



REPORT OF:	CHIEF EXECUTIVE
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TO:	EXECUTIVE
DATE:	10 NOVEMBER 2016
EXECUTIVE MEMBER:	COUNCILLORS V BROAD & T SCHOFIELD

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

SUBJECT:	SERVICE & FINANCIAL PLANNING 2017/18
<p>RECOMMENDATIONS:</p> <ul style="list-style-type: none"> (i) that the national and local service context be noted; (ii) that the service proposals set out in this report, which seek to respond to this context and deliver our 5 Year Plan, be endorsed; (iii) that the draft 3 year business plans 2017/18 – 2019/20 be approved, and the Head of Corporate Policy be authorised to finalise these plans, in consultation with the relevant Portfolio Holder; (iv) that the Head of Corporate Policy be authorised, in consultation with the Leader of the Council and Head of Finance, to make any necessary changes to the Corporate Business Plan 2016-20 arising from the service and financial planning changes agreed for 2017/18; (v) that the following proposed budget changes and financial planning be approved for consultation under the Council’s budget and policy framework: <ul style="list-style-type: none"> a) Medium Term Financial Plan for 2017/18-2021/22 (Annex 1) b) Savings totalling £1.552m (Annex 2) c) Growth totalling £0.703m (Annex 3) d) Updated Capital Programme (Annex 4) 	
<p>REASONS FOR RECOMMENDATIONS:</p> <p>To ensure that the Council continues to plan and manage its resources well, deliver high standards of service and meet the aims and objectives of our adopted 5 Year Plan.</p>	
<p>EXECUTIVE SUMMARY:</p> <p>In 2015 the Council adopted a new 5 Year Plan; this Plan informs Council decisions at every level by articulating the organisation’s vision and corporate priorities. The Plan is</p>	

ambitious in nature, focused on making the borough a great place to live and work and supporting our residents and businesses to thrive.

The primary objectives of the service and financial planning process are to ensure that the Council continues to be financially sustainable and to support the effective delivery of our services and the priorities defined in the 5 Year Plan.

The Council's confidence in agreeing an ambitious 5 Year Plan is based on a history of, and reputation for, sound financial management. The service and financial planning process is one which works well and has been utilised for many years. The recommendations in this report are based on analysis of a range of data and evidence, and the result of extensive discussions between the Executive and Management Team over past months.

This report provides a condensed version of those discussions; it describes the national and local context which has informed them, both in terms of policy decisions and financial developments, and the service change proposals which have been put forward in response.

Provisional budget proposals are also set out within the report for consideration, including net savings of £849k. If Members accept these recommendations, and with further work over the Autumn, it will ensure that the Council delivers the necessary savings to ensure a balanced budget for 2017/18.

Executive has authority to approve the above recommendations.

STATUTORY POWERS

1. All organisations require strong business plans if they are to perform at the highest level. The Council has an adopted 5 Year Plan setting out our priorities, aims and objectives. Three year business plans for each service have been prepared to identify how the Council will manage its services and resources in order to meet our corporate priorities and statutory requirements.
2. The *Local Government Act 1992* places a requirement on Councils to set the following year's Council Tax levels by 11 March each year. The *Local Government Act 1972* requires the Council to set the associated annual budget as part of proper financial management. This report is part of that process.

SERVICE CONTEXT

3. It is important that our service plans respond to the context in which they will be implemented, in order to provide the most effective services that meet the needs of our residents, communities and businesses. The following sections set out the local, national and regional contexts that have informed our service plans.

Our 5 Year Plan

4. The Council has adopted a 5 Year Plan, setting out our priorities, aims and objectives in order to ensure the borough continues to be a great place to live and work.
5. The 5 Year Plan sets out our vision for the future:

A leading Council recognised by our residents, peers and partners. We will:

- *Deliver quality services and support*
 - *Provide value for money*
 - *Make the borough a great place to live*
 - *Be flexible and sustainable, responding to the needs and demands of our borough, residents and businesses; and*
 - *Be an increasingly commercial organisation*
6. Our 5 Year Plan seeks to deliver against this vision, with priorities grouped around three themes:
- People: supporting residents to enjoy healthy and happy lifestyles
 - Place: a great place to live and work
 - Organisation: a great Council

National and Regional Context

7. Whilst the Council has set very clear priorities based on our local needs, policies and legislation from national government, and decisions made by partner organisations (e.g. Surrey County Council), will continue to have a significant effect on our residents, and therefore on the support and services that we provide.

Welfare reform

8. Welfare and benefits account for a significant proportion of public spending and the Government has pursued a substantial reform agenda in this area.
9. Universal Credit was introduced in February 2016, initially for a limited group of claimants who apply for out of work benefits. The Council is working with the Department for Work and Pensions to assist the more vulnerable claimants with personal budgeting support and digital support. During 2016/17 further welfare changes are being introduced to families claiming Housing Benefit, and others who are on low incomes and claiming Tax Credits.
10. Significantly, changes to the Benefits Cap are to be implemented from Autumn 2016 and will see the maximum level of benefits reduced from £26,000 to £20,000 outside of London. This will see a significant increase in the number of families who face reductions in their Housing Benefit, and the Council has been working to prepare these households in advance and provide support to them around finding employment (which will exempt them from the Benefits Cap). The government has stated that it will increase Discretionary Housing Payment funding over the next five years, and this will require additional administration by the Council.
11. The extension of the benefits cap (such as the removal of any housing benefit for U21s) will impact on people's ability to pay rent, as affordable rents are linked to the market rate, which is obviously higher in Reigate & Banstead.
12. Further reductions to welfare spending include the reduction of the earnings threshold in Working Tax Credit, the freeze of Local Housing Allowance rates, the removal of the Family Premium and freeze to other working-age benefits.
13. These and other factors will adversely affect the financial situation of many families in the borough, and they are likely to need more support from the Council in order to reduce their risk of homelessness.

Housing & Planning

14. In 2015 the Government extended the Right to Buy scheme to housing association tenants, which may impact on the availability of housing stock.
15. The cost of buying or renting in Reigate and Banstead continues to be significantly above the national average, which provides a further challenge by making it extremely difficult for many of our residents to access the private housing market.
16. The Government has also pledged to deliver 200,000 new homes on brownfield land through further relaxation in planning controls, especially over the use of employment land. The Government has consulted on proposals to relax planning controls, reduce local authority powers and even remove planning functions entirely where housing delivery is deemed insufficient or local plans are not adopted. It is therefore essential that we maintain our timetable for adopting the Development Management Plan, to ensure that we continue to be plan led and have greater control over the type and location of development that takes place in the borough.

Gatwick airport

17. In addition to the legislative programme set out in the Queen's speech, the Davies Commission published their report on 1 July 2015 regarding additional runway capacity in the south east. Heathrow was recommended as having the greatest growth potential, although with considerable environmental caveats.
18. The Commission also highlighted that a second runway at Gatwick was a viable option for the future. Gatwick Airport Limited has continued to promote a second runway, which would have significant implications for Reigate & Banstead.
19. Since then, the Government has been considering the Davies Commission's report, and in October announced that a third runway would be built at Heathrow.

