

Agenda Item 7

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Date	26 September 2017

Ward (s) affected	The Business and Budget Report covers the whole District
Subject	Month 5 (August) – 2017/18 Business and Budget Monitoring

RECOMMENDATIONS

1. That the Executive notes the Council's performance and financial position for the end of August (Month 5) 2017/18
2. That the Executive approves the participation of Mole Valley District Council in the joint bid by Surrey CC and all Surrey Districts and Boroughs for pilot status in the Government scheme to test the new Business Rates reforms

EXECUTIVE SUMMARY

This report provides the Executive with progress made so far in 2017/18 to deliver on our priorities, and provides the financial context. It highlights areas of good performance and, where performance has fallen below the target set, outlines the reasons and the actions taken in response.

The report is set out in seven parts:

- Part 1 - introduction
- Part 2 - performance issues
- Part 3 – financial monitoring – revenue
- Part 4 - financial monitoring – capital
- Part 5 – financial monitoring - conclusion
- Part 6 – strategic risk
- Part 7 – pilot application on the new Business Rates system

There are five appendices:

- Appendix A summarises progress against the corporate strategy priorities

Appendix B summarises progress against the performance indicators

Appendix C sets out the revenue position by business area

Appendix D summarises the progress on capital schemes

Appendix E Strategic Risk Register

The report also proposes that MVDC join Surrey CC and all other Surrey Districts and Boroughs in an application for pilot status on testing the Government's new Business Rates reforms.

CORPORATE PRIORITIES

This report is an update on the Council's progress in implementing the priorities contained in the Corporate Strategy.

The Executive has the authority to determine the recommendations

1.0 INTRODUCTION

1.1 Mole Valley's Corporate Strategy 2015-2019 is framed around three priority outcomes:

- Environment – a highly attractive area with housing that meets local need
- Prosperity – a vibrant local economy with thriving towns and villages
- Community Wellbeing – active communities and support for those who need it.

1.2 This report provides an update on key areas of work and performance indicators which enable MVDC to manage, monitor and report on progress being made to deliver the priorities.

Performance Indicators

1.3 The full list of 21 performance indicators (PIs), and progress being made on these, is given in Appendix B. Four do not have targets as they are indicators which put the other performance indicators into context, such as the overall business rateable value of the district. Confirmed data is awaited for the number of net dwellings completed. At the end of August 2017, of the remaining 17 PIs, performance is assessed as follows:

- PIs on or above target (green): 14 (82.4%)
- PIs slightly off target (amber): 2 (11.8%)
- PIs off target (red): 1 (5.9%)

1.4 Comparing this year's performance with the same period last year, all of the 14 PIs for which we have 2016/17 data have either performed better or stayed at similar levels.

Finance Monitoring

1.5 The projected year-end position on the Council's revenue budget, based on the budget managers' assessments after five months, shows a variation of £498,000 above the budget. This represents around 1% of the Council's gross budget. The projected position on the capital programme shows an adverse variation of £2m against the £79m budget.

2.0 SERVICE DELIVERY

ENVIRONMENT

Protecting and enhancing the natural and built environment

2.1 Site works at Deepdene are largely complete with the repair of the flint steps linking the

gardens to the terrace now finished. Surrey Wildlife Trust is working with the Friends of Deepdene Volunteers to erect a handrail to improve access. Exploratory work into the Second World War tunnels has begun with an asbestos survey to ascertain if public access could be gained at some point in the future.

- 2.2 Deepdene has hosted a number of events over the summer. In June 500 people attended the Shakespeare weekend. In August, expert guide Jim Storage led a family nature walk, a natural history walk and a fully booked evening bat walk at Betchworth Castle. There was also a history detectives trail for children. Income from the summer will go towards ongoing activities. We will be repeating the history detectives trail and the bat walk in October half term.
- 2.3 The Heritage Open Days programme from 7th to 8th September spanned the length and breadth of Mole Valley. As in previous years, the work is undertaken by an excellent volunteer committee with administrative and financial support from MVDC. The events bring together the voluntary sector, the business community and the public sector in a way that fosters a strong sense of community and identity. Heritage Open Days have been able to showcase buildings as diverse as a windmill and a space laboratory. Particularly encouraging this year has been the increased interest from town centre businesses, particularly in Dorking and Bookham. As part of the Heritage Open Days weekend, the museum ran two fully booked guided tours of Deepdene and a special Second World War railway at Deepdene walk. An open day was held on the Sunday at the Hope Mausoleum to celebrate the first anniversary of the Deepdene Trail. In total, the annual programme of events for Heritage Open Days delivered nearly 80 events. These were delivered by a wide range of organisers including schools, private companies, history societies, churches and a range of other voluntary societies.
- 2.4 Preparations are being made to enable the erection of a piece of public art in West Street, Dorking. The work, due to begin later this year, is being designed and fabricated by the Fire and Iron Gallery in Leatherhead. The metal artwork will be a depiction of the journey by William Mullins, former resident of West Street, to the New World on the Mayflower. The art work will be placed in a gap in the street frontage on the south side of West Street and on a route leading to the Waitrose store. Funding is by way of developer contributions. Legal issues surrounding the placement of the work on private land have taken time to be resolved but there is goodwill on the part of all parties to progress the project.
- 2.5 Work has begun to repaint and repair street furniture in the centre of Dorking using developer contributions and funding from SCC. Items such as railings, bollards and cycle stands are being tackled to maintain a positive image of the town centre.
- 2.6 Recent work on delivering the objectives of the River Mole Catchment Management Plan has included preparations for a public event on the river to be held on 24 September (World Rivers Day) to allow the community to talk to and interact with agencies and volunteers involved with the care of the river environment. The Surrey Hills Partnership board has begun a review of its 5-year management plan to deliver initiatives within the Area of Outstanding Natural Beauty.

Local Plan

- 2.7 Following consideration by the Executive in June, the first stage of the public consultation on 'Future Mole Valley: Issues and Options' began on 1 July and ended on 1 September. The consultation made use of social media to reach as wide an audience as possible, using techniques that have been trialled successfully with the Transform Leatherhead consultation, including a dedicated website and introductory video. There was also a full programme of exhibitions and drop in events around the District, and presentations to different organisations. Information was sent to all addresses in Mole Valley during the consultation period. A very good level of response to the consultation was received. Responses will be reported to the Executive at its meeting on 28th November and will inform the second stage of the Future Mole Valley programme.

Affordable housing

- 2.8 Eight affordable homes have been built at Middlemead, Bookham. A further 32 affordable units are on site and very near completion at River Lane, Fetcham, the Photo Me Site, Bookham and the Farthings site (Cleeve Road and Randalls Road), Leatherhead. Phase Two of Middlemead, Bookham, which will provide 25 affordable units, has started on site.
- 2.9 The Affordable Housing Position Statement action plan has been updated and published on the Council's website. The document will be reviewed when DCLG confirms the new definition of affordable homes.
- 2.10 To progress the objective of considering alternative methods of delivering new affordable homes, the Housing and Finance Institute (HFI) was invited to assess the Council's housing delivery by using the Housing Business Ready Model on 14 June 2017. Draft feedback from the HFI has been received and once the final report is agreed it will be presented to Members and appropriate actions taken forward.

