

BOROUGH OF REIGATE AND BANSTEAD

Overview & Scrutiny Committee 6th December 2018

ADDENDUM TO THE AGENDA

AGENDA ITEM 5 : SERVICE AND FINANCIAL PLANNING / BUDGET PROPOSAL FOR 2019/20

The report of the Budget Scrutiny Panel from its meeting on 22nd November 2018 was marked as To Follow; this is now attached to this Addendum to the agenda.

The Committee is requested to consider the report of the Budget Scrutiny Review Panel and make any comments on the Service and Financial Planning (Provisional Budget) for 2019/20, for consideration by the Executive in line with the Council's budget and policy procedure rules.

REPORT OF THE BUDGET SCRUTINY REVIEW PANEL**22nd NOVEMBER 2018****REVIEW OF THE PROVISIONAL BUDGET PROPOSALS 2019/20**

Present: Councillor N. Harrison (Chairman); Councillors T. Archer, J. Essex, J. King, and B. Stead

Also present: Councillor M. Brunt, Leader of the Council; Councillor T. Schofield, Executive Member for Finance; and Councillors R. Ashford, M. Blacker, V. Lewanski, C. Whinney, and J.F. White.

Apologies: Councillors J. Stephenson and G. Curry.

INTRODUCTION

1. The Chairman welcomed Councillor M. Brunt, Leader of the Council; Councillor T. Schofield, Executive Member for Finance; John Jory, Chief Executive; Pat Main, Head of Finance and Assets; and Helen Stocker, Finance Manager
2. The Chairman reminded all present of the Panel's aims, which were to determine whether the Service and Financial Planning proposals for 2019/20 were achievable, realistic, and based on sound financial practices.

BACKGROUND

3. The Panel received the Service & Financial Planning (Provisional Budget) 2019/20 report as approved by the Executive on 8 November 2018 for consultation and containing the following:
 - the Policy Context for 2019/20;
 - the Service Planning 2019/20 proposals;
 - the Medium Term Financial Plan 2019/20 to 2023/24;
 - savings totalling £1.229m and growth totalling £2.620m, providing net growth of £1.391m.
4. Ahead of the meeting, the Panel had also received the Five Year Plan Performance Report 2017/18, Provisional Outturn Report 2017/18, Q2 Forecast Summary 2018/19, Movements between the 2018/19 Budget and Draft 2019/20 Budget, 2017/18, 2018/19 and 2019/20 Draft Budget Comparison, and changes in Salary Budget and Staffing over time.
5. Members of the Panel had submitted a total of 137 advance questions, which had been grouped according to the document to which they referred. It was noted that some of the questions referenced overlapping topics, and that

some additional documents had been provided to support responses. The responses to these questions had been circulated in advance and are set out at Annex 1.

6. The Panel reviewed the responses to the advance questions received and the Leader, Executive Member for Finance, and attendant officers provided further information in response to supplementary questions and additional points of discussion. These are set out in Annex 2.

TIMETABLE

7. It was noted that the recommendations of the Panel would be reported to the Overview and Scrutiny Committee on 6 December 2018, with recommendations as agreed by the Committee subsequently reported to the Executive on 10 January 2019. Final budget proposals were due to be considered by the Executive on 24 January 2019, and by Full Council on 7 February 2019.

CONCLUSIONS

8. The Panel thanked the Executive Member for Finance, the Chief Executive and Officers for their work to prepare the Service and Financial Planning report, and thanked Officers for their work in preparing the responses to the advance questions. These responses together with the clarifications and further explanations provided through the supplementary questions thoroughly tested the budget assumptions and risks and gave the Panel a sound basis to reach its conclusions.
9. The Panel noted that there remained a number of forthcoming key financial management items to be considered by Committees and Members, including the Capital Programme, the Treasury Management Strategy, a new Investment Strategy and a new Corporate Plan. The Panel's view was that these were significant documents and should be finalised before drawing a conclusion on the development of a sustainable budget in the medium term beyond 2019-20.
10. The Panel noted that the Council had substantial revenue reserves at this time, including £12.5m in the General Fund, and they were content with the use of £1.46m of reserves to support the proposed budget for 2019-20. However, this should be a short term measure to address the external financial pressures faced by the Council, and the Panel supported steps to obtain additional sustainable funding.
11. The Panel supported the inclusion of ongoing costs, amounting to £1.079m previously funded through the Corporate Plan Delivery Fund (CPDF), being transferred into the revenue budget. It was noted that the CPDF would continue to provide funding to support the implementation of the Council's

Corporate Plan, but that any matters funded in this way would have clear durations, and would continue to be clearly reported.

12. The Panel noted that there continued to be a risk of increased budgetary pressure as a result of cuts to funding by Surrey County Council, both directly and as a result of the impact upon partner organisations. No reductions in funding/grants or additional burdens had been factored in at this stage. Grants for 2018-19 were expected to be: Waste & Recycling £603k; Head of Place Delivery £39k; Supporting Families £292k (the latter mainly funded by government grant).
13. The Panel noted that there was a future risk of increased budgetary pressure from the need to address homelessness, with government monies to support the implementation of the Homelessness Reduction Act only being received for a limited period. The extra cost of this work is estimated as £250k annually on an ongoing basis.
14. The Panel also noted a potential future increase to budgetary pressure resulting from the roll-out of Universal Credit.
15. The Panel also noted that there remained a risk of increased budgetary pressure around waste and refuse collection activities as a result of uncertainty around recycle prices and arrangements with Surrey County Council. Recycle prices are subject to volatility and difficult to forecast; officers confirmed that prices had improved from a previous low point, but that a cautious approach was being taken in developing this budget.
16. The Panel was pleased to note that additional income from property acquisitions amounting to £1.479m had already been secured and would help address the funding pressures faced by the Council.
17. The Panel were informed that it was anticipated that for 2018/19 the Council would receive an estimated £0.5m under the 100% Business Rates Retention (BRR) pilot grant awarded to Surrey authorities as a whole. £200k expenditure has been approved for delivery of a number of initiatives concerning local employers and helping local people find good jobs. The Panel suggested that consideration be given to using some of the additional funding to support the £280k Economic Prosperity budget. Officers confirmed this would be considered. It was further noted that no BRR follow on pilot grant had been included in the 2019/20 budget.
18. The Panel questioned the £0.5m described as "Revenue Resources Released from Budget review" under sustainable funding sources. It was clarified that this was a reduction of a "revenue headroom" budget of £1.050m originally established in the 2012/13 budget report and it could now be released. This was effectively a budget contingency which had been established in that year and which had been carried forward into subsequent years. The Panel asked for further detail on how this headroom budget had changed over the years,

how it had been spent, and how actual expenditure and related budget variances had been reported in quarterly and year end budgetary reports.

19. The Panel were supportive of the creation of an additional post to support the Council's commercial activities. It was noted that future projects were expected to be brought forward following consideration of the feedback from the Commercial Governance working group, and that the Revenue, Benefits and Fraud project and any other future initiatives would be scrutinised appropriately.
20. The Panel was pleased to note the expansion of the Council's worker's scheme and support for additional apprentice posts in proportion to the size of the Council. The valuable contribution of apprentices to the Greenspaces team was noted.
21. The Panel was supportive of the use of in-house posts to carry out activities, where this was more efficient than external arrangements, and supported the Council's base of expertise.
22. The Panel noted the need for Council to invest in appropriate resourcing and skills to support its ambitions, within the limitations of its financial constraints.
23. The Panel was pleased to note that the proposed budget for 2019/20 did not present any scheduled cuts to services and continued to support the Council's ambition to provide high quality services to its residents.
24. Based on the information and explanations provided, and its assessment of the risk factors, the Panel had no significant concerns in the context of the budget for 2019/20. Therefore overall, the Panel concluded that the 2019/20 budget proposals were achievable, realistic and based on sound financial practices and reasonable assumptions. The Panel was mindful of the serious budget challenges that remained in the years to come.
25. The Panel thanked the officers, particularly the Finance team, for their efforts in the preparation of the budget, and in responding to the Advance Questions.

RECOMMENDATIONS

26. The Panel recommended:

- i) **That in response to the Service and Financial Planning (Provisional Budget) 2019/20 report, the following comments be submitted for the consideration of the Executive:**
 - a. **That the Overview and Scrutiny Committee thanks the Executive Member for Finance, Executive and Officers for preparing balanced budget proposals for 2019/20;**

- b. That the Overview and Scrutiny Committee considers the following to be achievable, realistic and based on sound financial practices and reasonable assumptions:**
 - i. The provisional budget proposals for 2019/20**
 - ii. Savings proposals totalling £1.229m**
 - iii. Growth proposals totalling £2.620m**
- c. That the Overview and Scrutiny Committee considers the potential impact of the savings and growth proposals on service delivery to be minimal;**
- ii) that the Overview and Scrutiny Committee considers that future budget papers should set out the amount of any budgetary contingency or headroom included in the budget, that quarterly and year end budget monitoring arrangements should report on the use of such contingency, and that any under or overspend should be reported in the year-end report.**

The meeting closed at 8.19 p.m.

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BUDGET SCRUTINY PANEL**22 NOVEMBER 2018****ADVANCE QUESTIONS**

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SUMMARY

No.	Question	Doc Ref
1	Corporate Plan Delivery Fund	
	I welcome the transfer of staff from CPDF to the Revenue Budget and the general impression that reserves are being utilised and reduced wherever appropriate	
2	Executive & Corporate	
	How will savings be made in procurement?	Exec 7 Annex 2 P7
	The service will continue to ensure that value for money is considered during procurement activity throughout the Council, balancing cost, quality and wider community benefit.	
3	Web and Information	
	Has any provision been made in the budget for the proposed Records Management post?	Exec 7 Annex 2 P12
	No. The structure and remuneration of this post was still undecided at budget-setting time and remains to be decided.	
4	Family Support	
	How long is the Syrian Vulnerable Persons Resettlement Scheme expected to continue	Exec 7 Annex 2 P13
	The Scheme continues for 5 years after the arrival of the last family. The deadline for arrival of new families under the scheme is officially 'at the end of Parliament'.	
5	Housing services	
	No change in the budget appears to be planned but this is a significant risk area. What further emergency accommodation is in the pipeline and would any additional revenue costs be taken to CPDF?	Exec 7 Annex 2 P14
	Extra Government funding ring-fenced for homelessness is being used to implement the new Homeless Reduction Act 2017. This avoids the need for revenue growth in 2019/20. A growth bid is currently anticipated for 2020/21.	
6	Revenues, Benefits and Fraud	
	What is the likely timescale for the implementation of the LATC and what additional benefits would that have?	Exec 7 Annex 2 P15
	The business case for the Local Authority Trading Company (LATC) is expected to be drafted in early 2019 for Executive approval. Whilst at present the Council can trade using powers under the Localism Act 2011, a LATC will allow the Council more freedom to	

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	trade commercially. The LATC will also be able to trade with private companies more effectively and have fewer restrictions around procurement.	
7	Building Control	
	Why cannot costs be reduced or income increased to eliminate the need for a budget increase?	Exec 7 Annex 2 P20
	Staffing costs have been reduced by the Southern Building Control Partnership over the past year through ceasing employment of contracting staff and freezing vacant posts. Income has also been increased through a fee increase and competitive bidding for more lucrative contracts. The Inter-Authority Agreement is also intended to be renegotiated in RBBC's favour. The forecast deficit is therefore substantially less than 2017/18 and it is intended that the deficit will continue to reduce year on year as the company becomes more established.	
8	Community Safety	
	A contingency is proposed for DHR – is this the £15k in BSP5?	Exec 7 Annex 2 P21/22
	A Domestic Homicide Review (DHR) is a statutory review under the Domestic Violence, Crime and Victims Act 2004 which is conducted following the death of a person over the age of 16 as a result of violence, abuse or neglect by a member of the same household, or a person to whom they were related or with whom they were or had been in an intimate personal relationship. A DHR is conducted by the Community Safety Partnership in which the victim normally resided. As such it is not possible to predict when a DHR may need to be carried out; therefore the contingency will only be spent in the event that a domestic homicide occurs but it will not be spent if this eventuality does not arise. The amount of the contingency is based on the average cost of DHRs in the Borough to date.	
9	Environmental Health and Licensing	
	How has the £68.1k budget reduction been achieved?	Exec 7 Annex 2 P23/23 &24
	Savings from the Leisure Centre Contract, through increased income fees and a reduced contract management fee payable to Staywell (community centres) have resulted in cost savings in Environmental Health, Licensing and Health and Wellbeing.	
10	Waste and Recycling	
	The £110k for new crew and reinstatement of flats recycling officer post appears to be split £14k base and £96k CPDF. Is the officer post in CPDF?	Exec 7 Annex 2 P31
	Is any additional income budgeted for Trade Customers?	
	The officer post is temporary and therefore appears as a CPDF cost. The growth in base budget reflects increased expenditure in communications and administration as well as replacement bin deliveries and site signage; this will be an ongoing commitment. There is no extra income included for trade Customers	

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11	Property and Facilities	
	<p>There is no mention in the words of Acquisition consultancy (£65k) is this anticipated to be long term or in advance of a permanent appointment? What is the Beech House tenant incentive scheme and why is it necessary?</p> <p>This consultancy budget is not specifically for acquisition work but for consultant fees relating to ad-hoc professional advice required during the year in respect of a range of property matters including development feasibility work (e.g. architects' fees), lease advisory work and agent letting fees.</p> <p>The existing lease of Beech House ends in December 2019. We are in negotiations with the tenant for a new tenancy. Whether terms are agreed with the existing tenant or the property is re-marketed and a new tenant found, an incentive by way of a rent-free period will have to be granted. In 2019/20 this will equate to one quarter's rent at the current rental value. It may be necessary to grant a longer rent-free period than three months; if so, this will be reflected in the 2020/21 budget forecast. Any allowance for fit-out costs would normally be taken into account in a rent-free period.</p>	Exec 7 Annex 2 P33
12	Waste & recycling	
	<p>How prudent is the expected reduction in recycle income of £93k? What's been the reduction this year?</p> <p>This reflects an agreed reduction in 2019/20 in the recycling credits received from Surrey County Council. This agreement was reached as part of negotiations to assist SCC in closing its forecast budget deficit. Therefore it is an accurate figure. The reduction for 2018/19 was £508K.</p>	BSP1, para 15
13	Parking	
	<p>Increased income from off-street parking is expected. How much and what will this mean for parking prices in our car parks? The car parking budget this year is already overspent- why is this and why will this change next year to generate increased revenue?</p> <p>It is anticipated that there will be an increase in parking fees in 2019/20 - prices have not been increased in the last 2 years. The final decision is likely to be as a result of the annual review of parking policy, both on and off street, in January 2019.</p> <p>The most recent parking forecast for 2018/19 does not predict an overspend.</p>	BSP1, Para 16
14	Gross Budget	
	What is the gross budget for 2018/19 and how does this compare to 2017/18 and 2016/17 out-turn figures. Please provide a full breakdown to the same level as detail as provided for the net budget, showing total income and total expenditure in each	

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	<p>directorate.</p> <p>See BSP07 Q2 Forecast and BSP09 17/-18 to 19/20 Comparison. Due to internal restructuring the outturn for 2016/17 is not available in the same format.</p>	
15	Climate and Environment	
	<p>This autumn there will be a global meeting in Poland to review and increase targets for greenhouse gas emissions reduction. This autumn the International Panel on Climate Change's Special Report (October 2018) noted that we have 12 years to 'transform our societies and systems to limit global warming to 1.5°C and ensuring equity and wellbeing for human populations and ecosystems'. This requires leadership and action to be led at a local as well as a national level. Please provide details of the new actions proposed next year and FTE assigned for work in this area by the council. Please indicate the level of Bike-It funding provided in 2019/20.</p> <p>The Council has previously committed to undertake activities to reduce carbon emissions and tackle climate change. This includes energy efficiency measures within our own estate, promoting energy efficiency schemes to local residents and businesses, and improving the efficiency of our fleet operations. These measures will continue to be implemented.</p> <p>The draft Development Management Plan (DMP) includes a dedicated policy on Climate Change. As appropriate, through the DMP Examination process, there will be the scope to update this policy to reflect any changes to wider policy requirements.</p> <p>The Council funds a Sustrans Officer post who works with schools to encourage cycling and sustainable travel (cost is c£29k per annum).</p>	
16	Refuse and Recycling	
	<p>Please confirm that the budget for 19/20 is on the basis that Reigate and Banstead retaining control of collection of doorstep recycling materials, and what budget impact of changes to recycling credits from Surrey CC is assumed in 2019/20.</p> <p>What was the total cost, and cost increase, in costs of dealing with fly tipping this year and what budget for this in 2019/20.</p> <p>It is assumed that recycling will be retained. The agreed budget reduction is £93K. This agreement was reached as part of negotiations to assist Surrey CC in closing its forecast budget deficit. Therefore it is an accurate figure. The reduction for 2018/19 was £508K.</p> <p>Total cost of fly tipping 2016/17 = £31,599 Total cost of fly tipping 2017/18 = £39,657 Cost increase 2017/18 = £8,058</p>	