Refuse and Recycling

20. Our recycling service generates significant income for the Council, as materials are sold to processing plants. The price for recyclates is, however, impacted by the international markets. Demand from large economies, especially China, drive higher prices for these materials. When the growth in these markets falters, as in recent years, the price for materials reduces.
21. Demand for plastic materials is also impacted by the international oil market. When the oil price is lower, as in recent years, it reduces demand for plastic recyclates and this reduces the price available for these materials.
22. This led to a large reduction in the Council's income from recyclates, resulting in an overspend / under recovery within the 2015/16 budget. The income budget was reduced within this area in 2016/17 to take account of this.
23. There are signs currently that the international recycle market is recovering. The Council has recently entered into a new contract for the disposal of its dry mixed recycling which will see income exceed that which was budgeted for 2016/17, and will reduce our vulnerability to further market fluctuations.
24. However, proposals from Surrey County Council currently under discussion could significantly reduce our ability to generate income from recyclates and also, by removing recycling credits, increase our costs in this area. This is a primary concern at present and discussions are continuing with Surrey County Council and other Districts and Boroughs through the Surrey Waste Partnership.

Devolution

25. Between 2010 and 2015 the Government promoted a number of devolution deals based around city regions. These deals involved devolution of powers or funding from central government to city region structures. In return, the deals set out proposals for delivering additional growth, service improvements and financial efficiencies for the public purse.
26. Following the 2015 General Election, the new Government proposed to significantly expand the devolution deals to any economic area and invited local areas to reach agreement and submit proposals for devolution.
27. We have been working to develop a local devolution deal, covering Surrey, East and West Sussex (the 3 Southern Counties, or 3SC). This is being developed for submission to the Government, discussions with which have already shaped the direction of these proposals.
28. The 3SC devolution bid is ambitious in what it asks of the Government; in recognition of the significant contribution that the area makes to the national economy, and the risk that under investment in infrastructure poses to future growth, significant levels of funding are being pursued, alongside devolved powers.
29. In return, the 3SC would deliver:
 - Economic growth and enhanced productivity: this includes proposals to support investment in housing delivery (within existing local plan commitments), infrastructure, digital connectivity, skills and training and in promoting economic growth and inward investment.
 - Public service transformation: the emphasis in the 3SC proposals is to redesign public services, remove duplication, improve joint working, shift to preventative services and reduce costs – all of which improves outcomes for residents. The focus will be on services that support vulnerable residents and those with complex needs.
30. The Council has been partaking in 3SC discussions to date in order to ensure that any deal provides sufficient benefits for Reigate & Banstead; a formal decision will need to be taken regarding the Council's involvement if a Devolution Agreement is reached with the Government.

Property market

31. The property market has seen strong growth in recent years, which is positive to the Council's development and investment plans.
32. The market is still performing strongly following the referendum on the UK's membership of the European Union. However, it remains vulnerable to changes in the worldwide economy.

LGA Corporate Peer Challenge

33. In September 2015, the Council invited peers from across the public and private sector to Reigate to hear about our priorities and achievements, and to share best practice and make recommendations for further improvements.
34. The feedback from the Peer Challenge was extremely positive, with significant strengths across all areas of the organisation. Overall messages included:
 - The Council is ambitious, confident and achieving, with a business approach to managing the Council which is helping to ensure financial sustainability

- The Council has shown impressive, proactive community leadership, resulting in an excellent reputation among residents and partners
 - Our focus on supporting people is to be applauded
 - Our high quality staff are engaged, enthusiastic and committed to improving the Borough
35. This Peer Challenge was intended to help the Council perform even better, and the following recommendations were made:
- Articulate your innovative approach to financial sustainability at a corporate level
 - Allocate funding to priorities (as some are utilising short term partner funding)
 - Deliver the Development Management Plan and a parallel marketing strategy
 - Create a sustainable approach to a recurring pressure on homelessness
 - Continue the strong future workforce planning
 - Internal and external challenge will ensure you remain a leading council
 - Tell people your story
36. An action plan was agreed by the Executive in January 2016 to respond fully to these recommendations, and a number of savings and growth proposals agreed in 2016/17 and set out in this report also addressed these recommendations.
37. The Council invited the Peer Challenge team to undertake a return visit on 12 September 2016 to review our progress since their initial visit and to provide any further feedback.
38. The feedback from the return visit was equally positive and the Peer Team recognised the excellent progress made against the action plan.

SERVICE PLANNING

39. Each service within the Council has reviewed and refreshed its rolling 3 year business plan, to prepare a new draft which covers the period 2017/18 to 2019/20. These plans set out the context for the service, including key changes and customer insight analysis. Expected activities are set out against 5 Year Plan priorities, and key outcomes, risks and resources information are also included. The plans also set out a SWOT and/or PESTLE analysis for the business(es), and set out how the national and local context may impact on individual services during this time.
40. The draft plans have been developed by the Management Team, in consultation with the relevant portfolio holder. The draft plans are not appended to this report due to their size, but have been placed in the Members Room for review and any comments can be made to the relevant Portfolio Holder.
41. The business plans include proposals to respond to the service context set out in the previous section above, and to deliver against our 5 Year Plan priorities. The activities supporting the delivery of the 5 Year Plan are captured in an annual action plan, with progress reported as part of the performance management framework.
42. The following highlights some of these service proposals against each theme within the 5 Year Plan.

People: supporting residents to enjoy healthy and happy lifestyles

43. The Council has seen a sustained increase in the number of people presenting themselves as homeless. The Council has a statutory duty to provide temporary accommodation whilst reviewing their application. We have increased the number of temporary housing units available within the borough, but demand continues to be high. As a result, the budget in this area was increased in 2016/17 to support temporary accommodation costs.
44. Ongoing national welfare changes as described above and rising private sector rents and house prices, are all anticipated to introduce further pressure in this area. We understand that the County Council are also proposing to reduce the funding available for housing related support.
45. During 2016/17 a full Housing Review has been undertaken, as a result of which the Council has introduced or is trialling a range of new projects and initiatives. Many of these are already having a positive impact in enabling the Council to better prevent and manage homelessness in the face of these growing pressures. In addition, a revenue saving will be achieved in 2017/18 (and beyond) from the purchase of a unit of emergency accommodation within the borough, which will reduce the requirement to use expensive, and often out of borough, bed and breakfast rooms.
46. Continued monitoring of new projects and initiatives will help to inform the ongoing response to these pressures and further improvements to the service, with a view to potentially reducing the budget requirement in future years. Additional funding will be sought from the Corporate Plan Delivery Fund for some of these measures.
47. The Department for Communities and Local Government (DCLG) has reduced its funding for the Council's Family Support programme in 2016/17, whilst the targets set have doubled. The Family Support Team works with some of our most vulnerable residents and assists them into employment. It has been highly successful to date and the financial proposals include a growth bid to allow us to continue this vital piece of work. Increased funding at the same level is anticipated from partner authorities (Mole Valley District Council and Tandridge District Council).
48. Reigate and Banstead has a growing older population with increasing health and social care needs. This is placing a growing pressure on adult social care services. The Personalisation, Prevention and Partnership Fund (PPPF) programme established by Surrey County Council will come to an end in 2016/17. Under PPPF, the Council received funding annually to support health and wellbeing related work, which included our extensive Ageing Well programme, aimed at supporting the increasing older population of the borough to live happy, healthy and independent lives. This is a key priority within our 5 Year Plan, and the 2015 LGA Peer Challenge Team recommended that consideration be given to how we would continue to fund this priority activity.
49. A CPDF bid is therefore proposed to fund the ongoing employment of a Health & Ageing Well Co-ordinator, which role has been critical to delivering our successful Health & Ageing Well programme. This is a short term proposal with a view to including this post in the revenue budget in the medium term when other funding streams have become available. It is also proposed to fund an expansion of our taxi voucher scheme, which has been extremely well received by older residents within the borough.
50. As an additional long-term response to healthcare pressures, the Council has invested in a ground-breaking new health and social care initiative which is currently