Waste and Recycling

- 2.11 The campaign to promote the food waste collection service in its final stage of planning and is due to be launched in October.
- 2.12 Elmbridge BC began their new waste and collection service in June as part of the Joint Waste Collection Contract with Mole Valley, Surrey Heath and Woking Councils. The service commenced in Woking on 11 September. Service delivery in Mole Valley will start in August 2018 for waste collection services and from April 2019 for street cleaning services; an implementation plan is being developed to ensure a seamless transition for residents.
- 2.13 The number of missed bins per 100,000 collections was 41 for April to August 2017. This demonstrates a high level of performance, exceeding the target of 60, and is an improvement on the previous year.

Flooding Preparedness

- 2.14 MVDC has continued active membership of key groups, including the Surrey Local Resilience Forum and attended the Surrey Prepared Community Resilience Workshop in July 2017 run by Surrey County Council.
- 2.15 Together with the Environment Agency and other partners, MVDC continues to support further works on the Rye Brook and Pipp Brook tributaries of the River Mole to reduce the likelihood of flooding. MVDC is also continuing to work with the Environment Agency on a Middle Mole options appraisal for reducing flooding. Once completed, the potential implications for MVDC will be considered.
- 2.16 Flood alleviation is also being considered as part of the Transform Leatherhead proposals.

Environmental Enforcement

- 2.17 Fly tipping enforcement has seen some recent success with the Council's Fraud Investigation Team helping to gather evidence and issue Fixed Penalty Notices (FPNs) for offenders. Since this new way of working was introduced late last year, five FPNs have been issued for fly-tipping offences, with more expected to be issued throughout the year.

Air quality

- 2.18 Local authorities are required to identify any relevant areas where it is considered that

the Government's air quality objectives are or will be exceeded. Early rounds of review and assessment of local air quality management in Mole Valley have concluded that it is not necessary to proceed to detailed assessments for any pollutants of concern in the Mole Valley District or declare any air quality management areas.

- 2.19 MVDC will maintain and review existing monitoring sites throughout the district with a view, where possible, to increasing spatial coverage and understanding.

PROSPERITY

Transform Leatherhead and supporting the market-town culture and economy of Dorking

- 2.20 The scheme to upgrade the paving and landscaping of Church Street in Leatherhead is proceeding on time and on budget. Recent work has centered on the construction of the new footways and parking bays. It is anticipated that the works will be substantially complete by the end of October. A full communications plan is being implemented to keep businesses and residents up to date.
- 2.21 The development strategy report for Claire House and James House was considered by Scrutiny in June and is appears elsewhere on the agenda for this meeting.
- 2.22 There have been high levels of support for the proposed improvements to the Swan Centre. Funding for a Development Strategy and Viability Study, and a number of short-term initiatives, such as improvements to the car park, new toilets, replacement lifts and creating new units, were approved at the Council meeting in July 2017. Improvements to the centre and the car park are high on the list of priorities that respondents to the public consultation want to see for Leatherhead town centre.
- 2.23 The next Transform Leatherhead Public Forum is scheduled for 1st November at the Leatherhead Theatre at 7pm.
- 2.24 The preparation of the Economic Prosperity Strategy is continuing. A well-attended workshop for small and medium sized enterprises was held on 5th July and further workshops are planned for the larger corporate businesses and those working in the rural/tourist economy. It is intended that the new strategy will be considered by Council early in the New Year.

Neighbourhood Development Plans

- 2.25 Examinations have been completed for both Capel and Westcott Neighbourhood Development Plans (NDPs). A report is scheduled for the Council Meeting on 10th October to consider both NDPs, with a view to holding referenda in November. Meetings with Abinger Parish Council and Ockley Parish Council were held in July to discuss the value of NDPs for those parishes.

Development Management

- 2.26 Application processing continues to be the main focus of the Development Management Service given Government targets and customer expectations. There has been a 4.6% increase in submitted applications in 2017 when compared to the corresponding time period in 2016. High levels of performance are being achieved with all Government targets being met or exceeded, resulting in a timely service for customers.
- 2.27 The pre-application advice service is popular with householders and developers and is well used. MVDC has reviewed the way that planning advice is given at reception to ensure an improved and consistent service for customers and also to ensure that staff can focus on application processing.

Rural issues

- 2.28 The Mole Valley Rural Community Strategy was formally launched on 13th July. The

strategy focuses on the issues and challenges facing our rural economy, rural communities and the rural environment and identifies actions to address them. The strategy will help inform the Mole Valley Economic Prosperity Strategy which is currently being developed.

Car Parking

- 2.29 Following the Dorking parking review, changes to the car parking arrangements took effect from Monday 3 July. North Street and West Street car parks have become short stay only car parks. This was in response to feedback from West Street Traders, and initial comments have been positive. 24 free 30-minute parking bays have been implemented in car parks across Dorking to encourage people to 'pop and shop'.

New delivery models

- 2.30 The newly appointed Strategic Partnership Manager for the Environmental Health and Licensing Shared Service started on the 4th of September and newly recruited team members are due to start in October. The new delivery model will provide a more joined up and resilient service that focuses on sharing expertise and best practice and driving forward improvements in customer service.
- 2.31 The Southern Building Control Partnership, comprising the building control services of Tandridge, Reigate and Banstead and Mole Valley, was officially launched to the public on 5 June with a new website (www.southernbcp.co.uk). The vision is for the creation of a modern, resilient commercial service delivering high quality customer focused building control services.

COMMUNITY WELLBEING

Wellbeing and sports

- 2.32 In the first 17 weeks of the Wellbeing Prescription Scheme pilot, 260 patients have been seen for a wide variety of reasons including support with mental and emotional health and wellbeing, weight management, social isolation, falls prevention and financial advice.
- 2.33 Plans are underway to ensure that the inclusive sports programme continues into 2018 and expands to work with new charities and disability organisations. A county-wide project is looking at improving provision of gyms and swimming pools for customers with disabilities.
- 2.34 There were approximately 500 registrations for the free sports sessions on offer this year, with 220 children selected to represent Mole Valley at the Surrey Youth Games weekend at Surrey Sports Park on 17 and 18 June. The weekend was a great success for Mole Valley, achieving gold medals in tennis and squash, a silver medal in badminton and bronze medals in netball, table tennis and swimming. In addition to the team medals there were individual silver and bronze medals in the girls' junior and senior judo.
- 2.35 There are now 41 operational Public Access Defibrillators in Mole Valley. In addition to this we have a further six defibrillators with locations identified waiting for installation to be finalised.
- 2.36 The Heartstart training programme, in partnership with BHF and South East Coast Ambulance Service, has now trained well over 800 residents in emergency first aid, emergency resuscitation (CPR) and the use of defibrillators. Details of future courses are on the Council's website. The focus is now turning to training children and working with secondary schools to train teachers for them to pass this on to their students.
- 2.37 The Walk for Health Scheme continues to grow with two new walks at Box Hill and Headley Heath taking the current number of weekly walks to ten. Full details and timetable are available on the Council's website.
- 2.38 The redevelopment of the Dorking Football Ground at Meadowbank is moving into its

final stages of completion. A range of new facilities will be provided for the community. Completion of construction is due in December and the facilities will open at the end of January 2018.

