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Friday, 4 October 2019

To: The Members of the **EXECUTIVE**
(Councillors: Richard Brooks (Chairman), Dan Adams, Vivienne Chapman,
Paul Deach, Josephine Hawkins, Charlotte Morley and Adrian Page)

Dear Councillor,

A meeting of the **EXECUTIVE** will be held at Surrey Heath House on Tuesday, 15 October 2019 at 6.00 pm. The agenda will be set out as below.

Please note that this meeting will be recorded.

Yours sincerely

Karen Whelan

Chief Executive

AGENDA

Pages

Part 1 (Public)

1. Apologies for Absence

2. Minutes

3 - 8

To confirm and sign the minutes of the meeting held on 11 September 2019 (copy attached).

3. Declarations of Interest

Members are invited to declare any interests they may have with respect to matters which are to be considered at this meeting. Members who consider they may have an interest are invited to consult the Monitoring Officer or the Democratic Services Officer prior to the meeting.

4. Questions by Members

The Leader and Portfolio Holders to receive and respond to questions from Members on any matter which relates to an Executive function in

accordance with Part 4 of the Constitution, Section B Executive Procedure Rules, Paragraph 16.

5.	Family Support Programme 2019/2020	9 - 14
6.	Infrastructure Feasibility Study Fund for Surrey	15 - 20
7.	Obelisk and Camberley Park Improvements	21 - 24
8.	Update on Reference from the P&F Scrutiny Committee - Review of the Impact of Benefits Reforms on Surrey Heath Borough Council and Borough Residents	25 - 30
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**Part 2
(Exempt)**

14.	Supplementary Estimate	67 - 70
15.	Review of Exempt Items	71 - 72

To review those items or parts thereof which can be released as information available to the public.

**Minutes of a Meeting of the Executive
held at Surrey Heath House on 11
September 2019**

+ Cllr Richard Brooks (Chairman)

- Cllr Dan Adams	+ Cllr Josephine Hawkins
+ Cllr Vivienne Chapman	+ Cllr Charlotte Morley
+ Cllr Paul Deach	+ Cllr Adrian Page

+ Present

- Apologies for absence presented

In Attendance: Cllr Graham Alleway, Cllr Tim FitzGerald, Cllr Alan McClafferty, Cllr Emma-Jane McGrath, Cllr Sashi Mylvaganam, Cllr Graham Tapper and Cllr Victoria Wheeler

29/E Minutes

The minutes of the meeting held on 16 July 2019 were confirmed and signed by the Chairman.

30/E Revenue Grant Review

The Executive was reminded that, at its meeting on 22 January 2019, it had agreed to undertake a review of the Revenue Grants Scheme in the 2019/20 municipal year.

Over the previous 16 years grants had been awarded to the same organisations, with the exception of the funding to The Butts discontinuing in 2014 and Camberley Job Club receiving funding since 2016. It was noted that the Scheme was not open to new applications.

Members recognised the value the funding of these organisations brought to the borough. Organisations funded by the Scheme could generally be broken down into two types, namely:

- a) Organisations that independently provided services that met local priorities, needs and gaps; and
- b) Organisations that undertook work on the Council's behalf where there were greater benefits achieved through economy of scale in comparison to the Council working alone.

Nine organisations were currently invited to apply for a grant on an annual basis. It was noted that some organisations in the second bracket had expressed frustration about applying for grants on an annual basis, as they considered the work they performed to be part of long standing partnership agreements.

Members considered a report setting out options considered during the review. The proposed option was to ring fence funding for certain organisations that

performed functions on the Council's behalf, including Citizens Advice Surrey Heath, Blackwater Valley Countryside Partnership and Basingstoke Canal Authority, for up to a three year period. The remaining funding would be opened to organisations that could deliver services which met changing local priorities.

The External Partnerships Select Committee had considered the options at its meeting in June 2019 and had supported the option proposed.

It was noted that the budget for Revenue Grants had not been reviewed in a number of years and would have consequently reduced in real terms. It was agreed that the level of budget would be included in the next budget round.

RESOLVED that

- (i) a revised Revenue Grant Scheme, as set out in paragraph 4.1.3 of the agenda report, be agreed;**
- (ii) authority be delegated to the Executive Head of Transformation and Executive Head of Business in consultation with the Support & Safeguarding Portfolio Holder to agree the terms of the new policy; and**
- (iii) a review of the level of budget for Revenue Grants be included in the next budget round.**

31/E Community Fund Grants

The Executive considered 4 grant applications to the Council's Community Fund Grant Scheme.

Members considered each application, noting the impact that each project would have and, where relevant, comparable funding provided by other authorities and fundraising obtained by the applicant.

It was agreed to defer the decision on whether to award a grant to Valley End Cricket Club for new carpeting and flooring for the pavilion and delegate it to the Executive Head of Transformation in consultation with the Support & Safeguarding Portfolio Holder. Any decision would be subject to a review of the organisation's latest accounts and would be to a maximum of £5,000.

RESOLVED that

- (i) subject to the conditions set out in the agenda report, the following grants be awarded from the Council's Community Fund Grant Scheme:**
 - a. £3,000 to W.C. Lee Alms-Houses to convert a bedsit to a 1 bedroom property;**
 - b. £3,000 to Camberley Alzheimer Café to run the Man With a Pan Course in June 2020;**

- c. **£480 to St Francis Church Hall to purchase a new cooker; and**
- (ii) **a decision on the award of a grant to Valley End Cricket Club for new carpeting and flooring for the pavilion be delegated to the Executive Head of Transformation in consultation with the Support & Safeguarding Portfolio Holder, to a maximum of £5,000 and subject to a review of the organisation's latest accounts.**

Note 1: The following declarations of interest were made:

- (i) Councillor Vivienne Chapman declared that she was involved with the Alzheimer Café; and
- (ii) in accordance with the Members' Code of Conduct, Councillor Emma-Jane McGrath declared a non-pecuniary interest as she was a trustee of W.C. Lees's Resthouses.

32/E Response to the London Heathrow Airport Expansion Consultation

The Executive considered a draft response to the London Heathrow Airport Expansion Consultation. The consultation would close on Friday, 13 September 2019.

It was proposed to extend the paragraph relating to public transport to state that delivering the Southern Rail Link should be a condition of the Heathrow expansion. The inclusion of a representation that any road surface usage charge should favour those using electric vehicles was also suggested.

The Executive supported the proposed amendments and agreed to delegate the finalisation of wording to the Executive Head of Regulatory in consultation with the Deputy Leader.

RESOLVED that:

- (i) **the publication of the London Heathrow Airport Expansion Consultation be noted;**
- (ii) **the response set out in the letter at Annex 1 of the agenda report be agreed, as amended, as the Council's formal response to London Heathrow Airport Expansion Consultation; and**
- (iii) **the agreement of the final wording of the response be delegated to the Executive Head of Regulatory in consultation with the Deputy Leader.**

33/E Surrey Heath Statement of Community Involvement

The Executive considered a report setting out a revised draft Surrey Heath Statement of Community Involvement (SCI) and seeking agreement to consult on this draft SCI.

The SCI set out how the Council would involve the community and stakeholders in the preparation of the Surrey Heath Local Plan and in the determination of planning applications.

The current SCI had been adopted in 2017. The main change from the 2017 SCI was the addition of a section on how the Borough Council would assist in the preparation of Neighbourhood Plans, following a legislative change requiring this to be included in a SCI. Further minor changes to the SCI were also noted.

It was agreed to circulate the list of consultees at Appendix 1 of the SCI and suggested that Members could propose any additions to the list they considered relevant, using their local knowledge.

RESOLVED to consult on the revised draft Surrey Heath Statement of Community Involvement for a period of six weeks.

34/E Request for Funding for Drainage Works in Pennypot Lane, West End

The Executive was informed that, following the approval of the new housing sites in West End, the residents of properties along the watercourse running down to Pennypot Lane had complained about increasing water flows running through their land.

It is anticipated that improvement works to reduce flood risk could cost £60,000. Developers had contributed £20,000 towards the cost of works. Authority was sought to use £40,000 from the Drainage Reserve to cover the funding shortfall.

The Council would only maintain the works for a period of 12 months, undertaking any remedial work or initial maintenance associated to the scheme. The new by-pass culvert would become part of the overall land drainage system, provided to the landowners under the Land Drainage Act. Following completion of the 12 month maintenance period, the watercourse, including all new structures, would be handed over to the respective landowners for ongoing future maintenance.

All landowners had been approached regarding this scheme and written consent of all landowners would be required prior to any work being undertaken

RECOMMENDED to Full Council that:

- (i) a further local contribution of up to £40,000 from the Local Drainage Reserve be agreed to fund the works to the culvert to the north of Pennypot Lane as shown on Plan 1 at Annex A to the agenda report; and**
- (ii) this addition to the Capital Programme be agreed.**

RESOLVED to note that the proposed works be subject to the written consent of the landowners and the completion of any necessary agreements.

35/E Request for local Community Infrastructure Levy funding to provide Vehicle Activated Signage on the Portsmouth Road

The Executive considered a request for the use of Community Infrastructure Levy (CIL) funding for the provision of Vehicle Activated Signage on Portsmouth Road, Camberley as a speed control measure. The funds would be transferred to Surrey County Council to undertake the works.

The section of Portsmouth Road covered by the application was from the Ravenswood Roundabout to the Frimley Park Hospital Roundabout and carried significant traffic during the day. There had been a number of accidents along this stretch of road and the proposal met item 3 on the Surrey Heath Community Infrastructure Levy: Regulation 123 List, namely Local Transport Projects and Pedestrian Safety improvement which are not directly related to a development. Members also noted that there was a school at either end of the road.

A total of 5 signs were proposed and all would be erected on existing lamp columns in order to help reduce costs and minimise street furniture. When activated, the signs in the 40mph section of the road would display "40"/"SLOW DOWN" to motorists. The sign to be located in the 30mph section would display "30"/"SLOW DOWN". The proposed locations of the signs had been agreed by the Surrey County Council's road safety team and Surrey Police's Road Safety and Traffic Management Team:

Members were advised that the Council had collected sufficient CIL contributions for Parkside ward to fund this project. Furthermore, this Council would not be responsible for any ongoing maintenance, repair or other liability arising from this project.

RESOLVED that

- (i) £14,000 of Community Infrastructure Levy be transferred to Surrey County Council to fund Vehicle Activated Signage on the Portsmouth Road, Camberley as a speed control measure, to be payable upon commencement of the works; and**
- (ii) the decision be subject to this Council not being responsible for any ongoing maintenance, repair or other liability arising from this project.**

Chairman

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Family Support Programme 2019/2020

Summary

To consider the future of the Family Support Programme within Surrey Heath and to agree funding of £89,000 per year in 2020/21. Thereafter, to support the programme to be delivered in partnership with Surrey County Council and Runnymede Borough Council.