in its start-up phase. Working with trusted and experienced private sector partners, the Council has established Pathway, a company that aims to significantly increase patient experience and outcomes, whilst at the same time generating significant profit which in future years can be used to support our more vulnerable and less well supported residents. This is not reflected in the 2017/18 savings proposals as this venture is still in its very early stages, although progress to date has been good.

51. The Council has employed one Community Development Worker, based in Merstham, for almost ten years now. The post has been extremely successful, building on the physical regenerative work undertaken in this part of the borough to maximise the benefits for the community and improve the life chances of some of our most vulnerable residents. The Council is exploring an extension of this area of activity to provide similar support in other priority areas within the borough. Funding from the CPDF has been approved for initial exploratory work in 2016/17, which may inform a further CPDF bid for additional funding in 2017/18 to expand the programme.
52. One of our key 5 Year Plan priorities is to support residents into employment, particularly those in vulnerable families and young people, and one of the ways we have done so to date is through our award winning Young Workers Scheme. The growth proposals for 2017/18 include a financial contribution to the Government's Apprenticeship Levy which will apply from May 2017 to all UK employers in both the private and public sectors with a salary bill of more than £3 million. As well as this, the Council will create new apprenticeship opportunities in addition to those that already exist. Such opportunities can be created in some services within existing structures, but in others new posts will need to be created, and the growth proposals therefore include 3 new apprenticeship posts.

Place: a great place to live and work

53. The Council's economic development activities were expanded in 2016/17 with the benefit of CPDF funding and continue to offer valued support to local businesses. Additional funding will be sought from the Corporate Plan Delivery Fund to further increase the budget for small business grants, which have been very successful at supporting new and growing businesses.
54. Resident feedback consistently highlights the importance of maintaining our towns, public spaces and parks. Ongoing improvement work in our Greenspaces service has identified opportunities to deliver further efficiency savings whilst maintaining a high standard of service across the borough. The Council is also exploring opportunities to deliver new services in our parks and open spaces, making these even more attractive destinations to residents and visitors alike, and increasing our health and wellbeing offer.
55. One of our priorities is to establish a Development Management Plan to deliver affordable and other types of housing, employment space and infrastructure, whilst protecting the borough's pleasant environment. This is a critical plan, setting out the more detailed policies under the adopted Core Strategy and will provide the Council with greater control over the type and location of development. Corporate Plan Delivery Funding will be utilised to support the costs of progressing this plan to adoption.
56. Owing to uncertainties surrounding the future of waste funding from Surrey County Council, as referenced above, a prudent approach is proposed whereby the revenue budget will include growth to account for a large extent of the potential changes. The Council will continue to negotiate with the County Council and seek to avoid this level

of reduction coming to fruition. This is important not only in terms of our financial position, but in its possible impact on the quality of the service that is offered to our residents.

Organisation: a great Council

57. The Council set out a priority in our 5 Year Plan to be financially self-sufficient by 2020, without impacting on residents' priorities. This timescale has been recently revised to 2018 in light of funding announcements (see paragraph 67, below). In order to achieve this, the 5 Year Plan sets out a range of activities, including efficiency savings and a commercial approach to fees and charges.
58. This report, therefore, contains proposals to increase our fees and charges in a number of service areas including garden waste, development management, Environmental Health, Greenspaces, Licensing, and the Harlequin theatre. Income from these sources is critical as reductions to our Government grant continue.
59. We will continue to promote business change projects, and we will undertake work to redefine the ICT service so that it is better placed to support our business change objectives. These include a focus on channel shift and self-service opportunities, and automating processes. This will enable us to work smarter and in a way more suited to the increasingly commercial organisation that we aim to be, both releasing efficiencies and creating opportunities to increase income.
60. Some of the commercial initiatives which we will pursue or are already pursuing are reflected within the savings and growth proposals within this report. Our Revenues & Benefits Team have during 2016/17 been making significant changes to the running of the service to release capacity that can be marketed, based on the high level of expertise within the team, to other local authorities and organisations. This project has been extremely successful to date, and we anticipate including the resulting revenue income generation within the 2018/19 budget.
61. Other commercial activities related to trade waste, parking, Redhill and Reigate markets, Greenspaces, and sponsorship opportunities, will also provide savings in 2017/18. The Council will also achieve a saving by providing property services on behalf of another Surrey district/borough authority.
62. Our 5 Year Plan seeks to increase the value of, and income derived from, our property and assets. The Executive has approved a number of property schemes in the last year which will deliver against this priority. The budget proposals include an increase in rental income but – given the lead time on major regeneration projects - the most significant benefits will not be achieved until future years.
63. In 2016, the Council has established a property investment and development company. As with Pathway, this arms-length commercial vehicle is expected to provide very significant income streams in future years, but as it is also currently in the start-up phase it is not appropriate to include this in the savings proposals for 2017/18. It is proposed, however, to begin charging the property company for staff costs relating to senior officers who are also directors of the company, and this is put forward as a revenue saving.
64. With an increase in commercial activity, there is a growing demand for legal services support within the organisation. It is proposed to invest in this vital support service in 2017/18 using CPDF in order to ensure that the Council continues to benefit from a high quality internal offer. In the medium-term, it is envisaged that the Council would be able to build upon the resilience and expertise secured within the service to grow it into one that operates commercially and externally, in order to generate significant revenue income.