- 2.39 The work to refurbish the playground at Forty Foot Recreation Ground in Leatherhead has started and work is due to be completed towards the end of October 2017. The relocation of the Kingston Road skate park project has received planning permission and discussions are underway with SCC who lease the car park which is the proposed new location.
- 2.40 The annual Ride London cycling event took place on Sunday 30 July. Residents and businesses on the route received a detailed event leaflet. Officers worked with local businesses to explore ways to promote local businesses on the day and encourage visitors to come and watch the event. In response to these discussions, a 'pop-up' website was set up (www.hellomolevalley.co.uk). The site hosts useful information, such as advising visitors where they can park and key vantage points to watch the day unfold. Businesses were encouraged to promote their business on the site, with the opportunity to promote special event day offers.
- 2.41 Work is underway to create a Destination Management Plan (DMP) for the Surrey Hills. This rural tourism project is called 'Wheels, Feet and Hooves' and is funded by the European Agricultural Fund for Rural Development. It is being delivered on behalf of Mole Valley District Council by Tourism South East and Associates.
- 2.42 The project aims to promote the opportunities for outdoor recreation in Mole Valley's rural areas. It is focusing on cycling, mountain biking, riding and rambling and, takes into consideration the needs of visitors, residents, businesses and the environment. It will explore how to manage the popularity of Mole Valley as a leisure destination as well as capitalise on the opportunities that such popularity brings. The project was officially launched on Thursday 13 July.

Community Safety

- 2.43 MVDC co-ordinates Joint Action Groups (JAGs) which bring together partners including the police, housing associations, local members and residents to address issues within communities. Currently there is one JAG running in the District and we are also working with partner agencies to tackle anti-social behaviour issues in one other area.
- 2.44 The Council also contributes to the Community Incident Action Group (CIAG) which focuses on individuals who are causing a negative impact on the community. MVDC has been using its powers under the Anti-social Behaviour, Crime and Policing Act 2014 along with co-operating with the police and housing associations to tackle anti-social behaviour in our communities. During August one Community Protection Warning Letter and five Community Protection Notices were issued and a breach of a Civil Injunction is being pursued at court.
- 2.45 After a successful Safe Place pilot with Dorking Sports Centre the scheme has now been expanded to four new locations in Dorking (Dorking Halls, MVDC, Citizens Advice Mole Valley and Dorking Christian Centre) and a further four in Leatherhead (Boots, Sainsbury's, Citizens Advice Mole Valley and Leatherhead Leisure Centre). The Safe Place scheme gives vulnerable people a short term 'Safe Place' to go if they are feeling vulnerable or need short term support when out and about in their local town.

Community Transport Review

- 2.46 The recommendations from the Review of Community Transport commissioned in 2016/17 are being taken forward and priority is being given to exploring different pricing structures, the potential for incorporating taxi vouchers as an alternative option where appropriate and actively seeking more engagement with stakeholders and users of the service.

- 2.47 Consideration of the service's bus replacement strategy is underway as is increased involvement with schools transport, especially SEND (Special Educated Needs and Disabilities). In future, the emphasis will be on a more holistic approach to community transport across the District, working with partners to enable a variety of transport options across communities.
- 2.48 The annual survey of the current Community Transport users this year recorded 95% for helpfulness of drivers and 92% for booking staff. Overall 99% of customers were happy with the service and 98% would recommend the service to friends.

Tackling Homelessness

- 2.49 Preventing homelessness is a day to day priority of the Housing Team and, during April and August 2017, 79 households were prevented from becoming homeless, up from 57 for the same period in 2016.
- 2.50 At the end of August 2017, there were 19 homeless households placed in bed and breakfast accommodation. No households with children/expecting a child had been in bed and breakfast accommodation for over six weeks. There has been increased activity with the private rented sector and a number of homeless households will move from bed and breakfast to private rented accommodation during September.
- 2.51 Members of staff have been trained and administrative and software changes are being put in place in preparation for the Homelessness Reduction Bill becoming an Act. Amendments to the Housing Allocation Scheme which are required for implementation of the Act are scheduled to go to the Executive in November.
- 2.52 A request for budget approval for four additional emergency accommodation units will also go to the November Executive.

3.0 Finance Monitoring – Revenue Budget

- 3.1 The Council's revenue budget for 2017/18 is £9,430,000. Appendix C shows how this is allocated across the Council's services. Each of the budget managers has made an assessment of the likely outturn position for their service, based on the expenditure to the end of month 5 (August) and their judgment on the financial prospects for the remainder of the year. In total, a projected overspend of £498,000 is shown. The main items contributing to that overspend are listed below. It represents a variation of 1% against the gross Council budget (the total level of financial activity) of around £40m. The experience in previous years has been that the projection in the early months of the year tends to reduce as the year progresses.
- 3.2 The detailed position for each service is set out at Appendix C. The most significant variations (over £100,000) are listed below.
- **Environmental Services: £273,000 overspend** – substantial savings are projected when MVDC switches to the new joint waste collection contract in 2018, but the Outturn Report for 2016/17 (to Executive, 27 June 2017) highlighted the expected budget pressures in 2017/18 in the final year of the current contract. Some additional budget was added at the beginning of the year but this has proved to be insufficient. The reasons for overspend include:-
 - **contract indexation**, which is based on the rate of RPI inflation in May each year. Inflation peaked in May 2017 at 3.7% which was higher than budgeted.
 - **reduced recycling payments** from Surrey CC. An amount was built into the budget for this, but the reduction is greater than forecast.
 - **53rd week** – every six or seven years a 53rd week, and therefore an extra round of waste collection, occurs. The amount built into the budget for this is insufficient, particularly in light of the factors above.

- **contract management** – the advance contributions towards the shared management arrangements for the new contract are significantly higher than expected. This has added £90,000 to the projection.
- **Planning, Development Management: £209,000 overspend** – difficulties in recruiting experienced staff have persisted in the current year with the consequence that Agency staff continue to be required to process applications at increased cost. It was expected that the position would improve with the Government announcement that fee levels could increase by 20% this year. This would potentially have generated an extra £100,000 income. However, the changes to the legal framework required to implement this increase did not feature on the Government's revised legislative agenda set out in the Queen's Speech following June's election so no increase in fees has been actioned to date.
- **Senior Management Team: £108,000 underspend** – following changes in personnel, the Council's Senior Management Team continues to carry one vacancy at Corporate Head of Service level. Savings also arise from the interim arrangements made to cover the Chief Executive's post between appointments.
- **Property, Asset Management: £105,000 overspend** – the delay in the opening schedule for the new sports and community facilities at Meadowbank, Dorking will reduce the income generated in 2017/18. The latest assessment suggests an opening in January. Pending further analysis and confirmation of dates, the estimate of income for 2017/18 has been reduced by £105,000.

Asset Investment Strategy

- 3.3 The Council approved the Asset Investment Strategy in October 2016 which involves £48.5m capital spend on property assets over the next three years. The objective of the Strategy is, within the next three years, to produce an annual return of £750,000 of increased income to the Council. There is a legal requirement that the purchases are undertaken by companies wholly owned by the Council. MOVA Holdings Ltd and MOVA Property Ltd were set up specifically for this purpose during 2016/17.
- 3.4 The first purchase for the new company was made in April 2017. It is a freehold building occupied by a supermarket in Ystalyfera, near Swansea. The financial details of this purchase, in terms of yield, cost of capital and level of professional fees, were in line with the assumptions underlying the Strategy.
- 3.5 The latest update of the Council's Medium Term Financial Plan was presented to Council on 21st Feb 2017. It set out the planned progress towards the £750,000 target over the three years. A contribution of £190,000 will be made in the first year (2017/18) followed by a further £260,000 in 2018/19 and £300,000 in 2019/20. This produces a total net additional income of £750,000 by the end of 2019/20. The first purchase has generated two thirds of the first year's (2017/18) contribution. Work continues to identify other suitable assets and the completion of one more significant purchase this year is likely to bring the revenue contribution up to the forecast level.
- 3.6 The overall level of income generated is expected to be in line with the Strategy this year. The budget includes amounts to reflect the mechanisms around the wholly-owned Limited Company (MOVA Property Limited) set up to purchase assets and collect income. In the Company's accounts, the income received will be set against charges from those MVDC services spending time on MOVA-related business. These are mainly Property (the Regeneration & Investment Team) but also include support from Legal, Finance and SMT. The budgets for these services include an estimate of the full year's charge. As far as MVDC monitoring is concerned, this mechanism has a neutral impact as the reduced staffing costs through the recharge to MOVA are matched by reduced net income from the company after the recharges have been made.