Portfolio Support and Safeguarding

Date Portfolio Holder signed off report – 12 September 2019

Wards Affected

All

Recommendation

The Executive is advised to RESOLVE that

- (i) this Council continues to host the Family Support Programme for Runnymede and Surrey Heath Councils;
- (ii) a Service Level Agreement for the service beyond 2020 be entered into with Surrey County Council, and authority to sign this Agreement be delegated to the Executive Head of Regulatory in consultation with the Support & Safeguarding Portfolio Holder; and
- (iii) funding of £89,000 per year for the programme be agreed for inclusion in the revenue budget for 2020/21 and thereafter.

1. Resource Implications

- 1.1 The programme is currently funded by the Government through a mixture of up front funding for each family worked with and payment by results once the family has completed the twelve months and improved in the areas identified i.e. school attendance. Surrey Heath employs all the staff and manages the budgets associated with the programme.
- 1.2 Current actual spend in 2018/19 on the service was as follows. Grant income received from Surrey County Council (SCC) was £210,000. Total spend was £388,000 giving an overspend of £178,00 This was in part paid for by use of grant funding in reserves or absorbed into underspend in other parts of Regulatory budget at year end.
- 1.3 In the year 2018/19, reserves were used to cover costs of the programme; the remaining reserves now total £19,963.
- 1.4 Government funding for the programme ceases in 2020/21.

2. Key Issues

- 2.1 From the end of March 2020 the Government funding for the Troubled Families programme, known as Family Support in Surrey, will cease. However, within Surrey, SCC has agreed to take over current levels of funding of £221,512 to ensure continuation of the programme. In addition, a further £95,666 of funding will be provided to support the employment of two qualified social workers, one for each of the teams. Each Borough and District will need to make up any gap in funding for the total service delivery and for Surrey Heath and Runnymede this is estimated to be £178,000 in 2020/21.
- 2.2 For 2020/21 and thereafter, Runnymede Borough Council has agreed to contribute an additional £89,000 per financial year. This leaves a shortfall of £89,000 in the revenue budget to be made up by Surrey Heath.
- 2.3 Previously, the Family Support programme budget has covered salary costs for the team only. Other overhead costs have been paid using reserves from the family support programme accumulated from the early years of the programme. Overheads and other overspend costs have also been covered by other underspend within the Regulatory service at the end of year outturn.

3. Options

- 3.1 The options for the Executive are to agree the recommendation or to not agree the recommendation.

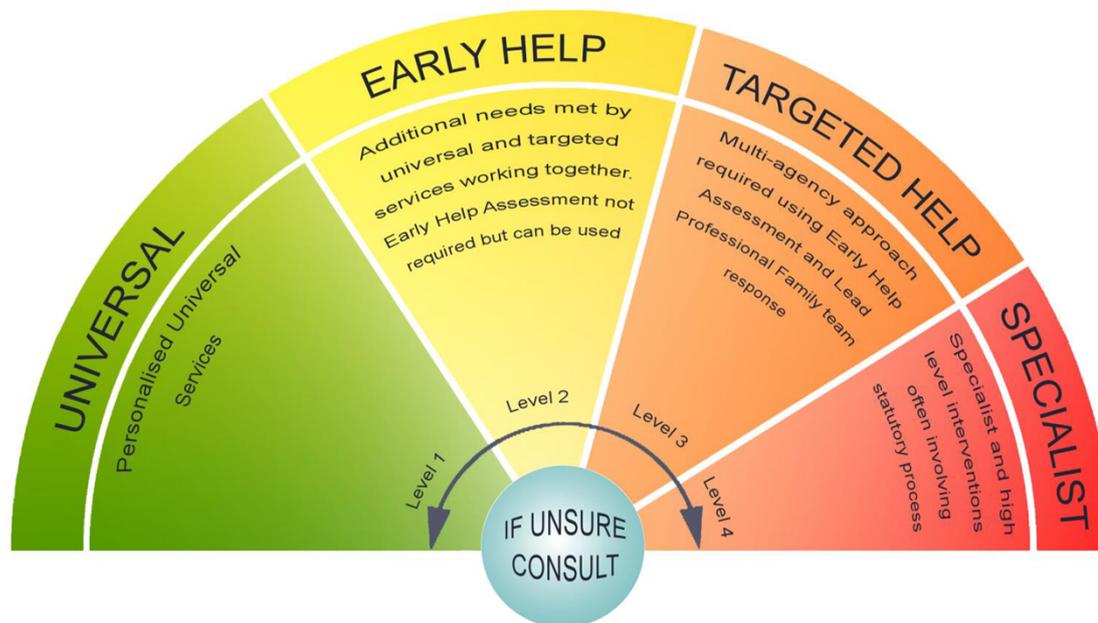
4. Proposals

- 4.1 The Executive is asked agree that this Council continues to host the Surrey Heath Family Support Programme working in partnership with Runnymede Borough Council. Furthermore, it is asked to support the expansion of the programme to include two new posts for social workers, funded by SCC, and to fund the programme at a cost of £89,000 per annum with a consequent increase in the revenue budget for 2020/21 and beyond.
- 4.2 A Draft Service Level Agreement (SLA) between Districts and Boroughs and Surrey County Council has been prepared.
- 4.3 The draft SLA proposes the continuation of the current funding by SCC, additional posts for Social Workers, funded by Surrey County Council. The Surrey Heath and Runnymede team will receive two social worker posts, one covering each borough. These posts will be responsible for ensuring a smoother transition of cases being escalated into children's services and being stepped down from children's services to Family Support Programme. This post will also hold the most complex cases at a Level 3 Targeted Early Help response. SCC remains the statutory body for holding families that require a statutory response. The Family Support Programme will not be taking a lead on families who require statutory intervention.

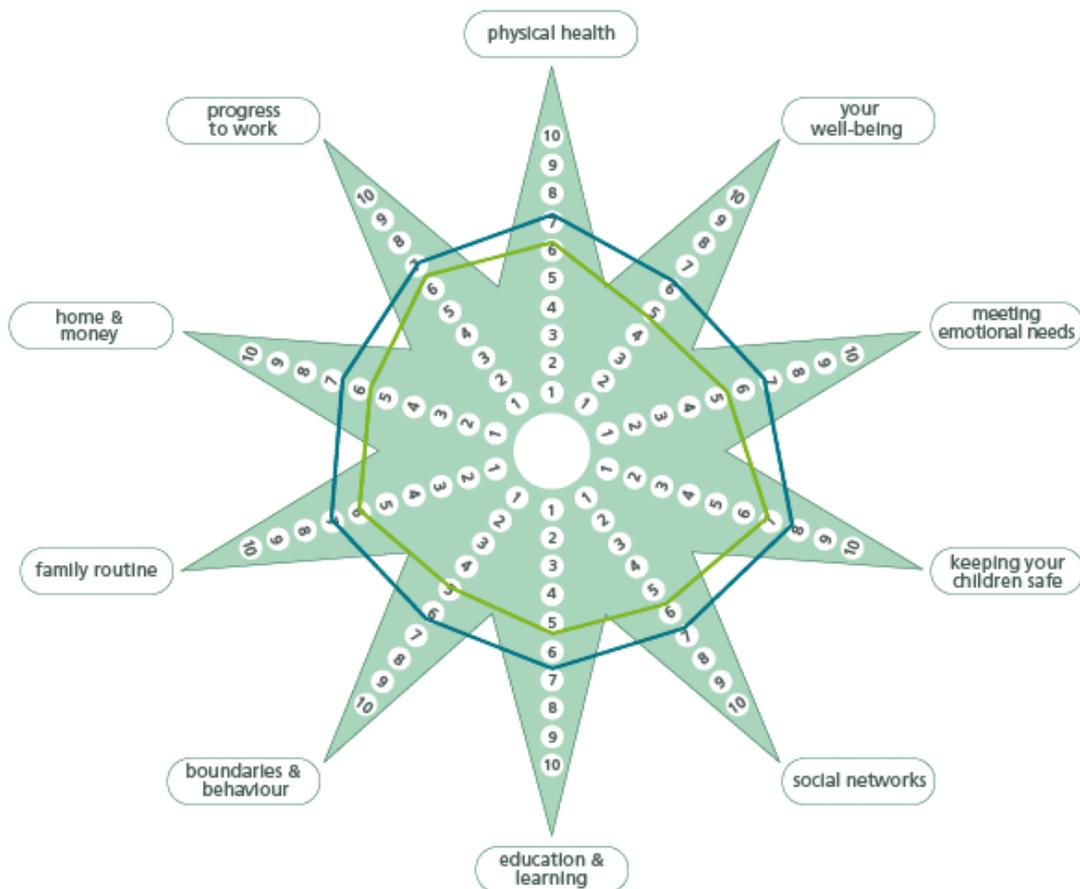
5. Supporting Information

- 5.1 The Troubled Families' initiative was introduced to change the repeating generational patterns of poor parenting, abuse, violence, drug use, anti-social behaviour and crime in the most troubled families in the UK.
- 5.2 The overarching criteria for inclusion in the programme are:
- Children not in School
 - Unemployment
 - Crime/Anti-Social Behaviour
 - Domestic Violence
 - Children in Need
 - Health Problems
- 5.3 In Surrey this initiative has been rolled out through partnership working with the districts and boroughs. Since its inception in 2013, the joint Runnymede/Surrey Heath project has worked with 548 families providing intensive support and has been awarded £1,301,355 in total funding for set up and payment by results. This represents an average cost of £2,374 per family worked with. The scheme delivers savings to other public bodies for example reducing numbers of children having to go into care and foster placements, where the cost of an individual placement is over £100,000. This saving to the overall public purse is one of the reasons why SCC is continuing to fund the project.
- 5.4 The programme works in two parts with families receiving intensive support for a minimum of 12 weeks with a co-ordinator and team around the family (TAF). The family are then supported for the next 9 months by a lead organisation and other agencies.
- 5.5 Within Runnymede there are three co-ordinators, one of which has a senior role and supervises the other two staff. This is replicated in Surrey Heath with a Manager and administrator working across both Boroughs.
- 5.6 Family Support Co-ordinators currently each hold a caseload of 7 families at any given time. The Senior Coordinator holds a caseload of 3 families plus line management responsibilities for the other staff. Under the new SLA staff would have an increased caseload of 8-12 families but each team would also have additional staff with social work qualifications to be fully funded by SCC.
- 5.7 The details of the proposal have been put into a new Draft Specification/Service Level Agreement (SLA) being drawn up by SCC. The focus will be on working primarily with families whose children are aged between 5 and 18 although this does not mean that families with younger children might not be worked with, especially if the issues relate to older siblings.
- 5.8 The draft SLA also proposes an additional post of Social Worker, funded by Surrey County Council. The Surrey Heath and Runnymede team are proposed two social worker posts, one covering each borough. These posts will hold responsibility of ensuring smoother transition of cases being escalated into children's services and being stepped down from children's services to Family Support Programme. These posts will also hold the most complex cases at a Level 3 Targeted Early Help response. SCC remains the statutory body for holding families that require a

statutory response at level 4 as shown below. The Family Support Programme will not be taking a lead on families that require statutory intervention.