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17	Housing and Welfare	
17.1	<p>Please indicate how the number in temporary accommodation, emergency accommodation and B&B has changed in the past year, and what change is anticipated in 2019/20 to underpin the no-change in the budget for this area.</p> <p>The number of temporary accommodation units the Council has access to is generally constant at 136 and these are always occupied.</p> <p>Nightly-paid privately-owned B&B is emergency accommodation; the average number of households the Council had in B&B every night for the financial year 2017/18 was 13 (budgeted for 20).</p> <p>The average number per night for the first half of 2018/19 was 19. The Council's own 11-unit emergency accommodation opened in September 2018, improving average from 22 in Q1 to 15 in Q2. It is anticipated that the full year's use of RBBC's own emergency unit will keep B&B spend within budget for 2019/20.</p>	
17.2	<p>Homelessness Reduction Act: Please confirm what the impact of this has been in the past year, when costs will be transferred to the council and what the anticipated budgetary impact to the council at the time is currently estimated to be.</p> <p>The increased staffing and funding of associated projects to help prepare and manage the impact of the Homelessness Reduction Act cost around £360k in year one; it is expected to be around £250k per year ongoing.</p> <p>Currently these extra revenue costs are being funded from time limited Government funding ring-fenced for homelessness, this will run out so the first growth bid is expected to be made for 2020/21 but is not expected to be required for the full amount. Work is ongoing to minimise the amount of growth bid that will be required.</p>	
17.3	<p>The rate of completions of affordable rents has dropped off in the past year. Meanwhile the council has committed to genuinely affordable rents (4 homes approved by Executive in summer 19) going forward.</p> <p>We are currently working on the Housing Strategy and keen to enable more affordable Housing, until the strategy is completed it is too premature to allocate funds.</p>	
17.4	<p>Please confirm what proposed allocation of NHB for this in the coming years.</p> <p>At present there are no plans to allocate New Homes Bonus (NHB) to Housing. At this time, when the Council is in a transition period between reliance on Government Grant and being financially self-sufficient, it is considered more appropriate to spend ring-fenced funds.</p>	

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	As new corporate priorities are established through the new Corporate Plan, consideration will be given to the most financially sound and sustainable way to fund Housing initiatives, which will include consideration of the New Homes Bonus.	
18	<p>Local Authority Trading Companies.</p> <p>What is the proposed budget and activities for council's Local Authority Trading Companies in 2019/20. Please provide a breakdown of income and expenditure anticipated by both the Local Authority owned property company.</p> <p>The development of the Horley Business Park project was previously allocated £400k in the capital budget. Please provide a breakdown of the amount of this money that has already now been spent and the amount of budget either direct or via the council owned property company that is anticipated for this project in the coming year.</p> <p>The trading companies set their own budgets and publish annual accounts. The Council's support for the companies is through its investments and recharges.</p> <p>Income due to the Council from the companies is forecast to be: Greensand - £109,170 for dividends and £36k for support services that are provided to the company by the Council Horley - £69,649 for interest accrued on Council loans. There are no support service charges.</p> <p>There are no current capital programme schemes relating to Horley Business Park. The Council's support for the companies is made through loans (funded from reserves) and recharged officer time. The Council's loan to Horley Business Park is £552,000 with a further approved loan facility of £230,000 which is available to be drawn down.</p>	
19	<p>Payments to Senior Managers</p> <p>What payments were made to the four senior managers who were released in August? What was the basis for these payments? Who made the decision to this level of payments?</p> <p>One senior manager resigned their post and left RBBC in October with no payment. Payments made to the three senior managers who left RBBC in August totalled £237k. The payment made to each of the individuals was a settlement payment, due to loss of office following the restructure of the senior management team.</p> <p>The payment values were calculated in line with the RBBC redundancy policy and employment law requirements, and comprised of payment in lieu of notice, redundancy pay, and a compensation payment. In each case there was a very clear business case. The final settlement values were approved by the</p>	Forecast Summary 2018/19

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	Chief Executive in line with the scheme of delegation	
20	Parking	
	<p>Most wards have parking problems. Why can't we raise more parking income by giving out more fines?</p> <p>The purpose of parking enforcement is to ensure the free flow of traffic throughout town centres, not to provide a revenue income stream. Efficient parking enforcement discourages parking in contravention of traffic orders and will therefore see incomes received through penalty charge notices decrease.</p>	Service and Financial Planning 2019/20 para 16
21	New Homes Bonus	
	<p>The New Homes Bonus is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. Local authorities are not obliged to use the Bonus funding for housing development.</p> <p>It is an un-ring-fenced grant but it is expected local councils will consult communities about how the money will be spent on projects such as infrastructure, or even council tax discounts for local residents, boosting frontline services like rubbish collection or providing local facilities like swimming pools and leisure centres.</p> <p>We have been told more than once that consideration will be given to how to spend it but it remains unspent.</p> <p>What are we intending to do with this money and when?</p> <p>At this time, when the Council is in a transition period between reliance on Government Grant and being financially self-sufficient, it is considered more appropriate to spend ring-fenced funds such as CIL and section 106 (as opposed to non-ring-fenced funds) on infrastructure.</p> <p>As new corporate priorities are established through the new Corporate Plan, consideration will be given to the most financially-sound and sustainable way to fund these, which will include consideration of the New Homes Bonus.</p>	Medium term Financial Plan 8.4v
22	Results of surveys	
	<p>We report on surveys but the number of respondents is not mentioned. Are the results statistically sound?</p> <p>The main survey used in relation to our Five-Year Plan performance has been our residents survey – run every 6 months from Spring 2016 to Spring 2017. The survey was run by an independent specialist MEL Research. The company was instructed to recruit respondents to match the borough demographic profile and where there were shortfalls in this being achieved, data was weighted appropriately.</p> <p>MEL reported results of each wave of research, and in doing so confirmed the sample was statistically sound and indicated the confidence level applicable to results.</p>	5-year plan performance report 2017/18 para58

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BSP 1 – BUDGET PROPOSAL 2019/20

No.	Question	Doc Ref
1.1	Lack of Climate and Environment Context	
	<p>This context focuses on economic and social issues, but not environmental issues. Please confirm why there is reference, for example, to oil prices but not changes to climate change targets?</p> <p>The environmental impact of new development is recognised in relation to planning in the papers. More generally the 'Context' summary focuses on wider financial considerations and the changing context insofar as this relates to priorities within the Five-Year Plan (which the service and financial planning process seeks to deliver). As the corporate plan is reviewed - and new Council priorities developed - consideration will be given to the wider environmental and environmental sustainability context and the extent to which our new priorities should reflect this.</p>	International, national and subnational context (agenda 7, annex 1)
1.2	Surrey County Council Budget Constraints	
	<p>Please confirm the SCC budget constraints reported in the national and regional context section, and confirm any anticipated direct impacts to RBBC budget for 19/20. In particular what is the anticipated impact and budget allocation with regard to youth provision and children centres.</p> <p>No reductions in funding/grants or additional burdens are factored in, as at this point Surrey CC's budget proposals for 2019/20 are still under consideration and will not be available until the new year.</p> <p>We currently receive direct income from SCC in respect of Waste and Recycling (expected to be £603k in 2018/19), £38.8k for the Head of Place Delivery and £292k (in 2018/19) Supporting Families activities but have no indication as to the extent that these income streams may be impacted in future years</p>	Service context
1.3	Impact of Changing Business Rates	
	<p>The current expected retained business rates is expected to drop from £2.29m in 2018/19 to £0.83m in 2019/20. Please confirm if this would be affected if the business rate retention from this year in Surrey was to continue until next year, whether this might still happen, and if so when this is likely to be confirmed</p> <p>Business rates are expected to drop from £2.29m in 2018/19 to £0.83m in 2019/20 regardless of whether the Council is part of a pilot in 2019/20.</p> <p>The Business Rate Retention (BRR) pilot in 2018/19 (based on 100% retention of business rates by local government) is expected to deliver an additional £0.5m retained business rates to the Council at the end of 2018/19.</p> <p>The 2019/20 75% BRR pilot (if approved) will deliver additional</p>	Financial context

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No.	Question	Doc Ref
	<p>business rates retention locally but at lower levels than the 2018/19 pilot due to the scheme changing from 100% retention locally to 75%.</p> <p>It is expected that successful applications for the 75% BRR pilot will be announced before or alongside the publication of the provisional Local Government Finance Settlement on 6 December.</p>	
1.4	Table 2 – Budget Gap Summary Table	
	<p>Please provide a list of the posts from the CDPF that are now incorporated into the main revenue budget and a breakdown of the proposed remaining CDPF budget that is proposed to be spent in 19/20.</p> <p>What is the current pay award increase assumed in the budget as it stands? What is the measure used (e.g. RPI, CPI) used to consider what is the fair 'cost of living' increase for staff pay? What does this amount to in total?</p> <p>For details of the CPDF posts that are now incorporated into the main revenue budget, please refer to Schedule BSP5 (Budget Growth 2019/20). Also refer to additional information provided: "CPDF Posts".</p> <p>The proposed spend to be taken from CPDF in 2019/20 is detailed on BSP05. In summary it is; £96k for recycling waste from flats £18k to part fund a Development Surveyor and train them.</p> <p>The Cost of Living pay award increase percentage for 2019/20 is proposed to be 2%; the same as 2018/19. It is subject to negotiation and approval. The total value is £258,200.</p>	Financial context
1.5	Welfare, Universal Credit and Council Tax Reduction Scheme	
	<p>Please confirm the proposed date for roll-out of Universal Credit to Reigate and Banstead, and how the cost impacts (both in preparatory/preventative work) and estimated council budgetary impact associated with its implementation.</p> <p>Please confirm in light of this what assessment has been carried out as to the adequacy of the Local council tax support scheme proposed for 2019/20.</p> <p>The full service for Universal Credit started in our area on 24/10/18. This affects new claims and where there are certain types of change to an existing claimant's benefits; certain groups of claimant will continue to claim Housing Benefit and not Universal Credit. The large-scale managed migration of existing Housing Benefit claims has been delayed until at least November 2020.</p> <p>The DWP has provided some new burdens funding to local authorities to help support the implementation and support people who need personal budgeting support and digital support, although</p>	Financial context

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No.	Question	Doc Ref
	<p>from 2019 this support will be provided by the Citizens Advice Bureaux under a national agreement. The Council has recently employed two debt advisors, but they are not exclusively linked to Universal Credit or people receiving Universal Credit.</p> <p>The local Council Tax Reduction scheme and procedures are already in place to deal with the income people receive from Universal Credit, as a small number of people have already been receiving Universal Credit prior to the October 2018 start date.</p>	
1.6	EQUALITIES IMPLICATIONS	
	<p>What is the full-time-equivalent staffing impact of the proposed Customer contact team savings.</p> <p>What is the FTE of the proposed licensing and regulation budget rightsizing.</p> <p>Please provide the number of posts that are vacant, and which of these are proposed to be deleted in the current budget.</p> <p>There is a net 2.0 FTE reduction in customer contact staff, resulting from the budget being 'rightsized' to reflect the actual number of FTE required throughout the year. This included reviewing the Customer Contact team structure and design of roles, and resourcing staffing needs more efficiently (e.g. recruiting fixed-term staff during peak periods).</p> <p>There are two Advisor Posts vacant that are to be deleted; refs 3112 and 5237.</p>	Financial context
1.7	Overall Budget	
	<p>It is stated that the "Council is in a strong position to respond, having planned for this decline" (in business rates receipts). Is this not overstating the case as we are having to use reserves of £1.5m and we are not fully confident in £1m of property investment income?</p> <p>No. The report explains that in anticipation of the loss of business rates receipts, the Council has in previous years, established ring-fenced reserves to respond to just this challenge. We are now able to call on these reserves during this transition period (as highlighted in Table 2 of BSP1) – rather than the General Fund Reserve.</p>	BSP1 Executive Summary Page 6
1.8	Overall Budget	
	<p>Is it not overstating the case to say that "we will be able to manage our budget challenge without compromising our financial sustainability in this <i>or future years</i>" (emphasis added)? We are using one-off funding from reserves of £1.5m and with the loss of the remaining £0.8m of business rates next year, our general reserves could be down to the minimum level in a further 3 years.</p> <p>The statement referred to, must be read in the context of the Council's financial position in the round, not just in relation to general reserves. For example, it takes into account likely future</p>	BSP1 Executive Summary Page 6

Annex 1.1 - Advance Questions and Responses

No.	Question	Doc Ref
	<p>income streams as well as other available reserves.</p> <p>As a result of prior financial planning decisions the Council is in a position of flexibility regarding how additional income streams are to be sourced, while at the same time holding £63m of useable reserves, as reported in the 2017/18 statement of accounts, including £34m of revenue reserves.</p> <p>The Council will be considering new investment opportunities, as well as reviewing existing assets, with a view to accelerating the performance of its portfolio.</p>	
1.9	Surrey County Council	
	<p>What reductions in funding/grants and additional burdens transferred from Surrey CC are factored into this budget (budget area and £ amount)? Given that the County's budget and transformation plans have yet to be finalised, what are our budget risks (budget area and £ amount)?</p> <p>No other reductions in funding/grants or additional burdens are factored into the 2019/20 budget; at this point Surrey CC's budget proposals are still under consideration and will not be available until the new year.</p> <p>We currently receive direct income from SCC in respect of Waste and Recycling (expected to be £603k in 2018/19), £38.8k for the Head of Place Delivery and £292k (in 2018/19) for Supporting Families activities but have no indication yet as to the extent that these income streams may be impacted in future years.</p> <p>Heads of Service are actively monitoring Surrey County Council's consultation on their transformation proposals. Service by service the indirect aspects (the most significant aspects) of SCC changes will be considered once the risks and opportunities are understood.</p>	BSP1 Page 8 Para 9 & 10
1.10	Business Rates	
	<p>With the nationally recognised decline of the high street, and departure of major employers (eg Legal and General), are there any risks to our business rates income this year or next?</p> <p>By their nature, failures in the High Street are unpredictable and we currently have no information to suggest that there are any significant local employers at risk either. Despite this, there is growth in retail warehousing that could mitigate loss of income.</p>	BSP1 Page 8 Para 8
1.11	Homelessness	
	Homelessness Reduction Act: What is the level of ring-fenced grant which has been provided? For which two years has it been provided? How is it been used or is planned to be used (staffing, temporary accommodation etc)? How many additional residents do we estimate will be covered by the new act?	BSP1 Page 9 Para 14

Annex 1.1 - Advance Questions and Responses

No.	Question	Doc Ref
	<p>£782k grant is being provided for the 2018/19 & 2019/20 financial years, it is expected to carry a balance over to 2020/21. The grant is being used to increase staff numbers to cover the extra work the Homelessness Reduction Act brings and to assist the funding of other outsourced homeless prevention services.</p> <p>The Homelessness Reduction Act requires councils to improve their offer to all households threatened with homelessness and in many cases doubles the amount of case work and time cases are open to RBBC, hence the need for increased staff resources, not necessarily working with significantly more applicants.</p>	
1.12	Waste & Recycling	
	<p>Isn't the cost of the roll out to flats (£110k) a one-off (£96k shown as coming from CPDF on page 44)?</p> <p>The growth in base budget reflects increased expenditure in communications and administration as well as replacement bin deliveries and site signage; this will be an ongoing commitment and has been built into the base budget.</p>	BSP1 Page 9 Para 15
1.13	Waste & Recycling	
	<p>There is commentary on recyclate prices being relatively high. To provide insight, could the trends of prices/ costs of key materials (paper, plastics and garden waste) over the current year and previous 2 years be provided, together with those used in next year's budget? What would be the budget impact of a 20% drop in prices? How likely is that – as it is understood the Far East is less willing to take plastics for recycling? Please relate to the extra income of £660k for 2017/18 and the forecast for 2018/19.</p> <p>Recyclate prices are volatile, as is the market, and are difficult to predict going into 2019/20. Due to this volatility, the important relationship between our budget and the current prices received is what gives rise to variances. In this, the budget setting process, which takes place many months in advance, is disadvantaged and the accuracy is necessarily degraded. The authority is, in setting this income budget, constantly trying to catch up with real world prices. Below, we have tried to provide data relating to the likely impact of the points raised in the questions.</p> <p>We do not sell the Garden Waste that we collect. Dry mixed recycling (includes plastics) and the processing costs are commercially sensitive.</p> <p>Estimated income 2018/19 = £400k (20% loss of income = £80k)</p> <p>The over recovery of £660k relates to a period of over recovery of paper income against budget, prior to imposition of Chinese import bans.</p>	BSP1 Page 9 Para 15 BSP6 Page 47 Para 8

Annex 1.1 - Advance Questions and Responses

No.	Question	Doc Ref
	<p>Budgeted cost of processing = £70k (20% prices increase = £14k).</p> <p>As mentioned above the market is extremely volatile and impossible to predict. We endeavour to get the best deals available.</p>	
1.14	Parking	
	<p>Why not reduce staffing to reflect the loss of income from Tandridge?</p> <p>Two temporary members of staff were released following the loss of the Tandridge off-street parking enforcement contract.</p>	<p>BSP1 Page 9 Para 16</p>
1.15	Revenue, Benefits and Fraud	
	<p>Have we developed a full business plan for this initiative, with assessment of benefits, costs and risks? Additional net income of £100k is planned, but are more staff needed to deliver this revenue? In the current year an additional £150k in revenue was planned – has that been achieved? What is the profit margin on this revenue?</p> <p>The service is forecasting a margin on current commercial activities, with costs directly associated with this service being carefully monitored to this effect. The level of business activity has evolved since 2016 and as such RBBC have continued to acquire new contracts. Over the last year we have reassessed our price modelling, which not only shows renewed confidence, but also that there are identified areas of work that we now see as more profitable and seek to continually penetrate that market.</p> <p>The team delivering this relatively new service are continually showing and acquiring Council core values and behaviours and continue to benefit RBBC resilience and attitude to commercial work – we see this as a core benefit to our longer-term skills capacity. The RBBC that supports this service has seen this as an opportunity to continue to work strategically, efficiently and collaboratively.</p> <p>Costs associated with this service are variable (attributable to income received) and therefore come with relatively low risks. To grow this service it will no doubt require some investment to develop the team and its structure but this will be factored into our margins.</p> <p>Additional net revenue of £100k is an ambitious target but one that is achievable should the Council continue to secure new contracts. Largest contract values in 2017/18 were circa. £30k, 2018/19 £45k. Next would be for this Council to continue to identify longer term contract opportunities that would generate a yearly stable return.</p>	<p>BSP1 Page 9 Para 17</p>
1.16	Property and Acquisitions	

