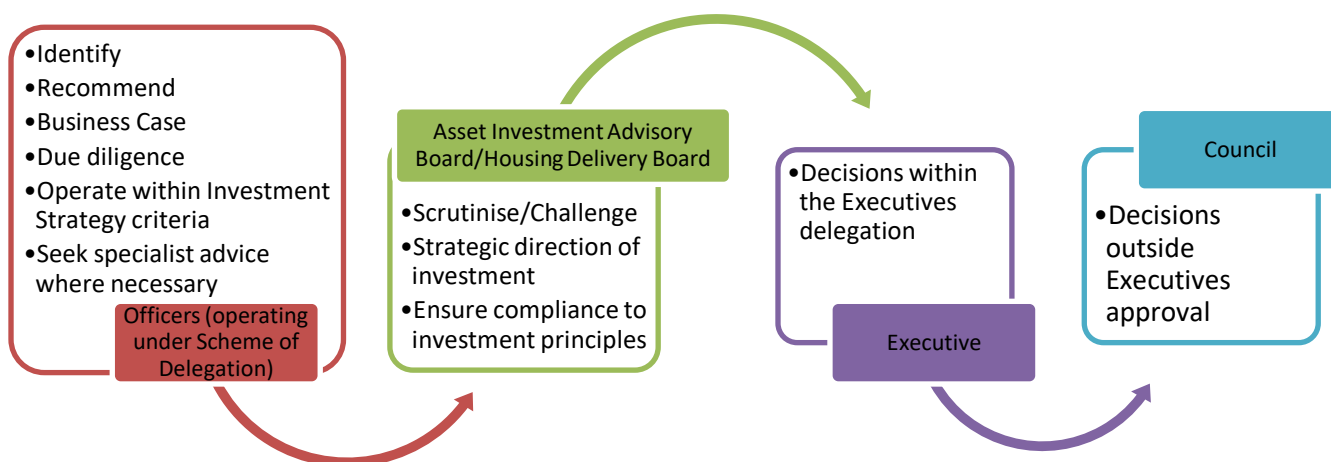
7 Governance and Due Diligence

7.1 Prior to any investments the Council makes it must first determine:

- The reason for the investment
- The powers under which the investment is made
- The extent to which the capital invested is placed at risk
- The impact of any potential losses on financial sustainability

The governance process must be reviewed on a regular basis to take account of changes in legal powers, the market, and other conditions to ensure it is robust.

7.2 The Governance framework will comprise:



7.3 Due diligence will include:

Evaluation:

- Compliance to Investment Principles
- Legal power under which the Council will invest
- Assessment of legal issues in relation to land and buildings

Risk Analysis

- Corporate Risk appetite
- Category of investment
- Assessment of sector risk and asset risk
- Reputational issues
- Appropriateness of an exit strategy

Land and buildings Analysis

- Independent valuation from external suitably qualified professional
- Land Registry title checks
- Formal building condition survey
- Independent assessment of asset life
- Any necessary environmental and flood risk investigations

- Development of Business Case

Financial Analysis

- Financial assessment
- Assessment of the impact of any potential abortive costs and how they will be funded
- Assessment of impact of default or significant loss in value and how it will be funded
- Allowance for future costs, income shortfall and management of assets
- Formal estimate of any re-instatement costs

8 Risk

8.1 Risk must be assessed in line with the Council's Risk Management Framework and Risk Appetite Statement. The Business Case for the investment must assess each risk domain documented in the Risk Management Framework.

8.2 Risk must be minimised through:

- Compliance to the investment objectives
- Completion of due diligence
- Having management strategies in place for each asset
- Having an exit strategy for each asset, including trigger points and operating parameters

9 Property Management

9.1 Assets must be managed in accordance with the Strategic Asset Management Plans required by the Capital Strategy.

10 Performance Reporting

10.1 Performance reporting will be included in the corporate performance reporting process.

11 Exit Strategy

11.1 Performance will be monitored to ensure results are being delivered and to consider if the assets meet the needs of the Council. Underperformance may trigger the exit strategy.

11.2 Where appropriate assets must have an exit strategy to ensure that where there is a risk of change in market/obsolescence the council ensures value for money is being achieved in line with the corporate objectives.

11.3 Options for consideration will include:

- Disposal – sell the asset to realise best value
- Alternative uses – based on market demand or service delivery requirements

11.4 An Exit Strategy may be triggered in the following circumstances:

- Long term void and unable to attract good quality replacement tenants at acceptable rent levels
-
- The age and specification of the building affects the ability to let the property
- The management or maintenance costs affect the viability
- The use or user changes
- The reaching of a specific period for being void based on the property's normal void turnaround period of a comparable property
- Net yield of individual assets is less than the cost of capital (MRP)

12 Capital Financing Requirement)

12.1 The CFR identifies where the council has used cash without drawing down a useable reserve, grant or capital receipt (called internal borrowing) or has borrowed externally i.e. Public Works Loan Board. Internal and external borrowing results in an obligation to repay the loan and statute requires a charge to the revenue account each year to provide for the eventual loan repayment, this is covered in the MRP policy.

13 Other considerations

Skills and Expertise

13.1 The Council invests in its Asset Management Team through training to enable staff to:

- Identify investment opportunities
- Undertake property management
- Know when to divest the asset

13.2 External support will be sought where appropriate according to:

- Complexity of transaction
- Nature of the investment
- Independence requirement
- Skills and capacity of internal team
- Time dependency of transaction

13.3 Management of property (commercial, service, and residential) may be through an agent where the service charge gives best value or where multi-let properties favour external expertise.

Voids and rent arrears and long-term liabilities

13.4 The council is exposed to the risk of void periods due to lease terminations and tenant default and rent-free periods in commercial asset for lease renewals. Revenue impact

must be assessed every year by class of asset to enable an appropriate mitigation either by an income reduction factor or the maintenance of a void provision on the balance sheet covering loss of income and holding and re-letting costs.

- 13.5 Void periods must be kept under review to determine at which point the exit strategy for the asset will be triggered in accordance with the asset management plan for that asset.
- 13.6 Stock condition surveys must be used to assess long term maintenance liabilities and refurbishment costs to be factored into asset management lifespans to inform appropriate financial viability assessments and where necessary financial mitigations.

Subsidised Rent

- 13.7 Service investments may be considered for subsidised rent as part of the investment assessment if the overall financial viability of the scheme remains revenue neutral.
- 13.8 Commercial investment yields must reflect market conditions and be in line with individual asset management strategies and proportionality policy.
- 13.9 Commercial investment properties will not be subject to council determined rent subsidy or reduction for operational purposes. Such proposals may trigger the exit strategy for that specific asset.

Environmental and Ethical Considerations

- 13.10 The council has declared a Climate Change Emergency and made a commitment to becoming carbon neutral.
- 13.11 The council is committed to prioritising asset investment that has a positive impact on the environment and aligns with the council's corporate priorities.
- 13.12 Asset investment will include environmental considerations where the financial viability of the investment remains positive.
- 13.13 The council will not invest in assets that it considers are unethical or are being used for unethical purposes.
- 13.14 Investments will be assessed on their contribution to council's financial sustainability and at least a revenue neutral impact on the MTFP, which in turn finances and supports the council's Corporate Objectives including the Climate Emergency declaration.

14 Investment Checklist

14.1 The following check list will be used to determined decisions on whether proposed investments can be undertaken.

<ul style="list-style-type: none">▪ Can we invest in commercial, service and residential property?
<ul style="list-style-type: none">– What are the legal powers to support the investment and, crucially, are they powers specifically to acquire assets or to make investments?
<ul style="list-style-type: none">– Where borrowing is required, what are the powers available to support the taking out of loans?
<ul style="list-style-type: none">▪ Should we acquire commercial, service and residential property?
<ul style="list-style-type: none">– Can the council justify the exercise of the legal powers in the way proposed?
<ul style="list-style-type: none">– Does the council's decisions have proper regard for the statutory guidance?
<ul style="list-style-type: none">– Does the council's decisions have proper regard for the Prudential Code in terms of affordability, prudence and proportionality?
<ul style="list-style-type: none">– Is the investment defensible under the best value duty?
<ul style="list-style-type: none">▪ Will we acquire commercial, service and residential property?
<ul style="list-style-type: none">– Is the proposal consistent with the council's Corporate Strategy and Medium Term Financial Plan and HRA Business Plan?
<ul style="list-style-type: none">– Can the proposal be accommodated within the council's Treasury Management Strategy and Asset Investment Strategy?
<ul style="list-style-type: none">– Does the council have the necessary competence to take the proposed decision?
<ul style="list-style-type: none">– Does the council have appropriate skills to manage the asset?
<ul style="list-style-type: none">▪ What is the assessment of risk ?
<ul style="list-style-type: none">– Is the proposal consistent with the council's Risk Appetite Statement?
<ul style="list-style-type: none">– Can the requirements of the Governance Framework be fulfilled?

15 Glossary

AIAB: Asset Investment Advisory Board

AIS: Asset Investment Strategy

CIPFA: Chartered Institute of Public Finance and Accountancy

Due diligence: A process to ensure correct documents and searches are complete and that the proposed purchase is legally and financially viable.

Fair value: The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Freehold: The ownership of a property in perpetuity

FRI: Full repair and insurance; Usually a tenant's obligation under the terms of a lease.

IRI: Internal Repair & Insuring

LGA: Local Government Association

Lease: Type of tenure, whereby rights to a property are granted for a fixed term.

Local Enterprise Partnerships (LEPs): Local business led partnerships between local authorities and businesses and play a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

Management Costs: Costs incurred to ensure both parties comply with their obligations, if done internally the costs will be absorbed by the council, or if externally, the charges will be deducted from the total income.

MHCLG: Ministry of Housing, Community and Local Government

Minimum Revenue Provision (MRP): MRP is a statutory mechanism for allocating funds out of revenue income to repay debt (from borrowing or credit arrangements) for capital spend that is unfinanced.

MTFP: Medium Term Financial Plan

PWLB: Public Works Loans Board

Rent Review: The period after which the annual rent for a property can be reviewed in accordance with the terms of the lease, allows for growth on the investment.

SDLT: Stamp Duty Land Tax

Yield: The earnings generated and realised on an investment over a period (generally annually). It is expressed as a percentage based on the invested amount, modified for MRP and any other appropriate adjustments, or on the current market value.

WAVERLEY BOROUGH COUNCIL

[SERVICES O&S COMMITTEE – 24 JANUARY 2022 POLICY O&S COMMITTEE – 25 JANUARY 2022]

Title:

SERVICE PLANS 2022-2025
(3 YEAR ROLLING PLANS)

Portfolio Holder: All members of the Executive
Head of Service: All Heads of Service
Key decision: No
Access: Public

1. Purpose and summary

- 1.1. The Service Plans have been prepared by Heads of Service in collaboration with their teams and Portfolio Holders to set out the service objectives for the coming three years in line with the [Corporate Strategy 2020-2025](#) and the Medium Term Financial Plan.
- 1.2. In 2019 the Council reviewed its approach to service planning, changing them from annual plans to three yearly rolling plans. This approach allows not only for an easier alignment with the Council's Medium Term Financial Plan (MTFP), but also a better transparency on delivery of multi-year projects and other initiatives. The ongoing service delivery is set out for the year ahead and will be monitored as part of the annual review process to reflect the needs of the organisation. Progress on Service Plans is monitored on a quarterly basis through the Corporate Performance Report.
- 1.3. It is worth noting that the service plans are an operational management tool, and as such are laid out in a way which allows easy and clear understanding of key functions performed by teams and the specific timescale set for their delivery as well as highlighting potential risks should an action was not completed. The plans also contain a list of ongoing projects.
- 1.4. Each of the Overview and Scrutiny Committees is asked to review the areas under their remit as listed below:

Services O&S – 24 January 2020

- Commercial Services Service Plan 2022-25
- Environment Service Plan 2022-25
- Housing Operations Service Plan 2022-25
- Housing Delivery & Communities Service Plan 2022-25
- Planning & Economic Development Service Plan 2022-25

Policy O&S – 25 January 2020

- Business Transformation Service Plan 2022-25
- Finance and Property Service Plan 2022-25
- Policy and Governance Service Plan 2022-25

2. Recommendation

It is recommended that the Overview & Scrutiny Committees consider the Service Plans for 2022-25 as set out at Annexe 1 relevant to their remit and make any observations or comments to the Executive.

3. Reason for the recommendation

The annual review process of service plans is a subject of internal as well as external scrutiny in which the O&S committees play a crucial role. The scrutiny committees review the proposals and pass their comments and recommendations to the Executive for their consideration ahead of the approval process.

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

Waverley's performance management framework helps ensure that Waverley delivers against all of its Corporate Priorities. Service Plans form an important part of this, setting out the business priorities for each service for the coming three years outlining how they will help to deliver the Council's priorities.

5. Implications of decision(s)

5.1 Resource (Finance, procurement, staffing, IT)

Draft Service Plans are prepared as part of the annual budget setting process and any financial implications are included in the draft budget proposals that will be also presented at the January 2022 Overview and Scrutiny Committee cycle at the Policy O&S meeting on the 25 January.

5.2 Risk management

Risk management has been built into the format of the plans, allowing visibility of any potential impact should an action fail to be delivered.

5.3 Legal

There are no legal implications arising directly from this report. Heads of Service will identify which of their Service Plan Actions/Outputs will require legal support and will discuss in advance with the Legal Services team their requirements, including internal and/or external (if necessary) legal resource and budgeting for that support.

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

Each service has reviewed their proposals to take into consideration new environmental and sustainability objectives arising from the [Corporate Strategy 2020-2025](#) in light of [Climate Emergency](#) introduced by the Council in September

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

2019. Further revision of the objectives might be required once the Climate Emergency Action Plan has been created and approved.

6. Consultation and engagement

6.1 The preparation of Service Plans take place in early autumn alongside the budget planning process and will include consultation proposals where appropriate. The Plans are discussed with the Portfolio Holders and go through an internal sign off process by the Senior Management Team. The external scrutiny stage starts with the review by the Overview and Scrutiny Committees at January cycle and final approval by the Executive at a February/March meeting.

7. Other options considered

7.1 Not applicable

8. Governance journey

8.1 The Overview and Scrutiny Committees will pass on their comments and recommendations to the Executive who will take these into consideration when approving the proposals. Once approved the Service Plans will guide the Council's operations for the coming year and the next scheduled review will take place in autumn/winter 2022, when the new proposals for the year 2023-2026 will be considered.