FINANCIAL CONTEXT

65. The Council continues to manage its finances well. Reigate & Banstead has delivered significant service improvements and priority projects whilst managing an almost 65% reduction in Government grant, from £6.9m in 2010/11 to £2.5m (including £2m of retained business rates) in 2016/17. As a result, the Council currently relies on central government for less than a fifth of our net revenue budget.
66. These reductions were the result of the Government's programme to eliminate the national deficit, the plans for which, considered alongside pledges to protect funding for NHS, education and defence, led many Borough and District Councils (including Reigate & Banstead) to adopt financial plans assuming that government grant would cease entirely by 2020 at the latest.
67. The Local Government Finance Settlement announced in December 2015 and finalised in February 2016 confirmed that assumption; however the pace of this change has been even quicker than anticipated. Reigate and Banstead experienced a further 70% reduction in Revenue Support Grant (RSG) in 2016/17, and will cease to receive any RSG from central government in 2017/18.
68. The Local Government Finance Settlement finalised in February 2016 was, for the first time, a 4-year settlement offer. In order to accept, councils were required to publish an efficiency plan and notify DCLG by 14 October 2016. Reigate & Banstead has accepted the 4-year offer in order to provide certainty about funding levels going forwards.
69. From 2017/18 the only general Government funding we receive will be that part of Business Rates (NNDR) that we are able to retain. However, the retained amount is set to reduce under proposals announced in the settlement, from a current level of over £2m to less than £1m. This is summarised in Table 1.

Table 1: **Government Funding for RBBC**

	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Revenue Support Grant	1.67	0.50	0.00	0.00	0.00
Retained Business Rates	2.16	2.18	2.22	2.29	0.82

70. The retained business rate figure for 2019/20 is only indicative at this stage as the Government plan to introduce reforms – as yet unspecified - to the system in that year. There is however a possibility that we will be left with little, or no, retained business rates in the future.
71. The referendum limit for Council Tax increases for 2017/18 has been set at £5.

Our approach

72. Our 5 Year Plan recognises that the Council needs to achieve a paradigm shift in the way that our services are funded. There is now a clearer need than ever to become a financially self-sufficient organisation, and in order to do so our savings will need to increase significantly. Whilst the minimum savings requirements are set out in the updated Medium Term Financial Plan at Annex 1, our Corporate Business Plan adopted by the Executive in July 2016 recognised the need to set higher targets in order to protect against anticipated central government funding changes. The

Corporate Business Plan identified a total savings target of £3.9m for 2017/18 to 2019/20.

73. Our Corporate Business Plan also sets out how we plan to become financially self-sufficient so that the Council can continue delivering high quality services to our residents and deliver against our 5 Year Plan priorities.
74. We have agreed the following approach to delivering the financial savings required:
1. Some service efficiencies, including self-serve and business change activities
 2. Increasing our element of Council Tax (see paragraphs 82-84, below)
 3. Commercial activities, including income from fees and charges
 4. Increasing income derived from property investment and development
 5. Further investment in property
75. Both service efficiencies and Council Tax increases are important but limited, and so it is imperative for the Council to become a more commercial organisation, generating new income streams to support service delivery. This will require investment and will have an element of commercial risk, but will enable the Council to develop and grow into a self-sustaining business.
76. The following sections set out the saving and growth proposal figures for 2017/18. Whilst this shows that we have exceeded the minimum net savings target identified in the Medium Term Financial Plan, we have not met the higher aspirational target as set out in the Corporate Business Plan. Additional work will be undertaken in the coming months to identify options to generate further income and savings in order to increase the net savings figure for 2017/18.
77. Although the Council has strong capital reserves, these cannot be used to directly provide for the revenue costs of service delivery and can only be spent once. The Council will prioritise capital spending on assets and investments that will provide new revenue income streams.
78. A new Local Authority Property Investment and Development Company, approved by the Executive in September 2016, will enable the Council to use reserves, as well as borrowing, to purchase additional property assets that provide new income streams to support service delivery both inside and outside the Borough.
79. As part of the budget development for 2017/18, the Leader and Executive have reviewed the capital programme to ensure that our investment aims are being realised.

Savings

80. Annex 2 sets out savings proposals and adjustments totalling £1.552m for the 2017/18 financial year. The following table summarise the savings:

Table 1: Savings Summary

Category	£000
Efficiency Measures	813
Income Generation	739
Total	1,552

Growth

81. Annex 3 sets out growth proposals and adjustments totalling £703k for the 2017/18 financial year, which can be summarised as follows:

Table 2: Growth Summary

Category	£000
Externally Imposed	97
Loss of Income	387
Service Improvements	219
Total	703

Council Tax

82. As part of the new commercial approach to funding, outlined within our 5 Year Plan, the Medium Term Financial Plan includes Council Tax increases of £5 per year, in line with new limits set by the Secretary of State in January 2016. This is considered vital if the Council is to manage the reductions in government funding whilst maintaining quality public services and delivering an ambitious Corporate Plan.
83. A £5 Council Tax increase would increase a Band D charge from £209.44 to £214.44 - an increase of less than 10 pence per week.
84. Initial discussions with other precepting organisations (excluding Horley Town Council and Salfords and Sidlow Parish Council) suggest that they will also increase their element of Council Tax by £5.

Reserves

85. **General Fund** - Historically the Council has set a minimum level of unallocated General Fund reserves of 15% of the net revenue budget, which equates to £2.2m in 2016/17.
86. Currently the unallocated balance on the General Fund is £6.9m – the result of previous decisions to build-up reserves to guard against the economic downturn and the impact of funding reductions.
87. Given the uncertainty over future economic conditions, and the ongoing reductions in grant support from Government over the coming years, the Council has previously agreed that it will be necessary to utilise reserves to generate new income streams, in order to maintain our capacity to protect Council services from unplanned budget changes.
88. There is, however, no requirement within these proposals to draw upon the General Fund in order to balance the 2017/18 budget. Any underspend at the end of the current financial year will be transferred to the General Fund or the Corporate Plan Delivery Fund.
89. **Corporate Plan Delivery Fund (CPDF)** - The CPDF is projected to have a balance of £1.2m at the end of the current financial year. Projected expenditure for 2017/18 is £1.5m.
90. This fund was established to support the delivery of the Council's 5 Year Plan. This includes support for people, place and organisational change, as well as funding for

staff resources to support projects, such as regeneration schemes. Funding is short term and not included in the revenue base budget.

Capital Programme 2017/18 to 2021/22

91. Capital reserves have been boosted in recent years by the return of investments in Iceland. Our projected capital reserves (at year end) are currently:

Table 3: Projected Capital Reserves

2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
9,892	8,142	7,127	5,388	3,891

92. The Capital Programme has been updated to allow for the reprofiling of existing budgets based on progress to date. Key changes include the reprofiling of budgets for Preston Parking Improvements and Burgh Heath Path Improvements.
93. Whilst major capital projects, such as those mentioned above, will be completed over the next few years, the Capital Programme will also need to ensure that other significant projects - such as leisure centre refurbishments - are provided for in the longer term.
94. In December 2015, the Council agreed a capital investment of circa. £900K to fund a critical ICT infrastructure programme. That programme is currently in the final stage of delivery and has vastly improved the productivity, capacity and resilience of our systems. The Council also agreed that regular capital investments in the ICT Service would continue following the completion of the ICT recovery programme, so that the quality of the service can be maintained going forward. Increased provision has therefore been made in the Capital Programme.
95. The updated Programme is attached as Annex 4.