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No.	Question	Doc Ref
	How certain are we of the additional £519k of property income?	BSP1 Page 9 Para 18
	The £519k income is already being received from existing property investments, the acquisitions of which were made during 2018/19. In addition it is combined with the increased rent from reviews conducted during the year.	
1.17	Property and Acquisitions	
	<p>What level of additional property assets, borrowings, net income (and at what margin before and after MRP allowance) is required to meet the merging budget deficit in future years (beyond 2019/20)?</p> <p>Officers, in consultation with Members, develop the Council's medium term planning options which take into account a number of variables, including: council tax levels, retained business rates, salary changes, budget growth, and budget savings/additional income to be achieved.</p> <p>An important element of these considerations will determining the required level of investment assets, after taking into account how they are funded and forecast income returns.</p> <p>These decisions will be addressed through the Council's Investment Strategy. Work on the Strategy is currently in progress, with support from the Council's treasury management advisors. It will reflect statutory guidance, issued in late 2017 under section 15 of the Local Government Act 2003, and is designed to consider both investments held for treasury management purposes and other investments (such as in property and in commercial companies)</p> <p>The Strategy will reflect the Council's strategic priorities, the external and internal influences on capital planning, available resources and funding options (including borrowing), investment planning, capacity to deliver, affordability, risk and prioritisation.</p> <p>The Strategy will be considered by the Executive in March Full Council in April 2019, alongside the Treasury Management Strategy.</p>	BSP1 Page 9 Para 18 and Page 12 Para 36
1.18	Staff Resources	
	<p>Have proper justifications been prepared for the additional legal, finance and projects and performance teams? Please set out those reasons.</p> <p>Legal: The £95k growth is to align salaries with realistic market levels.</p> <p>Finance: Corporate projects and commercialisation projects will require support from Finance. Where the resource and skills already exist within the Finance team, some demand can be met by continued work on capacity creation within Finance. A growth</p>	BSP1 Page 9 Para 19

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No.	Question	Doc Ref
	<p>bid has been submitted in 2019/20 for a Project Accountant to meet the organisational increasing project demands.</p> <p>Projects & Performance: Two of the posts are already occupied (Programme Management Office officer and Programme Management Office support officer). These are currently funded through CPDF and proposed to be funded through base revenue budget in the future. The Programme Management Office (PMO) has oversight of programmes and projects required to deliver the Corporate Plan and provides non-specialist project management resources to ensure projects are implemented in a timely, efficient effective way.</p> <p>The Executive Officer post is currently vacant. In the past this post has been funded through CPDF and is proposed to be funded through base revenue budget in the future.</p> <p>The Commercial Officer is a new post which will bring a new skill-set to the Council and assist in the delivery of the commercialism agenda and generation of income streams for the Council.</p>	
1.19	Business Rates Pilot	
	<p>How has the additional £500k been used? How much is expected to be available at the end of the year? Can some of the money be used to fund our existing £280k Economic Prosperity budget?</p> <p>Of the additional £500k income expected as part of the 100% Business Rates Retention (BRR) pilot, £200k expenditure has been approved in consultation with Executive for delivery of a number of initiatives, and associated communications campaign, targeted at helping more local people find good local jobs. This will aim to address the recruitment difficulties experienced by local employers and the significant number of local people commuting out of the borough each day for work.</p>	BSP1 Page 10 Para 22
1.20	Commercial Activities	
	<p>What other ideas do we have in mind other than Property Investment and Revenue, Benefits and Fraud services, in order to extend our commercial activities? What range of net income is expected from these additional services? Do we have project plans and timescales developed? (note: in BSP2, para 3.8 it states "we have developed and are continuing to develop a range of commercial ventures") Please provide details.</p> <p>In addition to property investment and Revenues & Benefits, the proposed budget includes increased income from car parking, greenspace events and increased ticket sales at the Harlequin. These are all examples of how taking a more commercial approach to our existing activities can generate income.</p> <p>Other commercial opportunities are being considered. When</p>	BSP1 Pages 10/11 Paras 28/29 BSP2 Page 20 Para 3.8

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No.	Question	Doc Ref
	business cases have been developed these opportunities will be shared with Members, including information about the level of income that they could generate for the Council.	
1.21	Budget Gap Summary Table	
	Property Investment income of £0.96m – please provide detail of this investment, the calculation of net income, and funding. How certain are we of this scheme being completed and what is the timing?	BSP1 Page 11 Table 2
	This is the acquisition of Regent House in Redhill approved by Executive on 19 July 2018. Contracts for the purchase have been exchanged with completion at the end of November. The acquisition will be funded from reserves and the property will produce net income of £960k in 2019/20 onwards.	
1.22	Budget Gap Summary Table	
	Please explain the £0.5m of Revenue Resources Released from Budget Review.	BSP1 Page 11 Table 2
	As reported in the 26 January 2012 Budget report to the Executive, “Headroom” was created within the Revenue budget that could be drawn upon to bridge future funding gaps. See copy report.	
1.23	Budget Gap Summary Table	
	Please confirm that after the allocation of £1m, the Business Rates Equalisation Reserve will be fully depleted? Also, that the Government Funding Reduction Reserve will have a balance of £0.34m remaining?	BSP1 Page 12 Table 2
	Confirmed.	
1.24	CPDF	
	Has a detailed assessment been undertaken of the need for the 19.9 FTE posts being transferred into the base budget? Is it not stretching understanding to say that this transfer will help “to contribute to our long-term financial stability”? Are all the 19.9 posts occupied currently, and by permanent or contract/temporary staff? Will contract/temporary staff be moved to permanent roles?	BSP1 Page 12 Para 34
	Are any posts funded by CPDF being removed or kept for CPDF funding?	
	The 19.9 posts are all permanent posts; the proposals do not require the movement of contract/temporary staff into new permanent roles. 5 of the posts are currently vacant. The service and financial planning process has included an assessment by each Council team as to the staff resources required to deliver that team’s activities. Each post has been reviewed on a case by case basis by Management Team in consultation with the Head of Service and Portfolioholder as part of the service and financial planning process.	

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No.	Question	Doc Ref
	No currently CPDF-funded posts are being deleted. The posts of Flats Recycling Officer, Development Surveyor and Environmental Health Officer will continue to be CPDF-funded as they are fixed-term posts.	
1.25	Council Tax Reduction Scheme	
	<p>How much is budgeted for the Council Tax Reduction Scheme? How is the funding shared between the two councils and the police?</p> <p>The total cost of the Council Tax Reduction Scheme (CTR) for 2018/19 is £7m. Initially, government funding covered 90% of the CTR Scheme costs, however funding for CTR is no longer identified separately and is rolled into formula funding. The funding is split between Surrey CC, the Police and RBBC according to their precepts.</p>	BSP1 Page 13 Para 40
1.26	Risk Management	
	<p>Is the budget for homelessness / bed and breakfast accommodation not seen to be a strategic risk? How do the numbers in B&B in the current year compare to previous years? Is an increase in costs expected with the Homelessness Reduction Act? Please relate to the saving of £242k for 2017/18 and the forecast for 2018/19</p> <p>The increased risk of homelessness due to Welfare Reform and the high cost of housing locally is seen as a strategic risk and is reported on quarterly through the risk register. The average number of households the Council had in B&B every night for the financial year 2017/18 was 13. The average number per night for the first half of 2018/19 was 19.</p> <p>The Council's own 11-unit emergency accommodation opened in September 2018 improving our Q1 average from 22 to 15 in Q2. It is expected that the use of RBBC's own emergency accommodation and will help keep spend within budget in 2018/19. This, part of 'treating' this strategic risk. Use of B&B and therefore costs have increased in the first 6 months of the Homelessness Reduction Act, this will be mitigated by the opening of RBBC's emergency accommodation.</p> <p>Last year's underspend was due to less use, for 2018/19 and ongoing, under the Homelessness Reduction Act applicants spend longer in B&B, this was expected.</p>	BSP1 Page 16 Para 58 BSP6 Page 47 Para 8

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BSP 2 – MEDIUM TERM FINANCIAL PLAN 2019/20 TO 2023/24

No.	Question	Doc Ref
2.1	Corporate Plan	
	<p>The MTFP would normally align with the Corporate Plan. The MTFP is presented from 2019/20 to 2023/24 while the current Corporate plan runs to 2019/20. Please confirm if any service planning changes for the new Corporate Plan are anticipated for the 2019/20 financial year.</p> <p>The purpose of the MTFP is to provide a framework to support planning considerations for the medium term, including the forecast impacts of economic cycles and legislation. Any changes incorporated in the 2019/20 budget will have been agreed through the service and financial planning process.</p>	
2.2	Capital Programme	
	<p>Please provide a full breakdown of the capital programme for 2019/20.</p> <p>The capital programme is currently being developed as part of work currently underway to develop the Investment Strategy. It will be available to share with Members at the start of the new year when work on the Strategy is more advanced.</p>	
2.3	<p>It is noted that 'a comprehensive review of the capital programme is being undertaken'. Please can you confirm when this will be completed and shared with councillors, and what impact, if any, it is likely to have on the budget.</p> <p>The capital programme is being developed as part of work currently underway to develop the Investment Strategy. Work on the Strategy is currently in progress, with support from the Council's treasury management advisors. It will reflect statutory guidance, issued in late 2017 under section 15 of the Local Government Act 2003, and is designed to consider both investments held for treasury management purposes and other investments (such as in property and in commercial companies)</p> <p>The Strategy will reflect the Council's strategic priorities, the external and internal influences on capital planning, available resources and funding options (including borrowing), investment planning, capacity to deliver, affordability, risk and prioritisation.</p> <p>The Strategy will be considered by Executive in march and Full Council in April 2019, alongside the Treasury Management Strategy.</p>	
2.4	<p>The silting up of Frenches Pond is set out in the Services and Financial Planning report. Please confirm when the next silt removal works are programmed to be carried out.</p> <p>The next silt removal works are planned to be undertaken during the 2019/20 financial year, funded within existing capital budgets (rolling</p>	

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	programme).	
2.5	<p>Please provide details of the agreement underpinning the joint funding of the Places Delivery Manager, New Neighbourhoods Manager and Transport Strategy Manager by Surrey County Council. Are these posts related to specific site(s) or future initiatives, if so, what exactly? Does this correspond to the 'SCC funding for regeneration' line item in the income and savings proposals?</p> <p>A secondment agreement for the funding of two posts – the Places Delivery Manager (now the Head of Place Delivery) and the New Neighbourhoods Manager – has been drafted by RBBC lawyers. Surrey County Council's funding for these two posts (£71k) is included in the 2019/20 budget.</p> <p>A separate secondment agreement will be put in place for the Transport Strategy Manager post which will be employed by Surrey County Council and which the Borough Council will contribute 50% of the costs for.</p> <p>The primary focus of the New Neighbourhoods Manager post will be to work with our partners to bring forward the delivery of the Horley Master Plan and the Preston Regeneration Programmes. The focus of the Transport Strategy Manager will be to help bring forward key transport projects that support the Councils' Place agenda.</p> <p>The Places Delivery Manager (now the Head of Place Delivery) will manage the service and the delivery of existing regeneration programmes, as well as other existing and future key Corporate Place projects, such as Marketfield Way and Horley Business Park.</p>	
2.6	<p>Please could you indicate when the fleet renewal of refuse and recycling vehicles is planned and how this will impact the capital budget in this next year and going forward.</p> <p>A report on fleet replacement options is due to be reported to full Council on 13 December 2018. It is planned to replace/refurbish the existing household collection fleet by 2021/22.</p>	
2.7	<p>Please confirm whether the remaining waste blueprint budget is sufficient to roll-out phase 1, phase 2 and phase 3 of the recycling roll-out to flats. If not, what is the additional funding required to complete this?</p> <p>The waste blueprint budget ceased in 2016. Funding for phases 1 & 2 of the flats recycling roll-out was agreed by Executive on 13 September 2018. The remainder of flats considered suitable for kerb side recycling will be taken on service during normal business and within revenue budgets. The 2019/20 budget includes £110k growth to reflect increased expenditure in communications and administration as well as replacement bin deliveries and site signage; this will be an ongoing commitment.</p>	

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2.8	<p>Please confirm what is included in the allotments rolling programme for 2019/20.</p> <p>£4k for upgrades and repairs to the water supplies, including introduction of sub-metering where applicable.</p>	
	Brexit	
2.9	<p>Please provide any details of analysis and assumptions carried out regarding the likely impact of Brexit that council has carried out or received. Has there been any estimation of budgetary impact.</p> <p>The Council's strategic risk register includes risks on economic prosperity (SR6) and property development (SR4) which consider the possible impacts of Brexit on the Council. The strategic risk register is updated each quarter alongside service managers and is reported to Corporate Governance Group and the Overview and Scrutiny Committee in quarters 2 and 4.</p> <p>The Council is continuing to monitor the information and guidance issued by the Government and Local Government Association in order to understand the implications of Brexit on the Council. However to date no significant action has been deemed necessary.</p>	
2.10	<p>Please provide details of any analysis of the potential impact on capital receipts if property prices started to fall, and market commercial rents fell in line with these reductions on the income we receive from our assets that are rented/leased out?</p> <p>The only planned capital receipts at present are in respect of sales of residential property on completed development schemes. Sensitivity analysis is carried out as part of the development appraisal process and options are available to mitigate against changes in the market that occur after development has commenced. This analysis will continue during the construction phase of a project</p> <p>Income from leases is, generally, either fixed or has upward only rent reviews so will not reduce during the term of a lease. Where leases are due for renewal, future rent forecasts will take account of actual changes in the market. The investment purchases that we have made have been in sectors that are performing well and no reductions in rent are forecast in the short term.</p>	
2.11	Reserves	
	<p>Please provide indications of how the following earmarked reserves are planned to be spent either this or next year: New Homes Bonus, Growth Points Reserve, and High Street Innovation Reserve.</p> <p>There are currently no plans to draw from these reserves. At this time, when the Council is in a transition period between reliance on Government Grant and being financially self-sufficient, it is considered more appropriate to spend ring-fenced funds such as</p>	

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	CIL and section 106 (as opposed to non-ring-fenced funds) on infrastructure. As new corporate priorities are established through the new Corporate Plan, consideration will be given to the most financially-sound and sustainable way to fund these, which will include consideration of other reserves.															
2.12	Fees and Charges															
	<p>What changes in fees and charges are planned to be above the rate of inflation?</p> <p>Changes to income budgets are listed in schedule BSP4 (Income and Savings proposals). None of the increases listed relate to above-inflation increases in fees and charges, whilst many include significant volumetric increases. The only exceptions to this are commercial property income where rents are subject to commercial negotiations.</p>	BSP2 Page 20 Para 3.7														
2.13	Fees and Charges															
	<p>What are the proposals for changes in the fees for allotments and the garden waste service? What have been the charges for last year and the current year? How do they compare with neighbouring boroughs?</p> <p><u>Allotment fees for 2017</u> 33.6p/sqm £42.00 for Half plot at 125sqm £84.00 for Full plot at 250sqm</p> <p><u>Allotment fees for 2018</u> 34.4p/sqm £43.00 for Half plot at 125sqm £86.00 for Full plot at 250sqm Equivalent to 82.5p/wk for a half plot and £1.65/wk for a full plot</p> <p><u>2018 Fees Comparison</u></p> <table><tr><td>Runnymede</td><td>73.6p</td></tr><tr><td>Guildford</td><td>65.0p</td></tr><tr><td>Spelthorne</td><td>58.0p</td></tr><tr><td>Waverley</td><td>48.0p</td></tr><tr><td>RBBC</td><td>34.4p</td></tr><tr><td>Mole Valley</td><td>31.2p</td></tr><tr><td>Tandridge</td><td>30.2p</td></tr></table> <p>Allotments in Elmbridge, Epsom & Ewell, Surrey Heath and Woking are not run by District or Borough Councils and are self-managed by local associations or by Parish Councils</p> <p><u>Proposed Allotments fees for 2019</u> 35.2p/sqm £44.00 for Half plot at 125sqm £88.00 for Full plot at 250sqm Representing an increase of c1%pa (fees are inclusive of water provision)</p>	Runnymede	73.6p	Guildford	65.0p	Spelthorne	58.0p	Waverley	48.0p	RBBC	34.4p	Mole Valley	31.2p	Tandridge	30.2p	BSP2 Page 20 Para 3.7
Runnymede	73.6p															
Guildford	65.0p															
Spelthorne	58.0p															
Waverley	48.0p															
RBBC	34.4p															
Mole Valley	31.2p															
Tandridge	30.2p															