Annexes:

Annexe 1 (Service Plans, presented in the order as set out in paragraph 1.4)

Background Papers

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

CONTACT OFFICER:

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Agreed and signed off by:

Head of Finance: Agreed in the SMT meeting on 9 November 2021
Strategic Director: Agreed in the SMT meeting on 9 November 2021
Portfolio Holder: Agreed in the Executive Briefing on 7 December 2021
Legal Services: Agreed on 7 December 2021

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Service Plan 2022-2025 (rolling 3 years)		Head of Service:	David Allum
		Strategic Director:	Annie Righton
Service:	Business Transformation	Portfolio Holders:	Cllr Peter Clark

This Service Plan is a rolling three year programme of both business as usual and project activity. It is reviewed annually to ensure it is consistent with and reflects the Council's priorities and the Medium Term Financial Plan. It has also been prepared within the context of the Covid pandemic which has had an impact on the timing of some projects due to staffing and resourcing implications. From time to time Service Plans will also be subject to review by councillors and officers as a result of the need to reprioritise resources to react to changing circumstances or opportunities. The delivery progress is monitored on quarterly basis as part of the Corporate Performance Report reviewed by Senior Management Team, O&S Committees and Executive.

Service Profile

The Business Transformation Service is made up of five services areas:

- Customer Services - The team provides front line customer services and a back office administration function (including scanning, post and print services).
- Facilities Management (Cleaning & Security) - The Facilities team manages our central headquarters directly and support staff in satellite buildings. They also provide an internal and external cleaning service to a number of clients.
- IT - The IT team maintains our core systems and infrastructure as well as supporting service teams in business development and functional improvement projects.
- Property and Engineering (Drainage, Street Furniture, Corporate Property, Asset Management) - The team maintains our corporate assets and provides technical expertise and project management across all council services.
- Business Transformation - Team's core function is to transform and improve Council's services through delivery of Business Transformation Programme and a suit of projects within it.

Service Team: Customer Service Team Leader: Helen Bower - Customer Services Manager

Ongoing Service Delivery - reviewed annually

Outcome 1.	Customer satisfaction perceptions are improved by encouraging and fostering a culture of positive customer services across Council Services							
	Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action (Discretionary / Legal or Regulatory)	D/S*	Success is measured / demonstrated by
SP22/25 BT1.1	Continue to deliver a comprehensive training plan to skill up Customer Services Officers to respond to multi-disciplinary service requests is in place and effective	Within existing budgets	30/06/2022	31/03/2024 Ongoing	Customer Services Manager (HB)	The CSC will lack resilience	D	Percentage of enquiries dealt with at first contact
SP22/25 BT1.2	Collect and report on the agreed suite of performance indicators	Within existing budgets	30/06/2022	31/03/2024 Ongoing	Customer Services Manager (HB)	An absence of data will hinder a drive to improve	D	Production of information reports
SP22/25 BT1.3	Introduce and deliver career grading for Customer Services Officers	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Customer Services Manager (HB)	Staff retention rates will be negatively impacted	D	Career grading scheme being operational and effective

Outcome 2.	An effective support service function is provided to all Council departments and stakeholders							
	Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT2.1	Provide effective and efficient post, scanning and print services to all service areas including the hybrid mail solution	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Customer Services Manager (HB)	Delays in print and post services can contribute to lower user satisfaction with the service provided	D	Internal user experience
SP22/25 BT2.2	Continue to procure and contract manage mobile and landline services	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Customer Services Manager (HB)	By monitoring delivery and market movements we can reduce costs	D	Budget increases required

Service Team: Facilities Team Leader: Steve Holt - Facilities Manager

Ongoing Service Delivery - reviewed annually

Outcome 3.	An effective support infrastructure is provided to Members and Staff							
	Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by

SP22/25 BT3.1	Ensure safety and security arrangements and systems are effective especially if new tenants are occupying the building	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Facilities Manager (SH)	There is an increased risk of user safety being compromised	D	User experience
SP22/25 BT3.2	Ensure use of web-cast equipment and other Council Chamber and Member based facilities are maximised and effective	Additional hardware/software is likely to be required. Estimated costs are in the region of £20k	01/11/2021	31/03/2024 Ongoing	Facilities Manager (SH)	Reputational damage can be sustained if there are interruptions to the smooth running of the democratic process	D	Number of equipment failure instances
SP22/25 BT3.3	Effectively manage the Council's fleet ensuring maximum use from the asset and compliance with the climate emergency plan	Replacement vehicles will be needed over the life of this Plan. Estimated costs of £50k.	01/11/2021	31/03/2024 Ongoing	Facilities Manager (SH)	Inefficient use of assets and a failure to meet carbon emission targets	D	User experience
SP22/25 BT3.4	Deliver additional cleaning to the housing estate as resourced by Covid funding	COMF funding as agreed of £75k	01/11/2021	31/03/2022	Facilities Manager (SH)	The COMF funding will have to be returned	D	Client feedback
SP22/25 BT3.5	Ensure high standards for cleaning of the Burys as evidenced by the outcome of an internal survey	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Facilities Manager (SH)	Reputational damage can be created by poor premises conditions	D	Internal surveys

Outcome 4.	A profitable external cleaning service is provided							
Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT4.1	Continue to provide cost effective cleaning services to the Housing Department and Godalming Town Council. Cease the contract with Farnham Town Council.	Within existing budgets	01/11/2021	Exit the Farnham contract by 30/6/22	Facilities Manager (SH)	The Housing Department will have low satisfaction levels and may have to procure a more expensive alternative	D	Client feedback

Service Team: IT **Team Leader: Linda Frame - IT Manager**

Ongoing Service Delivery - reviewed annually

Outcome 5.	The IT infrastructure is maintained and improved which supports the activity of the Council							
Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT5.1	Design and deliver a capital investment programme which will maintain and enhance the IT infrastructure and applications.	As per individual capital bids for 2022/2023	01/04/2022	31/03/2023	IT Manager (LF)	The integrity of the IT systems may be compromised	D	Delivery of capital programme
SP22/25 BT5.2	Recruit and retain the staff resource to provide service users with the advice and support they require to derive maximum benefit from IT infrastructure	Within existing budget	01/11/2021	31/03/2024 Ongoing	IT Manager (LF)	If adequate support is not in place this will lead to inefficient practice amongst service users	D	Vacancy rate
SP22/25 BT5.3	Ensure support systems and back up arrangements are in place to minimise service disruption including for staff now working remotely	Within existing budget	01/11/2021	31/03/2024 Ongoing	IT Manager (LF)	Service failure can lead to significant disruption, dissatisfaction and cost	D	Internal user experience
SP22/25 BT5.4	Create and develop an infrastructure providing maximum protection from cyber attacks	Additional capital and revenue budget may be required	01/11/2021	31/03/24 Ongoing	Cyber Officer (HD)	Service failure can lead to significant disruption, dissatisfaction and cost	D	Instances of successful cyber attacks
SP22/25 BT5.5	Complete DR installation at the Memorial Hall	An additional capital bid for 2022/2023 may be required	01/04/2022	30/06/2022	Infrastructure Manager (JH)	Service failure can lead to significant disruption, dissatisfaction and cost	D	Completion of work
SP22/25 BT5.6	Ensure Members are provided and supported with appropriate technology to enable them to discharge their duties effectively	Capital bids will be needed according to demand and requirements	01/11/2021	31/03/2024 Ongoing	IT Manager (LF)	Members ability to operate effectively will be compromised	D	Member feedback

Outcome 6. **Service areas are enabled to evolve and improve their service offer by facilitating business development.**

Corporate Priority: A financially sound Waverley with infrastructure and services fit for the future.								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT6.1	Respond to post Covid working patterns generated by the new office environment by supplying remote workers with the appropriate IT equipment	Annual capital bids will be required. Estimated at £50k pa in 2022/2023	01/11/2021	31/03/2023	IT Manager (LF)	Remote workers will not be operating to maximum effectiveness	D	Internal user feedback

Team Projects - Multi-year

Outcome 7. The Customer Service Project is supported to develop the technological solutions to achieve review outcomes								
Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT7.1	Provide and facilitate the solutions needed to maximise channel shift, automation and a corporate customer services team	Further capital bids may be needed to support this line of activity	01/11/2021	30/12/2024 Ongoing	IT Manager (LF)/Business Transformation Manager (WC)	This work is vital to the delivery of the customer service review objectives	D	Number of low code solutions launched

Service Team: Property and Engineering **Team Leader: Nick Laker - Property and Engineering Manager**

Ongoing Service Delivery - reviewed annually

Outcome 8. Corporate buildings are safe through effective management of assets								
Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future.								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT8.1	Ensure the corporate asset database is up to date, accurate and meets all health and safety requirements.	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	The potential of a serious health and safety breach and significant cost implications	S	Number of incidents recorded
SP22/25 BT8.2	Ensure all fire risk assessments are carried out to all corporate buildings including pavilions.	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	There will be an increased chance of a fire and a greater chance of casualties as a result of any fire, if appropriate measures and controls are not in place.	S	Number of incidents recorded
SP22/25 BT8.3	Manage building maintenance and improvement works to Pavilions	Capital bid of £165k made	01/04/2021	31/03/2023	Property and Engineering Manager (NL)	The Pavilions will not be useable without repair work been carried out	S	Pavilions being brought back into use.
SP22/25 BT8.4	Maintain an effective staff resource to provide a technical competent and responsive service.	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	Any failure to effectively manage assets will increase the potential of health and safety breaches and/or reactive maintenance costs	D	Vacancy rates
SP22/25 BT8.5	Provide detailed and accurate performance management data to evidence the effectiveness of the inspection regime.	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	Corporate decision makers will not have the information they need to scrutinise the effectiveness of the function	D	Feedback from decision makers

Outcome 9. Flood incidents are minimised by monitoring, maintaining and managing watercourses within the borough								
Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future.								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT9.1	Continue to work effectively with our key partners (Surrey CC, Environmental Agency and Local Flood Groups) in providing a collaborative approach and solution to water	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	Increased chances of flooding	S	Number of incidents recorded

SP22/25 BT9.2	Ensure appropriate inspection and maintenance arrangements are in place to maximise flood prevention.	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	Increased chances of flooding	S	Number of incidents recorded
SP22/25 BT9.3	Continue to provide an out of hours flood response service.	Within existing budgets	01/11/2021	31/03/2024 Ongoing	Property and Engineering Manager (NL)	Reputational damage if residents are unable to access advice	S	Service delivered

Team Projects - Multi-year

Outcome 10.	The strategy for the maintenance of Waverley owned bus shelters is reviewed and agreed.							
	Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT10.1	Consult with Towns and Parishes about the future management of bus shelters	Consultation can be done within existing budgets	01/04/2022	30/09/2022	Strategic Director (AR)/Head of Business Transformation (DA)	The Council will continue to have responsibility for the management and maintenance of these assets	D	Consultation completed

Service Team: Business Transformation **Team Leader: Wendy Cooper - Business Transformation Manager**

Team Projects - All projects overseen by the team are listed below

Outcome 11.	The corporate Business Transformation Programme is completed on time and delivers the required cashable savings							
	Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT11.1	The initial Business Transformation Programme (BT1) is scheduled to complete by March 2023. A second Programme (BT2) should be agreed by April 2022.	Individual projects may require bespoke resources and these will be set out in the PID.	01/04/2022	31/03/2025	Business Transformation Manager (WC)	The medium term financial plan will not be delivered	D	Savings achieved

Outcome 12.	Business Transformation Programme - Carry out a review of Agency Spend							
	Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT12.1	To review agency spend to ensure the Council is getting value for money from its staffing budgets	Within existing budgets	01/11/2021	31/03/2023	Business Transformation Manager (WC)	Although cashable savings are not anticipated poor practice and inefficient spend, if identified, should not perpetuate	D	Deliverables set out in PID achieved

Outcome 13.	Business Transformation Programme - Service Reviews are completed.							
	Corporate Priority: A financially sound Waverley, with infrastructure and services fit for the future.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT13.1	Complete the review of Planning Services operating model, structures and processes to deliver a more modern and efficient and making strong use of technology	Within existing budgets	01/04/2022	31/03/2023	Business Transformation Manager (WC)	The medium term financial plan will not be delivered	D	Deliverables set out in PID achieved
SP22/25 BT13.2	Ensure the savings identified during the Building Control review are delivered	Within existing budgets	01/11/2021	30/03/2022	Business Transformation Manager (WC)	The medium term financial plan will not be delivered	D	Savings achieved

SP22/25 BT13.3	With the relevant service manager comprehensively review Licensing, structures and processes to deliver a more modern and efficient and making strong use	Within existing budgets	01/11/2021	31/03/2023	Business Transformation Manager (WC)	The medium term financial plan will not be delivered	D	Deliverables set out in PID achieved
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Outcome 14.	Business Transformation Programme - Customer Services Programme - The corporate customer services project is delivered, achieving key objectives including cashable savings and improved satisfaction with Council services							
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Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future								
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT14.1	As part of BT2 implement Wave 2 of the Customer Services Review	Within existing budgeted	01/04/2022	31/03/2023	Business Transformation Manager (WC) / Head of Business Transformation (DA)	Projected cashable savings will not be delivered thus impacting on budget planning	D	Number of services covered by the CSC

Outcome 15	Business Transformation Programme - The Enforcement and Inspection is delivered							
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Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future								
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT15.1	With the relevant service managers comprehensively review enforcement and inspection activities and individual services operating model, structures and processes to recommend for delivery an alternative delivery model with a focus on being more	Within existing budgets	01/11/2021	31/03/2023	Business Transformation Manager (WC)	The medium term financial plan will not be delivered	D	Deliverables set out in the PID achieved

Outcome 16.	Business Transformation Programme - Design and implement a future office working environment in the medium term post Covid and in the long term for any new office building							
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Corporate Priority: A sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our planet /A financially sound Waverley, with infrastructure and services fit for the future/ Effective strategic planning and development management which supports the planning and infrastructure needs of local communities								
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT16.1	Complete the office move and seek to market the released space	Within existing budgets	01/11/2021	31/03/2022	Head of Business Transformation (DA) / Business Transformation Manager (WC)	We will not confirm our foot-print requirements for the future	D	Reduction in office foot-print