OPTIONS

96. The following options are available to the Executive:
- Approve the proposed budget and financial planning changes set out within the report, for consultation under the Constitution. This option is recommended for approval, to ensure that our service and financial plans are agreed in good time to adopt a balanced budget for 2017/18;
 - Only approve some of the proposed budget and financial planning changes set out within the report, for consultation under the Constitution. This option is not recommended, as it would undermine the service plans and present a budget gap for 2017/18;
 - Reject the proposed budget and financial planning changes set out within the report, and request that further work be undertaken to develop new proposals for consultation under the Constitution. This option is not recommended as it would delay the budget consultation process, undermine service planning and leave the Council and risk of failing to adopt a balanced budget for 2017/18.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

98. These are addressed throughout the report.

HUMAN RESOURCE IMPLICATIONS

99. The Council has delivered significant savings in recent years. The nature of our services means that this has also resulted in staffing reductions and a substantial reduction to the salary budget. Between 2008 and 2016 the establishment was reduced by 92 full time equivalent (FTE) posts – a total salary budget saving of £2.9m
100. Continuing to make these kinds of efficiencies is no longer sustainable without impacting on the quality of service delivery, and the Council will need to grow in future if we are to succeed in our ambitious approach to becoming self-sufficient. We will need the capacity and skills to enable the organisation to diversify and to become more commercial.
101. The savings and growth proposals for 2017/18 will result in a net growth of 4.7 FTE (including 3 apprenticeship posts).
102. The Medium Term Financial Plan includes an assumption for an annual cost of living pay award for staff. This award is subject to negotiations with staff representatives and will depend on a variety of factors including economic conditions, inflation levels and staff retention.
103. The 2015 LGA Peer Challenge highlighted the challenges facing Reigate & Banstead due to our location within easy commuting distance to London and the buoyant local economy – both of which make the job market extremely competitive. It is therefore important that the Council continues to offer competitive employment packages to attract and retain high quality staff.

EQUALITIES IMPLICATIONS

104. 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).

RISK MANAGEMENT CONSIDERATIONS

105. The service and financial plans contained within this report are aimed at minimising risks and ensuring that the Council continues to deliver great services whilst managing budgets and other resources well.
106. The Council has strong risk management arrangements in place to ensure that any risks are identified and managed.

CONSULTATION

107. Consultation will be carried out in line with the Council's budget and policy framework. This includes consideration by the Overview & Scrutiny Committee.
108. The Overview & Scrutiny Committee has established a Budget Scrutiny Panel to support this work. The Panel is scheduled to meet on 24 November 2016. It is anticipated that the Panel's report will be considered by the Overview & Scrutiny Committee on 8 December. Any comments or recommendations will be reported to the Executive meeting on 5 January 2017.
109. 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.

POLICY FRAMEWORK

110. The budget proposals within this report form part of the Council's budget and policy framework. The annual budget is developed to ensure that the Council can deliver the Corporate Plan and services to residents and businesses.

Background Papers:

1. Our 5 Year Plan
http://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/280/our_5_year_plan
2. Corporate Business Plan
http://www.reigate-banstead.gov.uk/info/20205/plans_and_policies/782/service_and_financial_planning

Medium Term Financial Plan 2017/18 to 2021/22

1. Purpose of the Medium Term Financial Plan

- 1.1 The Medium Term Financial Plan (MTFP) is part of the Council's Policy Framework as set out in Article 4 of the Constitution. Its key purpose is to ensure that resources are directed towards delivery of the Council's Five Year Plan 2015/20.
- 1.2 It describes the financial direction of the Council for planning purposes and outlines the financial pressures over a 5 year period, but is reviewed annually to reflect the changes to local requirements, economic conditions and government funding.
- 1.3 It also supports our ambition to be recognised as a leading authority that delivers quality services, that provides value for money and that makes the borough a great place to live.

2. Benefits of the MTFP

- 2.1 The MTFP assists in:
 - Meeting the priorities of the Five Year Plan 2015/20.
 - Improving financial planning and the financial management of the Council's revenue and capital resources.
 - Maximising the use of resources available to the Council, both internal and external.
 - Ensuring that the Council provides value for money and delivers budget savings.
 - Allowing the development of longer-term budgets and strategic thinking.
 - Aligning financial resources to the Council's spending priorities.
 - Reviewing the Council's reserves policy to ensure there is protection against unforeseen events.
 - Developing financial sustainability over the medium-term.
 - Highlighting financial risks and developing mitigating controls.

3. Principles of the MTFP

- 3.1 The principles underlying the MTFP are as follows:
 - The overall financial strategy will be to ensure that the Council's resources are directed to achieving the priorities set out in the Corporate Plan.

- The Council recognises that it will not be able to continue to resource current levels of service without budget savings, changes to service, new sources of income or some combination of the three.
- The Council will maintain its General Fund reserve at a minimum of 15% of the annual net revenue budget to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFP without the use of the General Fund.
- Earmarked reserves will be maintained for specific purposes which are consistent with achieving key priorities. The use of earmarked reserves will be in line with the principles set out in the MTFP and reviewed annually.
- The Council will continue to improve its approach to commissioning and procurement to ensure value for money and minimise the impact of budget savings.
- The Council recognises the impact of increases in Council Tax levels on our residents and will balance the need for Council Tax increases against the delivery of services and the Corporate Plan.
- We will ensure that fees and charges are set at an appropriate level and that they take into account comparative levels of charge and ability to pay. Where appropriate a more commercial approach to charging will be adopted.
- The Council will consider ways in which it can ensure financial sustainability and maximise income to deliver its priorities. This will include the development of property - based projects to capture both revenue and capital income opportunities. We will also develop a range of commercial ventures and establish the most appropriate vehicle for the delivery of those projects.
- The Council will – when appropriate - consider the use of prudential borrowing to support capital investment and will ensure that an agreed revenue income stream is identified to meet the borrowing costs when investment decisions are taken.
- Opportunities for securing external funding to support the objectives of the Corporate Plan will be sought. The implications of a reduction or withdrawal of funding will also continue to be reviewed so that options can be considered around the future of such externally funded schemes. It is essential that a short-term benefit to the Council does not become a long-term, unfunded cost.
- Opportunities for working in collaboration will be identified and developed where this will support the Council's priorities and improve service efficiency and delivery.
- The Service & Financial Planning process will inform a review of the MTFP on an annual basis. This review will include an update of the five-year forecasts, expected developments in services, and changes to legislation.

4. Current Financial Context

- 4.1 The decision, in June 2016, to leave the EU has generated considerable uncertainty in financial and economic forecasts.
- 4.2 The appointment of a new Prime Minister and Cabinet has been accompanied by an apparent softening of the previous austerity targets, with the Government's current account now forecast to be in deficit throughout the forecast period.
- 4.3 In terms of Government funding of the Council, Revenue Support Grant will disappear completely at the end of 2016/17 and the level of Business Rates retained will reduce to around one-third of the current level by 2019/20.

5. Economic Trends

Interest Rates

- 5.1 The base rate had remained at 0.50% since March 2009 until it reduced to 0.25% in August 2016. It may well fall below its current rate and is not forecast to rise until 2019 at the earliest.