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	There are currently no plans to increase the cost of the Garden Waste membership in 2019/20 from £65.00 in 2018/2019 (£60.00 in 2017/2018)	
2.14	NNDR	
	<p>Is 2019/20 the last year we will receive any business rates income?</p> <p>The 2016/17 Local Government Finance Settlement set our funding levels for 4 years. 2019/20 is the final year of this settlement and represents a significant reduction in support through Business Rates retention. Central Government have indicated that this support will be removed. This assumption has long been reflected in our drive to become self-funding.</p>	BSP2 Page 22 Para 6.3
2.15	Investment Income	
	<p>Please set out the income to be derived from loans to each individual subsidiary (total £ amount and margin) for the current and next year. Is any income planned from dividends from subsidiaries?</p> <p><u>Greensand</u> Current Loan £2,269,639 Interest Rate 4.81% Interest due 30/09 and 31/03 each year Interest expected in 2018/19 £109,170 Interest expected 2019/20 (assuming loan unchanged) £109,170</p> <p><u>Horley Business Park Development</u> Current Loan £552,000 Interest Rate 10.0% Interest is compounded to the loan and not paid in cash. Interest expected relating to 2018/19 £62,926 Interest expected relating to 2019/20 £69,649</p> <p>There are no dividends expected.</p>	BSP2 Page 23 Para 6.3
2.16	Business Rates Equalisation Reserve	
	<p>With the Business Rates Equalisation Reserve depleting to zero, do we still have any risk from backdated appeals or major employers leaving the area? How much have we paid out in relation to backdated appeals in the last two years? When we have no business rates retained, does this risk fall on central government?</p> <p>The Business Rates Equalisation Reserve was created in 2012/13 and has remained at a fixed level with the intention of cushioning the reduction in Business Rates support to the Council. There is a separate Business Rate appeals provision which is designed to cover outstanding appeals. This is based on a percentage loss of yield. The appeals provision forms part of the Collection Fund and any financial impacts are split between precepting authorities. The Collection Fund is accounted for separately from other Council resources; with the exception of the annual distribution of any surplus or loss on the Fund, it does not form part of General Fund resources.</p>	BSP2 Page 25 Para 8.4

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	<p><u>Rateable Value Reductions</u> 2016/17 £1,879,000 - total rateable value of £134,628,923 2017/18 £2,496,000 - total rateable value of £134,485,425 These reductions are partially offset by increases in the rateable value of other premises and also by new properties being added to the list. Since 01/04/17 the total rateable value has fallen by £32,089 net, partly due to rising property numbers, which have increased by 247.</p> <p>There is no longer any risk from appeals relating to the list pre-2017 as these have been closed.</p> <p>There is no expectation that Central Government will take on this risk in future.</p>	
2.17	Business Support Scheme	
	<p>Are any claims relating to flood affected business expected? Why not release the funds, and top it back up if need be from the Business Rates Pilot?</p> <p>No claims are expected. Earmarked reserves such as this are held for specific purposes, but may be released under the provisions of the Constitution.</p>	BSP2 Page 25 Para 8.4

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BSP 3 – FIVE YEAR PLAN PERFORMANCE REPORT 2017/18

No.	Question	Doc Ref
3.1	Workers Scheme	
	<p>How many apprenticeships are currently employed by the council, and how is this expected to change over the coming year?</p> <p>At 1 September 2018, we were supporting 14 people undertaking apprenticeship qualifications. This was a combination of both new starters employed under an apprentice contract, and existing employees accessing the apprenticeship levy funding to study an apprenticeship qualification. It is anticipated that the Council will provide at least a further 11 opportunities to undertake apprenticeship qualifications in the next 12 months; again a combination of new starters employed as apprentices, and existing employees undertaking qualifications.</p>	
3.2	Support to Young People	
	<p>Please provide details of incentives currently provided for young people to access youth services, what level of engagement this has resulted in, and how this might change in the future.</p> <p>Please provide details of support to increase youth provision locally noting that the provision by Surrey County Council and the Police has reduced markedly across the borough in the past 2 years.</p> <p>During 2017/18 we gave £6k to YMCA East Surrey to fund the continuation of youth work in the borough. This supported the continuation of this service at a time when other funding stopped, and gave the YMCA time to secure alternative charitable funding sources to enable their detached youth work to continue. We work closely with Surrey Family Services and the YMCA to help them to maintain local youth provision despite the budgetary pressures. Our Community Development Team is identifying project opportunities to engage and support young people in our Community Development areas, and has recently secured external funding for this (linked to sport) in Preston.</p>	
3.3	Community Development Team	
	<p>Please provide details of which areas of the borough are currently covered by the Community Development Team and the rationale for the area-based coverage provided across the borough.</p> <p>Currently we employ Community Development Workers in Merstham, Preston, Redhill and Horley. The team are focussed on the communities within these areas with the greatest needs, as demonstrated by the Index of Multiple Deprivation (IMD). These areas rank highest in our borough in the IMD.</p>	
3.4	Business Support	
	<p>Please provide a list of the businesses financially supported by the Entrepreneurs Academy, Business Support Grants to date.</p> <p>Refer to additional information: "Business Support List"</p>	

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3.5	Public Spaces	
	<p>Please confirm whether completion of the Earlswood Common Management Plan is scheduled to be completed in 2018/19 or 2019/20 and whether sufficient budget is allocated to make this happen.</p> <p>Please confirm the budget for street sweeping and litter picking is for 2019/20 and what change that is from 2018/19.</p> <p>The review and updating of the Earlswood Common Management Plan is scheduled to be assessed as part of the countryside service's broader review of the borough's site management plans, which is due to take place in early 019. The result of the review will inform the priority and scheduling of management plan reviews and updates. Officers anticipate that the review and updating of the Earlswood Common Management Plan will take place in either 2019/20 or 2020/21. No additional budget is expected to be required, as any works will be funded through the annual department budget allocation.</p>	
3.6	Planning	
	<p>The rate of completions of affordable rents has dropped off in the past year. Meanwhile the council has committed to genuinely affordable rents (4 homes approved by Executive in summer 19) going forward. Please confirm what proposed allocation of funding, including from NHB, for this going forward.</p> <p>We are currently working on the Housing Strategy and keen to enable more affordable Housing, until the strategy is completed it is too premature to allocate funds. See Summary Q21.</p>	
3.7	Financially Self-Sufficient	
	<p>Please provide breakdown of income generation from events received/predicted in 2018/19 and what underpins the predicted increase in income in 2019/20.</p> <p>The income generated and expected from events staged in parks & open spaces in 2018/19 is c£40k. An increase is expected in 2019/20 due to a review of event fees & charges and the development of the service to include new events.</p>	
3.8	Apprenticeship Levy	
	<p>How are claims for its use registered in our accounts? Can our use of the levy be increased to offset the £12.9k in the Growth Proposals? Can our own training budget be reduced?</p> <p>The levy funds are not held by RBBC, but in the government Digital Apprenticeship Service Account, a protected fund for RBBC use. It is therefore not relevant to record the funds in RBBC budgets as they are not within our direct control, other than to spend on apprenticeship qualification training courses, under the rules of the scheme. We do however, include a narrative on the number of</p>	BSP3 Page 28 Para 11

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	<p>apprentices and employees who have benefited from qualifications funded by the levy.</p> <p>Under the rules of the Apprenticeship levy, the £12.9k can only be used by RBBC to provide apprenticeship training and assessment, within 2 years from the time when it was collected. Apprenticeship levy funds are closely monitored and managed by the Human Resources team to ensure that the funds are best utilised so that RBBC receives the full benefit of the qualification, training and development opportunities that the funds pay for.</p> <p>The Corporate training budget funds organisation-wide training such as fire safety and first aid, e-learning (available to all employees) and face to face training courses provided by Surrey Learning Partnership.</p> <p>We support our employees attain specialist skills and knowledge to progress their personal and career development. This investment is key in helping us retain high performing employees to deliver the Council's ambitions. The training budget has been set for 2019/20 at this level for these reasons.</p>	
3.9	Family Support Team	
	<p>How is this team funded? Are any changes envisaged in the coming year or beyond?</p> <p>The majority of funding for the team comes from Government, and is administered by Surrey CC. Tandridge and Mole Valley councils also contribute to overall service funding while RBBC provides staff resources and support functions, funded within existing budgets. There are no envisaged changes in 2019/20. Discussions with Surrey CC for plans beyond 2020 are underway.</p>	<p>BSP3 Page 29 Para 13</p>

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BSP 4 – INCOME AND SAVINGS 2019/20

No.	Question	Doc Ref
4.1	Audit Trail of Proposals	
	<p>The Service Planning proposals (exec 8 Nov Item 7 Annex 2) were very welcome, but would like better tracking through to Annex 4 and 5 (the Income and Growth Proposals and also to BSP9 (the Draft Budget summary by responsible officer</p> <p>Service Plans set the detailed proposals for service delivery in the forthcoming year. The Savings and Growth Schedules and the Draft Budget Summary are prepared from the detailed Service Plans. The proposals in the Schedules and Summary are an accurate and up to date reflection of these plans. Consideration will be given to providing additional analyses next year to explain in more detail how the Annexes link together.</p>	Service planning proposals BSP 4,5 and 9
4.2	Democratic Services	
	<p>How have the costs of supporting the mayor changed between 2017/8 estimated 2018/9 and budget 2019/20. What is the subsidy grant to tenants and what is the total cost?</p> <p>Mayor 2017/18 Outturn £130k Mayor 2018/19 Q2 Forecast Outturn £117k Mayor 2019/20 Budget £122k</p> <p>Where RBBC owns the property, subsidy grants to tenants are a reduction in the amount of rent payable by tenants where their operations are of a charitable nature.</p>	Exec 7 Annex 2 P4 BSP4
4.3	Development Management	
	<p>Are pre-application costs covered by charges and what scope is there for increasing the charges? What post could be partly outsourced?</p> <p>Pre-application costs are covered by the charges levied, which currently realise £48k income. The charges were revised recently and are regularly compared to other authorities to ensure they are comparable. These reviews will continue and charges increased if considered reasonable without affecting demand.</p> <p>The out-sourcing of drainage advice has proved cost effective. There are no similar specialisms within the service, other than trees and heritage. Given the volume of work for both of these services, and across the service in general, no posts are considered to have potential for outsourcing which would prove cost-effective whilst maintaining quality of service.</p>	Exec 7 Annex 2 P5 BSP4
4.4	Community Development	
	<p>It is noted that the costs of 4 staff £200k will be transferred from CPDF to the base budget. What is the expected additional income of £15k? And how has the</p>	Exec 7 Annex 2 P16/17

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	reduction in the contract fees been achieved?	BSP 4 /5
	The £15k relates to external funding towards the cost of the Merstham Community Development Worker (CDW) post. This funding is from two separate charitable funders. This has arisen firstly as the Merstham CDW post (which has existed for many years) has always had some degree of external funding and secondly because the CDW spends part of her time supporting the Merstham Community Facilities Trust People's Health Trust-funded work.	
4.5	Harlequin	
	In view of the threats from increased competition is it realistic to budget for a £30k increase in sales?	Exec 7 Annex 2 P17 BSP4
	We are not anticipating a significant increase in local competition during 2019/20; therefore the additional sales figures remain ambitious but realistic. We are working hard to ensure that the refurbishment of the cinema space in 2018/19 positively impacts future results.	
4.6	Greenspaces	
	Could we please have a more detailed analysis of the Greenspace growth proposals, increased income and costs/savings from taking works in house? Is the cost of the proposal included or funded by S106? Are the vacant engineering posts being deleted? Is any provision included for the silt removal in Frenches pond?	Exec 7 Annex 2 P28/29 &30 BSP 4 & 5
	The growth proposals are based almost entirely upon more effective use of current resources, with any savings offered to offset planned growth, hence the almost nil-cost net position. The £58k identified within the current budget allocation is to contribute towards the planned recruitment of additional members of staff. The recruitment of a Play Area Technician is expected to increase capacity to undertake works which were previously undertaken on a cost-per-job basis by an external contractor, thereby helping to achieve greater value for money. This is partly offset by a proportionate reduction in the play areas revenue budget ordinarily utilised for contracted works. The proposal also includes the formalisation of the roles previously filled annually by staff on the Worker Scheme, as over the years since the scheme's implementation, their contribution has become pivotal to the delivery of the services. A particular challenge experienced in recent years has been a dearth of suitable candidates to fill these roles, and as such, the recruitment of permanent staff to undertake these activities will offer greater certainty and consistency to service delivery in future.	
	The income generated and expected from events staged in parks & open spaces in 2018/19 is c£40k. An increase is expected in 2019/20 due to a review of event fees & charges and the development of the service to include new events.	
	None of the proposals include or are funded by S106	

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	<p>The current budget allocation is for 2 FTE engineers. The proposal is for 1 FTE engineer post to be deleted, and the associated budget to contribute towards the department's growth proposals. A recent service review indicated that 1 FTE engineer will be sufficient to deliver the service in future – historically, a significant proportion of the engineering team's time was spent delivering internal works to other Council teams, resulting in an associated income represented as internal capital works recharges. It has been established that the majority of required internal works can be delivered by external parties, reducing the amount of in-house resource required to undertake this aspect of their role.</p> <p>The next silt removal works are planned to be undertaken during the 2019/20 financial year, funded within existing capital budgets (rolling programme).</p>	
4.7	Finance	
	<p>How has £50k saving on insurance contract been achieved? Is the cover the same? What is the level of self-insurance?</p> <p>Costs have been reduced following a procurement exercise that resulted in a new insurance provider. The level of cover remains the same. We currently have an insurance reserve of £550k to cover any claims for which we are directly liable.</p>	<p>Exec 7 Annex 2 P36</p> <p>BSP 4 & 5</p>
4.8	Budget savings	
	<p>What is the £40k reduction in member savings</p> <p>This reduction reflects the planned reduction in councillor numbers from 51 to 45 in May 2019 and is subject to approval of the Members' Allowances Scheme for 2019/20.</p>	BSP4, Table on p41
4.9	Budget savings	
	<p>What is the £50k saving on insurance contract? And is this a forecast/aspiration or bankable reduction?</p> <p>Costs have been reduced following a procurement exercise that resulted in a new insurance provider. The level of cover remains the same.</p>	BSP4, Table on p41
4.10	Budget savings	
	<p>Is the additional income from Travelodge an aspiration or an expected increase?</p> <p>The income forecast for Travelodge is based on the negotiated rent following expiry of the rent-free period.</p>	BSP4, Table on p41
4.11	Growth proposals	
	<p>What is the entry 'correcting trust fund bank interest income'?</p> <p>At the end of 2017/18, Reigate Baths Trust fund held a cash deposit of £773k. Interest received on those funds during 2017/18 was £7.4k. The income budget is based on historic values, amended to reflect</p>	BSP4, Table on p43

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	current interest rate forecasts.	
4.12	Car parking	
	<p>The notes an increased income of £40,000 for 2019/20 but a loss of car-parking contract in the growth proposals. Please explain what these changes amount to overall.</p> <p>The £40k increase in income assumes an increase in off-street parking charges. It is anticipated that there will be an increase in parking fees in 2019/20 - prices have not been increased in the last 2 years. The final decision is subject to the outcome of the annual review of parking policy, both on and off street, in January 2019. The loss of off-street parking contracts in Tandridge results in an under- recovery of £63K. Two temporary members of staff were released following the loss of the contract.</p>	Income and Savings Proposals
4.13	Community Development	
	<p>Please confirm what the additional income in relation to Community Development relates to, and where it will come from</p> <p>The £15k relates to external funding towards the cost of the Merstham Community Development Worker (CDW) post. This funding is from two separate charitable funders. This has arisen firstly as the Merstham CDW post (which has existed for many years) has always had some degree of external funding and secondly because the CDW spends part of her time supporting the Merstham Community Facilities Trust People's Health Trust-funded work.</p>	Income and Savings Proposals
4.14	Greenspaces	
	<p>Please confirm what the vacant engineering posts that are proposed to be deleted in the Greenspaces team are and why they are no longer required.</p> <p>The current budget allocation is for 2 FTE engineers. The proposal is for 1 FTE engineer post to be deleted, and the associated budget to contribute towards the department's growth proposals. A recent service review indicated that 1 FTE engineer will be sufficient to deliver the service in future – historically, a significant proportion of the engineering team's time was spent delivering internal works to other Council teams, resulting in an associated income represented as internal capital works recharges. It has been established that the majority of required internal works can be delivered by external parties, reducing the amount of in-house resource required to undertake this aspect of their role.</p>	Income and Savings Proposals
4.15	Property	
	<p>Please provide a breakdown of the rental income (current and additional) by property for 2019/20.</p> <p>Refer to additional information: "Breakdown of Rental Income Forecast by Property"</p>	Income and Savings Proposals
4.16	Community Safety	

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	<p>What does 'contingency budget for DHR' mean?</p> <p>A Domestic Homicide Review (DHR) is a statutory review under the Domestic Violence, Crime and Victims Act 2004 which is conducted following the death of a person over the age of 16 as a result of violence, abuse or neglect by a member of the same household, or a person to whom they were related or with whom they were or had been in an intimate personal relationship. A DHR is conducted by the Community Safety Partnership in which the victim normally resided. As such it is not possible to predict when a DHR may need to be carried out; therefore the contingency will only be spent in the event that a domestic homicide occurs but it will not be spent if this eventuality does not arise. The amount of the contingency is based on the average cost of DHRs in the Borough to date.</p>	Income and Savings Proposals
4.17	Land charges	
	<p>Why is the land charges income reducing by so much? Please provide details.</p> <p>This reflects the impacts of phase 2 of a 3-year programme of changes to how land charges are administered nationally that was introduced by Government in 2017/18.</p>	Income and Savings Proposals
4.18	Property	
	<p>Please provide details what the 'High street redevelopment income loss' relates to.</p> <p>This relates to the forecast loss of income from tenancies of the High Street, Redhill property that will be redeveloped as part of the Marketfield Way scheme. Some of this loss of income has been mitigated by funding from the CPDF budget.</p>	Income and Savings Proposals
4.19	Staffing	
	<p>Do any of these 5.1 staff reductions involve redundancies or are these vacant posts? If redundancies / compromise agreements what are the costs, including pension strain?</p> <p>What is the balance in the provision for redundancy costs? Is it being topped up this year or next?</p> <p>The 5.1 FTE posts which have been identified for deletion are all vacant and therefore will not result in a severance cost. There is a central budget of £100k to help fund potential redundancies, each year.</p>	
4.20	Customer Contact	
	<p>Is it necessary to have over 2 minutes of narrative before the line is put through to the operator queue? Why does the line not open at 9:00am – the later start time is unprofessional and does not provide a satisfactory standard of service to our residents. Could some of the saving be reinvested to provide an adequate service level?</p> <p>Our channel shift programme of work focused on introducing online services via our website to enable and encourage residents to transact business with us online wherever possible. This met residents' needs - research showed many people wanted to transact</p>	