Corporate compliance								
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Outcome 17.	Standing Corporate Compliance Actions							
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Corporate Priority: ALL								
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT17.1	All Performance Agreement Meetings are completed by the target date, staff targets are set and L&D identified.	Within existing budgets, support of HR Team needed	March	May	Head of Service	Staff performance and personal development is compromised and morale affected.	D	Objective achieved
SP22/25 BT17.2	Service Plans are reviewed and budget implications fed into budget process.	Dependent on outcome of review, support of the Policy & Performance Officer	August	January	Head of Service	Corporate Strategy objectives will not be achieved.	D	The Service Plans proposals are prepared and presented to the OS and Executive

SP22/25 BT17.3	Complete budget preparation in line with agreed timetable.	Within existing budgets, support of Finance Team needed	August	January	Head of Service	Legal obligations are jeopardised.	D	Budget adopted by Full Council.
SP22/25 BT17.4	The Corporate Risk Register is reviewed and updated quarterly in accordance with the agreed timetable.	Dependent on outcome of review, support from the Procurement Officer	Quarterly		Head of Service	Risk Register is not kept up to date and risks are not identified sufficiently to protect the organisation.	S	HoS has updated the register
SP22/25 BT17.5	Internal Audit Recommendations are actioned in line with agreed timescales.	Within existing budgets, support from the Internal Audit Manager	Ongoing		Head of Service	Organisation is put at risk.	D	no outstanding recommendations
SP22/25 BT17.6	Annual Review of Employee Risk Assessments.	Within existing budgets, support from Emergency Planning Officer	April	July	Head of Service	Employees' health is potentially put at risk and the organisation fails to comply with the H&S regulations.	S	All employees to have completed their relevant risk assessments. Measured by annual audit via H&S team.
SP22/25 BT17.7	Annual Business Continuity Plans Review.	Within existing budgets, support from Emergency Planning Officer	January	February	Head of Service	Unable to provide vital services in an emergency situation.	S	Each Service to review their business continuity plan annually. Measured by annual test of plans against most likely business continuity events
SP22/25 BT17.8	Make sure that Accessibility regulations are adhered to – ensure all documents that appear on the Waverley website (owned by the service) are created in an accessible format and make available accessibility training to staff where appropriate. Make sure that Equality Impact Assessments are carried out by teams as appropriate.	Within existing budgets, support from Corporate Equality Group	Ongoing		Head of Service	Visually impaired website readers will be excluded from accessing documents. Failure to comply with the legislation puts the organisation at risk of being fined.	S	All documents published on our website to be accessible - checked quarterly by Website Team
SP22/25 BT17.9	HoS to ensure that all staff within the service are aware of the current Safeguarding Policy for Children and Adults- updated2020.docx process and procedures including the Safeguarding referral process and that any issues are dealt with in a prompt manner. Where required make sure that key members of staff complete appropriate training recommended by Waverley's Safeguarding Board.	Within existing budgets, support from Safeguarding Board	Ongoing		Head of Service	Failure to discharge our responsibility under the Care Act 2014 and Children Act 2004, and potentially putting lives and wellbeing of our residents and staff at risk.	S	Safeguarding Policy regularly refreshed and updated; staff and members know how to make a safeguarding referral to Surrey County Council's Children and Adult Services Training programme implemented and rolled out to all staff and members.
SP22/25 BT17.10	Information management - data is deleted in accordance with the data retention schedule.	Within existing budgets, support from Data Protection Officer and Information Governance representatives	Ongoing		Head of Service	Failure to comply with the legislation puts the organisation at risk of being fined. Over retention of information is costly in terms of storage and access.	S	The teams can demonstrate that data outside of the retention period gets logged and safely disposed off

Service Plan 2022-2025 (rolling 3 years)	Head of Service:	Peter Vickers
	Strategic Director:	Graeme Clark
Service:	Finance and Property Services	Portfolio Holders:
		Cllr Mark Merryweather

This Service Plan is a rolling three year programme of both business as usual and project activity. It is reviewed annually to ensure it is consistent with and reflects the Council's priorities and the Medium Term Financial Plan. It has also been prepared within the context of the Covid pandemic which has had an impact on the timing of some projects due to staffing and resourcing implications. From time to time Service Plans will also be subject to review by councillors and officers as a result of the need to reprioritise resources to react to changing circumstances or opportunities. The progress is monitored on quarterly basis as part of the Corporate Performance Report reviewed by Senior Management Team, O&S Committees and Executive.

Service Profile

The Revenues and Benefits Service is responsible for the collection of council tax and business rates, the payment of housing benefit and council tax support. The key objectives for the service are:

- to provide a cost-effective revenue service that achieves the maximum collection rate possible for the Council Tax and Business Rates due from residents and businesses in the Borough
- to ensure our customers receive their entitlement to benefit to help them meet their housing costs and to make payments quickly and accurately.

The Finance Service provides a wide range of accountancy and exchequer services to internal and external customers, corporate risk and insurance management and corporate procurement function. The key objectives for the service are:

- to ensure robust and effective management of Waverley's financial resources with clear and transparent reporting of the Council's accounts and transactions
- to give clear advice to Members, staff and other organisations to support sound decision making and prudent financial management
- to manage all of the Council's incoming and outgoing financial transactions in accordance with good practice and Waverley's policy and control framework

Asset Management Team manages the property investment portfolio, develops and implements the Property Investment Strategy supporting the delivery of the Medium Term Financial Plan. Also provides professional asset management advice to council services and supports the management of the wider diverse operational asset base.

Service Team: Housing Benefit Service **Team Leader: Nicky Harvey - Revenues and Benefits Manager**

Ongoing Service Delivery - reviewed annually

Outcome 1.	Waverley residents receive an efficient and accessible Housing Benefit Service.							
	Corporate Priority: The value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth. A financially sound Waverley, with infrastructure and resilient services fit for the future. The health and wellbeing of our communities.							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 F1.1	All new housing benefit claims are responded to and where possible provisionally assess on the day of receipt.	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Delay in entitlement assessment will negatively impact on claimants housing security.	S	Performance indicator shows that claimants do not have to wait to access service or are unduly delayed.
SP22/25 F1.2	Service performance standards (new claims and changes in circumstances processing) are within target turn around days.	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Delay in entitlement assessment will negatively impact on claimants housing security.	S	Performance indicator shows that claimants do not have to wait to access service or are unduly delayed.
SP22/25 F1.3	Weekly review of service performance data with the Housing Benefits team and Head of Finance and Property to inform service delivery planning.	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Service performance is not understood, corrective action cannot be taken.	D	Subsidy claim back is avoided

SP22/25 F1.4	Maintain dialogue with Department for Work and Pensions (DWP) to comply with their requirements for the implementation of Full Universal Credit (UC) (for all new working age claimants).	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Gap in service resulting in a detrimental impact on claimants moving over to Universal Credit.	S	Roll out policy on UC is complied with.
SP22/25 F1.5	Housing benefit subsidy financial performance will be reviewed monthly to maintain benefit calculation accuracy rate within the DWP performance parameters.	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Financial impact on the council through subsidy clawback.	S	Monthly review of value of Local Authority Error subsidy calculation is below threshold.

Team Projects - Multi-year

Outcome 2.	Support the Business Transformation Customer Service initiative project objectives.							
	Corporate Priority: High quality public services accessible for all. A financially sound Waverley, with infrastructure and resilient services fit for the future							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 F2.2	Collaborate with the Business Transformation Customer Service initiative to develop integrated customer service.	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Failure to deliver improvement in customer service and lost opportunity to generate efficiency savings.	D	Integration of the service with the corporate customer service initiative

Ongoing Service Delivery - reviewed annually

Outcome 3.	Maximise collection of local taxation.							
	Corporate Priority: A financially sound Waverley, with infrastructure and resilient services fit for the future							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/23 F3.1	Weekly review of local taxation service performance data with the service manager and Head of Finance and Property to inform service delivery planning.	None	01/04/2022	31/03/2025	Revenues and Benefits Manager (NH)	Poor customer service, negative impact on tax base and collection rates.	D	All aspects of service remain under control with effective plans to manage demands upon capacity
SP22/23 F3.2	Implement a centralised financial systems and processes controls team to develop the effectiveness of corporate financial systems infrastructure, income and debt management, manage the Civica and Agresso systems integrity, development and administration, and responsible for DWP and collection fund government reporting.	None	01/10/2021	31/06/2022	Financial Services Manager (WS)	Inefficient transaction processing, weakened financial governance, inaccurate data reporting, compromised management information, financial systems integrity is impaired.	D	Systems are maintained proactively with no down or impact upon services.
SP22/23 F3.3	Manage the negative impact of Covid on council tax and business rates collection through additional temporary capacity.	Access to covid provision to fund enhanced temporary capacity	01/12/2021	31/03/2025	Revenues and Benefits Manager (NH)	Collection rates will remain below pre covid levels resulting in increased debt on the balance sheet, impaired customer service, debts will be difficult to recover from individuals and businesses experiencing financial pressure post lockdown.	D	Collection rates are maintained within the parameters set for the tax base in the MTFP.

SP22/23 F3.4	Re establish a debt recovery/collection service in house (or in collaboration with GBC) in readiness for the Reigate and Banstead notice to terminate the temporary recovery service agreement on 31/3/2022.	None - will be contained within existing base budget.	01/11/2021	31/03/2022	Financial Services Manager (WS)	Significant under collection of local taxation and increase in level of provision and write-off. Negatively impact revenue account.	D	Seamless of transfer of debt recovery service to inhouse provision.
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Team Projects - Multi-year

Outcome 4		CPR18-7						
		Corporate Priority: A financially sound Waverley, with infrastructure and resilient services fit for the future						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 F4.1	Implement the Civica self service module to integrate into the corporate Customer Relationship Management (CRM) system and client portal.	People resource will be fully detailed in project plan.	01/06/2021	31/03/2023	NH and Walter Stockdale	Will negatively impact ability to integrate into the centralised customer service team and affects every household and business in the borough.	D	Implementation is completed as planned.
SP22/25 F4.2	Implement and commission "Civica Pay" replacement income management system.	Funding and capacity fully resourced.	01/11/2021	31/03/2023	Financial Services Manager (WS)	Current system "Adelante" will be out of support in 2022 by software house due to a recent takeover. This is a core financial system impacting on the transactional capability of all other systems.	D	Implementation is completed as planned.
SP22/25 F4.3	Identify opportunities to collaborate across revenues, benefits and financial service teams with GBC with the objective of saving money or building business resilience.	None	01/11/2021	31/03/2025	Head of Finance and Property	Lost opportunity to identify budget savings, service enhancement and resilience.	D	opportunities are identified or clearly demonstration of work done to identify opportunities to collaborate.

Service Team: Finance

Team Leader: Walter Stockdale/Rosie Plaistowe - Financial Services Managers

Ongoing Service Delivery - reviewed annually

Outcome 5.		Robust budget monitoring arrangements are in place that is commensurate with the size, risk, complexity and volatility associated with particular revenue budgets and capital schemes.						
		Corporate Priority: A financially sound Waverley, with infrastructure and resilient services fit for the future						
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/23 F5.1	Ensure the monthly management reporting is accurate, risk based and tailored to specific audiences.	None	01/04/2022	31/03/2025	Financial services Manager (Rosie Plaistow)	Inappropriate management information will impact decision making and governance.	D	Accurate management information is provided.
SP22/23 F5.2	Implement the CIPFA Financial management code.	None	01/04/2022	31/03/2023	Financial services Manager (Rosie Plaistow)	Financial Governance will be sub-optimal and opportunities to improve will be missed.	S	Code is implemented based upon a gap analysis and action plan

SP22/23 F5.3	Ensure all services are supported with proactive financial management and support.	None	01/04/2022	31/03/2025	Financial services Manager (Rosie Plaistow)	Services carrying higher financial risk will not be adequately managed leading to potential financial loss.	D	Service expenditure is within budget and no surprises preventing timely management action.
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Outcome 6. An effective process is in place to ensure the Council has a balanced General Fund annual budget and robust Medium Term Financial Plan.

Corporate Priority: A financially sound Waverley, with infrastructure and resilient services fit for the future

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 F6.1	Ensure management are engaged in effective service planning and review processes.	None	01/04/2022	31/03/2025	Head of Finance and Property (PV)	Lack of understanding and buy-in to the current and future financial situation.	D	Management sign off their budget responsibilities.
SP22/25 F6.2	Review previous year annual outturn against current year performance and future budget requirements with Heads of Service.	None	01/04/2022	31/03/2025	Head of Finance and Property (PV)	Mis-aligned and uninformed management decisions.	D	Clear line of consistency between time periods and explanations for changes.
SP22/25 F6.3	Ensure the Policy Scrutiny committee and Executive are briefed on the all decisions that impact on the Medium Term Financial Plan.	None	01/04/2022	31/03/2025	Head of Finance and Property (PV)	Decisions are taken out of line with the Medium Term Financial Plan.	D	Committees have had a chance to debate detail.
SP22/25 F6.4	Lead on developing and implementing actions plans to ensure a balanced annual budget and Medium Term Financial Plan.	None	01/04/2022	31/03/2025	Head of Finance and Property (PV)	Unsound financial situation.	D	All MTFP targets have clear actions plans to deliver.
SP22/25 F6.5	Lead on risk and governance management ensuring sound financial decision making.	None	01/04/2022	31/03/2025	Head of Finance and Property (PV)	Unsound financial situation.	D	Clarity in process, plans developed in timely way.
SP22/25 F6.6	Ensure Treasury prudential limits are appropriate for market conditions (specified and non specified). Ensure treasury management performance by reviewing security, liquidity and return.	None	44652	45747	Financial Services Manager (WS)	Unsound financial situation.	S	Treasury management limits and performance is regularly reviewed.

Service Team: Asset Management (formerly Estate and Valuation) Team Leader: Caroline Wallis - Asset Manager

Ongoing Service Delivery - reviewed annually

Outcome 7. Increased revenue from the commercial portfolio.

Corporate Priority: A financially sound Waverley, with infrastructure and resilient services fit for the future

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 F7.1	Identify and develop opportunities to generate revenue through property development schemes to increase overall income in line with the Medium Term Financial Plan, Property Investment Strategy and HM Treasury "not for yield" guidelines.	Significant additional resource will be needed from reserves or from borrowing	01/04/2022	31/03/2025	Asset Manager (CW)	This will impact negatively of budget projections.	D	Plan is in place and being actioned.
SP22/25 F7.2	Effectively manage the investment property portfolio in support of the Council's Carbon Neutrality Plan whilst ensuring income levels match or exceed budget targets.	Within existing budgets	01/04/2022	31/03/2025	Asset Manager (CW)	This will impact negatively on budget projections and failure to reduce carbon emissions.	D	Carbon action plans are identified and in place.