- 5.9 Of the 111 families worked with in 2018/19, 55 were Runnymede families and 56 were Surrey Heath families.
- 5.10 Of the 56 families worked with in Surrey Heath in 2018/19, 7 were found to have circumstances that warranted more serious intervention and were referred into Children Services
- 5.11 The outcome star below shows the average progress of all families worked with. Families moving into the process are shown in light green and moving out of the process in blue.



6. Corporate Objectives and Key Priorities

- 6.1 The Family Support Programme helps to deliver Corporate Objective 4 to build and encourage communities where people can live happily and healthily and supports Key Priority 4 working with partners to support the community.

7. Policy Framework

- 7.1 No matters arising.

8. Legal Issues

- 8.1 The service will be underwritten by a Service Level Agreement (SLA) between Surrey County Council, Runnymede Borough Council and Surrey Heath. This will set out the performance requirements for the service moving forward and the funding agreement.
- 8.2 In addition, the existing SLA with Runnymede Borough Council will need to be reviewed.

9. Officer Comments

- 9.1 Members are asked to note the following outcomes for the work undertaken in 2018/19.

9.2 Of the 111 families worked with in 2018/19, 55 were Runnymede families and 56 were Surrey Heath families.

9.3 Of the 56 families worked with in Surrey Heath, 7 were found to have circumstances that warranted more serious intervention and were referred into Children Services.

Annexes	None
Background Papers	None
Author/Contact Details	Emily Burrill - Family Support Team Manager Emily.burrill@surreyheath.gov.uk
Head of Service	Jenny Rickard - Executive Head of Regulatory

Consultations, Implications and Issues Addressed

Resources	Required	Consulted
Revenue	✓	<u>06/08/2019</u>
Capital		
Human Resources	✓	<u>06/08/2019</u>
Asset Management		
IT		
Other Issues	Required	Consulted
Corporate Objectives & Key Priorities		
Policy Framework		
Legal	✓	<u>06/08/2019</u>
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Infrastructure Feasibility Study Fund for Surrey

Summary

There is a concern that Surrey is missing out on infrastructure funding through a lack of appropriate feasibility studies. Investment in project development is needed at an early stage to develop a pipeline of projects able to apply for full project funding when bidding rounds become available. A dedicated fund is needed to ensure that resources are available and ring-fenced to support project development. Each Borough and District Council and the County Council are asking for agreement to set up an infrastructure feasibility study fund for Surrey and for agreement for investment in the fund to support projects within or of benefit to Surrey Heath.

Portfolio Finance

Date Portfolio Holder consulted: 3 October 2019

Wards Affected
All

Recommendation

The Executive is advised to RESOLVE that

- (i) the Council participates in the Infrastructure Feasibility Study Fund for Surrey;
- (ii) £100,000 p.a. be committed to the Fund;
- (iii) the funding be ring-fenced for the Fund, but control be retained by the Council; and
- (iv) the contribution be made from the Community Infrastructure Levy fund, for up to five years and allocation to projects be subject to agreement at the Executive.

1. Resource Implications

- 1.1 The programme would be funded from the CIL contributions that the Council retains after SANGs, parish and ward payments have been allocated. Since 2014 that element of funding has grown at an average of £650,000 per year. Thus a contribution of £100,000 per year represents a significant proportion of the CIL collected for strategic projects. The ring fenced money will be held by the Borough Council.

2. Key Issues

- 2.1 Councils in Surrey collectively need to develop infrastructure feasibility studies so that bids can be made for full project funding when bidding rounds become available. This fund will ensure there are dedicated resources to develop a robust pipeline of schemes. The fund will have a gearing ratio of 1:0.86. For every £1 which Surrey Heath Borough Council invests in the fund the Council will receive £1.86 for scheme development due to investment from Surrey County Council and the LEPs. The fund will also develop projects that cross boundaries both within and outside Surrey. The fund will help Surrey Heath Borough Council to continue to work with neighbouring local authorities, Surrey County Council and the LEP.
- 2.2 There is concern that Surrey is missing out on infrastructure funding through a lack of appropriate studies. The purpose of the fund is to:
- Develop a pipeline of infrastructure projects to support economic growth across Surrey;
 - Reduce the risk to scheme promoters which results in feasibility studies not being carried out;
 - Support investment in project development at an early stage to develop a pipeline of projects able to apply for full project funding when bidding rounds become available;
 - Provide a dedicated fund to ensure that resources are available and ringfenced to support project development;
 - Ensure that projects are in the best possible position to secure external funding due to good quality feasibility work being carried out;
 - Ensure that Surrey can apply for full project funding when bidding rounds become available. Other Counties have pipelines of well-developed schemes and hence are in a better position to apply for these competitive funds; and
 - Develop projects that cross boundaries both within and outside Surrey. The fund will help partnership working both between local authorities and between local authorities and the LEPs.
- 2.3 One future funding opportunity will be the UK Shared Prosperity Fund (UKSPF). The focus of the fund will be on tackling inequality by raising productivity. At this stage the amount of funding and its allocation across the UK has not been announced. If the LEPs are successful in being allocated funding from the UKSPF Surrey Districts and Boroughs will want to be in a position to apply for funding for projects.

3. Options

- 3.1 The options for the Executive are to agree the recommendation or to not agree the recommendation.

4. Proposals

- 4.1 The fund would comprise funding from the Districts and Boroughs, Surrey County Council and the LEPs. If a District Council would like to participate in the fund, they will be asked to commit an amount of funding which will be ring fenced for the fund but retained in the Districts control. A centralised pot of funding will be set up containing the County Council and LEP contributions. It is suggested that the fund has a gearing ratio of 1:0.86. For every £1 which a District invests it will receive £1.86 for feasibility studies.
- 4.2 The District will be asked to submit an annual return detailing the amount of funding which they are ring-fencing for the fund and which can be drawn on for infrastructure feasibility studies which they promote within their area. This commitment will allow the County Council to recruit resources for carrying out the studies either by consultants or a dedicated in-house team.
- 4.3 The Surrey Future Steering Board would issue an invitation for proposals. The Districts as scheme promoters would complete an expression of interest for their proposed project by filling in a standard form. The forms would be assessed to determine if the project is likely to be feasible.
- 4.4 Projects which are considered likely to be feasible would progress to the prefeasibility study stage which would be funded through the infrastructure feasibility study fund. If a District has a project which they would like to progress to this stage they will be asked to commit their funding for the prefeasibility study and this will also secure funding from the LEP and County Council with a gearing ratio of 1:0.86 as well as securing dedicated consultancy or in-house County Council staff to carry out the study. The project promoter will need to work jointly with the project team to carry out the work. It is anticipated that the pre-feasibility study will be between 5 and 10% of total project costs.
- 4.5 The pre-feasibility study will determine if the project is viable and feasible and whether it can progress to full feasibility study stage which is anticipated to be around an additional 5% of total project costs. This will result in a rolled-up total of 10-15% of project costs for the pre-feasibility and feasibility studies.
- 4.6 If the projects are taken forward and full funding secured any feasibility funding that can be reinvested would be recycled in the same proportions that it was invested in the fund i.e. 54% back to the District and 46% back into the centralised pot. It may not be possible to recycle all pre-feasibility and feasibility funding.

5. Supporting Information

5.1 An example of how the fund would work is given below:

1. Set up the Infrastructure Feasibility Study Fund	
	£m
In 2019/20 X Borough ring-fenced funding	0.54
In 2019/20 funding in centralised pot from SCC and LEPs	3.00
2. Issue invitation for proposals	
X Borough complete form for example project Project cost is £8.00 m. Form assessed, and project is determined as feasible	

3. Pre-feasibility study	
Pre-feasibility study is scoped and will cost £0.60 m	
X Borough releases ring-fenced funding	0.32
Funding from centralised pot released for example project	0.28
Pre-feasibility study assessed, and the project is still viable and feasible	
4. Full Feasibility study	
Full feasibility study will cost a further £0.40 m	
X Borough releases ring-fenced funding	0.22
Funding from centralised pot released for example project	0.18
5. Project successfully delivered	
X Borough uses feasibility study and successfully applies to a central Government infrastructure fund. Full funding secured, and project is taken forward and delivered	
6. Recycling of funds	
One third of the pre-feasibility and feasibility funding can be recycled	
Money repaid to X Borough	0.18
Money repaid to centralised pot	0.15

6. Corporate Objectives and Key Priorities

- 6.1 The project helps to deliver Corporate Objectives for Place to make Surrey heath an even better place where people are happy to live and Prosperity to support and promote our local economy so that people can work and do business across Surrey Heath.

7. Policy Framework

- 7.1 No matters arising.

8. Legal Issues

- 8.1 The Council's participation in this initiative, and the pooling of contributions with other Surrey authorities to attract greater investment in the County's infrastructure, is consistent with and authorised by the powers contained in the Planning Act 2008 (and the CIL Regulations made thereunder) and the powers to benefit, develop and improve the area set out in general legislation.
- 8.2 As from 1st September 2019 Councils will be required to publish Infrastructure Funding Statements and this will need to be included on that list, which must be published by December 2020.

Annexes	None
Background Papers	None
Author/Contact Details	Jenny Rickard Jenny.rickard@surreyheath.gov.uk
Head of Service	Jenny Rickard Executive Head of Regulatory

Consultations, Implications and Issues Addressed

Resources	Required	Consulted
Revenue	✓	<u>28/08/2019</u>
Capital		
Human Resources	✓	<u>28/08/2019</u>
Asset Management		
IT		
Other Issues	Required	Consulted
Corporate Objectives & Key Priorities	✓	<u>28/08/2019</u>
Policy Framework		
Legal		
Governance		
Sustainability		
Risk Management		
Equalities Impact Assessment		
Community Safety		
Human Rights		
Consultation		
P R & Marketing		

Review Date:

Version:

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Obelisk and Camberley Park Improvements

Summary

It is proposed to spend £50k from the Camberley Park Section 106 agreement. This is for structural repairs to the grade 2 listed Obelisk. Work completed includes: relaying all self-binding gravelled paths, replacement of closed board and post and rail fencing, refurbishing parks furniture including bins seats and benches, replacing rotten wooden steps and updating information boards. Clearance of under storey, removal of deadwood and felling selected trees as agreed with the Council's Arboriculture Officer to open a Vista view from the top. Shoring up the west facing steep slope with coir matting and replanting with stabilising shrubs and ground cover to minimise erosion. Replacement of keystone bricks on archway and removal of graffiti on brick fascias. In Camberley Park considerable understorey clearance will discourage anti-social behaviour in that area.