Table 1	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Interest Rates	%	%	%	%	%
Forecast Bank Rate	0.25%	0.25%	0.50%	1.00%	1.00%

Source: *Forecasts for the UK Economy: A Comparison of Independent Forecasts*
[compiled and published by HM Treasury]

Inflation

- 5.2 It is anticipated that the rate of inflation (as measured by the Consumer Price Index or CPI) will be close to the Bank of England target of 2% over the forecast period.

Table 2	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Inflation (CPI)	%	%	%	%	%
Forecast CPI	2.3%	2.3%	2.0%	2.0%	2.0%

Source: *Forecasts for the UK Economy: A Comparison of Independent Forecasts*
[compiled and published by HM Treasury]

Economic Growth

- 5.3 Economic growth – as measured by Gross Domestic Product (GDP) - is forecast to rise over the next five years.

Table 3	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Growth	%	%	%	%	%
Forecast GDP Change	0.7%	1.6%	1.9%	1.9%	1.9%

Source: *Forecasts for the UK Economy: A Comparison of Independent Forecasts* [compiled and published by HM Treasury]

6. Revenue Budgets

- 6.1 The net revenue budget for 2016/17 was set at £14.890m in February 2016. To achieve a balanced budget for each year of the forecast period it is anticipated that the following minimum level of savings will be required.

Table 4	2017/18	2018/19	2019/20	2020/21	2021/22
Forecast Savings	£000	£000	£000	£000	£000
Savings Required	600	400	1,600	500	500

- 6.2 Savings opportunities (and growth pressures) will be highlighted through the rolling Service & Financial Planning process.
- 6.3 The forecast savings above are based on projected levels of government grant, likely economic conditions and other “local” factors set out in the following sections.

i. **Council Tax**

It is assumed that this will increase by 2% per year over the forecast period.

ii. **Retained Business Rates (NNDR) Income**

It is assumed that this will reduce in line with the multi-year settlement data announced in December 2015.

iii. **Fees & Charges**

It is assumed that – where possible – these will increase in line with inflation forecasts in section 5.2.

iv. **Investment Income**

The security of cash deposits will remain paramount. As a result investment income has been assumed to be at a level consistent with the forecast base rates in section 5.1.

v. **Borrowing**

When new projects are brought forward the most appropriate way of financing them will form part of the appraisal of financial viability. For example, it is proposed that the Marketfield Way project in Redhill is financed by borrowing with the costs of the debt being met from the rental income created by the development.

vi. **Staff**

An allowance for a pay award approximately in line with the inflation projections in section 5.2 has been included in each year. This provides the option for pay rises but will be considered on a year-by-year basis and be subject to the normal consultation process.

7. Capital Programme

- 7.1 The Council's capital investment plans over the next 5 years are set out in the Capital Programme. The efficient and effective use of capital resources, including sound asset management, is fundamental to the Council achieving its long- and medium-term aims and objectives. It is also critical to achieving the delivery of the required savings across the Council and providing optimum services.
- 7.2 Any capital investment decision will have implications for the revenue budget. The revenue costs over the lifetime of each proposed capital project are considered when the project is being developed to ensure that the impact can be incorporated within our financial plans and to demonstrate that the capital investment is affordable.
- 7.3 The Prudential System of Local Government Capital Finance has operated since 2004 and allows local authorities to borrow as long as their capital spending plans are affordable, prudent and sustainable.
- 7.4 In order for borrowing to be considered prudent, affordable and sustainable there must be a long-term source of revenue funding to meet the costs of borrowing. Ideally this will come from revenue savings or from additional income generated directly from the capital project.
- 7.5 The Capital Programme to 2021/22 is summarised below (detail to follow).

Table 5 Capital Summary	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Capital Reserves at 1 April	15,484	9,892	8,142	7,127	5,388
Add Receipts & Grants	1,167	1,167	1,167	1,167	1,167
Less Expenditure	6,759	2,917	2,182	2,906	2,664
Capital Reserves at 31 March	9,892	8,142	7,127	5,388	3,891

- 7.6 Capital receipts from the sale of assets are held in reserves and treated corporately to allow the Council to target resources toward the highest priority projects.

8. Revenue Reserves

- 8.1 The Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. The Chief Finance Officer is required, as part of the budget-setting process, to provide a statement on the adequacy of reserves.

Reserves Policy

- 8.2 The Council will maintain its general reserve (the General Fund) at a minimum of 15% of the net revenue budget to cover any major unforeseen expenditure. The Council will aim to balance its revenue budget over the period of the MTFP without reliance on the use of the general reserve.
- 8.3 Other “earmarked” reserves will be maintained for specific purposes which are consistent with achieving key priorities and/or are required to separately account for Government funding streams.
- 8.4 The Council’s current revenue reserves are set out in the following sections.

i. **General Fund**

This acts as a buffer against unpredicted budget pressures. The current (unallocated) level of around £8.7m is greater than the minimum level required but is regarded as prudent given uncertainty around business rates reforms and the ongoing impact of welfare reforms.

ii. **Corporate Plan delivery Fund (CPDF)**

This provides time-limited funding to deliver key priorities and invest-to-save initiatives. The current balance is £2.0m and the expected usage in 2016/17 is £1.0m.

iii. **Business Rates Equalisation Reserve**

This was established to mitigate the impact of any fluctuations in retained business rates income resulting from, for instance, a back-dated rating appeal or a major employer leaving the area. The balance is £1.0m.

iv. **Insurance Reserve**

This provides cover against uninsured losses and has a balance of £550,000.

v. **New Homes Bonus (NHB) Reserve**

This was established to separately account for NHB income prior to it being used. The balance is £7.7m.

vi. **Superannuation Reserve**

This was established to “smooth” any sudden increases in pension cost. If the recent changes to the pension scheme prove successful in

reducing/eliminating the deficit it may be possible to reduce this in the future but it is recommended that this reserve be retained at present. The balance is £1.5m.

vii. **Growth Points Reserve**

This was established to separately account for Growth Points funding prior to it being used. The balance is £286,000.

viii. **Supporting Families Programme Reserve**

This was established to separately account for the funding of this initiative prior to it being used. The balance is £59,000

ix. **High Street Innovation Reserve**

This was established to separately account for the funding of this initiative prior to it being used. The balance is £70,000.

x. **Business Support Scheme**

This was established to separately account for the allocation of funding to help flood affected business. The balance is £148,000.

xi. **Neighbourhood Improvement Reserve**

This was established to separately account for the funding set aside for neighbourhood improvement projects. The balance is £190,000.

9. Risk Management

9.1 The Council's Strategic Risk Register contains the following:

It has been confirmed by Government that the Council will no longer receive Revenue Support Grant as of April 2017.

The Council, therefore, needs to fund services from other income streams. This will increasingly require the Council to identify and take advantage of commercial opportunities, where services can deliver new income streams.

This will involve new areas of work which will require new skills and expertise, as well as a reasonable level of risk taking.

If we do not generate new income streams in this way, it could lead to reductions in services and standards or to service delivery failure.