SP22/25 F7.3	Ensure skilled staff recruited and/or retained. Engage external expertise as appropriate in acquisition, portfolio management and project delivery.	Within existing budgets	01/04/2022	31/03/2025	Head of Finance and Property	Insufficient skilled resource will negatively impact on our ability to meet this objective.	D	Service is performing and low staff turnover.
SP22/25 F7.4	Revise the Asset Management Strategy to incorporate the latest Property Investment Strategy, Capital Strategy, Financial Management Code and changes in Prudential Code.	None	01/11/2021	31/07/2022	Asset manager (VB)	The Asset Management framework will be out of date and impair the quality of the asset management governance potentially resulting in lost opportunity, negative financial impact.	D	Strategies are adopted.

Corporate compliance

Outcome 8. Standing Corporate Compliance Actions are achieved								
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 F8.1	All Performance Agreement Meetings are completed by the target date, staff targets are set and L&D identified.	Within existing budgets, support of HR Team needed	March	May	Head of Service	Staff performance and personal development is compromised and morale affected.	D	Objective achieved
SP22/25 F8.2	Service Plans are reviewed and budget implications fed into budget process.	Dependent on outcome of review, support of the Policy & Performance Officer	August	January	Head of Service	Corporate Strategy objectives will not be achieved.	D	The Service Plans proposals are prepared and presented to the OS and Executive
SP22/25 F8.3	Complete budget preparation in line with agreed timetable.	Within existing budgets, support of Finance Team	August	January	Head of Service	Legal obligations are jeopardised.	D	Budget adopted by Full Council.
SP22/25 F8.4	The Corporate Risk Register is reviewed and updated quarterly in accordance with the agreed timetable.	Dependent on outcome of review, support from the Procurement Officer	Quarterly		Head of Service	Risk Register is not kept up to date and risks are not identified sufficiently to protect the organisation.	S	HoS has updated the register
SP22/25 F8.5	Internal Audit Recommendations are actioned in line with agreed timescales.	Within existing budgets, support from the Internal Audit Manager	Ongoing		Head of Service	Organisation is put at risk.	D	no outstanding recommendations
SP22/25 F8.6	Annual Review of Employee Risk Assessments.	Within existing budgets, support from Emergency Planning Officer	April	July	Head of Service	Employees' health is potentially put at risk and the organisation fails to comply with the H&S regulations.	S	All employees to have completed their relevant risk assessments. Measured by annual audit via H&S team.
SP22/25 F8.7	Annual Business Continuity Plans Review.	Within existing budgets, support from Emergency Planning Officer	January	February	Head of Service	Unable to provide vital services in an emergency situation.	S	Each Service to review their business continuity plan annually. Measured by annual test of plans against most likely business continuity events

SP22/25 F8.8	Make sure that Accessibility regulations are adhered to – ensure all documents that appear on the Waverley website (owned by the service) are created in an accessible format and make available accessibility training to staff where appropriate. Make sure that Equality Impact Assessments are carried out by teams as appropriate.	Within existing budgets, support from Corporate Equality Group	Ongoing		Head of Service	Visually impaired website readers will be excluded from accessing documents. Failure to comply with the legislation puts the organisation at risk of being fined.	S	All documents published on our website to be accessible - checked quarterly by Website Team
SP22/25 F8.9	HoS to ensure that all staff within the service are aware of the current Safeguarding Policy for Children and Adults-updated2020.docx process and procedures including the Safeguarding referral process and that any issues are dealt with in a prompt manner. Where required make sure that key members of staff complete appropriate training recommended by Waverley's Safeguarding Board.	Within existing budgets, support from Safeguarding Board	Ongoing		Head of Service	Failure to discharge our responsibility under the Care Act 2014 and Children Act 2004, and potentially putting lives and wellbeing of our residents and staff at risk.	S	Safeguarding Policy regularly refreshed and updated; staff and members know how to make a safeguarding referral to Surrey County Council's Children and Adult Services Training programme implemented and rolled out to all staff and members.
SP22/25 F8.10	Information management - data is deleted in accordance with the data retention schedule.	Within existing budgets, support from Data Protection Officer and Information Governance representatives	Ongoing		Head of Service	Failure to comply with the legislation puts the organisation at risk of being fined. Over retention of information is costly in terms of storage and access.	S	The teams can demonstrate that data outside of the retention period gets logged and safely disposed off

Last update: 05/01/2022 14:34

*D/S - Discretionary / Statutory

Service Plan 2022-2025 (rolling 3 years)		Head of Service:	Robin Taylor
		Strategic Director:	Tom Horwood
Service:	Policy and Governance	Portfolio Holders:	Cllr Paul Follows

This Service Plan is a rolling three year programme of both business as usual and project activity. It is reviewed annually to ensure it is consistent with and reflects the Council's priorities and the Medium Term Financial Plan. It has also been prepared within the context of the Covid pandemic which has had an impact on the timing of some projects due to staffing and resourcing implications. From time to time Service Plans will also be subject to review by councillors and officers as a result of the need to reprioritise resources to react to changing circumstances or opportunities. The progress is monitored on quarterly basis as part of the Corporate Performance Report reviewed by Senior Management Team, O&S Committees and Executive.

Service Profile

Policy and Governance is comprised of 6 teams: Democratic Services and Business Support; Legal Services and Land Charges; Human Resources; Corporate Policy; Communications and Engagement; and Electoral Services. The Head of Policy and Governance is also the Council's Monitoring Officer.

The Service exists to:

1. Support democratic, transparent, informed and high quality decision-making by Waverley's Elected Councillors and ensure excellent business support is provided (Democratic Services and Business Support);
2. Provide high quality advice to ensure the Council acts lawfully and transparently and search and provide vital information to house and property buyers in Waverley (Legal Services and Land Charges);
3. Promote a positive and committed staff culture, develop and retain talented staff and ensure Waverley is able to compete effectively in the employment market and be seen as an attractive employer in the local community (Human Resources);
4. Ensure Waverley has a clear vision, robust plans and policies and an effective performance management culture and policy support for the Overview & Scrutiny Committees (Corporate Policy);
5. Ensure that the council effectively communicates and engages with communities, customers and other stakeholders, ensuring their concerns and ideas are heard and understood by the council (Communications and Engagement);
6. Prepare for, organise and conduct all types of elections, polls and referendums held in the Waverley Borough; Conduct an Annual Canvass yearly and publish a revised Register of Electors on 1 December. Ensure the Register of Electors is updated on a monthly basis and new properties added as required.
7. Maintain high standards of governance and ethical conduct (Monitoring Officer Function).

Service Team: Corporate Policy | **Team Leader: Louise Norie - Corporate Policy Manager**

Ongoing Service Delivery - reviewed annually

Outcome 1. The Council has a Corporate Strategy in place, underpinned by an effective performance management framework and culture								
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 1.1	Support effective performance management Ensure that the Council's Performance Management Framework delivers accurate and timely information to decision-makers and key stakeholders.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Policy and Performance Officer	Performance doesn't improve	D	Provision of timely, relevant quarterly performance reports and other information on demand.
SP22/25PG 1.2	Support effective policy development Ensure that the Council takes a robust and consistent approach to policy development, including clear and documented review and version control processes for strategies, policies and procedures.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Policy and Performance Officer	Poor or inconsistent policy-making	D	Policies are: up to date; stored correctly with version control information; and reviewed at the correct time.
SP22/25PG 1.3	Support effective project management Ensure that the Council has, and consistently uses, an up to date Project Management Framework, including common protocols and templates, which drives the delivery of all projects to the required standard of quality, cost and time.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Policy and Performance Officer	Scope creep, non delivery, lack of focus.	D	Project management framework and paperwork is consistently used.

Outcome 2. Scrutiny at Waverley is done well, adding value and improving policy development and decision-making								
Corporate Priority: Open, democratic and participative governance								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 2.1	Provide policy support to O&S Committees Provide excellent scrutiny policy support to O&S committees to deliver an ambitious, valuable and responsive scrutiny programme that supports organisational policy development and good decision-making.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Scrutiny Officer	Scrutiny is ineffectual and does not add value.	D	Positive feedback from Scrutiny chairs, committee members, Executive members and colleagues.
SP22/25PG 2.2	Provide policy support on O&S projects and working groups Drive O&S task and finish groups by drafting scopes, coordinating officer input, and researching and producing relevant supporting documents.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Scrutiny Officer	Task and finish groups would achieve low quality outcomes.	D	In-depth projects are commissioned, have clear scope and deliver accordingly.
SP22/25PG 2.3	Develop a positive scrutiny culture Foster positive relationships with Scrutiny Chairs, Vice Chairs, Portfolio Holders and the Executive and senior managers to ensure Scrutiny functions well and supports the Council in making good decisions.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Scrutiny Officer	Scrutiny objectives would not be achieved satisfactorily.	D	Constructive recommendations are made by Scrutiny Committees and feed through into policy development.

Outcome 3. Customer complaints are dealt with effectively and that the council learns from them.								
Corporate Priority: Open, democratic and participative governance / the value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth / high quality public services accessible for all								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 3.1	Support colleagues in responding to customer complaints Work with colleagues to ensure all complaints are handled in accordance with Council's corporate complaints policy in a timely and sensitive manner.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Corporate Complaints Officer	Waverley's reputation is damaged and customer expectations are not met	D	KPIs: SP22/25PG2a The % of complaints responded to on time - level 1
SP22/25PG 3.2	Learn from customer complaints Quarterly monitoring of complaints and lessons learnt is carried out with Heads of Service and reported to Management Board and Councillors.	Within existing budgets	01/04/22	31/03/2023 Ongoing	Corporate Policy Manager, Corporate Complaints Officer	Lessons are not learnt and services don't improve.	D	SP22/25PG2b The % of complaints responded to on time - Level 2 Annual MO report on complaints received, lessons learnt and Ombudsman judgements.

SP22/25PG 3.3	Corporate complaints management software system is effective. The database is managed to ensure the information produced is accurate, timely and meets the needs of the organisation.	Within existing budgets	01/04/22	31/03/2023	Corporate Policy Manager, Corporate Complaints Officer	Management of complaints is less efficient	D	New system is in place and functioning
SP22/25PG 3.4	The on-line complaints function interfaces with the Corporate Complaints system The on-line form for complaints is directed to the correct customer service area for a response.	Within existing budgets	01/04/22	31/03/2023	Corporate Policy Manager, Corporate Complaints Officer	Management of complaints is less efficient	D	

Outcome 4.	The principles of equality and diversity are embedded into the Council's policy development and decision-making processes
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Corporate Priority: The value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth / high quality public services accessible for all
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 4.1	Take a corporate lead on equality and diversity Coordinate the Corporate Equality Group which provides the necessary challenge over equality issues and ensures that the Council is aware of the need to have 'due regard' to the provisions of the Equality Act 2010 in their decision making.	Within existing budgets	01/04/22	31/03/2023	Corporate Policy Manager	Non compliance and not benefiting from diversity	S	All duties under the Equality Act are met.
SP22/25PG 4.2	Assess the equality impact of new policies and initiatives Champion the need for Equality Impact Assessments to be undertaken when policies are being developed and provide effective corporate policy support on them.	Within existing budgets	01/04/22	31/03/2023	Corporate Policy Manager	EQIAs not routinely or properly done	D	Equality Impact Assessments are undertaken and are considered / discussed by those taking decisions.
SP22/25PG 4.3	Lead specific initiatives to promote and celebrate equality and diversity Work with staff and councillors to deliver the race equality focus group action plan and to promote the active citizenship programme.	Within existing budgets	01/08/20	31/03/22	Human Resources Manager (SK)	Lack of internal and external engagement on diversity issues	D	Group is in place and continues to deliver its agreed programme of work.

Team Projects - Multi-year

Outcome 5.	The Council actively engages with the Local Government Boundary Commission review of Waverley Borough Council
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Corporate Priority: Open, democratic and participative governance
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 5.1	Actively engage, as the key stakeholder, with the Local Government Boundary Commission's review of Waverley Borough Council's ward boundaries (i) Provide information and data to the review team; (ii) Facilitate an active and open discussion locally about ward boundaries and representation and draft a formal consultation response to be considered by the LGBC.	Within existing budgets.	10/11/20	15/02/22	Corporate Policy Manager	The LGBC's review and their conclusions and recommendations do not take account of the Council's perspective, ideas and requirements.	D	All opportunities to comment are taken up.

SP22/25PG 5.2	Undertake Community Governance Reviews Including those reviews that are expected to be requested by Waverley's Town and Parish communities in response to the Boundary Commission's review of Borough Boundaries.	Additional staff resources may be necessary depending on how many CGRs are requested (revenue growth proposal)	01/04/2022	31/03/2023	Corporate Policy Manager	Requests for Community Governance Reviews would go unmet	S	CGRs are complete to quality and (statutory) time expectations.
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Service Team: Communications and Engagement | **Team Leader: Ian Mackie - Interim Communications and Engagement Manager**

Ongoing Service Delivery - reviewed annually

Outcome 6. The Council achieves the vision and objectives set out within its Communications and Engagement Strategy 2019-2023								
Corporate Priority: Open, democratic and participative governance								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 6.1	Get the team fundamentals right (strategic objective 1) (i) Develop and follow: communications and engagement protocols; an annual work programme; response time performance targets; and better business processes including a clearer process for internal customers wishing to access support. (ii) Provide a timely, targeted and positive media relations service and ensure key council representatives are trained and briefed prior to interviews. (iii) support the council when dealing with civil emergencies or business continuity issues by issuing advice and support on messages to go out to staff.		01/04/22	31/03/25	Communications and Engagement Manager	Communications and engagement activity is unplanned, unfocused and haphazard which ultimately reduces its impact.	D	Internal and external customer feedback.
SP22/25PG 6.2	Create a corporate narrative (strategic objective 2) Identify what the council wants to achieve and be known for - and put that aspiration into a story that translates to everyone; that has the power to inspire staff, excite partners, attract customers and potential employees and resonate with community influencers and residents.	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	Messages from the Council have limited impact	D	Internal and external customer feedback.
SP22/25PG 6.3	Develop a proactive and planned approach to communications and engagement (strategic objective 3) Develop and work within an agreed annual forward plan, signed off by the Senior Management Team and the Executive, that prioritises pre-planned targeted engagement activity whilst still allowing time and resource to deal with unexpected events and emergencies.	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	Communications and engagement activity is unplanned and haphazard which ultimately reduces its impact.	D	Communications activity is planned, not rushed.