There is currently £158k available in the section 106 agreement. This proposed draw down would still ensure sufficient funds for ongoing maintenance for the Obelisk and Camberley Park.

The funding allows for the work that has been carried out and also for the ongoing maintenance of the area.

Portfolio: Places & Strategy

Date Portfolio Holder signed off report: 5 October 2019

Wards Affected: Town

Recommendation

The Executive is advised to RECOMMEND to Council that

- (i) £50k be made available to draw down from the Camberley Park section 106 to carry out these improvement works; and
- (ii) the implementation of the works be delegated to the Executive Head of Business in consultation with the Portfolio Holder for Places and Strategy.

1. Key Issues

1.1 There are a number of issues affecting this site, including:

- 1.1.1 Recurrent anti-social behaviour issues for local residents.
- 1.1.2 The west facing slope, which is subsiding and needed re stabilisation.

- 1.1.3 The Obelisk brickwork, which is crumbling and needs specialist attention due to its listed status.
- 1.1.4 Ageing infrastructure posing health and safety risks to members of the public on paths and steps.
- 1.1.5 Tree safety works, which are required to ensure safety to the users of the facility.

2. Resource Implications

- 2.1 The Council holds £158k of Section 106 money for the upkeep and maintenance of this area.
- 2.2 The proposal would leave a residual budget of £108k for maintenance of Camberley Park

3. Options

- 3.1 The Executive has the option to either agree, reject or change the recommendations

4. Proposals

- 4.1 It is proposed that the Executive RECOMMENDS to Council that £50k of the Section 106 funds be approved for the improvement works at The Obelisk and Camberley Park.
- 4.2 The implementation of the recommendations be delegated to the Executive Head of Business in consultation with the Portfolio Holder for Places and Strategy.

5. Supporting Information

- 5.1 The proposed project adds considerably to the current facilities and community and will enhance the Town Centre Park. The cost of this project does not impact on the local council tax payers. There is significant historical value of The Obelisk. The brick tower has fascinated local people for many years. Only about 9.4 metres (30 feet) now remain, but it is estimated that it originally stood about 30.5 metres (100 feet) high. A wooden staircase inside allowed access to the top, and the building was probably divided into several storeys. The brickwork is about 1.5 metres (almost 5 feet) thick in parts.
- 5.2 The structure occupies rising ground close to the A30, once the main turnpike road from London to Exeter. It was built in around 1765-70 by John Norris of Hawley Place, about 2 miles away to the west. The surrounding area was then open heathland, and on a clear day it was possible to see for many miles. Camberley itself did not then exist, and the Obelisk was a notable landmark, as early maps show.

5.3 In 1812, the Royal Military College (now RMA Sandhurst) opened and a small settlement grew up at its gates. This later became known as Yorktown after the Duke of York, Commander-in-Chief of the Army. Many suggestions about the Obelisk's purpose have been made over the years. One theory is that it was some sort of signalling tower. Signalling towers were used in the late 18th and early 19th centuries as a way of passing urgent official news.

5.4 The structural repairs and work for the grade 2 listed building are as follows; Work completed includes; relaying all self-binding gravelled paths, replacement of closed board and post and rail fencing, refurbishing parks furniture including bins seats and benches, replacing rotten wooden steps and updating information boards. Clearance of under storey, removal of deadwood and felling selected trees as agreed with our arboriculture Officer to open a Vista view from the top. Shoring up the west facing steep slope with coir matting and replanting with stabilising shrubs and ground cover to minimise erosion. Replacement of keystone bricks on archway and removal of graffiti on brick fascias. In Camberley Park considerable understorey clearance will discourage anti-social behaviour in that area.

6. Corporate Objectives And Key Priorities

6.1 Place – these improvement works enhance the overall look and feel of the town centre park. It will ensure we are protecting and maintaining a town centre park and open space with a high historical and cultural value.

6.2 People – by opening up the vista and working with key partners we aim to reduce anti-social behaviour and in turn improve local safety.

6.3 Prosperity – Improving community cohesion with a natural link to the health and well-being of the community to be able to enjoy a safe and historically significant open space.

7. Policy Framework

7.1 N/A

8. Legal Issues

8.1 Due to listed status of The Obelisk we have an obligation to protect and preserve it.

9. Governance

9.1 N/A

10. Risk Management

10.1 As with all open space there is always a risk of vandalism and anti-social behaviour. However the facility is monitored daily through the grounds maintenance contractor and regularly inspected by the Greenspace Team. This high level of presence will minimise risk.

11. Equalities Impact

11.1 These improvement works add to the value of the area and improve its safety. An equalities impact assessment has been undertaken.

12. Human Rights

12.1 None identified.

13. Consultation

13.1 Local residents have been consulted with via information letters and meetings as part of the process. Other stakeholders include; English Heritage, Surrey Police and Surrey Heath Tree Wardens.

14. PR and Marketing

14.1 Excellent opportunities are available to promote the historical importance of The Obelisk and the town centre.

15. Officer Comments

15.1 These improvement works present an excellent opportunity to unlock some of the capital held by the council to provide improved facilities and enhance the town centre and surrounding area.

Annexes	None
Background Papers	None
Author/Contact Details	Steve Harris – Greenspace Team Leader Steve.harris@surreyheath.gov.uk
Head of Service	Daniel Harrison - Executive Head of Business

Update on Reference from the Performance and Finance Scrutiny Committee – Review of the Impact of Benefits Reforms on Surrey Heath Borough Council and Borough Residents

Summary

At the Executive Meeting in January 2018 the Executive considered a number of recommendations from the Performance and Finance Scrutiny Committee in relation to the introduction of Universal Credit. This report provides members with an update on those recommendations.

Portfolio - Finance

Date Portfolio Holder consulted: 3 October 2019

Wards Affected

All

Recommendation

The Executive is advised to NOTE and COMMENT on the Report

1. Resource Implications

- 1.1 There are no direct resource implications arising from this report. However should the Council wish to supply additional services and facilities to support residents in receipt of Universal Credit then this may have direct resource implications.

2. Background

- 2.1 After several delays Universal Credit was introduced for some new claimants in Surrey Heath in April 2017 until a temporary freeze from November 2017. The Universal Credit Full Service then started from 28 November 2018 for Surrey Heath residents and since that date new Universal Credit claimants have had to claim their rental costs from UC. In addition claimants have also been transferring to Universal Credit.
- 2.2 Universal Credit will eventually replace Income-based Jobseeker's Allowance, Income-related Employment and Support Allowance, Income Support, Working Tax Credit, Child Tax Credit and Housing Benefit. Universal Credit is administered by the Department of Work and Pensions (DWP). Claimants are expected to manage their claims on line and also, as would be the case if they were in employment, manage their finances and budget for expenses such as rent etc. rather than having these paid directly as is the case with say Housing Benefit.
- 2.3 At the moment 454 residents are in receipt of Universal Credit in the borough. Those that were in receipt of Housing Benefit have transferred to receiving the help with their rent within their Universal

Credit payment rather than as a separate payment from Surrey Heath Borough Council. Surrey Heath Borough Council have received 165 Universal Credit Stop Notices in respect of current Housing Benefit claimants transferring to Universal Credit. This notice entitles the claimant to a two week overlap of Housing Benefit whilst their Universal Credit claim is finalised. These 165 have therefore left the Council's management.

- 2.4 The Housing Benefit live caseload has reduced by 8 from April 2018 to November 2018. Between November 2018 and June 2019 the caseload has reduced by 277 to 2,388. This reduction is clearly partly due to the "floating" off of current claimants to Universal Credit and because we no longer accept new claims for Housing Benefit from the majority of applicants. It is anticipated that over the next 12 months a minimum of a further 500 will transfer to Universal credit as the roll out continues.
- 2.5 Surrey Heath Borough Council will continue to accept new claims for housing costs from persons who have obtained the qualifying age for Pension Credit and for those working age claimants who are in temporary, emergency, supported or sheltered housing.
- 2.6 Surrey Heath also retains responsibility for Discretionary Housing Payments which can be applied for by Universal Credit claimants if their Universal Credit payment is not enough to pay their rent. The grant received by Surrey Heath for this from Government has reduced from £111,416 in 2017/18 to £85,140 in 2019/20.
- 2.7 Universal Credit is a new national benefit that applies to the whole of England. It is therefore it is primarily the responsibility of Government to ensure that its introduction does not cause undue hardship to residents. The Council has a responsibility to assist with the transition where it can and to bring to the attention of Ministers any local issues that are impacting on residents so that they can be considered and policy changed as appropriate

3. Previous Recommendations

- 3.1 Following a couple of meetings in 2017 the Performance and Finance Scrutiny Committee made the following recommendations to the Executive:
 - a. The Department of Work and Pensions (DWP) be urged to work more closely with the Council to:
 - i. Mitigate the impact of the benefit reforms on residents of the Borough;
 - ii. Ensure that there is adequate provision of computer facilities and internet access and advisors across the Borough to support the wider introduction of Universal Credit and other changes to the welfare system

- b. In relation of computer facilities, internet access and advisor support, that:
 - i. The list of sites will be refreshed and widely publicised to the relevant audience
 - ii. The exercise be repeated on a six monthly basis
 - iii. In the event that there is a shortage of available sites and personnel, alternative options including the involvement and closer collaboration with local charities in the relevant sectors be considered
- c. The work done by Surrey Credit union and Surrey Heath Job Club in supporting residents in the Borough be noted and supported;
- d. The closer working relationship and joint working initiatives between the Camberley job club and the Council be noted and supported;
- e. The Local Plan working Group be asked to take full account of the indicated increased need for one bedroom properties when developing the plan.

4. Update on Recommendations

- 4.1 Surrey Heath Borough Council continues to work closely with the DWP and staff from both organisations have attended joint national workshops to share good practice regarding the handling of full service go live. Benefits staff continue to liaise with Local UC staff when needed to ensure claimants receive the correct advice and support. Having the DWP based in Surrey Heath House has assisted greatly with this and indeed Benefits and housing staff meet regularly with DWP staff to try and resolve issues.
- 4.2 Computer facilities are available in the DWP area for claimants to use. 5 “Wider Access Devices” are provided by the DWP in their area and these have been sufficient to meet demand. DWP staff are also on hand to assist with any problems. In addition CASH also assist claimants with access to computer facilities and advice – this is also more accessible now that it is based in Surrey Heath House.
- 4.3 The list of publically available internet sites was refreshed in November 2018. Most of the provision is in Surrey County Council Libraries based on Bagshot, Camberley, Frimley Green and Lightwater. Given the small number of claimants access to computer facilities does not appear to be an issue at the moment. We will consider approaching Parish Councils to see whether they would be prepared to provide facilities in the more rural areas of the borough.