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	<p>with us online rather than over the phone at a time that suited them. At a time when the Council's budget is under increasing pressure, the programme also saved costs given that an online transaction is far cheaper than the cost of handling a phone call.</p> <p>To respond to reduced customer calls (resulting from online options being available) and to continue to deliver savings, it was agreed that the phone line opening hours would be reduced. This was complimented in October 2017 by the introduction of IVR (interactive voice recognition) a sophisticated system allowing callers to stipulate who they wanted to speak to (Service, department or individual name,) and thus avoiding the need to go via our Customer Contact team. Our recorded message also identifies alternative options to callers who prefer not to wait for an agent to answer their call – particularly for calls on topics that are not a RBBC responsibility, for example, callers wanting Surrey County Council can be automatically redirected to SCC rather than wait to speak to someone.</p> <p>Some 80% of requests and reports are now made online making our Contact Centre a much leaner and more cost-effective operation. Online reporting of 'missed bins' for example has risen from 40% to 80%. Residents also benefit as they are offered an online solution available 24 hours a day 7 days a week.</p> <p>To shorten the recorded message would reduce the potential for redirection of inappropriate calls. This would however increase the number of agents required to take calls and cost of providing the service. To revert to a 9am opening time for phone lines would again drive up costs. The cost for both would be approximately £85k but it is a poor business model for a Contact Centre and doesn't reflect modern ways of working nor resident demand to transact with us online.</p> <p>Savings resulting from the introduction of online transactions, IVR and reduced phone opening times have been fed back into the organisation.</p>	
4.21	Finance	
	<p>How has the saving on insurance costs been achieved?</p> <p>Costs have been reduced following a procurement exercise that resulted in a new insurance provider. The level of cover remains the same.</p>	
4.22	Greenspaces	
	<p>What levels of engineering posts have been retained after these savings? How are engineering projects to be resourced?</p> <p>The current budget allocation is for 2 FTE engineers. The proposal is for 1 FTE engineer post to be deleted, and the associated budget to contribute towards the department's growth proposals. A recent service review indicated that 1 FTE engineer will be sufficient to</p>	

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	deliver the service in future – historically, a significant proportion of the engineering team's time was spent delivering internal works to other Council teams, resulting in an associated income represented as internal capital works recharges. It has been established that the majority of required internal works can be delivered by external parties, reducing the amount of in-house resource required to undertake this aspect of their role.	
4.23	Leisure and Wellbeing	
	<p>Please explain the drop in the Community Centres contract management fees.</p> <p>Savings from the Leisure Centre Contract, through increased income fees and a reduced contract management fee payable to Staywell (community centres) have resulted in cost savings in Environmental Health, Licensing and Health and Wellbeing.</p>	
4.24	Policy and Regeneration	
	<p>What is the SCC funding for regeneration? How will it be spent?</p> <p>Surrey CC are paying £71k towards the salary and oncosts of two posts – the Places Delivery Manager (now the Head of Place Delivery) and the New Neighbourhoods Manager</p>	

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BSP 5 – GROWTH 2019/20

No.	Question	Doc Ref
5.1	Communications and Engagement	
	If comms budget is provided by relevant service how will comms team liaise and ensure conformity	Exec 7 Annex 2 P3 BSP5
	Each Service funds its own communications activities e.g. printing costs, social media promotion etc.; there is no central communications budget for these activities.	
5.2	Customer Contact	
	What is the cost of the CRM system? How are contacts unsuitable for CRM assessed and provided	Exec 7 Annex 2 P3/4 BSP5
	The capital cost of the system was £127k. The annual revenue licence cost is £36k. Traditional methods of contacting the Council are still delivered (telephone or face to face contact).	
5.3	Human Resources	
	Please clarify 'there is currently a skills/capacity gap in our recruitment process' What is the current apprenticeship levy % age? Presumably 'rightsizing' the levy by £12.9k takes it up to the £64k quoted	Exec 7 Annex 2 P8 BSP5
	In order to target and attract passive candidates with niche, and commercial skills and experience to join RBBC, we need to review our approach which may include better utilisation of social media platforms and in-house headhunting tactics. At present, this knowledge and skill set does not exist within the team, and we therefore need to consider how to resource this such as buying in the expertise as and when required, or directly employing/ upskilling within the team. Employers with an annual pay bill over £3 million are required to pay the Levy at 0.5% of each month's salary bill. The £64k is based on the forecast annual salary bill for 2019/20.	
5.4	ICT	
	Has any provision been made for the possible additional temporary resource noted? Is the increase in software costs solely due to the weak pound? Are these charges all US based? What is the significance of the split £12k and £30k?	Exec 7 Annex 2 P9 BSP5
	No provision for additional temporary staff has been made. The business case for funding will be assessed if and when temporary resources are required. The increase in software costs from US-based companies is mainly based on the weak pound. Additionally, annual charges from other vendors typically increase annually at the rate of inflation.	

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	There is a £12k increase in end user device licensing and a £30k increase in backend server licensing - a total of £42k.	
5.5	Legal Services	
	<p>It is noted that recruitment is a problem, but that the post of Head is being advertised. Are there any further developments on this?</p> <p>£95k growth is included in the budget but no staff increase. Are these temp staffs and where is potential Head post recorded?</p> <p>Why is the land charges reduction in income of £125k split £75/£50k?</p> <p>Recruitment to the Head of Legal post is now underway.</p> <p>Legal: the £95k growth is to align salaries with realistic market levels. There are no temporary staff costs included.</p> <p>Land Charges: for accounting purposes, the reduction is allocated across two account codes.</p>	<p>Exec 7 Annex 2 P10</p> <p>BSP5</p>
5.6	Project & Business Assurance - Corporate	
	<p>This is a significant growth in the budget at £237k 4 staff.</p> <p>Could we have a little more information in particular the split between what is required to properly manage our activities and what is for Emergencies and Business continuity</p> <p>£101k relates to the Project Management Officer costs. This includes the transfer of one role that is currently funded by CPDF (Project Manager) into the base budget and funding for a new post (Programme Support Officer).</p> <p>£78.5k relates to the Head of Policy role. The 'growth' relates to the fact this post was historically-funded from the CPDF budget.</p> <p>£58k has been identified for a new Commercial Officer post.</p> <p>£25k relates to Emergency Planning and Business Continuity.</p>	<p>Exec 7 Annex 2 P10/11 BSP5</p>
5.7	Leisure and Wellbeing	
	<p>P19 states that there are no future plans for team expansion yet BSP5 includes an additional Wellbeing Manager.</p> <p>What is the £5.8k Wellbeing post and correcting the trust fund bank interest income?</p> <p>The £5.8k relates to the Ageing Well Officer post.</p> <p>The Wellbeing Manager reference relates to the transfer of an existing post from CPDF to the base budget.</p> <p>At the end of 2017/18, Reigate Baths Trust fund held a cash deposit of £773k. Interest received on those funds during 2017/18 was £7.4k. The income budget is based on historic values, amended to reflect current interest rate forecasts.</p>	<p>Exec 7 Annex 2 P19 BSP5</p>
5.8	Car Parking	
	<p>It is stated that additional staff resources may be required – has allowance been made for this?</p> <p>The loss of off-street parking contract to TDC is costed at £63.4k. Can staff be reduced or redeployed to negate this or are other costs</p>	<p>Exec 7 Annex 2 P24</p>

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	<p>involved?</p> <p>There appears to be a loss of revenue from 3 car parks but income is budgeted to increase. Is this correct?</p> <p>There are no plans for increased staffing in parking services at the present time. Two temporary members of staff were released following the loss of the Tandridge off-street parking enforcement contract</p> <p>The budget is based on closure of three car parks, with associated loss of income along with a potential increase in parking charges at remaining car parks. It is anticipated that there will be an increase in parking fees in 2019/20 - prices have not been increased in the last 2 years. The final decision is likely to be as a result of the annual review of parking policy, both on and off street, in January 2019.</p>	<p>BSP5</p> <p>BPS4</p>
5.9	Policy	
	<p>3 staff and costs are being transferred from CPDF to the base budget. With the completion of the Development Management Plan (DMP) is this wholly necessary?</p> <p>Yes. Councils are required to review their plans every five years in order that they are not deemed 'out-of-date'. Whilst the Development Management Plan (DMP) will have been adopted, a full-scale review of the Core Strategy will be required given it is five years old in July 2019.</p> <p>This is important in order to ensure an agreed housing need figure and prevent planning by appeal. Given the time and work involved in new plans or reviews of them, as well as other work priorities, the work of the policy team will be ongoing rather than reducing on adoption of the DMP</p>	<p>Exec 7 Annex 2 P32</p> <p>BSP5</p>
5.10	Regeneration	
	<p>Please clarify old and new staffing and contributions from SCC? Currently 5 posts but only 1 actual staff in CPDF 2 posts will be lost, 3 transferred so need to recruit 2 staff 3 FTE posts employed by RBBC, 2 of which will be 50% funded by SCC (previously only 1). Is the £205k the full cost? 1 Transport Manager employed by SCC funded 50% by RBBC. How will time/contribution of funded staff be controlled?</p> <p>Previously there were five posts within the Regeneration team. Four of these posts were funded entirely by CPDF and one post was 50% funded by CPDF and 50% by Surrey CC.</p> <p>Currently there is only one member of staff in post and they are funded 50:50 by CDPF and SCC.</p> <p>Under the new structure there will be four posts. Three of the posts will be employed by RBBC. These will include the Places Delivery Manager (now the Head of Place Delivery), the New Neighbourhoods Manager and the Strategic Developments Project Manager. The full cost of these three posts will be covered by the £205k shown in the 2019/20 growth proposals.</p>	<p>Exec 7 Annex 2 P34/35</p> <p>BSP5</p>

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	In addition there will be a Transport Strategy Manager, which will be employed by SCC. RBBC will pay 50% of the costs towards this post which is shown as the £35k contribution in the 2019/20 growth proposals. The priorities and work of the Transport Strategy will be controlled through a secondment agreement between SCC and the Council.	
5.11	Community Safety	
	<p>What is the contingency budget for DHR?</p> <p>A Domestic Homicide Review (DHR) is a statutory review under the Domestic Violence, Crime and Victims Act 2004 which is conducted following the death of a person over the age of 16 as a result of violence, abuse or neglect by a member of the same household, or a person to whom they were related or with whom they were or had been in an intimate personal relationship. A DHR is conducted by the Community Safety Partnership in which the victim normally resided. As such it is not possible to predict when a DHR may need to be carried out; therefore the contingency will only be spent in the event that a domestic homicide occurs but it will not be spent if this eventuality does not arise. The amount of the contingency is based on the average cost of DHRs in the Borough to date.</p>	
5.12	Corporate	
	<p>How is the expansion to a team of 4 justified?</p> <p>Two of the posts are already occupied, comprising the Programme Management Office (PMO) officer and PMO support officer. These are currently funded through CPDF and proposed to be funded through the base revenue budget in future. The PMO has oversight of programmes and projects required to deliver the Corporate Plan and provides non-specialist project management resources to ensure projects are implemented in a timely, efficient effective way.</p> <p>The Executive Officer post is currently vacant. In the past this post has been funded through CPDF and is proposed to be funded through the base revenue budget in the future.</p> <p>The Commercial Officer is a new post which will bring a new skill-set to the Council and assist in the delivery of the commercialism agenda and generation of income streams for the Council.</p>	
5.13	Finance	
	<p>As there is an increase in 1 FTE and an offsetting reduction of 1 FTE, is this an upgrading of a role?</p> <p>The post deletion is in the Finance Transactions team which processes accounts payable, accounts receivable and manages income. The new post will be in the Accountancy team. This is in recognition that corporate projects and commercialisation projects will require support from Finance. Where the resource and skills already exist within the Finance team, some demand can be met by continued work on</p>	

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	capacity creation within Finance. A growth bid has been submitted in 2019/20 for a Project Accountant to meet the organisational increasing project demands.	
5.14	Greenspaces	
	<p>This is a substantial increase in staffing (4.2 FTE). What is the justification for this – is the current service unsatisfactory? What extra service and benefit is expected from this service? Are any changes in income from Surrey County Council expected for grass cutting?</p> <p>The proposal to recruit 3 FTE operatives seeks to formalise the roles historically filled annually through the Council's Worker Scheme. Although the service has been delivered by these additional operatives each year, roles recruited through the Worker Scheme are not included within department budgets, and as such, they have never been represented in the department's total FTE figure. This is not an extra service, merely the formalisation of previously existing roles, and the benefit for doing so is certainty and consistency of future service delivery.</p> <p>No indication has been received to date from Surrey CC regarding changes to income for grass cutting.</p>	
5.15	Land Charges	
	<p>How much income is included in the current budget? Is the reduction in income offset by reduced staffing and other costs in providing this service?</p> <p>£391k income is included in the 2018/19 budget (£266k in 2019/20). There is no reduction in staffing or other costs planned, because we are legally required to answer many applications for free.</p>	
5.16	Leisure & Wellbeing	
	<p>Please explain the correction of trust fund bank interest.</p> <p>At the end of 2017/18, Reigate Baths Trust fund held a cash deposit of £773k. Interest received on those funds during 2017/18 was £7.4k. The income budget is based on historic values, amended to reflect current interest rate forecasts.</p>	
5.17	Legal	
	<p>We have had several attempts over the last few years to “rightsize” the legal staffing budget. Please explain the basis for this adjustment and relate to the costs for last year and the current year.</p> <p>There is a phased approach to addressing this issue over a number of years. In addition we have several vacancies that mean we are attempting to simultaneously fill posts at market rates.</p>	
5.18	Policy	
	Please explain what these 4 staff do, and why the budget should be increased? Why not fund the economic prosperity post from the business rates pilot? What is the transport manager post contribution?	

Annex 1.1 - Advance Questions and Responses

	<p>The four staff include:</p> <ol style="list-style-type: none"> 1. Places Delivery Manager (now the Head of Place Delivery), 2. New Neighbourhoods Manager 3. Strategic Developments Project Manager 4. Economic Prosperity Officer <p>Places Delivery Manager: The Places Delivery Manager (now the Head of Place Delivery) will manage the service and the delivery of existing regeneration programmes, as well as other existing and future key Corporate Place projects, such as Marketfield Way and Horley Business Park.</p> <p>New Neighbourhoods Manager: The primary focus of the New Neighbourhoods Manager post will be to work with our partners to bring forward the delivery of the Horley Master Plan and the Preston Regeneration Programmes.</p> <p>Strategic Developments Project Manager Alongside the other posts within Regeneration the Strategic Developments Manager will work with our partners to deliver current regeneration programmes in Horley, Preston and Redhill. The role will also work with other Regeneration team members to take the lead in delivering other current and emerging Corporate Place projects, such as Marketfield Way and Horley Business Park.</p> <p>A Transport Strategy Manager will be employed by Surrey CC with a 50% funding contribution from RBBC. The focus of the Transport Strategy Manager will be to help bring forward key transport projects that support the Council's Place agenda.</p> <p>The Economic Prosperity post will work to deliver the Council's Economic Prosperity Action Plan. The post was funded for the 2018/19 year from CPDF and is one of the posts that are being transferred to the base budget from CPDF.</p>	
5.19	Property	
	<p>What is the Beech House tenant incentive scheme? How much per square metre and for how long? Are we also providing fit-out allowances?</p> <p>The existing lease of Beech House ends in December 2019. We are in negotiations with the tenant for a new tenancy. Whether terms are agreed with the existing tenant or the property is re-marketed and a new tenant found, an incentive by way of a rent-free period will have to be granted. In 2019/20 this will equate to one quarter's rent at the current rental value. It may be necessary to grant a longer rent-free period than three months; if so, this will be reflected in the 2020/21 budget forecast. Any allowance for fit-out costs would normally be taken into account in a rent-free period.</p>	

Annex 1.1 - Advance Questions and Responses

BSP 6 – PROVISIONAL OUTTURN REPORT 2017/18

No.	Question	Doc Ref
6.1	Not stated	
	There are some questions on para 8, page 47 - incorporated in the questions above.	