SP22/25PG 6.4	<p>Advise and support colleagues on how to effectively communicate and engage (strategic objective 4)</p> <p>(i) Provide staff with toolkits and templates to create simple posters and press releases which will be quality-checked before publication and press releases</p> <p>(ii) Recommend quality external support, when this is required, for photography, videography and graphic design.</p> <p>(iii) Train and encourage frontline staff to take ownership of creating content for our social media channels, including using smartphones to take photos and videos and gaining the appropriate photo consents</p>	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	The knowledge, talent and resources of staff across the organisation are not utilised.	D	Toolkits and training provided.
SP22/25PG 6.5	<p>Develop a scientific approach to communications and engagement (strategic objective 5)</p> <p>Embed a more scientific, planned and strategic approach to communications and engagement through the use of: established and tested models; research; targeted and audience-led campaigns; audience testing and evaluation.</p>	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	Communications and engagement activity is unplanned and haphazard which ultimately reduces its impact.	D	Best practice and theory continues to inform the Council's approach.
SP22/25PG 6.6	<p>Make time for creative and human communications (strategic objective 6)</p> <p>(i) Focus on real people and real stories to ensure messages stand out and can be re-told</p> <p>(ii) Take advantage of the new methods, technologies and channels used by our target audiences and, in the case of social media, adapt approaches to keep up with ever-changing algorithms so our content is seen.</p> <p>(iii) Continue to cater for those who prefer to receive traditional, paper-based content.</p>	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	Messages from the Council are full of jargon, uninspiring and easily forgotten	D	Internal and external customer feedback.
SP22/25PG 6.7	<p>Engage and listen to residents and customers (strategic objective 7)</p> <p>(i) Learning. Use data and demographics to provide us with a broad picture of the borough's population, which will help us to predict their needs and preferred interests and communications channels, as well as giving us the background to ensure any future engagement exercise is representative.</p> <p>(ii) Listening and engaging. The Council will develop a comprehensive programme of public engagement, including the use of listening panels, focus groups and workshops, events, online surveys and public consultations.</p>	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	The Council tells but it does not listen and learn. Insights from communities, customers and stakeholders are not heard.	D	Quality of communications / Internal and external customer feedback.
SP22/25PG 6.8	<p>Make the most of digital (strategic objective 8)</p> <p>(i) Conduct an internal review of all our channels, including subscription email bulletins, and develop a new social media strategy, supported by a calendar of content, a recruitment of social media staff 'champions' and training to support them to provide content</p> <p>(ii) Review and improve our website to make sure it meets customer needs and encourages channel-shift</p> <p>(iii) identify and actively monitor KPIs regarding our social media reach and email communication.</p>	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	The Council's approach becomes dated and out of step with changing customer demand and expectations.	D	Reviews take place.

SP22/25PG 6.9	Adopt and promote an ethical approach to communications and engagement (strategic objective 10) Ensure ethics underpin every aspect of our practice, from storing data to the accuracy of our messaging, transparency and trust.	Within existing budgets.	01/04/22	31/03/25	Communications and Engagement Manager	Breach of trust and respect.	D	The messaging is accurate and data stored and processed in accordance with the Data Protection Act
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Service Team: Democratic Services / Business Support / Monitoring Officer function **Team Leader: Louise Fleming - Democratic Services and Business Support Manager**

Ongoing Service Delivery - reviewed annually

Outcome 8. The Council's decision-making is democratic, transparent, and informed and councillors are supported to function effectively
Corporate Priority: Open, democratic and participative governance

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 8.1	Support committee meetings Provide effective democratic support to all Council committees	Within existing budgets.	01/04/22	31/03/23	Democratic Services and Business Support Manager	Non compliance	S	Meetings comply with statutory provisions and decisions are taken in a timely and transparent way.
SP22/25PG 8.2	Facilitate good scrutiny Work with Policy colleagues to deliver a Scrutiny programme that Councillors are fully engaged with.	Within existing budgets.	01/04/22	31/03/23	Democratic Services and Business Support Manager	Scrutiny is ineffectual and does not add value	S	Councillors are engaged and make sound recommendations which are adopted by the Executive.
SP22/25PG 8.3	Use IT to save money and be more efficient Continue to develop functionality of Modern.Gov to increase efficiencies in working practices. Reduce our reliance on paper by largely phasing out printed agendas and reports by December 2022, continuing and enhancing suitable arrangements where appropriate.	The paperless project will form part of the second phase of the Business Transformation project. It will require at least £30k of additional capital investment and investment of staff time to manage the project, provide learning and development. It will also require the commitment of all councillors to be successful.	01/04/22	31/03/23	Democratic Services and Business Support Manager	Corporate strategy objective not met.	D	Further reduction in print costs and postage costs (budget savings have already been made through partial transition to paperless).
SP22/25PG 8.4	Deliver a programme of Councillor Learning and Development Building on the Councillor induction programme provided in 2019, provide a range of individual and group information, learning and development opportunities to councillors to support them in their community representative, committee and community leadership roles.	Within existing budgets.	01/04/22	31/03/23	Democratic Services and Business Support Manager	Councillors do not have the information and skills required to carry out their roles effectively.	D	Councillors are well informed and have the necessary skills to carry out their roles effectively.

SP22/25PG 8.5	Provide effective business support to the Mayor Support the Mayor and Deputy Mayor in their civic and ceremonial roles by providing effective business support and coordinating a range of visits, events and activities. including the Queen's Platinum Jubilee in 2022.	Queen's jubilee event planning expected to require additional revenue and capital expenditure. TBC.	01/04/22	31/03/23	Democratic Services and Business Support Manager	Mayor not supported / impact on community events and civic pride.	D	The Mayor is supported in his/her civic role and civic events are well run.
SP22/25PG 8.6	Provide effective business support to the Council Leader, Deputy Leader and the Senior Management Team Ensure the newly created business support team works effectively and consistently so that the senior councillors and officers they support are able to carry out their duties effectively.	Within existing budgets.	01/04/22	31/03/23	Democratic Services and Business Support Manager	Inefficient use of resources.	D	Senior officers and SMT are supported in carrying out their roles effectively.

Outcome 9. The Council functions properly, with high standards of governance and ethical conduct								
Corporate Priority: Open, democratic and participative governance								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 9.1	Provide advice and guidance Support councillors and officers to identify and deal appropriately with any potential conflicts of interests to ensure democratic and transparent decision-making.	Within existing budgets.	01/04/22	31/03/23	Head of Policy and Governance (Monitoring Officer)	Non compliance / lack of confidence in the Council's approach	S	Advice provided in a timely way.
SP22/25PG 9.2	Resolve any complaints and questions about council procedure and conduct Respond to complaints made to the Monitoring Officer or questions that arise with respect to Councillors' Codes of Conduct, aiming to resolve matters and ensure any lessons are learnt.	Within existing budgets.	01/04/22	31/03/23	Head of Policy and Governance (Monitoring Officer)	Non compliance / lack of confidence in the Council's approach	S	The Council's published arrangements (including timescales for responding) are adhere to.
SP22/25PG 9.3	Ensure our governance protocols remain fit for purpose and efficient Work with the Standards and General Purposes Committee to monitor the effectiveness of the Council's Constitution, Scheme of Delegation and arrangements for responding to Standards complaints on an ongoing basis to ensure they enable quick, transparent democratic processes.	Within existing budgets.	01/04/22	31/03/23	Head of Policy and Governance (Monitoring Officer)	Non compliance / lack of confidence in the Council's approach	D	Reviewed take place
SP22/25PG 9.4	Support councillors through training on ethics and standards Provide training on Councillor standards to Borough Councillors and Officers and to Towns and Parish Councils	Within existing budgets.	01/04/22	31/03/23	Head of Policy and Governance (Monitoring Officer)	Non compliance / lack of confidence in the Council's approach	D	Training provided
SP22/25PG 9.5	Appoint and consult as appropriate Independent Persons to the Council Manage liaison with Independent Persons as part of Surrey Authorities Independent Persons consortium and consult them as necessary, in line with the Council's arrangements for dealing with standards allegations against elected members.	Within existing budgets.	01/04/22	31/03/23	Head of Policy and Governance (Monitoring Officer)	Non compliance / lack of confidence in the Council's approach	S	IPs appointed and consulted as set out in published arrangements.
SP22/25PG 9.6	Keep all registers of interest up to date Ensure Waverley and Town and Parish Councils' Councillors' interests are properly recorded	Within existing budgets.	01/04/22	31/03/23	Head of Policy and Governance (Monitoring Officer)	Non compliance / lack of confidence in the Council's approach	S	Registers are up to date.

Ongoing Service Delivery - reviewed annually
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Outcome 10.	The Council prepares for, organises and conducts all types of elections, polls and referendums held in the Waverley borough							
Corporate Priority: Open, democratic and participative governance								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 10.1	Conduct fair and transparent elections Complete preparations for and conduct of any statutory planned elections and ad hoc elections as required.	Within existing budgets with specific elections expenses recharged as appropriate.	01/04/22	31/03/2023 Ongoing	Electoral Services Manager	Non compliance	S	Elections are held and statutory requirements are met.
SP22/25PG 10.2	Conduct fair and transparent referendums, polls and ballots Prepare for and conduct all neighbourhood planning referendums, By-Elections and 'Business Improvement District' ballots as required.	Within existing budgets with specific elections expenses recharged as appropriate.	01/04/22	31/03/2023 Ongoing	Electoral Services Manager	Non compliance	S	Elections are held and statutory requirements are met.

Outcome 11.	Maintain the electoral register							
Corporate Priority: Open, democratic and participative governance								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 11.1	Maintain the electoral register Deliver the electoral registration service for the Borough	Within existing budgets.	01/04/22	31/03/2023 Ongoing	Electoral Services Manager	Non compliance	S	Electoral register is up to date.
SP22/25PG 11.2	Annual Canvass Prepare for and conduct the annual canvass review yearly ensuring all properties are placed in the correct 'Routes'. Ensure engagement with residents through the annual canvass period.	Within existing budgets with specific elections expenses recharged as appropriate.	01/04/22	31/03/2023 Ongoing	Electoral Services Manager	Non compliance	S	Annual Canvass is complete and return rates are high.
SP22/25PG 11.3	Updating the Register of Electors - monthly Ensure the monthly registration process is conducted within the statutory timeable. Engage in data matching with Council tax.	Within existing budgets with specific elections expenses recharged as appropriate.	01/04/22	31/03/2023 Ongoing	Electoral Services Manager	Non compliance	S	Monthly updates take place

Team Projects - Multi-year

Outcome 12.	100% of door-to-door electoral canvassing activity is paperless, ensuring better data protection, lower costs and lower carbon footprint							
Corporate Priority: Open, democratic and participative governance / a sense of responsibility by all for our environment, promoting biodiversity, championing the green economy and protecting our								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 12.1	Move to a 100% paperless process for door-to-door canvassing Equipment, training and instructions to be provided to all canvassers	Within existing budgets	01/04/22	31/03/2023 Ongoing	Electoral Services Manager	Higher costs, less secure data, higher carbon footprint.	D	Annual Canvass is 100% paperless

Ongoing Service Delivery - reviewed annually
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Outcome 13. Waverley's HR function is built on solid foundations including digitised policy and process, an evidence-based approach and self-service								
Corporate Priority: The value and worth of all residents, with opportunities for all, regardless of race, age, disability, religion, gender or sexual orientation, income or wealth / a sense of responsibility								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 13.1	Ensure HR policies are fit-for-purpose and accessible to all Undertake a rolling programme of all HR policies and case management process.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	HR strategic direction is undermined by unwieldy, unclear or inefficient processes.	D	Policies are reviewed according to the planned schedule
SP22/25PG 13.2	Review Fit for Work Policy and Occupational Health processes. Analyse the trends of number of occupational health requests recorded, reason for request, request in relation to amount of time off sick, follow up requests, outcome of sickness.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	HR strategic direction is undermined by unwieldy, unclear or inefficient processes.	D	Review has taken place
SP22/25PG 13.3	Automate HR document management and continue to work towards a paperless approach Review all forms to reduce the quantity, merge information, make online or turn into an online-survey.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	HR strategic direction is undermined by unwieldy, unclear or inefficient processes.	D	Forms have been reviewed and automated where necessary
SP22/25PG 13.4	Use iTrent to improve the input and analysis of data in order to provide a cohesive automated service. Transition to the system with minimal effect on customer service, supporting a training programme to ensure staff are competent.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	HR strategic direction is undermined by unwieldy, unclear or inefficient processes.	D	Transition from manual input to iTrent self-service
SP22/25PG 13.5	Continue to support and develop a resilient HR team Ensure the HR team has the correct skills and expertise to provide timely and accurate advise at all times.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	HR strategic direction is undermined by unwieldy, unclear or inefficient processes.	D	Learning and development is provided
SP22/25PG 13.6	Get value for Waverley from partnership working Create strong relationships with The LGA, Surrey HR Partnership and SEE by advising on employment related projects and benchmarking surveys to ensure we are at the forefront of best practice and working collaboratively with our communities.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	HR strategic direction is undermined by unwieldy, unclear or inefficient processes.	D	Relationships are strong and the Council actively engages in networks

Outcome 14. Waverley manages its people resources effectively and efficiently								
Corporate Priority: High quality public services accessible for all / a financially sound Waverley, with infrastructure and resilient services fit for the future / the health and wellbeing of our								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 14.1	Support change and savings programmes at the Council Support the Council's work to achieve a balanced budget by reviewing the delivery levels of some services and/or discontinuing others in order to reduce contract and/or staff costs.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	The Council does not achieve value for money from its most important and biggest asset - staff.	D	HR support provided to Business Transformation reviews
SP22/25PG 14.2	Provide an accurate and controlled payroll service Maintain a good fiscal grip on pay process ensuring that iTrent is accurate and well maintained of any contractual changes. Review the Council's usage of Midland HR to coordinate payroll.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	The Council does not achieve value for money from its most important and biggest asset - staff.	S	Pay is accurate and timely