- 3.7 A review of the Asset Investment Strategy will take place over the next few months. The overall progress of the Strategy and the experience, after one year, of the criteria and assumptions set out in the October 2016 paper, will be assessed and reported.

Transform Leatherhead

- 3.8 The Council approved expenditure of £0.5m on the development of a Master Plan for Leatherhead Town Centre at its meeting of 14 October 2014. This was spent between 2014/15 and 2016/17. It was in addition to the allocated revenue budget for services, so was met from the Council's "reserves" – i.e. those funds set aside by the Council to meet unforeseen expenditure or earmarked for particular future events.
- 3.9 To fund the next stage of Transform Leatherhead, the Council agreed, on 12 July 2016, to the establishment of the Transform Leatherhead Development Reserve of £1m. All allocations from this reserve are agreed by Executive. During 2016/17, £94,000 was agreed and spent on a study to examine the options for a viable redevelopment of Claire House and James House.
- 3.10 Further allocations have been agreed of £30,000 for a study into delivery methods for affordable housing (approved by Council on 21 February 2017 as part of the 2017/18 budget) and £190,000 to commission a development strategy and viability study for the Swan Centre (27 June 2017 Executive). The current revenue budget for 2017/18 for Transform Leatherhead is £220,000, as set out in Appendix C, comprising those two items.

Revenue Budget – summary position

- 3.11 The overall projected position, a £498,000 variance against the revenue budget, is slightly worse than was projected in the Month 3 (end of June) report due to the impact of the delayed opening of Meadowbank.

4 Finance Monitoring - Capital

- 4.1 The current capital programme is set out in Appendix D. Its full value, spanning a number of years and including the Asset Investment Strategy, is £78.7m. Projected costs are £2m above the programme budget.
- 4.2 The programme for 2017/18 includes schemes approved by Council over recent months such as the maintenance and improvement of the housing properties at Church Gardens, Dorking and projects to develop the Swan Centre and Swan Centre Car Park.
- 4.3 The projection for capital spend has increased on the new Dorking Football Ground at Meadowbank. Unavoidable, additional costs are projected relating, firstly, to the discovery of a natural spring which led to adjustment to the overall level of the site and, secondly, the discovery of asbestos deposits which required the clearance of contaminated and hazardous soil at the site. The discovery of this material, during initial excavation works on the site, left the Council with an obligation to rectify the situation through survey, test and removal of the contaminated soil. The precise, final cost is subject to ongoing discussion though the likely outcome is an additional cost in the region of £2m.
- 4.4 As part of the pre-construction "due diligence" assessment, a ground investigation survey was undertaken in order to inform the design of the foundations. A number of bore holes were drilled. Due to the irregular location of the contamination over a large area, the full extent of the contamination was not appreciated at this time. In addition, the re-design of the overall site levels and associated drainage as a result of the discovery of the natural spring meant that considerably more soil needed to be removed than was originally anticipated.

- 4.5 Expenditure undertaken by the wholly-owned company, MOVA Property Ltd, in line with the Asset Investment Strategy, is also included in Appendix D.

5 Finance Monitoring : Conclusion

- 5.1 Although the projected revenue overspend of £498,000 represents a small proportion of the Council's gross budget, it is a substantial and significant figure. It comprises mainly the forecast overspends on Environmental Services (Waste) and Planning (Development Management). In both cases, these were also significantly overspent in the previous year. The Council must consider the prospects for the remainder of this year as well as the position in future years and whether this represents an ongoing shortfall in the overall revenue budget and, if so, how it can be addressed.
- 5.2 For the current year, the position will be closely monitored over the next few months. The normal trend for revenue budget monitoring projections during the year is that the level of projected spend peaks in the early months and gradually reduces over the remainder of the year, largely as staff vacancies arise. There is also the possibility, on Planning, that the Government's delayed enactment of the regulation required to enable fees on planning applications to increase by 20% may come through later in the year and have some beneficial impact.
- 5.3 The Council may decide that remedial action is necessary to bring spending back into line. By the time action is implemented, however, the proportion of the year remaining will make it extremely challenging to identify sufficient savings to reverse the overspend. Alternatively, if the overspend persists, the Council could fall back on its revenue reserves for one-off support. This is the recommended response. The General Fund reserve (the funds set aside by the Council but not earmarked for particular use) stands at £2.2m as at 31st March 2017. The s151 Officer recommendation for the minimum level of General Fund reserve is £1.3m.
- 5.4 For future years, the prospects for the Environmental Services budget are brighter. The Council will join the joint services contract for waste collection from August 2018 and the cost represents a substantial saving, in the region of £1.3m, against the current contract costs. On Development Management, the prospect of further overspend against the current budget beyond 2017/18 (with or without government action on the 20% fee increase) will be examined as part of the formulation of the 2018/19 budget over the coming six months. As is always the case, the aim will be, in the context of the Council's overall new budget, to construct a sustainable budget for Development Management going forward.
- 5.5 Funding for the increased cost of the capital programme must also be considered. The Council's capital expenditure is funded from a mixture of borrowing, receipts and grants, revenue contributions and its own financial reserves. The precise method of funding is determined at the end of each year when the exact expenditure and the resources available are known. On the basis of the Council's current commitments and resources, it is likely that the £2m increase would be funded either from borrowing or from the reserve that the Council retains from accumulated contributions from revenue. The balance on the reserve currently stands at £5.75m.

6 Strategic Risk

- 6.1 The Strategic Risk Register (Appendix E) is owned by the Chief Executive and details Mole Valley District Council's strategic risks. The risk register focuses specifically on the strategic risks that have the potential to significantly destabilise the organisation.
- 6.2 The Register is presented as part of this report to enable MVDC to keep its strategic risks under review and to ensure that appropriate action is being taken to mitigate risks to a tolerable level in the most effective way.

- 6.3 The Strategic Risk Register is reviewed by the Statutory Responsibilities Network on a six-weekly basis and by the Risk Management Group on a bi-monthly basis. Updates to the Register are made as necessary to ensure it remains current.
- 6.4 There are six strategic risks that are being closely and actively managed. The matrix summarises these risks, and shows the risk rating for each after mitigation. Since previously reported to Executive (July 2017) there have been no changes to the Register. Further information for each risk can be found in Appendix E.

IMPACT	Catastrophic 5					
	Major 4		C1b, C1c, C3			
	Moderate 3		C5, C4c			
	Minor 2				C4b	
	Insignificant 1					
		Remote 1	Possible 2	Likely 3	Probable 4	Highly Probable 5
PROBABILITY						

- C1b Funding Streams
- C1c Asset Investment Strategy
- C3 Health and Safety
- C4b IT – hacking
- C4c IT – resilience
- C5 Data Protection/Information Governance

- 6.5 The Executive agrees the risk tolerance level for MVDC every four years. It is set out in the Risk Management Policy that was agreed by Executive in March 2015. The risk tolerance level is the threshold above which the level of risk is not acceptable and requires further action to reduce the risk. The level was agreed to be any risk with a residual score of 15 or above. Currently, all risks are below the risk tolerance level.