Annex 1.1 - Advance Questions and Responses

BSP 7 – Q2 FORECAST SUMMARY 2018/19

No.	Question	Doc Ref
7.1	Total Variations	
	Do these only relate to the use of CPDF? There is a difference in the total variations £2.13m in this schedule and the £2m reported on page 24.	
	The variations are analysed as follows: CPDF £2.02m CIL funds £100k Neighbourhood Improvement Fund £11k	
7.2	Senior Management Team	
	There is a £65k variance reported. Please explain the changes which have taken place, in relation to total headcount, levels/seniority, salary reductions and salary increases. What is the cost of redundancy/compromise agreements and pension strain, and has that been funded from provisions/reserves or this year's revenue budget. If from the former, is the provision/reserve to be topped up?	
	The senior management team structure has changed significantly in the last 6 months. This now consists of 5 FTE (Chief Executive, three Directors and a Strategic Head of Neighbourhood Services), which is a reduction from 9 FTE in 1 April 2018.	
	One senior manager resigned and left RBBC in October with no payment. The payments made to the three senior managers who left RBBC in August totalled £237k, plus £125k strain on the pension fund. These costs have been funded from revenue.	
7.3	Community Safety	
	With this overrun, do we need to adjust the budget upwards?	
	The overrun relates to ongoing Domestic Homicide Reviews (DHR). An increase in budget of £15k has been proposed as a contingency for 2019/20.	
	A Domestic Homicide Review (DHR) is a statutory review under the Domestic Violence, Crime and Victims Act 2004 which is conducted following the death of a person over the age of 16 as a result of violence, abuse or neglect by a member of the same household, or a person to whom they were related or with whom they were or had been in an intimate personal relationship. A DHR is conducted by the Community Safety Partnership in which the victim normally resided. As such it is not possible to predict when a DHR may need to be carried out; therefore the contingency will only be spent in the event that a domestic homicide occurs but it will not be spent if this eventuality does not arise. The amount of the contingency is based on the average cost of DHRs in the Borough to date.	
7.4	Place Delivery	
	Why have we underspent in this area? What does this mean for next year's	

Annex 1.1 - Advance Questions and Responses

	budget?	
	As reported at Q1 (2018/19), the forecast underspend relates to newly-established posts that are currently vacant. This is temporary. Recruitment will commence shortly following the senior management restructure and will introduce the skills required to deliver the Council's corporate Place priorities.	
7.5	Development Services	
	Why are we so far underspent in this area? What does this mean for next year's budget?	
	As reported at Q1 (2018/19), the income from planning fees continues to remain buoyant with a surplus over the budget being forecast. However, the fluctuation this year is specific to 2018/19, therefore it is not recommended to increase income budgets for 2019/20.	
7.6	Planning Policy	
	With the Development Management Plan (DMP) now concluding, can we not reduce the budget for next year?	
	The Planning Policy costs in the budget are almost exclusively staffing related. With the need to commence a wholesale review of the Core Strategy in order to agree a housing number and due to Government requirements to review plans every 5 years, the work of the Policy Team will be ongoing and not reduce upon adoption of the Development Management Plan.	
7.7	Finance	
	Why is the department over plan? Any implications for next year?	
	The variance in 2018/19 is the cumulative combination of various immaterial factors; no implications are expected for next year.	
7.8	Pathway	
	Where have the extra revenue costs for 2018/19 been recorded? If there needs to be an adjustment to the value of our loans (now shares) in the company, will the impact flow through the investments/ reserves and not through the revenue account?	
	For the purposes of monitoring, the revenue cost is shown as an expense, which will be reviewed at year end.	
	The revenue expenditure of £86k occurred in 2018/19 (P01-P03) and is currently being forecasted within the finance budget, there is no further revenue expenditure expected.	

Annex 1.1 - Advance Questions and Responses

BSP 8 – MOVEMENTS BETWEEN 2018/19 AND DRAFT 2019/20

No.	Question	Doc Ref
8.1	Contract Changes	
	What is the £194k recorded here?	
	This is the total of contractual salary increases, such as performance-linked pay rises and the consequent NI and Pension costs.	
8.2	Overall Increase	
	Council tax is increasing by 3%, but the increases in staff costs appears to be 4% (ignoring the transfers for CPDF)? Does this not present future challenges in funding?	
	There is no direct budgetary relationship between % council tax increases and % staff cost increases. While staff costs represent a significant budget item there is a wide range of other factors that are taken into account when preparing the base budget and council tax requirement.	
	The main components of staff cost increases are the cost of living increase (which is negotiated on an annual basis), performance-related increments and costs associated with post re-grades/external pay benchmarking. Control over salary budget growth will continue to be managed within established financial controls and approval processes.	
8.3	Inflation	
	How has inflation on other costs (purchased services/contracts) been fed into next year's budgets?	
	We do not increase "other cost" budgets for inflationary pressures as a matter of course. Budget holders are expected to fund price increases within existing budgets. Inflationary pressures are currently only addressed by a specific growth bid.	

Annex 1.1 - Advance Questions and Responses

BSP 9 2017/18, 2018/19M 2019/20 DRAFT COMPARISON

No.	Question	Doc Ref
	<p>Context: <i>The questions below compare the 2018/19 Forecast to the 2019/20 Provisional Budget. This approach is not aligned with the methodology that is used to create the Provisional Budget and therefore tends to be distorted by in-year adjustments. For example, the forecast for Q2 includes around £1m of non-salary CPDF expenditure that is not transferring to the 2019/20 Budget.</i></p> <p>Refer to additional information: “Link between 2018/19 Budget, Growth/Savings and 2019/20 budget”</p>	
9.1	Senior Management Team	
	<p>This increase of £130k does not seem to be covered by the growth proposals. Please explain?</p> <p>The annual budget increase is £62k and is accounted for by cost of living and contractual changes.</p>	
9.2	Projects & Assurance	
	<p>This increase of £100k only seems to be partially explained (£25k) by the growth proposals?</p> <p>The £25k growth relates to Business Continuity. There is further growth within the Projects & Assurance service which relates to the new Project Management Office (PMO) posts: PMO officer and PMO support officer</p>	
9.3	Refuse & Recycling	
	<p>This budget is increasing by £200k, yet the growth proposals shows part of this funded by CPDF?</p> <p>The CPDF growth of £96k is to cover the net reduction in recycling credits from Surrey CC.</p>	
9.4	Supporting Families	
	<p>The budget is dropping by £50k, but this does not appear to be explained in the savings proposals?</p> <p>The 2018/19 budget is £93.1k. Supporting families received CPDF funding for their Family Support Development Program of £134.5k, primarily for salary costs.</p> <p>2019/20 growth proposals require CPDF funding of £81.2k to be transferred into base for salaries creating a new net budget of £174.3k which includes income from other local authorities.</p>	
9.5	Development Services/ Planning Policy	
	<p>Please explain these changes which don't appear to be explained in the savings and growth schedules.</p> <p>Development Services: the 2018/19 budget is £306.9k. As reported at Q1, income from planning fees continues to remain buoyant with a surplus over the budget being forecast. However this fluctuation is specific to 2018/; it is</p>	

Annex 1.1 - Advance Questions and Responses

	<p>not recommended to adjust income budgets for 2019/20 at this stage. The only difference to 2019/20 is £37.3k that relates to salary incremental increases.</p> <p>Planning Policy: the 2018/19 budget is £579.1k, comprising: £324.1k original budget, plus one-off CIL/S106 funding of £118.1k and £107.3k CPDF funding. There is a current overspend forecast of £29.6k.</p> <p>There is an increase in budget for 2019/20 from salary incremental changes of £22.2k bringing the total 2019/20 budget to £346.3k.</p>	
9.6	Information & Communications Technology	
	<p>This decrease in budget of £125k is not included in the savings schedule (in fact £40k of growth for software is planned)</p> <p>ICT received £176.3k of CPDF funding for the CRM Firmstep Platform and £12.3k for transferred salary budget in 2018/19. Removing these from the 2019/20 budget and applying the new £40k growth and salary incremental changes of £16.7k will generate the new proposed 2019/20 budget of £1,174.9k.</p>	
9.7	Electoral Services	
	<p>The budget is dropping by £120k –is this due to extra costs this year from the boundary review? What about the impact of all-out elections next year?</p> <p>There was approved CPDF allocation of £125k in 2018/19 for Stand Alone Election Expenses 2018. This was the first year for some time with a stand-alone election, running at the same time as the Boundary Review. The all-out election costs for 2019 are expected to be contained within the existing base budget for 2019/20.</p>	

Annex 1.1 - Advance Questions and Responses

BSP 10 – DRAFT SALARY BUDGET VS FTE CHART

No.	Question	Doc Ref
	None	

Annex 1.1 - Advance Questions and Responses

BSP 11 – DRAFT SALARY GROWTH ANALYSIS

No.	Question	Doc Ref
11.1	New Posts - Growth	
	There are 7 extra posts, of which 4.2 are Greenspaces operatives. The extra cost of £460k at £65k for each post seems very high.	
	Some of the growth items relating to 'salaries' do not correspond to a specific FTE increase. For example the £95k 'rightsizing' of the salaries budget within Legal services. All posts have been costed at the correct grade for the role.	

Annex 1.2 - Additional Reference Information

BUDGET SCRUTINY PANEL**22 NOVEMBER 2018****ADVANCE QUESTIONS – ADDITIONAL REFERENCES**

Section	Topic	Page
BSP1	CPDF POSTS – RE. Q 1.4	55
BSP1	BUDGET REPORT 2012-13 – RE. Q 1.22	57
BSP3	BUSINESS SUPPORT – RE. Q 3.4	65
BSP4	BREAKDOWN OF RENTAL INCOME – RE. Q 4.15	75
BSP9	LINK BETWEEN 2018-19 BUDGET, GROWTH & SAVINGS, AND THE 2019-20 BUDGET	77

Annex 1.2 - Additional Reference Information

Annex 1.2 - Additional Reference Information

Grouping

Communications & Information
 Communications & Information
 Community Development
 Community Development
 Community Development
 Community Development
 Corporate
 Corporate
 Democratic Services
 Democratic Services
 Family Support Programme
 Family Support Programme
 Human Resources
 Leisure & Wellbeing
 Policy
 Policy
 Policy
 Property
 Property
 Property

Post

Communications Business Partner (Campaigns)
 Communications Business Partner (Digital)
 Community Development Manager
 Community Development Worker
 Community Development Worker
 Community Development Worker
 Executive Officer
 PMO Officer
 Senior Democratic Services Officer
 Democratic Services Officer
 Senior Universal Credit Co-ordinator
 Senior Supporting People Co-Ordinator
 HR Business Partner
 Wellbeing Manager
 Head of Place Delivery
 New Neighbourhoods Manager
 Strategic Developments Projects Manager
 Building Surveyor
 Asset Manger
 Asset Manger

Annex 1.2 - Additional Reference Information

Annex 1.2 - Additional Reference Information

REPORT OF:	Strategic Management Team
AUTHOR:	Bill Pallett
TELEPHONE:	01737 276065
E-MAIL:	Bill.Pallett@reogate-banstead.gov.uk
TO:	EXECUTIVE
DATE:	26 JANUARY 2012
EXECUTIVE MEMBER:	COUNCILLOR VW BROAD

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	All

SUBJECT:	BUDGET 2012/13
<p>RECOMMENDATIONS:</p> <ul style="list-style-type: none"> (i) Savings and growth as previously reported be approved (ii) A budget of £16,694,600 and resultant freeze in Council Tax be approved (iii) The statement of the Chief Finance Officer at Annex 2 be noted (iv) The Chief Finance Officer be authorised to make any necessary technical adjustments to the budget and Council Tax demand proposed to Council arising from final budget refinements or changes to government grant. 	
<p>REASONS FOR RECOMMENDATIONS:</p> <p>The Council is required to set a budget by March 11 each year. This report is a necessary part of that process.</p>	
<p>EXECUTIVE SUMMARY:</p> <p>This report proposes a budget – and a freeze in Council Tax - for 2012/13.</p> <p>It identifies the sources of funding for the budget, the impact of savings and growth proposals and identifies future risks to financial sustainability.</p>	

Recommendations (i) – (iii) are subject to adoption by the Council and the Executive has authority to approve recommendation (iv).

STATUTORY POWERS

1. The *Local Government Act 1992* places a requirement on Councils to set the following year's Council Tax by 11 March each year. The *Local Government Act 1972*, as part of proper financial management, requires a Council to set the associated annual budget requirement. This report is part of that process.

Annex 1.2 - Additional Reference Information

2. Section 65 of the *Local Government Finance Act 1992* requires the Council to consult representatives of those subject to non-domestic rates in the Borough about its proposals for expenditure for each financial year.

ISSUES**Process**

3. The purpose of this report is to propose a budget and Council Tax level for 2012/13 and for the Executive to receive a commentary on the budget by Council's designated Chief Finance Officer, in accordance with the *Local Government Act 2003*.
4. The next report on the agenda sets out the formal resolutions that the Council will need to adopt in order to set the Council Tax for 2012/13. The Budget and Council Tax recommendations will be presented to the Council on 9 February 2012.

Local Government Financial Settlement

5. The Government announcement in December 2010 identified the revenue support grant to be received in both 2011/12 and 2012/13. Reigate and Banstead Borough Council lost just over £1m in grant in 2011/12 (from £6.130m to £5.123 m). A further reduction of £518,000 was planned in 2012/13 taking the grant to £4.605m. This level of funding has recently been confirmed by the Department for Communities & Local Government.

Council Tax

6. In October 2011 the Government announced a second round of Council Tax Freeze Grant. This is to be an extension of the current arrangements, whereby freezing Council Tax will result in grant funding that is equivalent to a 2.5% Tax increase (£289,000 for 2012/13).
7. The Government has previously indicated that the first Council Tax Freeze Grant (our reward for the not increasing Council Tax in 2011/12) will continue until 2015/16. This additional grant for 2012/13, however, will be for one year only. This will have the effect of increasing our savings requirement in 2013/14 by around £289,000.
8. As a result of the freeze, the "average" Council Tax charge for Reigate & Banstead Borough Council will remain at £193.83 per annum (the equivalent of £3.72 per week).

Savings & Growth

9. In November the Executive received and approved for consultation proposals which identified net savings of £1,819,900.
10. The savings proposals on the Community Meals service were subject to further discussions with the Management Committees of the three Centres. The savings are retained within the budget. An update on this matter is attached as Annex 1.
11. Members' attention is also drawn to a report elsewhere on this agenda concerning core funding grants. The budget incorporates the provisional sums agreed at the December Executive meeting.

Annex 1.2 - Additional Reference Information

Function and Human Resource Plans

12. Function Plans have been prepared for the 2012/13. A full set of all the Plans have been placed in the Members Room and the eMembers area. These are used for performance management purposes and incorporate detailed action plans which address:
- arrangements for delivery of core services
 - key outcomes and milestones.
 - contributions to Corporate Plan priorities and projects.
13. Detailed Human Resource Plans - by function - are confidential and are available on request from the Head of Personnel, Housing and Leisure Services. These set out the staffing resources required to deliver the services provided by each function. Changes to staffing levels as a result of the budget setting are reflected in these Plans. The overall position (expressed as full-time equivalent staff [or FTEs]) is as follows:

FTEs as at April 2011	502.45
Proposed FTEs as at April 2012	476.66
Net Reduction (FTEs)*	25.79

* includes other reductions made during 2011/12

Budget

14. Income from Council Tax and Government Grant will be £16,694,600. After savings and growth the budget requirement for 2012/13 will be £15,644,200. This means that “revenue headroom” of £1,050,400 will be achieved.
15. For 2012/13 it is proposed that this is set aside and used to help support the capital programme, particularly in relation to the rolling programmes. Going forward this amount will be key in mitigating the £1.425m reduction in revenue funding which is anticipated between 2013/14 and 2015/16. This is outlined in the following table.

Description	2013/14 £000	2014/15 £000	2015/16 £000	Total £000
End of first Council Tax Freeze Grant (from 2011/12)			286	286
End of second Council Tax Freeze Grant (from 2012/13)	289			289
Revenue Implications of Redhill Town Centre Regeneration Proposals		250		250
Expected Reductions in Government Grant	200	400		600
Total				1,425

Annex 1.2 - Additional Reference Information

16. The expected reductions in government grant (above) are based on data from the 2010 Comprehensive Spending Review. The continued economic downturn – along with recent Government announcements - suggests that the actual reductions may be even greater.

Service delivery

17. The Council continues to deliver service to a high standard, with all key service targets being met. The net savings for 2012/13 have been proposed whilst generally maintaining all of our services. Significant change has been proposed in one area, community centre meals, where the take-up of the service is very low. Nevertheless, the sound financial management being undertaken across the organisation will underpin the protection of our frontline services.
18. In order to ensure that the Council continues to plan for the future, recognising the volatile financial and economic environment and changing national policies, a review of the Corporate Plan will be undertaken in 2012. The review will provide an opportunity to ensure that the Plan continues to reflect the key issues for the residents and businesses of the Borough, as well as the Council.

OPTIONS

19. The Executive can accept, amend or reject any or all of the budget proposals. Changes could affect the level of Council Tax to be levied in 2012/13 which in turn would require changes to the formal resolutions to full Council in February.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

21. These are addressed throughout the report.

EQUALITIES IMPLICATIONS

22. This report provides a summary of the service and financial planning activities of the Council. Where individual changes, projects or policies are being developed, equalities impact assessments will be carried out by the responsible officer(s).
23. Changes for staff have been discussed directly with individuals affected and with their representatives. In recognition of both the very difficult economic conditions - and the great efforts of staff - the 2012/13 budget includes provision for a special payment to be made in April instead of a pay rise.

RISK MANAGEMENT CONSIDERATIONS

24. These are addressed throughout the report and in Annex 2.

CONSULTATION

25. Budget proposals were discussed with business representatives at a meeting of the Redhill and Reigate Business Forum on 24 January 2012.

Annex 1.2 - Additional Reference Information

26. Savings and growth proposals were considered by the Budget Scrutiny Panel of the Overview & Scrutiny Committee on 29 November 2011 and reported to the Executive on 12 January 2012.