- 4.4 The DWP and Benefits team have sufficient resources to deal with the current workload and so no additional resources appear to be required at the moment
- 4.5 The Benefits department continue to refer residents to Boom (the Surrey credit union) where appropriate. In combination with 2 other boroughs a leaflet on the service was issued to all residents in receipt of Council Tax support with their 2019/20 bills. As a result of this 3 applications were received from Surrey Heath residents.
- 4.6 The job club continues to support residents looking for work and indeed recently benefited from a community fund grant to purchase equipment. The Council has provided the club with £7,000 a year to support their costs since 1st April 2016. In addition a further community fund grant was given to enable them to purchase equipment when the club started
- 4.7 The Local Plan work is ongoing and the Housing Needs Assessment we have commissioned will address the one bed property issue. In addition the introduction of the Homelessness Reduction Act means the DWP now has a duty to refer claimants at risk of homelessness to the Council. This is working well on both the formal referrals and also in day to day interaction between the job centre staff and housing case officers.

5. Options

- 5.1 The Executive and accept, reject or amend to recommendation

6. Proposals

- 6.1 The Executive is advised to NOTE and COMMENT on the Report

7. Policy Framework

- 7.1 The Government sets the policy for the transition to and introduction of Universal credit

8. Legal Issues

- 8.1 The Council has no statutory obligation in respect of administering Universal Credit

9. Risk Management

- 9.1 None – however the responsibility and therefore the risks around the introduction of Universal Credit rest with the Government and not the Council. The Council however may have to deal with the impact this policy may have

10. Equalities Impact

10.1 The Government is under an obligation to ensure that Universal Credit does not adversely impact any projected groups

11. Officer Comments

11.1 Compared to some areas the administration of UC in Surrey Heath has gone quite smoothly, however this may be due to the small number of residents that are in receipt of this benefit

11.2 However what is becoming clear is that the Borough is beginning to feel the impacts the Government's wider benefit reforms. These include the benefits cap, spare room subsidy, insufficient rate of housing allowance in local rental market, reluctance of landlords to take UC tenants due to uncertainty over rent payments. Whilst the Council and its partners such as CASH amongst others cannot change Government policy the Housing and Benefit Teams are increasingly being called upon to deal with the consequences. A report on the impact of these reforms will be brought to a future Executive.

Annexes	None
Background Papers	None
Author/Contact Details	Kelvin Menon - Executive Head of Finance Kelvin.menon@surreyheath.gov.uk
Head of Service	As above

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Annual Report on the Treasury Management Service and Actual Prudential Indicators for 2018/19

Summary

Report to advise members of the Treasury Management Service performance and to illustrate the compliance with the Prudential Indicators for 2018/19

Portfolio - Finance

Date signed off: 17 September 2019

Wards Affected

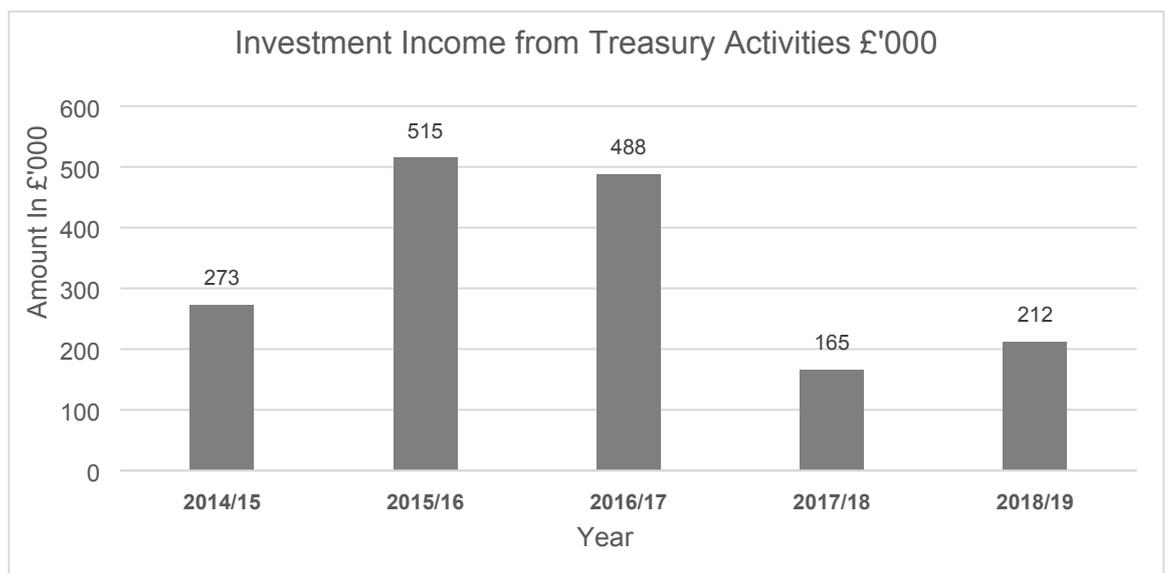
All

Recommendation

The Executive is asked to NOTE the report on Treasury Management including compliance with the 2018/19 Prudential Indicators

1. Resource Implications

1.1 None directly as a result of this paper however the management of investments and borrowings does have an impact on the Council's resources. The graph below shows investment income from treasury activities from 2014/15 to 2018/19.



1.2 Treasury income returns increased in 2018/19 due to an increase in the level of investments in 2018/19 coupled with the Bank of England's decision to increase Bank Rate to 0.75% from 0.50% in August 2019. The increased level of investments at the year-end was because the Authority took out a

number of PWLB loans just before the end of the financial year to take advantage of low interest rates. These loans were then used to repay short term borrowing that became due in the first part of the financial year 2019/20.

- 1.3 Borrowing costs have increased over the year as the Council has invested further money in to property.

2. Key Issues

- 2.1 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 2.2 Treasury management is defined as: "The management of the organisation's borrowing, investments and cash flows, 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."
- 2.3 The Authority's treasury management strategy for 2018/19 was approved at a meeting on 21st February 2018. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates.
- 2.4 This report is the annual report for the 2018/19 financial year. It includes both a summary of treasury management performance during the year as well demonstrating compliance with the 2018/19 Prudential Indicators.

3. Options

- 3.1 The Executive can endorse, amend or reject the recommendations made.

4. Proposals

- 4.1 It is PROPOSED that the Executive: NOTE the report on Treasury Management including compliance with the 2018/19 Prudential Indicators;

5. Supporting Information

Treasury Management Strategy 2018/19

- 5.1 The Authority approved the 2018/19 Treasury Management Strategy, which includes the investment strategy, at its meeting on the 21st February 2018.

All treasury management activity undertaken during the year complied with the approved treasury management strategy, the CIPFA Code of Practice and the relevant legislative provisions, except as shown in note 5.26.

Investment Strategy 2018/19

- 5.2 The approved investment strategy for 2018/19 adopted a view to investment that sought to balance risk against return. It maintained a policy, on the advice of our treasury advisors Arlingclose, of diversifying investments in line with the agreed strategy. The Authority maintained its longer term investment in the CCLA Property Fund.
- 5.3 The Authority continued to use local authorities, the Government and money markets with investments being placed generally for short periods only.

Approved Counterparties

- 5.4 The Council's Treasury advisors have advised that the Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Building Societies	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£2m 5 years	£3m 10 years	£2m 3 years	n/a	£2m 20 years	£2m 20 years
AA+	£2m 5 years	£3m 10 years	£2m 3 years	n/a	£2m 10 years	£2m 10 years
AA	£2m 4 years	£3m 5 years	£2m 3 years	n/a	£2m 5 years	£2m 10 years
AA-	£2m 3 years	£3m 4 years	£2m 3 years	n/a	£2m 4 years	£2m 10 years
A+	£2m 2 years	£3m 3 years	£2m 2 years	n/a	£2m 3 years	£2m 5 years
A	£2m 13 months	£3m 2 years	£2m 12 months	n/a	£1m 2 years	£2m 5 years
A-	£2m 6 months	£3m 13 months	£1m 6 months	n/a	£1m 13 months	£2m 5 years
BBB+	£3m next day only	£3m 6 months	£1m 100 days	n/a	n/a	£1m 2 years
None	£1m 6 months	n/a	£1m 6 months	n/a	n/a	n/a
Pooled funds	£2m per fund					
Supranational Banks	£3m for up to 5 years where rated A or above					
UK Local Authorities	£2m per authority for up to 5 years					

Borrowing Strategy 2018/19

- 5.5 The Authority's chief objective when borrowing has been to strike a balance between achieving cost certainty and securing low interest costs. This has been achieved by Council borrowings being a mixture of fixed and variable loans. In addition the Council has entered in to a forward loan agreement, on the advice of its treasury advisors, which guarantees a fixed loan rate at a point in the future, thereby fixing the risk of interest rate changes on a portion of the short term variable loans.

Treasury Advisors

- 5.6 The Authority uses Arlingclose Limited as its treasury management advisors to provide advice on all aspects of treasury management including interest rate forecasts, counterparty lists, management advice and borrowing strategy. They have provided an Economic Review, counterparty update and market data by way of background information and this is included in Annex C.

Borrowing and Investment Activity in 2018/19

Borrowing Activity 2018/19

- 5.7 At 31/03/2019 the Authority's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £189.7m, while usable reserves and working capital which are the underlying resources available for investment were £41.0m on an accruals basis.
- 5.8 The Authority's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). The CFR arises directly from the capital activity of the Authority and the resources applied to fund the capital spend, and represents the unfinanced element of capital expenditure.
- 5.9 At 31/03/2019, the Authority had £175.7m (£119.7m at 31 March 2018) of actual borrowing and £30.3m (£14.9m at 31 March 2018) of treasury investments. The net of borrowing and investments was £145.4m (£104.8m at 31 March 2018). This is less than the CFR of £189.7m above and working capital as the Authority is able to use "Internal borrowing" to fill this gap subject to holding a minimum short-term investment balance of £5m.
- 5.10 Working capital is money available to the Authority for its day-to-day operations and is calculated as the current assets less the current liabilities. Internal borrowing is a treasury management practice whereby an authority delays the need to borrow externally by temporarily using cash it holds for other purposes.
- 5.11 A large proportion of the Authority's borrowing consisted of short term loans. This enabled the Authority to reduce borrowing costs by taking advantage of low interest rates. However, in order to manage interest rate risk, the Authority arranged in 2017/18, £50million of forward starting loans. Loan 1 which is for the £25m will commence in 2020/21 at a rate of 2.853% and

Loan 2 will commence in 2021/22 at a rate of 2.908% Both loans will be repayable over 40 years.