SP22/25PG 14.3	Effectively manage employee relations and staff change Maintain a good grip on Employment Relationship, Change and Case Management	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	The Council does not achieve value for money from its most important and biggest asset - staff.	D	Internal customer feedback
SP22/25PG 14.4	Review internal and external recruitment procedures and systems Reduce re-advertising, vacancy rates and time to recruit.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	The Council does not achieve value for money from its most important and biggest asset - staff.	D	New KPI: time taken to recruit
SP22/25PG 14.5	Manage skills gap trends and growing our own talent within the business to ensure we have transferrable skills and career opportunities. Support a wider group of development opportunities for apprentices, graduates, work experience and internships which in turn aims to improve our recruitment and retention.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	The Council does not achieve value for money from its most important and biggest asset - staff.	D	Programme of learning and development is delivered
SP22/25PG 14.6	Undertake planned review of Politically Restricted Posts	Within existing budgets.	01/04/22	31/03/24	HR Manager	The Council does not achieve value for money from its most important and biggest asset - staff.	D	Review undertaken

Outcome 15. Staff are valued, recognised, supported and engaged								
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 15.1	Promote staff and councillor wellbeing Develop our Time to Change pledge and Wellbeing Charter to reflect the trends and challenges in our workforce, locally and nationally. Continue to provide learning and discussion opportunities to support wellbeing. Provide a comprehensive programme of wellbeing activities and workshops.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge	D	Scheduled programme of wellbeing activities is delivered
SP22/25PG 15.2	Develop a modern culture of high performance Promote a remote working performance based culture in line with current technology and flexible working practices. This work will include leading on a piece of work relating to Performance Management and Leadership in a hybrid working culture within the Where Work Happens culture stream.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge	D	New frameworks for performance management and leadership in a hybrid environment are designed and delivered
SP22/25PG 15.3	Continue to support Equality Diversity and Inclusion initiatives at Waverley. Including the introduction of the Active Citizenship pilot.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge	D	Active citizenship pilot is up and running
SP22/25PG 15.4	Review how our pay structure can be adapted and funded within the Medium Term Financial plan. Address the perception of pay across the business and the options of varying our banding and increment process and linking career development plans into pay	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge	D	Review undertaken

SP22/25PG 15.5	Review and develop the existing benefits scheme to ensure it is clear, flexible and in line with staff requirements.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge	D	Review undertaken
SP22/25PG 15.6	Introduce a plan to recognise the differences in our gender pay gap	Within existing budgets.	01/04/22	31/03/23	HR Manager	Lack of competitiveness in the market place / impact on budget / higher than desired turnover / loss of organisational knowledge	S	Plan in place

Outcome 16.	Professional development opportunities are made available to all staff to maximise professionalism, potential and talent							
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Corporate Priority: ALL								
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Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 16.1	Encourage the use of the Apprenticeship Levy Publish the use of the Levy across the board including management and skills based qualifications. Encourage the message that anyone can be an apprentice in terms of using the levy.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager (SK)	Staff do not develop and learn, impacting on recruitment and retention and also the ability of the organisation to deliver against its objectives.	D	Utilisation of levy (£)
SP22/25PG 16.2	Review of our annual Performance Agreement and 1:1 meeting framework Focus on the setting and achievement of SMART objectives.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager (SK)		D	Review undertaken
SP22/25PG 16.3	Ensure we provide effective and customer-friendly recruitment Increase the percent of employees who indicate satisfaction or high satisfaction with their induction and on-boarding opportunities as measured in the employee survey.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager (SK)		D	New KPI: satisfaction of employees with induction / onboarding processes
SP22/25PG 16.4	Support Management and Leadership development A new programme of workshops on HR skills for managers, review HR scheme of delegation and increase pool of trained managers for HR practices. Continue to support the programme of Senior Management Team leadership workshops.	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager (SK)		D	Programme delivered
SP22/25PG 16.4	Undertake an assessment of the L&D module on iTrent	Within existing budgets.	01/04/22	31/03/2023 Ongoing	HR Manager (SK)		D	Assessment undertaken

Ongoing Service Delivery - reviewed annually

Outcome 17. High quality and timely dedicated legal advice supports the council's delivery of services and strategic projects and ensures the Council acts lawfully, transparently and ethically								
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 17.1	Provide high quality and timely in-house and legal advice and commission external support as required. Work with officers and Members to identify, plan and budget for legal support in order to support key corporate priorities and ensure the Council acts lawfully, transparently and ethically.	Instructions met by existing budgets through re-charges or costed as part of larger project budgets as required	01/04/22	31/03/23	Borough Solicitor	Non compliance / reputational damage / costs / strategic risk	D	New KPI: legal instructions / case turnaround times
SP22/25PG 17.2	Support the delivery of vital local infrastructure through planning agreements Work closely with colleagues in planning to coordinate Community Infrastructure Levy (CIL) and Section 106 agreements to ensure local development is supported with appropriate infrastructure.		01/04/22	31/03/23	Borough Solicitor		D	S106 and CIL agreements completed
SP22/25PG 17.3	Undertake a review of external legal spend Ensure the Council is getting value for money for its external legal spend and that it has the optimum balance between internal and external support.		01/04/22	31/03/23	Borough Solicitor		D	Review undertaken. Any identified savings or efficiencies realised.

Outcome 18. Return to high performance in turning around land charges search requests								
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 18.1	Deliver a high quality land charges service to customers Process customer requests, ensuring all searches are properly conducted in line with legislative and other requirements.	Within existing budgets.	01/04/22	31/03/24	Legal Business Manager	Non compliance / reputational damage / costs / strategic risk	S	External customer feedback.
SP22/25PG 18.2	Deliver a timely land charges service Over a 12-month period, the average turnaround time for full searches is 7 working days and does not at any point exceed 10 working days.	Within existing budgets.	01/04/22	31/03/24	Legal Business Manager		D	KPI: SP22/25PG5ab % of Local Land Charge searches responded to within 10 working days

Outcome 19. Lead and manage the Council's approach to Information Governance, ensuring it is fully compliant								
Corporate Priority: ALL								
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by

SP22/25PG 19.1	Comply with the Data Protection Act 2018 Ensure the Council effectively and efficiently manages and governs data in line with the Act. Review of the Information Governance Strategy and preparation of an action plan used to ensure its delivery.	Within existing budgets. Involvement of all colleagues throughout the council	01/04/22	31/03/24	Borough Solicitor / Data Protection Officer	Non compliance / reputational damage / costs / strategic risk	S	Legal compliance. ICO judgements. KPI: SP22/25PG4b % of Data Protection Subject Access Requests responded to within 1 calendar month
SP22/25PG 19.2	Undertake a comprehensive organisation-wide review of data held by the Council (including personal data) Ensure all data held is either held or destroyed in line with data retention schedules.	Anticipated additional capital expenditure c£50k	01/04/22	31/03/24	Borough Solicitor / Data Protection Officer			Review undertaken. Data retention or destruction in line with schedules.
SP22/25PG 19.3	Respond to Freedom of Information Requests Ensure FOI requests are properly processed within the statutory deadlines set	Within existing budgets.	01/04/22	31/03/24	Borough Solicitor / Data Protection Officer		S	KPI: SP22/25PG3b % of FOI and EIR requests responded to within statutory timescale

Team Projects - Multi-year

Outcome 20.	Deliver IT improvements to support efficient working practices and excellent customer service in Legal Services and Land Charges							
	Corporate Priority: ALL							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 20.1	IKEN Case Management System Utilise the functionality of our IKEN legal service case management system to provide consistent communication with internal customers and to meet agreed targets for acting on instructions and providing legal advice.	Within existing budgets.	01/04/22	31/03/24	Legal Business Manager	Inadequate systems resulting in service failures, inefficient practices, user/customer dissatisfaction and cost.	D	New KPI: legal instructions / case turnaround times
SP22/25PG 20.2	Land Charges system Implementation of new Land Charges IT system	Within existing budgets.	01/04/22	31/03/22	Borough Solicitor / Data Protection Officer		D	System migration complete

Corporate & Service Level Projects (Service wide or cross cutting projects)

Outcome 21.	Unnecessary demand on the service is reduced, performance metrics are monitored and levels of customer self-service increase
	Corporate Priority: a financially sound Waverley, with infrastructure and services fit for the future

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 21.1	Analyse failure demand within the service Review processes, policies and approaches across all functions within the service that create unnecessary demand due to processes being too complex, information not being fully available or easy to understand.	Within existing budgets	01/04/22	31/03/24	Head of Policy and Governance	Scarce resource is allocated to providing support that is only needed to due to overly complex processes, lack of clarity or lack of self-service options	D	Review undertaken
SP22/25PG 21.2	Monitor performance and customer satisfaction within Policy and Governance Review service performance indicators and identify a core set of performance and customer satisfaction indicators to be monitored and managed.	Within existing budgets	01/04/22	31/03/22	Head of Policy and Governance		D	Service KPIs in place for all functions and regularly monitored
SP22/25PG 21.3	Promote customer self-service and simplified processes Support customers of the service to, wherever possible, access the information they need online and to be able to use that information to support them in their management or decision-making role.	Within existing budgets	01/04/22	31/03/24	Head of Policy and Governance		D	Processes revised to enable self-service

Outcome 22.

The Council's business transformation programme is properly supported by HR, legal, democratic, communications and corporate policy functions

Corporate Priority: a financially sound Waverley, with infrastructure and services fit for the future

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 22.1	Actively engage with the Council's business transformation programme and ensure that HR, legal, democratic, communications and corporate policy issues are identified early and allocated the necessary time and resources to be worked through.	Within existing budgets	01/04/22	31/03/24	Head of Policy and Governance	Time, cost or quality implications for the business transformation programme	D	Business Transformation project plans and governance arrangements include HR, legal, democratic, communications and corporate policy dimensions

Outcome 23.

The Policy and Governance Service supports the Council's emergency response to the Covid-19 pandemic and actively supports any Recovery, Change and Transformation activity

Corporate Priority: ALL

Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 23.1	Support the Council's emergency response - HR Continue to provide vital HR advice, support and guidance to managers and staff on a range of employment topics associated with the emergency situation, including remote working, safety of front line workers, sick leave, self-isolation, caring for dependants, bereavement and wellbeing	Within existing budgets	01/04/22	31/03/23	Human Resources Manager	Non-compliance, higher than desired turnover, loss of organisational knowledge, and strategic risk.	D	Advice, guidance and direction is given as necessary

SP22/25PG 23.2	Support the Council's Emergency Response - Communications and Engagement Coordinate internal and external communications and engagement activity, both at the Waverley level but also as part of the coordinated communications and engagement effort across Surrey and the UK.	Within existing budgets	01/04/22	31/03/23	Communications and Engagement Manager	Communications and engagement actively is unstructured, unfocused and haphazard, ultimately reducing its impact.	D	Comms activity is effective
SP22/25PG 23.3	Support the Council's Emergency Response - Legal Support the Council to deal effectively with a range of legal and contractual challenges arising as a direct result of covid restrictions.	Within existing budgets	01/04/22	31/03/23	Borough Solicitor	Non-compliance / reputational damage / cost / strategic risk	D	Support is provided
SP22/25PG 23.4	Support the Council's Emergency Response - Democratic Services Continue to support hybrid public meetings and to take action as necessary to mitigate where possible, and in line with risk assessments, the risks of covid for those who need to attend.	Within existing budgets	01/04/22	31/03/23	Democratic Services Manager	The Council's approach to becomes dated and out of step with changing demand and expectations.	D	Meetings take place and those attending understand any precautionary measures
SP22/25PG 23.5	Support the Council's Emergency Response - Electoral Services Plan for safe, democratic and effective elections and referendums, taking account of the potential impact of Coronavirus at that time. Plan for a safe and effective annual canvass process.	Within existing budgets	01/04/22	31/03/23	Electoral Services Manager	Non-compliance / lack of confidence in the Councils approach / strategic risk	D	A plan is in place for each poll setting out what actions will be taken in response to the covid situation.

Outcome 24.	The Policy and Governance Service provides support and advice with regards to collaboration activity with Guildford Borough Council.							
	Corporate Priority: ALL							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25PG 24.1	Provide advice and support in support of the collaboration between Waverley and Guildford Borough Councils. Work with colleagues at Guildford Borough Council to provide advice and support in respect of the various HR, Communications, Legal and Democratic workstreams of the Guildford/Waverley collaboration initiative.	Whilst some workstreams will be supported by in-house provision, there will be some need for additional resource and/or backfill and/or external advice. Costs and approach TBC.	01/04/22	TBC	Head of Service	HR, Communications, Legal and Democratic dimensions of any collaboration activity not properly support.	D	Any collaboration activity is delivered to time, cost, quality

Corporate compliance

Outcome 25.	Standing Corporate Compliance Actions are achieved							
	Corporate Priority: ALL							
Ref. No.	Actions / Outputs	Reference any additional resources needed	Start Date	End Date	Lead Officer	Impact of not completing the action	D/S*	Success is measured / demonstrated by
SP22/25 BT25.1	All Performance Agreement Meetings are completed by the target date, staff targets are set and L&D identified.	Within existing budgets, support of HR Team needed	March	May	Head of Service	Staff performance and personal development is compromised and morale affected.	D	Objective achieved

SP22/25 BT25.2	Service Plans are reviewed and budget implications fed into budget process.	Dependent on outcome of review, support of the Policy & Performance Officer	August	January	Head of Service	Corporate Strategy objectives will not be achieved.	D	The Service Plans proposals are prepared and presented to the OS and Executive
SP22/25 BT25.3	Complete budget preparation in line with agreed timetable.	Within existing budgets, support of Finance Team needed	August	January	Head of Service	Legal obligations are jeopardised.	D	Budget adopted by Full Council.
SP22/25 BT25.4	The Corporate Risk Register is reviewed and updated quarterly in accordance with the agreed timetable.	Dependent on outcome of review, support from the Procurement Officer	Quarterly		Head of Service	Risk Register is not kept up to date and risks are not identified sufficiently to protect the organisation.	S	HoS has updated the register
SP22/25 BT25.5	Internal Audit Recommendations are actioned in line with agreed timescales.	Within existing budgets, support from the Internal Audit Manager	Ongoing		Head of Service	Organisation is put at risk.	D	no outstanding recommendations
SP22/25 BT25.6	Annual Review of Employee Risk Assessments.	Within existing budgets, support from Emergency Planning Officer	April	July	Head of Service	Employees' health is potentially put at risk and the organisation fails to comply with the H&S regulations.	S	All employees to have completed their relevant risk assessments. Measured by annual audit via H&S team.
SP22/25 BT25.7	Annual Business Continuity Plans Review.	Within existing budgets, support from Emergency Planning Officer	January	February	Head of Service	Unable to provide vital services in an emergency situation.	S	Each Service to review their business continuity plan annually. Measured by annual test of plans against most likely business continuity events
SP22/25 BT25.8	Make sure that Accessibility regulations are adhered to – ensure all documents that appear on the Waverley website (owned by the service) are created in an accessible format and make available accessibility training to staff where appropriate. Make sure that Equality Impact Assessments are carried out by teams as appropriate.	Within existing budgets, support from Corporate Equality Group	Ongoing		Head of Service	Visually impaired website readers will be excluded from accessing documents. Failure to comply with the legislation puts the organisation at risk of being fined.	S	All documents published on our website to be accessible - checked quarterly by Website Team
SP22/25 BT25.9	HoS to ensure that all staff within the service are aware of the current Safeguarding Policy for Children and Adults-updated2020.docx process and procedures including the Safeguarding referral process and that any issues are dealt with in a prompt manner. Where required make sure that key members of staff complete appropriate training recommended by Waverley's Safeguarding Board.	Within existing budgets, support from Safeguarding Board	Ongoing		Head of Service	Failure to discharge our responsibility under the Care Act 2014 and Children Act 2004, and potentially putting lives and wellbeing of our residents and staff at risk.	S	Safeguarding Policy regularly refreshed and updated; staff and members know how to make a safeguarding referral to Surrey County Council's Children and Adult Services Training programme implemented and rolled out to all staff and members.