9.2 The principles and assumptions contained within this Plan are aimed at ensuring that the Council is financially sustainable and continues to deliver high quality services.

9.3 Individual revenue and capital budget proposals will be subject to detailed risk assessment as part of the Service & Financial Planning process.

Budget 2017/18: Savings & Income Proposals**Annex 2**

Service/Description	Total £000	Efficiency Measures	Income Generation
<u>Car parking</u>			
Increased parking fee income from contract & season tickets (Pay and Display charges will be frozen for 2017/18)	24.0		24.0
Advertising income	10.0		10.0
<u>Customer Contact</u>			
Budget rightsizing	3.5	3.5	
<u>Development Management</u>			
Restructure of TSU Team	6.0	6.0	
Additional income	11.0		11.0
<u>Environmental Health</u>			
Additional income streams from new commercial activities	52.0		52.0
<u>Finance</u>			
Staff reorganisation leading to cost reduction	24.0	24.0	
<u>Greenspaces</u>			
Digitise Cemetery records and place online	2.0	2.0	
Priory Park - high income event	20.0		20.0
Expand sponsorship of roundabouts	10.0		10.0
Additional income, Banners, Pitch Lettings	21.0	21.0	
Allotments - Delegated/self- management	5.0	5.0	
Grounds maintenance - cease external contract and deliver grass cutting in house	31.0	31.0	
Arboriculture - Services to external customers	25.0		25.0
<u>Housing</u>			
Purchase of B&B property will reduce temporary accomodation expenditure.	50.0	50.0	
<u>HR</u>			
Marketing services to other Local authorities.	5.0		5.0
<u>ICT</u>			
Staff reorganisation leading to cost reduction	60.0	60.0	
<u>Leisure & wellbeing</u>			
Increase income & efficiency Harlequin theatre	20.0	10.0	10.0
<u>Licensing, Regulation and EH Technical</u>			
Increase existing licensing fees & charges	8.0		8.0
Licensing pre-application advice	2.5		2.5
JET - Delete vacant position	41.4	41.4	
Delete redundant external consultation budget	50.0	50.0	

Budget 2017/18: Savings & Income Proposals

Annex 2

Service/Description	Total £000	Efficiency Measures	Income Generation
<u>Project and Business Assurance</u>			
Application software support	2.5	2.5	
<u>Refuse, Recycling & Streetscene</u>			
Garden waste membership fee	95.0		95.0
Trade waste income	10.0		10.0
Reduced costs of mixed recycling disposal	250.0	250.0	
Additional income from Reigate and Redhill market	20.0		20.0
<u>Property</u>			
Income from units as part of Merstham regeneration	120.0		120.0
Additional income from letting of retail units	8.0		8.0
Income from hotel at Warwick Quadrant	140.0		140.0
Rent review	20.0		20.0
Banstead Sports Centre maintenance	16.0	16.0	
Donyngs Sports Centre maintenance	5.0	5.0	
Horley Sports Centre maintenance	2.0	2.0	
Telephone mast income	10.0		10.0
Russell Square letting of retail unit	35.0		35.0
Reduction in requirement for rental grant subsidy	35.0	35.0	
Newman House budget rightsizing	5.0	5.0	
Cromwell Road reduction in maintenance	5.0	5.0	
Redstone Cemetery Lodge	2.5	2.5	
Savings from cleaning contract	20.0	20.0	
Warwick Quadrant saving in service charge	10.0	10.0	
Part year income from Habro interest	42.0		42.0
Tattenham Way recreation café	2.5		2.5
Bancroft Road telephone mast income	2.0		2.0
Bancroft Road grounds maintenance	3.6	3.6	
Increase in capitalised salaries	10.0	10.0	
South Annex 2 - service charge delivery	37.0		37.0
South Annex 1 - reduction in planned maintenance	2.3	2.3	
Transfer of costs into the new Property Company	140.0	140.0	
Provision of services to Spelthorne	20.0		20.0
Total Savings	£1,551.8	£812.8	£739.0

Budget 2017/18: Growth Proposals

Annex 3

Service/Description	2017/18 £000	Externally Imposed £000	Loss of income £000	Service Improvements £000
<u>Corporate</u>				
Apprenticeship levy	49.0	49.0		
<u>Democratic</u>				
Committee software system - increased price	10.0			10.0
Member allowances budget rightsizing	30.0			30.0
<u>Development Management</u>				
Planning Enforcement Staffing Resource	38.0			38.0
<u>Election Services</u>				
Senior Elections Officer (in recognition of IER workload)	43.4			43.4
<u>Family Support Programme</u>				
Ongoing running of the Family Support Team	50.0			50.0
<u>Finance</u>				
Treasury Growth resulting from low interest rates impacting on investment income	80.0		80.0	
<u>Greenspaces</u>				
Greenspaces Apprentices	32.0	32.0		
Budget right sizing re works for Horley Town Council	30.0		30.0	
<u>Housing</u>				
Increase in tenancy sustainment resource	12.0			12.0
<u>Human Resources</u>				
Increase Systems Expertise	11.0			11.0
HR Apprentice	16.0	16.0		
<u>Leisure & wellbeing</u>				
Expansion of taxi voucher scheme	15.0		15.0	
<u>Legal</u>				
Rightsizing budget	17.7		17.7	
<u>Licensing, Regulation and EH Technical</u>				
Licensing staffing reorganisation	25.0			25.0
<u>Refuse, Recycling & Streetscene</u>				
Anticipated reduction in Recycling Credits from SCC	200.0		200.0	
Food Waste subsidy reduction from SCC	44.0		44.0	
Total Growth	703.1	97.0	386.7	219.4

Projected Capital Programme 2016/17 to 2021/22

Annex 4

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
CAPITAL RESOURCES: SUMMARY						
Capital Reserves as at 1st April						
Capital Receipts Reserve	26,147.7	15,484.3	9,892.3	8,142.3	7,127.3	5,388.3
Planned Capital Receipts	7,578.0	0.0	0.0	0.0	0.0	0.0
CIL / S106 Funding	1,274.0	195.0	195.0	195.0	195.0	195.0
New Homes Bonus	647.0	0.0	0.0	0.0	0.0	0.0
Capital Grants & Contributions:						
Disabled Facilities Grant	878.0	472.0	472.0	472.0	472.0	472.0
Surrey County Council*	374.0	0.0	0.0	0.0	0.0	0.0
Raven Housing Trust	2,374.0	0.0	0.0	0.0	0.0	0.0
Other Grants	9.0	0.0	0.0	0.0	0.0	0.0
Contributions from Revenue	500.0	500.0	500.0	500.0	500.0	500.0
Total Receipts During Year	13,634.0	1,167.0	1,167.0	1,167.0	1,167.0	1,167.0
Less: Capital Expenditure	24,297.4	6,759.0	2,917.0	2,182.0	2,906.0	2,664.5
Capital Reserves as at 31st March	15,484.3	9,892.3	8,142.3	7,127.3	5,388.3	3,890.8