- 5.12 Based on the current capital programme, the Authority is predicted to have an increasing CFR over the next year.
- 5.13 During the year the Authority entered in to £41m of new long term borrowing and £15m of new short term borrowing mainly to fund property acquisitions. The details are given in the table below:

	31.03.18 Balance £m	2018/19 Movement £m	31.03.19 Balance £m	31.03.19 Rate %
Public Works Loan Board	(16)	(41)	(57)	2.54%
Local authorities (long term)	(1)	0	(1)	0.00%
Local authorities (short term)	(103)	(15)	(118)	0.90%
Total Borrowing	(120)	(56)	(176)	1.15%

- 5.14 The outturn for debt interest paid in 2018/19 was £1.6m on an average debt portfolio of £175.7m. The budgeted interest was £3.2m on an average debt portfolio of £120m.

Investment Activity 2018/19

- 5.15 The Authority held investments which consisted of income received in advance of expenditure, balances and reserves. During 2018/19 the Authority's average investment balance was £15 million. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Authority's aim in its investment strategy is to achieve a yield commensurate with these principles.
- 5.16 The table below shows a summary of the investment activity for 2018/19:

Investment Counterparty	Balance on 01/04/18	Investments Made	Maturities/ Investments Sold	Balance on 31/03/19	Average Rate at 31st March
	£000s	£000s	£000s	£000s	%
UK Central Government					
- Short Term	0	235,860	-208,360	27,500	0.50
- Long Term	0	0	0	0	-
UK Local Authorities					
- Short Term		6,500	-6,500	0	0.00
- Long Term	2,000	0	-2,000	0	0.00
Banks, Building Societies & Other Organisations					
- Short Term	1,032	54,575	-54,961	646	0.20
- Long Term	0	0	0	0	-
AAA-rated Money Market Funds					
- Short Term Cash Equivalents	9,752	47,370	-57,122	0	0.00
- Long Term	2,151	33	0	2,184	4.40
Total Investments	14,935	344,338	-328,943	30,330	0.91

- 5.17 In 2018/19 the Authority increased its investment activity with the UK Government (Debt management Office - DMO), which is considered to be the safest depositor, when compared to the previous year for the following reasons:
- Following guidance from our Treasury Advisors excess funds above a minimum in the Council's bank Natwest were transferred to the DMO due to the poor credit rating of the bank.
 - PWLB and short term borrowing taken in advance to secure low interest rates are placed in the DMO for security. This is on average for 10 days until required.
- 5.18 Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.19 Security of capital has remained the Authority's main investment objective. This has been maintained by following the Authority's counterparty policy as set out in its Treasury Management Strategy for 2018/19.
- 5.20 Counterparty credit quality was assessed and monitored by our advisors with reference to credit ratings (the Authority's minimum long-term counterparty rating is A across the 3 main credit rating agencies).
- 5.21 Investments held during the year included:
- Deposits with the Debt Management Office
 - Deposits with Other Local Authorities
 - Investments in AAA-rated constant and variable net asset value Money Market Funds
 - Call accounts and deposits with Banks and Building Societies in the UK
 - Longer Term Property Fund

Credit Risk

Counterparty credit quality as measured by credit ratings is summarised below:

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/03/2016	4.26	AA-	2.35	AA
31/03/2017	4.99	A+	3.06	AA
31/03/2018	4.42	AA-	3.65	AA-
31/03/2019	3.01	AA	3.00	AA

Scoring:

-Value weighted average reflects the credit quality of investments according to the size of the deposit

-Time weighted average reflects the credit quality of investments according to the maturity of the deposit

-AAA = highest credit quality = 1

- D = lowest credit quality = 26

-Aim = A+ or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Budgeted Income and Outturn

5.22 The average cash balance during the year was £15m. The externally managed CCLA Property Fund continued to be the Authority's best performing investment in 2018/19. The Authority maintained its investment of £2m in the fund in 2018/19 generating a total return of £0.14m (5.96%), comprising £0.11m (4.40%) income return used to support services in year, and £0.03m (1.56%) of capital growth. Because this fund has no defined maturity date, but is available for withdrawal after a notice period, its performance and continued stability in meeting the Authority's investment objectives is regularly reviewed. In light of its strong income generation performance, investment in this fund has been maintained for the 2018/19 financial year. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.

5.23 The Authority's budgeted investment income for the year was £0.30m and the outturn was £0.21m. Although this fell short of the budgeted investment income for 2018/19, the actual income received represented an increase of 28.30% compared to 2017/18. The shortfall was due to the fact that surplus cost was used to reduce borrowing rather than being invested.

Externally Managed Funds

5.24 The Authority maintained its investment in the CCLA Property fund. The property fund which is operated on a variable net asset value (VNAV) basis offers diversification of investment risk, coupled with the services of a professional fund manager; it also offers enhanced returns over the longer term but is more volatile in the short-term. The Authority's CCLA property fund is in the distributing share class which pays out the income generated.

Readiness for Brexit:

5.25 With little by way of political clarity as to the exact date on whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 31st October, the Authority ensured there were enough accounts open at UK domiciled banks and Money Market Funds to hold sufficient

liquidity over the year end and that its account with the Debt Management Office (UK Government) remained available for use in an emergency.

Non-Treasury Investments

- 5.26 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in MHCLG's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return. The performance of the Authority's non-treasury investments are reported separately to members twice a year.

Compliance with Prudential Indicators

- 5.27 The Authority can confirm that it has complied with its Prudential Indicators for 2018/19 with the exception of the breach noted below. These indicators were approved on 21st February 2018 by Full Council as part of the Authority's Treasury Management Strategy Statement.
- 5.28 There was only one breach of the Treasury Strategy during the year. On 7th January 2019 £6m was invested with Thurrock Council. The limit on Local Authority investments was assumed to be the same limit as the Debt Management Office i.e. unlimited rather than £2m. The money was repaid on the 7th February 2019 and the Authority suffered no loss. Procedures have been changed to prevent this happening again in the future by the introduction of a treasury management monitoring system to detect any potential breach before a deal is agreed.

6. Corporate Objectives and Key Priorities

- 6.1 This report demonstrates how treasury management supports Key priority 2.

7. Policy Framework

- 7.1 The 2018/19 Annual Investment Strategy together with the Treasury Management Strategy was approved by Full Council on 21st February 2018. These set out the parameters under which Treasury Management operates including the Prudential Indicators.
- 7.2 The Authority fully complies with the requirements of the CIPFA Code of Practice on Treasury Management. The relevant criteria and constraints incorporated into the Treasury Management Policy Statement are:
- New borrowing is contained within the limits approved by the Authority, in accordance with the CIPFA Prudential Code for Capital Finance in Local Authorities, and the Authority's Prudential Indicators.
 - Investments are made in accordance with the MHCLG guidance on Local Authority Investments, on the basis of the three main credit

ratings agencies and as detailed in the Treasury Management Policy statement and approved schedules and practices.

- Sufficient funds are available to meet the Authority's estimated outgoings for any day.
- Investment objectives are to maximise the return to the Authority, subject to the overriding need to protect the capital sum.

8. Legal Issues

8.1 The Authority is required to comply with the Prudential Code as laid down by the Government.

9. Risk Management

9.1 The Authority 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. The key treasury risks being managed are:

- credit risk,
- liquidity risk,
- interest rate risk,
- refinancing risk, and
- operational risk

The techniques employed to manage these risks are covered in detail in the Authority's Treasury Management Practices, and include:

- robust counterparty monitoring and selection criteria,
- prudent cash flow forecasting,
- a range of exposure limits and indicators, and
- procedures designed to prevent fraud and error.

9.2 The Authority's primary objectives for the management of its investments are to give priority to the security and liquidity of its funds before seeking the best rate of return.

9.3 The limits applied in respect of counterparties and investments are the overall limits approved by Council in the annual Treasury Management Strategy. However from time to time these may be tightened temporarily by the Executive Head of Finance in consultation with the Portfolio Holder for Finance to reflect increased uncertainty and increase in perceived risk in financial institutions and the economy. This will usually be at the cost of lower returns.

9.4 It should be noted that the investments ratings provided by credit ratings agencies are only a guide and do not give 100% security. There is always a

risk that an institution may be unable to repay its loans whatever the credit rating.

- 9.5 The Authority measures its exposures to treasury management risks using a range of indicators as recommended by the CIPFA Code of Practice on Treasury Management.
- 9.6 The Authority is exposed to interest rate risk on its borrowings. Although steps have been taken to mitigate this risk, through the use of forward starting loans, for example, the risk still remains. However, based on advice from our Treasury Advisors, the risk is considered to be low for the current year.

Annexes	Annex A – Investments as at 31 st March 2019 Annex B - Compliance with Prudential Indicators Annex C – Economic and other background information from Arlingclose Limited.
Background Papers	CIPFA Code of Practice: Treasury Management in the Public Services – 2018 Edition CIPFA Code of Practice: Treasury Management in the Public Services – 2017 Edition
Author/Contact Details	Nahidah Cuthbert Nahidah.cuthbert@surreyheath.gov.uk
Head Of Service	Kelvin Menon – Executive Head of Finance

Treasury Related Investment Balances as at 31st March 2019

Investments	Notes	Maturity Date	Interest Rate %	Principal £
<u>Cash and Cash Equivalents</u>				
<u>Banks</u>				
NatWest Business Reserve Account	On call		0.21	101,912
NatWest Central Account			0.10	543,821
Total Cash and Cash Equivalents				645,732
Debt Management Office		Apr-2019	0.50	27,500,000
<u>Long Term Investments</u>				
CCLA Property Fund		Long term	5.96	2,184,425
Total Long Term Investments				2,184,425
Total Investments				30,330,157

Compliance with Prudential Indicators

The Authority confirms compliance with its Prudential Indicators for 2018/19 which were set in February 2018.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net principal borrowed:

	31.3.19 Actual	2018/19 Limit
Upper limit on fixed interest rate exposure	£0.8m	£3.2m
Upper limit on variable interest rate exposure	£0.2m	£190m

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.19 Actual	2018/19 Target
Portfolio average credit rating	AA	A+

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing. The Authority also has the option to borrow on a daily basis on the open market.

	31.3.19 Actual	2018/19 Target
Total cash available within 3 months	£8m	£5m

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.19 Actual	Upper Limit	Lower Limit
Under 12 months	68%	100%	100%
12 months and within 24 months	2%	100%	100%
24 months and within 5 years	2%	100%	100%
5 years and within 10 years	3%	100%	100%
10 years and above	25%	100%	100%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 365 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2018/19	2019/20	2020/21
Actual principal invested beyond year end	£2m	£2m	£2m
Limit on principal invested beyond year end	£15m	£15m	£15m

External Context provided by the Authority's Treasury Advisors, Arlingclose Limited

Economic background:

UK Consumer Price Inflation (CPIH) was 2.0% year/year in July 2019, slightly stronger than the consensus of 1.8% but in line with the Bank of England's target. The most recent labour market data for the three months to June 2019 showed the unemployment rate edged up to 3.9% while the employment rate of 76.1% was the joint highest since records began in 1971. Nominal annual wage growth measured by the 3-month average excluding bonuses was 3.9% and 3.6% including bonuses. Adjusting for inflation, real wages were up 1.9% excluding bonuses and 1.8% including.