SP22/25 BT25.10	Information management - data is deleted in accordance with the data retention schedule.	Within existing budgets, support from Data Protection Officer and Information Governance representatives	Ongoing		Head of Service	Failure to comply with the legislation puts the organisation at risk of being fined. Over retention of information is costly in terms of storage and access.	S	The teams can demonstrate that data outside of the retention period gets logged and safely disposed off
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*D/S - Discretionary / Statutory

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WAVERLEY BOROUGH COUNCIL

POLICY OVERVIEW AND SCRUTINY COMMITTEE

25 January 2022

Title: Review of complaints closed in 2020/21

Portfolio Holder: Paul Follows

Head of Service: Robin Taylor

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 This report provides a summary of the complaints received by Waverley that were closed during 2020/21, the Council's performance in responding to those complaints and, where applicable, the lessons learned. Complaints about Waverley's services received by the Local Government and Social Care Ombudsman and the Housing Ombudsman in 2020/21, are addressed in a separate report on this agenda.

2. Recommendation

It is recommended that the Policy Overview and Scrutiny Committee considers the information in this report and passes any comments and recommendations to the Executive.

3. Reason for the recommendation

To allow the Committee to consider the complaints dealt with in 2020/21 and draw to the attention of the Executive any issues that require further attention.

4. Background

- 4.1 Since 1 April 2018 the Council's complaints' process comprises two stages, level 1 and 2. If the complainant remains unsatisfied at the end of stage 2 they have the option of taking the matter to the Local Government and Social Care Ombudsman or the Housing Ombudsman.
- 4.2 The tables below show the number of complaints closed during 2020/21 at each level and the percentage for each service.

Service	Level 1	%
Commercial Services	6	2.9
Environmental and Regulatory Services	58	27.9

Finance and Property	5	2.4
Housing Delivery and Communities	9	4.3
Housing Operations	80	38.5
Planning and Economic Development	50	24.0
Policy and Governance	0	0
Total	208	100%

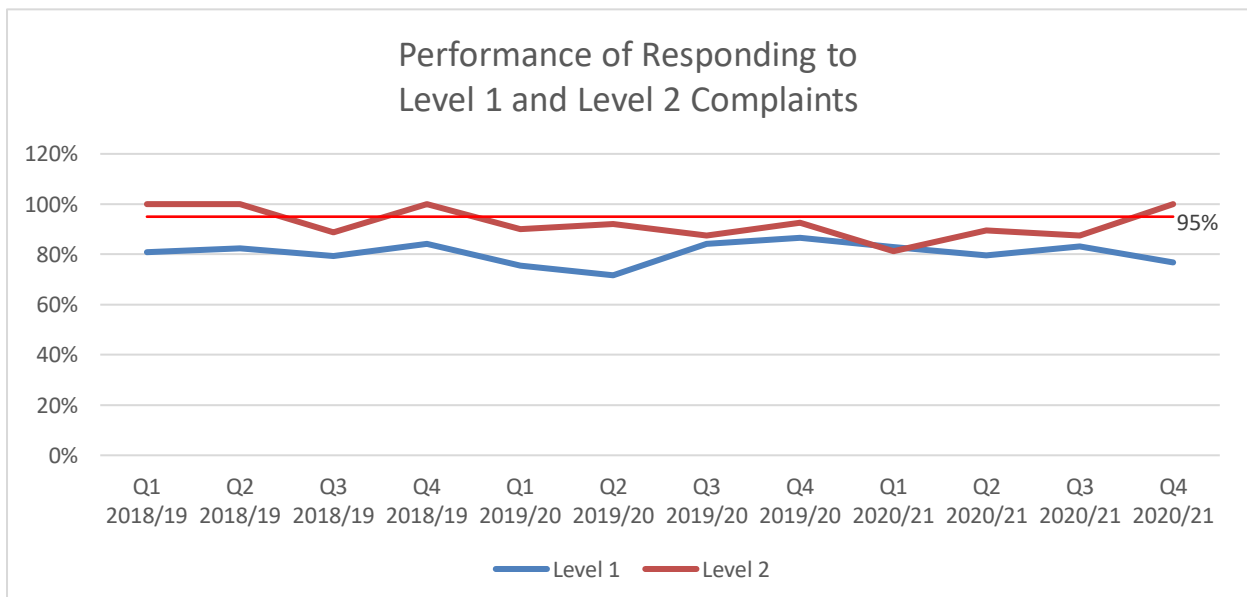
Service	Level 2	%
Commercial Services	1	1.3
Environmental and Regulatory Services	10	13.2
Finance and Property	7	9.2
Housing Delivery and Communities	5	6.6
Housing Operations	26	34.2
Planning and Economic Development	26	34.2
Policy and Governance	1	1.3
Total	76	100%

4.3 64% of all complaints closed in 2020/21 were resolved at Level 1 compared with 75% the previous year.

4.4 Housing Operations received the highest number of complaints, a total of 106. As in previous years, the majority of these complaints concerned property maintenance and responsive repairs. This is a slight decrease when compared with the total of 111 for 2019/20.

5. Waverley's performance in responding to complaints

5.1 The corporate target currently states that 95% of all complaints should be responded to within 10 working days of receipt at Level 1 and within 15 working days of receipt at Level 2. This target has been in place for many years and continues to set a challenging level of performance. The following table shows the performance over the past three years.



5.2 In 2020/21 84% of all closed complaints were responded to within the target timescales which is the same percentage for 2019/20. Performance at each level was as follows:

Level 1 - 82%

Level 2 - 89%

5.3 Officers discussed recently whether there was a case for changing the target, but it was concluded that it should be possible to improve performance by closer monitoring of complaints by the individual Service Complaints Administrators and the increased use of automatic reminders which are now possible following the implementation of a new database

6. Outcome of complaints closed in 2020/21

6.1 The following table gives information on the outcome of the complaints closed in 2020/21.

Service	Not upheld	Partly upheld	Upheld	Total
Commercial Services	4	2	1	7
Environmental and Regulatory Services	52	2	14	68
Finance and Property	9	0	3	12
Housing Delivery and Communities	13	1	0	14
Housing Operations	46	20	40	106
Planning and Economic Development	68	3	5	76
Policy and Governance	1	0	0	1
Total	193	28	63	284

The assessment of whether a complaint is upheld, partly upheld or not upheld is often a subjective matter, and this judgement is made by the officer investigating the complaint. Overall, 68% complaints were not upheld, 10% were partly upheld and 22% were upheld. The majority of housing operations complaints that were partly upheld or upheld concerned the service provided by contractors in respect of responsive repairs and property services.

7. Remediating complaints

7.1 When seeking to remedy a complaint that has been upheld or partly upheld, the Council follows the advice of the Local Government and Social Care Ombudsman that the remedy offered should, as far as possible, put the complainant back in the position he or she would have been in but for the fault that has been identified. An apology will always be offered but in appropriate circumstances the complainant may be reimbursed for any expenditure they have incurred as a result of poor service by the Council or its contractors.

8. Lessons learned from complaints

8.1 Learning lessons from complaints is an important part of improving Waverley's services and these are recorded on the complaints database. Lessons learned are looked at and actioned on a case-by-case basis. Changes that need to be made

to policies, procedures or other administrative processes are identified by the officer investigating the complaint and then discussed with the relevant Head of Service who then ensures that all necessary action is taken to avoid a recurrence of the problems identified by the complainant.

- 8.2 Annexe 1 gives some examples of lessons learned in 2020/21. Many lessons learned concerned procedural/administrative issues and the need to improve communications with the customer.

9. New complaints database

- 9.1 A new 'low code' database for handling workflow on complaints came into use with effect from 1 April 2021. The database provides more accurate and detailed data than the previous Sharepoint database and sends automatic reminders of approaching deadlines to officers which should help to improve performance in responding to complaints. The new database is linked to the citizens hub which is expected to become operational within the next few months.

10. Relationship to the Corporate Strategy and Service Plan

- 10.1 Investigating complaints provides the Council with an opportunity to keep under review and improve the quality of its services to the community and is a key part of understanding residents' need. Lessons learned from complaints help the Council to meet its priorities of promoting high quality public services accessible for all and the health and wellbeing of our communities.

11. Implications of decision

11.1 Resource (Finance, procurement, staffing, IT)

None

11.2 Risk management

Complaints can highlight areas where there are reputational and operational risks.

11.3 Legal

There are no legal implications associated with this report. The Council's complaints handling process complies fully with best practice and the most recent guidance from the Local Government and Social Care Ombudsman. The process also meets the requirements of the Housing Ombudsman Complaint Handling Code

11.4 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. However, complaints investigations can help to ensure that the Council delivers its services to all customers in a fair and equal way, and that any shortfall is rectified immediately.

11.5 Climate emergency declaration

There are no implications in this report that relate to carbon neutrality.

11.6 Consultation and engagement

Not applicable.

12. Other options considered

None

13. Governance journey

The report and observations from the Policy Overview and Scrutiny Committee will be submitted to the next meeting of the Executive

Annexes:

Annexe 1 – Lessons learned from complaints closed in 2020/21

Background Papers

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

CONTACT OFFICER:

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Position: Corporate Complaints Officer
Telephone: 0148 3523202
Email: sue.petzold@waverley.gov.uk

Agreed and signed off by:
Legal Services: November 2021
Head of Finance: N/A
Strategic Director: November 2021
Portfolio Holder: November 2021

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Examples of lessons learned from complaints received in 2020/21

Council Tax

- Any credit refunded to joint council tax payers should be divided equally between the two parties. Clearer advice on this issue provided to officers.

Housing

- Review of process to ensure that planned works are co-ordinated and scheduled in a more streamlined way.
- Need to manage tenants' expectations more effectively when upgrades are carried out.
- Contractor needs to adhere strictly to the 24 hour timescale for dealing with boiler breakdowns – raised with contractor.
- Improvements needed in the process for issuing invoices to lease holders – officer review.
- Closer supervision of contractors needed – actioned by managers.

Planning and Economic Development

- Personal information and language used in representations on planning applications needs to be checked before being published on the website. Advice provided to the relevant officers.
- Improvements needed in the process for discharging conditions attached to planning consents. Under review as part of the improvement plan.
- Need to keep Planning Enforcement complainants updated on the progress of enforcement investigations.

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WAVERLEY BOROUGH COUNCIL

POLICY OVERVIEW AND SCRUTINY COMMITTEE

25 January 2022

Title: Complaints to the Local Government and Social Care Ombudsman and Housing Ombudsman Service about Waverley's Services in 2020/21

Portfolio Holder: Paul Follows

Head of Service: Robin Taylor

Key decision: No

Access: Public

1. Purpose and summary

- 1.1. This report is in two parts. The first part concerns complaints to the Local Government and Social Care Ombudsman about Waverley's Services in 2020/21. This discharges the Monitoring Officer's duty under section 5(2) of the Local Government and Housing Act 1989 to submit a formal report to the Council on complaints where, following an investigation, the LGSCO has found maladministration or service failure.
- 1.2. The second part of the report concerns complaints by Waverley's tenants to the Housing Ombudsman Service.

2. Recommendation

- 2.1 It is recommended that the Policy Overview and Scrutiny Committee notes the information in this report and passes any comments or recommendations to the Executive.

3. Reason for the recommendation

To ensure the views of the Committee are received and considered by the Executive.

4. Background

Part 1 – Complaints about Waverley's services received by the Local Government and Social Care Ombudsman (LGSCO) in 2020/21

- 4.1 The LGSCO's annual review letter for 2020/21 is attached as Annexe 1.
- 4.2 During the period April 2020 to March 2021 the Ombudsman conducted four detailed investigations and upheld three complaints (75%). This compared with 53%

for similar authorities. The four complaints that were investigated and the three complaints that were upheld are summarised in [Annex 2](#).

4.3 In addition to providing statistics on complaints and enquiries received by the LGSCO about Waverley's services in 2020/21 (set out in full below) the letter:

- Confirms that the LGSCO continues to focus on the outcomes of complaints and what can be learned from them.
- Draws attention to the approach taken by the Ombudsman in using three key annual statistics, namely complaints upheld, compliance with the Ombudsman's recommendations and satisfactory remedies provided by the authority, to work out an average level of performance across similar authorities.
- Draws attention to the Ombudsman's interactive map at [Your council's performance](#) and encourages the use of this resource by officers and elected members so that they can gain valuable insights into service areas and early warning signs of problems.
- Confirms that the impact of the pause in casework in the first quarter of the year should be considered when making comparisons with previous years' data.
- Expresses concern about the erosion of effective complaint functions in local authorities arising from considerable and prolonged budget and demand pressures and the Covid-19 pandemic. As a result, the LGSCO is developing a new programme of work that will utilise complaints to drive improvements in both local complaints systems and services.