7. Business Rates Pilot

- 7.1 On 1 September 2017, the government issued its prospectus inviting local authorities to make applications to become pilots for 100% Business Rates Retention in 2018/19.
- 7.2 This pilot programme will only last for one year – 2018/19 - with the aim of exploring the options for Local Government finance reforms, including promoting sustainability and growth. It is not clear at present what is intended for 2019/20 and beyond except that the pilots will help inform this.
- 7.3 The prospectus seeks applications for areas to form business rates pools, either for a county area, or beyond. If the application is for a whole county area, then all local authorities must be supportive.
- 7.4 Applications are to be received by the Department for Communities and Local Government by 27 October 2017, and it is expected that the decision will be announced as part of the Provisional Local Government Financial Settlement, probably in December 2017.
- 7.5 The initial batch of pilots (in 2017/18) have a “no detriment” clause by which the Government guarantees that no authority will be worse off under the test conditions. The 2018/19 pilots may not have the benefit of this safety net, though the risk of detriment in Surrey is considered low given the Business Rates growth from 2013 to date.

7.6 It is recommended that the Executive approve Mole Valley's participation in the joint application for pilot status with the County Council and the Surrey Districts and Boroughs.

MVDC Corporate Strategy Progress April to August 2017

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
ENVIRONMENT A highly attractive area with housing that meets local needs	Protect and enhance the natural and built environment and ensure our areas of natural beauty are well looked-after	<p>Projects underway on Rye Brook, Pipp Brook and River Mole under Water Framework Directive and as part of the River Mole Catchment Management Plan to raise status of waterbodies in the District to 'Good'.</p> <p>Public art project in West Street, Dorking being progressed.</p> <p>Improvements underway to street furniture in Dorking. Funding for Lower Mole Partnership, Gatwick Greenspace and Surrey Hills secured and programme of works proceeding.</p> <p>Take up of grants under Planning Infrastructure Contribution for projects implemented by parish councils and residents' associations proceeding well.</p> <p>Programme of Heritage Open Days for 7th and 8th September 2017 delivered nearly 80 events.</p> <p>Work on Deepdene continues. Site works largely complete. Programme of events took place over the summer.</p>	Cllr Vivienne Michael	G
	In consultation with the community, develop plans for how land is used in Mole Valley. We will set out proposals for	Preparation for public consultation on Local Plan 'Future Mole Valley: Issues and Options' undertaken May-June. All-member workshop held 10 May; Residents Association	Cllr Duncan Irvine	G

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
	residential, leisure, and commercial development, which balance residents' needs with protection of the Green Belt	and Parish Council briefing held 24-25 May; and housing evidence briefing 19 June. Consultation ran from 1 July to 1 September with dedicated website, introductory video and comprehensive schedule of exhibitions/drop in events and presentations over six week period.		
	Pursue policies that encourage the creation of affordable housing	Eight affordable units provided at Middlemead, Bookham. Number of other schemes at various stages of development. The action plan relating to the Affordable Housing Position Statement (agreed by the Executive in March 2016) has been updated and published on website. To progress the objective of considering alternative methods of delivering new affordable homes the Housing and Finance Institute (HFI) invited to assess the Council's housing delivery by using the Housing Business Ready Model on 14 June 2017.	Cllr Corinna Osborne-Patterson Cllr Duncan Irvine	G
	Support residents and businesses in caring for their local environment by tackling fly-tipping, littering and dog fouling	Environmental Anti-Social Behaviour Strategy approved by the Executive in April 2017. Included action plan to tackle wide range of anti social behaviour, including fly-tipping, dog fouling, noise and bonfire complaints and community anti social behaviour. Five Fixed Penalty notices issued for fly-tipping.	Cllr David Mir	G
	Encourage residents to protect our wider environment by facilitating the recycling and reuse of materials	Textiles collection service promoted in June via bin hangers attached to all bins in the District.	Cllr David Mir	G

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
	Work with other agencies to protect the District from the effects of climate change and environmental pollution, paying particular attention to flooding and air quality	<p>Continued active membership of key groups, including Surrey Local Resilience Forum, Community Resilience Partnership and Surrey Flood Risk Partnership Board. Attended the Surrey Prepared Community Resilience workshop in July run by SCC.</p> <p>MVDC sandbag stocks reviewed and sandbag plan updated.</p> <p>MVDC Emergency Plan, Emergency Assistance Centre Plan and Emergency Control Centre Plan all currently being reviewed and updated.</p> <p>Leatherhead and Fetcham established a flood forum. First meeting held June 2017.</p> <p>Review and assessment process in place to identify any relevant areas where it is considered that the Governments' air quality objectives will be exceeded. Currently, none identified.</p>	Cllr Corinna Osborne-Patterson	G

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
PROSPERITY A vibrant local economy with thriving towns and villages	Continue to drive the transformation of Leatherhead Town Centre and support the market-town culture and economy of Dorking	<p>Church Street, Leatherhead, public realm enhancement works commenced April 2017, due to finish end of October 2017.</p> <p>Funding for Development Strategy and Viability Study for Swan Centre, and for a number of short-term asset management initiatives approved at Council meeting in July 2017.</p> <p>Development strategy report for Claire House and James House considered by Scrutiny in June and being considered by Executive in September.</p> <p>Business Improvement District (BID) for Dorking operational on 1 July; bills for the Levy issued on the 14 July for the first instalment due on 1 August 2017. An Economic Prosperity Strategy is being prepared, with workshops held over the summer.</p>	Cllr Simon Edge	G
	Work with rural communities and businesses to build on their unique strengths and address their challenges, helping them thrive and become more sustainable	<p>Rural Community Strategy launched 13 July. Examinations completed for Capel and Westcott Neighbourhood Development Plans</p> <p>Meeting with Abinger Parish Council to discuss NDP held 6 July.</p> <p>Meeting with Ockley PC to discuss NDP held 20 July. Future Mole Valley: Issues and Options consultation includes option for modest expansion of rural villages to support vibrant and balanced communities</p>	Cllr Corinna Osborne- Patterson Cllr Duncan Irvine	G

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
	Adopt a pro-business outlook across the District, addressing infrastructure needs, in particular parking provision which balances the needs of residents and local businesses	<p>Work on developing a new ten year Economic Prosperity Strategy for Mole Valley continues. Three out of the five planned workshops have taken place (officers, members and small and medium businesses). Work is aimed at producing the new strategy during the early part of 2018.</p> <p>Following Dorking Parking Review, changes to the car parking arrangements took effect from 3 July. North Street and West Street car parks become short stay only car parks. 24 free 30 minutes parking bays implemented encourage people to 'pop and shop'.</p> <p>Contribute funding towards the Dorking Congestion Study which is being led by SCC.</p>	<p>Cllr Simon Edge Cllr David Mir Cllr Duncan Irvine</p>	G
	Look for innovative ways to minimise the cost to taxpayers of Mole Valley District Council whilst protecting services	<p>Shared environmental health service with Tandridge DC, led by MVDC, launched 1 April 2017. New Partnership Manager in post 4 September.</p> <p>Shared building control service (Southern Building Control Partnership) for the east Surrey local authorities led by Tandridge DC launched 5 June 2017.</p> <p>Joint Waste Collection Contract with three other partner authorities completed with an estimated saving of over £1m/year for Mole Valley District Council for the duration of the 10 year contract.</p>	<p>Cllr David Mir Cllr Duncan Irvine Cllr David Mir</p>	G