POLICY FRAMEWORK

27. Approval of the annual General Fund Budget and determination of the Council Tax is a function of the full Council under the Council's constitution (Article 4.02 [h]).
28. The budget reflects the priorities in the Council's Corporate Plan 2011-15 and puts in place resources to deliver against these priorities.

Background Papers:

Provisional Budget Report

Executive

17 November 2011

Medium Term Financial Strategy 2012/13 to 2016/17

Executive

20 October 2011

Annex 1.2 - Additional Reference Information

Annex 1.2 - Additional Reference Information

COMMUNITY CENTRE MEALS SERVICE

The savings proposals on the Community Meals service were subject to further discussions with the Management Committees of the three Centres. The savings were retained within the budget.

The proposal from the Management Committees reported to the November Committee was as follows:

- The continuation of the current service at Banstead with Council subsidy of £7 k
- The service at Horley and Woodhatch being taken over by the Management Committees. The Management Committees will allocate sufficient funds in their budget to run the service for one year with reduced staffing. During that year, they will explore options for promoting greater use of the service (including the snack bar) and generating more income from the kitchens.
- A reduced number of staff would continue to be employed by the Council

In consultation with the Executive Member for Healthy Communities, Officers have since met with all three Management Committees to outline the Council's position on the following basis:

Budget

The Council will not fund the cost of running the meals service at the 3 Centres but is keen to work with the Management Committees to develop an enhanced coffee shop offer.

It is open to the Banstead Centre to continue to run the full meals service but all costs will need to be met (this is not limited to the £7,000 currently estimated).

Kitchen Equipment

The Council is prepared to write off this and donate it to the Management Committees.

Capital Contribution

The Council is prepared to work with the Management Committees over the next year to ascertain if any adaptations are required to the buildings and will allocate professional resources to scope, cost and (if appropriate) tender the work.

Without commitment, the Council will consider contributing to the funding of these works at the end of the trial year.

The Council will not contribute towards a replacement and renewals fund for the kitchen equipment.

Annex 1.2 - Additional Reference Information

5 year moratorium on changes /budget reductions

The Council is not able to enter into any such agreement in the current financial climate and cannot fetter its future discretion.

Staff

The Council is prepared to continue to employ the staff required to run services for the Management Committees on a fully reimbursed basis including any pay awards/increased NI pension contributions etc. that may arise. Staff will continue to be employed and managed by the Council.

The Council will not meet any costs which may arise from the need to employ additional staff to cover staff holidays, sickness etc.

The Council will meet the redundancy cost applicable up to 31.3.2013 but will expect any additional redundancy costs from that date to be met by the Management Committees.

Current position

The Horley and Woodhatch Management Committees remain willing to take on the service for the trial period of a year on the above terms, but Woodhatch would like the Council to consider facilitating a connecting door between the existing kitchen and the coffee shop as soon as possible. They strongly believe this would help the financial viability of the service in the trial year. Officers will need to establish the feasibility and cost before responding. At present connection between the two spaces is via public areas, which is not ideal.

The position of the Banstead Management Committee remains unclear.

A further meeting between Officers and representatives of all three Management Committees is scheduled for 20th January, and the position will be updated at the meeting.

If the proposal is progressed all three Management Committees will need some time to consider future operational models in relation to numbers of cooks, number of operational days etc. before finally committing but Officers consider that this can be achieved prior to 1st April, 2012.

Members are also advised that a petition has been received containing sufficient signatures to trigger a debate in full Council. The petition requests that the Council continue to keep the kitchen open at the Banstead Community Centre (and consequently continue with the current hot meals service). The debate on this petition will take place prior to consideration of the budget at the Council meeting on 9th February.

Officers consider that suitable meals can be provided through an enhanced Coffee Shop offer in the Centres and therefore recommend that the savings proposal in relation to the community meals service be endorsed.

Annex 1.2 - Additional Reference Information

4 Business Support

Please provide a list of the businesses financially supported by the Entrepreneurs Academy, Business Support Grants to date.

Entrepreneurs Academy Winners

2013	Natalie Dugdale	Healthy food mobile unit	£2,500
	Sally Bartlett	Dog training and photography	£2,500
2014	Angelia Nightingale	New Ideas	£5,000
2015	Sumi Wang	e-foldi	£5,000
2016	Nazanin Nankaki	Power tutors, engineering	£1,000
	Frances Black	Flavorit	£4,000
2017	Flori Masionneuve	Squiggle Dot and Squeeze	£4,000
	David Solomon	TOR Training	£1,000

Business support grants

No	Date of application	Company Name
255	Sept 2018	Muggy T
254	Aug 2018	Alaa Arifah
253	Aug 2018	Able
252	Aug 2018	Bakchat
251	Aug 2018	Improve my Car
250	Aug 2018	K Hill Catering Ltd
249	Aug 2018	Smile Design Samita Brant
248	July 2018	Bim AEA accountancy
247	July 2018	Agile Human
246	July 2018	Tim Hatari
245	July 2018	The Crafty Swine
244	July 2018	Risco Consulting
243	June 2018	Little Hearts Music

Annex 1.2 - Additional Reference Information

242	June 2018	Diffusion Productions Ltd
241	June 2018	Level 5 jobs
240	June 2018	Pilgrims Brewery
239	June 2018	Annette Haque
237	May 2018	Big Pip Marketing
236	May 2018	Joseph Booton
235	May 2018	Havana Glam
234	May 2018	Intelligent PA
233	May 2018	Mini Melton
232	May 2018	Julie Gilbert
231	May 2018	Matt Wright
230	May 2018	Alistair Bendyshe-Brown
229	April 2018	James Barr Design
228	April 2018	Pegs Petals
227	April 2018	Balance Media
226	April 2018	Doodle Moo
225	April 2018	Singular Mars
224	March 2018	Therapies at 44
223	March 2018	Yellow Brick Fitness
222	March 2018	David Ross Digital
221	March 2018	Mitchfield
220	March 2018	Crumbs
219	Feb 2018	Felicity Bowes
218	Feb 2018	Katie Woolley
217	Feb 2018	Wish Wallet Ltd
216	Feb 2018	Ziggy Plays
215	Feb 2018	The Pizza Project
214	Feb 2018	Squeezee Clean

Annex 1.2 - Additional Reference Information

213	Feb 2018	Old Flour House
212	Jan 2018	Nourish and Grow
211	Jan 2018	Happy Parenting
210	Jan 2018	Imagineville
209	Jan 2018	Kate Creative
208	Jan 2018	Ruben Alexandru-Baciu
207	Dec 2017	Simply Veils
206	Dec 2017	On the Hoof Bar and Kitchen
205	Nov 2017	Mary Asante
204	Nov 2017	Drive Hive
203	Nov 2017	Pursue Boundaries
202	Nov 2017	Power Tutors
201	Nov 2017	Alistair Bendyshe-Brown
200	Nov 2017	Lora Veale
199	Oct 2017	Shannon Jugurnauth
198	Oct 2017	Configure Accounting
197	Oct 2017	Reigate Psychology Service
196	Oct 2017	Maria Hancock
195	Sept 2017	Rachel Thornhill Photography
194	Sept 2017	Armstrong Fitness Classes
193	Sept 2017	Nakin Ltd
192	Aug 2017	Amanda Evans Marketing
191	July 2017	Barry Pollard Imagination gaming
190	July 2017	Divine Wine Consultancy
189	July 2017	Hidden Beauty
188	July 2017	Get Nourished Ltd
187	July 2017	Rob Whittle

Annex 1.2 - Additional Reference Information

186	July 2017	Louise Camby
185	June 2017	Pirjo Savilahti Wallace
184	June 2017	All about me
183	June 2017	Doodle Pippin
182	June 2017	Blue Dolphin Software
181	May 2017	Wendy Ager
180	May 2017	Fizzy Rascal
179	May 2017	Phil Flemming
178	May 2017	Nicola Semple
177	May 2017	Richard Ryan
176	April 2017	Adria Tarrida
175	April 2017	Steve Palmer
174	April 2017	Alan Rogers
173	April 2017	Simon Pither
172	April 2017	Rie White
171	April 2017	Charlotte Davies
170	April 2017	Derma Spa Aesthetics
169	March 17	Ultimate Database
168	March 17	Hannah Aitken
167	Feb 2017	Your HR consultant
166	Feb 2017	Monster Moo Studio
165	Feb 2017	Good Company Wealth
164	Feb 2017	Crumbs Brewery
163	Feb 2017	Perfect Vision HR
162	Feb 2017	The Hide
161	Jan 2017	Erwin Krijger
160	Jan 2017	Rose Holmes

Annex 1.2 - Additional Reference Information

159	Jan 2017	INA International Limited
156	Jan 2017	Sure thought Ltd
153	Jan 2017	Lisa Deacon Childminding
152	Jan 2017	TOR Training
151	Jan 2017	Lay Red Design
149	Jan 2017	Expressions with confection
148	Dec 2016	Divine Footcare Ltd
147	Dec 2016	Langton London
146	Dec 2016	Surrey Hypnobirthing
145	Nov 2016	James Barr Design
144	Nov 2016	Fromaint
143	Nov 2016	Amber Saunders
142	Nov 2016	Manson Associates
141	Nov 2016	Hugh Bessant
140	Nov 2016	Lucy Cleans homes
139	Oct 2016	Phil Flemming
138	Oct 2016	Sophia Groves
137	Oct 2016	Merstham Community Trust
136	Oct 2016	Lawrence & Rutstein
134	Oct 2016	Daryl Bryant (carpentry)
133	Oct 2016	Little Pasta Factory
132	Sept 2016	AD commercial photography
131	Sept 2016	Another Dimension Wedding Videos
130	Aug 2016	Lackford consulting
128	Aug 2016	Barr Co
127	July 2016	Family Focus UK
126	July 2016	Nourish

Annex 1.2 - Additional Reference Information

125	July 2016	Thought Climber
124	July 2016	Small Green Room
123	July 2016	Aloe Healing
122	Jul 2016	ACT compliance
121	Jul 2016	Gym Jam
120	Jun 2016	The Shoe Tree
119	Jun 2016	Tern2 Solutions
118	Jun 2016	Little Spice
117	Jun 2016	Barry Dunstall
116	May 2016	Tups Cuts
115	May 2016	Ingenius Growth
114	May 2016	Bright and Beautiful Home
112	Apr 2016	Claire Barraclough Communications Ltd
111	Apr 2016	Power Tutors
110	Mar 2016	Accounting 4 Contractors
109	Feb 2016	Square Daisy
107	Mar 2016	Show choir
106	Mar 2016	per kwh
105	Mar 2016	Edale UK management
104	Mar 2016	Protea People
103	Mar 2016	The Local Handyman
102	Mar 2016	Greengages
101	Mar-16	Daisys Gardening services
100	Mar-16	e foldi
99	Feb-16	Virtual Success
98	Feb-16	Slightly Different Catering
96	Jan-16	3F EV Ltd
95	Jan-16	Burlingham London

Annex 1.2 - Additional Reference Information

94	Dec-15	The Chameleon Guide
92	Dec-15	Exceptional Electronics
91	Dec-15	Dades Antiques
90	Dec-15	Reel Feel Productions
89	Nov-15	Thought Climber
88	Nov-15	Fit with frank
86	Oct-15	CM27 Ltd (Bright and Beautiful Home)
84	Oct-15	Dimension 85 Ltd
83	Sep-15	CF Architects
82	Sep-15	Simone Diges
81	Aug-15	Wealth Strategies
80	Jul-15	Bellas Bakery
78	Jul-15	Margaret Martin Associates
76	May-15	BCMX Ltd
74	May-15	Ewan McKay
73	May-15	Your Finance
72	May-15	Redhill Counselling
71	Feb-15	SJ Taylor
70	Feb-15	SyncSkills
69	Feb-15	The Ice-cream Bike
68	Feb-15	Terzo Digital Ltd
67	Jan-15	Larabara Catering
66	Dec-14	Mancinism Design
65	Dec-14	The Deal Network Ltd
64	Dec-14	3F EV Ltd
63	Dec-14	Dan Harte - Gardening

Annex 1.2 - Additional Reference Information

62	Nov-14	Oneshot Solutions
61	Nov-14	Suntech UK Ltd
60	Nov-14	Shelax Therepy
59	Oct-14	Sam Muddel
58	Oct-14	Greenway & Associates
57	Oct-14	Katy's cupcakes
56	Sep-14	My Story Corner
55	Aug-14	Dewar Smith
54	Aug-14	Lilipad Ltd
53	Aug-14	Fluro Shell
51	Aug-14	Spirit Carvings
50	Aug-14	Farm shop on tour
47	Jun-14	Clutter fingers
46	Jun-14	Teeleap ltd
45	Jun-14	Lifting Spirits
44	May-14	JHH Electronic
43	May-14	Square Daisy
41	Apr-14	Different Direction
40	Apr-14	LGC solutions
39	Apr-14	Ffarcotton promotions
38	Apr-14	Brink and Beyond
37	Apr-14	Beryl and Pegs
36	Feb-14	Digital Directus
35	Feb-14	Last Lap television
34	Feb-14	DK Cleaning Services
31	Dec-13	Adrian Nightingale (Chinese motorcycles)
30	Dec-13	Richard Danpure (gardener)
29	Dec-13	Tom Farmery, Corporate event and video

Annex 1.2 - Additional Reference Information

production

28	Nov-13	Dream Cars Gatwick Ltd
26	Nov-13	GFT Supplies
25	Oct-13	Halliwell Marks Estate agents
23	Oct-13	Garden Services
22	Oct-13	RT Coffee
21	Oct-13	The Lavender Spa
20	Sep-13	Brown Sugar Management
19	Sep-13	360 Accelerator
18	Sep-13	Jamie Calder Ltd
16	Sep-13	Imaginative HR
15	Sep-13	Hillside Mobile Vets
14	Aug-13	Clearview property maintenance
13	Aug-13	Custom Canvas Prints
12	Jul-13	Tax Assist
11	Jul-13	Josh Gilham Maintenance
10	Jul-13	Exodus Brokers
9	Jul-13	Monster Moo Studio
7	Jul-13	Lovegrove Golf
6	Jul-13	Accounting4contractors
5	Jul-13	NPA plumbing
4	May-13	Camp Glide Ltd
3	Mar-13	House of Sunny
2	Feb-13	Total Imaging Direct

Annex 1.2 - Additional Reference Information

1 Feb-13

Family Mediation Ltd

Property & Acquisitions: Cllr Mrs Natalie Bramhall

Breakdown of Rental Income Forecast from Budget Build Report for 2019-2020

Costc	Costc	Income Forecast 2019-2020
MW30101	Town Hall grounds & car park	-900
MW30102	Town Hall Cottage	-25,000
MW30105	Town Hall Middle Block	-103,400
MW30107	Town Hall South Annex 2	-120,000
MW30210	Earlswood Depot Telecomm Mast	-7,300
MW30230	Park Farm - Scout buildings	-12,100
MW40101	Newman House, Horley (Russell Square)	-70,000
MW40105	Forum House, Brighton Road, Redhill	-349,000
MW40106	Beech House, London Road, Reigate	-300,000
MW40221	54 High Street, Horley	-6,100
MW40222	Old Town Hall, High Street, Reigate	-76,600
MW40223	Warwick Quadrant, Redhill	-300,000
MW40230	Linden House, 51b High Street, Reigate	-333,000
MW40233	36 High Street, Redhill	-116,700
MW40239	Travelodge, London Road, Redhill	-316,800
MW40241	Unit 1 Quarrydene Parade	-50,000
MW40242	Unit 2 Quarrydene Parade	-25,000
MW40243	Unit 3 Quarrydene Parade	-22,000
MW40244	Unit 4 Quarrydene Parade	-20,000
MW40245	Unit 5 Quarrydene Parade Merstham	-10,000
MW40246	Unit 6 Quarrydene Parade Merstham	-10,000
MW40247	Unit 7/8 Quarrydene Parade Merstham	-18,000
MW40301	1 Reading Arch Road, Redhill	-51,000
MW40302	3 Reading Arch Road, Redhill	-16,500
MW40303	4 Reading Arch Road, Redhill	-9,500
MW40304	6 Reading Arch Road, Redhill	-8,500
MW40305	14 Reading Arch Road, Redhill	-6,000
MW40306	20 Reading Arch Road, Redhill	-5,800
MW40307	50 Linkfield Lane, Redhill	-16,800
MW40310	Plot 4 Pitwood Park Ind. Est.	-28,000
MW40401	Banstead Wood (land adjoining)	-1,500
MW40402	Purbright Green Belt Land	-3,800
MW40405	Land at Hazelwood Lane, Chipstead	-1,100
MW40407	Lot 3, Rookery Farm, Lwr. Kingswood	-1,600
MW40409	Land in Woodplace Lane, Coulsdon	-2,700
MW40501	Redstone Cemetery Lodge	-18,000
MW40530	Colesmead House, 46 Colesmead Road	-16,000
MW40532	Elmhurst, 8 Evesham Road	-1,000
MW40533	Park Lodge, 38 Gloucester Road	-900
MW40535	Maxgate, 33 Redstone Hill, Redhill	-1,000
MW40703	Priory Flat, Reigate Priory	-3,500
MW40710	Reigate Hill Kiosk Wray Lane	-15,000
MW40711	Telecomms mast site at Waterfield	-14,800
MW50104	Banstead Wood (S&ESW)	-500
MW50111	Dene Farm (Ramblers Rest)	-8,000
MW50117	Land adj. 1 Oxford Road, Redhill	-6,300
MW50140	Madeira Sandpit	-2,200
MW50149	16/16a London Road (Hoarding)	-5,000
MW50307	Reigate Heath Golf Club	-13,500
MW50309	Football pitch at Reigate Heath	-400
MW50312	Banstead Downs Golf Club	-50,700
MW50320	Earlswood Angling Alliance	-400
MW50323	Earlswood Common Catering Concess'n	-13,300
MW50327	Salfords Cricket Club (Petridgewood)	-700