The first estimate of Q2 GDP growth showed the UK economy contracted by 0.2% following the 0.5% gain in Q1 which was distorted by stockpiling ahead of Brexit. Only the services sector registered an increase in growth, a very modest 0.1%, with both production and construction falling and the former registering its largest drop since Q4 2012. Business investment fell by 0.5% as Brexit uncertainties impacted on business planning and decision-making.

Politics, both home and abroad, continued to be a big driver of financial markets over the last quarter. Boris Johnson won the Conservative Party leadership contest and has committed to leaving the EU on 31st October regardless of whether a deal is reached with the EU. Mr Johnson prorogued Parliament which led some MPs to seek to block the UK from leaving without a deal and at the time of writing Number 10 is apparently considering seeking an early general election if such a block is attempted.

Tensions continued between the US and China with no trade agreement in sight and both countries imposing further tariffs on each other's goods. The US Federal Reserve cut interest rates in a pre-emptive move to maintain economic growth amid escalating concerns over the trade war and a weaker economic environment leading to more pronounced a global slowdown. These elevated concerns have caused government yield curves in the US and UK to invert, something seen by many commentators as a predictor of a global recession. Market expectations are for further interest rate cuts from the Fed and the European Central Bank likely to add more monetary stimulus from September.

The Bank of England maintained Bank Rate at 0.75% and in its August Inflation Report noted the deterioration in global activity and sentiment and confirmed that monetary policy decisions related to Brexit could be in either direction depending on whether or not a deal is ultimately reached by 31st October.

Financial markets: After rallying early in 2019, financial markets have been adopting a more risk-off approach in the following period as equities saw greater volatility and bonds rallied (prices up, yields down) in a flight to quality and anticipation of more monetary stimulus from central banks. The Dow Jones, FTSE 100 and FTSE 250 are broadly back at the same levels seen in March/April.

Gilt yields remained volatile over the period on the back of ongoing economic and political uncertainty. The 5-year benchmark gilt yield fell to 0.28% at the start of September from 0.63% at end of June. There were falls in the 10-year and 20-year gilts over the same period, dropping to 0.43% from 0.83% and to 0.84% from 1.35% respectively. 1-month, 3-month and 12-month LIBID (London Interbank Bid)

rates averaged 0.65%, 0.75% and 1.00% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth remains a global risk. The US yield curve remains inverted with 10-year Treasury yields lower than US 3-month bills. History has shown that a recession hasn't been far behind a yield curve inversion. Following the sale of 10-year Bunds at -0.24% in June, yields on German government securities continue to remain negative in the secondary market with 2 and 5-year securities currently trading around -0.94% and -0.93% respectively.

Credit background:

Credit Default Swap (CDS) spreads rose and then fell again during the quarter, continuing to remain low in historical terms. After rising to almost 120bps in May, the spread on non-ringfenced bank NatWest Markets plc fell back to around 82bps at the start of September, while for the ringfenced entity, National Westminster Bank plc, the spread fell from 40bps to 34bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 34 and 66bps at the end of the period.

There were minimal credit rating changes during the period. Moody's upgraded The Co-operative Bank's long-term rating to B3 and Fitch upgraded Clydesdale Bank and Virgin Money to A-.

Council Finances as at the 31st July 2019

Summary

To provide the Executive with a high level view as to the Financial Performance for the period to 31st July 2019. To Recommend additions to the capital programme for 2019/20 and additional budget carry forwards for 2019/20.

Portfolio - Finance

Signed off: 27 September 2019

Wards Affected

All

RECOMMENDATION

The Executive is advised to RESOLVE that

- (i) the report be noted; and
- (ii) the revenue budget carry forwards for 2019/20, as set out in this report, be agreed.

The Executive is advised to RECOMMEND to Council the additions to the 2019/20 capital programme, as set out in the report.

1. Key Issues

- 1.1 This report covers the first four months of the financial year to the 31st July 2019. Its purpose is to give members a high level view of the financial performance of services for the period, highlighting any significant variances against 2019/20 approved budget which may impact the year end outturn. It also provides an update on the Capital budget position as well as Debtors and Treasury as at the 31st July 2019.
- 1.2 As it is still early in the year, it is difficult to provide an accurate forecast as to the outturn at year end. However at the moment services are forecasting that they will be broadly on budget overall at the end of the financial year. Income for garden waste and parking are currently falling behind budget and so these areas are being monitored closely to see whether there is likely to be any impact as the year progresses.

2. Resource Implications

Revenue Budget

- 2.1 Actuals against Budget for the first four months are shown in the attached Annex A. Overall corporately, it is forecast that spending will be on budget at the end of the financial year.

Additional Revenue Budget Carry Forwards for 2019/20

- 2.2 Members approved revenue budget carry forwards as the July Executive. However a number of items were not included as clarification was required on costs for 2018/19. These additional items are now presented for approval and are listed in annex B.

Capital Budget

- 2.3 As at the 31st July 2019, £1.8m had been spent on capital projects. This included £800k on the new Arena project, £353k on property acquisition for the the London Road Block, £260k on renovation grants and £160k on Playgrounds.

Additions to the Capital Programme for 2019/20

- 2.4 Members are asked to recommend to Council the following additions to the capital program for 2019/20:

- a) £16k – Additional module for the Civica Financial system

HMRC procedures around Vat accounting and making tax digital affect local authorities from the 1st October 2019. The Module will ensure that we comply with the legislation. The sum requested also include further implementation costs for the asset management module.

- b) £179k - Renovation grants

An additional grant has been received from the government and so the budget can be increased accordingly.

- c) £35k – ICT Switches

Additional Switches are required following a review of our existing network infrastructure which will provide improved network visibility and the ability to segregate network traffic for different workloads, this will improve both network performance and security.

Treasury Investments

- 2.5 The Council currently has £5.9M in cash investments and £151.6m in borrowings. Based on the advice of our Treasury advisers, £57m is made up of longer term loans from the Public Works Loans Board with the remainder being shorter term loans from the other local authorities.

3. Debtors

Sundry Debts

- 3.1 Sundry debts include all debts except those relating to housing benefits. At the 31st July 2019 these amounted to £4.4m compared with £2.3m for the same period last year. The increase of £2.1m relates mainly to joint waste recharges to the other three partners, Community Infrastructure levy (CIL) payments and property rental invoices all raised in the period. Although the balance of debts has increased this is due to timing of invoices rather than an underlying debt collection issue.

Housing Benefit Debts

- 3.2 These debts arise when an overpayment in housing benefit has been made and thus have to be recovered. At the 31st July 2019 the balance was £538k compared with £562k at the end of the last March 2019. During the last 4 months £130k was collected and £106k of new debts was raised. 24 debtors, or around 9% of the total, account for over half of the debt.

4. Officer Comments

- 4.1 The performance of the first four months has been encouraging however a number of income streams will need to be monitored as the year progresses.

5. Options

- 5.1 Members can accept, reject or amend the proposal.

6. Proposals

- 6.1 It is proposed that the Executive,
- I. NOTE the report;
 - II. RECOMMEND to Council the additions to the 2019/20 capital programme as set out in the report.
 - III. APPROVE the revenue budget carry forwards for 2019/20 as set out in the report.

7. Supporting Information

- 7.1 None

8. Corporate Objectives and Key Priorities

- 8.1 This item addresses the Council's Objective of delivering services efficiently, effectively and economically.

9. Risk Management

9.1 Regular financial monitoring enables risks to be highlighted at an early stage so that mitigating actions can be taken.

BACKGROUND PAPERS	None
AUTHOR/CONTACT DETAILS	Adrian Flynn - Chief Accountant Adrian.Flynn@surreyheath.gov.uk
HEAD OF SERVICE	Kelvin Menon - Executive Head of Finance

Summary Information on the Revenue Budget Position at 31st July 2019

Services are asked to explain significant variances between their profiled budget and actual expenditure to date and comment on areas of concern.

The statements below show the actual position against profiled budget as at the 31st July 2019 excluding pensions, redundancy and asset recharges as these are not in control of the services themselves.

Finance

At the end of the first quarter, there are no issues to report and all areas are on track to meet budget targets at the year end. Interest received is expected to be ahead of the budget forecast at year end, based on the returns received to the 31st July 2019.

Transformation

All budgets are on track to meet their year-end targets except for telephones which is forecasting an overspend relating to both landline and mobile charges.

Corporate

Corporate expenditure budgets are predicted to be on budget at year end.

Business

The vast majority of the expenditure budgets are on track to be on or around budget at year end, but there are a couple of issues that may cause issues as the year progresses.

Car Parking Income below budget at the moment. This is because there are fewer spaces available in the car parks at peak times due to the relining and Ashford House coupled with a decrease in the town centre compared to last year. The town centre working group are currently looking into car parking provision in the town centre including fees and charges.

In respect of the Theatre, sales and room hire income are forecasted to be above budget at year end based on activity so far. Artists fees have exceeded the budget and so may result in an overspend. The theatre is working to ensure that this is managed during the year.

Regulatory

The majority of budgets are forecast to be on track to meet budget targets at year end, planning income is well above budget but is expected that activity may reduce as the year progresses. Housing has also received a large unbudgeted homelessness grant during the period, however it is anticipated that this will be spent by year end.

Legal and Property

As the purchase of Theta did not take place until the year end, the net rental income was not included in the 2019/20 budget. Some of this income will be used to offset increased expenditure in business rates, service charges and planned maintenance costs but will however still generate a surplus at the year end.

Investment & Development

Our town centre investments are on track to meet budget expectations at year end.

Community

All budgets are on track to meet budget targets at year end, other than the variable element of the waste contract which may report an adverse variance of £100k due to issues with Amey around garden waste income. There is a considerable amount of uncertainty with this figure until the dispute has been resolved.

Carry forward Requests

Service	Officer	Value Requested	Reason Requested
Planning	Jenny Rickard	£34,800	This expenditure is principally used to commission evidence base studies for the development of the local plan.
Investment & Development	Karen Whelan	£32,000	External Support to enable the development of the extensive town centre projects and funding identified within the strategic plan.
Investment & Development	Karen Whelan	£32,000	Consultants to support the development of schemes identified within the strategic plan with feasibility studies etc.
Investment & Development	Karen Whelan	£30,000	Ongoing support / Marketing of existing and future commercial opportunities to support SHBC.
Planning Appeals	Jenny Rickard	£12,700	Legal & consultants fees to support the on-going work at Swift Lane. The work needs to follow the correct legal process which is why not all the work was completed in 2018/19.
Counter Fraud	Louise Livingston	£47,000	Balance of DCLG fraud grant.