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
<p style="text-align: center;">COMMUNITY WELLBEING Active communities and support for those who need it</p>	<p>Improve opportunities for residents to live safe and healthy lives</p>	<p>Coordination of Joint Action Group (JAG) to bring together residents, police and housing associations to discuss local community issues.</p> <p>Work with partner agencies to tackle anti-social behaviour issues.</p> <p>Contribute to Community Incident Action Group (CIAG) which focusses on individuals causing negative impact on the community.</p> <p>One Community Protection Warning and six Community Protection Notices issued in August.</p> <p>Consultation on a Public Space Protection Order (PSPO) for Meadowbank recreation area in Dorking launched.</p> <p>This consultation will be asking for residents' views on the imposition of restrictions over anti-social drinking and drug use in the area, as well as dog fouling.</p> <p>Safe Place Scheme piloted at Dorking Sports Centre extended to four additional locations in Dorking and four in Leatherhead.</p> <p>Meadowbank Football ground construction underway. Regular discussions taking place with MVDC, Surrey County Football Association and the local football clubs.</p> <p>Refurbishment of Forty Foot playground, Leatherhead underway and due to finish end of October.</p>	<p>Cllr Lucy Botting Cllr Charles Yarwood Cllr Lucy Botting</p>	<p style="text-align: center;">G</p>

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
		<p>Exercise on Referral scheme in place across all GP surgeries in Mole Valley with referrals being made to Dorking Sports Centre and Leatherhead Leisure Centre.</p> <p>41 Public Access Defibrillators installed across the District. Information available on the MVDC Website. Heartstart training continues; approx. 800 residents trained.</p> <p>12 month pilot Wellbeing Prescription Scheme in partnership with Tandridge and Reigate and Banstead went live on the 8th May. Wellbeing Advisor attends four selected medical practices (Medwyn Medical Practice in Dorking, Brockwood Medical Practice in North Holmwood, Ashlea Medical Practice (Linden House) in Leatherhead and Molebridge Medical Practice in Fetcham and North Leatherhead) to assist patients to access wellbeing services. 260 referrals in first 17 weeks.</p>		
	<p>Deliver a programme of inclusive sports and wellbeing activities, increasing participation across all generations and targeting those communities most in need</p>	<p>500 registrations for free sports sessions. 220 children selected to represent Mole Valley at the Surrey Youth Games weekend on 17 and 18 June. Gold medals achieved in tennis and squash, a silver medal in badminton and bronze medals in netball, table tennis and swimming. Individual silver and bronze medals in the girls junior and senior judo.</p> <p>Working in partnership with a number of charities to provide inclusive art activities to tackle social isolation and improve the mental health of the elderly and people with disabilities.</p>	<p>Cllr Lucy Botting</p>	<p>G</p>

Priority	Aim	Summary of key progress to date	Lead Member	Overall Progress
	Foster community spirit, encouraging individuals, families and communities to support each other especially in times of particular need	<p>Engagement with community groups to promote best practice in emergency resilience, building support networks for the vulnerable and supporting those at risk of flooding.</p> <p>Continued active membership of key groups, including Surrey Local Resilience Forum, Community Resilience Partnership and Surrey Flood Risk Partnership Board. Independent review of community transport service completed. Recommendations approved by Executive February 2017.</p>	Cllr Corinna Osborne-Patterson Cllr Lucy Botting	G
	Support individuals and families who find themselves unintentionally homeless, seeking to minimise disruption to education and employment	<p>79 households prevented from becoming homeless during April to August 2017, up from 57 for the same period in 2016.</p> <p>Staff attending training on the Homelessness Reduction Act in preparation of implementation in April 2018. An action plan has been drawn up and will be incorporated into the Homelessness Strategy Action Plan.</p>	Cllr Corinna Osborne-Patterson	G
	Work with cycling and other leisure groups to encourage healthy lifestyles, and responsible enjoyment of our parks, open spaces, countryside and roads.	<p>RideLondon event took place 30 July.</p> <p>Work underway to create a Destination Management Plan (DMP) for the Surrey Hills. The Wheels, Feet and Hooves rural tourism project is funded by the European Agricultural Fund for Rural Development (EAFRD) and delivered on behalf of Mole Valley District Council by Tourism South East and Associates. Officially launched 13 July.</p>	Cllr Corinna Osborne-Patterson	G

APPENDIX B

Performance indicators April – August 2017

	PRIORITY : ENVIRONMENT	August 2016/17	August 2017/18	Current Target Status	2017/18 Target	DoT¹
1a	Housing: net increase in number of dwellings (<i>The net increase in the number of dwellings completed in the period in Mole Valley</i>)	55 ²	N/A ³	N/A	165 ⁴	N/A
1b	Housing: number of affordable homes (<i>a count of the number of affordable homes provided in the year</i>)	0	15	☹	50 ⁵	↑
2	Number of missed bins per 100,000 collections (<i>cumulative year to date figure calculated from the number of reported missed bins divided by the number of properties visited for scheduled collections of refuse and recycling</i>)	53	41	☺	60	↑
3	Percentage of waste sent for recycling, reuse and composting (<i>cumulative year to date figure, calculated by comparing the amount of waste sent for recycling, reuse and composting against the total waste collected</i>)	61.60%	62.61%	☺	60.80% ⁶	↔

	PRIORITY : PROSPERITY	August 2016/17	August 2017/18	Current Target Status	2017/18 Target	DoT
4	Percentage of council tax collected (<i>calculated, as a cumulative year to date figure, from the total council tax payments received compared to the total amounts payable in that year</i>)	49.4%	49.3%	☹	49.7%	↔
5	Percentage of non-domestic rates collected (<i>calculated, as a cumulative year to date figure, from the total business rates payments received compared to the total amounts payable in that year</i>)	52.5%	52.2%	☹	52.5%	↔
6	Overall business rateable value of the district (<i>total rateable value held on the Local Valuation List for Mole Valley in respect of the business properties situated within the Mole Valley area</i>)	£89.1m	£108.18m ⁷	N/A	Context indicator	N/A
7	Cost of services (<i>net cost of services divided by population</i>)	£115.63	£109.53 ⁸	☺	Same or less than previous year	↑

¹ DoT: Direction of Travel compared with same period last year

² Figure provided one month in arrears..

³ Data being compiled. To be included in future report.

⁴ End of year target.

⁵ The end of year target is based on the adopted Core Strategy policy CS4. An average of 150 homes should be provided over a three year period.

⁶ Provisional target based on 1 percentage point increase on 16/17 provisional end of year result.

⁷ A revaluation by the Valuation Office Agency came into effect on 1 April 2017. These revaluations normally happen every 5 years.