* Surrey County Council amounts include contributions from their s.106 receipts

EXPENDITURE: SUMMARY						
Waste Management & Recycling Improvements	817.7	20.0	10.0	10.0	10.0	20.0
Environment	114.5	104.0	84.0	84.0	84.0	80.5
Capital Grants	651.0	660.0	660.0	660.0	660.0	841.0
Regeneration	6,423.0	3,735.0	207.0	0.0	0.0	25.0
Leisure & Culture	711.3	356.0	520.0	397.0	356.0	360.0
Strategic Property	13,784.9	963.0	563.0	0.0	0.0	0.0
Organisational Change	898.0	0.0	0.0	0.0	0.0	0.0
Rolling Programmes	897.0	921.0	873.0	1,031.0	1,796.0	1,338.0
Total Expenditure	24,297.4	6,759.0	2,917.0	2,182.0	2,906.0	2,664.5

EXPENDITURE: DETAILED PROGRAMME

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
WASTE MANAGEMENT & RECYCLING						
Earlswood Depot/Park Farm Depot	20.0	20.0	10.0	10.0	10.0	20.0
Waste Blueprint	411.0	0.0	0.0	0.0	0.0	0.0
Bartec Collective Upgrade Garden & Trade Waste	43.0	0.0	0.0	0.0	0.0	0.0
Earlswood Depot Refurbishment Project	343.7	0.0	0.0	0.0	0.0	0.0
	817.7	20.0	10.0	10.0	10.0	20.0
ENVIRONMENT						
Air Quality Monitoring Equipment	68.0	68.0	48.0	48.0	48.0	40.0
Contaminated Land - Investigation work	30.0	30.0	30.0	30.0	30.0	30.0
Land Flood Prevention Programme	16.5	6.0	6.0	6.0	6.0	10.5
	114.5	104.0	84.0	84.0	84.0	80.5
CAPITAL GRANTS						
Large Scale & Small Scale Works Grants	50.0	50.0	50.0	50.0	50.0	50.0
Home Improvement Agency Grant	0.0	0.0	0.0	0.0	0.0	91.0
Disabled Facilities Grant	560.0	560.0	560.0	560.0	560.0	650.0
Repossession Prevention Fund	21.0	30.0	30.0	30.0	30.0	30.0
Capital Grants	20.0	20.0	20.0	20.0	20.0	20.0
	651.0	660.0	660.0	660.0	660.0	841.0

Annex 4

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
REGENERATION						
Memorial Park Improvements	9.7	0.0	0.0	0.0	0.0	0.0
Merstham Regeneration	3,179.0	0.0	0.0	0.0	0.0	0.0
Redhill Public Realm Improvements	68.0	0.0	0.0	0.0	0.0	25.0
Marketfield Way Redevelopment	1,986.0	0.0	0.0	0.0	0.0	0.0
Cromwell Road Redevelopment	300.0	3,100.0	62.0	0.0	0.0	0.0
Marketfield Way : Acquisition of leasehold interest	295.0	0.0	0.0	0.0	0.0	0.0
Redhill Balanced Network	181.0	0.0	0.0	0.0	0.0	0.0
Horley Public Realm Improvements - Phase 2	4.7	0.0	0.0	0.0	0.0	0.0
Horley Public Realm Improvements - Phase 3	0.0	385.0	145.0	0.0	0.0	0.0
Preston - Parking Improvements	350.0	250.0	0.0	0.0	0.0	0.0
Preston - Landscaping	38.6	0.0	0.0	0.0	0.0	0.0
Bus Shelter Replacement Scheme - Engineering	1.0	0.0	0.0	0.0	0.0	0.0
Burgh Heath Path Improvement	10.0	0.0	0.0	0.0	0.0	0.0
	6,423.0	3,735.0	207.0	0.0	0.0	25.0

LEISURE & CULTURE						
Existing Pavilions Programme	30.0	30.0	30.0	30.0	30.0	30.0
Leisure Centres	30.0	30.0	30.0	30.0	30.0	30.0
Leisure Centre - New Build Banstead	268.0	0.0	0.0	0.0	0.0	0.0
Harlequin Property Maintenance 2014-15	0.0	25.0	150.0	40.0	0.0	0.0
Harlequin Maintenance	27.0	7.0	7.0	25.0	25.0	25.0
Play Area's Improvement Programme	280.9	214.0	218.0	222.0	226.0	230.0
Park & Countryside - Infrastructure & Fencing	58.4	45.0	45.0	45.0	45.0	45.0
Brick Planter outside Tadworth Station	7.0	0.0	0.0	0.0	0.0	0.0
Priory Park Maintenance	10.0	5.0	40.0	5.0	0.0	0.0
	711.3	356.0	520.0	397.0	356.0	360.0

STRATEGIC PROPERTY						
Warwick Quadrant - Hotel Development	4,122.0	400.0	0.0	0.0	0.0	0.0
Court Lodge Development	3,440.0	563.0	563.0	0.0	0.0	0.0
Lavender Sandpit study	40.0	0.0	0.0	0.0	0.0	0.0
Development of Land South of Horley	545.0	0.0	0.0	0.0	0.0	0.0
Redhill High Street Lease Acquisition	4,060.0	0.0	0.0	0.0	0.0	0.0
Emergency Housing	922.0	0.0	0.0	0.0	0.0	0.0
Pitwood Park Tadworth	291.0	0.0	0.0	0.0	0.0	0.0
Lee Street Bungalows	364.9	0.0	0.0	0.0	0.0	0.0
	13,784.9	963.0	563.0	0.0	0.0	0.0

Annex 4

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
ORGANISATIONAL CHANGE						
Replacement Photocopiers/Printers	70.0	0.0	0.0	0.0	0.0	0.0
Redcross Car Park Development	175.0	0.0	0.0	0.0	0.0	0.0
New Council Chamber ICT Upgrade	1.0	0.0	0.0	0.0	0.0	0.0
ICT Improvement Programme	652.0	0.0	0.0	0.0	0.0	0.0
	898.0	0.0	0.0	0.0	0.0	0.0
ROLLING PROGRAMMES						
Vehicles & Plant Programme	529.0	529.0	542.0	582.0	1,542.0	846.0
ICT Replacement Programme	57.0	100.0	100.0	275.0	100.0	300.0
Council Offices Programme	100.0	100.0	30.0	30.0	30.0	30.0
Day Centres Programme	50.0	50.0	50.0	20.0	0.0	0.0
Commercial Investment Properties	50.0	50.0	50.0	50.0	50.0	76.0
Car Parks Capital Works Programme	53.0	30.0	30.0	30.0	30.0	30.0
Public Conveniences	4.0	10.0	1.0	5.0	5.0	4.0
Cemeteries & Chapel	10.0	10.0	10.0	0.0	0.0	10.0
Allotments	4.0	2.0	20.0	4.0	4.0	2.0
CCTV Rolling Programme	30.0	30.0	30.0	30.0	30.0	30.0
Infrastructure (Walls etc.)	10.0	10.0	10.0	5.0	5.0	10.0
	897.0	921.0	873.0	1,031.0	1,796.0	1,338.0