Economic Development	Louise Livingston	£51,000	Continuance of the Economic development officer's role for 1 year as the team's role has expanded and the manager is working on a part time basis.
Community Development	Louise Livingston	£25,000	Community development assistant role for 1 year to provide resilience and help to launch new schemes & projects.
Transformation	Louise Livingston	£65,000	Summer placement scheme and a one year fixed term post to coordinate the events programme for the town centre and sponsorship packages for the Council.
TOTAL		£329,500	

Preparations for Brexit

Summary

To update members on the potential impact to the Council should the UK should the leave the European Union on the 31st October 2019.

Portfolio - Leader

Date Portfolio Holder signed off report: 7 October 2019

Wards Affected

All

Recommendation

The Executive is advised to RESOLVE that

- (i) preparations that have been made to date be noted;
- (ii) £17,000 of the initial Government Grant be provided to and Citizens Advice Surrey Heath, Hope Hub and Besom; and
- (iii) authority to use the “Brexit grant” be delegated to the Executive Head of Community in consultation with the Portfolio Holder for Environment & Health in order to enable the Council to prepare for Brexit and assist local organisations with the potential impact on residents.

1. Resource Implications

- 1.1 The Government has given each District Council £52,452 in three instalments to deal with the impact of Brexit. £34,968 was received in the current year and £17,484 in the 18/19. This funding can be used not only for costs that the Council may incur but also to support local organisations as appropriate

2. Key Issues

- 2.1 It is the current Government’s stated intention to leave the European Union on the 31st October 2019, with or without a deal. Surrey Heath has been not only assessing the risks which could impact it internally but also working with other Surrey Councils on the wider risks to the community.
- 2.2 In terms of Surrey Heath, the Council’s principle risks fall in to a number of categories as follows:

Staff

The Council employs a number of staff who are from the European Union. Were these staff to leave, this may put some services at risk, at least for a short period. For the last 12 months HR has been working closely with these staff members to ensure that they have registered and hence are able to continue working after the Brexit. The Council also agreed at that time to pay any registration charges that would be incurred. Subsequently the Government removed the charge and HR have met and are continuing to meet with employees who are EU citizens to support them in their applications for the EU settlement scheme.

Meals at Home Supplies

The Council has many vulnerable residents who are dependent on receiving regular meals from the Council's Meals at Home service. This relies on a supply of food from the supplier to enable it to function reliably. The Council has been in discussions with the food supplier to ensure that it holds stocks in reserve to cope with any shortages. At the moment the supplier is holding several weeks' of food to cope with any supply delays as a result of Brexit. Consideration is to be given to the ordering of additional meals stocks in case of supply issues post Brexit, potentially as a result of fuel shortages impacting delivery, an increase of demand of the supplier, or increase to demand locally. However this is difficult due to storage constraints

Data Storage

At the moment data can travel freely between EU member states. If the UK leaves with no deal there may be restrictions in respect of the retrieval of data held outside the UK. The ICT department is working to ensure that the Council's data will remain accessible in the event of a no-deal Brexit.

Fuel

There is a remote possibility of disruption to fuel supplies in the event of a no-deal Brexit, although this is considered to be low risk. The Council has an emergency tank at the depot which is normally used by refuse trucks, but in an emergency can be used by Council Vehicles. The Government has also put in place an emergency system for the supply of fuel only to those vehicles which can be identified as Council vehicles. Measures are being put in place to ensure that Meals at Home vehicles can access these supplies. Access to fuel for Community Transport vehicles is also seen as a secondary priority. Depleted supply would potentially limit the service function, with priority given to transporting residents to access medical appointments etc.

Refuse Collection

If the refuse collection service was interrupted, this could lead to a public health hazard. Joint Waste Solutions has been in discussions

with Amey to understand how the service would be impacted in the event of a no-deal Brexit.

Insurance

Some insurance is underwritten overseas and hence there may be issues in respect of cover in the event of no-deal. The Council's insurance advisors, London Borough of Sutton, has advised it that Brexit will not impact any cover that the Council has in place

- 2.3 The Council's emergency planning advisors, Applied Resilience, have been representing the Council at the Local Resilience Forum (LRF) Brexit planning, which supports the multiagency planning arrangements including managing the possible travel disruption from ports outside of Surrey and coordinating work to support financially vulnerable residents. The Council has also has a mutual aid agreement.
- 2.4 Nearer to 31st October, Surrey Heath will be expected to report into the LRF which in turn will be expected to report into MHCLG. The LRF also has multi agency emergency plans which the Councils can access if a response was required to deal with an emergency.
- 2.5 The LRF is just one route of the Brexit information and reporting. It runs alongside the local authority reporting, which comes straight from MHCLG and the South East representative Becky Shaw (East Sussex County Council).
- 2.6 The Council's emergency planning advisors, Applied Resilience, have been representing the Council at Local the Surrey Brexit Communications Group. The Council has also agreed to provide mutual aid to other Councils that may be impacted by Brexit.
- 2.7 It is not clear what the impact of Brexit will be on local residents. One of the possible impacts could be an increase in food prices and hence this is likely to put pressure on the more vulnerable members of the community. It is therefore proposed that some of the Government funding provided be given to those groups that are best able to support those persons. It is proposed that initially £17,000 of initial funding be provided immediately and divided between Citizens Advice Surrey Heath, Hope Hub and Besom. Further funding may be provided later as it becomes more apparent were the needs are.
- 2.8 This paper only seeks to deal with the immediate impact of a no-deal Brexit. There are likely to be longer term implications, both good and bad, however these are unlikely to become clear until sometime in to the future.

3. Options

- 3.1 The Executive can accept, reject or amend the recommendation.

4. Proposals

- 4.1 The Executive is advised to RESOLVE that
- (i) preparations that have been made to date be noted;
 - (ii) £17,000 of the initial Government Grant be provided to and Citizens Advice Surrey Heath, Hope Hub and Besom; and
 - (iii) authority to use the “Brexit grant” be delegated to the Executive Head of Community in consultation with the Portfolio Holder for Environment & Health in order to enable the Council to prepare for Brexit and assist local organisations with the potential impact on residents.

5. Supporting Information

- 5.1 None

6. Corporate Objectives And Key Priorities

- 6.1 Planning for Brexit supports both People and Place objectives.

7. Risk Management

- 7.1 The Council can only make preparation for the potential impact on its own services. There may be other factors beyond the Council’s control which could impact services and the Council will work to try and mitigate these where possible.

Annexes	None
Background Papers	None
Author/Contact Details	Kelvin Menon Executive Head of Finance
Head of Service	Tim Pashen Executive Head of Community

Appointments to Surrey Leaders' Group Outside Bodies

Summary

The Executive is asked to consider making nominations to vacancies Surrey Leaders' Group outside bodies.

Portfolio: Leader

Date Portfolio Holder signed off report: 2 October 2019

Wards Affected: All

Recommendation

The Executive is advised to make any nominations to the Surrey Leaders' Group Outside Bodies, as listed at Annex A, as considered appropriate.

1. Resource Implications

- 1.1 Under the Members' Allowance Scheme, Members are entitled to claim travelling expenses to meetings of outside bodies for journeys in excess of 3 miles. The only expense relating to these appointments is the payment of travelling allowances, which can be met by the existing budget.

2. Key Issues

- 2.1 Every year, the Council is asked to nominate and make appointments to a number of outside bodies.
- 2.2 The Council has also been invited by the Surrey Leaders' Group, which consists of the eleven districts councils in Surrey and Surrey County Council, to nominate representatives to serve on various outside bodies.
- 2.3 On 28 May 2019 the Executive considered whether to make any nominations to the vacancies on Surrey Leaders' Group Outside Bodies for 2019/20. The Surrey Leaders' Group has since advised that there will be two additional positions to be filled for 2019/20, as shown at Annex A.
- 2.4 Nominations are required by 4 November 2019. A nomination application is attached at Annex B.

3. Options

- 3.1 The Executive has the option to make nominations to the Surrey Leaders' Group for the bodies as set out at Annex A or not to make some or any of the nominations.

4. Proposals

- 4.1 The Executive is asked to consider whether to make any nominations to Surrey Leaders' Group for the bodies as set out at Annex A.

5. Local Government Act 1972 - Approved Duties

- 5.1 The outside bodies referred to at Annex A meet the requirements of the Council's Members Allowances Scheme in respect of approved duties for the payment of travelling expenses.

Annexes	Annex A – list of outside bodies Annex B – nomination form
Background Papers	None
Author/Contact Details	Rachel Whillis – Democratic Services Manager rachel.whillis@surreyheath.gov.uk
Executive Head of Service	Richard Payne - Executive Head of Corporate

Nominations to the Surrey Leaders' Group Outside Bodies

The South East Reserve Forces' and Cadets' Association (3 year appointment)

Deals with the operation requirements of all reserve forces in Surrey. The role of the representative on the County Committee is to provide a point of communication between the Borough and District Councils and their communities and to advise on local matters. The representative has the right to attend meetings and will receive papers. The representative is entitled to speak at meetings.

Meets: Twice a year. June and October/November,

Time: Evening

Venue: Territorial Army Centre, Redhill

The Surrey Civilian Military Partnership Board (3 year appointment) –

N.B. The successful nominee would act as the deputy for Councillor Tom Gracey (Runnymede BC)

This body relates to the Community Covenant for Surrey, a voluntary statement of mutual support between the local civilian community and its local armed forces community. It reviews the work of the signatories of the Surrey Community Covenant and oversees and takes responsibility for the administering of Ministry of Defence Community Grants. The Board has asked for a Borough/District Member nominee to act as a Deputy for Councillor Gracey (Runnymede Borough Council).

Meets: Minimum twice a year, in March and October

Time: 10am to 12noon

Venue: The meetings are held at military bases or Reserve Centres across the County. An annual Conference is held at Pirbright in February.

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Nominations to outside bodies on behalf of Boroughs/Districts

Name of outside body to which nomination is being proposed	
Section 1 – Details of nominee	
Name	
Authority	
Date elected to Borough/District Council	
Date elected to County Council (if applicable)	
Political affiliation	
Address	
Phone number	
Email	
Section 2 – Detail of nomination	
Please confirm that this nomination has been confirmed by the council or its appropriate committee (including the date of the meeting)	

Section 3 – Background and experience

Please give details of any relevant background or experience

Please explain your interest in this position and why you would be suited to fill it (continue on a separate sheet if necessary)

Please use this space to provide any other information you wish to have considered

Exclusion of Press and Public

Recommendation

The Executive is advised to RESOLVE that, under Section 100A(4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the following items of business on the ground that they involve the likely disclosure of exempt information as defined in the paragraphs of Part 1 of Schedule 12A of the Act, as set out below:

<u>Item</u>	<u>Paragraph(s)</u>
14	3
15	3

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By virtue of
Regulation 21(1)(A) of the Local Authorities (Executive
Arrangements) (Access to Information) (England)
Regulations 2000.

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