Annex 1.2 - Additional Reference Information

MW50401	Battlebridge Fields, Merstham	-800
MW50402	Redhill & Surrey Beagles licence	-3,800
MW50405	Bowls Club, Chipstead Meads	-2,300
MW50406	Chipstead RFC, Chipstead Meads	-7,100
MW50414	Banstead Neville Bowls Club	-400
MW50418	Banstead AFC, Merland Rise	-18,900
MW50420	Merstham FC premises, Merstham Rec.	-9,000
MW50425	Tattenham Way Recreation Ground	-18,000
MW50510	Nork Community Association pitches	-1,400
MW50516	Horley Piscatorial Society Licence	-1,200
MW50519	Woodmansterne Sports Club	-8,200
MW50810	Smithy Lane allotments	-2,100
MW50911	Horley High Street Car Park	-2,300
MW52101	Banstead Centre	-21,000
MW52102	Banstead CAB, Banstead Centre	-8,600
MW52203	Lady Neville Rec Pavilion	-7,500
MW52211	Beechholme Rec Pavilion	-12,000
MW52212	Beechholme Pavilion (Football club)	-1,800
MW52216	Earlswood Common Pavilion	-4,000
MW52218	Priory Park Pavilion, Bell Street, Reigate	-40,100
MW52220	The Pavilion, Memorial Park, Redhill	-7,000
MW52501	Whitebushes Community Centre	-3,500
MW52504	Sovereign Youth Centre	-27,100
MW52506	Kingswood Village Hall	-5,100
MW52507	Banstead Community Centre	-200
MW52509	Tanyard Barn Community Centre	-15,000
MW52601	Scouts Land, The Park Woodmansterne	-1,300
MW52603	Lavender Sandpit Licence to church	-300
MW52604	Battlebridge Boys Club, Redhill	-200
MW52605	Double Seven Club, Hanworth Road	-7,000
MW52608	Hooley Social Club	-5,000
MW52613	Donyngs Indoor Bowls Club	-11,000
MW52802	Bancroft Road MSCP Telecomms Lease	-20,000
MW52901	Banstead High Street CP Portakabin	-16,000
MW60100	Property & Engineers' Overheads - Income from new acquisitions	-327,000
Total		-3,232,100

BSP 9 Question	2018/19 Base Budget	2019/20 Salaries Contractual	2019/20 Growth	2019/20 Savings	2019/20 Provisional Budget	BSP 4/5 Reference	BSP 5 Growth	BSP 4 Savings
	£'000	£'000	£'000	£'000	£'000		£'000	£'000
Q1 Senior Management Team	1,527.4	26.4	0.0	0.0	1,553.8		n/a	n/a
Q2 Projects and Assurance	268.9	25.5	263.0	0.0	557.4	"Corporate" "Projects"	238.0 25.0	n/a n/a
Q3 Refuse and Recycling	1,141.2	33.5	107.0	0.0	1,281.7	"Refuse & Recycling"	107.0	n/a
Q4 Supporting Families	93.1	0.0	81.2	0.0	174.3	"Family Support"	81.2	n/a
Q5 Development Services	306.9	37.3	0.0	-10.0	344.2	"Development Mngt"	n/a	-10.0
Planning Policy	324.1	22.2	0.0	0.0	346.3		n/a	n/a
Q6 ICT	1,105.9	37.0	32.0	0.0	1,174.9	"ICT"	32.0	n/a
Q7 Electoral Services	397.4	5.9	0.0	0.0	403.3		n/a	n/a

Annex 1.2 - Additional Reference Information

REVIEW OF THE SERVICE AND FINANCIAL PLANNING PROPOSALS 2019/20

1. The Panel reviewed the responses to the advance questions received and the Leader of the Council, Executive Member for Finance, and attendant officers provided further information in response to supplementary questions and additional points of discussion as follows. The question numbers below are referenced to the relevant advance question as provided at Appendix 1.

SUMMARY

2. Web and Information – Question 3

A query was raised regarding the expected cost of the proposed Records Management post and its inclusion in the budget. It was confirmed that this would be included in the final version of the budget if possible, and that the average staff cost for the organisation was approximately £35k.

3. Environmental Health and Licensing – Question 9

It was confirmed that the reduction in the contract management fee payable to Staywell was part of the original contract arrangements.

4. Waste and Recycling – Question 10

A query was raised regarding the expected duration of the temporary flats recycling officer post. It was confirmed that the post was to support the roll-out of recycling support to flats in the borough and was expected to be in place for between 1.5 and 2 years. It was noted that longer term posts would be included in the revenue budget rather than funded through CPDF. A consolidated note bringing together all waste questions and answers will follow shortly.

5. Property and Facilities – Question 11

It was confirmed that the tenant incentive scheme was included as a cost.

Parking – Question 13

6. A query was raised regarding the level of parking charges in the borough. It was identified that the charges were considered to be in the middle range for neighbouring boroughs. It was confirmed that the implementation costs for adjusting parking charges would not be significant.

Refuse and Recycling – Question 16

7. It was confirmed that expected increases in fly tipping costs was allowed for in the budget, but that any additional in-year increases would be expected to be managed within the budget.

Housing and Welfare – Question 17.1

8. It was confirmed that average number of bed and breakfast places referred to, was in addition to the emergency accommodation places provided at the Council's own unit.

Housing and Welfare – Question 17.2

9. It was confirmed that the loss of government funding for homelessness support in future was expected to be a risk factor in the coming years.

Local Authority Trading Companies – Question 18

10. It was confirmed that the Commercial Governance working group would be providing a report in the near future, and that the performance of council investments in companies was expected to be reported on a regular basis.

Payments to Senior Managers – Question 19

11. It was confirmed that the amount (£237k) did not included pension strain, but that this was identified in the response to question 7.2 (an additional £125k). It was identified that there was a strong business case for the changes to organisational structure having regard to the costs, and that such changes would only be expected to occur in exceptional cases.
12. It was confirmed that redundancy, compromise agreement and other payments in such cases were not higher than sector standards, and were lower than those for many equivalent organisations. It was confirmed that all payments would be reported in the Council's accounts.

Parking – Question 20

13. It was confirmed that it was not considered that significant additional income could be raised through additional parking enforcement. It was identified that current parking enforcement activities were generally conducted at a loss, and that significant increases in charges were not considered to be net beneficial to the Borough. It was confirmed that the enforcement team already implemented flexible arrangements to support efficient enforcement action.

BUDGET PROPOSAL 2019/20*Surrey County Council Budget Constraints – Question 1.2*

14. It was confirmed that the potential loss of income from Surrey County Council would present a financial risk factor in future.

Impact of Changing Business Rates – Question 1.3

Annex 2

15. It was identified that if the business rates retention pilot was extended, it would be anticipated to continue at the current level. It was confirmed that no income from the business rates pilot had been assumed in the budget for 2019/20..

Welfare, Universal Credit and Council Tax Reduction Scheme – Question 1.5

16. It was identified that central government funding was provided to support the implementation of Universal Credit, but that its impacts would present a potential financial risk factor in future years. The budget was considered to be sufficient to deal with anticipated impacts in the forthcoming year. It was confirmed that the cost of the Council Tax Reduction scheme was modest.

Waste and Recycling – Question 1.13

17. It was confirmed that the reduced demand for recyclates, particularly from China, presented a cost pressure by reducing the Council's income from recycle sales. It was identified that prices had improved from a previous low point, but that the Council was taking a cautious approach to associated budgeting, and that the unstable prices remained a risk factor under consideration.

Revenue, Benefits and Fraud – Question 1.15

18. It was confirmed that the potential creation of a company providing fraud management and debt recovery services to other organisations would go through a full business case consideration before implementation. It was noted that the Council was taking a thorough and cautious approach and was currently awaiting feedback from the Commercial Governance working group.

Property and Acquisitions – Question 1.16

19. The Panel was pleased to note that the additional property income of £519k had already been secured.

Property and Acquisitions – Question 1.17

20. It was confirmed that the Council's new Investment Strategy would be coming forward in the relatively near future.

Business Rates Pilot – Question 1.19

21. A query was raised regarding whether the income from the 100% Business Rates Retention (BRR) pilot was intended to all be used to support additional economic prosperity projects in the borough, and whether some could be allocated towards the existing activities of the economic prosperity team. It was confirmed that it was intended to use all the income from the business rates pilot to support business prosperity, including delivering additional local projects. Officers confirmed that the option of allocating some of the income to support the budgeted activities of the economic prosperity team would be considered.

Budget Gap Summary Table – Question 1.22

22. It was confirmed that the additional “Revenue Resources Released from Budget Review” were due to a reduction in the “revenue headroom” included in previous budgets, following the January 2012 Budget report to the Executive. This was effectively a budget contingency which had been established in that year and which had been carried forward into subsequent years. The Panel asked for further detail on how this headroom budget had changed over the years, how it had been spent, and how actual expenditure and related budget variances had been reported in quarterly and year end budgetary reports.

MEDIUM TERM FINANCIAL PLAN 2019-20 TO 2023-24*Capital Programme – Question 2.6*

23. It was confirmed that a report on fleet replacement options would be considered by the Executive on 29 November. It was identified that this would primarily be a capital budget consideration.

The revenue budget impacts of the forecast financing requirements for the entire capital programme (including vehicle replacement) will be assessed and reported as part of planned reports to Executive in January (Budget 2019/20 and Draft Treasury Management Strategy 2019/20 for Consultation).

Business Rates Equalisation Reserve – Question 2.16

24. It was confirmed that the Council had a good collection record for business rates, and that there were no reasons to suspect a decline.

FIVE YEAR PLAN PERFORMANCE REPORT 2017-18*Workers Scheme – Question 3.1*

25. It was confirmed that the workers scheme had expanded in line with national scheme requirements relative to the size of the organisation. It was identified that funding from the apprenticeship levy fund was being drawn on where appropriate.

Community Development Team – Question 3.3

26. A query was raised regarding how the areas for deployment of community development workers were determined, and the possible benefit of pre-emptive deployment to new developments. It was identified that consideration

Annex 2

was given to both indices of multiple deprivation and to local knowledge of potential areas. It was noted that the Portfolio Holder for Leisure and Wellbeing would be able to provide additional information.

INCOME AND SAVINGS 2019-20Budget Savings – Question 4.8

27. It was confirmed that the saving reflected the reduction in the number of councillors following the boundary review conducted by the Boundary Commission. The budget is subject to consideration of the report of the Independent Remuneration Panel and the approval of the Members' Allowance Scheme and were expected to be taken into account in the final budget.

Staffing – Question 4.19

28. It was confirmed that the central budget of £100k to help fund potential redundancies was allocated on an annual basis. No cost is involved if posts eliminated are vacant at that time.

Customer Contact – Question 4.20

29. It was suggested that the narrative provided to callers to the customer contact line could be abbreviated.

GROWTH 2019-20

30. The Panel remarked that the savings and growth schedules were clear and well-explained and thanked officers for their efforts,

Leisure and Wellbeing – Questions 5.7 and 5.16

31. It was identified that money in the trust funds was held for specific purposes and that the income had been corrected appropriately in the budget.

PROVISIONAL OUTTURN REPORT 2017/18

32. No additional questions were raised regarding this document.

Q2 FORECAST SUMMARY 2018/19Pathway for Care – Question 7.8

Annex 2

33. It was confirmed that the value of shares would be accounted for as part of the preparation of the annual accounts, having considered advice from external auditors and other advisers. It was confirmed that if a provision was required to reflect a change in the value of shares, this would be reflected through the revenue account and into the General Fund.

MOVEMENTS BETWEEN 2018/19 AND DRAFT 2019/20

34. No additional questions were raised regarding this document.

2017/18, 2018/19 AND 2019/20 DRAFT COMPARISON*Comparisons – Question 9.1 through to 9.7*

35. The year-on-year changes in costs were clarified in the additional supporting document provided on page 25 which answered the questions raised. The comparisons took into account one-off costs and savings in the current year.

DRAFT SALARY BUDGET VS FTE CHART

36. No additional questions were raised regarding this document.

DRAFT SALARY GROWTH ANALYSIS

37. No additional questions were raised regarding this document.

Supplementary Budget Scrutiny Panel Questions

Q1.19

Of the additional £500k income expected as part of the 100% Business Rates Retention (BRR) pilot, £200k expenditure has been approved in consultation with the Leader and members.

There is, as yet, no approved plan for the use of the remainder in 2019/20.

Q1.22

In 2012/13, a contingency budget referred to as headroom was established as a prudent action to address changes in government funding levels. Its purpose was to bridge the gap between operational needs and funding received, whilst helping to prevent existing service reduction.

Headroom was created with a balance of £1.05m and has been gradually topped up to £1.3m. Each year, the Headroom has been included in the "Finance" heading in the Accounts and Budget Monitoring and the unspent balance has been returned each year to General Fund Reserve.

Operating a budgetary contingency is a sound financial management practice. Transactions against budget contingency are not reflected until after the year end in order to take account of operational issues and technical financial adjustments e.g. to pension fund transactions occurring as part of the year end close. Therefore no variance to contingency is reported throughout the year in Budget Monitoring.

The table below shows the movements in Headroom year on year.

Any transactions relating to Headroom are processed in April each year as part of the previous year-end processing.

Headroom Budget

2018/19	£
Headroom	1,335,800

2017/18

Headroom budget in 17/18	863,420
Net Increase in Headroom for 18/19*	<u>472,380</u>
18/19 Headroom	1,335,800

**comprising residual resources after funding the approved 18/19 budget*

2016/17

Headroom budget in 16/17	789,420
Net Increase in Headroom for 17/18	<u>74,000</u>
17/18 Headroom	863,420

Annex 2

The amount of Headroom in the 2018/19 Budget is £1,335,800.

Any transactions to be charged against Headroom will be processed in April 2019 as part of the 2018/19 year-end closedown process.

If the 2019/20 Budget Proposal is approved, this will be reduced by £500,000 to £835,800 in 2019/20.

There may also be transactions charged against Headroom in April 2019 as part of the 2018/19 year-end closedown process – so the final Headroom value in 2019/20 may change.

Q9.1

Please see the attached table. "SMT Analysis"

Waste and Recycling – consolidated answers to several questions

It was confirmed that the reduced demand for recyclates, particularly with regard to China, presented a cost pressure by reducing the Council's income from recyclate sales. It was identified that prices had improved from a previous low point, but that the Council was taking a cautious approach to the associated budgeting and that the unstable prices remained a risk factor under consideration.

Recyclate prices are volatile, as is the market, and are difficult to predict going into 2019/20. Due to this volatility, the important relationship between our budget and the current prices received is what gives rise to variances. In this, the budget setting process, which takes place many months in advance, is disadvantaged and the accuracy is necessarily degraded. The authority is, in setting this income budget, constantly trying to catch up with real world prices.

The £93k loss of income reflects an agreed reduction in 2019/20 for the recycling credits received from Surrey County Council. This agreement was reached as part of negotiations to assist SCC in closing its forecast budget deficit. It is assumed that the recycling service will be retained by RBBC in the future.

We do not sell the Garden Waste that we collect.

Dry mixed recycling (includes plastics) and the processing costs are commercially sensitive.

It was confirmed that expected increases in fly tipping costs was allowed for in the budget, but that any additional in-year increases would be expected to be managed within the budget.

A query was raised regarding the expected duration of the temporary flats recycling officer post. It was confirmed that the post was to support the roll-out of recycling support to flats in the borough and was expected to be in place for between 1.5 and 2 years. It was noted that longer term posts would be included in the revenue budget rather than funded through CPDF

The waste blueprint budget ceased in 2016

Funding for phases 1 & 2 of the flats recycling roll-out was agreed by Executive on 13 September 2018. The remainder of flats considered suitable for kerb side recycling will be taken on service during normal business and within revenue budgets. The 2019/20 budget includes £110k growth made up of £96k temporary officer post and other one off expenditure

Annex 2

like replacement bin deliveries and site signage. This is temporary and therefore appears as a CPDF cost. The balance of the £14k growth is in the base budget and reflects increased expenditure in communications.

A report on fleet replacement options is due to be reported to full Council on 13 December 2018. It is planned to replace/refurbish the existing household collection fleet by 2021/22.

Annex 2

Senior Management Team		2019/20 Budget Growth						2019/20 Budget
Account	2018/19 Budget	2018/19 Q2 Forecast	Cost of Living	Contractual Changes	Performance Pay Increase	Additional NI	Additional Pension	
Salaries	1,419,100	1,370,625	28,400	13,900	10,100	3,700	6,300	1,481,500
Non Pay Costs	72,300	55,800						72,300
Totals	1,491,400	1,426,425	28,400	13,900	10,100	3,700	6,300	1,553,800

Senior Management Pay is administered in line with the Council's Pay Policy.

- a) **Cost of Living** represents the proposed Pay Award rise of 2% of salaries (subject to the outcome of negotiation).
- b) **Contractual Changes** recognizes changes in the pay of an individual during the year, that have occurred due to a change in their contract of employment.
- c) **Performance pay increase** represents an anticipated amount for pay increases due to individual's performance reviews. They are consolidated into base salary.
- d) **NI** represents the increase in NI payable that would relate to a, b &c above.
- e) **Pension** represents the increase in Pension contributions payable that would relate to a, b &c above.