⁸ Figure for 2017/18 financial year

	PRIORITY : PROSPERITY	August 2016/17	August 2017/18	Current Target Status	2017/18 Target	DoT
8a	Percentage of major applications processed within the statutory determination period of 13 weeks (<i>cumulative figure over assessment period of the number of applications processed within timescales against total received</i>)	N/A	95.0% ⁹	😊	63%	N/A
8b	Percentage of non-major applications processed within the statutory determination period (<i>cumulative figure over assessment period of the number of applications processed within timescales against total received</i>)	N/A	85.3% ¹⁰	😊	75%	N/A
8c	Percentage of major development decisions overturned on appeal (<i>cumulative figure over assessment period of applications that are subsequently overturned on appeal against total received</i>)	N/A	5.13% ¹¹	😊	8%	N/A
8d	Percentage of non-major development decisions overturned on appeal (<i>cumulative figure over assessment period of applications that are subsequently overturned on appeal against total received</i>)	N/A	1.6 ¹²	😊	8%	N/A

	PRIORITY : COMMUNITY WELLBEING	August 2016/17	August 2017/18	Current Target Status	2017/18 Target	DoT
9	Percentage of Telecare calls answered within 60 seconds (<i>cumulative year to date figure generated from Telecare's call handling system, which automatically records all answering times</i>)	97.8%	98.2%	😊	97.5%	↑
10a	Number of households in temporary Bed & Breakfast accommodation (actual number of all households in temporary Bed & Breakfast at the end of the month)	12	19	N/A	Context indicator	↓
10b	Number of families with children in temporary Bed & Breakfast accommodation for longer than six weeks (<i>actual number of households with children and/or expecting a child in temporary Bed & Breakfast for longer than six weeks at the end of the month</i>)	0	0	😊	0	↔
10c	Number of 16 or 17 year olds in temporary Bed & Breakfast accommodation for longer than six weeks (<i>actual number of 16 or 17 year olds in temporary Bed & Breakfast for longer than six weeks at the end of the month</i>)	0	0	😊	0	↔
11	Housing Advice – Instances of homelessness prevented (<i>cumulative year to date figure of the number of households prevented from becoming homeless, through advice offered by the housing team</i>)	57	79	N/A	Context indicator	N/A
12	Percentage of food businesses with a 'Scores on the door' of 3 or over (<i>This is an 'as is now' figure at the end of each period, which represents the number of business assigned an hygiene rating of 3 or over, by the environmental health team</i>)	96.0%	95.5%	😊	93%	↔

⁹ 38 out of 40 Major Applications processed within 13 weeks between October 2015 and August 2017

¹⁰ 1828 out of 2143 Non-Major applications processed within the statutory determination period.

¹¹ 2 out of 39 major development decisions overturned on appeal

¹² 36 out of 2268 non-major development decisions overturned on appeal

	CUSTOMER SATISFACTION	August 2016/17	August 2017/18	Current Target Status	2017/18 Target	DoT¹³
13a	Community Transport Customer satisfaction <i>(calculated from surveys with customers)</i>	98% ¹⁴	99.0% ¹⁵	😊	98%	↑
13b	Day Centre Customer Satisfaction <i>(calculated from surveys with customers)</i>	97.5% ¹⁶	97.0% ¹⁷	😊	92.5%	↔
13c	Telecare Service – Customer Satisfaction Score following use of alarm service <i>(calculated from surveys with customers)</i>	100%	100%	😊	98.5%	↔

¹³ DoT: Direction of Travel compared with same period last year

¹⁴ Customer satisfaction survey March to May 2016

¹⁵ Customer Satisfaction surveys March to May 2017

¹⁶ Customer Satisfaction survey March to May 2016

¹⁷ Customer Satisfaction surveys March to May 2017

REVENUE BUDGET MONITORING – MONTH 5

		Base Budget 2017/18 £000	Projected Year End Spend (as at August) 2017/18 £000	Projected Variance 2017/18 £000
	<u>COSTS</u>			
Environment & Parking (Executive Member : David Mir)	Waste, Street Care & Sustainability	3,797	4,070	273
	Environmental Health & Licensing	411	460	49
	Car Parking	-1,231	-1,212	19
		2,977	3,318	341
Wellbeing (Lucy Botting)	Parks & Open Spaces	445	424	-21
	Community Support Services	179	264	85
	Community Safety & Wellbeing	-194	-249	-55
		430	439	9
Communities, Services & Housing (Corinna Osborne-Patterson)	Benefits Administration Team	429	434	5
	Benefits - paid and recovered	-45	-69	-24
	CSU & Communications	641	619	-22
	Housing	601	549	-52
	Cycling	15	15	0
		1,641	1,548	-93
Assets & Investments (Charles Yarwood)	Dorling Halls	148	163	15
	Property : Asset Management	-1,769	-1,664	105
	Property : Regeneration & Investment Team	123	123	0
	<u>Asset Investment Strategy</u>			
	- income	-700	-700	0
	- expenditure	510	510	0
	- recharges to MOVA	311	311	0
		-1,377	-1,257	120
Planning (Duncan Irvine)	Building Control	-76	-76	0
	Development Management	399	608	209
	Planning Policy	461	469	8
	Planning Support	232	199	-33
		1,016	1,200	184
Finance & Corporate Services (Matin Huseyin)	Strategic Management Team	318	210	-108
	Financial Services	472	472	0
	Corporate Costs	678	668	-10
	Revenues & Exchequer	364	431	67
	ICT	922	947	25
	Human Resources	346	319	-27
	Democratic Services	935	877	-58
	Legal	197	216	19
	Policy & Performance	122	114	-8
	Strategic Leadership Team	265	284	19
		4,619	4,538	-81
Economic Development & Transform Leatherhead (Simon Edge)	Economic Development	124	142	18
	Transform Leatherhead : 2017/18 allocation	220	220	0
	Transfer from Transform Leatherhead Reserve	-220	-220	0
		124	142	18
	TOTAL SERVICE COSTS / NET REVENUE BUDGET	9,430	9,928	498

APPENDIX D

CAPITAL PROGRAMME MONITORING – MONTH 5

	Capital Programme 2017/18 £000	Latest Projected Cost 2017/18 £000	Variation 2017/18 £000
MAJOR PROJECTS			
<u>CAPITAL PROJECTS</u>			
Swan Centre Leatherhead			
- purchase of lease	8,619	8,619	-
- car park refurbishment	330	330	-
- development of Centre	885	885	-
Pippbrook HQ refurbishment	4,587	4,612	25
Meadowbank, Dorking - regeneration			
- original scheme	6,502	6,502	-
- unforeseen ground conditions	-	2,000	2,000
Housing - Emergency Accommodation (phase 1 & 2)	1,700	1,700	-
Deepdene Trail (HLF funded)	929	929	-
Church Gardens Refurbishment	260	260	-
Leatherhead Youth Football Club	942	942	-
Leatherhead High Street (Developer Contributions)	696	696	-
Carbon Reduction Project	124	124	-
<u>CAPITAL BLOCK SUMS</u>			
Disability Adaptations	665	665	-
Affordable Housing	1,970	1,970	-
Developer Contributions (s106 schemes)	-	-	-
Community Grants (including carry forward)	74	74	-
Playground Refurbishment	87	87	-
Capitalised salaries	229	229	-
Telecare Equipment	151	151	-
Dial-A-Ride Vehicle Replacement	200	200	-
Property Projects	150	150	-
TOTAL MAJOR PROJECTS	29,100	31,125	2,025
MINOR CAPITAL PROJECTS (including carry forward)	1,057	1,057	-
TOTAL MDC CAPITAL PROGRAMME	30,157	32,182	2,025
Asset Investment Strategy	48,530	48,530	-
TOTAL CAPITAL PROGRAMME	78,687	80,712	2,025

MOLE VALLEY DISTRICT COUNCIL Strategic Risk Register

This register details the strategic risks faced by Mole Valley District Council in relation to achieving the priorities as defined in the Corporate Strategy. It also notes the current mitigation action being taken to control these risks. The Register is owned by the Chief Executive.