4.4 The following tables give comparative information for 2020/21 and the three previous years.

Complaints and enquiries received about Waverley's services

Year	Benefits and tax	Corporate and other services	Environment Services	Highways and transport	Housing	Planning	Other	Total
2020/21	1	0	2	0	4	6	0	13
2019/20	0	4	0	2	3	7	0	16
2018/19	3	1	0	0	0	9	1	14
2017/18	1	0	4	1	4	7	1	18

Decisions made by the LGSCO

Year	Detailed investigations		Advice given	Closed after initial enquiries	Incomplete or invalid	Referred back for local resolution	Total
	Upheld	Not upheld					
2020/21	3	1	1	7	0	1	13
2019/20	2	2	2	5	1	4	16
2018/19	1	0	0	9	2	1	13

2017/18	2	8	2	6	1	3	22
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Part 2 – Complaints about Waverley’s landlord and leasehold services received by the Housing Ombudsman Service in 2020/21

- 5.1 The Housing Ombudsman Service (HOS) is responsible for investigating complaints about the landlord function of a local authority, while complaints about homelessness and housing allocations remain within the remit of the LGSCO.
- 5.2 In line with the LGSCO’s approach, the HOS will only investigate a complaint once the complainant has completed the authority’s complaints procedure. However, before approaching the Ombudsman the complainant has the option of raising their concerns with a ‘designated person’ (ie a Waverley Councillor, an MP or Waverley’s Designated Tenants Panel). The complainant can ask the designated person they have chosen to review their complaint and consider whether the matter can be resolved. If the designated person is unable to resolve the complaint, they can refer the complainant’s concerns to the HOS for further investigation.
- 5.3 In 2020/21 two complainants raised their concerns with a councillor who acted as their designated person. Neither of the complaints were referred to the HOS. The HOS does not monitor the effectiveness of the designated person scheme and it is understood that this process will come to an end in the near future.
- 5.4 In October 2020 the HOS published for the first time comparative information about complaints received from Waverley’s tenants and leaseholders. The HOS has yet to publish this information for 2020/21 and therefore it is only possible to provide Members with quite limited information taken from the Council’s own records.
- 5.5 In 2020/21 the HOS closed investigations into four complaints received from tenants. In each case the HOS ordered Waverley to pay the complainant compensation. A summary of these complaints, the outcome, lessons learned, and action taken is attached as [Annexe 3](#).
- 5.6 With effect from March 2021 the HOS now publishes all their decisions on the cases they have investigated and a link to these decisions can be found [here](#) .

6. Relationship to the Corporate Strategy and Service Plan

- 6.1 Ombudsman complaints can result in action to improve processes and systems which, in turn, can improve service delivery and achieve better value for money and improve the health and well-being of our residents and communities.

7. Implications of decision

7.1 Resource (Finance, procurement, staffing, IT)

Occasionally an Ombudsman will recommend the payment of financial compensation to a complainant to remedy their complaint.

7.2 Risk management

Ombudsman complaints can highlight areas where there are reputational and operational risks.

7.3 Legal

There are no legal implications associated with this report.

7.4 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. However, Ombudsmen investigations can help to ensure that the Council delivers its services to all customers in a fair and equal way, and that any shortfall is rectified immediately.

7.5 Climate emergency declaration

There are no implications in this report that relate to carbon neutrality.

8. Consultation and engagement

Not applicable.

9. Other options considered

Not applicable.

10. Governance journey

The report and observations from the Policy Overview and Scrutiny Committee will be submitted to the next meeting of the Executive

Annexes:

Annexe 1 – LGSCO Annual review letter for Waverley 2020/21

Annexe 2 – Summary of complaints upheld by the LGSCO in 2020/21

Annexe 3 – Summary of complaints upheld by the HOS in 2020/21

Background Papers

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

CONTACT OFFICER:

Name: Sue Petzold

Position: Corporate Complaints Officer

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Email: sue.petzold@waverley.gov.uk

Agreed and signed off by:

Legal Services: 10 November 2021
Head of Finance: N/A
Strategic Director: 10 November 2021
Portfolio Holder: 10 November 2021

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Local Government &
Social Care
OMBUDSMAN

21 July 2021

By email

Mr Horwood
Chief Executive
Waverley Borough Council

Dear Mr Horwood

Annual Review letter 2021

I write to you with our annual summary of statistics on the decisions made by the Local Government and Social Care Ombudsman about your authority for the year ending 31 March 2021. At the end of a challenging year, we maintain that good public administration is more important than ever and I hope this feedback provides you with both the opportunity to reflect on your Council's performance and plan for the future.

You will be aware that, at the end of March 2020 we took the unprecedented step of temporarily stopping our casework, in the wider public interest, to allow authorities to concentrate efforts on vital frontline services during the first wave of the Covid-19 outbreak. We restarted casework in late June 2020, after a three month pause.

We listened to your feedback and decided it was unnecessary to pause our casework again during further waves of the pandemic. Instead, we have encouraged authorities to talk to us on an individual basis about difficulties responding to any stage of an investigation, including implementing our recommendations. We continue this approach and urge you to maintain clear communication with us.

Complaint statistics

This year, we continue to focus on the outcomes of complaints and what can be learned from them. We want to provide you with the most insightful information we can and have focused statistics on three key areas:

Complaints upheld - We uphold complaints when we find some form of fault in an authority's actions, including where the authority accepted fault before we investigated.

Compliance with recommendations - We recommend ways for authorities to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the authority upheld the complaint and we agreed with how it offered to put things right. We encourage the early resolution of complaints and credit authorities that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your authority with similar types of authorities to work out an average level of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data will be uploaded to our interactive map, [Your council's performance](#), along with a copy of this letter on 28 July 2021. This useful tool places all our data and information about councils in one place. You can find the decisions we have made about your Council, public reports we have issued, and the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

I would encourage you to share the resource with colleagues and elected members; the information can provide valuable insights into service areas, early warning signs of problems and is a key source of information for governance, audit, risk and scrutiny functions.

As you would expect, data has been impacted by the pause to casework in the first quarter of the year. This should be considered when making comparisons with previous year's data.

Supporting complaint and service improvement

I am increasingly concerned about the evidence I see of the erosion of effective complaint functions in local authorities. While no doubt the result of considerable and prolonged budget and demand pressures, the Covid-19 pandemic appears to have amplified the problems and my concerns. With much greater frequency, we find poor local complaint handling practices when investigating substantive service issues and see evidence of reductions in the overall capacity, status and visibility of local redress systems.

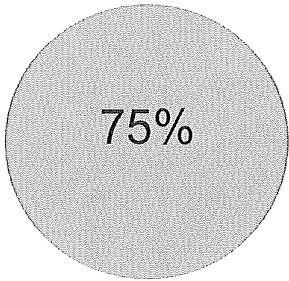
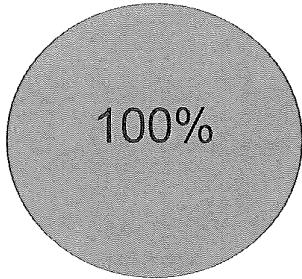
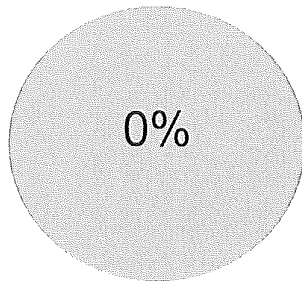
With this context in mind, we are developing a new programme of work that will utilise complaints to drive improvements in both local complaint systems and services. We want to use the rich evidence of our casework to better identify authorities that need support to improve their complaint handling and target specific support to them. We are at the start of this ambitious work and there will be opportunities for local authorities to shape it over the coming months and years.

An already established tool we have for supporting improvements in local complaint handling is our successful training programme. During the year, we successfully adapted our face-to-face courses for online delivery. We provided 79 online workshops during the year, reaching more than 1,100 people. To find out more visit www.lgo.org.uk/training.

Yours sincerely,



Michael King
Local Government and Social Care Ombudsman
Chair, Commission for Local Administration in England

Complaints upheld		
	<p>75% of complaints we investigated were upheld.</p> <p>This compares to an average of 53% in similar authorities.</p>	<p>3 upheld decisions</p> <p>Statistics are based on a total of 4 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>
Compliance with Ombudsman recommendations		
	<p>In 100% of cases we were satisfied the authority had successfully implemented our recommendations.</p> <p>This compares to an average of 100% in similar authorities.</p>	<p>Statistics are based on a total of 1 compliance outcome for the period between 1 April 2020 to 31 March 2021</p>
<ul style="list-style-type: none">• Failure to comply with our recommendations is rare. An authority with a compliance rate below 100% should scrutinise those complaints where it failed to comply and identify any learning.		
Satisfactory remedy provided by the authority		
	<p>In 0% of upheld cases we found the authority had provided a satisfactory remedy before the complaint reached the Ombudsman.</p> <p>This compares to an average of 16% in similar authorities.</p>	<p>0 satisfactory remedy decisions</p> <p>Statistics are based on a total of 4 detailed investigations for the period between 1 April 2020 to 31 March 2021</p>

NOTE: To allow authorities to respond to the Covid-19 pandemic, we did not accept new complaints and stopped investigating existing cases between March and June 2020. This reduced the number of complaints we received and decided in the 20-21 year. Please consider this when comparing data from previous years.

Outcome of complaints about Waverley’s services upheld by the Local Government Ombudsman in 2020/21

Details of complaint	Outcome	Lessons Learned/Action Taken
Complaint about the way in which Council considered a neighbour’s extension and its decision not to take enforcement action for breaches of planning control.	Officer report wrongly described the distance between the complainants’ house and the side wall of the applicant’s house but Ombudsman concluded that this did not materially affect the committee’s ability to reach an informed decision.	Greater care should be taken when recording measurements in officer reports. Drawn to the attention of the case officer.
The Council failed to properly consider the complainants’ concerns regarding a neighbour’s driveway which they said was causing dampness in their garage. The Council delayed in acting on their evidence which it ignored and failed to communicate with them properly.	There was fault by the Council in delaying an inspection of the driveway. The Council did not keep the complainant updated about the progress of its investigations and closed the case without notifying the complainant. Also fault in the Council suggesting to the complainant that they obtain a surveyor’s report to persuade the Council that the driveway was not permitted development. Council asked to pay the complainant £500 as compensation for these faults.	Enforcement Team should ensure that complainants are regularly updated on enforcement investigations and should not have suggested that the complainants arrange their own surveyor’s report. Fault acknowledged and accepted by the Case Officer.
Complaint about the way in which the Council handled the complainant’s council tax bill following his separation from his partner.	Council was at fault in allocating the credit on the account between the complainant and his partner without first seeking the complainant’s consent. Council to offer an apology and reimburse the complainant for the credit paid to his former partner - £421.23.	In future officers will withhold the allocation of any credit until the views of both parties have been received. Administrative changes put in place to ensure that this happens.

Annexe 2

Details of complaint	Outcome	Lessons Learned/Action Taken
The Council did not properly consider the complainant's mitigating circumstances when deciding to recover a housing benefit overpayment.	Ombudsman concluded that the Council should have informed the complainant of the option of lodging a late appeal with the Social Entitlement Chamber and asked the Council to initiate that process. However, the Council subsequently discovered that the complainant had lodged an appeal within the appropriate timescale, but which had not been processed, and therefore agreed to consider the appeal. The Council's proposed action was accepted by the Ombudsman and the case closed.	Appeal process implemented.

Complaints by Waverley tenants upheld by Housing Ombudsman Service in 2020/21

Details of complaint	Outcome	Lessons learned/action taken
Tenant concerned about the Council's handling of her request for interim adaptations to her bathroom to support her son's care needs.	Council ordered to pay the tenant £250 compensation (ie £150 for the delays in completing the interim adaptations and £100 for the stress and inconvenience caused.)	Closer monitoring needed of works carried out by the Council's contractors and need to keep tenant updated of all developments.
Tenant dissatisfied with the Council's response to their request for compensation for extra heating costs while waiting for a boiler repair.	Council ordered to pay the tenant £300. Its response to two reports of a failure with heating and hot water exceeded the relevant timeframe and was not supported by the repairs records.	Failure drawn to the attention of the Council's contractors and review currently in progress regarding improvements in record keeping.
Tenant dissatisfied with the Council's response to their reports of anti-social behaviour, the condition of the property when they first moved in and the Council's decision to extend the introductory tenancy.	Council ordered to pay the tenant £200 in recognition of their distress and inconvenience as a result of delays in dealing with ASB and repairs issues plus £181 as offered previously by the Council. Agreed that the Council was entitled to extend the tenant's introductory tenancy.	Delays in dealing with reports of ASB raised with the Housing Officer for the area who was reminded of the need to keep more accurate records and keep in more regular contact with the tenant.

Details of complaint	Outcome	Lessons learned/action taken
<p>Tenant dissatisfied with the Council’s offer of compensation in respect of detriment caused following its agreement to carry out adaptations at the property.</p>	<p>Council ordered to reimburse the tenant £400 for work in the kitchen which the tenant had already paid for and pay compensation of £1,155 for the inconvenience, frustration and distress suffered during the course of the adaptation work.</p> <p>Council to carry out a learning exercise by engaging with the contractor that supervised the wetroom to explore further how the service failings came about.</p>	<p>Lessons learned as a result of the complaint discussed in detail with the Council’s new contractors, Ian Williams.</p> <p>Agreed that the service failings were due to poor communications and a lack of management by both the former contractor and their sub-contractor.</p> <p>Following actions agreed:</p> <ul style="list-style-type: none"> • Each installation will be treated as a “project” – tasks to complete the installation of a shower will be broken down and given owners and time targets. • The installation “project” will be explained in detail to the tenant including the timings and possible disruption. • A risk assessment will be undertaken to identify the level of supervision / oversight required i.e. the more complex the job the more supervision is required. • The contractor will have a “project manager” who manages the installation of the shower by the subcontractor. • The project manager will liaise daily with the subcontractor to monitor progress. • The project manager will also liaise with the tenant informing them of any delays. • Appointment of a client officer (Aids and Adaptions Officer) who will monitor the progress of the work and carry out inspections in line with the risk assessment.

		<ul style="list-style-type: none">• The tenant to be given the client's contact details to enable them to escalate any concerns.• The works will be post inspected by the project manager and the client.• The tenant will be asked to complete a satisfaction survey.• The Contract Manager's monthly performance report to the Operations Manager will include a section on aids and adaption works, identifying any service delivery issues.
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