Corporate Priorities

1. Environment - a highly attractive area with housing that meets local need
2. Prosperity - a vibrant local economy with thriving towns and villages
3. Community wellbeing - active communities and support for those who need it

Summary Matrix – key strategic risks after mitigation

IMPACT	Catastrophic 5					
	Major 4		C1b, C1c, C3			
	Moderate 3		C5, C4c			
	Minor 2				C4b	
	Insignificant 1					
		Remote 1	Possible 2	Likely 3	Probable 4	Highly Probable 5
		PROBABILITY				

C1b Funding Streams
 C1c Asset Investment Strategy
 C3 Health and Safety
 C4b IT – hacking
 C4c IT – resilience
 C5 Data Protection/Information Governance

Mole Valley District Council Strategic Risk Register

Ref	Description of the risk	Inherent risk level (no controls)			Controls in place at MVDC	Risk owner - Member	Risk owner - Officer	Residual risk level (after existing controls)			Movement of Residual Risk ¹⁸
		Probability	Impact	Rating				Probability	Impact	Rating	
C1b	<p>Funding streams If MVDC fails to adequately identify or underestimate the loss of public sector funding streams, this could lead to a lack of financial resilience and a failure to deliver statutory and essential services</p> <p>This risk is informed by a number of factors including:</p> <ul style="list-style-type: none"> Impact of central government policy on funding streams Impact of reduction of funding streams from other public services Additional demand on services 	4	4	16	<ul style="list-style-type: none"> -Annual financial scene setting report to Executive updates assumptions underpinning MTFS - Asset Investment Strategy approved by Executive and in place - Proactive approach to sourcing information on potential funding changes and the financial implications of existing and future government policy changes and other funding sources, including Surrey County Council -4 year efficiency plan in place 	Executive Member (Finance and Corporate Services)	Finance Director (Deputy Chief Executive)	2	4	8	↔
C1c	<p>Asset Investment Strategy If MVDC fails to deliver the Asset Investment Strategy by March 2020 we will not secure adequate funding streams through returns on property investment. This could lead to a lack of financial resilience and a failure to deliver statutory and essential services</p> <p>This risk is informed by a number of factors including:</p> <ul style="list-style-type: none"> Availability of and access to cheap borrowing Increase in property prices due to increased local government interest activity Capacity of the organisation to 	4	4	16	<ul style="list-style-type: none"> -Rigour and due diligence applied through regular review of approach and criteria for investment by Executive -Consideration of alternative forms of property investment -Use of expert consultants -Annual targets set - Regular monitoring by Executive through Business and Budgeting monitoring reports -Active assessment of the market for access to cheap borrowing, such as through the Public Works Loan Board 	Executive Member (Finance and Corporate Services)	Finance Director (Deputy Chief Executive)	2	4	8	↔

¹⁸ Within previous 6 months. This will be first reported in September 2017.

Ref	Description of the risk	Inherent risk level (no controls)			Controls in place at MVDC	Risk owner – Member	Risk owner – Officer	Residual risk level (after existing controls)			Movement of Residual Risk ¹⁸
		Probability	Impact					Probability	Impact		
	deliver <ul style="list-style-type: none"> The need for a dynamic and responsive approach to maximise outcomes 										
C3	<p>Corporate Health and Safety</p> <p>MVDC needs to provide services in a safe manner that protects the health and safety not just of its employees but also members of the public, trainees, contractors and Members.</p> <p>If we fail to have good Health and Safety arrangements in place, this could lead to loss of service and / or preventable accidents to staff or members of public.</p> <p>This risk is informed by a number of factors, including:</p> <ul style="list-style-type: none"> Compliance with Health and Safety at Work Act Civil Duty Moral and Public Duty 	Probability 5	Impact 5	25	<ul style="list-style-type: none"> Corporate Health and Safety Policy, arrangements and procedures in place Regular review of Health and Safety at Staff and Members Consultative Forum Regular reviews of health and safety arrangements by Health and Safety consultant Health and Safety action plan in place Employee induction includes focus on Health and Safety and all employees provided with Health and Safety Guidance Health and Safety risk assessments in place for all service areas Fire risk assessments in place for relevant Council properties Arrangements with partner organisations/contractors to ensure appropriate Health and Safety requirements are in place 	Executive Member (Finance and Corporate Services)	Finance Director (Deputy Chief Executive)	Probability 2	Impact 4	8	↔
C4 b	<p>IT systems</p> <p>b) Risk of hacking All IT systems contain vulnerabilities. Once exposed there is a danger period where systems are particularly vulnerable to attack.</p>	Probability 5	Impact 4	20	<ul style="list-style-type: none"> -IT Security Policy in place and updated regularly -Access to systems and data is strictly controlled and data is held securely in order to ensure it is only available as permitted and not at risk of loss or 	Executive Member (Finance and Corporate Services)	Finance Director (Deputy Chief Executive)	Probability 4	Impact 2	8	↔

Ref	Description of the risk	Inherent risk level (no controls)			Controls in place at MVDC	Risk owner – Member	Risk owner – Officer	Residual risk level (after existing controls)			Movement of Residual Risk ¹⁸
		Probability	Impact					Probability	Impact		
					compromise - Regular testing of the ICT security perimeter of firewalls, monitoring for new vulnerabilities of systems and a cycle of ensuring all system versions are up to date is in place - Regular patching cycle of service infrastructure - Risk assessment on basis on industry knowledge and GovCert of identified threats						
C4c	IT Systems c) Operational Resilience MVDC needs to make sure that its staff and IT systems are available to deliver the services for which it is responsible. If we fail to do this, there could be a major breakdown and disruption of systems that leads to an inability to deliver key services. This risk is informed by a number of factors, including: <ul style="list-style-type: none"> Majority of MVDC staff based at Pippbrook IT systems hosted at Pippbrook 	Probability 4	Impact 4	16	- IT Strategy in place and updated regularly - Automated centralised back-up of data and systems is in place should a systems or data recovery be needed - Improved on-site arrangements for physical environment (e.g. air con) - Alternative working arrangements in place for staff	Executive Member (Finance and Corporate Services)	Finance Director (Deputy Chief Executive)	Probability 2	Impact 3	6	↔
C5	Data Protection/Information Governance MVDC needs to make sure that personal data is secure and that an individual's right to privacy is protected.	Probability 3	Impact 3	9	- Data Protection Policy approved by Council and updated regularly - Data protection training and updates for new and existing	Executive Member (Finance and Corporate Services)	Interim Corporate Head of Service (with responsibility)	Probability 2	Impact 3	6	↔

Ref	Description of the risk	Inherent risk level (no controls)			Controls in place at MVDC	Risk owner – Member	Risk owner – Officer	Residual risk level (after existing controls)			Movement of Residual Risk ¹⁸
	<p>If we fail to effectively act on and embed standards and procedures that enable us to do this, this could lead to a loss of public trust and financial penalties to the organisation.</p> <p>This risk is informed by a number of issues, including:</p> <ul style="list-style-type: none"> • Potential breaches in confidentiality enabling access to confidential data • Loss of data 				<p>staff</p> <ul style="list-style-type: none"> - Member Training on responsibilities under appropriate Code of Conduct for new and existing Members - Certification obtained on disposal of confidential information - Information Asset Register in place - Records Retention Policy in place and implemented - Data sharing protocols in place and implemented 		y for legal services)				